

# INTRODUCTION

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No one would deny that China is a rising power. As a result of the reform and opening-up policies of the last thirty years, China has achieved tremendous progress in its economic development. China's gross domestic product (GDP) rapidly increased from 360 billion yuan in 1978 to 30 trillion yuan, which makes China the third largest economy in the world. The volume of China's external trade expanded from US\$ 2 billion in 1978 to US\$ 2.56 trillion in 2008, making China the world's third largest trading country. China holds the largest foreign currency reserves, and as such is the number one customer for U.S. Treasury bonds. With these achievements, China has cemented its status as a giant in the international economy. Based on such economic success, the People's Liberation Army (PLA) has steadily promoted its modernization program through reducing excessive military personnel, acquiring modern foreign weapons and technology, deploying vast amount of short- and medium-range ballistic missiles across the Taiwan Strait, and upgrading their nuclear weapons. As a result of the PLA's efforts for modernization, "China's expanding and improving military capabilities are changing East Asian military balances," as the U.S. Department of Defense concluded.<sup>1</sup>

What is clear here is that China has increased its national power much faster than that of other major countries including the U.S. and Japan for the latest decade. Some experts even argue that "the balance of influence between China and the United States in Asia is shifting decidedly in China's favor."<sup>2</sup> On the other hand, China's strategy in Asia and the world with its growing power and influence remains unclear. What are the eventual goals of China's foreign and security policies? How will China exercise its growing economic, political and military power to achieve these goals? Will China choose to be a status-quo or revisionist power in regard to the established international and regional orders? These are the central questions many China experts and scholars of international relations have discussed for years.<sup>3</sup> Contributors to this book also ask these questions. They share a common understanding that China, facing rapid economic, political and security changes and increasing its comprehensive national

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<sup>1</sup> Office of the Secretary of Defense, "Annual Report to Congress: Military Power of the People's Republic of China 2008," p. I.

<sup>2</sup> William W. Keller and Thomas G. Rawski, eds., *China's Rise and the Balance of Influence in Asia* (Pittsburgh: University of Pittsburgh Press, 2007), p. 7.

<sup>3</sup> For example, David Shambaugh, ed., *Power Shift: China and Asia's New Dynamism* (California: University of California Press, 2005); Robert G. Sutter, *China's Rise in Asia: Promises and Perils* (Maryland: Rowan and Littlefield Publishers, 2005); Avery Goldstein, *Rising to the Challenge: China's*

power, is in the process of shifting its national strategy for a new world stage. Starting from this point, the authors present their analyses of China's shifting strategy and its implications for Asia and the world from their respective points of view in the following chapters.

In chapter one, Dr. Chen Zhimin explores new aspects of China's foreign policy through focusing on the discourse of "international responsibility" among political leaders, governmental officials and scholars in China. He argues that the basic characteristic of Chinese foreign policy is changing from keeping a low profile to being more proactive while seeking to "do something" in the international arena. This change is significantly affected by the emerging concept of China's international responsibility. According to Chen, China's international responsibilities can be grouped into four types: its responsibility to develop China; its responsibility as a sovereign country; its responsibility as a great power; and its responsibility as a permanent member of the U.N. Security Council. China's efforts to meet these international responsibilities are primarily driven by four factors: China's own interest in creating a peaceful international environment; a proactive stance for building a new international order guided by the harmonious world concept; accumulated Chinese capacities in terms of economic and military strength; and increasing expectations for Chinese contributions to international society by developed and developing countries. Chen basically welcomes China's new responsibility-oriented diplomacy, which would help Beijing to share more interests with other nations, but he also points out that China's endeavor to meet international responsibility will face some challenges such as contradictions with its own national interests, discord with China's traditional principles of diplomacy, disputes over resource allocation between domestic needs and international contributions, and differences in expectations toward China by developed and developing states. In spite of these difficulties, he concludes that China will take on more responsibilities that China will define for itself, which will result in a reshaping of the international order by adding Chinese characteristics.

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*Grand Strategy and International Security* (California: Stanford University Press, 2005); Alastair Iain Johnston and Robert S. Ross, eds., *New Directions in the Study of China's Foreign Policy* (California: Stanford University Press, 2006); C. Fred Bergsten, Bates Gill, Nicholas R. Lardy, and Derek J. Mitchell, *China: the Balance Sheet* (New York: Publicaffairs, 2006); and Robert G. Sutter, *Chinese Foreign Relations: Power and Policy since the Cold War* (Maryland: Rowan and Littlefield Publishers, 2008).

Dr. Su Hao, in the second chapter, discusses the significance of the “harmonious world” concept first advocated by Chinese President Hu Jintao at the 60th anniversary summit of the United Nations in 2005. As a result of its external-oriented economic development, China has deeply integrated itself into the world, pushing the Chinese leaders to consider a closer linkage between internal and external affairs in contemplating China’s grand strategy. The author maintains that the harmonious world concept, being closely linked to the domestic policy of constructing a harmonious society, reflects China’s strategy to establish a new world order through strengthening diplomatic efforts at the three levels: bilateral, regional and interregional. At the bilateral level, Beijing strives to establish several types of partnership, from friendly to strategic, with foreign states, especially neighboring countries and big powers. In Asia, China is making efforts to advance multilateral cooperative frameworks including the Shanghai Cooperation Organization (SCO), ASEAN Plus Three (APT), the South Asian Association for Regional Cooperation (SAARC), and a cooperative framework among China, Russia and Mongolia (CRM) which together stand as the four circles of Chinese diplomacy. Beyond the Asian region, China pursues “inter-regionalism” by promoting a variety of multilateral frameworks, such as Asia-Pacific Economic Cooperation (APEC), the Asia Cooperation Dialogue, Asia Europe Meeting (ASEM) and the China-Africa Cooperation Forum (CACF). With these multilayered efforts for strengthening cooperative relations in the international community, China seeks to establish a peaceful, prosperous and harmonious international order as envisaged in the concept of a harmonious world.

In chapter three, Professor Masuda Masayuki describes the motivations and distinctive features of current Chinese foreign policy under the harmonious world discourse. Hu Jintao’s administration has clearly raised China’s relations with Africa to a higher status, a strategic partnership, which covers not only the economy but also political and security issues. The writer argues that in its relations with Africa, China has found a number of strategic interests, such as access to energy and opportunities for trade and investment for its domestic enterprises and companies. To this end, Beijing pursues a combination of both the “Bring In” (*yinjinlai*) and “Go Out” (*zouchuqu*) strategies provides more aid to developing countries. China also puts emphasis on multinational mechanisms including the African Union and the United Nations in its African policy. Masuda concludes that the landscape of China’s multidirectional diplomacy has now been expanded to the African continent. However, an important incentive that drives

China's embracing Africa appears to be the need to counter-balance U.S. strategic moves both in the global arena and bilateral relations with China. China still views the U.S. as a world hegemon that would constrain not only Chinese diplomatic space but also China's grasp or use of the strategic opportunity period. In this regard, China has intensified multilateral diplomacy with Africa not only in the framework of the CACF but within the UN and the WTO in order to get strategic support from them. China might have found the right place to attain global power status in a frontier such as Africa. In other words, China might feel uncomfortable in the center (major-power relations).

Chapter four, written by Dr. Yu Wanli, investigates two types of cyclical patterns in Sino-US relations since the establishment of their diplomatic ties in 1979, namely, the small cycle which is affected by occasional events having a negative impact on the relations between the two countries and the big cycle which is shaped by the U.S. Presidential elections, where the candidate from the opposition party tends to victimize American relations with China by criticizing the China policies of the incumbent administration for the sake of political gain. These historical cycles repeated themselves at the beginning of the George W. Bush administration. Bush harshly criticized Clinton's China policy characterized as a constructive strategic partnership and regarded Beijing as a "strategic competitor." Soon after President Bush's inauguration, a Chinese jet fighter collided with a U.S. EP-3 spy plane near Hainan Island, further deteriorating Sino-U.S. relations. However, Yu finds that the relationship between Washington and Beijing has been on track for improvement since the terrorist attacks on the American homeland in September 11, 2001. Based on shared interests including conducting counter-terrorism measures, maintaining stability across the Taiwan Strait, and solving the nuclear problem of North Korea, the Bush administration has come to regard China as a responsible stakeholder in the international community. However, the Chinese side preferred to characterize their relations as a constructive partnership due to China's reluctance to fully share the international responsibility proposed by the U.S. Although there remain problems which may affect the partnership, Yu concludes that the existence of structural interdependence between China and the U.S., and the reality of the rise of China has made China an independent variable in international politics, which may help Beijing break through the traditional cycles of its relations with Washington.

In chapter five, Professor Tsunekawa Jun analyzes the features and background of

Japan's policy toward China since the end of the Cold War. The Tiananmen Square Incident of 1989 seriously damaged China's public image among the Japanese public. In addition, a clear contrast between Japan's decade-long economic stagnation and the rise of China's economic and military power in the 1990s gave rise to the perception of China as a threat and stimulated a new nationalism in Japanese society. This encouraged Japan's China policy shift from a friendly to a balancing approach by means of strengthening the Japan-U.S. alliance. During the era of the Prime Minister Junichiro Koizumi, who ignored strong protests by Chinese leaders and visited Yasukuni Shrine, Sino-Japanese relations significantly deteriorated. However, the successive Prime Minister Shinzo Abe took the lead in improving Japanese relations with China by visiting Beijing in 2006. Since then, Japan-China relations have been moving toward establishment of a mutually beneficial relationship based on common strategic interests. Prof. Tsunekawa argues that one of the major common interests supporting the improvement of the two countries' relations is intensive economic interdependence and cooperation working as a safety valve. In spite of the recent amelioration of Sino-Japanese relations, Tokyo still regards Beijing not only as an opportunity but also as a challenge for the existing regional order due to its uncertain economic and political behavior. The author concludes that Japan will continue a dualistic policy of cooperation and balancing toward China with a view to integrating China into the regional architecture through advancing new areas of regional cooperation, such as energy security, region-wide free trade and investment, and human security.

Professor Iida Masafumi, in the last chapter, explores features of China's policy toward Japan from the viewpoint of the regional cooperation framework in East Asia. China's bilateral approach to Japan has a history of going through ups and downs. For example, a peak was reached when former Chinese President Jiang Zemin visited Japan and declared the establishment of a partnership of friendship and cooperation for peace and development in 1998, and a bottom was reached when Chinese leaders rejected making contact with Japanese Prime Minister Junichiro Koizumi in 2006. The author points out that even in the period of historical deterioration in the bilateral relations, China continued to take a cooperative approach to Japan on multilateral frameworks for East Asian regional cooperation such as the ASEAN Plus Three. China puts much importance on advancing regional cooperation in East Asia with a view to forming a harmonious East Asia, based on Beijing's intention

to construct a harmonious world as a new international order much favored for developing countries. Accordingly, China endeavors to enhance regional cooperation in East Asia, which demands that China maintain cooperative relations with Japan, another major power in the region. From this point of view, China may regard Japan as a partner for promoting East Asian cooperation for achieving common interests such as accelerating regional trade and investment, protecting the environment, and stabilizing regional financial markets. On the other hand, Japan can be China's rival in taking leadership in advancing regional cooperation. Iida concludes that due to differences in the regional order desired by either country, Japan and China are not only partners but also rivals in East Asia. However, as a result of progress in regional cooperation, China will share more interests with regional countries, which may help China to attain a soft landing while entering the existing regional order in which Japan holds a significant stake.

The National Institute for Defense Studies (NIDS) hosted a two-year Defense Research Exchange Program with China, in which the NIDS researchers and some Chinese scholars exchanged views and conducted candid discussions on several occasions including a workshop held at NIDS. The authors of this publication are the major participants of this joint research program. NIDS expresses its deepest gratitude to the Chinese participants and hopes this book will be helpful for readers to understand China's shifting global strategy.