

China + Geopolitics

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China's new assertiveness

In recent years, China has shifted its foreign policy stance from former leader Deng Xiaoping's long-standing dictum – "hide your strengths, bide your time".

Throughout Deng's period of leadership and even for a long period after, China showed a willingness to compromise and postpone resolution of differences with its neighbours. This was especially evident with the conflict over the Diaoyu/Senkaku Islands, with Deng proselytizing that it should be left for future generations to settle. The exceptions to this are of course Hong Kong, where return to China was skilfully managed, and Taiwan, where Beijing has ensured and consistently maintained its international isolation.

Over the past decade, China has spent heavily on military modernisation. This is difficult to measure reliably, however, the rate of spending has increased faster than GDP and is doubling every 7–8 years. Defence expenditure as a percentage of GDP is increasing, but is still likely less than 5% of total spend. Despite this increase, defence expenditure remains less than US spending in both absolute terms and as a share of GDP.

Regional concerns and tensions with the USA continue to grow as China engages in more 'muscular diplomacy' in the region, especially with Japan and in the South China Sea with Philippines and Vietnam.

This new assertiveness is also being seen in China's relations with India. Border disputes have seen the occasional military incursion and, more importantly, have resulted in a massive investment in road and rail infrastructure along the border areas by China. This has provided China the capability of large-scale deployment of military forces and support along the border which India has not yet matched – whether unwilling or unable to do so.

China's assertiveness has not been limited to other Asian neighbours with Beijing increasingly prepared to challenge the USA in the western Pacific – albeit through relatively minor but sometimes potentially risky plays. Examples of this range from symbolically denying the USS Kitty Hawk permission to dock in Hong Kong in 2010 to challenging US naval vessels and aircraft on patrol near Chinese territory.

It seems this change in foreign policy stance is here to stay, as China continues to expand the areas in which it is active, with activity in cyberspace being the newest area of concentration.

Is China becoming an expansionist power?

China's strategic objective in its neighbourhood is to balance US presence, but it is too soon to balance US power. To some extent this has already happened. The US can no longer operate in the western Pacific as it had done unchallenged since 1949. For example, it is inconceivable now that the US would sail a carrier fleet through the Taiwan Straits as it did in 1996 to "teach Beijing a lesson" over Taiwan. Viewed from Beijing, China's security needs look very different than when viewed from Washington or Canberra.



Regional concerns and tensions continue to grow as China engages in more 'muscular diplomacy'

For China, security concerns are represented by the following:

- > Unresolved territorial disputes within its borders – Xinjiang, Tibet and Taiwan
- > Border conflicts with other countries. China has 22,000 kilometres of land borders with 12 countries – all of whom China has either been in conflict with or there is mutual suspicion
- > The potential for the collapse of North Korea. Erratic behaviour and propensity to embarrass China is a source of anxiety
- > Unresolved issues that remain with Japan, coupled with deep anti-Japanese sentiment within the general population making the issues difficult to manage
- > Territorial disputes in the South China Sea. China seeks to bring ASEAN closer to it in regional affairs, but its effort to assert its claims in the region fuel deep-seated suspicions, foster anti-Chinese sentiments in some ASEAN countries, and drive some ASEAN members closer to the US
- > Chinese dependence on world markets to supply it with the resources it needs for its survival. From the 1990s, China went through a series of tipping points from being largely self-sufficient in energy and materials, to becoming a major net importer of many goods.

China realises that the survival of the Chinese Communist Party depends on sustaining reasonably high rates of economic growth and improving living standards. Given this, China still needs a stable world which remains reasonably open to Chinese trade and investment. For this reason it is clear that China is not becoming an expansionist power, nor is it in its best interests to be so.

China reshaping the world

China is trying to reshape the geo-political world. Former President Hu Jintao once described the Straits of Malacca as the “boot on China’s throat”. This is in reference to the fact that China’s resource security depends heavily on the transit of energy, materials and increasingly food through the Straits.

This resource security is a principal reason for China’s new assertiveness in the region, despite the results being largely counterproductive so far. At the very least, China’s actions have put everyone on notice that if it feels its interests are under challenge, it is prepared to act and increasingly has the capacity to do so.

Of perhaps greater geo-political importance is Beijing’s determination to reduce reliance on this trade route. This has seen Beijing investing heavily in new routes to circumvent the Straits of Malacca, with a focused and determined diplomatic effort behind the strategy.

China’s new Great Game

When the Great Game was played out between Britain and Russia in the late 19th and early 20th centuries, it was conducted largely on Chinese territory with the weakened Qing Empire a mere observer. As was the case then, Central and South Asia were key theatres.

China has built and plans to expand networks of gas pipelines across Asia and now also Russia. Many of these are completed, and will reduce China's dependency on seaborne trade in gas and possibly oil over time.

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Further to this, new ports are being built in Pakistan and Burma to give China direct access to Indian Ocean shipping lanes and continue to reduce reliance on trade through the Straits of Malacca.

Meanwhile on land, the traditional Silk Road routes to Europe are being lined with new railways for freight and passengers. Rail freight will soon travel regularly from landlocked mega-cities in central China – such as Chongqing – to the ports of Hamburg and Rotterdam in 12–14 days. This is just a fraction of the time it now takes by sea.

Plans are also well advanced to extend China's high-speed rail network throughout Indochina – Thailand has already agreed to this – with the southern Chinese city of Kunming becoming the transport hub for the region and interior China.

Historically, when transport routes have changed – such as when the Portuguese rounded the Cape of Good Hope (and incidentally put the old Silk Road out of business), or the Suez and later the Panama canals were opened – this has had profound effects on world trade and geo-politics. This could again be the case with China's quest for resource security and the expansion of trade routes.

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