

Chapter 2

China

**China-US Relations' Transformation into
a Hegemonic Struggle**

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China and the United States held ministerial trade negotiations intermittently, and amidst a continuation of progress and setbacks, reached a Phase One agreement in December. In January 2020, both governments signed the Phase One agreement document and showed compromises on trade. Nevertheless, it remains to be seen whether the Phase Two talks will lead to an agreement. The underlying reason: the two countries are not simply disputing conditions for remedying the trade imbalance; they are competing for overall national strength, including science and technological prowess. This is salient in US moves to drive out five major Chinese companies that lead the world in the 5G next-generation communications technology, and in the United States urging its allies to do the same. Not following suit of the United States are the European Union (EU) and the member states of the Association of Southeast Asian Nations (ASEAN), which generally have a favorable view toward China as an inexpensive provider of advanced technological capabilities. Pressed to make hard choices, President Xi Jinping is prepared for a long battle with the United States, as media reports suggest. President Xi is set on strengthening his power base by appointing confidants to his circle and on tightening his grip on the party, including visiting the site where the Communist Party of China (CPC) and the Red Army started the Long March. Furthermore, President Xi sets his sights on maintaining the nature of the People's Liberation Army (PLA) as the armed forces of the CPC, seizing opportunities such as China's 70th anniversary parade. However, even if its diplomacy, security, and military are strengthened, China has an inherent social structural vulnerability that cannot be avoided, namely, the rapid onset of an aging society. This situation will quickly tighten its financial circumstances. China is in effect entering a period toward slow growth.

Strained relations with the United States have also had implications for China's diplomacy with other countries. This is evident in China's multilateral frameworks, notably the Belt and Road Forum for International Cooperation, and in bilateral efforts, including improvement of China-Japan relations. Moreover, proactive diplomacy with Pacific Island countries is seen as China's groundwork for not limiting itself to the Belt and Road Initiative (BRI) and gaining freedom of action in all areas of the Western Pacific.

The people's protests in Hong Kong, triggered by the Fugitive Offenders and Mutual Legal Assistance in Criminal Matters Legislation (Amendment) Bill, are intensifying alongside the efforts of the Hong Kong police to suppress the

protests, and there is no clear end in sight. This situation had a large impact on the Taiwanese presidential election. Kuomintang (KMT) swept to victory in the local elections held in Taiwan in late November 2018, and it was believed that the presidential election would turn out in its favor. However, the Democratic Progressive Party (DPP) turned the table, winning the hearts of the Taiwanese masses who saw the situation in Hong Kong and felt a renewed sense of crisis toward Taiwan's future. In the presidential election on January 11, 2020, President Tsai Ing-wen was reelected with the most ever votes in the history of the presidential election. The DPP also kept its majority in the Legislative Yuan. With the Tsai government now in a strong position to stand up to China, the situation in the Taiwan Strait is expected to become severer.

As regards the PLA, moves have been made to strengthen President Xi's authority, as well as to maintain and enhance the PLA's status as the CPC's armed forces. At the same time, the PLA is engaged in partnership with Russia and modernization of its equipment. In 2019, there was a noticeable strengthening of Taiwan-US relations, especially in the military domain. Underpinning the favorable Taiwan-US relationship has been the deepening discord between China and the United States.

Faced with not only China-US confrontation, but also issues including the reelection of President Tsai in Taiwan, the situation in Hong Kong that fails to find compromise, and the spread of COVID-19, improving Sino-Japanese relations is increasing in importance for the Xi Jinping government.

1. Xi Jinping's Statecraft Tested by China-US Confrontation

(1) China-US Confrontation: Radicalization of Trade Friction into Hegemonic Struggle

As anyone will acknowledge, China and the United States are closely interdependent economically. The United States imports a considerable amount of cost-effective products from China, such as home appliances, furniture, household goods, personal computers, smartphones, network servers, and solar panels. China depends on the United States for advanced electronic devices, cutting-edge production equipment, robots, artificial intelligence-related technologies,

pharmaceuticals, agricultural products, feedstuffs, and more.¹ However, China-US relations, which have worsened since the end of 2017, showed no clear path toward improvement in 2019. Even amidst this lack of direction, the two countries conducted ministerial trade negotiations frequently. In June, a China-US Summit was convened on the margins of the G20 Summit held in Osaka but did not give rise to any prospect of resolving the trade negotiations. Under such circumstances, both countries imposed the fourth round of sanctions and retaliatory tariffs in September, following on from September 2018.

China and the United States are locked in a tit-for-tat struggle not simply over conditions for remedying the trade imbalance. The two countries are competing for overall national strength, including state-of-the-art technologies such as 5G. The United States is moving to drive out Huawei and ZTE Corporation that lead the world in the 5G next-generation communications technology, and is urging its allies to do the same. Five countries, namely, the United States, the United Kingdom, Canada, Australia, and New Zealand (known as the “Five Eyes”), which are parties to a multilateral agreement on joint use of facilities that intercept communications and radio waves to collect information, have created

Figure 2.1. Flow of Section 889 of the National Defense Authorization Act (NDAA) for Fiscal Year 2019



Source: Compiled by the authors based on the National Defense Authorization Act for Fiscal Year 2019.

a new framework for sharing information on cyber attacks in collaboration with Japan, Germany, and France.² In addition, US Secretary of State Mike Pompeo visited the Eastern European countries of Hungary, Slovakia, and Poland to warn them against the use of Huawei communications equipment in their countries. Furthermore, Section 889 of the National Defense Authorization Act for Fiscal Year 2019, which was passed in the United States in 2018, has been brought to attention for establishing significant restrictions on government procurement of products produced and services provided by Chinese telecommunications and video surveillance companies. For the first phase of the restrictive measures, Section 889 states that US federal agencies may not procure any products that use those of five Chinese companies (Huawei, ZTE, Hytera Communications, Hikvision, and Dahua Technology) as “a substantial or essential component” from August 2019. It specifies that, in the second phase from August 2020, the United States intends to take more comprehensive and extremely stringent measures and to exclude Chinese companies from the list of government suppliers.

That is not to say that all countries are on the same page. On March 26, the European Commission issued a recommendation on cybersecurity of 5G networks. The recommendation did not seek a uniform ban of Huawei and other Chinese companies’ products and entrusted member states to make their own decision. Germany has reportedly indicated that it will not prohibit Huawei products from its 5G networks.³ On April 9, Premier Li Keqiang, who was visiting Brussels, held a meeting with EU leaders. They issued a joint statement expressing that there should not be “forced transfer of technology.”⁴ Given the United States’ distrust of China’s assurance on eliminating “forced transfer of technology,” the joint statement may reflect China’s plan to create a US-EU divide, foreseeing the disagreements over their policies on China.

ASEAN member states, too, are largely keen on strengthening their relations with China. Prime Minister Mahathir bin Mohamad of Malaysia attaches importance to its relationship with Chinese IT companies, and committed to cooperating with Huawei on 5G trials. At a Business Summit held in Bangkok in June, Prime Minister Mahathir showed a friendly stance toward China, stating, “We should not take sides.” At the Shangri-La Dialogue held in June, Prime Minister Lee Hsien Loong of Singapore also warned against the United States for over-emphasizing the threat of Huawei. Many countries welcome Chinese companies whose selling point is advanced technological capabilities at low

prices. For this reason, the China-US battle for hegemony is not necessarily unfolding to China's disadvantage.

In May, President Xi Jinping visited Ganzhou, Jiangxi Province, a chief producer of rare earth, and noted, "Rare earth is an important strategic resource."⁵ The National Development and Reform Commission later issued a press release, stating that experts recommended strengthening export controls for rare earth and establishing a full-process traceability and review system for exports.⁶ This development recalls China's use of rare earth to apply pressure on Japan in 2010. It is deemed that China again seeks to use rare earth as a trump card in its trade negotiations with the United States.

On June 2, the State Council Information Office published a white paper titled, "China's Position on the China-US Economic and Trade Consultations," in which China justified its position. In the white paper, China notes as follows: (1) its science and technological innovations are based on self-reliance; condemning China of intellectual property theft and forced technology transfer is unfounded, (2) the additional tariff measures that the United States imposed undermine its own and others' interests, (3) the trade war cannot "make America great again," and (4) US hegemonic behavior harms the world. Furthermore, the white paper underscores that China and the United States should hold dialogues and consultations to avoid disagreement and friction in the economic and trade area.⁷

Subsequently, the United States and China worked toward compromise, and on December 13, announced the Phase One agreement, respectively. The two countries unveiled the details of the agreement independently. China's announcement was as follows: (1) the United States will fulfill its consent to phase out its additional tariffs on Chinese products, (2) the United States will achieve a switch from hiking to cutting additional tariffs, and (3) an agreement document will be prepared that includes intellectual property rights, technology transfer, food products, agricultural products, financial services, exchange rate and transparency, trade expansion, and bilateral assessment and dispute settlement.⁸ On the other hand, the Office of the US Trade Representative announced that the agreement includes China's commitment to make substantial additional purchases of US goods and services in the coming years.⁹

Under the Phase One agreement, China has significantly increased purchases of US products, including agricultural products such as soybeans and energy resources. Meanwhile, the United States has lowered tariffs on \$120 billion of

Table 2.1. US-China trade and commerce negotiations (2019–2020)

Date	Place	Issue and Outcome
2019 January 30 and 31	Washington, DC	Consultations on intellectual property rights protection, suspension of forced technology transfer, etc. China expressed intent to purchase US soybeans (5 million t).
February 14 and 15	Beijing	Work began for creating a memorandum on bilateral issues.
February 21–24	Washington, DC	
March 28 and 29	Beijing	Details unknown
April 3–5	Washington, DC	No agreement reached on vital matters.
April 30–May 1	Beijing	
May 9 and 10	Washington, DC	No de facto achievements
May 10		The United States increased the tariff rate on Chinese goods (equivalent to \$200 billion) for the third round of sanctions and retaliatory tariffs. China announced countermeasures (equivalent to \$60 billion).
July 30 and 31	Shanghai	No de facto achievements
September 1		The United States and China simultaneously imposed some of the fourth round of sanctions and retaliatory tariffs.
October 10 and 11	Washington, DC	First negotiations since July. Provisional agreement reached on agricultural products, currency, etc.
October 25	Telephone meeting	The US Trade Representative announced the holding of a ministerial-level telephone meeting and progress toward a Phase One agreement.
December 13		The two countries announced the Phase One agreement, respectively. The United States scrapped tariffs on China scheduled for December 15. China also retracted retaliatory tariffs.
December 20	Telephone meeting	US and Chinese leaders held a telephone meeting on the trade negotiations.
2020 January 13–15	Washington, DC	Phase One agreement document signed.

Source: Compiled by the authors based on media reports.

Chinese imports it imposed in September 2019, from 15% to 7.5%. While this is the first time that the United States relaxed sanctions since imposing import restrictions on steel and aluminum in March 2018, it maintains 25% tariffs on

\$250 billion of Chinese imports. China, too, has maintained most of its retaliatory tariffs. It is thought that the two countries moved toward compromise due to President Trump's desire to stress his achievements for the US presidential election scheduled in autumn 2020, and due to the China-US trade friction putting a damper on China's growth rate. Despite such motives, the path to a Phase Two agreement is expected to be mired in difficulties—the reason being that the consultations on outstanding matters pertain to issues related to China's structural reforms, such as excessive industrial subsidies and tax breaks for state-owned enterprises, along with issues concerning Huawei, which the United States perceives as having security implications.

(2) Xi Jinping's Pursuit of Long-term Rule While Tightening Grip on Party and Armed Forces

It is well known that President Xi Jinping brings acquaintances into the central government and appoints them to his circle. They include people he has known from his local government years, such as: Li Zhanshu, Chairman of the National People's Congress (NPC) of the People's Republic of China (PRC); Liu He, Vice-Premier of the State Council; Chen Miner, Secretary of the Chongqing Municipal Committee of the CPC; and Cai Qi, Secretary of the Beijing Municipal Committee of the CPC. These individuals occupy Central Politburo member or higher posts, which are reserved for only 25 of the more than 90 million CPC members throughout China. Wang Qishan, who retired from his Central Politburo Standing Committee member post and became a mere party member at the 19th Party Congress in 2017, was elected Vice President of the PRC in March 2018 and has been given the important role of overseeing diplomacy. In media reports about the PLA military parade on October 1, Vice President Wang Qishan's



Giant portrait of Xi Jinping shown at the parade
(Xinhua/Kyodo News Images)

name was listed after the seven members of the CPC Politburo Standing Committee and before former Presidents Jiang Zemin and Hu Jintao.¹⁰ As a special envoy of President Xi, Vice President Wang Qishan attended the Ceremonies of the Accession to the Throne in Japan and the inauguration ceremony for

the Indonesian President.¹¹ They demonstrate President Xi's continued deep confidence in Vice President Wang Qishan, as well as President Xi's intention to assemble confidants to his circle for strengthening his power base.

An increasing display of loyalty toward President Xi Jinping has been observed on various occasions. At the largest ever military parade held in Beijing on October 1, 2019 to coincide with the country's 70th anniversary, a group comprised of generals, field officers, and company officers was formed for the first time in the history of the military parade since China's founding and took part in the procession. All 25 members who led this formation are reportedly generals. At the review, they all gave a unified salute to President Xi at the podium.¹² The *PLA Daily* reported that it was a demonstration of "all service members' wholehearted commitment and absolute loyalty toward President Xi" and of "the new structure following the rebuilding of the military's leadership management and operational command system."¹³ After the military parade, a parade by the people was held, featuring giant portraits of China's past and incumbent party leaders: Mao Zedong, Deng Xiaoping, Jiang Zemin, Hu Jintao, and Xi Jinping. The portraits are thought to represent the people's loyalty to the party's leaders.

During Deng Xiaoping's rule, it became routine for the leader to deliver an address at military parades held on milestone years since the PRC's founding. Furthermore, it was customary for the address to mention past leaders. Nevertheless, Xi's latest address mentioned only Mao Zedong. By drawing a direct link between Mao Zedong and himself, it is believed that Xi intended to portray himself as the "core of the party" to consolidate his authority and power.

In China, recent years have seen moves for maintaining and strengthening the PLA's nature as the armed forces of the party. In the *PLA Daily*, it was reaffirmed that, "The military is the people's armed forces under the absolute leadership of the party; its purpose is always the party's purpose, and its original aspirations are the party's original aspirations."¹⁴ At the military parade held on China's 70th anniversary, President Xi noted on the party's position as follows: the PLA "must adhere to the leadership of the CPC." At the parade, helicopters and guards of honor raised the party flag, the state flag, and the army flag in this order, highlighting the superiority of the party.

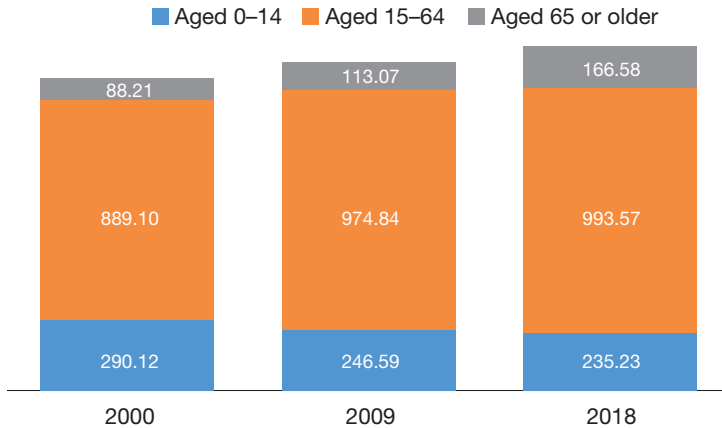
The CPC theory's strong influence on military affairs was also observed at the Military Olympics (Military World Games) held for the first time in China on

October 18. The lighting ceremony for its torch relay was held on August 1 at a memorial hall in Nanchang, Jiangxi Province, which is connected to the armed uprising led by the CPC in this area on August 1, 1927. At the ceremony, the flame was reportedly lit by the great-granddaughter of Fang Zhimin, a proletarian revolutionist from Jiangxi Province.¹⁵ In this way, even before the events began, China's first Military Olympics was largely used to make people aware that the PLA is the armed forces of the party.

President Xi Jinping is set on tightening his grip on the party. In May, he visited Yudu County, Jiangxi Province, which was the starting point of the Long March. It began in October 1934 as the Communists were no longer able to resist the encirclement campaign of the KMT army led by Chiang Kai-shek, and were forced to abandon the Chinese Soviet Republic. During the visit, President Xi noted that the CPC's original aspirations and mission, along with the revolution's ideals and purpose, should never be forgotten.¹⁶ He may have intended to emphasize that the negotiations and battle with the United States will be a long arduous journey similar to the Long March. “不忘初心、牢記使命 (Staying true to our founding mission)”¹⁷ was the theme of the 19th Party Congress held in October 2017 and has since been reiterated on various occasions. Wang Huning, Politburo Standing Committee member and the fifth-ranking member of the party, and General Zhang Youxia, Vice Chairman of the Central Military Commission, were appointed to head the Education Leading Group on the theme of “staying true to our founding mission,” which was established under the CPC Central Committee and the Central Military Commission, respectively. President Xi has stated that the “original aspirations” and “mission” of CPC members refer to seeking happiness for the Chinese people and rejuvenation for the Chinese nation.¹⁸

On September 3, President Xi delivered an important address at the Party School of the Central Committee that educates CPC senior officials. In this address, President Xi remarked, “The world today is undergoing dramatic change not seen in the past 100 years.” “The great rejuvenation of the Chinese nation will not be achieved easily by mere drum-beating and gong-clanging, and realizing the great dream requires a great struggle.” Xi added that the struggle would continue at least until 2049, the 100th anniversary of China.¹⁹ The phrase “unprecedented changes unseen in the past 100 years” refers not only to the international situation in which China finds itself. Having a population that is

Figure 2.2. Changes in China's population by age (in millions)



Source: Compiled by the authors based on the Chinese National Bureau of Statistics website.

more than quadruple that of the United States, China has drawn the interests of various countries attracted to its massive market. Therein also lies the reason the United States continued to uphold its policy of engagement with China. That very China faces a rapid onset of population aging and decline, as has been pointed out from before, and this is now becoming a reality. According to information released by the National Bureau of Statistics, the Chinese population as of the end of 2018 was 1.395 billion; the proportion of the working-age population (age 15 or older and under age 65) and the population of young people under age 15 decreased, whereas conversely, the elderly population that is age 65 or older increased. This trend will rapidly tighten Beijing's financial situation. The Report on the Work of the Government presented at the March NPC set the GDP target growth rate at 6 to 6.5%.²⁰ While this is slightly lower than the previous year's growth rate of around 6.5%, the numerical target appears to be sufficiently high. Nevertheless, it represents the end of China's high economic growth in the 10% range, considered one of the grounds that gave legitimacy to the CPC's rule, and China's entry into a period of slow growth.

Such changes in Chinese society are putting pressure on its economic situation. On top of this, the country faces intensifying confrontation with the United States, the Hong Kong issue, and a worsening economy. President Xi seeks to

fully fulfill his role as a helmsman of the party, the government, and the PLA by enhancing party solidarity and unifying its thinking, while the party shares a sense of crisis over foreign and domestic affairs. However, concentrating power in himself also means no one else can be held accountable. If President Xi were to mismanage Sino-US relations or fail to adapt to a rapidly changing aging society, he could become a target of criticism from both inside and outside the party and be forced to retire, even if he abolished the term limit system and wished to stay in power for the long term.

(3) The Xi Government's Efforts to Improve Foreign Relations as a Hedge

With China-US relations under duress, Beijing is taking pains to strengthen or stabilize its relations with neighboring countries. In particular, China and Russia identify each other as a comprehensive strategic partner. On June 5, 2019, President Xi Jinping visited Russia for the eighth time since assuming the presidency in 2013 and held a meeting with President Putin. At the meeting, the Chinese and Russian leaders discussed such matters as the issue of the Korean Peninsula and Iran's nuclear issue, and affirmed that China and Russia, as core members of the United Nations (UN), will protect the international system founded on international law and maintain the multilateral trading system.²¹ It is believed that President Xi and President Putin sought to define themselves as a counterbalance to the Trump administration, which gives top priority to US interests. On July 23, Chinese and Russian bombers conducted a joint flight over the East China Sea and the Sea of Japan.²² Some note that this joint flight reveals the continuously deepening China-Russia relationship, and that it was strategically intended to counter the United States with which confrontation is increasing.²³ The spokesperson for the Chinese Ministry of National Defense stated that China and Russia "conducted their first-ever joint strategic air patrol," and that it deepened their strategic coordination, including the level of joint actions and operation capabilities.²⁴ Furthermore, a scholar has pointed to the possibility of China and Russia continuing to announce new joint military trainings.²⁵

Criticized as a "debt trap," China's BRI has come under the stern eye of the international community, and China has made a series of efforts to dispel this negative image. From April 25 to 27, the Second Belt and Road Forum for

International Cooperation was held in the suburbs of Beijing. The First Forum in 2017 was attended by approximately 1,500 people from over 130 countries, including leaders of 29 countries, and over 70 international organizations. In contrast, the Second Forum was attended by 6,000 people from over 150 countries, including leaders of 38 countries, and 92 international organizations. As is demonstrated, the BRI's marked increases in participating nations and international organizations have risen China's influence on the international community.²⁶ In his keynote speech, President Xi stated that the BRI will introduce widely accepted rules and standards on all fronts and respect the laws of participating countries, showing that considerations would be given to criticisms and concerns expressed by beneficiary countries.²⁷

Sino-Japanese relations are also improving. On April 24, Nikai Toshihiro, Secretary-General of the Liberal Democratic Party, visited China as a special envoy of Prime Minister Abe Shinzo and held a meeting with President Xi. President Xi himself attended the G20 Summit held in Osaka in June. Vice President Wang Qishan attended the Ceremonies of the Accession to the Throne held in October.

Nonetheless, it is clear that improvements in China-Japan foreign relations have not necessarily worked to the favor of security affairs. On July 24, China published a national defense white paper entitled, "China's National Defense in the New Era."²⁸ For the first time in approximately four years since May 2015, a national defense white paper was published. Among the clear differences with previous national defense white papers is the hardline rhetoric used with regard to the Senkaku Islands. The latest white paper uses wording not seen in previous white papers, namely, that navigation of Chinese government vessels in the waters of the Senkaku Islands constitutes China's exercise of national sovereignty under the law. Indeed, China Coast Guard (CCG) vessels have stepped up their activities in these waters. From April to June, CCG vessels entered the contiguous zone around the Senkaku Islands on 64 consecutive days, the longest on record. Although this record ended on June 15, the consecutive entries resumed the following day on June 16 and continued for 32 days. Since September 2012, there have only been five confirmed cases in which Chinese government vessels conducted activities in these waters for more than 30 days, excluding the aforementioned entries. Moreover, it was unprecedented for entries to resume after a mere one-day interval. On an annual basis, both the number of

days and the number of total CCG vessels that entered the contiguous zone were record highs in 2019.

From September to November 2019, a Hokkaido University professor was detained by Chinese authorities. In November that year, an employee of a Japanese company was sentenced to three years in prison. Since 2015, 15 Japanese nationals have been detained in China, 9 of whom have been sentenced to prison, according to reports. China has established laws, such as the Counter-Espionage Law (2014), the National Security Law (2015), the National Intelligence Law (2017), and the Law on the Administration of Activities of Overseas Non-Governmental Organizations within the Territory of China (2017), and has used the laws to reinforce its domestic surveillance system. It appears China has actively applied such laws to foreign nationals as well. While there have been remarkable improvements in China-Japan foreign relations, the above events reveal that Sino-Japanese relations by no means have seen an overall easing of tensions.

China conducts proactive diplomacy with Pacific Island countries. In September, China established diplomatic relations with the Solomon Islands and the Republic of Kiribati, both of which had diplomatic relations with Taiwan. As a result, the number of countries that have maintained diplomatic relations with Taiwan has decreased from 22 to 15 since the initial inauguration of the Tsai Ing-wen government (May 2016). China's moves should be considered not only as efforts to raise its national prestige ahead of its 70th anniversary and as a blow to Taiwan, but also as part of China's Pacific strategy based on the BRI.

Beijing provides large-scale economic assistance to Pacific Island countries, including Papua New Guinea and Fiji. This region is expected to assume greater importance in the area of space business, a field into which Beijing has focused its efforts. In Kiribati, with which China had diplomatic relations from 1997 to 2003, it operated an observation station for satellite tracking, position measurement, and control. A ground-based observation station is cheaper than dispatching tracking ships each time, and for such reasons, China may resume the station.²⁹ In addition, Kiribati is located along the equator, the most advantageous position for launching satellites into the geostationary orbit. China engages in the business of launching high-demand satellites, such as communication and broadcasting satellites and meteorological satellites, and may build a satellite launching facility in Kiribati.

Pacific Island countries are anticipated to gain important geopolitical standing from a military strategic perspective. At this point in time, China does not have the ability to exercise sea control in these vast waters. However, Beijing already has the ability to pass through the “first island chain” and carry out frequent trainings in this area. At the same time, China is thought to be steadily deploying anti-ship ballistic missiles, such as DF-21D and DF-26, that deny US naval access. Important sea lanes for transporting crude oil to East Asia include the route from the Indian Ocean to the Strait of Malacca and the South China Sea. The route from the Indian Ocean, transiting the Lombok Strait, the Makassar Strait, and the Celebes Sea, is also a vital route. Palau, which lies at the exit of the route, along with Papua New Guinea, is located at the southern tip of the “second island chain.” Palau currently maintains firm diplomatic relations with Taiwan. However, if China were to establish diplomatic relations with Palau that will enable deployment of military capabilities from the country, China will acquire a bridgehead for securing freedom of action in all areas of the Western Pacific. Furthermore, China can now access areas where its fleet could not make port calls previously because of their diplomatic relations with Taiwan, such as Kiribati and the Solomon Islands. China has been pursuing a gradual strategy of passing through the “first island chain” and aiming for forays into the “second island chain.” Depending on its relations with Pacific Island countries, China’s future strategy will include the option of targeting Guam from behind. Many of the Pacific Island countries scattered between Hawaii, Guam, and Australia are under the strong influence of the United States. Nevertheless, there is plenty of room for China to leverage economic assistance to strengthen its relations with these countries.

2. Taiwan’s Increasingly Fluid Situation Linked with the Hong Kong Protests

(1) The Fugitive Offenders Amendment Bill Deepens Anxiety over Chinese Rule

Hong Kong was probably under the most spotlight in 2019 since its return to China in 1997. The circumstance giving rise to this was the large-scale protests that unfolded virtually every week against the Fugitive Offenders and Mutual

Legal Assistance in Criminal Matters Legislation (Amendment) Bill, which would have enabled the extradition of Hong Kong nationals to police in mainland China, and there is still no end in sight to the protests. The Bill was proposed after a Hong Kong man murdered his girlfriend in Taiwan in February 2018. Afterwards, the man fled back to Hong Kong. The government of Hong Kong has no extradition arrangement with Taiwan, making it difficult for Taiwan to institute criminal prosecution. To resolve this situation, the government of Hong Kong introduced the Bill in the Legislative Council. The extradition countries and regions included not only Taiwan but also mainland China and Macao. For Chinese authorities, it was natural for Hong Kong, a special administrative region of China, to conclude a criminal justice agreement on extradition with mainland China, and the authorities endorsed the Bill. However, the people of Hong Kong strongly opposed it, fearing that those who criticize the CPC government will be extradited to China on unfounded charges. Staff of Causeway Bay Books, which sold books critical of the CPC, disappeared in 2015, and their detainment by Chinese authorities later came to light. It is no surprise that the people of Hong Kong who know this incident felt an increasing sense of danger.

On April 28, approximately 130,000 people (source: protest organizer) took to the streets in the largest protest since the Umbrella Movement in 2014. The protests drew unprecedented numbers: 1.03 million people (source: organizer) participated on June 9 and 2 million people (source: organizer) on June 16. The enormity of the participants can be understood if Hong Kong's population of 7.52 million people (2019) is considered. The protests initially took place mostly on Hong Kong Island but later expanded to the opposite shore, the Kowloon Peninsula, which is connected to mainland China by land. Amidst severe criticisms,



June 16, 2019; People filling the streets of Hong Kong (UPI/Newscom/Kyodo News Images)

the Fugitive Offenders Amendment Bill was de facto withdrawn (June 18, Chief Executive Carrie Lam) and then formally withdrawn (September 4, Chief Executive Carrie Lam). Nonetheless, the situation has not been resolved and has even worsened. The following months have seen escalating protests, including the burning of

Chinese flags by demonstrators, a break-in and temporary occupation of the Legislative Council (July 1), spray-painting on the Hong Kong Liaison Office of the Hong Kong and Macao Affairs Office of the State Council, one of China's branch offices (July 21), a sit-in at Hong Kong International Airport (August 9), damages to a Bank of China branch (October 4), provocations (shining of laser lights) against the PLA's Hong Kong garrison (thousands of personnel) stationed in the New Territories, vandalism of subway stations, and an attack on Xinhua News Agency's Hong Kong branch (November 2). Meanwhile, the Hong Kong police have intensified activities to suppress the protests, resulting in some casualties, and the clashes show no sign of abatement. The PLA is unlikely to come into to bring the situation under control. On the other hand, videos have been released showing the People's Armed Police assembling in Shenzhen, adjacent to Hong Kong, and conducting suppression drills.³⁰ On August 14, the spokesperson for the Hong Kong and Macao Affairs Office stated, "We condemn in the strongest terms this almost terrorist act,"³¹ perhaps to create a basis for suppressing the situation. On November 14, President Xi Jinping commented on and expressed a sense of crisis over the situation in Hong Kong, stating, "The most urgent task for Hong Kong at present is to...restore order."³²

(2) From the KMT's Ascendancy to the DPP Government's Catch-up

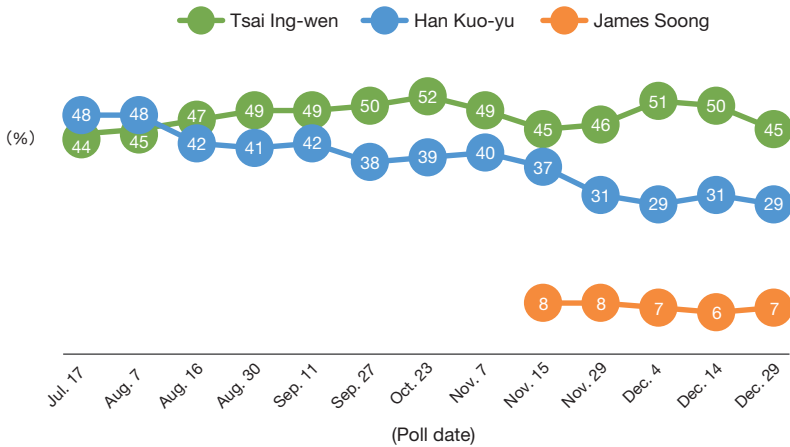
The situation in Hong Kong is having a large impact on the Taiwanese political situation. The DPP suffered a major defeat in the local elections held in November 2018, and the reelection of President Tsai Ing-wen in the 2020 presidential election was considered hopeless. This situation changed dramatically with the outbreak of the largest protests in Hong Kong's history related to the aforementioned Fugitive Offenders Amendment Bill. Han Kuo-yu, Mayor of Kaohsiung (KMT), and Ko Wen-je, Mayor of Taipei (independent, later established the Taiwan People's Party), who were thought to be President Tsai's rivals in the presidential election, adopted the stance of not criticizing China. In contrast, President Tsai expressly vowed support for the people of Hong Kong and opposition to "one country, two systems." The Taiwanese people's approval rating for President Tsai increased gradually. She won against former Premier Lai Ching-te in the DPP primary election and was formally appointed the party's official presidential candidate on June 13. The DPP Central Executive Committee, which endorsed President Tsai, postponed the party's primary election from the original mid-April

date and succeeded in weakening former Premier Lai Ching-te's momentum. The DPP Central Executive Committee has authority over how the party's primary is conducted. Making full use of that was a winning strategy for the Tsai camp.

As for the KMT, its primary election was fought between mainly Mayor of Kaohsiung Han Kuo-yu and Terry Gou, who is famous for founding Foxconn, the world's largest company in the electronics contract manufacturing service. Mayor Han Kuo-yu won the primary on July 15. This win was backed by the KMT's victory wave created in the previous year's local elections and by Han himself recapturing the mayoral seat of Kaohsiung, a DPP stronghold, for the first time in 20 years. Terry Gou left the party on September 12. Although he indicated he would run in the presidential election as an independent, he ultimately did not declare his candidacy. The final candidates for the presidential election were three political party-nominated individuals: President Tsai Ing-wen (DPP), Mayor of Kaohsiung Han Kuo-yu (KMT), and Chairman James Soong (People First Party). There were no independent candidates.

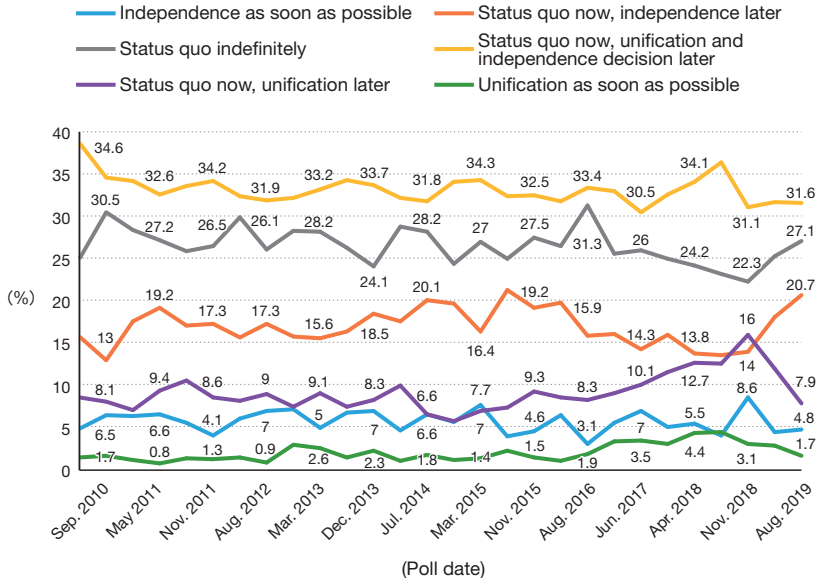
According to an opinion poll by a Taiwanese media outlet, the approval rating of President Tsai surpassed that of Mayor Han in around mid-August. As can be seen, the effects of the large-scale Hong Kong protests started to appear in approval rating polls for Taiwan's presidential candidates after one to two months. From then on, President Tsai successfully captured the hearts and minds of the Taiwanese people who began to harbor fears about Taiwan's future, and dominated the election campaign. Additionally, as Taiwan became ever more important for the United States as a result of deteriorating US-China relations, the United States' explicit support for President Tsai became an element that gave reassurance to the Taiwanese people. Mayor Han, on the other hand, advocated to the Taiwanese people that he would restore the Taiwanese economy by improving relations with China, as revealed by his Facebook slogan, "Safety for Taiwan, money for the people." Economic recovery is certainly a critical issue in a national election. In a presidential election in which the policy on China took on great significance, however, the slogan of economic recovery slightly lacked in impact. In the final stage of the election campaign, Mayor Han attacked the DPP for being a political party steeped in corruption, and even lodged intense criticism of Taiwanese mainstream media outlets with which he had poor relations. It is believed that Mayor Han's criticism of the media adversely affected his election campaign. Voting for the presidential election took place on January 11,

Figure 2.3. Approval rating of the presidential election candidates (2019)



Source: Compiled by the author based on TVBS, December 30, 2019.

Figure 2.4. Taiwan's public opinion on unification and independence



Source: Compiled by the author based on Mainland Affairs Council, "Minzhong dui dangqian liang'an guanxi zhi kanfa" [Public Opinion on Cross-Strait Relations], July 25–29, 2019.



President Tsai Ing-wen following her reelection (left: Vice President-elect Lai Ching-te) (Kyodo News)

2020. Tsai Ing-wen and Lai Ching-te won 8.17 million votes (57.1% of total votes), the most in the election's history, and secured an overwhelming victory by a margin of about 2.65 million votes over Han Kuo-yu and Chang San-cheng. James Soong and Sandra Yu won just under 610,000 votes. President Tsai acknowledged that the situation in Hong Kong

contributed to her reelection by a large margin. In addition, President Tsai called on China to abandon its hopes for China-Taiwan unification under “one country, two systems.”

As Figure 2.4 shows, the proportion of Taiwanese people who want status quo indefinitely and people who want status quo now and independence later bottomed out in October 2018 and has risen significantly since January 2019. On the other hand, the proportion of people who want status quo now and unification later has decreased sharply. It is believed that this trend also had a direct impact on the approval ratings of potential candidates in the presidential election.

(3) Taiwan's Strengthened Partnership with the United States

The year 2019 saw a marked strengthening of the Taiwan-US partnership. In July, on the occasion of her trip to Latin American and Caribbean countries, President Tsai attended a welcome reception in New York during her transit. The reception was held by UN ambassadors and others from countries that have diplomatic relations with Taiwan. This was the first time that a President of Taiwan met with UN ambassadors and others from its diplomatic allies in New York, the home of the UN headquarters.³³ In cases where a Taiwanese dignitary transits the United States to visit a country with which Taiwan has diplomatic relations, the two countries must coordinate carefully regarding what level of activities would be conducted in the transit city and to what extent they would be disclosed. In the recent transit, the United States conveyed its intent to offer a warm welcome to Taiwan, and likely had it leak this information with the intention of reining in China.

It has also come to light that senior Taiwanese and US officials held a meeting. According to reports, David Lee, Secretary-General of the National Security

Council, who was visiting the United States from May 13 to 21, held a meeting with John Bolton, Assistant to the President for National Security Affairs. This was the first time that the Secretary-General of the National Security Council of Taiwan met with the National Security Advisor of the United States since the breaking of Taiwan-US relations in 1979. Advisor Bolton is known for his hardline approach to China and for his pro-Taiwan stance, and he drew attention for being one of the people China is cautious of.³⁴ While Advisor Bolton resigned in September, US-China confrontation remains intransigent. The US White House, Congress, and the public have consistently maintained a severe stance toward China to a great extent. The exit of a single senior official with a harsh view on China from the White House alone is not expected to change this trend significantly.

On June 1, the US Department of Defense (DOD) released the Indo-Pacific Strategy Report, in which it states that Singapore, New Zealand, Mongolia, and Taiwan are reliable, capable, and natural partners of the United States as democracies in the Indo-Pacific region.³⁵ The report puts Taiwan on an equal footing with other nations, and notes that the United States is pursuing a strong cooperative relationship with Taiwan and will faithfully implement the Taiwan Relations Act, as part of a broader commitment to the security and stability of the Indo-Pacific region.³⁶

In regard to arms sales, the United States has provided unprecedented preferential treatment to Taiwan. On July 8, the US DOD notified Congress that it intends to sell M1A2 tanks and other equipment worth a total of \$2.2 billion to Taiwan. Primary weapons upgrades for the Taiwanese Army have been postponed vis-a-vis those of the Navy and Air Force. The M1A2 tank to be purchased is a weapon used by the US Army on active duty. The Taiwanese Navy and Air Force have been provided with weapons from a generation ago. If you compare them with the Army, the US preferential treatment to Taiwan is evident, and this in and of itself has significance. Furthermore, on August 15, the US DOD notified Congress of its intention to sell 66 F-16C/D Block 70 fighters to Taiwan. Past US administrations have remained cautious about selling fighters to Taiwan. The latest decision to sell fighters is the first since 150 F-16A/B fighters were last sold 27 years ago. This marks the fifth time that the Trump administration will sell arms to Taiwan. The sales total has already reached \$12.417 billion. The Trump administration's provision of preferential treatment

to Taiwan is all the more apparent when one looks at the Obama administration, which sold arms to Taiwan three times during its eight years, amounting to \$13.962 billion in total, and which sold no primary weapons.³⁷ Moreover, on August 20, William Christensen, Director of the American Institute in Taiwan's (AIT) Taipei office, visited Kaohsiung where he toured a naval base, boarded a Keelung-class destroyer, and observed AAV7 Assault Amphibious Vehicles.³⁸ It is apparently not unusual for Americans affiliated with supplying weapons in Taiwan to visit its armed forces. However, the AIT disclosing the visit at its initiative has a different meaning from the media reporting on the visit. It can be inferred that the AIT disclosed the visit to show that the United States supports the Tsai government.

US naval vessels transit the Taiwan Strait frequently. The total number of US naval vessels that transited the Taiwan Strait from 2007 to May 2019 was 92, according to a Hong Kong newspaper report.³⁹ The media has also reported that US naval vessels sailed through the Taiwan Strait eight times from January to September 2019.⁴⁰ The vessels that have sailed through included not only naval vessels, such as Aegis warships and dock landing ships, but also Coast Guard ships. In addition, 2019 saw US aircraft operations, including flight of the US Navy's P-8 patrol aircraft over the Taiwan Strait keeping in line with US vessels and southward flight of the US Air Force's MC-130J special operations aircraft over the Taiwan Strait. On March 31, it was confirmed that Chinese Air Force fighters flew across the median line in the Taiwan Strait for the first time since 2011. Such flights by US military aircraft may be intended to keep Chinese flights in check.

With regard to the sailing of US warships in the Taiwan Strait, of note is whether or not they will include US aircraft carriers. When the first direct presidential election was held in 1996 and the Chinese forces conducted a missile drill, the United States urgently deployed two aircraft carriers to waters surrounding Taiwan—the USS *Independence* and the USS *Nimitz*. In November 2007, the aircraft carrier USS *Kitty Hawk* was refused from making a port call in Hong Kong and transited the Taiwan Strait. Excluding these two cases, US Navy aircraft carriers have not sailed through the Taiwan Strait for more than ten years since then. Nevertheless, Chief of US Naval Operations John M. Richardson has affirmed that the United States considers the Taiwan Strait as part of the high seas, and that there is no limitation on any type of vessel navigating these waters.⁴¹

The favorable US-Taiwan relations are underpinned by the United States'

increasingly confrontational posture toward China. The Trump administration sees past US policy on engagement with China as a failure,⁴² and this has led to strengthening engagement with Taiwan. The Trump administration is comprised of individuals known to be pro-Taiwan, including Matt Pottinger, National Security Council Senior Director for Asian Affairs, and Randall Schriver, Assistant Secretary of Defense (who was later replaced). Congress has also taken a stern stance toward China, and pro-Taiwan Congress members are on the rise in both the Republican and Democratic parties. The result is evident in laws, such as the Taiwan Travel Act (February 2018) and the Asia Reassurance Initiative Act (enacted December 2018). The latter reaffirms US commitment to Taiwanese security and contains provisions supporting closer US-Taiwan relations.

As is known, the Taiwan Relations Act (enacted 1979) provides the legal basis for such US engagement with Taiwan. But it is China that the United States sees as a negotiation partner and a rival. Taiwan is viewed as a lever that will help steer the negotiations with China to the United States' favor. As China's national strength continues to grow, Taiwan's geopolitical value has proportionally risen to unprecedented levels, and in turn, the US commitment to Taiwan has strengthened. Therein also lies the reason that US support of Taiwan during peacetime has become increasingly clear. As there will likely be no easy end to the US-China rivalry, this phenomenon is expected to last for a relatively long time. The United States' very clear support of Taiwan appears to be inconsistent with its traditional policy of strategic ambiguity, i.e., remaining vague about whether it will intervene in contingencies in the Taiwan Strait and preventing a flare-up between China and Taiwan. But actually, the United States has consistently maintained the "one China policy" and neither supports Taiwan's independence nor is considering establishing diplomatic relations with Taiwan. In this regard, US support of Taiwan is limited.

3. The PLA's Rapid Modernization of Training and Equipment

(1) Military Training for Becoming a "World-class Military"

Since the end of 2015, bold military reforms have been implemented under President Xi Jinping. It appears that work is also under way to develop a system

for conducting trainings compatible with the military reforms. In two consecutive years, the New Year mobilization order for the training of the armed forces stated that military training was considered strategically important.⁴³ The year 2018 was the first in the PLA's history in which the head of the PLA himself promulgated the New Year training mobilization order.⁴⁴ In January 2019, it was reported that the new Outline of Military Training was almost complete,⁴⁵ and in March, the Trial Regulation on the Supervision of Military Training entered into force.⁴⁶ President Xi is thought to give priority to military trainings, and steps are being taken to develop the training system. The PLA is working to introduce trainings in new fields. Alongside these efforts, it appears the PLA gives particular priority to training commander-level officers, the strengthening of which was also sought in the Military Training Regulations (entered into force in 2018).⁴⁷ In 2018, the "QIBING (Unconventional Troops)" competition was held in five provinces and cities simultaneously. Troops competed with each other on combat capabilities and other skills in five areas: intelligence, surveillance, reconnaissance (ISR); special operations; communications security; electronic countermeasures; and aerial assaults.⁴⁸ A photo showing a row of commanders (colonels) immersed in a BeiDou terminal operation test was published in the *People's Daily*,⁴⁹ likely to make this training situation widely known. It is said that, "The training of troops must begin with training of senior officers; the training of a strong army must begin with training of strong commanders." In June 2018, the first-ever test of group army heads was conducted.⁵⁰ This trend continued into 2019. According to reports, under the banner of "General commanders taking the lead, everyone participating," 52 general-class commanders from the army gathered together for the first time and were screened in accordance with the Military Training Regulations and the Outline of Military Training. Commanding abilities and stamina were covered in the screening.⁵¹ The QIBING competition was also made into a series, and it appears that it was held in more fields and locations in 2019.⁵² In recent years, it is reported that exercise forces are often defeated by the opponent's forces, suggesting that drills have become more realistic and practical. PLA trainings are implemented more rigorously than before, from commanders down to the troops at the bottom. China is focused on improving capabilities in new domains for becoming a first-class military,⁵³ and it is expected that trainings and institutional development to this end will be strengthened and expanded.

China's partnership with Russia appears to be deepening also in the area of

military exercises. China participated in Tsentr 2019 held in Orenburg, Russia from September 16 to 21 (from China, 1,600 personnel, 300 weapons and equipment, and 30 aircraft participated).⁵⁴ This was China's second time participating in a large drill in Russia, following on from its first-ever participation in the Vostok 2018 exercise held in the Far East and Siberia in September 2018 (from China, 3,200 personnel, approximately 1,000 equipment and vehicles, and 30 aircraft participated).⁵⁵ A press release issued by China's Ministry of National Defense (MND) following participation in the Vostok 2018 exercise noted its achievements as including strengthening friendship and trust and enhancing various capabilities. In comparison, the MND's press release following participation in Tsentr 2019 stated: (1) the exercise improved capabilities related to long-distance deployment and command as well as capacities in joint operation and comprehensive logistics, and demonstrated outcomes from progress in military force reform, and (2) the exercise has further developed the China-Russia strategic partnership relationship and improved strategic coordination between the two militaries.⁵⁶ The MND's use of more explicit wording compared to the previous year suggests a deepening in exercise content. Meanwhile, as the above figures show, China's participation in 2019 was smaller in scale than the previous year. It has been reported that PLA forces used rail and air travel for both exercises. However, a clear difference exists between the two exercises. In Vostok 2018 held in the Far East and Siberia, personnel and equipment were transported across a relatively short distance from China. On the other hand, Tsentr 2019 was conducted in Orenburg at the southern tip of the Ural Mountains. Difficulties were likely entailed in crossing Siberia on Russian railroad to arrive at the exercise location.

Previous Vostok exercises were thought to have taken into account warfare with Japan and the United States and warfare with China.⁵⁷ In this respect, the participation of the PLA in these exercises, albeit partially, was symbolic from the viewpoint of China-Russia partnership. Attention must continue to be paid to the PLA's participation in Russian exercises, including size, equipment, and exercise content.

(2) Steady Modernization of Equipment and Related Technologies

When the Rocket Force was established in December 2015, President Xi Jinping emphasized improvements in medium- and long-range precision strike capability and strategic deterrence capability.⁵⁸ And in fact, China's missile attack



Various equipment related to information communications and electronic warfare were showcased at the 2019 parade (Xinhua/Kyodo News Images)

capabilities appear to have made considerable improvements. At the military parade for China's 70th anniversary, the missiles showcased by the PLA included: the DF-41, which has the longest range in the world and can reportedly carry up to ten nuclear warheads;⁵⁹ the DF-17, which can reach a speed beyond Mach 5 and change orbit in midair, and therefore, is difficult for the existing missile defense network to

accommodate;⁶⁰ and the CJ-100 (DF-100), which is an improvement on the CJ-10 with better speed and precision and is considered a cruise missile mainly targeting US carrier strike groups.⁶¹ While China exhibited the JL-2 submarine-launched ballistic missile (SLBM) at the parade, it conducted a JL-3 launch test in June, according to reports. Whereas the JL-2 has a range of approximately 8,000 km, the JL-3 reportedly has a range of approximately 12,000 km⁶² and can cover nearly all areas of the United States even from China's coastal waters. Such missile force may be intended to show China's strength to other countries, including the United States. The parade was also unique in that it displayed many types of equipment related to information communications and electronic warfare. The status of the equipment displayed in the parade was entirely different from a decade ago. It seems China is steadily developing equipment related to the electromagnetic domain to adapt to the strategic environment.

In addition, China places priority on building and operating aircraft carriers. In November, its first indigenous aircraft carrier following on from the *Liaoning* aircraft carrier, a refurbished *Varyag*, transited the Taiwan Strait.⁶³ A commissioning ceremony for this aircraft carrier named "*Shandong*" was held in Sanya on the island of Hainan in December, attended by President Xi.⁶⁴ Zhu Yingfu, chief designer of the *Liaoning*, expressed the view that possessing three to five aircraft carriers was appropriate for China, and emphasized the need for possessing a nuclear-powered aircraft carrier.⁶⁵

China refers to the Internet of Things (IoT) as "*wu lian wang*" and is taking steps to incorporate it into the military. The *PLA Daily* notes the importance of

doing so.⁶⁶ In September 2019, a PLA website published an article on *wu lian wang* that makes use of satellites.⁶⁷ It is expected that such networks will be developed in an array of forms in China and will be used in the military. The use of *wu lian wang* for the military's management of supplies has been reported from before.⁶⁸ One of the ways of tracking the state of the goods and their data is two-dimensional (2D) code.⁶⁹ The use of 2D codes for managing supplies has also been reported.⁷⁰ At the 70th anniversary parade, troops were seen wearing a 2D code next to their rank badge on camouflage clothing. Perhaps the code is also used for managing personal data.

China is making steady progress in modernizing its space technology, which is closely interlinked with the military. In January 2019, the Chang'e 4 unmanned explorer landed on the far side of the moon. It was a first in the world. It also represents China's entry into space—one of the United States' areas of specialty. Direct communication cannot be made from the Earth to the far side of the moon. The relay satellite Queqiao was launched in May 2018.⁷¹ In the recent mission, Queqiao fulfilled its expected function. China's advanced technological capabilities are noteworthy. This latest project was already stated in China's space white paper published in December 2016. The white paper discusses the peaceful use of space, and states that the purpose of developing China's space program is to meet its national security needs, maintain national interests, and strengthen comprehensive national strength. Attention will be on whether or not China uses its space program for military purposes. Another development to follow is whether a Mars probe will be successfully launched in 2020, as stated in the space white paper.

China has steadily modernized its equipment and related technologies, and attention must continue to be paid to new developments.

As discussed above, as China and the United States repeat the cycle of confrontation and rapprochement, President Xi Jinping seeks long-term rule by seizing power while tightening his grip on the party and the military. However, the several issues facing his government are becoming ever more challenging. They include China-US confrontation, the reelection of President Tsai Ing-wen of Taiwan, a growing anti-China posture among the people of Hong Kong, response to the COVID-19 outbreak, a deteriorating international image of China in connection with COVID-19, and an unprecedented display of public dissatisfaction. In this international situation, improving Sino-Japanese relations

is increasing in importance for the Xi Jinping government. For Japan, it means gaining leverage over China. Under these circumstances, the question is how Japan will be able to turn relations with China to its advantage.

What Can We Make Out of the Closer Ties between China and Russia?

China and Russia share a long border. Armed conflicts have arisen between China and the Union of Soviet Socialist Republics over the Damansky Island in 1969. China and Russia are not surrounded by any nations that could immediately pose a substantial and direct military threat, aside from themselves. Both perceive the other as a potential threat. Accordingly, Russia's major drills are thought to take China's presence into account. Likewise, China's Northern Theater Command is thought to have scenarios dealing with the Russian forces.

Nevertheless, since its founding and even after the period of Sino-Soviet clashes, China has needed Soviet and Russian technologies, especially for modernizing its military. For Russia of recent years, China has a growing presence day by day, economically and trade-wise. It is certain that some adjustments have been made to the exercise scenarios of the Russian forces.

At the Conference on Interaction and Confidence Building Measures in Asia held in Shanghai, China in May 2014, President Xi Jinping stated in his address, "It is for the people of Asia to...uphold the security of Asia," and proposed the "New Asian Security Concept" for establishing a security architecture that eliminates US influence. Furthermore, under the BRI, China has enhanced its presence in and outside of the region.

The United States has responded by changing its posture toward China. This trend has become conspicuous particularly since the establishment of the Trump administration. On November 7, 2017, on the 100th anniversary of the Bolshevik Revolution, the White House issued a statement announcing that the US government has designated this day as the National Day for the Victims of Communism. In the same statement, the White House noted that communism is "a political philosophy incompatible with liberty, prosperity, and the dignity of human life," and expressed sympathy with "all who continue to suffer under communism." Furthermore, whereas the United States during the Obama administration had "[welcomed] the rise of a China that is peaceful, stable, prosperous," the National Security Strategy released in December that year puts China in the same category as Russia. The National Security Strategy made it clear that the United States adopts a confrontational posture toward China, identifying it as a "revisionist power" that seeks to shape a world antithetical to US values and interests. Russia has been subject to economic sanctions of various countries since the Ukraine issue emerged. Meanwhile, the confrontation between China and the United States has begun to shift from negotiations over remedying the trade imbalance to a hegemonic struggle. In light of such circumstances, it is natural that China and Russia develop closer ties.

In June 2019, President Xi and President Putin held a meeting on the 70th anniversary of the establishment of diplomatic relations between China and Russia. The joint statement released at this time states that the two countries will raise their military relations to a new level through a range of measures, including cooperating on military technologies and conducting joint military exercises. While China and Russia have concluded the Treaty of Good-Neighborliness and Friendly Cooperation in July 2001, which is effective for 20 years (automatically extended every five years), changes in the recent strategic situation suggest that they could conclude a new treaty. However, as was already mentioned, the two countries represent potential threats, and the aforementioned joint statement sets forth that they will not conclude an alliance. In addition, President Putin commented on relations with China in his year-end press conference in December 2019, saying that Russia “[does] not plan to create [a military alliance with China].” Structural changes are unlikely to emerge if such factors are taken into consideration. Several Central Asian countries have acceded to the China-led Shanghai Cooperation Organization. Nevertheless, Russia has significant influence on the military technologies and know-how of former Soviet countries, and the situation does not call for China to take military initiative. That said, China and Russia could very well develop strong relations by treating the United States as a common enemy, just as in the 1970s when the United States and China grew closer by treating the Soviet Union as a common adversary. One of the indicators to find this out is China-Russia joint military drills and trainings. China and Russia have previously conducted the Peace Mission joint counter-terrorism drill series and the Maritime Cooperation naval drill series. In July 2019, the two countries conducted a joint bomber flight over the East China Sea and the Sea of Japan. In 2021, China may participate in the Zapad drills. The activities of the two military forces in around Japan, Taiwan, and other regions require continued attention.

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