

Chapter 4

China— Quest for a “Responsible” Power

In October 2006, Japanese Prime Minister Shinzo Abe visited China to meet President Hu Jintao and Premier Wen Jiabao. They agreed to work together toward mutually beneficial relations based on common strategic interests (hereafter, “strategic relationship”). The two countries, in a joint press release, announced that they would properly address bilateral problems with a view to building a strategic relationship, and that they would strengthen coordination and cooperation on international and regional issues. However, it is not easy to find answers satisfying to both sides on the outstanding issues that relate to the medium- and long-term interests of the two countries—the dispute over oil and gas exploration rights in the East China Sea and the Taiwan issue.

US-China relations have taken a new twist in recent years. Under the “responsible stakeholder” policy, the United States urges China to act responsibly for the world economy and international security, regarding it as an influential global actor.

For its part, China appreciates this US posture as a whole but does not necessarily embrace a role dictated by the United States. Whereas China did take a tougher stance toward North Korea in response to its nuclear test in October 2006, China steadfastly maintains a policy ensuring the stability of the North Korean regime and is reluctant to place additional pressure on Pyongyang. Meanwhile, it is being revealed that China does not have much leverage with North Korea, which suggests it is not easy for China to act as the international community expects in solving the North Korean problems.

In recent years, the Chinese People’s Liberation Army (PLA) has increasingly emphasized “military diplomacy.” The PLA is promoting cooperation with neighboring countries and regions especially to cope with nontraditional security threats such as terrorism. Also, the PLA has been more involved in global security issues, actively participating in United Nations peacekeeping operations. On the other hand, Chinese efforts to modernize its armed forces are leading to the enhancement of power projection capabilities partly in tandem with its “military diplomacy” with Russia. Meanwhile, the transparency of China’s military remains less than adequate. China should be more accountable for not only its defense expenditures and equipment but also its military strategy.

1. In Pursuit of Common Interests with Japan

(1) Seeking to Improve Its Relations with Japan

China's relations with Japan are often described as "Cold Politically while Warm Economically," or the "Ice Age." Such frosty political relations are the result of China's protests against the visits to Yasukuni Shrine by then Prime Minister Junichiro Koizumi, the controversy over Japanese history textbooks, China's opposition to the Japan's bid for a permanent seat on the United Nations (UN) Security Council, the Chinese exploitation of oil and gas in the East China Sea, and the Taiwan issue. Although some of these issues are new, they are rooted in more structural discord. The fundamental question is how the two countries should adjust themselves to the rise of China and build new relations as two major powers. Bilateral trade between Japan and China (including Hong Kong) reached US \$227.1 billion in 2005, when China overtook the United States as Japan's largest trading partner. Politically, China is hosting the Six-party Talks regarding nuclear development by the Democratic People's Republic of Korea (DPRK or North Korea), which indicates its willingness to take a leading role in resolving one of the main security problems in the East Asian region. For Japan, building a stable relationship with China is imperative not only for enjoying prosperity but for maintaining national security.

As for China, relations with Japan are very important in terms of its development and foreign relations. Although Japan's share of China's trade has declined since 2004, it still remains China's third largest trading partner after the European Union (EU) and the United States. However, cooperation from Japan is critical for China to sustain its growth. In the 11th Five-year Plan (2006–2010), adopted in March 2006, the Hu Jintao administration presented its blueprint for building a "harmonious society (*hejie shehui*)" based on the "scientific development concept." In order to build this harmonious society, China must address the problems that could destabilize its society, such as uneven development among regions, among ethnic groups, and between city and village. It must also deal with energy supply and environmental issues in achieving sustainable growth. The 11th Five-year Plan envisions clean development—that is, environmentally sound development. Investment and technology from Japan are essential for attaining such a goal. The Chinese Ambassador to Japan, Wang Yi, notes that Japan has accumulated ample experience and know-how in energy efficiency and

environmental protection; he believes that better relations with Japan are key to successful construction of a harmonious society. In the realm of foreign relations, China's effort to establish an East Asian Community would be nullified without Sino-Japanese cooperation.

Although the Chinese leadership has deeply understood the importance of breaking out of an impasse in Sino-Japanese relations, President Hu's "five-point proposal" has posed a major obstacle. This proposal was presented at an April 2005 summit meeting between President Hu Jintao and then Prime Minister Junichiro Koizumi after large-scale anti-Japanese demonstrations in China. In the proposal, Hu asked Koizumi to take specific actions to forge a friendly and cooperative relationship with China. One of the core messages of the proposals was that the Japanese government should translate remorse expressed for Japan's wartime aggression against China into concrete actions. Another purpose was to have Japan demonstrate its adherence to the "One China" policy by confirming its opposition to Taiwanese independence. Hu claimed that Koizumi had fully agreed with his five-point proposal, assuming that the proposal would be the basis for improving relations. Since then, the two countries have been engaging in vice-minister-level strategic dialogue. However, after Koizumi's visit to Yasukuni Shrine in October 2005 and August 2006, China suspended summit meetings. China views Koizumi's visits to Yasukuni Shrine as a breach of the agreement. In a conversation on February 8, 2006, between Chinese State Councilor Tang Jiaxuan (in charge of foreign relations) and Takeshi Noda, a Liberal Democratic member of the House of Representatives, Tang said that he no longer had any expectations about Koizumi and that chances of improving the ties between the two countries were extremely small; he indicated that it would be difficult to resume summit meetings while Koizumi was prime minister.

However, the idea of resuming summit talks with Japan on condition that Prime Minister Koizumi stop visiting Yasukuni Shrine was not a refined position in terms of negotiation tactics. Instead of "fully agreeing" with Hu's five-point proposal, Koizumi merely stated that he would "consider" the proposal. While China did recognize the importance of improving its relations with Japan, its insistence on the suspension of visits to Yasukuni Shrine as a precondition for resuming summit talks meant in practical terms that chances for improving Sino-Japanese relations were very limited. If China were indeed serious about improving its relations with Japan, it would have to tone down its demand on the Yasukuni issue. In fact, in

April 2006 Deputy Director Wang Guoqing of the Information Office of the State Council of China, while calling for a halt to the Yasukuni visits as an official policy, displayed a certain softening of attitude by adding that Japanese leaders may have personal feelings toward the shrine. When President Hu met with representatives of seven Japan-China friendship organizations, led by former prime minister Ryutaro Hashimoto on March 31, 2006, he issued a statement regarding Japan-China relations. Prior to the release of the statement, there was speculation that President Hu would only stress the reason why China regards the history issue as vital, and avoid directly touching upon the Yasukuni Shrine visits of Prime Minister Koizumi and the Class A war criminals enshrined there.

(2) Changes in China's Stand on the Yasukuni Issue

The statement issued by Chinese President Hu Jintao on March 31, 2006, reiterated the importance of good neighborhood with Japan. President Hu stressed that it is “clear, consistent, and unswerving” Chinese policy to manage China-Japan relations from strategic perspectives committed to peaceful coexistence, durable friendship, mutual benefit, and coprosperity. He said that China would abide by the principles of three political documents: the Japan-China Joint Communiqué of 1972; the Japan-China Peace and Friendship Treaty of 1978; and the 1998 Japan-China Joint Declaration. Hu proposed to properly settle the discords through consultations between equals in accordance with the principle of “taking history as a mirror and moving onward into the future.” He further noted that the discord is neither caused by the Chinese side nor is it rooted in the Japanese people, and blamed this squarely on the visits to Yasukuni Shrine by Prime Minister Koizumi. His remark, accusing the prime minister but showing sympathy to the Japanese people, indicates some soft-pedaling of the Yasukuni issue. However, Hu's precondition for resuming the summit provoked resentment from Japanese leaders. Prime Minister Koizumi manifested his displeasure at Hu's March 31 statement, which linked summit meetings to the Yasukuni visits. Then Chief Cabinet Secretary Shinzo Abe and Minister for Foreign Affairs Taro Aso followed suit.

The Chinese leader might well have known that Koizumi himself would never give up visits to Yasukuni. The real message of Hu's statement was directed not at Prime Minister Koizumi but at his successor. Indeed, Chinese State Councilor Tang Jiaxuan stated at a meeting with the representatives of the seven Japan-China friendship organizations that Hu's statement was aimed at future leaders of Japan.

It should also be noted that Hu's statement might have been directed at a domestic audience. If President Hu were to be looked upon as making a concession on the issue of Yasukuni Shrine without achieving any tangible benefit from Japan, there was a danger that two undesirable scenarios might arise. The first is that strong anti-Japanese popular sentiment would turn toward the Chinese government. The second is that differences within Hu's own administration would have come to the surface. As noted earlier, some in the Chinese government made remarks somewhat sympathetic toward the Yasukuni visits, and perhaps there was debate within the administration on whether to link the Yasukuni issue with summit talks.

The Hu administration recognizes that putting pressure on Japan simply to elicit a commitment not to visit Yasukuni Shrine would not be in its own interests. Rather, the priority was given to paving the way for resuming summit talks with the next administration in Japan. This stance was evinced later when the Chinese leaders changed the nuance of its demands on the Yasukuni issue. At a meeting with the Japanese foreign minister, which took place during the Fifth Asia Cooperation Dialogue Ministerial Meeting in Doha, Qatar, in May 2006, Chinese Foreign Minister Li Zhaoxing stressed that the insistence of Japanese leaders on paying homage at Yasukuni Shrine, which honors convicted Japanese war criminals, severely hurts the feelings of the Chinese people and harms the basis of bilateral ties. While calling it imperative to remove such an obstacle, Li avoided directly calling for a halt to Yasukuni visits.

The Japanese government recognized the positive message coming from the Chinese side, which led to four points of agreement between the foreign ministers. Those points are (a) stepping up strategic dialogue with joint efforts to remove political obstacles, (b) expanding the base of common interest through trade and financial relations, as well as through cooperation in the energy and clean-environment sectors, (c) promoting mutual understanding and friendship through people-to-people exchanges, especially among the younger generations, and (d) building mutual confidence through security dialogues at the foreign vice ministerial level as well as through defense exchanges. The foreign ministers also agreed to accelerate bilateral talks concerning their dispute over oil and gas exploration rights in the East China Sea. Based upon this agreement, the sixth consultation meeting was held in Beijing in July 2006, where China agreed to Japan's proposal to set up a panel of technical experts to explore various forms of joint exploration in the area, and the two countries agreed to hold a panel meeting

at the next consultative meeting. The two sides also agreed to set up a mechanism to avoid contingencies in the East China Sea, including a plan to secure communication between the Japan Coast Guard and the State Oceanic Administration of China.

Besides the Yasukuni issue, China's interest in improving its relations with Japan could be seen in its proposal for a joint history project between the two countries. A Chinese delegation attended as an observer to the Education Ministers' Meeting of the Group of Eight (G8) countries, held in Moscow in June 2006. China informally proposed to its Japanese counterpart joint research on contemporary history including the Yasukuni issue. Earlier, at a meeting of the Chinese and Japanese foreign ministers in April 2005—the month when anti-Japanese demonstrations broke out in China—the two sides had agreed in principle to positively consider joint research. However, Chinese newspapers reporting on the bilateral meeting were silent on the agreement on historical research, which hinted at feelings within China opposed to such joint research. Taking these circumstances into account, the fact that China repropose the research project can be taken as a sign of its willingness to improve relations with Japan.

This is not to say that the Chinese government has changed its basic position that Japanese leaders should not pay visits to Yasukuni Shrine. When Prime Minister Koizumi went to Yasukuni for the sixth time on August 15, 2006, the Chinese Ministry of Foreign Affairs issued a strong protest. However, the Chinese government had anticipated that Prime Minister Koizumi would visit Yasukuni on August 15, and the tone of the statement was less harsh than in the past. The criticism contained in this statement was primarily leveled against Koizumi, and it expressed, apparently with his successor in mind, the hope for improvement in China's relations with Japan, saying that “people with insight from all walks of life in Japan will follow the historical tide and make efforts to remove the political barriers so as to push Sino-Japanese ties back to the normal track at an early date.”

Following the election of Chief Cabinet Secretary Shinzo Abe as president of the ruling Liberal Democratic Party (LDP) on September 20, 2006, a strategic dialogue was held on September 23 between Executive Vice Foreign Minister Dai Bingguo of China and Vice Minister for Foreign Affairs Shotaro Yachi of Japan to explore the possibility of resuming summit talks between the two countries. Although Dai demanded that Abe not visit Yasukuni Shrine after taking office as prime minister, Yachi refused to confirm whether Abe would visit or not.

Nevertheless, the Chinese government accepted an official visit from Prime Minister Abe on October 8–9, 2006. The statement issued by the Chinese Foreign Ministry on October 4 announcing the visit of Prime Minister Abe once again toned down the wording concerning Yasukuni Shrine. It announced that as “China and Japan have reached a consensus on overcoming the political obstacle to the bilateral relationship and promoting the sound development of a friendly and cooperative bilateral relationship,” Japanese Prime Minister Abe would pay an official visit to China at the invitation of Premier Wen Jiabao. It called upon Japan to remove the political obstacle—i.e., the visits to Yasukuni Shrine by Japanese prime ministers—pursuant to the five-point proposal. The use of the words “overcoming the political obstacle” suggests that the Chinese government could not elicit from Japan a firm commitment not to visit the shrine. This notwithstanding, the Chinese side interpreted Prime Minister’s position of “not expressly committing himself” as an attitude of trying to “overcome the political obstacle,” and decided to resume summit talks with the newly elected prime minister.

(3) Abe’s Visit to China and “Strategic Relationship”

On October 8, 2006, Prime Minister Abe paid an official visit to China and had talks with President Hu Jintao, Premier Wen Jiabao, and Chairman Wu Banguo of the Standing Committee of the National People’s Congress. This was the first official visit by a Japanese prime minister since Prime Minister Keizo Obuchi went to China in July 1999. The heads of the two states reaffirmed that Sino-Japanese relations are one of the most important bilateral relations for the two countries, and agreed to strive to build a “mutually beneficial relationship based on common strategic interests” (hereafter, “strategic relationship for mutual benefit” or “strategic relationship”). They also agreed to pay formal mutual visits as often as possible (such visits had been suspended during the years of the Koizumi administration) and have frequent summit talks; Prime Minister Abe extended invitations to President Hu Jintao and Premier Wen Jiabao.

The Japan-China joint declaration of November 1998 had characterized the basic framework of Japan-China relations as a “partnership of friendship and cooperation for peace and development.” In the late 1990s China was trumpeting “partnership (huoban guanxi)” as an alternative to the alliances favored by the United States. In April 1996, China had formed a strategic partnership with Russia, and in November 1997 reached an agreement with the United States to

work together to build a constructive strategic partnership between them.

More recently, in October 2003, China raised the status of its relations with the Association of Southeast Asian Nations (ASEAN) to a new level by signing the Joint Declaration on the Strategic Partnership for Peace and Prosperity, and in January 2006, in its first policy paper dealing with Africa, defined its relations with Africa as a strategic partnership.

Prime Minister Shinzo Abe accompanied by Premier Wen Jiabao, being greeted by a guard of honor in Beijing (October 8, 2006) (Kyodo News)

The joint declaration issued by the Forum on China-Africa Cooperation held in Beijing in November the same year also proclaimed the establishment of a new type of strategic partnership between China and Africa. For China, these “strategic” relations are comprehensive and shape the political, economic, and security structure of the region as well as the world. Although the Chinese government had characterized its relations with Japan in a similar vein, it had done so under a basic framework—“partnership of friendship and cooperation,” not a strategic partnership. Therefore, China’s acceptance of Japan’s proposal for building strategic relations for mutual benefit indicates that the Chinese leadership has raised its relations with Japan to a higher status. President Hu Jintao averred that mutually beneficial cooperation between Japan and China would contribute not only to the development and interests of the two countries but also to the “peace, stability, and prosperity of Asia and the world,” and that, therefore, the two countries must face up to, and properly grasp, their relations from “a strategic and a long-term standpoint.”

The strategic orientation was spelled out in the Japan-China Joint Press Statement issued on the occasion of Abe’s visit to China in October 2006. The statement says that both sides share the view that stable Japan-China relations are in the best interest of the two countries, and that it is the solemn responsibility for both countries in this new era to contribute constructively and work together for the peace, stability, and development of Asia and the world. Based on this shared awareness, they agreed to elevate the status of Japan-China relations to a higher dimension based on common strategic interests, and proposed wide-ranging areas

for cooperation in the coming years. The first point is to step up high-level exchange and dialogue by way of mutual visits and hold talks on the occasion of multilateral meetings. The second point is to make the East China Sea a “sea of peace, cooperation and friendship” by accelerating the process of dialogue and consultation in which differences of opinion are resolved, adhering to the broad direction of joint development of energy resources and seeking a resolution acceptable to both countries. The third is to promote exchange and cooperation at various levels in areas such as politics, economics, security, society, and culture. More specifically, both countries stressed bilateral cooperation in the areas of energy, environmental protection, finance, information and communication technology, and protection of intellectual property, as well as security dialogue and military exchange.

On the history issue, they agreed to launch a joint historical research project by scholars from both sides, and the first meeting of the joint research project was held in Beijing in the end of December 2006. In addition, they agreed to strengthen coordination and cooperation on international and regional issues, and expressed their deep concern over the recent situation on the Korean Peninsula. On the North Korean nuclear issue, they reaffirmed that they would promote the Six-party Talks, working through dialogue and consultation to achieve the denuclearization of the Korean Peninsula and to maintain the peace and stability of Northeast Asia. Furthermore, they pledged joint efforts to promote the economic integration of East Asia, and to increase coordination in East Asian cooperation as well as within the context of the Japan-China-South Korea trilateral framework. They also supported reform of the United Nations, including that of the Security Council, and indicated their willingness to further strengthen dialogue.

The characterization of Sino-Japanese relations as “strategic relations” by the heads of the two states and the specification of wide-ranging areas of cooperation in the joint press statement were highly significant, and such efforts will go a long way toward enabling the two countries to coordinate and cooperate in carrying out the specific policies agreed upon. For instance, when the UN Security Council (UNSC) was drafting a presidential statement in response to North Korea’s prior notification of its nuclear test on October 3, 2006, China’s Ambassador Wang Guangya said that the Japanese draft was the best, showing his willingness to cooperate with his Japanese counterpart. China basically supported the adoption of a UNSC resolution issued on October 15 after the nuclear test although it was reluctant to sanction measures involving the use of force.

However, building a Japan-China strategic relationship based on common interests will by no means be free from difficulty. On the Yasukuni issue, China did decide to resume summit talks with Japan by interpreting Prime Minister Abe's noncommittal stance as an act taken to "overcome the political obstacle." But this does not mean that China has abandoned its position that Japanese prime ministers should remove the obstacle to improve bilateral relations. On the question of exploration of oil and gas in the East China Sea as well, China has not yet accepted the so-called "middle line" proposal by Japan.

Another litmus test for Japan would be the Taiwan question. The main stumbling block to resuming summit talks revolved around the Yasukuni issue; but China, in its five-point proposal, also demanded that Japan clarify its position on the Taiwan question. President Hu Jintao wanted Japan to show in concrete acts its commitment to the "One China" policy and its opposition to Taiwan independence. One factor prompting this demand was China's displeasure with a joint statement issued by the US-Japan Security Consultative Committee in February 2005, which stated that, as part of common strategic objectives in the Asia-Pacific region between Japan and the United States, the two countries "encourage the peaceful resolution of issues concerning the Taiwan Strait through dialogue." In response, the Chinese government expressed strong opposition to such a common strategic objective on the ground that it "interferes with China's sovereignty." In this respect, the Japan-China Joint Press Statement in October 2006 says that both sides will observe the principles of the 1972 Japan-China joint communiqué, the Treaty of Peace and Friendship between Japan and China of 1978, and the Japan-China Joint Declaration of 1998; the inclusion of this clause also shows China pressing Japan on the Taiwan question. The Japan-China Joint Declaration of 1998 stated that both sides would observe the principles of the joint communiqué of 1972 and the treaty of 1978. In turn, the treaty said that the principles enunciated in the joint communiqué should be strictly observed. In the 1972 joint communiqué, Japan recognized the government of the People's Republic of China as the sole legal government of China; the Chinese government reiterated that Taiwan is an integral part of the territory of the People's Republic of China; and Japan "fully understands and respects this stand of the Government of the People's Republic of China and it [Japan] firmly maintains its stand under Article 8 of the Potsdam Proclamation."

Given the new direction of Japan-China relations—that is, a "strategic relationship"—the two countries will have to put into action cooperation set forth

in the Joint Press Statement. Solving such contentious issues as oil and gas exploitation in the East China Sea and the Taiwan question are no easy task, as they involve the medium- and long-term interests of both countries. Building such a “strategic relationship” will require much hard work.

Japan-China Joint Press Statement

October 8, 2006

1. Prime Minister of Japan Shinzo Abe made an official visit to the People’s Republic of China from 8 to 9 October 2006, in response to an invitation extended by Premier Wen Jiabao of the People’s Republic of China. During his visit, Prime Minister Abe held talks with President of the People’s Republic of China Hu Jintao, Chairman of the Standing Committee of National People’s Congress Wu Bangguo, and Premier of State Council Wen Jiabao.
2. Both sides shared the view that, over the past 34 years since the normalization of bilateral relations, exchanges and cooperation in each area between Japan and China have expanded and deepened steadily, the interdependence has deepened, and that Japan-China relations have become one of the most important bilateral relations for both countries. Furthermore, both sides shared the view that promoting the continuation of sound and stable development of Japan-China relations is fundamental in the interest of both countries, and that it is the solemn responsibility of both countries and of the bilateral relations in the new era to contribute constructively to the peace, stability, and development of Asia and the world.
3. Both sides shared the view that the two countries would continue to observe the principles enunciated in the Joint Communique of the Government of Japan and the Government of the People’s Republic of China, the Treaty of Peace and Friendship between Japan and the People’s Republic of China, and the Japan-China Joint Declaration, and that they would face past history squarely, advance towards the future, deal appropriately with issues which may influence the development of Japan-China relations, operate the two wheels of politics and economy, and elevate Japan-China relations to a higher dimension. Furthermore, both sides shared the view that the two countries would strive to build a mutually beneficial relationship based on common strategic interests, and achieve the noble objectives of peaceful co-existence, friendship for generations, mutually beneficial cooperation, and common development.
4. Both sides believe that contact and dialogue between the leaders were greatly significant for sound development of the relationship of the two countries. The Japanese side invited the Chinese leaders to visit Japan. The Chinese side expressed gratitude and agreed in principle, and both sides shared the view that consultation through diplomatic channels should be made. Both sides

shared the view that the two leaders would frequently hold talks on the occasion of international meetings.

5. The Chinese side emphasized that the development of China is a peaceful development, and China would achieve development and prosperity together with Japan and other countries. The Japanese side positively appreciated China's peaceful development and that its development has provided a great opportunity for Japan and the international community since it began to reform and open to the outside world. The Japanese side emphasized that Japan more than 60 years after the War, has been consistently following the path of a peaceful country, and would continue to follow this path. The Chinese side positively appreciated this.
6. Both sides reaffirmed that, in order to make the East China Sea a "Sea of Peace, Cooperation and Friendship," both sides should firmly maintain dialogue and consultation, and resolve appropriately difference of opinions. Both sides confirmed that they would accelerate the process of consultation on the issue of the East China Sea, adhere to the broad direction of joint development and seek for a resolution acceptable for the both sides.
7. Both sides shared the view that they would promote exchange and cooperation in areas such as politics, economy, security, society, and culture at various levels.
 - strengthen mutually beneficial cooperation particularly in the areas of energy, environment protection, finance, information and communication technology, and protection of intellectual property.
 - promote ministerial-level dialogue, consultation among relevant authorities, and dialogue among the public and private sectors in the economic field.
 - taking the opportunity of the 35th anniversary of the normalization of bilateral relations between Japan and China in 2007, actively develop exchange, especially youth exchange, through holding Japan-China Year of Culture and Sports, and exchange friendly sentiment between the two Peoples.
 - enhance mutual trust in the area of security through Japan-China security dialogue and defense exchange.
 - start joint research of history by Japanese and Chinese scholars.
8. Both sides shared the view that they would strengthen coordination and cooperation on international and regional issues.

Both sides expressed their deep concern over the recent situation on the Korean Peninsula, including the issue of a nuclear test. In this regard, both sides reaffirmed that they would promote the progress of Six-Party Talks in accordance with the Joint Statement of the Talks together with the parties, and

cooperate and make utmost efforts through dialogue and consultation for achieving denuclearization of the Korean Peninsula and maintaining peace and stability in Northeast Asia.

Both sides reaffirmed that they would make joint efforts to promote the process of integration of East Asia, and strengthen their coordination in East Asia regional cooperation and Japan-China-Republic of Korea trilateral cooperation.

Both sides supported necessary and rational reform of the United Nations including the Security Council reform, and expressed their will to enhance dialogue in this regard.

9. The Japanese side expressed its gratitude for the heart-felt and friendly reception by the Chinese side during Prime Minister Shinzo Abe's visit to China.

The statement was announced on 8 October 2006 in Beijing.

Source: The website of the Ministry of Foreign Affairs of Japan.

2. Rising China and Its International Responsibility

(1) China as a “Responsible Stakeholder?”

While the United States has been stepping up cooperation with China in the field of security—as in the fight against terrorism and the Six-party Talks on the North Korean nuclear issue—it has also shown concern about the China’s military modernization fueled by the country’s rapidly growing economy. For instance, at the Asian Security Conference (Shangri-La Dialogue) in Singapore held by the International Institute for Strategic Studies (IISS) in June 2006, then US Defense Secretary Donald Rumsfeld criticized the ballooning military expenditures of China and the transparency of its military policy. He expressed concern about the Chinese military buildup, saying “China appears to be expanding its missile forces, allowing them to reach targets in many areas of the world, not just the Pacific region.” This concern is echoed in the annual report to Congress, *Military Power of the People’s Republic of China* for 2005 and 2006 and in the *Quadrennial Defense Review* released in February 2006 (2006QDR) by the US Department of Defense (DOD). These reports characterize China as a country at a “strategic crossroads,” and the 2006QDR warily states, “Of the major and emerging powers, China has the greatest potential to compete militarily with the United States.” In

light of this view, the main thrust of US China policy would be to hedge against the military rise of China.

Instead of hedging, the United States has started to engage with China and is encouraging it to play a constructive role in international security. At the meeting between Gen. Guo Boxiong, vice chairman of China's Central Military Commission (CMC), and US Defense Secretary Rumsfeld in Washington on July 2006, it was agreed to conduct joint naval search and rescue exercises. Subsequently, the Chinese guided missile destroyer *Qingdao*, the fuel tanker *Dongting Lake*, and US Navy vessels conducted a joint communications exercise in waters off the coast of Hawaii in September, and later the Chinese held a search and rescue exercise with the USS *Shoup* and Torpedo Weapon Recovery Vessel *Swamp Fox* off the coast of southern California. Then, in November, the navies of China and the United States—the USS missile destroyer *Fitzgerald* and the USS *Juneau* and China's guided missile destroyer *Zhangjiang* and fuel tanker *Dongting Lake*—held a search and rescue exercise on the South China Sea. In addition, Adm. William Fallon, commander of US Pacific Command, visited China in May 2006 and invited Chinese military commanders to observe a US military exercise involving sea, air, and ground forces to be held in Guam in the next month. China sent a ten-man delegation led by Rear Adm. Zhang Leiyu to the exercise, "Valiant Shield 2006."

The foundation of this new China policy lies in the growing acceptance in the Pentagon of the "responsible stakeholder" approach advocated in September 2005 by Deputy Secretary of State Robert Zoellick. In testimony given before the House Committee on International Relations in May 2006, Zoellick said that the term "responsible stakeholder" means recognizing China as an actor which, like the EU or Japan, is highly influential within the international system and, as such, encouraging China to behave responsibly in regard to the world economy and international security. Some who are concerned about China's military rise and prefer to hedge against it do not necessarily agree with this stakeholder approach or with the idea of strengthening military-to-military exchange with China. For instance, Republican Congressman Dana Rohrabacher, chairman of the House International Relations Subcommittee on Oversight and Investigations, said that China was only interested in gathering military intelligence about US armed forces, and did not support increased military exchange with China. However, both the 2006QDR and the *National Security Strategy* (March 2006) directs to facilitate China as a responsible stakeholder. In answer to a question at the IISS

Shangri-La Dialogue in June 2006, Defense Secretary Rumsfeld asserted that the stakeholder theory was not Zoellick's personal view but the policy of the US government. Rumsfeld further said, "China is an important stakeholder in the world system, and as such they have an obligation to see that that system is successful because they benefit so enormously from its success."

This changed approach signifies that the United States views China as an influential actor in the international system, and expects that China share responsibility to maintain the stability of the current international system as a major beneficiary. In remarks at the reception given in his honor prior to the Sino-American summit meeting in April 2006, US President George W. Bush underlined the deepening economic ties between the two countries, saying that the United States and China are "connected through a global economy that has created opportunity for both our peoples." But Bush noted that prosperity depends on security, and strongly urged China to cooperate in maintaining international security, specifically mentioning the nuclear ambitions of Iran, terrorism, the proliferation of weapons of mass destruction, and energy security. Bush also asked President Hu Jintao to use China's considerable influence with North Korea to make progress toward a nuclear free Korean Peninsula. In other words, US China policy can be summarized as encouraging China to pursue the common strategic interests not only economically but also in terms of security.

China appreciates this US posture as a whole but does not fully embrace the role preferred by the United States. For instance, Deputy Secretary of State Zoellick's idea of responsible stakeholder stimulated domestic debates in China, but the domestic edition of the *People's Daily* (*Renmin Ribao*), the official paper of the Central Committee of the Chinese Communist Party (CCP), did not carry any clear-cut comment on it. At the Sino-American summit meeting held in April 2006, President Hu Jintao said that "China and the United States are not only stakeholders, but they should also be constructive partners," seemingly accepting the characterization of China as a stakeholder. However, the *China Daily*, an English-language Chinese newspaper, quoted President Hu as saying that China and the United States should become constructive and cooperative partners rather than just stakeholders, suggesting that China had some reservations about the US characterization of China as a responsible stakeholder.

President Hu also stressed that the United States and China shared common strategic interests in the fields of security and economy, but he did not touch on

how the two countries should realize such common strategic interests, particularly in the field of international security. On the characterization of China as a stakeholder, he did not use the word “responsible,” suggesting that China does not entirely accept the American definition of its role. Differences were also revealed with respect to the Iranian nuclear problem, when Bush kept the option of sanctions. President Hu declared the necessity of working out a solution through diplomatic negotiations and stopped short of putting forward any specific measures to be taken toward a peaceful settlement. While welcoming the responsible stakeholder idea insofar as it advances China’s international status, China has not committed itself to any specific actions, especially in the field of international security.

This cautious Chinese attitude can be taken as an indication that it has not yet made a definitive judgment as to whether the responsible stakeholder concept is fundamentally a cooperative engagement policy or a containment policy. Late in 2005, commentary in the Chinese magazine *World Affairs* (*Shijie zhishi*) (No. 24) viewed the stakeholder policy in a positive light as an indication of US recognition that the economic development of China is an indisputable fact, which the commentary regards as a more objective and pragmatic view toward China. On the other hand, not a few Chinese experts on US affairs take a more cautious view. Professor Shi Yinhong of Renmin University of China admits that the responsible stakeholder policy indicates that the United States now recognizes the important position China has achieved in the world. However, he believes that for the foreseeable future the United States will continue to apply pressure in bilateral economic and trade relations with China and work to deter China from its military rise; he thinks the containment urge runs deep in the China policy of the United States.

Another reservation among the Chinese security policy circles about the responsible stakeholder concept is that it might carry additional pressure on China for democratization. For instance, Yin Chengde, contributing fellow of the China Institute of International Studies, while favorably assessing the recent trend of Sino-US relations, says that the United States sees China “as a potential strategic competitor that could challenge American sole world superpower status,” and takes the view that the United States will not change “its set guidelines of guarding against, containing, disintegrating, and Westernizing China.” Thus China has not dropped its suspicions about the United States trying to engineer a “peaceful evolution” of the Chinese political and social systems. To be sure, at a press

interview given after the summit meeting, President Hu Jintao did not rule out democracy, saying that “if there is no democracy in China, there will be no modernization” of its economy. However, he added that “since China’s reform and opening up in the late 1970s, China has vigorously promoted economic reforms and has also actively, properly and appropriately moved forward the political reform process.” Hu thus maintained that the past policies of the Chinese government were correct and indicated his intention to carry them on. To a China wary about a peaceful evolution of its internal system, the US responsible stakeholder policy no doubt looks like a unilateral US demand for China to change not only its diplomatic behavior but also its political and social systems in the name of “acting responsibly,” with no corresponding change in the US containment policy and the strategic goal of a unipolar world order under US control.

At present there is discrepancy between the strategic goals of China and the United States. From the Chinese perspective, the United States wants to establish a unipolar world order under its control, while China seeks to facilitate a “new international political and economic order” that is fair and rational. The idea of establishing such a new order was propounded by Deng Xiaoping in the latter half of the 1980s. Changes in focus can be seen in recent Chinese assertions about the new international order and multipolarization of the world. Wang Yi, then vice foreign minister, has explained that the new international political and economic order advocated by China is not aimed at eradicating or denying the existing order but at “adjusting and reforming irrationalities and injustices in the existing order.” In recent years China has toned down its rhetoric about multipolarization, instead stressing the “democratization of international relations.” While the former denies a unipolar international order, the latter seeks Chinese participation in the international decision-making process. Having said that, China has not dropped its guiding principle of a new international political and economic order and a multipolar world. Therefore, it will be difficult for China to accept explicitly and entirely the role of “responsible stakeholder” that the United States is expecting.

(2) China’s Role in the North Korean Nuclear and Missile Issues

China’s role as responsible stakeholder has been put to the test with the nuclear and missile issues in North Korea. In its capacity as chairman of the Six-party Talks since 2003, China has been working as an interlocutor between North Korea and

the others, especially the United States. When the Foreign Ministry of North Korea announced on February 10, 2005, that it would indefinitely suspend its participation in the Six-party Talks, China dispatched Wang Jiarui, head of the International Department of the CCP, to North Korea as a special envoy of President Hu Jintao to urge Kim Jong Il, general secretary of the Central Committee of the Workers' Party of (North) Korea, to return to the talks. In March of the same year, President Hu told US Secretary of State Condoleezza Rice and Pak Pong Ju, premier of the DPRK cabinet, on their separate visits to China, that the six-party formula is the only feasible and correct option for settling the North Korean nuclear issue, and urged both North Korea and the United States to resume the Six-party Talks at the earliest possible date. Since April, China had worked earnestly to restart the talks, which eventually led to an agreement at the July 9, 2005, Beijing meeting between the United States and North Korea to resume the Six-party Talks. The United States was represented by Assistant Secretary of State Christopher Hill and North Korea by Vice Foreign Minister Kim Gye Gwan. The fourth Six-party Talks opened on July 26, were followed by a recess, and then resumed on September 13. The September 19 joint statement issued following the fourth round reaffirmed that the goal of the Six-party Talks is the verifiable denuclearization of the Korean Peninsula in a peaceful manner and that North Korea is "committed to abandoning all nuclear weapons and existing nuclear programs." China's efforts in the Six-party Talks were highly evaluated as deserving of a responsible stakeholder.

However, the Six-party Talks reached a stalemate; North Korea launched ballistic missiles on July 5 and conducted a nuclear test on October 9, revealing the limits of Chinese influence over North Korea. Despite China's diplomatic efforts in the Six-party Talks and bilateral economic assistance to North Korea to help avert the collapse or destabilization of its regime, North Korea launched its missiles without any consideration of the embarrassment it might cause to China. The day prior to the missile launching, a Chinese Foreign Ministry spokesman announced that Chinese Vice Premier Hui Liangyu, a member of the Standing Committee of the Political Bureau of the CCP, would be dispatched to North Korea on July 10 and that China was "making assiduous efforts with countries concerned" to move the process of the Six-party Talks ahead. North Korea's missile launch caused China to lose face.

The reason China has worked hard for the peaceful settlement of the North Korean nuclear problem is above all its desire for the stability of the neighborhood.

In particular China fears that political turmoil in the China-North Korea border area would spread into Chinese territory. This is the reason why China continued economic assistance to North Korea despite its brinkmanship diplomacy. When President Hu Jintao visited North Korea in October 2005, the two countries signed agreements on economic and technological cooperation under which China promised to provide North Korea with economic assistance worth US \$2 billion. In addition, bilateral trade between the two countries was increasing at about 15 percent annually, reaching \$1.58 billion in 2005. Chinese exports to North Korea in 2005 jumped 35 percent over the previous year, to \$1.08 billion. The main exports were oil and food, which the Chinese government characterized as humanitarian aid.

Another reason for Chinese efforts was to avert any crumbling of “strategic stability” in Northeast Asia due to the escalation of the North Korean nuclear and missile problems. China estimates the possibility of the US using force as small. Rather, China fears that a nuclear-armed North Korea might push Japan, South Korea, or Taiwan to develop their own nuclear weapons. More serious for China is the possibility of acceleration of missile defense programs between the United States and Japan, or the United States and Taiwan, to counter the ballistic missiles of North Korea. At a meeting with US Secretary of State Rice on October 19, 2006, Prime Minister Abe said that “Japan will make an effort to strengthen the Japan-US alliance, including on missile defense.” Such missile defenses in Japan or Taiwan would blunt to some degree the nuclear deterrence capabilities that China had strengthened; they would also constitute a major obstacle to settling the Taiwan issue on China’s terms.

In part to avoid US-Japan entente, China proposed a draft UNSC presidential statement with Russia on July 7, 2006. This was to counter the draft resolution by Japan for sanctioning North Korea after its launching of missiles. This Chinese proposal, while deploring the missile launches of North Korea and stressing resumption of the Six-party Talks, urged North Korea as well as other countries in the region to “show restraint”; in effect, China was asking Japan and the United States for restraint. In China’s view, sanctions against North Korea might trigger political turmoil in North Korea and, by extension, instability in its own border areas. Therefore, China preferred a nonbinding presidential statement rather than the Security Council resolution. This Chinese attitude could create the impression that China was just defending North Korea. Even in China, there are critics who

question the wisdom of this Chinese diplomatic position. The critics think that if China insists too persistently on the Six-party Talks, it could lose its diplomatic leverage. The diplomatic objectives of China in this case were to stabilize the situation by taking North Korea back to the negotiating table and to preserve cooperative relations with Japan and the United States by fulfilling a certain responsibility presumed by the two countries. In pursuit of the first objective, Chinese Vice Foreign Minister Wu Dawei went to Pyongyang to urge his North Korean counterpart Kim Gye Gwan to immediately return to the Six-party Talks, while, in consideration of the second objective, China moved closer with Russia to the position of Japan and the United States by submitting a binding draft resolution on July 12, in the name of “maintaining the unity of the Security Council.” Although in the end the reference to Chapter 7 was omitted, which made it impossible to take measures involving the use of force, the UNSC unanimously adopted binding Resolution 1695, which strongly urged North Korea to return immediately to the Six-party Talks without precondition.

Within a few months, China had to contend with another difficult problem. On October 3, 2006, the Ministry of Foreign Affairs of North Korea served prior notification of a nuclear test, which was carried out on October 9. Although China had been trying to settle the North Korean nuclear problem and achieve a nuclear-free Korean Peninsula, under its dual goals of stability in its own border region and strategic stability in Northeast Asia, China’s hopes were dashed by the North Korean underground nuclear test and Chinese leaders could not hide their irritation with the North Korean regime. In a conversation with visiting President Chikage Oogi of the House of Councilors of Japan, President Hu Jintao criticized North Korea in a harsh tone, saying that “Pyongyang will have to face the fierce international reaction the test has generated.”

Although China initially wanted to limit UN sanctions to economic ones, it did not oppose imposing sanctions on North Korea, and voted with other states in unanimously adopting UNSC Resolution 1718 under Chapter 7 on October 14, 2006. Following the adoption of the resolution, a spokesman of the Chinese foreign ministry said that the UN resolution indicated “the international community’s firm position,” while appealing to concerned parties to “take a prudent and responsible attitude.” And China took steps against North Korea pursuant to Resolution 1718. On October 17, the Chinese government officially acknowledged that Chinese banks had suspended handling remittances to North

Korea, and that inspection had started on cargo moving to and from North Korea. On October 19, Chinese State Councilor Tang Jiaxuan visited Pyongyang as a special envoy of President Hu Jintao and delivered an oral message from Hu to Kim Jong Il. The *People's Daily* reported the following day that the two sides had “an in-depth exchange of views” on China–North Korean relations and the current situation on the Korean Peninsula; Tang presumably delivered a stern message from President Hu. On October 20, President Hu told US Secretary of State Rice, who was then visiting Beijing, that China “firmly opposes” the nuclear test and will adhere to Resolution 1718, showing his willingness to cooperate with the United States.

However, China has not changed its priority of avoiding the collapse of the North Korean regime, and it has not yet made a decision to commit to stronger measures against North Korea. When the UNSC debated about how to carry out inspections of ships going to and from North Korea to prevent “illicit trafficking in nuclear, chemical or biological weapons, their means of delivery and related materials” as called for in Resolution 1718, China was adamant that the countries inspecting such ships should not use force. China’s UN Ambassador Wang Guangya said that while China basically agreed to the inspection of cargoes, “inspection” was different from “interception” or “interdiction.”

Moreover, the economic interdependence in the border areas of the two countries makes it difficult for China to sever economic relations with North Korea. For instance, the largest trading partner of China’s Yanbian Korean Autonomous Prefecture is North Korea. In fact, a spokesman of the Chinese Foreign Ministry said that the two countries have been carrying out “normal economic and trade cooperation.” He characterized the economic and trade cooperation between the two countries purely as humanitarian aid to North Korea, and said that China’s trade policy with North Korea remains unchanged, suggesting the cautious attitude of China on strengthening pressure on North Korea. President Hu, as well, in conversation with Secretary of State Rice stressed that China would pursue a peaceful solution to the nuclear issue through dialogue and negotiation, and expressed hope for the early resumption of the Six-party Talks. Subsequently, delegates from the United States, China, and North Korea met informally in Beijing to discuss the resumption of the Talks. Amid the flurry of such diplomatic efforts by China, the *2006 Report to Congress of the US-China Economic and Security Review Commission* released on October 31 included the statement that

“the United States has concerns about China’s willingness to fully support Resolution 1718 and implement all its provisions,” indicating dissatisfaction with the level of pressure China was applying to North Korea. The United States may feel that China is falling short of “responsible” behavior in this area.

On October 31 the Chinese Foreign Ministry announced that the three parties of the United States, China, and North Korea had agreed to a reopening of talks and the Six-party Talks resumed on December 18, 2006. However, in the keynote speech delivered at the second session of the fifth Six-party Talks, Vice Foreign Minister Kim Gye Gwan of North Korea stated that North Korea was ready to discuss the dismantling of its nuclear development program at an appropriate time, but that if the United States “seeks to discuss nuclear weapons issues at the current stage, it is unavoidable to ask for talks on mutual disarmament.” This statement demonstrates North Korea’s flaunting of its status as equal to three nuclear-weapon states, the United States, China, and Russia. It will not be an easy task to roll back North Korea’s nuclear program through the Six-party Talks. Chinese Vice Foreign Minister Wu Dawei also commented that the issues to be discussed and solved at the talks were complex and serious. It is becoming obvious that there are limits to the influence China has on North Korea, rendering it difficult for China to fulfill all the expectations of the international community in resolving the nuclear and missile issue in North Korea.

3. Military Trends

(1) Military Diplomacy

Faced with emerging nontraditional security threats, the PLA is seeking to enhance a broad range of cooperation with neighboring countries, regions, and the international community. At the All Army Foreign-related Work Conference in September 2006, Gen. Cao Gangchuan, minister of national defense of China, said, “The armed forces’ foreign-related work is an important component of the Party and state’s foreign-related work. We should conduct multi-channel and multi-tier military exchanges and cooperation with foreign countries.” He encouraged all the departments concerned to conduct study on strategy of “military diplomacy.” As his statement indicates, the PLA has actively promoted military diplomacy in recent years and has been conducting a wide range of activities: high level military exchanges; joint search and rescue exercises; mutual visits of navy

vessels, strategic dialogue; cooperation in dealing with nontraditional security threats; joint counterterrorism exercises; and the mutual exchange of observers to military exercises. Although it is the Hu administration that emphasizes the importance of military diplomacy, military exchange programs were also conducted in the Jiang Zemin era. For example, in 1997 a formation of two destroyers



The Chinese destroyer *Qingdao* entering the port of San Diego (September 18, 2006) (Photo by Mass Communication Specialist 3rd Class Marc Rockwell-Pate, US Navy)

and one supply ship of the Chinese navy called at Hawaii and then crossed the Pacific for the first time to visit the US mainland, Mexico, and Chile. In the past, the PLA focused on visits of navy vessels, dispatch of personnel to peacekeeping operations, and high-level exchanges, which were largely symbolic measures for confidence building. However, China has in recent years come to emphasize military diplomacy as an instrument for building a stable and favorable international security environment.

One factor prompting China to promote military diplomacy was the emergence of nontraditional security threats such as the September 11 terrorist attacks in the United States in 2001 and the outbreak and spread of severe acute respiratory syndrome (SARS) in China in the spring of 2003. Lu Yu, an official at the Legislative Bureau of the CMC, stresses the importance of nontraditional security threats, mentioning “nontraditional security is now a cornerstone of national security.” According to him, every element of traditional and nontraditional security treats is now inseparably intertwined: a situation developing in one area of the world will affect the region surrounding China or the entire world. Therefore, Lu says, the new task of the PLA is to pay closer attention to neighboring areas and the world at large and in so doing, to strengthen military diplomacy is critical.

Another factor in the rise of “military diplomacy” was a new foreign policy enunciated by the Hu Jintao administration that came to power at the 16th National Congress of the CCP in November 2002. The Hu administration announced that “neighboring diplomacy (*zhoubian waijiao*)” as a policy line based on the new principle, “good-neighbor relationship and partnership” with emphasis on

bilateral and multilateral relations with its neighbor states and regions. This neighboring diplomacy included military diplomacy by the PLA. At seminar held at the PLA National Defense University in September 2004, Gen. Xiong Guangkai, deputy chief of the General Staff of the PLA, said “the PLA had promoted military cooperation with neighboring countries within the framework of China’s overall national diplomacy, creating a favorable strategic environment for the overall interests of national development.” For China “a favorable strategic environment” means, firstly, creation of a stable environment essential to continued economic growth, and the development of military cooperation with neighboring countries based on friendly relations. The favorable strategic environment also means the formation, with neighboring countries, of a coalition to counter the United States, which is carrying out force realignment with its allies in the region. Since the latter half of the 1990s China has been advocating a “new concept of security” replacing the “old” one based on alliances. According to Wang Baofu, deputy director of the Institute for Strategic Studies at the PLA National Defense University, China’s “military diplomacy” represents this new concept of security.

China’s military diplomacy has two main components: military exchange and cooperation with neighboring countries and regions, and China’s involvement in global security issues. In terms of military cooperation with its neighbors, China has promoted security cooperation through the Shanghai Cooperation Organization (SCO), which was launched in June 2001. China, Russia, and Central Asian countries had been seeking to promote counterterrorism cooperation even before the SCO came into being. When the SCO was established, its member states decided to conduct joint military exercises. In August 2003, the SCO member states, with the exception of Tajikistan, conducted their first joint counterterrorism military exercise, “Joint-2003,” in the eastern area of Kazakhstan and China’s Xinjiang Uygur Autonomous Region. In August 2005, a China-Russia joint military exercise, “Peace Mission 2005,” was carried out within the framework of the SCO. Also, in March 2006 the “East Counter-terrorism 2006” exercise was conducted in Uzbekistan by special operations forces of SCO states. In addition, the SCO Regional Anti-terrorist Structure (RATS) was established in Tashkent, Uzbekistan, to promote security cooperation.

In East Asia, China has been promoting cooperation with Southeast Asian countries, primarily dealing with nontraditional security threats. The heads of states from China and ASEAN signed in November 2002 agreed a Joint Declaration

of ASEAN and China on Cooperation in the Field of Non-traditional Security Issues that called for cooperation in dealing with terrorism and piracy. There has been a move toward creating a mechanism for security cooperation. For instance, in a speech delivered at a symposium on cooperation between China and ASEAN in maritime law enforcement held in Dalian, China, Maj. Gen. Guo Shun, deputy director of the Frontier Guard Administration Bureau, Ministry of Public Security, proposed the establishment of a mechanism for better communication and the exchange of information among maritime law enforcement agencies in order to cope with maritime security threats. Military exchange between China and ASEAN was also strengthened. At the second ASEAN Regional Forum (ARF) Security Policy Conference (ASPC), held in Laos in May 2005, Gen. Xiong Guangkai disclosed that China and ASEAN were exploring the possibilities of observing each other's military exercises, and indicated the future possibility of conducting bilateral or multilateral joint military exercises with ASEAN countries.

China has also actively participated in multilateral security cooperation in the Asia-Pacific region. At a ministerial meeting of ARF held in June 2003, Chinese Foreign Minister Li Zhaoxing proposed the establishment of the ASPC. ARF has promoted confidence building, mainly among foreign ministries, since its establishment. However, China, recognizing the necessity of involving defense officials in ARF, proposed the establishment of a vice defense minister-level ASPC. The first meeting of the ASPC was held in Beijing in November 2004 and issued a chairman's statement that recommended bilateral and multilateral military cooperation in dealing with nontraditional security threats.

The second component of China's military diplomacy is its involvement in global security issues. China has begun to actively participate in peacekeeping operations throughout the world. Since taking part in peacekeeping operations for the first time in 1990, it had dispatched by the end of 2006 a total of close to 6,000 personnel on 16 missions including military observers, engineers, army medics, and transport units—the largest number of military personnel sent by any permanent member of the UNSC. According to UN figures, China at the end of 2006 had 1,666 civil and military personnel serving in 11 missions, including the UN missions in the Democratic Republic of the Congo, Liberia, Haiti, and Lebanon. China also participates in the United Nations Stand-by Arrangements System (UNSAS), under which member states notify the United Nations of the resources they can provide within an agreed response time, and the UN Secretary-

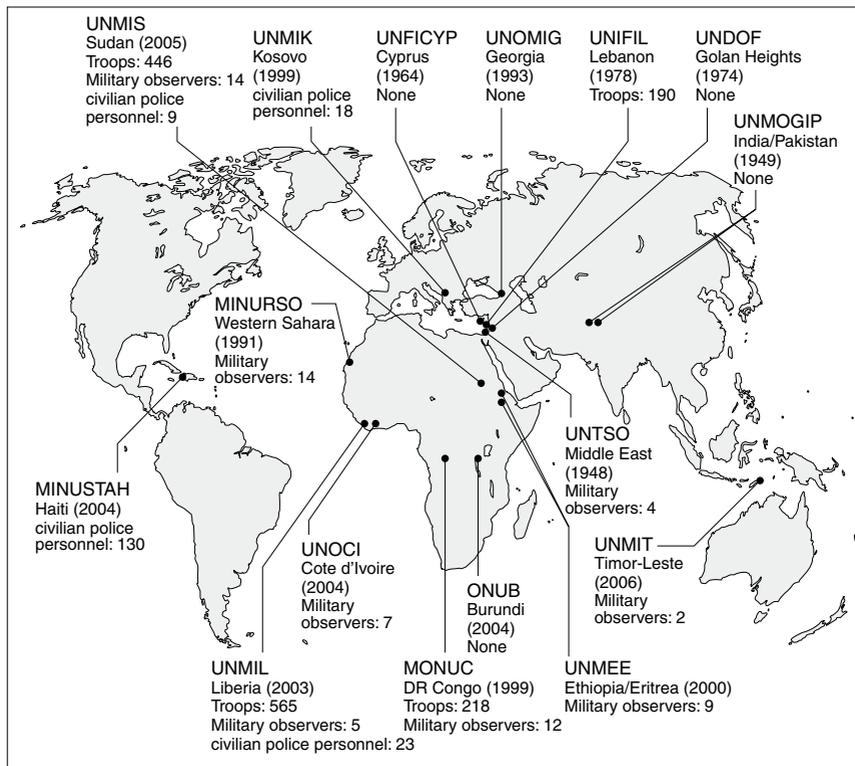
General requests them to provide the United Nations with standby resources when specific needs arise. Although China's level of participation in the UNSAS—Level 1, in which it is required merely to submit a list of the resources it can provide—is not very high, China has been positive in sending its military personnel on peacekeeping missions. In 2006, China sent a contingent consisting of mine clearance, engineering, and logistic units, as well as a medical detachment to the UN Interim Force in Lebanon (UNIFIL) deployed in the southern area of the country. Premier Wen Jiabao announced in September 2006 that China would increase the number of its troops from the initial 200 to 1,000. China has sent personnel on six of the seven missions the United Nations has dispatched to Africa, except for the Burundi mission (ONUB).

The active participation of China in regional and global security issues is a welcome development insofar as it means China is playing a greater role in the existing international system. Both the political leadership and scholars in China have come to argue that in order for China to expand its international influence, it must be actively involved in the existing international system. On the other hand, it must also be noted that many of the frameworks in which China has strengthened its involvement are those in which the Western, and particularly the US, presence is relatively weak. As one example, the SCO, which is a growing presence in the affairs of Central Asian security, offers almost no channel for the involvement of the United States or other Western countries in the organization. Rather, the Declaration of the Heads of State of the SCO, adopted at the SCO summit meeting held in July 2005, maintains that “the countries participating in the coalition campaign in Afghanistan should set a deadline for their temporary use of military facilities in the SCO member states.” Pursuant to this declaration, the SCO member states asked the United States to withdraw its troops from Kyrgyzstan and Uzbekistan at an early date.

While China is now active in UN peacekeeping operations, it might cast a wary eye on recent calls for reform of the UN. In the view of Chinese specialists on the issues, recent debates about UN reform have tilted toward three objectives: to raise the influence of Western countries, to increase pressure from the United States, and to weaken the position of developing countries. The reform efforts put a premium on democracy, human rights, and humanitarianism, but if such values become the basis for a global interventionism then they could be used as a “pretext to invade other countries.” In part, China, wary about the criticism leveled against

Figure 4.1. China's participation in UN peacekeeping operations

(As of the end of 2006)



Source: Data from *UN Mission's Summary Detailed by Country*, December 31, 2006.

it with respect to “democracy, human rights, and humanitarianism,” has become concerned about the future directions of peacekeeping operations, and has contributed to the decision to increase its participation in such UN missions. As China’s “military diplomacy” has these two opposite aspects—one accepting, and the other opposing, the existing international system—its future development remains unclear.

(2) Expanding Military Power Projection Capability

The PLA leadership realizes that the PLA must import advanced weapons and military technology from other countries through “military diplomacy.” China feels strongly that it must actively proceed on a “revolution in military affairs

(RMA) with Chinese characteristics” in keeping with the RMA now in progress across the world. In order to achieve the RMA, it is faced with the task of the “informationization” of the PLA. However, the “mechanization” of the PLA to strengthen the mobility and protection of PLA units is still less than complete. Having witnessed the first Gulf War and the Kosovo War, where precision guided weapons were extensively employed, China realized that major conflicts in the 21st century will be “information warfare,” and that their outcome will be determined by C4ISR (command, control, communications, computers, intelligence, surveillance, and reconnaissance) capabilities. With this in mind, the PLA set the “dual-historical task” of simultaneous mechanization and informationization.

This policy was confirmed at an expanded meeting of the CMC in December 2000. At that meeting, Jiang Zemin, chairman of the CMC, emphasized informationization of the PLA over mechanization by saying that the wide-ranging use of information technology had brought about a new RMA. The Afghanistan War in 2001 and the Iraq War in 2003 where traits of information warfare had become more distinct, further impressed the leadership of the PLA with the urgency of the task of informationization of the PLA. Thus the PLA has placed a clear focus on informationization. The Chinese defense white paper, *China's National Defense in 2006*, also declared “the strategic goal of building informationized armed forces and being capable of winning informationized wars by the mid-21st century.”

To achieve its goal of “RMA with Chinese characteristics” based on its military strategy to win “informationized wars,” China is also strengthening military cooperation with other countries. Gen. Xiong Guangkai, deputy chief of the General Staff of the PLA, has confirmed military cooperation as among the missions of China’s military diplomacy. Military cooperation also involves keeping up with global RMA trends, and the Iraq War in 2003 brought home to the PLA leadership the importance of exchanges of military technology with other advanced countries. Such exchange includes the area of military and strategic studies as well as specialized technology. According to the *China's National Defense in 2006*, more than 500 military personnel were dispatched to study in more than 20 countries during the two-year period of 2005-06, and the PLA is trying to send more students in coming years. The research and development facilities of the PLA have also been actively sending their personnel abroad.

Another option for strengthening the combat capability of the PLA, which has difficulty in promoting informationization on its own, is procuring equipment from Russia. The air force is introducing Su-27 fighters, which are domestically produced under license, and has also received Su-30 fighters capable of anti-ship and ground-attack missions. For the naval force, China has purchased from Russia *Kilo*-class submarines that generate little noise and *Sovremenny* II guided missile destroyers (DDGs) with a sophisticated anti-ship capability. According to the *Military Power of the People's Republic of China*, a report published by the US DOD in May 2006, China has also acquired advanced weapons systems—AA-12 air-to-air missiles and the S-300PMU-2 surface-to-air missile system—from Russia. China has thus been seeking to improve the air-defense and anti-ship capability of the PLA by purchasing aircraft and naval vessels equipped with sophisticated information technology and precision guided missiles.

Moreover, the EU may eventually lift its embargo on the sale of EU-made arms and technology to China. China has continued to seek a lifting of the embargo at summit meetings and strategic dialogues with the EU, and has been actively cooperating with the EU in high-tech fields. In May 2004, China and the EU signed an agreement for Chinese participation in the Galileo Navigation Satellite Project, an EU Global Positioning System (GPS). China hopes that its participation in the Galileo Project will help develop satellite-guided navigation technology by domestic industries. However, China also sees a military benefit in joining the Galileo Project—for example, being able to increase accuracy of its missiles by providing precise location data. Special Fellow Wu Guifu at the China Institute for International Strategic Studies, an advisory body to the PLA, notes that during the Iraq War, the US forces used more than 100 military satellites, including reconnaissance, communications, and GPS satellites, for operational purposes. He sees securing military superiority in space as essential to achieving operational objectives and as decisive in the final outcome of a war. Although China claims that its participation in the Galileo Project is aimed at economic benefit, the long-term military significance of its participation in the project cannot be ignored given the seriousness of its military interest in space.

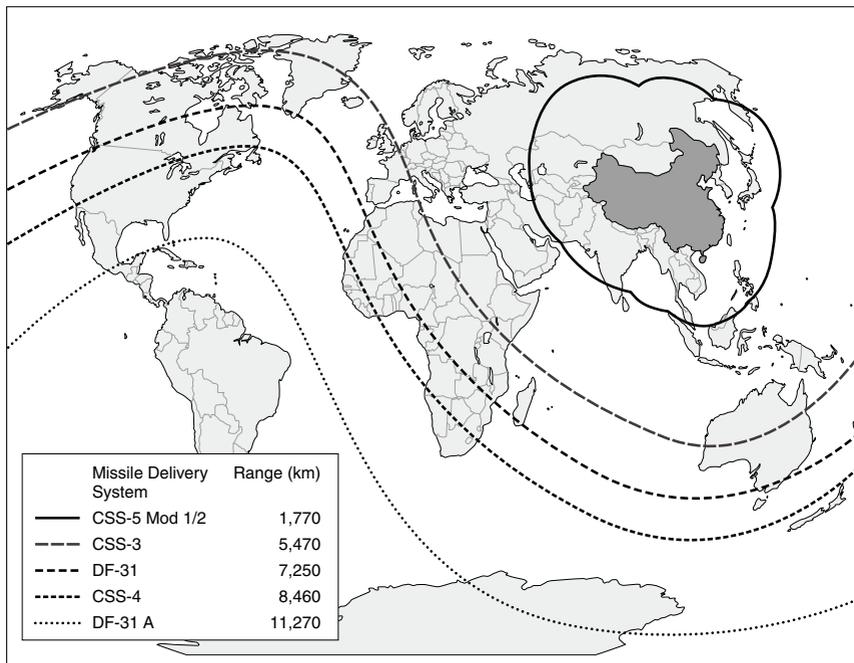
Thanks in part to the military cooperation of Russia, the modernization of China's military has made considerable strides. The greatest potential threat to China is a military clash with the United States over Taiwan, but the PLA can now project its military power beyond the Taiwan Strait to the entire Asia-Pacific

region. 710–790 short-range ballistic missiles deployed across the Taiwan Strait are mobile missiles that can be deployed to areas other than the coast facing Taiwan. Its medium-range ballistic missiles have been upgraded to the Dong Feng-21, which is equipped with a solid-fuel propulsion system and can be transported and operated on board the transporter erector launcher (TEL), with a range extending not only to Japan but all of Asia. China's intercontinental ballistic missiles (ICBMs) have a range long enough to reach not only continental America but also most areas of the world. China has also been working to develop submarine-launched ballistic missiles (SLBMs), which will improve the survivability of China's nuclear arsenals. The Ju Lang-2, now under development, has an estimated range of 8,000 kilometers, and if it becomes operational, China's nuclear deterrence capabilities against the United States would be strengthened. China is also developing a nuclear-powered submarine capable of carrying the Ju Lang-2 SLBMs, and is reportedly developing a *Jin*-class (Type 094) subsurface ship ballistic nuclear (SSBN), an improved version of the *Xia*-class (Type 092) SSBN, with the technological help of Russia. The *China's National Defense 2006* states that China will enhance its capability of "nuclear counterattack" by building up its navy, which hinted that the Chinese effort to strengthen its nuclear and missile capabilities is likely to continue.

The Chinese navy and air force have improved their power projection capabilities. Sukhoi fighters (each with a combat radius of about 1,500 kilometers) obtained from Russia have been deployed to bases across the Taiwan Strait as well as in southern China, and training in in-flight refueling has often been conducted in recent years. The leadership of the Chinese air force says that in-flight refueling not only enables its combat aircraft to attack far-flung targets, but also enables the air force to conduct both defensive and offensive operations. In addition, China has signed a contract to purchase from Russia Il-76 transport aircraft with a cruising distance of over 3,000 kilometers. An Il-76 is capable of transporting 140 personnel, and when they are in front-line service in China, they will improve the PLA's capacity to deploy airborne troops and logistical supplies to distant locations. The Chinese air force has thus been increasing power projection capabilities, enabling it to send aircraft and troops for operations in the South China Sea and the western Pacific.

The Chinese navy also has been converting at least from a "brown water" to "green water" navy. As noted earlier, China has been acquiring *Kilo*-class

Figure 4.2. Chinese medium and intercontinental range ballistic missiles



Source: US DOD, *Annual Report to Congress: Military Power of the People's Republic of China 2006*, p. 27.

submarines from Russia and at the same time has been building new indigenous submarines. It is also endeavoring to improve the air-defense and anti-ship capability of its destroyers and frigates. More recently, China has hinted at the possibility of building aircraft carriers. In a press interview with the Hong Kong's *Wen Wei Po* in March 2006, Lt. Gen. Wang Zhiyuan, deputy director of the Science and Technology Commission of the PLA General Armament Department, said that the PLA "will conduct research and build aircraft carriers on its own, and develop its own carrier fleet." Building an aircraft carrier indigenously would not be easy given the limits of Chinese funds and technology. Sun Laiyan, vice minister of the Commission of Science, Technology, and Industry for National Defense, did not deny the possibility of building aircraft carriers in the future. However, he also pointed out that China will consider the option by comprehensively

examining all factors involved, which indicates China's cautious approach to the matter. There are also reports that China is considering the introduction of Russian-made Su-33 carrier-based fighters. Therefore an eye should be kept on developments in this area.

In spite of its military modernization efforts, China asserts that its defense policy is defensive in nature and that the modernization of its military forces is still at a low level. The *China's National Defense 2006* also stresses the defensive nature of China's defense policy, stating that its mission is to maintain China's national security and unity and to help build a prosperous society. Another white paper *China's Peaceful Development Road*, published in December 2005, tries to refute the "China threat" theory by averring that "China will unswervingly follow the road of peaceful development." In an effort to increase the transparency of its military spending, the *China's National Defense 2006* lists items in its defense budget such as compensation, education, and development and experimentation of weapons and equipment as well as adding a new section that explains its defense budget process. However, it does not give specific details on the number and type of PLA armaments and maintenance schedules, nor the alignment of units, troop movements, training records or defense spending.

Although China claims that it has improved the transparency of its defense policy through military diplomacy, others may not necessarily perceive the situation in the same light. A case in point is China's handling of an invitation from US Commander Adm. William Fallon in May 2006 for PLA observers to attend a military exercise code-named "Valiant Shield 2006." According to Admiral Fallon, the invitation was a step designed to build confidence on both sides to improve military relations, and he expressed the hope that the PLA would also invite US military officers to observe one of its military exercises in the near future. The United States would like to see large-scale Chinese military measures, like those conducted jointly by China and Russia in August 2005, opened to outsiders. In testimony before the Senate Armed Services Committee on June 22, 2006, Brig. Gen. John Allen, principal director of

Asia and Pacific affairs, Office of the Secretary of Defense, DOD, said that the United States hoped to gain access to a Chinese military exercise or to a joint exercise conducted within the framework of the SCO in reciprocation for the invitation to observe Valiant Shield 2006. However, a *Xinhua* article dated June 21, 2006, reported that in return for the Chinese invitation of US observers to “Northern Sword-0308U” (October 2003) and “Northern Sword-2005” (September 2005), the United States had invited a Chinese delegation to observe Valiant Shield, and did not touch on the possibility of opening future military exercises to US observers.

Despite its continued effort, China’s military forces and its defense policy is far from transparent. Although China asserts that its defense policy is of a defensive nature and that the modernization of its armed forces lags behind the United States and other advanced countries, Chinese efforts to modernize its armed forces are leading to the enhancement of power projection capabilities. If only to clear up the fears of the countries in East Asia and the international community, China must improve the transparency of its defense spending and armaments, and be more accountable for the future direction of its military strategy, including the aim of the modernization of its armed forces.