

**UP CIDS**Center for Integrative and  
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# POLICY BRIEF

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## EXAMINING CHINA'S FOREIGN POLICY IN NORTHEAST ASIA: IMPLICATIONS FOR THE PHILIPPINES<sup>1</sup>

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### Abstract

What is China's foreign policy in Northeast Asia? What are the implications of these policies to the Philippines? This research examines continuities and changes in China's foreign policy in Northeast Asia during the latter part of the Hu Jintao administration and the onset of the Xi Jinping administration. It reviews the foreign policies of both leaders in Northeast Asia by analyzing the pronouncements of key officials and leaders released by the Chinese Ministry of Foreign Affairs from 2011 to 2015. It argues that while there have been no dramatic foreign policy changes in Northeast Asia initiated by Xi Jinping, at least during the first three years of his administration, the difference lies in the issue areas that each leader gives importance to.

Change in foreign policy is pervasive in state affairs. Oftentimes, these changes have profound impact on domestic and foreign policies of states. Earlier scholars on foreign policy are quick to note that changes that create a considerable impact are of particular interest due to the demands it generates to the initiating government and its constituency, and the potential consequences it may have on other countries (Hermann 1990). Jakob Gustavsson (1999) defines foreign policy as a set of goals, directives, and intentions that are formulated by persons in official or authoritative positions directed towards an actor or condition in the environment beyond the sovereign nation state to affect the target in a manner desired by the policymakers. Understanding China's foreign policy in Northeast Asia, therefore, is crucial due to the profound impact it can have both on domestic

and international political levels. Given the economic power of Northeast Asia as a regional bloc and the region's proximity to the Philippines, this policy brief also determines the possible implications it may have for the Philippines.

### The importance of Northeast Asia

Northeast Asia is a strategic concern because it is a juncture of global military and economic powers. Despite the absence of an international consensus on what defines Northeast Asia in terms of its geographical context, broadly speaking, it includes China, Japan, the two Koreas, and extends to Russia, Taiwan, and Mongolia. The region is thus a composition of small, middle, and great powers.

Northeast Asia also remains one of the most advanced economies globally. In 2016, the World Economic and Financial Surveys indicated a growth of 6.7 percent for China, comparably higher than Japan and Korea with a growth of 1 and 2.8 percent, respectively, and a combined surplus that runs at an annual rate of \$400 billion. In the same year, the International Monetary Fund estimates that these countries combined accounted for 20 percent share of the global gross domestic product (GDP). Despite its strong and integrated economies, Northeast Asia continues to be fraught in a web of security and geopolitical challenges.

Furthermore, Northeast Asia is the site of nuclear arms race with high propensity for proliferation. The prolonged presence of the United States has intensified this proliferation. North Korea pronounced its nuclear capability and launched nuclear tests in the 2006, 2009, 2013, and recently in 2016 and

<sup>1</sup> This Policy Brief is made in compliance to the requirement of the Python Workshop organized by the Program on Data Science for Public Policy of the University of the Philippines Center for Integrative and Development Studies (UP CIDS). The original manuscript for this study, however, will be submitted to the Strategic Studies Program, UP CIDS.

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2017. The provocations of North Korea often inspired talks for Japan and South Korea to revive its nuclear program.

### China as Northeast Asia's major player

As the biggest economic and political player, it will be in China's interest to maintain a highly strategic profile in Northeast Asia. Beijing describes its relations with Japan and Korea as a "four-wheel-drive," covering the areas of politics, economics and trade, people-to-people exchanges, and sustainable development (Menegazzi 2017). While all four areas are instrumental, China maintains a pragmatic two-faceted approach when it comes to its political and economic relations with Japan and Korea.

Furthermore, China's strategy in Northeast Asia is portrayed by the principle of "hiding capacities and biding time," which indicates a combination of cautious and calculated approach (Kim 2010). It would be safe to assume that China has adopted this principle in terms of its overall relations with the entire region. However, when it comes to designing and implementing an explicit foreign policy that deals with Japan and the two Koreas as a single unit, China has deviated from it. If at all, China has consistently pursued a bilateral approach in engaging the major powers in the Northeast.

### Identifying changes and continuities

Using the website of the Chinese Ministry of Foreign Affairs as source, contents of the pronouncements of China's key officials and leaders were analyzed. These pronouncements included speeches, written interviews, video messages, transcripts, and press statements from periods 2011 to 2015. To determine whether there was indeed continuity or change in China's foreign policy in Northeast Asia, the analysis was divided into 2011 to 2012, which marked the last two years of Hu Jintao in office, and 2013 to 2015, which marked the early years of the Xi Jinping presidency.

Using Python to mine the data, 393 pronouncements were extracted for the five-year period. Utilizing content analysis, pronouncements on the foreign policy of China in Northeast Asia were then sorted which included the following keywords: Pyongyang, North Korea, DPRK, South Korea, Seoul, ROK, Japan, Tokyo, Northeast Asia, and the Korean peninsula. From 393 pronouncements, only 104 mentioned the said keywords, with 47 pronouncements from 2011–2012 and 57 pronouncements from 2013–2015. Subsequent to extracting the 104 pronouncements, subsets of categories on security, economy, and culture were created. As shown in Table 1, specific

**Table 1.** Frequency of selected keywords on China's foreign policy in Northeast Asia in pronouncements of the Chinese Ministry of Foreign Affairs

Keywords	Term Frequency		
	2011–2012	2013–2015	Total
<b>Security</b>			
Peace	387	729	1116
Stability	188	272	460
Nuclear	167	159	326
Crisis	125	31	156
Six-party talks	24	57	81
Denuclearization	11	44	53
Missile	0	1	1
<b>Economy</b>			
Trade	238	199	437
Investment	133	178	311
Reform	83	154	237
Business	84	104	188
Technology	60	56	116
Economic development	33	46	79
Economic cooperation	31	37	68
<b>Culture</b>			
Friend	131	244	375
Friendship	149	161	310
People-to-people	67	87	154
Korean wave	0	1	1
<b>Countries/Areas</b>			
Japan	434	132	566
Tokyo	8	2	10
South Korea	2	0	2
Seoul	19	5	24
ROK	81	166	247
North Korea	0	0	0
Pyongyang	0	0	0
DPRK	12	16	28
Northeast Asia	31	32	63
Korean Peninsula	34	83	117

keywords were used for areas including security, economy, and culture.

### Discussion and findings

While Japan, South Korea, and North Korea all belong to Northeast Asia, it is quite surprising that China rarely refers to these countries as a single bloc. Instead, China engages with these countries bilaterally. The three countries' economies have become so interdependent and key officials from these governments acknowledge the strategic and economic importance of each other's growth. But while China, Japan, and South Korea may seem to cooperate and value economic interdependence, their bitter historical past continues to hamper them from fully reaching concrete trilateral agreements. Korea and China were former colonies of Japan and the memories of the atrocities committed by the Japanese do not seem to wane anytime soon.

As shown on the table, Japan has a higher term frequency than South Korea during the time of Hu Jintao due to three reasons. First, Japan, when optimistically mentioned by China, is usually within the framework of economic cooperation and trade partnership alongside South Korea. The vibrant trade activities in the region is driven by its comparative advantage, economic complementarity, and geographical proximity.

Second, on a bilateral basis, China's mention of Japan is usually within the context of disaster response and provision of assistance in times of Japan's natural catastrophes. Comparing the periods of Hu Jintao and Xi Jinping, there was a greater mention of Japan while Hu was in power, which can be attributed to the humanitarian assistance provided by China to Japan during the Fukushima nuclear disaster in 2011. Although the geopolitical relations between the two countries remain tense, China acted swiftly after the devastating earthquake and tsunami that hit Japan.

Nonetheless, it is notable that outside China-Japan-ROK economic partnership and disaster response, China sees Japan as an aggressor that infringes on Beijing's sovereignty. Japan remains to be perceived in a negative light on the issue involving the Diaoyudao or Senkaku Islands<sup>3</sup> (Wright and Schoff 2014). This reaffirms the belief that the animosity between the two run deep. In addition, territorial issues in China are viewed with high sensitivity and impact the national sentiments of the Chinese people that can be traced back to the bitter history between China and Japan during the period of colonialism. Nationalist sentiment among the Chinese people became more pronounced towards the end of the Hu administration, which probably explains the bolder declarations against Japan.

Meanwhile, the time of Xi Jinping focused more on keeping peace and stability in the Korean peninsula. The first year of Xi's presidency was instrumental because it commemorates the 10th year of the six-party talks, which explains the higher term frequency for ROK and six-party talks. It was also during the early years of Xi's term when stronger rhetoric on denuclearization was brought to the fore. Recognizing that denuclearization was key to the peace and stability in Northeast Asia, Xi called on all parties for the promotion of denuclearization in the Korean peninsula. Although there was no significant increase in term frequency, as illustrated in the

table, the security concerns brought by DPRK was given more attention by Xi Jinping.

Like his predecessor, who valued strong cooperation of China with its neighbors, the initial years of Xi's term saw to fortifying the trade and economic partnership with South Korea and Japan. Xi recognizes the significance of China-ROK-Japan economic cooperation not just in their respective countries, but within Asia and the entire global economic system. The three countries are the pillars of Asian prosperity and economic development and a key player in global economic growth. Xi ensured the intensification of this partnership by emphasizing the maximization of their economic complementarities and convenient trading environment.

Security concerns were at the forefront of the Xi administration, as revealed by higher frequencies in peace, stability, and denuclearization. Xi acknowledges that peace and stability in Northeast Asia, particularly in the Korean peninsula, will reap more economic benefits for China. Despite divergences, China's rhetoric has been consistent in its commitment to consultations, dialogue, and exchanges, particularly with its Northeast Asian neighbors.

On economic matters, what seems striking is the emphasis on reform of the Xi administration. Xi's early years in office showed his administration's determination to initiate reform. Northeast Asia and the world would later on realize this when China took a more active role in the global governance system and delivered greater contributions to international development initiatives through the creation of the Asian Infrastructure and Investment Bank.

While Xi expressed bolder pronouncements on issues involving security and the economy, there was no momentous change on its cultural relations with Japan and South Korea. It continues to maintain friendly ties and expand its people-to-people exchanges with its neighbors.

From 2011 to 2013, the Chinese Ministry of Foreign Affairs made 47 pronouncements on security, 47 on the economy, and 32 on culture, while from 2013 to 2015, 56 pronouncements were made on security, 56 on the economy, and 48 on culture. Looking at the figures, one can assume that the foreign policy of China in Northeast Asia puts primacy on security and the economy. The administrations of Hu Jintao and Xi Jinping both indicate that there are no

<sup>3</sup> Although no longer included in the security subset category, the issue on Diaoyudao or Senkaku Islands is frequently mentioned when looking further into China-Japan relations. This partly explains why "Japan" has a comparatively higher number of pronouncements than "ROK," "South Korea," and "Seoul."

significant changes when it comes to its broader foreign policy. Security and the economy are both pillars of Chinese relations with its neighbors.

Upon closer scrutiny, however, one sees the differences in issues areas Hu and Ji emphasize on. Xi underscores the importance of fostering peace and stability in the region, which is the foundation of a prosperous Northeast Asia. While enhancing trade and economic partnership are of utmost significance, this cannot be done without engaging Japan and South Korea to participate in the promotion of a peaceful and stable region. Although China and South Korea continue to harbor animosity towards Japan due to their shared colonial experiences and territorial disputes over Diaoyudao/Senkaku and Dokdo/Takeshima islands, respectively, both are willing to cooperate with Japan to maintain stability. As shown in the data above, China puts significant emphasis on security issues, particularly the maintenance of peace and stability in the region. But similarly, it underscores the necessity of trade and investment. China will only be able to further its grand economic ambitions in the region if it creates a stable and secure environment. Hence, pragmatism is a defining feature of the relations of these regional powers, although admittedly, bitter colonial pasts and territorial disputes are issues that cannot be resolved immediately. And with stronger nationalist sentiment in China, this issue is not going to abate anytime soon.

As pragmatic states, China, Japan, and South Korea also realize that territorial issues cannot hold them back from achieving high level of economic development. Maintaining regional stability is a key interest that binds these three regional powers together. They may remain hostile politically, yet it is crucial they keep the stability in Northeast Asia as it will sustain the region's economic prosperity and strengthen their economic interdependence.

In sum, China has much to gain if it takes the lead in preserving the peace and stability in Northeast Asia. As a major player and as the biggest economy in the region, China will exercise caution in stirring hostility with its neighbors. On certain occasions, it is expected that China will express its outrage and unpleasant sentiment towards Japan on matters involving Diaoyudao, but it is unlikely that China will further elevate its present hostile position. Given the dual-faceted relations China has with Japan and South Korea, the region is in a fragile economic state. Dramatic changes in its security relations might have adverse impact on its economic partnership no matter how seemingly stable it may appear for now.

## Implications for the Philippines

The Philippines has profound interest in the stability and prosperity of Northeast Asia. China, Japan, and South Korea are the country's top trading partners. As of May 2018, the Philippine Statistics Authority (PSA) ranked China as the country's biggest source of merchandise goods with 20.3% of the total imports, South Korea ranked second with 10.3%, and Japan ranked third with 9.5%. In addition, the PSA's data on top exports in the same month also ranked China as the country's third major export partner, with Japan and South Korea coming in fourth and sixth, respectively.

Stability in Northeast Asia will also be beneficial to the Philippines due to the presence of Filipino migrant workers in the region. In Japan alone, there are at least 250,000 Filipinos in various parts of the country. In recent years, South Korea has also been a prominent destination due to its proximity. As of June 2018, at least 66,000 Filipinos are living and working in South Korea (Kabiling 2018), and this trend will continue to grow. It is then imperative for the Philippine government to work closely with the countries in Northeast Asia to ensure their protection. Our migrant workers, who are said to be the bedrock of the Philippine economy, should be covered by the labor standards of their destination countries where they can enjoy reasonable pay, adequate working hours, and equal benefits as their local counterparts.

Lastly, the Philippines should maximize its partnership with Japan, South Korea, and China, particularly in the field of information and technological communications (ICT) to improve our own technological capability and augment our productivity growth. In a recent study published by the United Nations Economic and Social Commission for Asia and the Pacific, it showed that broadband subscriptions are concentrated in Northeast Asia. As the world's leader in social media usage, the Philippines has much to gain with a more improved broadband subscription. It will open more digital opportunities in the areas of education and e-commerce, which are gaining more familiarity and usability in the country.

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Through Executive Order 9 issued on September 24, 1985, then UP President Edgardo J. Angara laid out the framework for the realization of his vision for the University to be able to achieve the following objectives:

- a. Develop, organize, and manage research issues of national significance. Such issues, because of their importance and inherent complexity, require an integrative and collaborative approach and also more sophisticated research methodologies and skills;
- b. Encourage and support research and study on these issues by various units of the University and individual scholars;
- c. Secure funding from public and private persons and agencies; and
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