

China's Policies – Their Regional and Global Impacts

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Introduction

Over the last few decades, especially since the 18th National Congress of the Communist Party of China (CPC) convened in 2012, China has reoriented its domestic and foreign policies. Most importantly, the recently published document on 'Essentials of National Security, Defence and Military Strategies' in January 2015, reveals that the shift in China's policies and their activities are affecting regional defence and security. How this is impacting the global strategic balance is analysed in the succeeding paragraphs.

Adjustments in China's Foreign Policy, National Security, Defence and Military Strategies

Renovation of China's Foreign Policy. Some of the prominent features of China's foreign policy changes, since the 18th National Congress of the CPC, are as follows:–

- (a) China is making considerable effort to develop its strategic capabilities to become a major power in the region and the world; enhancing its global reach; and step by step establishing new rules to change the current *status quo*. China's "two centenaries,"¹ the realisation of the concept of "China's Dream"² put forward for the first time by the CPC President, Xi Jinping in March 2013, and the transformation from "peaceful rise" to the "fostering of the new model of major-country relations," first and foremost with the United States (US), have further clarified China's ambition to become a superpower. Regarding new rules and the world order, China has accepted the current *status quo* temporarily but is beginning to seek and make changes in the existing international institutions and mechanisms from inside. China suggests that "Asian problems should be solved by Asian

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people,” and it is gradually pushing the US out of East Asia for establishing a new order in the region, led by China.

(b) China is paying attention to the exploitation of opportunities by closely monitoring situations and proactively creating opportunities.

(c) China has become more proactive and assertive than ever before with a view to claiming a larger strategic domain, displaying pragmatism and self-confidence.

Essentials of Current National Security Strategy. China adopted the current ‘Essentials of National Security Strategy’ on 23 Jan 2015 which focussed mainly on dealing with domestic and internal security issues; such as, corruption, interest groups, the gap between the rich and poor and separatist movements. In addition, it reaffirmed China’s viewpoint, set forth at the Conference on Interaction and Confidence Building Measures in Asia (CICA), the Shanghai Cooperation Organisation (SCO), Shangri-La Dialogue and the 2015 Xiangshan Forum, etc.

At present, China’s foreign policy gives priority to enhancing relations with major powers and developed countries, especially China-US-Russia Axis; its neighbouring and developing countries. China has never brought forward urgent global security issues and emphasised that China is facing some unpredictable security threats.

China’s Defence and Military Strategies. Later, on 26 May 2015, China released its 2015 Defence White Paper whose contents focus mainly on China’s Military Strategy in the new era. The strategic guideline of “active defence” is set to enhance military modernisation and creating a firm foundation for realising “China’s Dream”. China’s military is concentrating on four essential components of global power: namely, *development of military capability in maritime domain, outer space, cyberspace and upgradation of nuclear weapon systems.*

The People’s Liberation Army Navy (PLAN) is gradually shifting its focus from “offshore waters defence” to the combination of “offshore waters defence” with “open seas protection.” The PLA Air Force (PLAAF) is shifting its focus from territorial air defence to both defence and offence, and building an air-space defence force. The PLA Strategic Rocket Force [the PLA Second Artillery Force (PLASAF)] is strengthening its capabilities for strategic deterrence and nuclear

counterattack, medium and long-range precision strikes. China will also enhance international cooperation and actively participate in regional and international security issues³ and would foster the new model of “military relations” in line with the new model of “major-country relations” between China and the US.

This is the first time ever that China has publicly revealed its sovereign claims over the South China Sea (hereafter referred to as the East Sea); and the PLAN, for the first time, is playing a leading role in safeguarding China’s sovereignty over seas and islands. China’s “offensive” intent stands clearly exposed, indicating its preparation for resorting to threats or using force in order to gain step by step control of the whole of East Sea.

Impacts on the Region and the World

China is playing an increasingly important role in the world economy by making great contribution to global economic growth and trade. In recent years, China has contributed about 30 per cent to global GDP growth,⁴ increased its control over the world economy, and sought to globalise the Chinese *Renminbi*.⁵ These moves have helped to improve the world’s competitive strength, increased other economies’ dependence on China, and attracted the investment from most of the major multinational groups in the world.

At present, China is the world’s second-largest economy after the US. Some experts have projected that before 2049, China’s economy would surpass the US in terms of nominal GDP. However, the real living standards of the people in China remain well behind those in the US, Japan, Germany, and even Russia in terms of science and technology. China is still the world’s biggest production base with an export-oriented economy and heavy dependence on the world economy. China’s economy has witnessed slowdown recently. The need for institutional renovation and addressing social inequality has become more pressing than ever before. While developed nations’ economy develops depth, China’s economy develops width. The global financial crisis and economic recession in 2008 made China’s major export markets shrink. It exposed “*four nos*” in its economic structure; namely, instability, lack of solidity, coordination and sustainability.” *Notably, not many countries are attracted by China’s economic model despite its emergence as the world’s biggest economy.*⁶

Facilitating the Trend towards Multi-Polarisation

The development of China has contributed to maintaining a peaceful environment, enhancing the emergence of a multi-polar world order, creating a fairer and more equal “playground,” and strengthening the voice of developing countries. China is giving increasingly diversified and active support to developing countries through debt relief, loans, economic assistance and military aid by making effective use of multilateral forums, especially the United Nations (UN).⁷ In fact, China has gained the support of a number of developing countries, especially those in Africa. China is employing a flexible strategy to protect its economic and security interests at multilateral organisations, enhancing its prestige while reducing the US influence and; actively participating in the reformulation of the international laws and concluding many multilateral treaties.⁸ So far China has taken part in most of the international and regional organisations and mechanisms which have culminated in negotiating over 300 multilateral treaties. Presently, China is holding the initiative in settling global economic and political issues, including the proposal for using the Special Drawing Rights (SDR) of the International Monetary Fund (IMF), and the proposal for replacement of the US dollar by a “new global currency.”

China's economic diplomacy is based on enhancing and protecting its overseas investments with a view to serving its national interests. At the same time, China is gradually expanding its influence and strategic reach in other regions including Europe, Africa, Latin America and Australia. There will be fierce competition between China and other newly emerging countries for playing a lead role at the international fora and also in non-traditional security and financial issues, controlling the relationship among major powers and giving rise to interest groups.

China, however, is facing many challenges. China has not really succeeded in getting into a binding alliance with any country, not even with the US. In Asia, Chinese products are reputed to be of lower quality than the US items. America's *soft power* still prevails. Although China's *soft power* has recorded some notable achievements in recent years, China's assertiveness is viewed with suspicion by some of its neighbouring countries.

Impact on International Security

China has made positive contribution in prevention of conflicts and their settlement. It has also actively participated and taken the initiative in addressing issues related to international peace and security. In particular, China has cooperated with major powers and other relevant countries while dealing with “volatile” issues such as the nuclear programmes of Iran and North Korea, and international terrorism etc. China has also made positive contribution to development efforts, humanitarian assistance and provided more personnel than any other members of the UN Security Council for UN peacekeeping missions.

China’s rapid military build-up, however, has caused great concern amongst a number of countries in the world. The US seeks to rebalance forces in the region to contain China. China also pays attention to involving other countries in order to expand its spheres of influence and to break the US stronghold. The moves made by China and the US have resulted in tension, conflicting interests and mistrust. China’s recent assertiveness in neighbouring waters is of great concern to many countries – potentially leading to a new regional arms race.

The military build-up, procurement of weapons and equipment, and escalation of disputes, from between China and its neighbouring countries to between China and other major powers, especially the US, would gradually enable China to succeed in its plot to divide the world into two blocs. At the same time, China’s activities in the East China Sea and the East Sea have provided an opportunity to the US to set up an “anti-China front.”

Potential Impact on the Region

China’s moves have undermined trust amongst neighbouring countries, and increased suspicion which does more harm than good to China. As for the region; China’s development strategy not only creates favourable conditions for development but it also results in manifestation of new threats.

Potential Threats to Safety and Security in the East Sea

China’s military build-up and naval activities in the East Sea, including military manoeuvres; enlargement or construction of military bases in the Paracel Islands; renovation and construction of artificial islands in the Spratly Islands for turning these islands into military outposts in the East Sea, are posing serious threats to security and safety of maritime navigation and overflight in the region.

China's release of its Defence White Paper in 2015 has implied that differences in international maritime domain tend to escalate conflicts of interest; and China is ready to resort to use of force to settle the disputes instead of using peaceful means.

Raising the Likelihood of Arms Race and Conflict

China's development of military capabilities and modernisation of PLAN have caused concern amongst its neighbouring countries, and are likely to lead to arms race in the region. China's Defence White Paper also signals a firm message on sovereignty related issues and warns regional countries to desist from enhancing their relations with the US and Japan.

Countries in the region must consider increasing their defence budgets and expedite acquisition of advanced weapon systems in order to defend their territorial sovereignty and national interests. These moves will, in turn, intensify the risk of arms race and regional conflict, if parties concerned do not abandon the rhetoric of military confrontation.

Creating Fierce Competition among Major Powers

The East China Sea and the East Sea are witnessing fierce competition between two great powers which would draw increasing attention of other powers. However, conflicts are not likely to occur in the short term. China and the US may, however, bring pressure to bear upon specific political issues.

Posing Threats to Countries in the Region

The modernisation of PLAN and China's physical activities at sea, including the holding of military exercises in order to demonstrate China's improving maritime prowess by securing the Sea Lanes of Communication (SLOCs), have worried China's neighbouring countries and enhanced their apprehension that China might resort to using military force to gain control over natural resources and to settle their bilateral disputes.

Conclusion

At present, China has emerged as the most dynamic actor in the great-power politics. China's domestic and foreign policies have never been more assertive and proactive than they are today. China's desire to become a major power in the region and the world, when compared

to their posture in earlier decades and the realisation of “China’s Dream”, would not be so easy because the world is foreseeing a new era full of difficulties for China.

Given its geostrategic position in close proximity to China, and the rivalry among great powers, East Asia has and would continue to suffer unpredictable and serious challenges due to China’s current assertive foreign policy and military strategy.

Endnotes

¹ The “first centenary” is to complete the building of a moderately prosperous society in all respects by 2021 when the CPC celebrates its centenary. The second centenary is to complete the building of a modern socialist country that is prosperous, strong, democratic, culturally advanced and harmonious by 2049 when the People’s Republic of China marks its centenary.

² The concept of “the Chinese Dream” consists of four main aspects: Strong China (economically, politically, diplomatically, scientifically, and militarily); Civilized China (equity and fairness, rich culture, high morals); Harmonious China (amity among social classes); and Beautiful China (healthy environment, low pollution). “The Chinese Dream” is associated with the attainment of the above-mentioned ambitious “two centenaries.”

³ According to the Defence White Paper, China’s military needs to perform well on eight fundamental tasks: (i) to deal with a wide range of emergencies and military threats, and effectively safeguard the sovereignty and security of China’s territorial land, air, and sea; (ii) to resolutely safeguard the unification of the motherland; (iii) to safeguard China’s security and interests in new domains; (iv) to safeguard the security of China’s oversea interests; (v) to maintain strategic deterrence and carry out nuclear counterattack; (vi) to participate in regional and international security cooperation and maintain regional and world peace; (vii) to strengthen efforts in operations against infiltration, separatism and terrorism so as to maintain China’s political security and social stability; and (viii) to perform such tasks as emergency rescue and disaster relief, rights and interests protection, guard duties, and support for national economic and social development.

⁴ Sheard Paul, China’s contribution to the global GDP growth in 2012 is projected at 30%. <http://finance.eastmoney.com/news/1585,20100915962248493.html>.

⁵ Several research have projected that Chinese Reminbi would become an international currency by 2020.

⁶ People in the world still consider West as their “desired house.” In addition, many people regard China’s model as a transitory one which would finally enable them to achieve a democratic model with institutions similar to those of South Korea, etc.

⁷ The UN cooperated with China and Africa to establish China-Africa Enterprise Association, and China-Africa Business Council in 2005. The United Nations Development Programme (UNDP) supported the establishment of the International Poverty Reduction Centre in 2006 in Beijing, which aims to enable China to share its development experience with other developing countries.

⁸ Thai Cao Cuong, *The Rise of Major Powers and Development of International Law*, Journal of Tianjin University, July 2009, page 64.