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### Friend or foe?:

# Insights on China's foreign policy in contemporary international relations

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#### Introduction

The implications of China's rise for the current configuration of the international order have figured in much of the recent discourse in international affairs. One of the widely-discussed discourses pertains to perceptions of China's role as an emerging superpower, prompted by two interrelated factors: China's rapid economic growth, which has allowed it to become the world's second largest economy, and its continued military expansion, thereby contributing to how it has maintained an assertive stance on the West Philippine Sea dispute. While China as a friend or foe remains subject for debate, it is apparent that China now claims a prominent position in the global community and its interests are assumed to have far-reaching significance.

This policy brief provides an overview of China's foreign policy decision-making process towards understanding the factors that likely motivate China's actions and its future direction. Drawing upon the studies conducted by Assistant Professors Meiting Li and Raisa Lumampao from the University of the Philippines,<sup>2</sup> the following sections look into the developments in China's foreign policy between the period of Presidents Hu Jintao and Xi Jinping and

its regional implications, particularly for Northeast Asia. It concludes by identifying key insights on the formulation of China's strategic interests and priority areas.

# China's foreign policy in contemporary international relations

According to Li, understanding China's foreign policy requires looking into the complex interplay of internal and external sources relative to its position in the prevailing international structure. The internal refers to the domestic human (e.g., culture and population) and non-human (e.g., geography and natural resources) environment, society, and social structures and behaviors; while the external include foreign non-human environment, government action, as well as other societies and cultures. The relationship of these two components is mutually constitutive. "On the one hand, state actions are conditioned by the existing structures of different sectors and at different levels. On the other hand, state actions also affect the structure-either reinforcing or revising the existing structure, which in turn re-informs state actors' subsequent actions."3

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<sup>&</sup>lt;sup>2</sup> The studies conducted by the said faculty are part of a joint research project on China's foreign policy under the Strategic Studies Program of the UP Center for Integrative and Development Studies. An expanded version of the findings presented in this policy brief may be accessed through separate discussion papers which will also be published by UP CIDS.

<sup>&</sup>lt;sup>3</sup> Meiting Li, "China's Foreign Policy in Xi's Era: Change and Continuity" (discussion paper, Strategic Studies Program, University of the Philippines Center for Integrative and Development Studies, Quezon City, forthcoming).

Another important aspect of foreign policy analysis is the impact of ideational variables, both at the individual and systemic levels, in the overall decision-making process. This includes the role of individuals and groups relative to their beliefs, values, and preferences, and domestic politics and economy.

These theoretical concepts suggest that China's national identity, its perception of its relationship with other states, and the role of decision-makers are fundamental in establishing the foundation of China's prevailing foreign policy agenda. Li identifies the external variables to be the international aspects of power distribution, landscape, and normative structure, emerging global challenges, and the actions of other states, particularly of major powers; while the internal elements are attributed primarily to the leadership of Xi Jinping and his strategies in transforming China to a state that plays a more active role in contemporary global governance.

#### The external: How China sees the world

Data generated through process tracing indicate China's perception of an international order that is characterized by multipolarity in the economic realm-a context in which China has thrived to becoming one of the world's most important economies. "It is clearly demonstrated in the official discourses that China has become aware of and is more confident about its economic power and importance at the global level."4 This increase in China's economic power has likewise resulted in an increase in its political clout and is best represented when it launched the Belt and Road Initiative (BRI), a systematic framework proposed by Xi in 2013 that focuses on development, connectivity, and cooperation through infrastructure projects that would link China across Asia, Europe, Africa, and its offshore areas.

Yet, concerns on the implications of such a global strategy have not been scarce. Issues of economic dependency and debt-for-equity have been raised as developing countries continue to avail

of Chinese loans to fund its major development initiatives. While praised as an alternative to other development models, the success of the 'China model' has been perceived by some as a challenge to existing norms rooted on Western ideals.

Li notes, however, that along with China's perception of multipolarity is the recognition of "the growing interconnectedness across different sectors due to the deepening of globalization," citing Xi's emphasis on 'win-win cooperation' in which China's development "cannot be achieved without world and the world also needs China for its development."

The same concept of 'win-win cooperation' applies to China's perception on the rise of unprecedented challenges confronting contemporary world brought about by globalization. Based on key themes highlighted in most of the speeches made by Xi and other high-ranking Chinese diplomatic officials, China forwards a threestep approach to resolving new global challenges: "(1) advancing peace, development, and win-win cooperation; (2) fostering a new form of international relations; and (3) creating a community of shared future for mankind through partnership (political), common security (security), common development (economic), inter-civilizational exchanges (cultural), and green development (environmental)."7

While it remains to be seen how these ideas are likely to materialize, Li contends that the world is seeing a more powerful China at the helm of a more assertive and proactive leadership by Xi Jinping.

The internal: Xi Jinping's thought in China's foreign policy

A major driving force in China's current foreign policy agenda has been attributed to Xi Jinping and, by extension, his leadership of the Politburo Standing Committee of the Communist Party of China.

An assessment of reports by Chinese state media shows that in his first five years as Chinese president, Xi has spent more than one month per year on

<sup>&</sup>lt;sup>4</sup> Ibid.

<sup>&</sup>lt;sup>5</sup> Ibid.

<sup>&</sup>lt;sup>6</sup> Ibid.

<sup>&</sup>lt;sup>7</sup> Ibid.

foreign visits which, according to Li, makes him the "most active Chinese leader in terms of international participation by far." More than one-third of the 28 state visits Xi has made outside of China are to its neighboring countries and regions. As of September 2018, the Chinese leader has likewise hosted seven major summits with world leaders, namely:

- The Fourth Conference on Interaction and Confidence-Building Measures in Asia (CICA) in 2014, which aims to establish multilateral measures of confidence-building to strength dialogues and cooperation, to promote peace, security and stability in Asia in areas including new security threats, economy, ecosystem and people-to-people exchange.
- The Asia-Pacific Economic Cooperation Summit Meeting (APEC) in 2014 with the theme: 'Building the Future of Asia-Pacific Partnership'.
- The G20 Summit in 2016, which focused on addressing issues on international trade and investments, fiscal stimulus, innovative means of economic growth, opposition to protectionism and populist attacks on globalization, and support for refugees.
- The Belt and Road Forum for International Cooperation (BARF) in 2017, which brought the stakeholders together in the discussion on the five areas of connectivity of BRI under the theme of "Strengthening International Cooperation and Co-Building The 'Belt and Road' For Win-Win Development".
- The BRICS Summit in 2017, which was intended to improve partnerships in areas of world peace, common development, civilizational diversity, and global economic governance. Special focus was given to the developing countries.
- The Shanghai Cooperation Organization Summit Meeting in 2018, which covered various topic areas including security, cooperation, development, and the Belt and Road Initiative. Member states also signed agreements and established substantive cooperation in security, economy and people-to-people exchange areas.

• The Beijing Summit of the Forum on China-Africa Cooperation in 2018, which saw the signing of the Beijing Declaration and an action plan to tighten ties, further economic cooperation, and build a stronger China-Africa community under its visions of a shared future. China pledged \$60 billion to Africa to finance local projects in forms of investment, assistance, and loans.

These developments in China's interstate relations under Xi imply efforts to "strengthen dialogues and cooperation and promote peace, security, and stability through a multilateral setting." Moreover, it may also be indicative of China's growing willingness to participate in and establish new platforms for multilateral arrangements.

Li identifies the major components of Xi Jinping thought on foreign policy decision-making based on landmark speeches delivered during the Chinese president's state visits: a "new type of relationship" (Pinyin: xinxing daguo guanxi, 新型大国关系) with major powers in the 21st century characterized by no conflict or confrontation, mutual respect, and win-win cooperation; a "new type of international relations" (Pinyin: xinxing guoji guanxi, 新型国际 关系), which rejects the practice of zero-sum game and winner-takes all approach by encouraging the principles of partnership (political), common development (economic), inclusiveness and intercivilizational learning (cultural), and security for all (security); and a "community of shared future for mankind" (Pinyin: renlei mingyun gongtongti, 人类 命运共同体). First presented during the later stage of former Chinese President Hu Jintao's administration, it is defined by the vision of a shared future for all that can be achieved through the various "multi-pronged and coordinated global approach" prescribed under the Chinese notion of a new type of international relations.

Underlying these characteristics of Xi's foreign policy agenda is the long-standing principle of "seeking common ground while reserving differences" (Pinyin: qiu tong cunyi, 求同存异). This intends to create an international environment that would allow for China's greater participation in the

<sup>8</sup> Ibid.

<sup>&</sup>lt;sup>9</sup> Ibid.

global community and downplay the notions of a threatening China. While China has disputed claims of it seeking hegemony or a shift in the international order, Li notes that what constitutes the China threat has more to do with its growing power rather than how it envisions the world should be. "To a certain extent, China no longer has the option of keeping a low profile because it has been put under the spotlight in the global stage." <sup>10</sup>

The succeeding section provides a regional assessment of China's foreign policy in Northeast Asia based on the study conducted by Assistant Professor Raisa Lumampao. This region is given particular focus due to the presence of major super powers and the global strategic and economic importance of Northeast Asia. It seeks to provide an overview of China's foreign policy strategy in the region, and to determine the emergence of "policy shifts" from the era of Hu to Xi.

# Examining 'shifts' in China's foreign policy in Northeast Asia

According to Lumampao, China's relationship with its two neighbors in the region—Japan and Korea—is all-encompassing given its focus on politics, economics and trade, people-to-people exchanges, and sustainable development. Yet, its general foreign policy strategy denotes a "pragmatic two-faceted approach". On one end, China adopts a more cautious method in its overall relations across the region; on the other, it deviated from formulating a foreign policy agenda that would address Japan and the two Koreas as a single unit. "If at all, China has consistently pursued a bilateral approach in engaging the major powers in the region and has also been consistently vague in its regional foreign policy that would treat the Northeast bloc as one."

To determine the policy shifts in China's strategy in Northeast Asia, Lumampao's study applies a content analysis of the official pronouncements delivered in official state visits by Hu, Xi, former and incumbent Chinese ministers, and high-ranking members of the Politburo. The materials include speeches, written interviews, video messages, transcripts, and press statements from the last five years of the Hu administration (2008 to 2012) and the first five years of the Xi administration (2013 to 2017). Data was sorted based on frequency in the use of specific keywords, such as security, economic, and culture (*See* Figure 1 on page 5).

The findings gathered elaborate further on the variations between Hu and Xi's approach on foreign policy and priority areas. In terms of similarities, Lumampao observes that promoting regional economic cooperation and expanding economic interests—concepts that are intrinsic in the Chinese "economy first" mentality—remain constant in the overall agenda of both Chinese presidents. "Notwithstanding the absence of a trilateral partnership, China is determined to deepen its economic ties with South Korea, as evidenced by the finalization of the free-trade agreement in 2015, while Japan and China continue to maintain their trade relations amidst the downward trend in investments by the Japanese." 12

A major point of divergence, however, is the extent to which China declared a more decisive stance in addressing issues on security and sovereignty amidst the North Korea nuclear crisis. Lumampao contends that despite the Hu administration's proactive efforts in safeguarding its core interests, "China remained apprehensive in assuming the role of global leader and taking on bigger responsibilities as a global power." 13

China under Xi, however, is seen as more assertive where international security and territorial integrity are concerned. This is apparent in its pronouncements on what it perceived to be US interference on South Korea's use of Terminal High Altitude Area Defense (THAAD) and on the the US–Japan security treaty that covers the disputed Diaoyu Islands in the East China Sea. Compared to his predecessor, the Xi administration is "no doubt inclined to behave as a responsible regional and

<sup>&</sup>lt;sup>10</sup> Ibid.

Raisa Lumampao, "Examining 'Policy Shifts' in China's Foreign Policy in Northeast Asia: Implications for Korea" (discussion paper, Strategic Studies Program, University of the Philippines Center for Integrative and Development Studies, Quezon City, forthcoming).

<sup>&</sup>lt;sup>12</sup> Ibid.

<sup>&</sup>lt;sup>13</sup> Ibid.

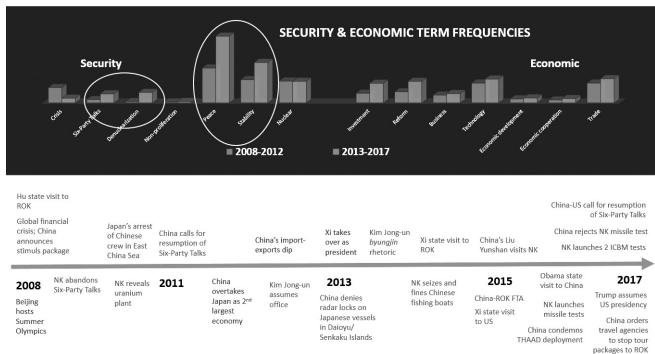


FIGURE 1 Frequency of selected security and economic keywords and a timeline of China's foreign policy

global power" and is "more resolute in promoting peace and stability in the region." <sup>14</sup>

In sum, Lumampao suggests that while promoting trade and investments remains a top priority, China is likely to maintain more cautious and ambiguous on security and other geopolitical issues where Northeast Asia is concerned. "Given the security rivalry between China, Japan and Korea, the calculated strategic and political approach pursued by China is understandable given the long history and complex relations it has with its neighbors. China remains in conflict with Japan over the Diaoyu or Senkaku Islands, while its strategic relations with South Korea remains volatile due to the North Korea factor."

#### Key insights for policy development

The findings gathered by Li and Lumampao's studies are consistent in its assessment that cooperation and deepening economic ties remain salient features of China's foreign policy agenda—both in the previous and current administrations. The studies

also demonstrate that Xi's proactive leadership has contributed to China's more prominent role in contemporary international relations. This is seen as a sharp contrast from the "keeping a low profile and biding one's time" principle that has characterized Chinese foreign policy since the era of Deng Xiaoping.

While concerns over a more assertive China under Xi remain ever present, it may be considered that it is still in the best interest of China to maintain a stable international order given the magnitude and interdependence of its economic interests with other states. In the case of Northeast Asia, the trend is such that China is likely to maintain its preference for bilateral agreements given its strategic interests and variations in historical legacies that continue to influence its relations with Japan and the Korean Peninsula.

Much of China's perception of how it identifies with and envisions the current international order remains vague and open to different interpretations. However, understanding the complex interplay

<sup>&</sup>lt;sup>14</sup> Ibid.

<sup>15</sup> Ibid.

between the internal and external components of China's decision-making may provide a general theoretical basis on the rationale of its foreign policy formulation and its implementation.

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