

China's Foreign Policy and Alliances in the 21st Century

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National Security Panel

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China's Alliance Strategy

Since Deng Xiaoping embarked upon reform policies in 1978, China's alliance strategy has followed a two-track path. It has stuck to a principled "non-alignment" policy while also emphasizing its so-called "a new concept of security". This concept focuses on mutual trust, benefit, equality and coordination. These two policies laid the ground for China's foreign policy when engaging in either bilateral strategic partnerships with major countries or in multilateral settings with neighboring countries.

"Hard" balancing has not been the major strategic objective in Chinese foreign policy. It would mean building up an alliance to balance against the U.S. If we look back on the times when the Bush administration strengthened and reinforced the U.S.-Japan alliance, China did not try to balance against this bilateral move. Rather its policy response was based more on what T.V. Paul calls "soft balancing".¹ While it maintained its bilateral relations with both Japan and the U.S., China also strengthened its efforts on constructing a regional multilateral security organization, the Shanghai Cooperation Organization (SCO), both militarily and diplomatically. This is the kind of "soft balancing" policy response we can expect from China in its approach not just to the U.S.-Japan alliance but to other challenges it will face.

¹ T.V. Paul, James J. Wirtz, and Michel Fortmann, eds., *Balance of Power: Theory and Practice in the 21st Century* (Stanford: Stanford Univ. Press, 2004)

China's Security Challenge

Since the end of the Cold War, the U.S.-Japan alliance has been strengthened and renewed to expand its function to better manage future challenges in the region. By comparison, China has been more prudent in matching rapid changes in the post-Cold War East Asia. In terms of balance of power, China could not make an explicit effort to build up an alliance to counter this because of its economic interdependence with the U.S. and Japan. This economic interdependence is something that it cannot sacrifice. China's future and the Chinese Communist Party's leadership both depend upon continued and sustained economic growth.

Economic ties aside, further challenges will endanger China, if it tries to build up an alliance against the U.S. and Japan. In order to form an effective and meaningful alliance, China would need to offer economic and military support, and security guarantees to any potential ally. Providing sufficient resources for this kind of security benefits and guarantees to forge an alliance will pose a big challenge to China, especially if it wishes to continue its economic growth. Then, it might be said that the Chinese policy of "non-alignment" comes out of this dilemma.

Efforts to Resolve the Difficulties

China hopes to resolve this difficulty by trying several approaches. These range from espous-

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ing the rhetoric of "strategic partnership", maintaining "harmonious" relations with its neighbors, strengthening its military, using FTAs to expand economic influence, notably with ASEAN, to forming regional multilateral organizations such as the SCO and the Asian Monetary Fund.

China has put strong emphasis on building various bilateral partnerships with a plethora of titles, "strategic cooperative partnerships", "constructive strategic partnerships", and sought to utilize them to alleviate its fears of isolation in the international scene. Through these partnerships with key countries in the region, China hopes to create a degree of diversification between alliance partners in those alliances that surround China. But one has to be aware of the strategic implication of China's foreign policy and try to find a place of cooperation and coordination.

The Outlook for U.S.-China Relations

Currently the Obama administration is facing two major challenges. The first is to overturn the mistakes in U.S. foreign policy made post-9/11 and the second is to deal with the current economic crisis. The performance of the Obama administration will be measured against how it is able to deal with these challenges effectively. We can then see that both these challenges will have a strong bearing on the U.S. foreign policy strategy for East Asia.

We are familiar with how, under the Bush administration, the U.S.-Japan alliance was the mainstay of its strategy towards East Asia. However the situation today is different and we can expect that Japan's role may well be

redefined according to the changes of strategic architecture of these two countries.

The challenges of the current economic crisis are very pressing. While Japan has economic downturn experience from its own "lost decade," continued economic difficulties and political turmoil work against it from playing a major role in any economic recovery. We, then, see how China, in this regard, will gain the upper hand and have a stronger role to play in East Asia.

The U.S. does not want to act unilaterally as it did in the past, and the current challenges it faces are simply too great for it to bear by itself. Therefore we will see the U.S. working through various channels to push through its East Asia strategy. And the U.S. has many channels to work through. By using its alliances, its partnership with China and other multilateral channels in the region, it will be simultaneously working with China while also making Japan feel assured. China would prefer the U.S. to work in reverse, focusing first on the multilateral channels, then on its partnership with China and lastly on its alliances.

In order to formulate the right policy, we should look at both the U.S. and China's strategy together. In this way we can begin to understand where the two strategies have common ground and where they come into conflict or differ. By understanding effectively these two strategies, Korea can then begin to formulate its own effective strategy and establish its place in the region. ■