

# The Rise of China and the East Asian Order: Implications to the World

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# Current Reality: The World Order in Flux

Regional Order in Trouble in Europe

Perceived Decline in US Hegemony

Two Members of the UN Security Council Using  
Physical Force to Change the Status Quo

- Russia-Ukraine Conflict
- China-East Asian Neighbours Conflict

# But Aren't China's Words Gentle?

- Oct. 2013 Peripheral Diplomacy Workshop  
--conciliatory policy line announced:

intimacy, sincerity, benefit,  
tolerance

(親、誠、惠、容)

--four Chinese characters  
added by Xi Jinping



## More Gentle Words

### ★ Xi Jinping's Oct. 2013 Speech at the Indonesian Parliament

“With regard to differences and disputes between China and some Southeast Asian nations on territorial sovereignty and maritime rights and interests, peaceful solutions should be sought, and differences and disputes should be properly handled through equal-footed dialogue and friendly consultation in the overall interests of bilateral ties and regional stability.”

# Maritime Problems with Neighbours

## The South China Sea

- Harassing of US naval ships and aircraft
- Intensified friction with Vietnam and the Philippines
- No agreement on the Code of Conduct in the South China Sea
- Disagreement over the “9-dotted lines”



# China's Tough Deeds

## Drilling near Paracels (May 2014)



<http://www.xinhua.jp/socioeconomy/economy/383870/>

# Dredging in the South China Sea

<http://www.afpbb.com/articles/-/3049567>



# China's Maritime Advancement in the East China Sea (ECS)

1978 Scores of fishing boats repeatedly entering Senkaku territorial waters

1992 Law on the Territorial Sea and the Contiguous Zone

1996 Survey ship enters territorial waters for first time

2004 Baodiao activists go on island, nuclear sub enters territorial waters

2006 SAO decides to patrol ECS territory regularly

2008 First entry into territorial waters with intent to claim sovereignty

2010 Fishing boat collision incident

2012 Sudden increase in frequency of government vessels entering territorial waters



# Provocation in the East China Sea

- Intrusion by Chinese patrol boats into the Senkaku territorial waters continues



[pics.livedoor.com](http://pics.livedoor.com)



<http://www.kokuboukyoukai.jp/news-67-1.html>

- locking the fire control radar on a Japanese destroyer (Jan. 2013)
- Airmisses b/n military planes (May & June 2014)

# Why Is China Using Physical Force?

- It now has the capabilities
- There is no rule of law internally; it's domestic order is supported by the outstanding power of the Chinese Communist Party (CCP) – therefore *Pax Sinica* can only be an extension of *Pax Communista*
- Nationalism, together with developmentalism, constitute the pillars that support the legitimacy of CCP's rule – maintaining power is more important than abiding by international norms

# Peaceful Development and Nationalism: Are They Compatible?

- President Xi Jinping (2013)

“We always shall stay the path of peaceful development, but we shall never give up our rightful interests and sacrifice our core interests.”



# NB Divided Views in China on Senkakus

Disagreement in Beijing over Japanese Govt's  
2012 purchasing of Three Islands of the Senkakus

Hardliners: Japan's act was open  
provocation and challenge to sovereignty

Moderates: Japan's act was to cool things  
down, nothing to do with sovereignty

# Victory of the Hardliners

## THE HARDLINERS OVERWHELMED: WHY?

### International factors

- 2008 World Financial Crisis → China increases assertiveness in action and discourse
- US Pivot (Rebalancing) to Asia
  - Two-fold response from China:
    - (a) return to conciliatory diplomacy towards the US  
“New Model of Major Power Relationships”
    - (b) heighten alert against containment  
“US is a global tiger, Japan is an Asian wolf”

# Victory of the Hardliners

## THE HARDLINERS OVERWHELMED: WHY?

Domestic factors: to unite the party & the nation

- Deep intra-party divisions over policy & power

NB The Party Congress was approaching

- Intensifying social dissatisfaction & anxiety, shattering of the Chinese Dream, rise in neo-Maoism: i.e. fertile soil for nationalism to grow; susceptible to anti-Japanese propaganda.

➡ Xi Jinping: “China Dream: Achieve the Great Revival of the Chinese Nation”

# Divided Views in CCP Leadership (1)

China Model of Development or Economic Reform

2008 World Financial Crisis shattered the America Model and the Washington Consensus: the advent of the China Model and the Beijing Consensus

Days of population bonus is over. Without privatisation, liberalisation and distributive reforms, and those coming soon, China will be in trouble.

➤ Xi Jinping: marketisation without SOE reforms & distributional reforms



# Divided Views in CCP Leadership (2)

Political Reforms? Universal Values? Yes or No.

Impossible to implement economic reform thoroughly without political reform. (Wen Jiabao)

If you shake our basic system, we shall fall into the abyss of civil strife. (Wu Bangguo)

➤ Hu Jintao “There is universality in human rights” ← Ignored by media!

➤ Xi Jinping’s approval of suppressing universal values.



<http://www.inxian.com/20110619/27417#more-27417>



# Divided Views in China on Foreign Policy

Serious Disagreements among leaders (3)

Conciliatory or Assertive Foreign Policy

Deng Xiaoping's line of “*tao guang yang hui*” (low profile, conciliatory diplomacy) is out of date.

We must stick to Deng's line. China is still a developing country. We thrive in the current world order. We must not lose our good image.

NB Aggressive discourse in the media (2008,09-)

# Link b/n Debates in China on Reforms & Foreign Policy

Tug of war between two camps:

Reformists, internationalists, moderates

Vs.

Conservatives, chauvinists, hardliners

E.g. Former Secretary-general of the Party  
Political and Legal Commission: “Civil Societies  
are the trap of the West”; notable  
affinity between neo-Maoism and  
chauvinism/xenophobia



# Amelioration in J-C Relations (2014～)

ministerial meetings → Abe-Xi meeting in Beijing (Nov 14) and Jakarta (Apr 15)



\*Xi's friendly speech to 3,000 Japanese visitors:  
“Through you I send my sincere greetings and good will to the Japanese public!” (May 2015)

## Factors behind China's Compromises

- **Military**—Recognition of urgency of avoiding accidents: Near misses of military craft in 5/, 6/2014
- **Economic**—Recognition of politics' negative impact on economic exchange (Background: slowing growth, local fiscal difficulties, etc.)

Investment by Japanese companies: 42.9% down in Q1–Q3 2014 (38.8% decrease over all of 2014)

Minister of Commerce Gao Hucheng, September  
“This is something I don't want to see”

- **Political**—More solid power base for Xi Jinping

# Factors behind Chinese Compromises

- International

New type of major power relations with US: NO GO

Hard to resolve strategic conflicts in West Pacific

Criticism of hardline stance on neighboring states

Harm with no benefit, forging united front against China (E.g.: May 2013 Shangri-La Dialogue)

→Further emphasis on “peripheral diplomacy”:

Conference on Interaction and Confidence-Building

Measures in Asia (CICA); Asian Infrastructure

Investment Bank (AIIB); One Belt, One Road; etc.

# What Should We Do? Senkaku Issue Directly Impacts on Our Future Course

- For Japan to concede would mean rewarding an attempt to change the status quo by physical force. Once Japan concedes, China likely will escalate their action in the South China Sea.
- If Japan conceded under physical pressure, the hardliners, chauvinists and conservatives would sing in triumph. The moderates, internationalists and reformists would be marginalized further. This is no good for the world, it is very bad for China.

# What Should We Do?: Long Term

- Reinforce the resilience, overcome the fragility in Japan-China relations

Resilience: economic interdependence, social and cultural exchange, cooperation in non-traditional security

Fragility: history, security, Senkaku Islands, chauvinism

- Implement public diplomacy, reach out to the ordinary people in China



# Information Gap b/n Japan & China

## e.g. Trawler Collision Incident, Sept.2010

### The Chinese Version



[http://news.xinhuanet.com/world/2010-09/08/c\\_12529310.htm](http://news.xinhuanet.com/world/2010-09/08/c_12529310.htm)



# Information Gap b/n Japan & China

## e.g. Trawler Collision Incident, Sept.2010

### The Japanese Version



<http://www.youtube.com/watch?v=sVVM2AmvD5U>

# Information Gap b/n Japan & China

## e.g. Abe's Visit to the Yasukuni Shrine

Chinese view: Abe went to arouse nationalistic sentiments, unite the nation and increase his popularity

Japanese survey results

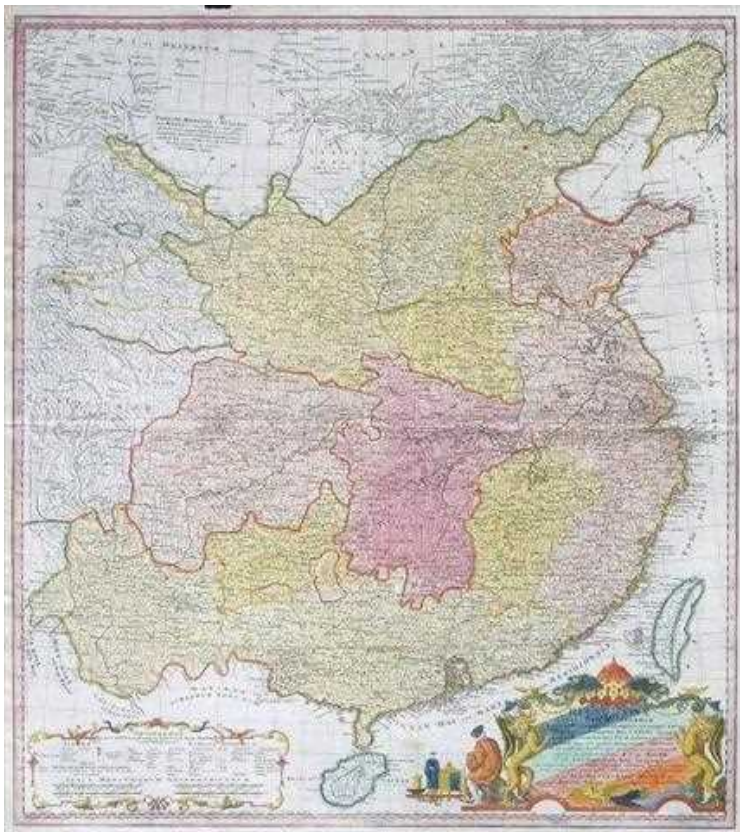
Asahi:           41% Good that he went;  
                    46% Should not have gone

Sankei-Fuji: 38% Positively appraise it;  
                    53% Do not positively appraise it

# Gift from Merkel to Xi Jinping (March 2014)

## The real gift: map made in 1735

<http://news.sina.com.cn/c/2014-03-31/031029827894.shtml>



## The “gift” in Xinhuanet.com

[http://www.sd.xinhuanet.com/news/2014-03/31/c\\_1110029830\\_4.htm](http://www.sd.xinhuanet.com/news/2014-03/31/c_1110029830_4.htm)



# Conclusion

- Japan & China must reinforce the resilience and overcome the fragility in their relations
- China is at a crossroads: for stable development and soft-landing, **reform** is needed, **nationalism** is “opium”
- The handling of the Senkaku question is not merely an issue in Japan-China relations. It constitutes a critical factor in deciding the future course of China, which affects us all
- **We, together, must talk with China and find a way to achieve long term strategic coexistence**