

China's Foreign Policy and Other Countries' China Policies



The 40th anniversary of China's reform at the Great Hall of the People, Dec. 2018, Beijing. (Photo Xinhua/AFLO)

On October 1, 2019, China marked 70 years since Mao Zedong declared the establishment of the Central People's Government of the People's Republic of China (PRC). At the ceremony, Xi Jinping, President of China and General Secretary of the Communist Party of China, reiterated that the Chinese people are on the brink of achieving "the great rejuvenation" around the centenary anniversary of the founding of the PRC. It is true that China's economic and military power continues to grow at a faster pace than "developed countries". Although the pace of its economic growth has slowed in recent years, China will continue to

drive changes in the power structure of the international community.

However, it is also true that, especially over the past few years, various problems that could hinder China's progress toward "the great rejuvenation" have become apparent. The first is relations with the United States; friction between the two countries in areas such as trade and science and technology is developing into a full-scale, long-term confrontation over hegemony in the international community. In addition, many Asian and European countries have criticized the "Belt and Road Initiative" (BRI), which is the linchpin of Xi's foreign

policy. Domestically, there are said to be many voices of dissatisfaction and doubt within the party over Xi's tendency toward dictatorship and the deterioration of relations with the United States. Some observers say the economy has already lost a lot of its momentum and the growth rate is slowing down well below official statistics (6%-6.5%). Recently, large-scale demonstrations by Hong Kong residents, triggered by a proposed bill amending the Fugitive Offenders Ordinance, have begun to show rejection of the Communist Party's rule in Hong Kong itself. Failure by the Communist Party to take appropriate measures may lead to a situation where the stability of the mainland's system would be negatively impacted.

With these lofty goals and destabilizing factors, where is China heading now? How does this trend affect the existing international order?

One of the most important factors in China's domestic politics and foreign policy is the stability of the current administration, especially the power of the General Secretary of the Communist Party. General Secretary Xi Jinping succeeded in promoting a large number of his followers to the leadership group

after the 19th Party Congress in 2017, and his power base can be evaluated as stable for the time being. On the other hand, it is true that the aggressive behavior that the Xi administration has consistently adopted has created friction with many countries, and this may be one of the factors that will potentially destabilize his power base.

Relations with society are, of course, an important factor in ensuring the stability of power. Under the Xi administration, there has been a strong push to strengthen ideological control and control over the media. As a result, anti-establishment public opinion in domestic politics has been tightly contained and, in diplomacy, control by the government over the nationalistic public discourse has increased.

Another factor that cannot be overlooked in assessing Xi's power is his relationship with the military. Since taking office as Chairman of the Central Military Commission, Xi has clearly strengthened his grip on the military through a large-scale reform of the military structure carried out before the 19th Party Congress. The reform primarily seems to be aimed at strengthening the military's ability

to wage war, while further analysis is needed before it can be fully evaluated.

How is China's foreign policy actually expressed? Relations with the United States have reached a major turning point. During the "Beidaihe Conference" in the summer of 2018, Xi and his aides were reportedly criticized for worsening relations with the United States. The Xi administration is trying hard to manage relations with the United States by refraining from mentioning "Made in China 2025". On the other hand, some complained about Xi making too many concessions to the United States in trade negotiations and, around May this year, the administration turned to a hardline stance in the negotiations. In October, due in part to the domestic political considerations of the Trump administration, the first deal was concluded, but it is not certain that further progress will be made. In this way, China's foreign policy toward the United States is based on a delicate domestic balance and is expected to fluctuate within a certain range.

Under these circumstances, relations with Japan have clearly improved, particularly since the mutual visits by their leaders in 2018. Contributing factors behind this are the strengthening

of the Xi administration's power base, the slowdown of the Chinese economy, the deterioration of US-China relations, and the improvement of the Chinese public's perception of Japan. On the other hand, most of the security and confidence-building issues between Japan and China remain unresolved.



The Belt and Road Forum, April 2019, Yanqi Lake venue.
(Photo AP/AFLO)

The Xi administration's foreign policy is symbolized by the BRI. A notable trend is the diversification of business in recent years away from traditional infrastructure investments. The current situation surrounding China is quite different from the time the concept was formulated. Domestically, foreign exchange reserves and excess production capacity have both declined, while, externally, the conflict with the Trump administration has surfaced. Under these circumstances, some adjustments have been made since the initial plan. A case in point is the fact that the China has

started to refer to a “high-quality BRI” since the 2019 Belt and Road Forum for International Cooperation, where loans to emerging countries were criticized as being “debt traps”. It can be seen that the high-quality infrastructure investment and the four conditions for cooperation for BRI that Japan advocates – openness, transparency, economic profitability, and fiscal soundness of the host country – have had a certain influence on the direction of China’s policy. In addition to its domestic policy banks, China co-finances various projects through multiple funding sources, including the Asian Infrastructure Investment Bank (AIIB) and the New Development Bank (NDB). However, China tends to independently finance the construction of strategically important infrastructure in developing countries.

How have foreign countries reacted to China’s domestic situation and foreign policy in recent years?

Since the beginning of the second year of the Trump administration, the US government has been exhibiting a strong wariness about China’s foreign policy as a whole. China was defined as a “revisionist power” and it was asserted that “the reemergence of long-term, strategic competition” with such

countries is a “central challenge” to the security and prosperity of the United States. In recent years, this attitude has led the United States to exclude Huawei Technologies in connection with the “5G” next-generation communications standard and label China a “currency manipulator”, while the “trade war” with China has begun to show signs of developing into a full-fledged “economic war”.

In contrast to the US-China relationship, the China-Russia relationship has seen improvement. President Xi and President Putin have met nearly 30 times, and the relationship between the two countries was upgraded to a “comprehensive strategic partnership of coordination” in June 2019. This partnership is not limited to the domains of politics and economy; it aims to also further cooperation security-wise, including military technology and cybertechnology. It is said that discussions are being held about deepening cooperation in missile defense. It goes without saying that behind these developments are the two countries’ relationships with the United States.

Yet beneath the surface, Russia remains wary of China; this is due to security

concerns caused by China's rise and the shift in the power balance. For example, Russia's strategy to have intermediate-range nuclear forces even if it violates the INF Treaty may have been related to its intention to eliminate its asymmetry with China in this field. Although China recognizes this Russian wariness, it has put on display a harmonious relationship between the two countries because of strategic necessity. Regarding economic relations, numerous initiatives have been launched; however, as the economic benefits for China are not necessarily large, the projects have not seen concrete progress.

China-DPRK relations are also seeing close cooperation, at least on a superficial level. Relations between China and the DPRK had deteriorated from the first half of 2017 but, in early 2018, when Kim Jong-un, Chairman of the Workers' Party of Korea, mentioned "denuclearization" and when preparations were underway for the US-DPRK summit meetings, Kim visited Xi in Beijing in March of that same year. Since then, Chairman Kim has visited China four times as of October 2019, and in June 2019, President Xi visited Pyongyang for the first time. Nevertheless, the

development of China-DPRK relations is still a dependent variable for US-DPRK relations. The DPRK does not want China to intervene excessively in the process of establishing a peace regime on the Korean Peninsula, and the current China-DPRK "honeymoon" is not guaranteed to hold.

Among the countries involved in the disputes over sovereignty in the South China Sea, the Philippines under the Duterte administration has adopted a conciliatory policy toward China. Contributing factors behind this are the Philippines' policy of placing the stabilization of domestic security and economic development at the top of the "security" agenda, China's stance of responding positively to such a posture, and the Philippines government's perception that US involvement in South China Sea issues is passive. On the other hand, Vietnam tends to show more clearly its wariness of China on the South China Sea issue. On the economic front, although China's direct investment in Vietnam has increased sharply due to the US-China trade war since the beginning of 2019, there is a strong inclination to avoid excessive dependence on China.

India's relations with China had worsened from the middle of 2016, due in part to the military confrontation on the Doklam plateau. Since April 18, however, India, which like China has a huge trade surplus with the United States, has been inclined to ease its confrontation with China as the US-China trade war rages in the background. After the United States removed India from the Generalized System of Preferences (GSP) in June 2019, Indian Prime Minister Narendra Modi, who attended the Shanghai Cooperation Organization (SCO) summit in that same month, criticized the move as unilateralism and protectionism while avoiding mentioning the US by name, and confirmed cooperation with China. However, strategic mistrust still underlies India's view of China.

Since 2018, Australia's relations with China have been deteriorating to the point where they are said to be the worst since the normalization of diplomatic relations between the two countries. Behind this is the growing awareness among universities and research institutes that China is using its financial power to spread its influence, which has heightened the threat of its "sharp power". Under these circumstances,

the current administration has taken a tough stance on "interference" from China with its August 2018 decision to virtually exclude Chinese companies such as Huawei and ZTE from its 5G networks.

The trend of worsening relations with China is also seen in Europe. The "EU-China – A strategic outlook" released by the European Commission in March 2019 strongly reflected the EU's mistrust of China and positioned China not only as a partner but also as a "systemic rival". There is concern that the "16 + 1" framework established in 2012 between China and 16 Central and Eastern European countries may be a Chinese ploy to divide Europe, and there is growing concern about the penetration of China's political influence through economic means. On the other hand, in response to Xi's visit to Europe in March 2019, some countries, including Italy and Luxembourg, have announced their intention to deepen their cooperation with China on BRI.

Given these circumstances, it is expected that the risk of destabilization of the international order will increase over a relatively long period of time. The rise of China and the confrontation between

the United States and China are now long-term trends. Even if trade friction, which has captured the attention of the Trump administration, is alleviated, there will still be a wide gap between the two countries in terms of governing models and values, as evidenced by Vice President Mike Pence's October 2018 speech. As China continues to declare its goal of increasing its wealth and military strength, there is a risk that it will intensify its confrontation with the United States in the future. Furthermore, this could develop into a wider struggle for hegemony between the United States and China.

Other countries are increasingly wary of China because of political and security concerns, even though they need the economic benefits that relations with China bring. Many democracies, including Japan, are concerned that China will export its governing model, which relies on surveillance and coercion, and seek to establish its own sphere of influence by strengthening its ties with authoritarian states. Other neighboring countries are also apprehensive about the excessive expansion of China's influence, while maintaining good relations with China on the surface. China has stressed that no matter how it might develop, it will never threaten any other country

or seek any sphere of influence, but its explanations and actions are not convincing.

The confrontation between the United States and China is making the latter draw closer to Japan, which at this moment has a positive effect on Japan-China relations. However, if the United States starts to seek Japan's cooperation in various ways in its policy of pressuring China, Japan could be placed in a dilemma between the United States and China. Needless to say, the Japan-US alliance remains the linchpin of Japan's diplomacy. On the other hand, there might be some room to deepen Japan-China cooperation on issues common to Japan's vision of a "Free and Open Indo-Pacific (FOIP)" and China's BRI (for example, strengthening regional connectivity), with the condition that China ensures the recipient countries' financial soundness, openness, transparency, and economic efficiency. At the same time, it is important for Japan to monitor the perceptions and policies of other countries toward China and to pursue coordinated policies with these countries if they match Japan's national interests. In doing so, it is necessary to urge China, as a key member of the international community, to act in line with the principle of maintaining the liberal international order. ■