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China - Renaissance einer alten Weltpacht

Urs Schoettli

This is a very crucial year for the People’s Republic of China. In autumn the Communist Party of China (CPC) will hold its 19th national party congress. At the center of the big event that happens every five years are major personnel decisions that determine the fate of various top level leaders and determine the power equations within the party for the coming five years or even beyond them.

At present nobody doubts that President Xi Jinping will be confirmed as Secretary General of the CPC and that the composition of the highest organs of the party, most notably of the Politburo Standing Committee, will reflect his pre-eminence. Many commentators describe Xi Jinping as the most powerful party leader since the great reformer Deng Xiaoping. There is even talk of him having designs to stay in power beyond 2022 when his second five years term will end.
Of course there is a lot of speculation about the composition of the next Politburo Standing Committee. According to age regulations five of the seven current members of this body have to resign. Only President Xi himself and Prime Minister Li Keqiang are up for re-election. It will be interesting to see who manages to place his favorites in these powerful positions. There is talk also of reducing the number of Politburo Standing Committee members from seven to five giving even more power to Xi.

The strong position of Xi is primarily due to his skillful management of internal party affairs and domestic policies. Without any doubt his rigorous campaign against corruption makes Xi very popular amongst the Chinese masses who are upset about the increasing wealth gap in the country. Of course, Xi’s campaign against corruption on all levels, even on the highest circles, has also an element of internal rivalries. Important people who could have threatened the position of Xi have been eliminated from the party during the past few years. The most notable case was the public trial and incarceration of the ambitious Bo Xilai.

Foreign policy and reputation abroad tend to be of limited interest for the broader public. All politics is local, is a well-known proverb. However, in the present stage of China’s development the status of the country in the world at large is of great importance. During the 19th century and a large part of the 20th century China had been marginalized and even humiliated. All the more important for the national dignity of the Chinese is, therefore, the return of the Middle Kingdom.

The spectacular socio-economic modernization of China has led the country within half a generation to the second spot in the world ranking of national economies. Some observers see China even overtaking the US in not too distant a future. Economic power enhances the general standing in the world. Most recently we have been witnessing the spread of Chinese military power and geopolitical influence in its neighborhood and most importantly in the South China Sea. Once again the Middle Kingdom is Asia’s hegemon.

The only country capable to face up to Chinese influence, particularly on the high seas, is the US. President Barack Obama with his “pivot Asia” policy had faced the challenge. On many fronts in domestic and foreign policy President Donald Trump is unravelling the positions taken by his predecessor. For the Far East the most important changes undertaken by Trump are the abandonment of the Trans-Pacific Partnership (TPP) and the manifest acquiescence of Washington to the Chinese takeover of the South China Sea.

While many of the recent actions undertaken by the US administration are erratic and short term, Beijing has stuck to its long term policies and has managed to project the image of a reliable world power. This, to a very large extent is the work of President Xi Jinping. The Chinese leader is seen by the world as a much more sophisticated and more statesmanlike politician than President Trump. Significantly, at this year’s Davos conclave Xi Jinping was hailed as the defender of values such as free trade and global interaction!

Much can and will happen during the next five years, when Xi Jinping completes his second five year term. Increasingly, the world has to come to terms with an American government that withdraws from costly enterprises abroad and focuses on “making America great again”. While Beijing may not want to follow in every step of the US, it most certainly will be ready to mark its forceful presence wherever this serves and suits the national interests of the People’s Republic.
Washington still maintains that the freedom of navigation in the South China and East China Seas is of paramount interest, but the nations in these regions have taken note of the shift in American priorities and are aware that to protect their own interests they have to take matters into their own hands. Accommodation with an increasingly powerful China is one of the most obvious goals. It is a coincidence that exactly at a time when China is led by a skillful international statesman the US is withdrawing, creating a vacuum that will be eagerly filled by China.

**Will China replace the US?**

*Urs Schoettli*

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The Great Chinese Takeaway

_Urs Schoettli_

The facts are clear: We live in the Asian century. This is true in terms both of the world economy and geopolitics. While it is understandable and justified that Asia is seen as a promising land for business, we should not forget that in the 21st century Asia does not only offer huge chances it also provides new and dangerous risks. Most of the big conflicts and wars of the 21st century will be fought in Asia. This is the reason why great attention must be given to the developments and prospects in the region of the South China Sea.
There are a number of conflicts between the People’s Republic of China and several South East Asian littoral states of the South China Sea. Beijing has always stated that these are bilateral disputes and that ASEAN has no role to play. This is indeed the position hegemonic powers tend to take and it is entirely in tune with Chinese foreign policy since ancient times. Unlike European colonial powers the Middle Kingdom did not conquer overseas territories. This was also the case in South East Asia, where most countries have a strong and economically very successful Chinese overseas community.

The integration of these Chinese overseas communities into the mainstream of their host nations varies greatly from country to country. The most successful integration happened in the case of Thailand, where of course there are many religious and cultural communualities between local Thais and Chinese. In Indonesia the process has been much more painful. Not forgotten are the pogroms that in the past cost the lives of numerous Chinese and caused massive economic hardship.

Traditionally, Vietnam has been very weary of Chinese influence. The Middle Kingdom is its powerful neighbor and rival. Singapore, the city state which harbors the region’s financial hub, is the only South East Asia country where the Chinese overseas community forms the vast majority of the population. Nevertheless, the Singaporean Chinese, who have been living for several generations in the Lion City are generally very distant from their motherland. Most have never visited the land of their ancestors and there is substantial suspicion directed at any “big brother” attitudes displayed by mainland China.

Common to all overseas Chinese communities in South East Asia is that they never became colonial outposts of the motherland. While there were many more Chinese than Dutchmen in pre-independence Indonesia, it was Holland that converted the East Indies into a colony not the Chinese! At the core of a hegemonic understanding is the universal recognition that the states within its orbit recognize the pre-eminence of the hegemon’s ruler. This can be undertaken in various forms of material or cultural tributes. For example, China’s claim that Okinawa is not an integral part of Japan is based on the historic fact that the rulers of the Ryukyu Kingdom paid tribute to the Chinese Emperor.

These are not mere historic niceties. Chinese traditionally have a very strong affinity to their history. Therefore, in order to understand how Beijing develops its hegemonic designs in the 21st century, it is useful to refer to past experiences. In fact the crucial challenge to peace and stability in the South China Sea is exactly that the two major powers, the United States and the People’s Republic, have a very divergent understanding of how to project their power in the world at large and in South East Asia in particular. On the US side we have the traditional imperial understanding of an essentially naval projection of power, on the Chinese side we have a traditional land based hegemon.
In order to understand the prospects for the South China Sea we must first and foremost assess the military facts on the ground. Indonesia is by far the largest country in the region. In terms of population it ranks fourth in the world. However, militarily Indonesia is a dwarf. Its military budget is less than a tenth of China’s official military spending. According to SIPRI Indonesia ranks 30th amongst nations in terms of military expenditure. Even the city state of Singapore dedicates more money to its defense. Bearing in mind the geographical extension and the geopolitical location of Indonesia it is fair to state that in case of open conflict Jakarta is in no condition to secure the territorial integrity of this huge archipelago of more than 17,000 islands.

Without any doubt, Vietnam is by far the strongest military power in South East Asia. This war-tested nation has a long experience of friction with its large neighbor and in recent times has repeatedly been able to hold its own against China. However, bearing in mind the massive modernization of the Chinese defense forces it is highly doubtful that on its own Vietnam will be able to resist for a long time in an extended conflict. The other countries in the region have only very marginal defense capabilities. This is particularly the case for the Philippines with hardly any naval capacity that reaches beyond its immediate territorial waters.

What scenarios do we then envisage? Under the given circumstances the strategy of the Chinese hegemon must clearly focus on preventing any ganging up of its neighbors. It is already clear that ASEAN will continue to remain marginal when it comes to the security in the South China Sea and in South East Asia. Any attempt at getting any kind of cooperation or coordination in the reaction to China’s island grab in the South China Sea will immediately be blocked from within the organization. Laos and Cambodia, potentially also Myanmar and Malaysia are clearly disposed to do China’s bidding. The rules of engagement the Chinese will apply to keep the South East Asian security fragmented range from economic and diplomatic incentives like in the case of Laos, Cambodia, Myanmar, and, most recently, Malaysia to open coercion like in the case of the Philippines and Vietnam.

Remains the second most important concern of the new hegemon: which outside powers will interfere with its ambitions in the South China Sea and in South East Asia? This question is directed foremost at the United States, then at Japan, Australia and India. There have indeed been a number of cautious steps amongst these countries to ramp up strategic cooperation in the area. The US is and will remain the lead power of the traditional imperial approach to open seas and freedom of navigation. In the order of determination its partners in this endeavor are Japan, India and Australia. We see Australia as the weakest link, as it is under massive economic pressure by the Chinese who work with great determination at enlarging the already existing dependencies of and inroads into the Australian economy.

India’s options are limited as it has huge security obligations on its Western front towards Pakistan and as it sees a growing commitment of its naval forces in the Indian Ocean theatre. During the past two decades Beijing has been very successful in hemming in and containing India. Its major asset is
Pakistan for which China has become the most reliable security partner. Then there is the strategy of the string of pearls, i.e. the establishment of naval bases and the conclusion of landing rights in a number of littoral states within the Indian Ocean region. Furthermore, China has a strong foothold within Myanmar.

This leaves Japan as a major security partner of the United States in the South China Sea. Prime Minister Shinzo Abe has, without any doubt, raised the security profile of Japan. However, in the longer term it is doubtful that Japan will be able to keep up a high security profile in the South China Sea and in South East Asia. The demographic scenario for Japan looks very bleak indeed. The population is rapidly ageing and shrinking. Latest figures indicate that from today’s 127 million the Japanese population will shrink to 88 million by 2065. This trend will not only have a serious impact on the Japanese economy but also afflict the national mood. A nation that is shrinking at this rate will inevitably be conservative and pessimistic. While China’s population, too, is ageing, for the time being the demographic challenges Beijing faces are considerably smaller. Not least rapid urbanization and further growth of the middle classes will provide an upbeat mood within the country for some time to come.

This leaves the US as the crucial player. Without any doubt the USA have vital security interests in the Asia-Pacific region. They are after all not only an Atlantic but also a Pacific power. Presuming there is the goal and the capability to avoid an all-out war between the United States and the People’s Republic, a sober assessment of vital interests is required. The key to such an approach lies with the recognition of the differences that lie between the hegemonic and the imperial concept of power. Since some time China has marked its hegemonic approach to the South China Sea. Increasingly, the territorial claims have materialized in the occupation of islands, in the development of military infrastructure, in land reclaiming, and in the presence of military forces. All these are faits accomplis, which China under no circumstance will be willing to negotiate about. In many ways this looks like the non-negotiable claim to Tibet.

In its hegemonic approach Beijing has also made it clear that it will not adhere to international covenants nor accept international arbitration. Short of a military operation by the United States there is, therefore, no other option that China might reverse its policies in the South China Sea or that it might concede to the littoral states on mutually disputed territorial claims. China knows that the South East Nations lack the military strength and that outside powers, most notably the United States and Japan, will not be able nor willing to use military force to change the already existing Chinese presence.

The scenarios for the South China Sea and much of South East Asia must, therefore, focus on keeping the waterways and the flow of goods through the South China Sea free. It is a question of time how long Beijing will tolerate American shows of strength in keeping airspace and waterways open. Unlike in the East China Sea, most notably the Senkaku/Diaoyu Islands, the intrusions into disputed air space, have not yet the alarming quality of possible clashes either by accident or by design. But this might change in the future if either Beijing or Washington escalates its show of strength.

A key ambition of the Chinese strategy will be to prevent any multilateralization of the issue, not only because it would lead to a “ganging up” of the South East Nations but also because it would embolden outside powers to strive for larger coalitions involving the major Western trading nations. After all the interests of the Europeans, the Canadians, South Americans, and the Japanese are the
same like those of the United States, namely to keep the sea lanes open. This is the reason why Beijing will see the issue also as a bilateral one when it comes to the United States and not a generic challenge to the international order. Coming back to the hegemonic design this bilateralism is a key element of the concept of the mare nostrum (or „inland sea“) of the ancient Romans, into which China is determinedly turning the South China Sea.

The most likely scenario for the foreseeable future is that the Chinese will pursue their ambitious program of fortifying and physically expanding their presence in the South China Sea. This will result in a crucial enhancement of Chinese military presence in the region and will consequentially increase the pressure on all South East Asian nations. Beijing will resolutely attack any actions by multinational fora like ASEAN or even the UN that criticize the Chinese policy in the South China Sea. In particular China will refute American criticism that its expansion in the South China Sea interferes with international laws of the sea and with the freedom of navigation. In this context the vulnerability of both Europe and Japan will become particularly evident. Neither has the military power nor the political will to be a decisive factor in the South East Asian power game.

While Washington may eventually harden its rhetoric and abandon an early rapprochement with Beijing over the Korean Peninsula, it is highly unlikely that the United States will show military muscle in restraining the Chinese. Furthermore, as the Chinese program of enhancing its naval capacities advances at ever greater speed, the balance of military power and military capabilities in the region will tilt clearly in China’s favor. New faits accomplis will be created, which will be most risk prone in the case of Taiwan. For the past forty years Beijing has shown wisdom and restraint when dealing with what it calls a “renegade province” but this need not remain so for all times to come. Taiwan’s reunification with the motherland remains the declared goal of the People’s Republic. Exponents of the Chinese leadership, particularly Deng Xiaoping have shown innovative skills in their proposals for the reunification. But nobody has ever accepted that the island of Taiwan is a sovereign state. The crunch will come when China is sufficiently emboldened in its military prowess and nationalist forces have the wind in their sails, that the protagonists of a military solution to the Taiwan question may gain the upper hand. For such an event the present Chinese expansionism in the South China Sea is of significant value.