

Chapter 3

New Security Challenges for China in East Asia

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Introduction

Significant changes have taken place in the East Asian regional security outlook in the past few years. Since 2009, the region has become dramatically more volatile, with tensions and disputes arising in the Korean Peninsula, the East China Sea, the South China Sea, and occasionally in the disputed border areas between China and India. What is more worrisome is the absence of clear signs that these tensions and disputes will be mitigated any time soon. All these security flashpoints involve China in one way or another. In fact, China has been regarded as a central player in almost all of these disputes, and many analysts have described China as becoming more assertive in handling these security conflicts, especially with regard to the territorial and maritime disputes in the East and South China Seas.

It appears that the mainstream view is that China's heavy-handed approach towards regional security has deepened many regional states' strategic apprehensions towards China. It is noted that China's relations with the rest of the region are "in a worse state" than it has ever been in the past two decades. Even the employment of China's economic power—China serving as a market, exporter of cheap goods, investor, contractor, and official aid provider—has not built a more benign and amicable image for China in East Asia.¹ A minority view seems to hold that the East Asian regional security situation has not reached an alarming state. Kang argues that most regional states do not perceive China as a threat yet because "as of 2012, military expenditures in East and Southeast Asia are at the lowest they've been in 25 years."² Kang may be right that there has not been an outright arms race in the

¹ "Can't Buy Me Soft Power: China's Economic Might is Not Doing Much for Its Popularity Elsewhere in Asia," *The Economist*, April 27, 2013.

² David Kang, "Paper Tiger: Why Isn't the Rest of Asia Afraid of China?" *Foreign Policy*, April 25, 2013.

region, and while the prospects of an all-out war in East Asia may also be slim, the recent trend in regional security conflicts makes it difficult to completely rule out the possibility of some of the hostile encounters escalating into small scale military skirmishes.

This paper attempts to discuss the changes in China's security policy, the impact of Beijing's policy on the regional security landscape, and several major factors that have led to the changes in China's East Asian security policy. Many factors have contributed to the emergence of new security challenges for China in East Asia, including the US strategic rebalance to Asia, Sino-US rivalry, regional strategic realignments in the context of China's rapid rise, and rising nationalism in many regional states. I conclude that the biggest challenge to China's regional security is Beijing's own policy. China has yet to figure out how it should prioritize and reconcile its different national interests in the region. This is particularly the case when it comes to maritime affairs. Having traditionally been a land power for centuries, China now has a strong aspiration to become a maritime power as well. This desire, coupled with various strategic and historical relationships and China's domestic rising nationalism, is creating an enormous challenge for China itself and many countries in its neighbourhood.

Reactive Over-Assertiveness

In the past few years, Chinese officials and analysts have repeatedly singled out the collusion of Washington and regional states as the bane of China's relations with its neighbours. They argue that China has mostly been reacting to the "provocative" moves of neighboring countries. In some cases, the explanation of China's reaction may not be totally wrong. But it is also important to note that in many cases, China's responses have been excessively tough, which could be characterized as "reactive over-assertiveness."

Korean Peninsula

On the North Korean issue, China is not perceived as a direct perpetrator, but has long been criticized as the protector of the Pyongyang regime. Many would believe that it was Beijing's economic and political support for Pyongyang that partially enabled North Korea to carry out its nuclear program. Beijing is interested in furthering the survival of the North Korean regime, denuclearization, Korean

Peninsula stability, and the role of North Korea as a strategic buffer zone for China's relations with the US. Many of these goals are not convergent, especially during times of crises. It is also not clear whether Beijing has a clear idea of priorities on the North Korean issue. The policy ambiguities have often led Beijing to adopt policies that were at great variance with the policies and expectations of the outside world during North Korean provocations. This is all the more evident in China's response to the sinking of the Cheonan warship and the bombing of the Yeonpyeong Island in 2010. Beijing's pro-Pyongyang stance in the aftermath of the two events contributed significantly to South Korea's anger towards China, and America's, as well as Japan's, distrust of China. When the US, Japan, and South Korea held naval exercises to deter further aggressive actions by North Korea, the Chinese elite, especially PLA leaders, ratcheted up their rhetorical opposition to the increased US military presence in Northeast Asia.

On Pyongyang's nuclear issue, China has consistently proclaimed that it wants Pyongyang to drop its nuclear weapon program. Yet for many years, Beijing has been reluctant to employ coercive means to deter North Korea's nuclear ambition. In fact, on many occasions, China has tried to block UN Security Council resolutions aimed at sanctioning Pyongyang. At the same time, Beijing has sought denuclearization in North Korea by means of the six-party talks. These actions underscore Beijing's aspiration for a bigger regional role: "China is emerging as the big winner" because when the situation becomes seemingly hopeless, Beijing will be regarded as the "mediator."³

North Korean provocations have resulted in a stronger US military presence in Northeast Asia, vexing the PLA, and also increasing the possibility of South Korea and Japan going nuclear.⁴ China's handling of the North Korean challenge, to some extent, worsened Beijing's relations with South Korea in the past few years. It is only recently that Beijing's approach to the North Korean nuclear issue seems to have slightly changed. In the aftermath of Pyongyang's third nuclear test, Beijing's criticism against North Korea has become harsher. China not only agreed with the US, but even helped the US to draft the new U.N. Security Council resolution to impose sanctions on North Korea. This suggests that Chinese decision makers

³ Eduardo Zachary Albrecht, "Small Bite Possible as North Korea Keeps Barking," *Global Observatory*, April 8, 2013.

⁴ Sukjoon Yoon, "Rift in China's Relations with North Korea? *RSIS Commentary*, No. 87, May 6, 2013.

may have developed a more urgent need to rein in the North Koreans' provocative actions.⁵ In an unusual move, the Bank of China announced recently that it had cut off dealings with the Foreign Trade Bank of North Korea in an attempt to put more pressure on Pyongyang.⁶

But, many analysts believe that China is unlikely to change its ambiguous policy in Northeast Asia under Xi Jinping's leadership. It will be difficult for Beijing to find a way out of its predicament between wanting a nuclear-free North Korea on the one hand, without regime collapse, so that Pyongyang could continue as a strategic buffer zone for China on the other hand.⁷ It is simply unrealistic to expect China to exercise its maximum leverage over the North by implementing UN Security Council sanctions at the expense of its economic interests. Conservative leaders—especially those in the PLA, who favour the survival of the Pyongyang regime, and local government leaders in the provinces bordering North Korea—are bent on reaping economic gains from maintaining stable trade and investment ties with North Korea.⁸

It is interesting to note that Beijing's policy towards North Korea persists, despite the fact that the vast majority of China's netizens are "profoundly disillusioned" by the North Korean regime.⁹ This is an irony, considering Beijing's argument that it had to react to external events assertively because of mounting domestic popular pressure. In addition to the North Korean issue, Beijing's relations with Seoul have also been marred by a flurry of bilateral contentions over historical and cultural heritages in the past decade or so.¹⁰ It has been noted that lately, there might be an opportunity for China and South Korea to mend their ties because of South Korea's new President Park Geun-Hye's trustpolitik doctrine that seeks to improve relations with Beijing.¹¹ The chances of President Park's policy will, to a large extent, depend on the contingencies of the North Korean issue in the coming years.

There are still numerous uncertainties with regard to the North Korean nuclear

⁵ Robert A. Wampler, "Will Chinese Troops Cross the Yalu?" *Foreign Policy*, April 11, 2013.

⁶ "China Publicly Cuts Off North Korean Bank," *Wall Street Journal*, May 7, 2013.

⁷ Xiaohu Cheng, "China's Northeast Asia Policy in the Xi Jinping Era," *SERI Quarterly*, April 2013, pp. 23-29.

⁸ Michael J. Green, Victor Cha, and Christopher K. Johnson, "North Korea: Defining the Danger and the Way Out," *Freeman Report*, CSIS, Issue 9, April 2013.

⁹ Peter Gries, "Disillusionment and Dismay: How Chinese Netizens Think and Feel About the Two Koreas," *Journal of East Asian Studies*, Vol. 12, No. 1, January-April, 2012, pp. 31-56.

¹⁰ *Ibid.*

¹¹ Lim Soo-Ho, "Park Geun-Hye's Northeast Asia Policy: Challenges, Responses and Tasks," *SERI Quarterly*, April 2013, pp. 15-21.

issue. During the most recent crisis in the early months in 2013, Pyongyang's war-mongering rhetoric and dangerous play of brinkmanship suggest that the North Korea issue will continue to be a major source of instability in Northeast Asia. China's approach may have contributed to peace in the region in the short run, but may also entail larger dangers in the long run. New policy proposals keep emerging. For instance, it has been suggested that China may become more cooperative with the US if Washington attempts to create what Beijing most fears—"greater U.S. military presence in the region and enhanced trilateral cooperation with Japan and South Korea."¹² But it remains to be seen whether a stronger US military presence would actually further harden Beijing's protective policy towards Pyongyang. Some members of the US Congress attempt to impose new unilateral sanctions to penalize companies, including banks that do business with North Korea. These could be lethal measures aimed at achieving regime change in Pyongyang.¹³ The impact these proposals would have on China's North Korea policy, if adopted, remains to be seen.

East China Sea

Compared to the North Korean challenge, the East China Sea territorial and maritime disputes between China and Japan are more challenging for Beijing. The disputes had been fairly well-managed in the past under the precondition that Beijing was not seriously challenging Japan's administrative control over the Diaoyu/Senkaku islands. When the situation in the East China Sea was calm, the two countries' maritime law enforcement personnel enjoyed quite good interactions.¹⁴

In 2008, Beijing and Tokyo reached an in-principle agreement for joint development in the East China Sea, which was lauded as a major breakthrough,¹⁵ and the two countries held several rounds of talks on the implementation of the agreement. But so far, there has been no progress towards the implementation of the agreement. As a result of domestic nationalistic backlash in China, Beijing started to regret its agreement with Japan.

¹² Green, Cha, and Johnson, "North Korea."

¹³ "Pressure on Pyongyang, and Beijing: It's Up to The U.S. Congress to Pursue Regime Change," *Wall Street Journal*, May 2, 2013.

¹⁴ Interview with a senior officer at the East Sea branch of the China Maritime Surveillance, February 2013.

¹⁵ The two countries did not officially sign any agreement. The agreement was largely informal and the two governments simultaneously announced the agreement in the form of a press release. According to various Chinese sources, Beijing reached the agreement with Japan in order to secure Japan's support for the 2008 Beijing Olympics.

In the past few years, tensions in the East China Sea have been on the rise. A major conflict in the East China Sea occurred in 2010, when the Japanese Coast Guard arrested the captain of a Chinese fishing boat in the islands' territorial sea and wanted to employ Japanese domestic law on the captain. China reacted with strident measures, including severing high-level political exchanges and resorting to various economic tools, such as blocking rare earth export to Japan and reducing tourism, to compel Japan to release the Chinese fisherman unconditionally. Japan eventually released the Chinese fisherman without taking the domestic legal approach.

A new round of tensions and disputes occurred in September 2012 when the Japanese government decided to nationalize three islets to preempt the Tokyo Governor Shintaro Ishihara from purchasing them. The Japanese government maintained that it made the nationalization decision in order to prevent Ishihara from sending people to land and building structures on the islets, which would almost certainly create bigger problems in Japan-China relations. The Chinese were never convinced by the Japanese explanation, arguing that the Japanese government could have used other administrative measures to stop Ishihara from purchasing the islets and nationalizing them. The Chinese believed that Japan wanted to create a fait accompli, anticipating that Beijing would not react in a big way since China was in the midst of a major political leadership transition.

Beijing reacted with harsh countermeasures, described as "combination punches" by the Chinese press. China suspended high-level political meetings with Japan, tolerated violent anti-Japan demonstrations in many cities in China, employed various economic penalties against Japan, added the islands in the official weather forecasting program, announced the maritime baseline of the islands, and more importantly, started an unprecedented program of regular patrols by Chinese government vessels in the waters (including the territorial sea) near the Diaoyu/Senkaku islands. According to a report issued by the Japanese Coast Guard, from September 2012 to March 2013, China's maritime surveillance ships were present in the territorial sea of the islands for 35 days and the contiguous zone of the islands for 136 days.¹⁶

The tense atmosphere over the Diaoyu/Senkaku islands significantly increased the possibility of naval skirmishes between China and Japan. On February 5, the Japanese Ministry of Defense disclosed that a Chinese warship had used its fire

¹⁶ *Lianhe zaobao*, "riben fabu zhong ri haishang duizhi qingkuang" [Japan publicizes Sino-Japan standoffs in the sea], May 13, 2013.

control radar against a Japanese helicopter on January 19. It did so again on January 30 against a Japanese destroyer.¹⁷ In response to Japanese criticism, the Chinese Ministry of Defense said that the PLA naval ship was simply using normal monitoring and warning measures without using the fire control radar in both cases. The Chinese Ministry of Defense further argued that the root cause of the incident was the short-distance tagging and monitoring behavior of Japanese jet fighters and warships during the PLA Navy's regular training exercises. China further charged that Japan had intentionally made irresponsible statements on China's normal naval exercises to play up the "China threat" and denigrate China's image.¹⁸ Zhang Zhaozhong, a military analyst at the NDU and a popular commentator in the media, noted that the Chinese warship's use of fire control radar could pass as an internationally accepted and normal operation if the Japanese jet fighter or warship had entered the 10 nautical miles of the safety zone of the Chinese frigate in high sea.¹⁹

The truth of the fire control radar incident will be mired in mystery for some time because of the lack of technical evidence from the Japanese side. If the PLA naval ship had indeed used the fire control radar, it could become a serious issue, because such "hostile intent" could be (mis)interpreted as a prelude to open firing of weapons and the other party could impulsively decide to pre-empt the imminent onslaught, escalating into unwanted higher level conflict or even full-fledged war.²⁰

Ever since the Japanese government's decision to nationalize the three islets at the Diaoyu/Senkaku, China has repeatedly stated that it was Japan that first started the controversy and the dispute. Hence, all Chinese reactions were caused by Japan's unilateral provocations and their vessels and planes' illegal activities near the disputed islands.²¹ China is prepared to use this rationale to exert pressure on the US to stay out of the Sino-Japanese dispute over the Diaoyu/Senkaku islands. On April 30, the Chinese Ambassador to the US, Cui Tiankai, made a long statement on the US role in the dispute. While emphasizing that it was Japan's unilateral and coercive actions that started the tensions, Cui stated that the US should also bear some historical responsibilities for the dispute, and urged Washington not to "lift and

¹⁷ <http://global.dwnnews.com/news/2013-02-05/59114353.html>.

¹⁸ http://news.xinhuanet.com/politics/2013-02/09/c_124340696.htm.

¹⁹ "Zhuanjia: yong leida suoding duifang yingdui qi tiaoxin fuhe guoji guanli" [using illumination radar on the other provoking party conforms to international norm], *Global Times*, February 7, 2013.

²⁰ Koh Swee Lean Collin, "Tensions in the East China Sea: Time to Contain Naval Stand-offs," *RSIS Commentary*, No. 26, February 8, 2013.

²¹ http://news.xinhuanet.com/world/2013-02/07/c_124336533.htm.

get hurt by the Japan stone.”²²

On April 23, eight Chinese maritime law enforcement vessels entered the waters of the Diaoyu/Senkaku islands and “successfully expelled” a group of Japanese nationalists trying to land on the islands.²³ Chinese military planes made as many as 40 flights in the airspace near the disputed islands on the same day.²⁴ It is interesting to note that Beijing took this action during Chairman of the Joint Chiefs of Staff Martin E. Dempsey’s visit to Beijing.

More recently, Beijing seems to be more inclined to regard the Diaoyu/Senkaku Islands dispute as China’s core national interest. On April 26, the PRC Foreign Ministry spokesperson stated, “It is an issue about China’s territory and sovereignty, and therefore, a matter of ‘core interest.’”²⁵ But later, the official transcripts of the spokesperson’s remarks removed this sentence. The edited official transcripts state only that “... China resolutely upholds the nation’s core interests, including national sovereignty, national security, territorial integrity etc. The Diaoyudao issue touches on China’s territorial sovereignty.”²⁶ This change of wording indicates that China may not have made up its mind to use military force to capture the islands, or to expel Japan in order to unilaterally exercise jurisdiction over the islands. But it does suggest that China is determined to sustain its presence in the vicinities of the islands, and to block any Japanese action that threatens Chinese interests in the area.

In another move that has stunned many Japanese, Chinese scholars close to the policy community have begun to question Japan’s sovereignty over Okinawa. Very soon after the fishing dispute in 2010, Chinese scholars began to question Japan’s sovereignty over the Ryukyu Islands on the grounds of WWII, post-war arrangements, and various international documents.²⁷ Major General Jin Yinan, Director of the Institute for Strategic Studies at the National Defense University, stated in July 2012 that no international treaty recognizes the forceful occupation

²² “Zhongguo huiying mei fangzhang diao dao biaotai: bie banqi shitou za ziji de jiao” [China’s response to remarks by US Secretary of Defense on the Diaoyu Islands dispute: don’t lift the stone to hurt your own foot], *People’s Daily*, May 1, 2005.

²³ http://www.soa.gov.cn/xw/hyww_90/201304/t20130423_25497.html; http://www.soa.gov.cn/xw/hyww_90/201304/t20130423_25499.html.

²⁴ “China Military Planes Flew Close to Disputed Isles,” *South China Morning Post*, April 27, 2013.

²⁵ “Japanese, Chinese Defense Officials Meet to Ease Tensions Over Senkakus,” *Asahi Shimbun*, April 27, 2013.

²⁶ Foreign Ministry spokesperson Hua Chunying press briefing on April 26, 2013; http://www.mfa.gov.cn/mfa_chn/fyrbt_602243/t1035595.shtml.

²⁷ Chen Degong and Jin Dexiang, “riben dui liuqiu wu hefa zhuquan” [Japan has no legitimate sovereignty over Ryukyu], *Huanqiu shibao* [Global Times], October 9, 2010.

of Ryukyu, a former vassal state of China, and thus the ownership of Ryukyu is still an open question.²⁸ A People's Daily article makes the argument that during the negotiations of the Treaty of Shimonoseki after the 1894/1895 Sino-Japanese war, the sovereignty issue of the Ryukyu Islands was not unambiguously settled. They argue that China nullified the Treaty of Shimonoseki in 1941 when it formally declared war on Japan, and that various international documents such as the Cairo Declaration and the Potsdam Declaration suggest that not only the Diaoyu Islands should be returned to China, but also the unsettled Ryukyu issue could be brought back for discussion.²⁹ Li Guoqiang, one of the authors of the People's Daily article, explained later that he was not arguing that Ryukyu belonged to China historically, but the main purpose was to put pressure on Japan on the Diaoyu Islands issue.³⁰ Ironically, back in the 1950s, Beijing strongly supported Japan's sovereignty claim over Okinawa. In an editorial published by the People's Daily in March 1958, Beijing accused the American occupants of Okinawa of fabricating news reports that China was set on claiming Okinawa. The editorial noted that China had always strongly and consistently supported the complete return of Okinawa to Japan.³¹

General Liu Yuan, Political Commissar of the PLA Department of General Logistics, opined that the Sino-Japanese contention over the Diaoyu/Senkaku Islands is "about face." Liu is at least partially correct. Beijing's handling of the dispute has been hindered by Sino-Japanese animosities over history. Japan is moving fast towards "normalization," and there has been conspicuous growth of right-wing political forces in Japan, partly prompted by the dramatic development in China's military build-up. There are very few reasons to be optimistic about the security ties between China and Japan in the foreseeable future.

South China Sea

China's response to the South China Sea disputes seems less emotional than its response to the dispute with Japan in the East China Sea. But Beijing's actions in

²⁸ "shaojiang: diaoyudao wenti tai xiao ying xian taolun liuqiu zhuquan guishu" [major general: Diaoyu islands issue too small; need to discuss the sovereignty of Ryukyu], *Huanqiu Shibao* [Global Times], <http://mil.huanqiu.com/Observation/2012-07/2911162.html>.

²⁹ Zhang Haipeng and Li Guoqiang, "lun maguan tiaoyue yu diaoyudao wenti" [the Treaty of Shimonoseki and the Diaoyu Islands issue], *People's Daily*, May 8, 2013.

³⁰ "liuqiu zai yi ling ri jinzhang, zhongguo dangbao fabiao jianrui guandian" [re-discussing the Ryukyu issue makes Japan nervous; China's party newspaper publicizes sharp viewpoint], *Huanqiu Shibao* [Global Times], May 9, 2013. <http://world.huanqiu.com/exclusive/2013-05/3915193.html>.

³¹ "wuchi de niezao" [shameless fabrication], *People's Daily editorial*, March 26, 1958.

the South China Sea have been at least equally heavy-handed, especially from the perspectives of many regional states in Southeast Asia. In 2009, China submitted the nine-dashed line map to the UN Commission on the Limits of Continental Shelf. This was the first time that the Chinese government had ever presented this map to the international society. The submission raised concern in many capitals in Southeast Asia that China was bent on controlling the entire maritime zone within the nine-dashed line, which is about 80 percent of the whole South China Sea area. During the ASEAN Regional Forum meeting in July 2010, in response to American statement on the South China Sea made by the former Secretary of State Hillary Clinton, China's former Foreign Minister Yang Jiechi lost his temper and said that "China is a big country and other countries are small countries, and that's just a fact."³²

Over the years, disputes concerning fishing activities and energy resource exploration have been frequent. Beijing has been particularly accused of using forceful means to intervene in the oil and gas exploration activities of Vietnam and the Philippines in their EEZ. In 2012, Vietnam passed a maritime law which declared sovereignty and jurisdiction over the Paracel and Spratly Islands. To counter this, China announced that it has set up a prefectural-level city, Sansha, to administer the islets, sandbanks, and reefs in Xisha, Zhongsha, and Nansha islands. State-owned China National Offshore Oil Corporation (CNOOC) invited exploration bids for nine offshore blocks in the South China Sea. In late 2012, the local government in Hainan announced that it had passed a revised regulation that would allow Chinese vessels to board and search ships that violate Chinese laws and regulations in contested waters. In the same year, it was also reported that China's new passports were imprinted with maps claiming sovereignty over the South China Sea, inciting strong protests from the Philippines and Vietnam.

A major event in the South China Sea disputes in 2012 was the conflict between China and the Philippines over the Scarborough Shoal, which has now resulted in China unilaterally controlling the reefs. During the standoff, Chinese Vice Foreign Minister Fu Ying warned the Philippines that China has "made all preparations to respond to any escalation of the situation by the Philippine side." Global Times, a populist Chinese newspaper affiliated to the official People's Daily, followed up Madam Fu's remarks by saying that China did not rule out the possibility of using

³² John Pomfret, "U.S. Takes a Tougher Tone With China," *Washington Post*, July 30, 2010.

force to resolve the conflict with the Philippines. It added that China should teach the Philippines a lesson, and that “if the standoff escalates into a military clash, the international community should not be completely surprised.”³³

Another major development in 2012 was the failure of ASEAN, under Cambodia’s chairmanship, to make any progress in the management of the security situation in the South China Sea. The 45th ASEAN Foreign Ministers Meeting, held in Phnom Penh in July, failed to issue a joint communiqué (for the first time in 45 years) due to disagreements on handling the SCS disputes. Later at the ASEAN Summit, Cambodia’s pro-China stance significantly split ASEAN on the South China Sea issue.

For sure, China is unlikely to fundamentally change its policy in the South China Sea disputes. On March 20, 2013, Chinese patrol boats confronted a Vietnamese fishing boat near the Paracel Islands. According to the Vietnamese Foreign Ministry, two Chinese patrol vessels chased and fired at a Vietnamese fishing boat named QNg96382, causing a fire that destroyed the boat’s cabin. Chinese authorities acknowledged that the Chinese vessels had fired, but called the discharges “warning shots.” Two days later, a PLA Navy South Fleet flotilla moved into waters near the James Shoal (zeng mu an sha), located only 80 kilometers (50 miles) from Malaysia’s coast, and began a combined arms amphibious exercise. The crew also held a ceremony to declare their vows to defend China’s sovereignty in the South China Sea. Right before the May 1 Labour Day Holiday, the local authorities in Hainan began to organize cruise tourism to the Paracel Islands (*Xisha*). Out of the 300 or so tourists on board the Coconut Fragrance Princess, 200 were government officials from Hainan Province. The Vietnamese did not interpret the Chinese action as tourism, “but something more like imperialism.”³⁴ The cruise voyage indicates a major step towards the implementation of the policy proposal that many Chinese elite have advocated for many years: increasing China’s presence and utilization of the resources in the South China Sea.

In the mainstream policy circle in China, the United States simply has no right to intervene in the South China Sea issue. Chinese opposition to US intervention is evident in the frequent Chinese official statements targeted at Washington. China

³³ “China Bangs the War Drum Over South China Sea,” *BBC*, May 10, 2012, <http://www.bbc.co.uk/news/world-asia-china-18016901>.

³⁴ Didi Kirsten Tatlow, “Chinese Cruise to Disputed Paracel Islands Angers Vietnam,” *International Herald Tribune*, April 30, 2013.

has strongly opposed the intervention of non-claimant powers in the South China Sea issue. At the 2011 East Asia Summit in Bali, former Premier Wen Jiabao warned external forces against getting involved in the South China Sea dispute, regardless of any excuse. He said that the South China Sea dispute has been going on for many years and should be resolved through peaceful negotiations among direct claimant states.³⁵ In August 2012, the US Department of State reiterated that “as a Pacific nation and resident power, the United States has a national interest in the maintenance of peace and stability, respect for international law, freedom of navigation, and unimpeded lawful commerce in the South China Sea.”³⁶ China lashed out immediately with “strong dissatisfaction of and firm opposition” to the US statement, saying that it “showed total disregard of facts, confounded right and wrong, and sent a seriously wrong message.” The Chinese Foreign Ministry spokesperson asked, “Why has the United States chosen to speak out all of a sudden to stir up trouble at a time when countries concerned in the region are stepping up dialogue and communication in an effort to resolve disputes and calm the situation?”³⁷

China has already regarded the tensions and disputes in the South China Sea in recent years as attributable to the “collusion” of the US and regional claimant parties, such as Vietnam and the Philippines. Further defence cooperation between the US and regional states could be viewed by Beijing as growing threats to China’s national security (similar to the context surrounding the Moscow-Hanoi 1978 security treaty), which could lead to China making a decision “to threaten a military confrontation in order to change a US course of action [which] Beijing perceived as threatening its interests in the South China Sea.”³⁸

Factors behind China’s New Security Policy

A major security challenge for China in the past few years and perhaps in the near future as well is maritime security. This challenge is multi-faceted, involving strategic rivalry among major powers, territorial disputes, maritime resources,

³⁵ *Lianhe zaobao*, November 19, 2011.

³⁶ US Department of State Press Statement by Patrick Ventrell, August 3, 2012. <http://www.state.gov/t/pa/prs/ps/2012/08/196022.htm>.

³⁷ Qin Gang, spokesperson of the Ministry of Foreign Affairs of China, made the response on August 4, 2012. <http://www.fmprc.gov.cn/eng/xwfw/s2510/t958226.htm>.

³⁸ Paul H.B. Godwin and Alice L. Miller, *China’s Forbearance Has Limits: Chinese Threat and Retaliation Signaling and Its Implications for a Sino-American Military Confrontation*, National Defense University Press, 2013, p. 46.

international law, and historical animosities. Many analysts would agree that China has become more assertive in handling maritime disputes in recent years. Some good understanding of the factors that led to China's heavy-handed approach would give us some clues on how the new leadership in Beijing will deal with these challenges in the coming years.

It is widely believed that resource competition is an important factor that has led to the tensions and disputes in the South China Sea. It has been argued, for instance, that "resource competition is the result of deeply-rooted, long-term trends of coastal urbanization, rising consumption, export-oriented industrialization and the resulting competition for vital resources, especially fisheries and hydrocarbons."³⁹ This view would be particularly applicable to China, driven by its energy thirst since its rapid economic growth in the 1990s.

Other analysts stress the strategic and geopolitical importance of the maritime domain for China's national security interests. They argue that China is bent on constraining US influence in the Indo-Pacific region by exercising control over the waters near the first island chain (from Okinawa and Taiwan to the Philippines) and the second island chain (from the Ogasawara island chain and Guam to Indonesia). The South China Sea is thus a strategic priority for China. From this perspective, China's heavy-handed approach to the disputes in recent years is no surprise.⁴⁰

It has also been argued that the US "pivot" or "strategic rebalancing to Asia" has also been a factor that has led to the rising tensions in East Asia in the past few years. This is a particularly popular view among Chinese analysts. But many observers also believe that Sino-US strategic rivalry has been a significant factor in the South China Sea disputes. In the words of one analyst, Sino-US strategic competition has led to the SCS becoming a prominent stage that showcases the jostling for influence between China and the US. From China's perspective, US military intelligence and surveillance activities close to China's maritime territories, its strong military ties to China's immediate neighbours, and the intervention in regional issues make for an unsettling situation.⁴¹

Another theory speculates that China's new leader Xi Jinping has planned to mobilize the PLA for war preparation and taking the assertive path in various

³⁹ David Rosenberg, "The Paradox of the South China Sea Disputes," *The China Story*, April 23, 2013.

⁴⁰ Loh Su Hsing, "China and the Territorial Claims in the South China Sea," *Policy Paper Series*, China Studies Centre at the University of Sydney, Issue 2, December 2012.

⁴¹ *Ibid.*

territorial disputes in order to further consolidate his political power within the Chinese political system. This is similar to what Deng Xiaoping did in the late 1970s when he decided to launch a war against Vietnam.⁴²

New Strategic Thinking

For many years, China's international strategy and regional security policy have been guided by the so-called "low profile" preference. But in recent years, especially in the context of the 2008 global financial crisis, Beijing's strategic thinking began to gradually shift. In the past, Chinese decision makers tried their utmost to preserve the Important Period of Strategic Opportunity (*zhongyao zhanlue jiyu qi*) by maintaining stability in China's neighborhood as the top priority. This explains why China adopted a more or less moderate security policy in much of the 2000s, both in the East China Sea and South China Sea. But in recent years, a policy consensus seems to have emerged in the Chinese foreign policy community that China should play an active role in preserving the Important Period of Strategic Opportunity, and at least make equal effort to simultaneously protect its maritime interests and maintain regional peace and stability.

According to an article in the *Global Times* in early February by Liu Yuan, Political Commissar of the PLA Department of General Logistics, the Chinese military should try its very best to refrain from taking impulsive military actions. He explains that while this is aimed at preserving the Important Period of Strategic Opportunity (*zhongyao zhanlue jiyu qi*) for sustaining China's economic development, China should not exclude the possibility of striking out when necessary (*gai chushou shi yao chushou*). Liu argues that China's participation in the Korean War in the early 1950s, and the war against Vietnam in the late 1970s and early 1980s, served to prolong peace for China.⁴³ Liu's view may well represent many elite in China's foreign policy community.

In this context, there are now new limits to developing new strategic thinking: it is more difficult for senior decision makers to appear weak or to advocate moderation in China's national security policy. On January 29, 2013, PLA Deputy Chief of Staff Qi Jianguo met US Congressman Rick Larsen. The official China News Agency

⁴² John Garnaut, "Fears Xi's push on Japan poses showdown risk," *Sydney Morning Herald*, March 16, 2013.

⁴³ "Liu Yuan: quebao zhanlue jiyu qi, zhanzheng shi zuihou xuanxiang," *Global Times*, February 4, 2013.

reported Qi telling Larsen that “China would never initiate any maritime dispute and conflict.”⁴⁴ But two hours later, China News Agency withdrew the first report, and deleted that statement in the new report.⁴⁵ We do not know exactly what happened in the discussions among the top echelon of the PLA leadership or between the military and the civilian leaderships during those two hours. But the end result of this action does suggest that China’s decision makers are prepared to be seen as tough.

The new strategic thinking has also been reflected in the notable increase of Chinese rhetoric of the “core interests” notion in recent years. The increased frequency of Chinese official documents referring to “core interests” perhaps is a reflection of Chinese decision makers’ own assessment of China’s growing power. According to Wang Yizhou, the growing discussion on “core interests” and the expanding parameter of “core interests” in China reflect the impact of China’s rising power on the public and elite’s self-confidence.⁴⁶ The Chinese elite may not be totally groundless in their assessment of the balance of power in the region. A Carnegie Endowment study notes that China’s growing coercive power (including Chinese military capabilities) could enable Beijing to influence or attempt to resolve disputes with Tokyo in its favour, short of military attack. An increase in the People’s Liberation Army’s presence in airspace and waters near Japan and disputed territories could also heighten the risk of destabilizing political-military crises.⁴⁷

This new strategic thinking has made a direct impact on China’s policy towards the East and South China Seas disputes in recent years. There are reasons to believe that Beijing is unlikely to reverse this trend, given its intensifying rhetoric and aspiration of transforming China into a maritime power. The latest China Maritime Development Report proclaims that China would attempt to accomplish the goal of becoming a major power in global oceanic affairs in 20 years. The report also concludes that maritime security has become a major strategic concern for China’s national security, and the current major threat is the possibility of territorial disputes

⁴⁴ <http://www.hi.chinanews.com/hnnew/2013-01-29/285343.html>.

⁴⁵ <http://www.chinanews.com/mil/2013/01-29/4530169.shtml>; for discussion on this issue, see <http://china.dwnews.com/news/2013-01-29/59105030.html>.

⁴⁶ Part Two of a ChinaFile Conversation, “Does Promoting “Core Interests” Do China More Harm Than Good?” Text available on *ChinaFile* website: <http://www.chinafile.com/>.

⁴⁷ Michael D. Swaine, et al., *China’s Military & The U.S.-JAPAN Alliance In 2030: A Strategic Net Assessment*, Carnegie Endowment for International Peace, 2013, http://carnegieendowment.org/files/net_assessment_full.pdf.

over the islands escalating into military conflicts.⁴⁸

Nationalism

Numerous signs indicate that the Chinese society has become more nationalistic in recent years. A survey jointly done by the International Herald Leader and three prominent internet content providers in April 2009 revealed that as many as 90.4 percent of the respondents were dissatisfied with China's efforts in protecting its maritime interests. When asked to identify the biggest threat to China's maritime security, 26.9 percent of respondents said it was China's insufficient attention to maritime security, 32.4 percent mentioned anti-China forces, and 20.7 percent referred to states with disputes with China.⁴⁹

In a survey conducted by Global Times in November 2010, over one-third of the respondents noted that they would support the use of force to resolve the territorial disputes.⁵⁰ Twenty days after the Sino-Philippines standoff over the Scarborough Shoal in April 2012, a Global Times survey found that nearly 80 percent of the respondents supported military means in response to "provocations" and "aggressiveness" of other regional states in the South China Sea.⁵¹ In another survey among urban residents in seven cities, the Global Times found that about 90 percent of the respondents support adopting all necessary means, including the use of force, to protect the Diaoyu Islands.⁵²

It seems that Chinese leaders are conscious of the dangers of the growth of ultra-nationalism and even xenophobia in China. During the anti-Japan demonstrations in September 2012, the Chinese government did take actions to curb the violence that was taking place in many cities in China. A few days before the traditional Chinese New Year, fireworks with sensationally nationalistic names were popular in Beijing. But a few days later, it was reported that the merchants had been told by the

⁴⁸ "2013 nian zhongguo Haiyang fazhan baogao: queli dayang shiwu qiangguo diwei" [China maritime development report 2013: building a maritime power status], *Changjiang ribao* [Yangtze daily], May 9, 2013.

⁴⁹ "zhongguo gongmin haiquan yishi jueqi" [the growth of Chinese public's maritime rights], *Guoji xianchu daobao* [International Herald Leader], April 21, 2009.

⁵⁰ "36.5% guoren renwei biyao shi wuli jie jue zhoubian lingtu zhengduan" [36.5% of Chinese support use of force to resolve territorial disputes with neighboring countries when necessary], *Global Times*, November 11, 2010.

⁵¹ <http://news.enorth.com.cn/system/2012/05/05/009169236.shtml>.

⁵² "huanqiu yuqing yu tai mindiao xianshi: liang an duoshuo minzhong zhichi bao diao" [global times survey and polls in Taiwan show majority support protecting Diaoyu islands], *Global Times*, July 19, 2012.

authorities to stop selling the fireworks with anti-Japan names, such as “Bombing Tokyo.”⁵³

But at the same time, they have to keep nationalism at a high level for other political purposes. China’s new leader, Xi Jinping, seems to be keen to drum up his political rhetoric centred on the “China dream” to cope with a society that is becoming even more devoid of ideology. There is concern that Xi’s “China dream” political campaign might stir up a new surge of nationalistic sentiment that has already been on the rise in the past few years.⁵⁴ This might be a serious concern, as the Chinese military has begun to say that a “strong army dream” should be part of the “China dream.” The authorities’ political mobilization activities that urge all Chinese people to subscribe to the “China dream” notion will certainly cause Chinese society to be more vigilant against the undesirable actions of regional states in territorial disputes. As a result, they will scrutinize the Chinese government for any compromise it makes or weakness that it may demonstrate.

Bureaucratic Politics

The evolving strategic thinking and rising nationalism have provided ample room for bureaucratic politics to come into play. Generally speaking, the nationalistic environment has made it easy for those agencies favoring assertive actions to justify their policy as politically correct. During the Scarborough Shoal standoff, China and the Philippines seemed to have reached an agreement that both parties would withdraw their official vessels from the area to reduce the tensions. But soon, the Philippines found that China was not willing to honour that agreement and in fact, China began to deny that such an agreement had ever been concluded. Could this be because of pressure from other actors in China?

During the 18th Party Congress, international media was widely reporting China’s expanding maritime interests. In the report, it is stated that China is committed to “increase its capabilities in exploring marine resources, develop marine economy, protect the marine bio-environment, resolutely safeguard national maritime rights and interests, and build a strong maritime power.”⁵⁵ Interestingly,

⁵³ “Zhongguo guanfang jiaoting ‘dongjing da baozha’ yanhua” [China officially halts selling “bombing Tokyo” fireworks], *Lianhe Zaobao*, February 7, 2013, <http://www.zaobao.com/photoweb/pages4/fireworks130207.shtml>.

⁵⁴ “China’s Future: Xi Jinping and the Chinese Dream,” *The Economist*, May 4, 2013.

⁵⁵ See the 18th Party Congress report: http://news.china.com.cn/politics/2012-11/20/content_27165856_7.htm.

these sentences appeared neither in the section regarding the military and defense nor in the section regarding foreign policy, but in section 8 of the political report dedicated to the efficient usage of national resources and environmental protection (issue areas that are under the jurisdiction of the Ministry of Land and Resources and the Ministry of Environmental Protection). Very likely, these statements on maritime issues were provided by the State Oceanic Administration, under the jurisdiction of the Ministry of Land and Resources. The Party Congress report is supposed to be the guiding document for China's macro-level policies in the coming years. Once the resolve to protect China's maritime interests is written in the report, it becomes a national policy. More importantly, the various agencies that are inclined to be more assertive could justify their policy proposals and actions as politically correct on the grounds of the Party Congress report.

In dealing with all these regional security challenges, the Ministry of Foreign Affairs had to face tremendous pressure from forces in China and the outside world. In fact, it had to stand firm on China's sovereignty claim, and yet at the same time, make minor diplomatic concessions. For instance, in July 2012, China reluctantly agreed to conclude the implementation guidelines of the DOC with ASEAN. On the COC issue, even though the mainstream view in China is against discussing and signing a legally binding code of conduct with ASEAN, the Ministry of Foreign Affairs had to openly state its willingness to move towards the direction of concluding a COC with ASEAN. To mollify domestic opposition, the Ministry of Foreign Affairs is set on playing delay tactics on the COC issue. Ministry officials have repeatedly stated that implementation of the DOC is at least as important as the negotiation on the COC. They have noted that implementation of the DOC and talks of the COC must take place simultaneously. Also, senior Chinese diplomats have stressed that the COC process could start only when certain conditions are ripe. Even though the officials have never openly specified the conditions necessary for the initiation of the COC process, it is commonly understood that China wanted the other claimant countries to stop "provoking" China and "colluding" with outside powers, especially the United States.

Other actors in the Chinese foreign policy community have very different views and policy preferences. The Chinese PLA leaders, especially the naval leaders, have a fairly expansive view of China's maritime security interests. In the words of Jiang Weilie, Commander of the PLA Navy's South Sea Fleet, the more than 3 million square kilometres of maritime territory is important for the realization of China's

sustainable development, the grand revival of the Chinese nation, and the China Dream. He further emphasizes that unlike the traditional view of the Chinese map (a rooster), China's territory now looks like a torch (with the territory in the South China Sea being the handle of the torch).⁵⁶ If Beijing were to follow the PLA Navy's interpretation of Chinese national interests, its decision makers would have very limited room to exercise flexibility.

Likewise, the State Oceanic Administration (SOA) has been strongly pushing for the expansion of China's interests in the maritime domain. For instance, the SOA has persistently labelled the nine-dashed line in the South China Sea as SOA's outer limit of law enforcement (*zhi fa xian*). Contrary to outside assessment that China's assertive actions in the maritime domain have disadvantaged its regional position, the State Oceanic Administration seems to believe that China has made significant achievements in protecting China's maritime interests, citing the fact that China has now established regular patrol over the waters near the Diaoyu Islands and effective control over the Scarborough Shoal.⁵⁷

Conclusion

A Chatham House report on the impact of China's leadership transition on Beijing's international policy concludes that China will most likely work within the existing policy approaches, but adopt a more serious approach towards issues that concern China's "core interests."⁵⁸ The findings of the report seem to corroborate with recent developments in China's international relations and regional security policy. We may have few reasons to be concerned about severe conflicts breaking out because of contingencies pertaining to the Taiwan, Xinjiang, and Tibet issues, traditionally deemed as China's national "core interests." But regarding various maritime security issues (territorial disputes and maritime resources which Beijing has been ambivalent in calling them China's "core interests"), things may go awry.

In fact, the regional disputes in recent years have already significantly damaged

⁵⁶ "Nanhai jiandui silingyuan: haiyang guotu shi minzu fuxing zhongyao bufen" [Commander of South Sea Fleet: maritime territory an important part for national rejuvenation], *PLA Daily*, April 9, 2013.

⁵⁷ "2013 nian zhongguo Haiyang fazhan baogao: queli dayang shiwu qiangguo diwei" [China maritime development report 2013: building a maritime power status], *Changjiang ribao* [Yangtze daily], May 9, 2013.

⁵⁸ Tim Summers, "China's New Leadership: Approaches to International Affairs," *Chatham House Briefing Paper*, April 2013.

China's relations with various countries in the region. As a result, China's image has suffered significantly. Genron NPO, a private Japanese group, and the East Asia Institute, a South Korean think tank, conducted their annual survey between March and April, 2013. When asked which of the two countries they feel closer to, 45.5 percent of the Japanese selected South Korea, while only 5.9 percent chose China.⁵⁹ For years, China has remained the lone regional power. Apparently, as a result of growing strategic anxieties over China's power and behaviour in recent years, defence and security ties have improved among various regional states; for instance, Japan, India, and Australia. Japan has committed an impressive sum to improve the Philippines' maritime capabilities. Tokyo has pledged to train Vietnam's coastal guard personnel and to improve its coastal defence capabilities.⁶⁰ More recently, political leaders in Southeast Asia have been calling for India to play a more active role in regional political, economic, and security affairs. In December 2012, ASEAN upgraded its relations with India to that of a "strategic partnership." According to some analysts, ASEAN's intention to further strengthen its strategic ties with India was at least partly attributed to China's growing assertiveness. Some regional states wanted to develop stronger relations with India in order to reduce the leverage that China could exploit in the asymmetric interdependent economic ties between China and ASEAN countries, in order to secure Beijing's security interests in the South China Sea disputes.⁶¹

Tensions and disputes in recent years in China's neighbourhood arose because of a variety of factors. Beijing is certainly not solely to be blamed. But as noted, China's ambivalent strategic priorities, evolving domestic politics, and traditional strategic doctrines (for instance, its victim mentality) also contribute to Beijing's excessively assertive approach to regional security matters. Beijing may need to better understand the impact of the growth of China's military power in intensifying the regional security dilemma. Regardless of the condition of the South China Sea disputes, Chinese political elite may need to understand the sheer impact of China's rapidly rising military capability. Its growing naval presence in Southeast Asian waters has generated significant amount of strategic pressure on regional states, such

⁵⁹ "Poll: Japanese Choose South Korea Over China, But South Koreans Like China Better," *Asahi Shimbun*, May 8, 2013.

⁶⁰ "Japan Agrees to Help Vietnam Boost Coastal Security," *BBC Monitoring Asia Pacific*, July 14, 2012.

⁶¹ Mahesh Shankar, "India and Southeast Asia: Building LEP momentum," *RSIS Commentary*, No. 77, April 26, 2013 (available on RSIS website: www.rsis.edu.sg).

as Indonesia.⁶²

More importantly, Chinese leaders will need to better understand that some of their maritime claims, for instance, the claim that all the maritime zone within the nine-dashed line in the South China Sea is China's maritime territory, are not supported by historical and legal grounds. Beijing may need to be more cautious that its pursuit of national interests is not achieved at the complete expense of the interest of regional states.

China seems to have a sincere desire to maintain stability in its surrounding neighbourhood. This is evidently shown in the Central Government's meeting on China's neighbourhood policy on 24-25 October 2013. At the meeting, Chinese President Xi Jinping emphatically stressed that China needs to do its best to create and maintain a stable environment in its neighbouring regions, in order to allow the country to focus on the grand national rejuvenation drive.⁶³ But at the same time, there is growing will among the Chinese policy community that China should also be more prepared to employ heavy-handed means to safeguard what Beijing views as its legitimate interests in the region, in particular sovereignty over disputed islands and maritime rights in the East and South China Seas. It is thus a big challenge for Chinese decision makers to strike a fine balance, which would necessitate Beijing to more clearly prioritize its interests and adopt a coherent strategy to accomplish those different objectives.

⁶² Ristian Atriandi Supriyanto, "The US Rebalancing to Asia: Indonesia's Maritime Dilemma," *RSIS Commentary*, No. 73, April 24, 2013 (available on RSIS website www.rsis.edu.sg).

⁶³ *Xinhua News Agency*, October 25, 2013, http://news.xinhuanet.com/politics/2013-10/25/c_117878944.htm.