ENGAGING CHINA:
THE CASE OF THE SOUTH CHINA SEA

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Chapter One: Introduction

The People's Republic of China (PRC) is, and will continue to be, the most important actor in the dynamic East Asian security complex. Clearly, East Asian security is important for both regional and global stability. China's maritime policies are seen by some as threatening regional security as it claims sovereignty over the South China Sea (SCS), Taiwan, and the vital shipping lanes in the region. China's military modernization and changing military doctrine are escalating regional insecurity as the aggressiveness of its stance has been increasing with its capability to assert itself in the region. Policy decisions by China have the potential to threaten not only regional stability, but also international stability, as global powers such as the United States would become involved if conflict erupted. As a result, the East Asian region and the international community in general are attempting to influence Beijing's potentially destabilizing maritime foreign and security policies.

There are, therefore, a number of reasons why it is important to study and understand security issues in Southeast Asia and the critical role that China plays in them. China's rapid economic development has allowed for an extensive military modernization program that is in the process of transforming its antiquated forces into a modern, technologically capable force. Not to overstate the People's Liberation Army's (PLA) capabilities, it is still almost 20 years behind truly modern militaries like that of the United States, but it has significantly modernized its forces since the early 1990s after witnessing the overwhelming superiority of Western military forces in the Gulf War.

China continues to claim sovereignty over the resource rich SCS and the vital shipping lanes that pass through it. Beijing has become increasingly aggressive in the region commensurate with its increasing military power and ability to project that power beyond its
strategic borders as it develops and modernizes. China's emphasis on territorial defence has shifted away from continental land locked defense to peripheral coastline defense and the ability to halt an attack before it reaches their coast.¹ Therefore, the primary focus of China's military modernization has been on the PLA Navy (PLAN) and PLA Air Force (PLAAF), which have been needed to support the PLAN when it is engaged in sustained offshore activities.²

The sheer magnitude of China's population also warrants considerable concern and apprehension. With over 1.3 billion people, the broad policy choices China will make over the next decade on security, economic, environmental, social, and political issues will have a direct regional and international impact. Within the context of today's global interdependence, the path China follows along its accelerating industrialization process will have enormous implications for the global environment. Its continued use of cheap sources of energy like coal and oil are causing devastating environmental degradation and are truly ecologically unsustainable.

China also has the largest consumer market in the world and its economy has been growing at an astonishing rate. Between 1978 and 1995 China's total output quadrupled, making it the fastest growing economy in the world.³ The policy choices that Beijing makes concerning the rate and magnitude in which it enters the WTO-dominated free market economy could have immense ramifications for both the Chinese people and the rest of the world.

The negative effects of regional economic instability in East Asia were felt around the world following the economic crash in 1997. However, China was not nearly as affected as other Asian economies due to tight government control of its economy, which kept the crisis

from becoming even worse. Similarly, the benefits of positive economic development will likely be just as far reaching. Most regional governments of the western Pacific have been actively engaging China to ensure that its enormous contribution to regional trade, finance, investment, and resources are maximized. As a result, China’s economic policy choices will have significant effects beyond its own borders.

The policy decisions that China will make regarding social and human rights issues will also affect not only billions of Chinese - one fifth of the world’s population - but also its neighbouring states and the developed world. The World Bank estimates that over one quarter, or about 350 million people concentrated in China’s interior, live on less than one dollar a day and untold millions hover dangerously above this level. Over fifteen million people concentrated within urban cities live below the poverty line without the benefit of a state-run social safety net, and over 100 million rural Chinese drift from city to city as they migrate from the farmland to the city in the hopes of a better life.

 Poverty figures are expected to rise, especially in urban centres, as state-owned enterprises (SOEs), and possibly whole industries, fail with the opening of the Chinese market to the global economy and WTO guidelines. As a result of these and other social factors, hundreds of thousands of citizens are now attempting to leave China in search of a better standard of living in other countries. Canada and the United States have seen huge increases in the number of legal and illegal migrants attempting to enter their borders to escape economic and social hardships in China. If the transition to integrate itself into the WTO-dominated free market economy goes poorly, the number of economic refugees could rise dramatically.

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6 G.T. Moore, 73.
7 S.S. Kim, 247.
Each of these issues highlights the important role that China plays in both regional and international security. The policy choices China makes will have repercussions throughout the international system. This paper will seek to determine the most effective means of engaging China in an attempt to influence its foreign and security policies to act cooperatively with other Southeast Asian actors to resolve the myriad of regional security issues. It will do so by examining these policies in the context of the SCS and the efforts being pursued to address both traditional “hard” security issues, and non-traditional, or “soft” transnational security issues.

The dynamic security complex in East Asia, and the SCS specifically, offers an unparalleled environment to examine China’s policy choices and diplomatic activities. An examination of this environment will not only render policy insights for countries who are engaged with China on security issues, but will also serve as guidelines for engaging China on many of the other crucial policy decisions that it will be faced with in the coming decade.

**The South China Sea**

The SCS encompasses a portion of the Pacific Ocean that stretches roughly from the Strait of Malacca in the southwest to the Strait of Taiwan in the northeast. The area contains more than 200 small islands, rocks, and reefs, with the majority of them concentrated in the Paracel and Spratly Island chains. The islands are of little use for habitation, with the total landmass of the Spratly Islands totaling less than three square miles. The area is poorly surveyed

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and is marked as "Dangerous Ground" on navigation charts. Despite their diminutive size, the region holds significant strategic importance for military, economic, and nationalistic reasons.

The SCS has been the centre of geopolitical attention in East Asia and around the world for a number of years. It is dotted with numerous islands and other low lying reefs, atolls and shoals that are claimed as sovereign territory in whole or in part by the PRC, Taiwan, Vietnam, the Philippines, Malaysia, and Brunei. The importance of sovereign control over the various physical features of the SCS is two-fold, economic and strategic. The SCS is potentially rich with hydrocarbon resources that the industrializing economies of the region are demanding to literally fuel their economic growth. Strategically, the islands provide forward positioning for early warning and defence as well as enabling a greater power projection capability for launching and sustaining military operations away from their national borders.

**United Nations Convention on the Law of the Sea:**

Sovereignty issues in the SCS have been disputed for decades, but the 1982 United Nations Convention on the Law of the Sea (UNCLOS) holds the potential to eliminate many of the current territorial disputes if applied appropriately and meticulously. Yet as will be shown, UNCLOS has served to intensify many territorial disputes as states reference specific clauses that legitimize their claims while ignoring those that would bring their claim into disrepute. The Convention came into force in 1994 and has been ratified by 112 countries, including all six claimants in the SCS. While these claimants have signed UNCLOS, they ratified it with

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statements indicating they were unwilling to alter their positions on sovereignty claims, which has handicapped the applicability of the Convention from the start.\(^{11}\)

Some of the Convention’s provisions have served to amplify several competing claims, giving each of the claimants’ additional legal justification for their apparent sovereign control over a contested area. Specifically, the Convention entitles every country with a coastline to claim:

- A 12 nautical mile (nm) territorial sea, measured from baselines (lines drawn along the general direction of the coast following the Convention’s rules);
- A further 12 nm contiguous zone in which nations can prevent and punish infringement of their customs, fiscal, immigration or sanitary laws and regulations within their territory or territorial sea;
- A continental shelf, the seabed and subsoil of the submarine areas that extend beyond the territorial sea through the natural prolongation of a country’s land territory, to a maximum of 350 nm, or out to 200 nm from baselines, whichever is further;
- An Exclusive Economic Zone (EEZ) extending 200 nm from baselines in which states have sovereign rights over resources and all related activities, as well as jurisdiction over artificial structures, marine scientific research, and protection of the marine environment.\(^{12}\)

The inclusion of these tenets within the Convention has placed significant importance on sovereign control of remote islands in the SCS since “such features may be used to claim resources in vast ocean areas”.\(^{13}\) Therefore, UNCLOS, with its provisions for generating 200 nm EEZs from baselines, has placed economic considerations at the centre of any discourse between claimant states, often in a zero-sum relationship. As a result, claimant states have intensified their stance to ensure their access to the economic and strategic benefits derived from sovereign control over the potential resources in the SCS. This situation is also exacerbated by the fact that the economic resources, namely carbon-based and mineral variants, remain speculative and unproven.


\(^{12}\) Mark J. Valencia, 264.

\(^{13}\) Mark J. Valencia, 263-64.
Claimants and Rationale:

Brunei is the only claimant state that has not occupied any of the islands. Its claim is restricted to the area of the SCS nearest to its coastline along its continental shelf. The country has claimed its EEZ, which includes Louisa Reef, based upon boundary lines from the two outermost points of its coastline. Brunei’s claim overlaps with those of China, Malaysia, Taiwan, and Vietnam.

China claims the entire SCS region and all the islands within the region based on historical evidence. Sources differ on how far back the Chinese claim extends. Some state their claim dates as far back as the 21st century B.C. and is based on a number of historical events that are proven by archeological evidence. Beijing claims that it was:

The first to name, map, study, use, and patrol the [SCS] and the islands therein; the first to open sea lanes through the [SCS]; the first to place the [SCS] under the jurisdiction of a national government; and the only government to have accepted the Japanese surrender at the end of World War II and retaken sovereign control of the area.

China’s first official claim dates from an 1887 treaty with France after the conclusion of the Sino-France War of 1884-85. In 1947, China produced a map with nine undefined dotted lines that encompassed the entire SCS region. In 1992, China passed a law restating its claim in the region, which frustrated and dismayed the other claimants who had agreed not to undertake any further destabilizing actions in the disputed area. Overall, China has occupied eight of the islands to enforce its claims, and seized the Paracel Islands by force from Vietnam in 1974.
Since China and Taiwan have a common history, Taiwan’s claims in the SCS mirror those of mainland China. The major difference being that Taiwanese forces occupied Itu Aba Island in 1948, abandoned it to fight the communists on the mainland and reoccupied it again in 1956.\(^{21}\)

Malaysia’s claim dates from 1979 when the government published a map including the southernmost islands of the Spratlys as part of its continental shelf and EEZ.\(^{22}\) Under UNCLOS, Malaysia made this claim based on the continental shelf principle and on the notion of \textit{res nullius}, the fact that they were uninhabited. Malaysia’s claim and occupation of three islands overlaps with those of China, Taiwan, the Philippines, and Vietnam.\(^{23}\)

The Philippines’ claim in the SCS dates back to 1956 when a private citizen, Thomas Cloma, claimed a string of islands and called them the Kalayaan Islands.\(^{24}\) The Philippine government laid a formal claim to the islands in 1978, but the Philippine military has posted garrisons on seven of the islands since 1968 and has built an airstrip on Thitu Island.\(^{25}\) Their claim is based on \textit{terra nullius}, meaning they were not under another state’s sovereign control, and under the UNCLOS provisions for an EEZ because they fall within 200 nm of the Philippine coastline.\(^{26}\) The Philippines’ claim overlaps with those of China, Malaysia, Taiwan, and Vietnam.\(^{27}\)

Vietnam’s claims are based on history and the continental shelf principle. As such, it claims the entire Spratly Islands and an extensive, but unclearly defined, area of the SCS.\(^{28}\) Hanoi argues that Vietnamese emperors had effectively administered the Spratlys since the

\(^{21}\) Xavier Furtado, 390.
\(^{22}\) Xavier Furtado, 393.
\(^{23}\) Ralph Cossa, 2.
\(^{24}\) Xavier Furtado, 392.
\(^{25}\) Xavier Furtado, 392.
\(^{26}\) United States Energy Information Administration, Table 1.
\(^{27}\) Ralph Cossa, 2
\(^{28}\) United States Energy Information Administration, Table 1.
1800s and, while it lost control over them to French colonialists, it inherited France’s territorial holdings in the area after independence.29

The claimants have allowed their militaries to settle their territorial disputes on more than one occasion. Since 1974, there have been 13 military clashes between claimant states over disputed territories in the SCS and China was involved in nine of them.30 These do not, however, include instances where military force is used to chase away commercial vessels of foreign nations or arrests of foreign nationals for being in territorial waters. Incidents of this nature are too numerous for countries to keep track of. For example, Vietnam noted that by 1997 their military had chased fishing vessels out of its claimed territorial waters on over 2,000 occasions.31

The most notable violent military confrontation occurred between Chinese and Vietnamese forces in 1988, when two Vietnamese ships were sunk and 72 people were killed.32 As a result, China occupied an additional six islands. Since 1992, there have also been nine disputes between China and Vietnam over drilling and exploration for oil and gas in the SCS.33

It often appears as though the number of claims in the SCS is exceeded only by the number of rationales used to justify their right to sovereign control over the disputed areas. As Xavier Furtado stated, “The modern conflict is a complex tapestry woven together by various threads, including notions of historical right, colonial inheritance, outright territorial annexation and the norms of twentieth-century international law.”34

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29 Xavier Furtado, 391.
30 United States, Energy Information Administration, Table 2
31 United States Energy Information Administration, Table 2.
32 United States Energy Information Administration.
33 United States Energy Information Administration, Table 3.
34 Xavier Furtado, 393.
Conscious of the weakness of many of their own arguments, the claimants have tried to bolster their claims in numerous ways and have included the following methods:

using military force, 'showing the flag', occupying and fortifying islets, building up features, establishing structures and markers on islands, establishing scientific research stations, enacting laws, incorporating the area into nearby provinces, disseminating maps showing claims, releasing historical documents to substantiate claims, allowing tourists and journalists to visit 'their' islands, and granting concessions to oil companies.$^{35}$

The driving force and rationale behind all of the claimants' extraneous efforts to secure their sovereignty over the disputed regions becomes clearer when the potential benefits are examined.

**Claimant Motivations**

There are three important factors motivating claimant states. These include issues surrounding sovereignty rights, economic interests, and strategic considerations. One of the most basic issues at the heart of the SCS disputes is sovereignty. "Sovereignty is a politically sensitive, emotion-laden issue driven largely, but not exclusively, by domestic reasons."$^{36}$ An integral factor in domestic considerations is the role of nationalism, as demonstrated clearly by China. Nationalism is a strong driving force in the country among both the political elite and common Chinese citizens. After experiencing their "century of shame" through the domination of foreign powers, China is determined to reclaim territories taken from it while it was in a weakened state. There also appears to be large public support for government actions in democratic states, such as in the Philippines where there is strong public outcry when other states violate Filipino-claimed territory.

$^{35}$ Mark J. Valencia, 269.
$^{36}$ Ralph Cossa, 2.
Economics are also a clear driving factor behind many of the overlapping claims. There is significant potential revenue in oil, gas, fish, and mineral resources, but many of these expectations are based on unproven speculation. The SCS is considered by some to be the second Persian Gulf due to its potential oil deposits. There have been oil reserves in the region estimated at about 7.7 billion barrels with current oil production only at 1.8 million barrels a day. The Spratly and Paracel Islands do not have proven oil reserve estimates to date, but Chinese officials are optimistic. One of the more conservative estimates by Chinese speculators is that the islands could hold as many as 213 billion barrels. However, non-Chinese speculators do not share this or other estimates.

Control over these resources will have considerable economic benefits as well as provide for their long-term economic security by ensuring an adequate energy supply for consumption. Despite the region's recent financial crisis, the long-term growth rates are expected to remain among the highest in the world. Along with this economic growth will come an ever-increasing demand for energy.

Over the next 20 years, oil consumption in developing East Asian countries is expected to rise by almost three per cent annually on average, with almost half of this increase coming from China. If this growth rate is maintained, oil demand for these nations will increase from about 12 million barrels per day in 2000 to more than 20 million barrels per day by 2020 – a 2/3 increase over current consumption levels.

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37 United States Energy Information Administration.  
38 United States Energy Information Administration.  
39 United States Energy Information Administration.
Another economic factor that highlights the strategic importance of the SCS is its function as a major shipping lane. More than half of the world’s annual merchant fleet tonnage passes through the Straits of Malacca, Sunda, and Lombok, with the majority continuing on into the SCS. The Straits of Malacca has three times more oil flowing through it than the Suez Canal/Sumed Pipeline, and 15 times more than the Panama Canal. The countries of Southeast Asia are some of the fastest growing in the world and the “region’s continued economic growth and security depend upon freedom of navigation through these shipping lanes for both commercial and military traffic”. As such, freedom of navigation is an extremely important issue for regional states, as well as major external powers such as the United States and Japan. For instance, American submarines use these sea lines of communication (SLOC) regularly and would be forced to circumnavigate Australia if it were denied access to the strategic straits in the SCS region.

Strategically, the islands in the SCS offer other benefits as well. The Philippines argue, “the islands are necessary for strategic defence to help protect the borders of their archipelago”. The islands are exceptional for forward positioning of troops at early warning stations and provide claimant states with key surveillance sites to monitor activities of other states in the region. These two factors combine to give military planners the tactical information and force readiness capabilities for quick and timely interdiction of state or non-state actors who are violating their sovereignty illegally, or participating in other illegal activities, such as poaching.

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41 United States Energy Information Administration.
42 United States Energy Information Administration.
43 Ralph Cossa, 3.
44 Mark J. Valencia, 275.
44 Ralph Cossa, 3.
Lastly, China also sees the SCS as a staging ground to further expand the PLAN’s blue-water ambitions into the open oceans.

**Transnational Security Issues**

The issues involved in the disputed territories of the SCS are complex and have received considerable diplomatic and academic scrutiny in an attempt to find peaceful mechanisms to solve the disputes in hopes of avoiding a violent military solution. The issues involved in the disputes – sovereignty, resources, and strategic advantages – are often described as “hard” security issues. States are much less inclined to compromise on hard security issues because they are viewed through the national security prism as non-negotiable and seen in zero-sum terms.

However, there are also a host of other security issues within the SCS that receive far less attention, especially at the official state level. These issues fall under the rubric of “soft” or non-traditional security threats and include such issues as environmental degradation, terrorism, health issues, illegal migration, organized crime, drug trafficking, and piracy. These soft security threats often have a far more direct impact on the daily lives of people living in and around the SCS. However, as opposed to the hard security issues, transnational security threats can only be truly dealt with through cooperative multilateral mechanisms. Decisions taken in one country on soft security issues affect the livelihoods of people in neighbouring countries, thus it matters little if only one country stops over-fishing or reduces air pollution if their neighbours do not take similar courses of action.

For instance, the damaging impact on the environment by Southeast Asian countries racing to industrialize has become a serious regional problem.
During the 1990s in East Asia, it became increasing clear that ecological damage in one country could have serious impacts in neighbouring countries. Acid rain, produced by air pollution in China, was a serious problem in South Korea and Japan, while the forest fires burning out of control in Indonesia created public health hazards in Singapore and Malaysia.\(^{46}\)

A report from the UN Environment Program released on 12 August 2002 stated that a three-kilometre deep blanket of pollution, referred to as the Asian brown haze, was disrupting weather systems including rainfall and wind patterns and triggering droughts in western parts of the Asian continent.\(^{47}\) The report stated that the haze could cause higher levels of respiratory diseases, leading to several hundreds of thousands of premature deaths.\(^{48}\)

The continued rapid economic growth and patterns of energy consumption throughout the region will place increasing pressures on all elements of the environment. Ozone depletion, climate change, acid rain, and the possibility of increased localized conflict over scarce resources will continue to worsen in the coming decades if coordinated action is not taken to confront unsustainable development in the region.\(^{49}\)

Despite high annual economic growth rates throughout East Asia, there remains a significant portion of the population that lives below the international poverty standard of one dollar a day. In China alone there are an estimated 350 million Chinese currently living in poverty with untold tens of millions living dangerously close to the line despite average growth rates of 9.5 percent since 1978.\(^{50}\) Urban unemployment is destined to grow as inefficient firms and SOEs close with the implementation of WTO rules and regulations. As a result, workers are


\(^{48}\) Allison Lawlor.


looking elsewhere for economic and social opportunities. This problem is endemic across East Asia.

Rapid economic growth throughout the region is generating a growing wave of intra-regional migration. Unemployment, poverty, and population pressures are spurring millions of people from East Asia’s poorer countries to migrate to the region’s wealthier nations, lured by the prospect of better jobs, higher wages, and a more attractive lifestyle. Today over two million East Asians can be classified as intra-regional migrants, compared with just 200,000 in 1980.51

China is growing as a major source country for illegal migration. According to some estimates, over 700,000 Chinese have emigrated illegally from China since 1990, with about 200,000 of those settling in other Asian countries. Due to cultural and geographic reasons, Hong Kong, Taiwan, and Thailand have been most directly affected by the recent Chinese migration.52

Organised crime and drugs are another transnational security issue prevalent in East Asia. Global capitalism and the revolution in transportation, communications, and finance have been a boon for organized crime. Throughout Asia, drug traffickers and other criminals can move as freely across national borders as their legal counterparts. Rapid economic development and the processes of globalization are allowing criminal organizations and their commodities to spread throughout the region and across the world.

There are three major groupings of these organizations: ethnic Chinese criminal enterprises associated with Chinese triads or gangs, the Japanese yakuza, and Chinese and Vietnamese street gangs.53 The East Asian economic boom has produced a smugglers’ paradise with new roads, rail lines, port facilities, and airfields dotting the region and linking once-remote

52 Paul J. Smith, 87.
areas to the global economy. The dramatic rise of these criminal organizations is threatening the sovereign control over many critical government functions such as customs and immigration control, law enforcement, and the ability to collect taxes to name but a few.

Terrorism is a security issue that can shift back and forth along the continuum of hard and soft security threats. In its traditional guise, most terrorist acts would likely fall under the heading of soft security. Terrorism in the extreme case of the 11 September attacks easily fall under the heading of a hard security issue. The attacks in Washington and New York emphasized the fact that a security threat can go from being relatively obscure and low on government agendas to the security issue around the world in a matter of moments. Countries the world over realized that it was in their mutual interest to cooperate to help eliminate the transnational threat.

East Asia was no exception. In an attempt to combat the threat from active terrorist organizations, Asian defence ministers met on 1 June 2002 in Singapore to discuss new regional security arrangements to fight terrorism and strengthen military cooperation. Recognising that the problem is transnational, the Philippines’ defence minister suggested the region’s neighbours pull together to create a regional research facility on terrorism, reorient disaster response agencies to address emergency situations triggered by terrorist attacks, and establish a multinational counter-terrorism operations centre that would allow for the rapid exchange of information from law enforcement, defence and security organizations.

In July, the ASEAN Regional Forum (ARF) also adopted a range of measures to combat terrorism after the threat of terrorism galvanized the 23 member countries to cooperate in an

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54 Stephen E. Flynn, 28.  
56 Jason Sherman, A1.
unprecedented fashion.\textsuperscript{57} The ARF agreed to stop the financing of terrorism by freezing terrorist assets, to implement what the United Nations decreed as mandatory and to cooperate on the exchange of information.\textsuperscript{58} The measures taken by the East Asian governments prove that when the political will exists, the region can cooperate to combat transnational threats and that multilateralism is an effective means of achieving such cooperation.

The above discussion underscores how essential it is that countries surrounding the SCS develop multilateral mechanisms to deal with transnational security issues. Such mechanisms would lead to positive gains for all states involved, making it much less controversial and amicable to cooperative solutions. The trust and confidence gained from working in such a manner would directly lend itself to dealing with the more intractable hard security issues of sovereignty and resources. China remains reticent to the idea of multilateralism and the subsequent relinquishing of a certain degree of sovereignty. Yet, being the largest and most important actor in the region, China needs to be socialized into accepting this type of cooperative behaviour.

The Path Ahead

Broadly speaking, this paper will look at bilateral relations between China and the United States, multilateral relations between China and ASEAN, and lastly multi-level diplomatic activities (MDA) between China and state, sub-state, and non-state actors. These different methods of interaction will be correspondingly reflected in the three theoretical schools of thought described in Chapter Two: realism, neo-liberalism, and constructivism respectively.

\textsuperscript{58} Unattributed, “Terror Effort Gives Vitality to Regional Security Forum,”.
These schools of thought have been chosen because they closely reflect the dynamics of the three case studies. This paper will attempt to prove that these theoretical schools of thought on the nature of conflict and cooperation are not mutually exclusive and do not, in practice, act in isolation. The application of the theoretical approaches in the case studies will demonstrate how elements of each of these theories influence the policy decisions of the states involved in the SCS disputes.

The first of the three case studies will attempt to demonstrate how bilateral relations between China and the U.S. serve the critical function of providing stability in East Asia. It is expected that the stability generated by these bilateral relations will be the essential base upon which the other types of diplomatic activity will rest. The effectiveness of these relations will be shown by examining how American hegemony in the region ensures that China’s expanding military powers are kept in check, how it has preserved the status quo between the South and North Koreans, and has eliminated Japan’s need to re-militarize by providing for its security. In addition, it will demonstrate how the U.S.’ hegemonic role provides security guarantees to many of the smaller countries surrounding the SCS through bilateral security agreements.

By linking the theoretical section with this case study it will be shown how realist thinking can explain these interactions. Realist ideas of self-preservation, power, and self-interest dominate the Southeast Asian landscape and form the prime motives behind much of its behaviour. However, it is also expected to be shown how the stability generated by the U.S.’ hegemonic role gives regional actors the latitude to engage in cooperative measures aimed at increasing their own security through means other than relying on an external power.

The second case study will demonstrate how multilateral diplomatic relations are more effective than bilateral relations at positively influencing China’s foreign and security policy.
behaviour. It will show how diplomatic relations between ASEAN and China have been a direct attempt by the smaller Southeast Asian countries to influence China into more cooperative behaviour through multilateral engagement. Collectively, ASEAN presents a more powerful lobbying group to influence their much larger and more powerful neighbour.

This case study will be directly linked to the neo-liberal institutionalism school of thought outlined in Chapter Two. It is expected to show how ASEAN’s engagement with China is reflective of the liberal belief that there is progress in international politics over time gained through interaction in a market economy, which underscores the declining utility of war and highlights and the benefits of cooperation. It will also show that ASEAN understood, as argued by neo-liberal institutionalists, that cooperation would not naturally occur, but instead it needed to be engineered through the construction of an international regime.

In addition, the paper will show how ASEAN benefited through the continued engagement as China became more concerned with the process and less with the outcomes. It is expected that the paper will demonstrate how Chinese decision makers often sought only limited cooperation but the policies they adopted triggered further changes in laws, incentives, and strategies that led to greater integration. This will also be further reflective of neo-liberal institutionalist thinking in the sense that institutions can often take on a life of their own as they both shape and reflect interests. Lastly, the paper will demonstrate how engaging China multilaterally has also helped ASEAN erode China’s power advantage by giving voice, legitimacy, and forms of influence to its weaker members. However, it is expected that the cooperative benefits derived from these multilateral relations will have largely been built upon the stability generated by the U.S.’ hegemonic role and its bilateral relations with various smaller states around the SCS.
The third case study will attempt to demonstrate that multi-level diplomatic relations between China and state, sub-state, and non-state actors are the most effective at positively influencing China’s foreign and security policies, especially in regards to growing threats from the soft security issues outlined above. This case study will show how actors involved in MDA have attempted to go beyond what has been achieved by multilateral relations with China. This has been achieved through a process of informal or Track II activities, the rationale for which will be seen in the arguments of constructivists in Chapter Two.

It will be shown that many of the Track II participants believe, as do constructivists, that China’s interests are socially constructed and that rules, norms, and identities drive Chinese behaviour. Track II participants believe that China can be socialized into cooperating through MDA. It is expected that the paper will demonstrate how MDA generates cooperation that is directly affected by the mutual interaction between MDA participants and China, whereby each plays a role in moulding the interests and norms of the other. These socially prescribed norms bind China to ‘appropriate’ behaviour defined by the processes in which they participate.

However, it is also expected to be shown that constructivism, with its emphasis on the role of states and institutions, will not articulate a role for individuals in this process and thus will fail to explain how individuals and other non-state actors can bring about international cooperation. But, it is expected that the evidence presented will demonstrate MDA’s ability to not only influence Track I diplomacy, but also further the security discourse in the region by pursuing innovative and non-traditional policy options for Asian governments.
Paper Overview

As discussed, the aim of this research paper is to determine the most effective means of engaging China in an attempt to influence its foreign and security policies to address regional security issues in Southeast Asia through cooperative means. In that vein, Chapter Two will examine the theoretical foundation underlying the concept of international cooperation. Each of the theories discussed offers a different perspective on the effectiveness and likelihood of international cooperation. Despite their very different views, the case studies will show how elements of each of the theories drive policy decisions in the SCS and East Asia as a whole.

Chapter Three provides a historical overview of the sources of influence on China’s foreign and security policy, its economic and military modernization, and changing military doctrine. This puts China’s regional importance into context and helps explain the dichotomy between the apprehension of China’s expanding economic and military power and its reliance on a peaceful and stable regional and international order to continue its modernization and realization of its great power status.

Chapter Four is the first of three case studies and examines bilateral relations between China and the U.S. and realist balance of power politics. It examines the role that the U.S. plays in the region by providing security guarantees to a number of smaller weaker states. In addition, it demonstrates how the U.S. presence discourages aggression and helps mitigate the security dilemma by acting as a preponderant power in the region. However, it also looks at the problems that remain as China expands its power to challenge U.S. dominance and has a different view of what the security framework should be for the region. Lastly, this chapter discusses American unwillingness to become embroiled in local issues such as the sovereignty issues in the SCS and
the other 'soft' security issues, which calls into question the utility of the American role beyond deterring an outright war between two or more of the regional countries.

Chapter Five discusses multilateral relations between China and ASEAN. ASEAN has been attempting to engage China in multilateral processes aimed at dealing with general regional security issues, as well territorial claims in the SCS. China has been reluctant to completely engage in multilateral processes but has become an active participant in many of the forums. China’s engagement has been described as “conditional multilateralism” because of its willingness to participate only under specific conditions. Here the ‘ASEAN way’ has proven successful at influencing China’s attitude towards accepting multilateral principles, yet China maintains its objection to discussing sensitive security issues in official multilateral settings.

Chapter Six examines Track II or unofficial diplomatic activities between China and state, sub-state, and non-state actors. This includes a discussion of Track II processes such as ASEAN - Institutes for Strategic and International Studies (ASEAN-ISIS), the Council for Security Cooperation in the Asia Pacific (CSCAPS), and the South China Sea Informal Working Group to outline their effectiveness in dealing with sensitive security issues at an unofficial level. While Track II remains informal and unofficial, many participants are often senior level state representatives participating in their “unofficial” capacity, and thus there is a direct link between the unofficial and official processes.

Track II has thus far been very successful in discussing crucial issues in the region, but it has not generated the political will to implement their ideas. With the exception of the Informal Working Group meetings, Track II activities have done little to expand the agenda of the security discourse in the region, which remains focused on traditional security issues. Chapter Six also argues that Track III organizations are much more engaged in non-traditional security issues and
need to be included in the Track II discussions to broaden the official security discourse.

Progress on these issues will lead to the development of norms and values of multilateral cooperation, which will be required to effectively deal with the traditional security issues in the region.
Chapter 2: International Relations Theory

International relations is often thought of as a relatively new field of study that only began serious academic scrutiny in the inter-war period. Yet, writers dating as far back as Thucydides have written about the complex dynamics of relations between states in the anarchic international environment. The work of classical authors such as Thucydides, Machiavelli, Hobbes, Kant, and Aquinas created the conceptual basis for a variety of theoretical approaches popularized by modern academics.

The classical conceptions of international relations culminated into two modern schools of thought. The theories of realism and liberalism, often referred to as the traditional theories of international relations, have dominated the discourse over the last century. More recently, these traditional theories have been challenged by a number of non-traditional theories such as constructivism and critical, feminist, and post-structural security studies. While these new schools of thought have attracted the attention of many international relations scholars, they have had less of an impact in the policy world than their traditional colleagues.

The following section will provide an overview of the most prominent theoretical traditions in the field of international relations. Particular attention will be given to realism, neo-liberal institutionalism, and constructivism.

Realism

Before delving into modern realism, it is worth pausing briefly to consider realism in its classical guise. The basic elements of realism can be found in Thucydides' discussion of the Peloponnesian War.
Michael Smith argues that Thucydides can be considered the first realist because of his emphasis on the primary and inescapable importance of power and his dark vision of human nature. "In his conception of international order, his notion of state honour and interest, and his view of the radically circumscribed place of morality in foreign policy, he effectively defined a paradigm of realist thought." 59 Thucydides' explanation of state behavior in the Peloponnesian War highlighted that:

when faced with a choice between a concrete gain in power or fidelity to interstate agreements, states inevitably choose power. The logic of fear and escalation always pushes out the logic of moderation and peaceful diplomacy. ... Thus differences in domestic regime or national character may be interesting, but the nature of the international system overwhelmingly dictates foreign policy. 60 In addition, Thucydides' discussion of the role of morality in the deliberations between states has contributed much to contemporary realist thought. Throughout his account of the War, Thucydides refers to moral language as a tool used by weak states in an attempt to appeal to the strong, or by leaders for the suspect purposes of arousal or ideological justification. 61

Modern realists, such as Hans Morgenthau 62 , have incorporated many of Thucydides' principles into their own analysis. Realists remain focused on the struggle for power among states in the international system. Morgenthau is unequivocal on this point, "International politics, like all politics, is a struggle for power". 63

The struggle for power is part of three basic assumptions of realism: states are the most important actors in world politics; world politics can be analyzed as if states were unitary rational actors, carefully calculating costs of alternative courses of action and seeking to

60 Michael J. Smith, 6.
61 Michael J. Smith, 6-7.
63 Morgenthau, 13.
maximize their expected utility; and lastly, states seek power (both the ability to influence others and resources that can be used to exercise influence), and calculate their interests in terms of power, whether as ends or as necessary means to a variety of other ends. As Gilpin states, realists dating back to Hobbes view the conflictual nature of international affairs as anarchic. "Anarchy is the rule; order, justice, and morality are the exceptions". Realists attribute this basic and enduring struggle for power to human nature.

Morgenthau’s pessimistic view of human nature is similar to that of Hobbes. He places selfishness and lust for power at the center of his picture of human nature. In addition, Morgenthau also casts human nature with an "essential and universal lust for power as an end in itself that knows no limits". Again, this draws heavily from Hobbes’ conception of the state of nature as a state of war without the distinction between individuals and nations.

Selfishness, in combination with a universal desire for power, leaves Morgenthau’s man as necessarily evil. Morenthau argued, “There is no escape from the evil of power, regardless of what one does”. Therefore, “since the lust for power is universal, it follows for Morgenthau that politics is an unending struggle for power and that ‘political ethics is indeed the ethics of doing evil’”. Realists therefore, are not optimistic about the eventual cessation of war.

**Neo-realism**

While the classical realists focus on the state as the primary actor in international politics, neo-realists have ignored human nature and focused on the effects of the international system.

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66 Michael J. Smith, 136.
67 Michael J. Smith, 136.
68 Michael J. Smith, 137.
69 Michael J. Smith, 137.
“Neo-realism seeks to explain international outcomes, such as the likelihood of major war, the prospects for international cooperation, and aggregate alliance patterns among states.”

Kenneth Waltz’s balance of power theory is the most prominent example of the neo-realist approach.

In *Man, the State and War*, Waltz described three “images” of international relations. The first-image places international outcomes, such as war, in the nature and behaviour of men. “Wars result from selfishness, from misdirected aggressive impulses, from stupidity.” Waltz’s second-image explanation places the causes of conflict in the internal structure of the state. Imperialism, for example, could result from a particular internal economic structure like capitalism. However, Waltz argued that first and second-image explanations were insufficient:

In a situation entailing strategic interdependence, such as that of the great powers, an actor’s optimal strategy depends on the other actors’ strategies. If, therefore, we want to explain what the actors will do, then, in addition to looking at the attributes of the actors, we must also look to the constraints that define the strategic setting in which the actors interact. The third-image locates causes ‘within the state system’.

In *Theory of International Politics*, Waltz sought to expand on the third-image or systemic explanations. He developed a systemic theory, a concept not used by Morgenthau or Thucydides. Waltz argued that two elements of the international structure were constants. First, the international system is anarchic rather than hierarchic, and second, it is characterized by interaction among units with similar functions. The distribution of capabilities of states in the

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73 Robert Powell, 315.
74 Robert Powell, 315.
system is the third element of structure, but unlike the first two elements, the capabilities vary from system to system, and over time.\(^{75}\)

According to Waltz, "Structure is the principal determinant of outcomes at the systems level: structure encourages certain actions and discourages others".\(^{76}\) Understanding the structure of the international system, argues Waltz, allows us to "explain patterns of state behaviour, since states determine their interests and strategies on the basis of calculations about their own positions in the system".\(^{77}\)

Waltz also argues that within the structure of the anarchic international system, balances of power are created whereby each nation attempts to prevent other nations from affecting and obstructing their freedom and independence. This is accomplished through two actions: "internal efforts (moves to increase economic capability, to increase military strength, to develop clever strategies) and external efforts (moves to strengthen and enlarge one's own alliance or to weaken and shrink an opposing one)".\(^{78}\)

This balance of power theory, which Waltz calls the only distinctive political theory of international politics, is based on the assumption that states are "unitary actors who, at a minimum, seek their own preservation and, at a maximum, drive for universal domination".\(^{79}\) It also assumes that as a condition for its operation, "two or more states coexist in a self-help system, one with no superior agent to come to the aid of the states that may be weakening or to deny to any of them the use of whatever instruments they think will serve their purposes".\(^{80}\)

\(^{75}\) Robert O. Keohane, 166.
\(^{76}\) Robert O. Keohane, 166.
\(^{77}\) Robert O. Keohane, 166-67.
\(^{78}\) Kenneth N. Waltz, Theory of International Politics, (Reading, Massachusetts: Addison-Wesley Publishing Company, 1979), 118.
\(^{79}\) Kenneth N. Waltz, 117-18.
\(^{80}\) Kenneth N. Waltz, 118.
Therefore, the behaviour of states within a balance of power international structure is constrained by the actions and interactions of other states in the system. Ultimately, balances of power generate a certain degree of stability by keeping the aggressive or dominant characteristics of states in check by an equal and opposing degree of power.

When it comes to international cooperation, realists are self-proclaimed pessimists. As previously described, realists argue that international anarchy leads to a competitive environment between states without an overarching authority capable of enforcing agreements. As Glaser states, “Anarchy discourages cooperation because it requires states to worry about the relative gains of cooperation and the possibility that adversaries will cheat on agreements.”

While realists acknowledge that cooperation occurs between states, they argue it is difficult to achieve and always difficult to sustain. Realists describe two factors that inhibit cooperation between states – relative gains considerations and concern about cheating.

Gains can be thought about in either relative or absolute terms. Thinking in terms of absolute gains means each side focuses on maximizing its own profit and cares little about how much the other side gains or loses in the deal. Alternatively, thinking in terms of relative gains means states not only consider their individual gains, but also how well it does compared to other states. Grieco argues that realists find “the major goal of states in any relationship is not to attain the highest possible individual gain or payoff. Instead the fundamental goal of states in any relationship is to prevent others form achieving advances in their relative capabilities.”

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83 John J. Mearsheimer, 12.
a result, realists are always more concerned with relative gains for fear that today's partner could be tomorrow's enemy.

Mearsheimer describes the concern about cheating as a second factor that limits cooperation. He argues that states are not inclined to enter into cooperative agreements for fear that the other states will cheat on the agreement in order to gain a relative advantage over the other parties to the agreement.\(^{85}\) This fear is heightened in military agreements. "There is a 'special peril of defection' in the military realm, because the nature of military weaponry allows for rapid shifts in the balance of power. Such a development could create a window of opportunity for the cheating state to inflict a decisive defeat on the victim state."\(^{86}\)

The incentives to cheat or defect from cooperative action lead to what neo-realists call the "collective action problem" where states will invariably defect from cooperation in favour of adaptive competitive self-help.\(^{87}\) Neo-realism's Hegemonic Stability Theory argues that the collective action problem can be overcome by hegemony, though only in the short term. "Neo-realism retains the integrity of its assumption that states do not voluntarily and spontaneously cooperate, because it is only the pressure and coercion of a powerful hegemon that can promote regimes and enforce cooperation among states."\(^{88}\)

However, Mearsheimer does acknowledge that cooperation occurs in the logic of a balance of power realist world, especially in the form of alliances to cooperate against a common enemy. That said, he partially disclaims this acknowledgement by stating, "The bottom line,

\(^{85}\) John J. Mearsheimer, 13.
\(^{86}\) John J. Mearsheimer, 13.
\(^{88}\) John M. Hobson, 96.
however, is that cooperation takes place in a world that is competitive at its core – one where states have powerful incentives to take advantage of other states.” 89

Finally, Mearsheimer argues that cooperation does sometimes take place through institutions. But these institutions are established by the most powerful states and the rules reflect state calculations of self-interest, which are based primarily on the international distribution of power.90 Lepgold and Nincic argue that institutionalization is reflective of the interests of a dominant state: “Hegemonic states are able to shape international relationships in such areas as security, trade, and monetary affairs; in return, such states subsidize or protect their junior partners. They tolerate uneven burdens, surmounting the collective action problems by indulging free-riding.”91

Mearsheimer summarizes the realist position on institutions as follows:

[Realists] believe that institutions cannot get states to stop behaving as short-term power maximizers. For realists, institutions reflect state calculations of self-interest based primarily on concerns about relative power; as a result, institutions, realists maintain, do not have significant independent effects on state behaviour. However, realists recognize that great powers sometimes find institutions – especially alliances – useful for maintaining or even increasing their share of world power.92

Realists, therefore, believe that institutions are largely tools of great powers to maintain or even expand their share of world power. They lack autonomous power or influence and quickly collapse without the enforcement capabilities of a hegemonic power. Overall, realists do not see cooperation as a viable alternative to self-interested power politics as an objective of state behaviour.
**Liberalism**

The broad family of liberal theories is the principal theoretical challenge to realism. As with realism’s long history, liberalism has a history that dates back to the fifteenth century with notable theoretical proposals from William Penn, the Abbé de Saint-Pierre, Jeremy Bentham, and Immanuel Kant. All of their plans called for a voluntary association of states that would be represented within a central body. Immanuel Kant provided an outline for a “perpetual peace” in which many of the ideas of contemporary liberalism can be found.

Kant’s essay *Perpetual Peace: A Philosophical Sketch* presents a treaty that outlines the rules and conditions that would shape relations between states so that war would become superseded by a perpetual peace. Included in his treaty where numerous principles ranging from the elimination of standing armies to non-interference in the internal affairs of another state. Kant intended to form “a moral foundation for an eventual pacific union (foedus pacificum) or federation of peoples who will not fight (and see no need to fight) each other because they share the principles outlined in the treaty”.

Embedded within Kant’s treaty are some of the basic tenets of contemporary liberalism: that citizens who bear the brunt of war are less likely to support going to war; that economic interdependence between states is inherently antithetical to war; and that the public’s right to information will make clear whether or not a decision to go to war is just. While Kant formed a conceptual basis from which to start, contemporary liberalism and its various strands are much more complex and telling of the world around us.

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93 Joseph Lepgold and Miroslav Nincic, 143.
96 John A. Vasquez, 289.
Contemporary liberals reject the realist notion that states are billiard balls that face off against each other in an attempt to balance power. They see a global society that functions alongside states. “Trade crosses borders, people have contacts with each other, and international institutions such as the United Nations create a context in which the realist view of pure anarchy is insufficient.”97 Realism fails to offer an adequate explanation for the order that is seen within the international system. Liberals argue that cooperation is more consistent than mere convergence of national interest among states and that states cooperate because it is in their common interest to do so.98

Liberals also argue that international politics can no longer be divided into “high” and “low” politics. Military and national security remain important but economic, social and environmental issues have also become priorities on the international agenda.99 Liberals contend that the likelihood of conflict or war is diminished because states are more inclined to strive for stability, commercial progress and political legitimacy. As a result, the incompatibility between states is lessened as development increases interdependence and produces similar domestic systems.100 Liberals are more optimistic than realists and believe that there is progress in international politics over time gained through the knowledge of the possibilities of a market economy, the virtues of democracy, the declining utility of war, and the benefits of cooperation.101

Liberal institutionalists argue that the state is not the only major actor in world politics. Other actors include specialized international agencies, supranational authorities, interest groups, and other non-state actors.102

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99 Marc A. Genest, 133.
101 Patrick M. Morgan, 57.
trans-governmental policy networks, and transnational actors such as multinational corporations. They also argue that anarchy is not the only major force shaping state preferences and actions, but that other forces such as technology, knowledge, and welfare orientated domestic interests are also important. In contrast to realists, liberal internationalists posit that states are not unitary rational actors but are fragmented, that institutions are an independent force facilitating cooperation, and they are optimistic about the prospects for cooperation.

**Neo-liberal Institutionalism**

Liberal theories were discredited by the onslaught of the two World Wars and the failure of collective security in the inter-war period. However, with the increase of economic interdependence in the 1960s and 1970s, there was a revival of interest in liberal theories to explain what was happening in the international system. Nye highlights three strands of neo-liberal thinking that emerged: economic, social, and political, with the political strand having two parts, one relating to institutions and the other to democracy. For the purposes of this discussion, only neo-liberal institutionalism will be examined.

The most significant work has been Robert Keohane’s *After Hegemony*, which brought the neo-liberal institutionalist theory to the forefront of the international relations research agenda. Keohane sought to go beyond traditional liberal institutionalism and incorporated many of the neo-realist assumptions into a *neo*-liberal theory of cooperation in world politics.

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102 Joseph M. Grieco, 123.
103 Joseph M. Grieco, 123.
104 Joseph M. Grieco, 123.
105 Joseph S. Nye, Jr., 37.
Keohane borrowed three basic assumptions of state behaviour from neo-realism: states are not motivated by self-abnegation and other idealist motivations, but are rational egoists that generally seek to maximize their utility gains; world politics are not dominated by harmony and cooperation, but that discord frequently prevails; and that sovereign states are the principal actors in world politics. In addition, Keohane rejected classical liberalism’s ‘spontaneity thesis’ by arguing that cooperation would not naturally occur, but instead needed to be engineered through the construction of international regimes.

He also made three basic amendments to neo-realism. First, Keohane conferred full autonomy from anarchy and the distribution of power to regimes and therefore de-links them from hegemony and embeds them in state power. This allows neo-liberals to explain regime resilience and their persistence after hegemony.

Second, in contrast to neo-realism’s focus on single-play prisoner’s dilemma (PD), Keohane argued that world politics is better characterized by iterated PD games. “Over time, states constantly come into reciprocal contact with each other. Accordingly, cooperation ensues not because of morality or idealistic motivations, but because it satisfies the long-term interests of power-maximizing rational egoistic states.” According to Keohane, regimes or institutions lengthen the “shadow of the future” because states learn that defection is punished with retaliation and cooperation is rewarded with reciprocity. “By sanctioning retaliation for those

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107 John M. Hobson, 95-96.
108 John M. Hobson, 96.
109 John M. Hobson, 97-98.
110 John M. Hobson, 98.

Lastly, Keohane argued that institutions and regimes reduce the “transaction costs of agreements” between states because they reduce the need for states to monitor whether other states have complied with the rules, thereby promoting trust and cooperation.

Improving the distribution of information that is highly limited in an anarchic system helps eliminate the collective action problem that normally promotes defection and cheating because states do not know, and therefore do not trust, the intentions of others.\footnote{John M. Hobson, 99.} Therefore, neo-liberals are more optimistic about cooperation than realists because “they believe that changes in preferences over strategies usually are sufficient to produce mutual benefit. Much of this change can come by more and better information: information about the situation; information about what the other side has done and why it has done it; and information about what the other side is likely to do in the future.”\footnote{Robert Axelrod and Robert O. Keohane, 95.}

Neo-liberal institutionalists also argue that the change of preferences over outcomes is often unforeseen and unintended. Decision makers often seek limited cooperation but, “the policies they adopt for this purpose trigger changes in laws, incentives, interest group strategies, and eventually loyalties that lead to much greater integration”.\footnote{Robert Jervis, “Realism, Neoliberalism, and Cooperation,” International Security, Vol.24, No.1, Summer 1999, 59.} In this sense, institutions can often take on a life of their own as they both shape and reflect interests. In other cases, institutions can erode the power of dominant states by “giving voice, legitimacy, and forms of
Overall, neo-liberals see institutions shaping actors’ preferences, often in ways not contemplated at the start.

Finally, the anarchic international system produces different outcomes for neo-liberals than it does for neo-realists. Hobson clearly delineates the different views that the two schools of thought have about international cooperation and the problem of relative and absolute gains:

For neo-realists, states are highly sensitive to the distribution of gains under cooperation. It is not a lack of information and uncertainty, nor cheating or defection that constitutes the problem for cooperation. Rather, the problem lies with ‘incentives’ for cooperation in the first place. Thus state A will gladly forgo any gains that it might have accrued through cooperating with state B if B’s relative gains exceed those of A, since B might subsequently turn around and use its enhanced power to militarily undermine A. … For neo-liberalism, precisely because of anarchy, states cooperate to maximize absolute cooperative gains and are indifferent or insensitive to the unequal distribution of gains between states. Thus A will gladly cooperate with B so long as A is better off, even if B’s gains outweigh A’s. The difference is that power is defined in relative terms for neo-realists, but in absolute terms for neo-liberals.116

Ultimately for Keohane and neo-liberal institutionalists, regimes and institutions are created by and for autonomous states in order to enhance their power under anarchy. They do not limit state behaviour or autonomy. Institutions merely limit sub-optimal short-term state behaviour and thereby enable states to optimally realize their long-term utility gains.

**Constructivism**

Realism and liberalism can be placed together in the rationalist school of thought. Constructivism is an opposing theory of international relations that critiques rationalism on many grounds. Rationalists assume the basic interests of states are self-evident – that states always rationally pursue power and their interests – and they begin with a set of specific interests prior

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115 Robert Jervis, 61.
116 John M. Hobson, 100.
to social interaction in the international system. The constructivist approach claims that states' identities and interests are socially constructed and thus, understanding state behaviour means understanding the international social context in which it evolves. From this perspective, rules, norms, institutions and identities drive human behaviour. In the context of foreign policy, constructivism recognizes that states are not faceless units without history and domestic context.

Alexander Wendt defines constructivism in the following terms:

Constructivism is a structural theory of the international system that makes the following core claims: states are the principal units of analysis for international political theory; the key structures in the states system are intersubjective, rather than material; and state identities and interests are in an important way constructed by these social structures, rather than given exogenously to the system by human nature or domestic politics.

Most importantly, constructivists argue state identities are constructed through norms, which in turn define a state's particular interests. "As norms reconstruct identities, so interests subsequently change, leading to changes in state policy." Interests and identities are informed by norms that guide states along certain socially prescribed channels of 'appropriate' behaviour. Therefore, global politics, according to constructivists, are guided by shared ideas, norms and values held by actors that constrain and shape state behaviour.

Another difference that constructivists have with rationalists is their view of how malleable state interests are. While rationalists presuppose that state interests are fixed, constructivists argue that state interests are constantly changing as identities change in line with

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117 John M. Hobson, 145.
120 Shaun Naire, 36.
121 John M. Hobson, 146.
normative structural changes. These norms constantly mould and re-mould states and thus, the process of redefining their interests and identities as they interact with other states in the international system in effect socialize states. Copeland argues that it is critical to recognize that “a state’s reality at any point in time is historically constructed and contingent. It is the product of human activity and thus can, at least in theory, be transcended by instantiating new social practices.”

Constructivism also accords much higher levels of autonomy to norms and ideas than rationalist theory. For example, neo-liberals claim that norms constrain states in the short-run but they are ultimately created by states and for states to maximize their long-run power interests. By contrast, constructivists argue that norms are wholly autonomous and can fundamentally shape the interests and identities of states. Therefore, while realists and liberals seek to elaborate the methods through which states defend their national interests, constructivists are concerned with revealing the normative processes that define the national interest.

Constructivists accept that anarchy is the characteristic condition of the international system, but argue that, by itself, it means nothing. What matters are the varieties of social structures that are possible under anarchy. Given this, constructivist analysis stresses that competitive anarchy need not lead to self-help, it can also lead to cooperative anarchy. In that sense, as Wendt argues, “Anarchy is what states make of it.”

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122 John M. Hobson, 146.
124 Dale C. Copeland, 191.
125 John M. Hobson, 147.
126 Shaun Narine, 36.
One of the most interesting hypotheses from the constructivist research program suggests that systemic cooperation over time can lead to the formation of collective identity among a group of states. This systemic cooperation can be achieved through institutions. According to Wendt, “Intersubjective systemic structures consist of the shared understanding, expectations, and social knowledge embedded in international institutions and threat complexes, in terms of which states define their identities and interests.”

From a constructivist viewpoint, institutions and states are “mutually constituting entities that embody the regulative norms and rules of international interaction”. As such, they shape, constrain, and give meaning to state action. Since states and institutions are constantly interacting with each other, the possibility exists that each can bring about change in the other. Therefore, constructivists argue that state identities and interests - and how states relate to each other - can be altered at the systemic level through institutionally mediated interactions.

Overall, constructivists look at international cooperation from a much different perspective than rationalists. They believe that states’ identities and interests are socially constructed and that rules, norms, and identities drive human behaviour. This, they assert, leads to an international environment where states can be socialized into cooperating, even in an anarchical system. According to constructivists, cooperation is directly affected by the mutual interaction between states and institutions whereby each plays a role in moulding the interests and norms of the other. These socially prescribed norms bind states to ‘appropriate’ behaviour defined by the institutions to which they belong. Therefore, international cooperation is guided

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128 Nikolas Busse, 45.
129 Shaun Narine, 37.
130 Shaun Narine, 37.
131 Shaun Narine, 37.
by an evolving set of shared ideas, norms and values held by actors that are created by the interaction of states and institutions.
Chapter Three: Influences on China's Foreign Policy

China’s relations with the international community over the past fifty years have been characterized by ambiguity, metamorphosis, and above all, self-interest. Its foreign policy has embodied the shifts and transitions in the international system and reflected China’s changing relative position with other actors. During the last half century, China has seen three stages in its foreign policy development. The first stage coincided with Mao Zedong’s leadership from 1949 to 1976. The second stage roughly corresponded with the leadership of Deng Xiaoping, beginning in 1977 and ending with the Tiananmen Square massacre. The third stage is often referred to as the ‘post-Tiananmen’ era and is also marked by the transition from Deng to Jiang Zemin as China’s pre-eminent leader. It is too early to determine if the transition from Jiang to Hu Jintao will mark another transition in China’s foreign policy, but it is considered unlikely in the short-term. What are the forces that have shaped these different eras? What kind of structural processes influenced foreign policy development in these eras and who exerted influence over those processes? What are the modern forces that are influencing China’s foreign policy decisions today? These are some of the questions this chapter will investigate and expand upon.

China’s Perception of the International Security Environment

The Chinese government wrote in the first few sentences of its 2002 National Defence White Paper that:

Peace and development remain the themes of the present era. Economic interdependence among nations has been deepened. The role played by global and regional economic cooperation organizations is on the increase. And economic security has been given even

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more attention. Economic development, scientific and technological progress, and the enhancement of overall national strength are the main strategic trends of all countries. This illustrated China’s understanding of the evolution of the security environment since the end of the Cold War and also its optimism that the international environment will likely continue to unfold in its favour. However, China is also cognisant of the problems that remain. This is reflected in its dialectic assessment of the security situation in post-Cold War Asia-Pacific:

Strengthening dialogue and cooperation, maintaining regional stability and promoting common development have become the mainstream policy of the Asian countries. However, uncertainties impeding peace and development are also on the increase. Factors of instability still exist in the Asia-Pacific region. Traditional security problems left over from history are yet to be resolved, and new ones have appeared. China has also advanced its concept of what constitutes threats to its security. In the 1998 Defence White Paper, China went beyond mere military threats and emphasized the emerging importance of economic security stating:

economic security is becoming daily more important for state security. In international relations, geopolitical, military security and ideological factors still play a role that cannot be ignored, but the role of economic factors is becoming more outstanding...

However, in its 2002 White Paper, China has expanded its definition of traditional security problems to include non-traditional security threats as well. “In certain countries, non-traditional security issues are looming large. … Terrorism, transnational crimes, environmental degradation, drug trafficking and other non-traditional security threats are becoming more and more pronounced.” China further elaborated on its views concerning these new threats in a position paper presented to the ARF Senior Officials’ Conference in May 2002:

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Like most countries in the world, China is now faced with growing non-traditional security threats. ... Terrorism, illicit drug, HIV/AIDS, piracy, illegal migration, environmental security, economic security, information security and other non-traditional security issues are more pronounced. They have become a new feature of the international and regional security environment, bringing new challenges to ARF members. The hallmark of these issues is that they are, in most cases, trans-national or trans-regional and are detrimental to the stability of all countries.  

Beijing recommended dealing with these new security issues through multilateral cooperation.

Trans-national issues need trans-national cooperation. ... As non-traditional security threats cover a wide range of areas, it is important to address them through an integrated use of political, economic, diplomatic, legal, scientific and technological means, and through cooperation in all possible forms in a step-by-step manner according to actual needs.

China’s latest Defence White Paper also discussed the importance of multilateral cooperation.

"Conducting dialogue and cooperation with Asia-Pacific countries is an important content of China’s policy concerning Asia-Pacific security, and a component part of its policy of good-neighbourliness and friendship." The White Paper also remarked that after four years of development, cooperation in the non-traditional fields of security has made “marked progress” and that “China intends to selectively and gradually participate in more multilateral joint military exercises in the non-traditional fields of security in the future”.

China’s exposure to the arguments surrounding the importance of non-traditional security issues has largely come from its participation in multilateral and multi-level diplomatic activities, especially Track II and Track III initiatives. The case studies in Chapters Four, Five and Six will closely examine China’s participation in these activities and will reflect upon actual achievements that have been accomplished. As will be discussed, even though much of what China has included in its White Paper is merely good intentions and rarely backed up by actual

actions, the fact that China has internalized these issues and made them part of their official policy documents, speaks to the successes that the initiatives are having.

While China's overall interpretation of the security environment has begun to change, it still claims to function internationally on the same basic principles that it has advocated for the past fifty years. At the heart of China's foreign policy statements have been their 'Five Principles of Peaceful Coexistence', which were first established by Chinese Premier Zhou Enlai in December of 1953 when he met with an Indian delegation. These principles have been reiterated at numerous conferences and declarations. The following five principles were written into the Constitution of the PRC in 1982.

1. Mutual respect for each other's territorial integrity and sovereignty
2. Mutual non-aggression
3. Mutual non-interference in each other's internal affairs
4. Equality and mutual benefit
5. Peaceful co-existence

According to the Chinese government, these are now the "fundamental principles for China in fostering and developing friendly relations with all countries of the world." The Chinese government feels that in order to obtain lasting peace it will be necessary to shed Cold War mentalities and create a new concept of security based on three elements.

The first being that all state-to-state relations should be based on China's Five Principles of Peaceful Coexistence and as such, each state has the inherent right to sovereign jurisdiction over its internal affairs. The second element is based on economic cooperation, "all countries should strengthen mutually beneficial cooperation, open up to each other, eliminate inequalities

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143 David Finkelstein and Michael McDevitt, "Competition and Consensus..."
and discriminatory policies in economic and trade relations, gradually reduce the development
gaps between countries and seek common prosperity.\textsuperscript{144}

The third element is centered on the concept that all states should “promote mutual
understanding and trust through dialogue and cooperation, and seek the settlement of
divergences and disputes among nations through peaceful means”.\textsuperscript{145} This third element can be
seen in terms of advocating confidence-building measures to avoid confrontations between
potentially hostile states before conflict erupts.

This section briefly outlined China’s current perception of the international security
environment and its basic policy responses to how it should interact in that environment. While
the official rhetoric provides an interesting starting point, it is much more meaningful to
understand the historical processes and influences behind the creation of those policies.

**Domestic Influences on China’s Foreign Policy**

The primacy of domestic sources influencing China’s foreign policy coincided with the
first stage of China’s foreign policy development – the era of Maoist dominance. The
dominance of domestic factors was attributed to the “newness of the Chinese revolution and the
role of Mao himself”.\textsuperscript{146} It was the leader’s revolutionary rhetoric that drove the process and its
policy objectives. The foreign policy objectives of the early revolutionary period could be
summarized as follows, “national unity, socialist revolution, export of Communist ideology, anti-
Americanism, pro-Sovietism, and the restoration of Chinese primacy in Asia”.\textsuperscript{147} All of these
objectives were infused with specific Maoist personality. Prominent examples of this abound but

\textsuperscript{144} China’s Information Office, *China’s National Defense*, 3.

\textsuperscript{145} China’s Information Office, *China’s National Defense*, 3.

\textsuperscript{146} Thomas Robinson, “Chinese Foreign Policy from the 1940s to the 1990s,” *Chinese Foreign Policy*, eds.

\textsuperscript{147} Thomas Robinson, 556.
some of the more infamous were the isolationism of the Cultural Revolution in the late 1960’s, and the many inflammatory policies during the Great Leap Forward such as the Taiwan Straits crisis in 1958.\textsuperscript{148} The influence of Mao on the direction of China’s foreign policy is well documented, “Mao’s own personality – his campaign style, his insistence on revolution \textit{uber alles}, his megalomania, and his paranoia – informed much of the foreign policy decision-making in the pre-1977 era”.\textsuperscript{149} The events of Mao’s era exemplified the primary role that politics and political leaders played in influencing and determining China’s foreign policy.

Another important domestic factor in shaping China’s foreign policy was the influence of China’s historical legacy on modern decision-making and in determining national objectives. Being the world’s oldest continuous civilization, China draws upon a significant historical legacy. It traditionally saw itself as the cultural centre of the universe and the Chinese emperor was considered the ruler of all humankind by virtue of his innate superiority. As a result, relations with other countries were not treated on an equal state-to-state basis but as entities that were tributary. This ‘sinocentric worldview’ coupled with centuries of self-sufficiency resulted in a Chinese culture that favoured isolation.\textsuperscript{150} However, this changed dramatically with the Western expansion of the 19\textsuperscript{th} century.

The Chinese people and their leaders have a deep sense of nationalism that is derived both from their rich history and from more recent injustices. China was dominated by outside powers from the 19\textsuperscript{th} century to the end of World War II. Chinese leaders refer to this period as “the century of shame and humiliation,” a period when their former powerful government was

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\item \textsuperscript{148} Thomas Robinson, 557.
\item \textsuperscript{149} Thomas Robinson, 557.
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reduced to what China calls “semi-colonial” status. This left the Chinese debilitated and the humiliation reached an apex with the invasion of Japan in the late 1930s. The visceral effects of these historical legacies remain strong in present day Chinese leaders and common citizens. “The suspicion of foreign powers, opposition to any implication of inferior status, and desire to reassert sovereignty and independence have strongly influenced Chinese foreign policy”.

The resulting implications of this strong sense of nationalism is the desire to reclaim what was lost and return China to its former stature. The most obvious translation of nationalism to policy objectives has been the aspiration to maintain territorial integrity and to reclaim lost territories. In the mid-1980’s China was able to negotiate the return of Hong Kong from the British in 1997 and Macao from the Portuguese in 1999. These agreements created the now famous ‘one country, two systems’ proposal for effective control over the reacquired territories. The prominent exception and obstacle to regaining complete territorial integrity is Taiwan and, while less clearly defined, all or parts of the SCS.

Also affecting contemporary policy choices are tactics used during the Party’s revolutionary past that were passed on from previous dynasties. It has long been the strategy of the party to ensure that it was aligned with an external force to create a balance of power. Traditionally referred to as ‘using barbarians to control barbarians’ the Chinese align themselves with the second strongest of a three power triangle in order to avoid destruction by the strongest or a combination of the other two. The Party successfully utilized this strategy in the 1920s with the Guomindang against the warlords, during the Anti-Japanese War of the 1930s and 40s.

152 Nationalism, Evolution of Foreign Policy
154 Historical Legacy and Worldview, Evolution of Foreign Policy.
and again after WWII when it aligned itself with the Soviet Union against the Nationalists, and later the United States.\textsuperscript{155} In fact, one of Mao’s first foreign policy acts was to sign an alliance with the Soviet Union against the United States that guaranteed Beijing’s security for more than a decade. Overall, the impact of China’s historical legacy has had an important impact on three of its post-1949 national objectives – development in order to compete with other world powers, anti-imperialism to avoid any further loss of sovereign control, and national assertion to regain its former status.

Another important element impacting the direction and content of China’s foreign policy was ideology. Chinese ideology is a mixture of Marxism-Leninism-Mao Zedong thought that has influenced both the objectives of China’s foreign policy, how it interprets world events, and thus its reaction to them. The ideological components of China’s foreign policy have included, “a belief that conflict and struggle are inevitable; a focus on opposing imperialism; the determination to advance communism throughout the world, especially through the Chinese model; and the Maoist concept of responding with flexibility while adhering to fundamental principles”.\textsuperscript{156}

The notion that conflict is inevitable has roots in Marx’s writing that he borrowed from Hegel’s work on historical determinism and the end of history argument that Fukuyama has recently popularized. These conflicts or struggles are present in all aspects of human relations whether they be between classes, between nations, or between ideas such as communism and imperialism. Chinese leaders have long held that the international environment is best understood in terms of the ‘principal contradictions’ of the time and that “once these contradictions are understood, they can be exploited in order to, as Mao said, “win over the

\textsuperscript{155} Thomas Robinson, 559.
many, oppose the few, and crush our enemies one by one”’. In this sense, China has been effective in utilizing the Leninist policy of uniting with some forces to oppose others, likely due to the historical legacy that China draws upon discussed earlier.

The Leninist emphasis on anti-imperialism rang true in the hearts of many Chinese leaders who had already developed a strong opposition to it because of the exploitation they endured by foreign powers in the 19th century. During the Cold War it was easy to focus China’s ideological social system into a struggle against the imperialist Western capitalist societies. But the struggle was not limited to anti-Western sentiments. In oversimplified terms China, “focused on opposing United States imperialism in the 1950s; on opposing collusion between United States imperialism and Soviet revisionism in the 1960s; on combating Soviet social-imperialism or hegemony in the 1970s, and on opposing hegemony by either superpower in the 1980s”.

While today much of the ideological component of China’s opposition to imperialism has given way to market reform and openness, it still vehemently opposes any attempt by states to gain hegemonic power that would allow for imperial aggression.

Combined, these domestic factors - the primacy of politics and political leaders, China’s long historical legacy and strong nationalism, and the influence of ideology - create a road map from which to understand the choices that the Chinese have made with regards to their foreign policy. But these indicators explain only half the story. Just as important as the domestic sources were international sources of influence on China’s foreign policy.

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157 The Influence of Ideology, Evolution of Foreign Policy.
158 The Influence of Ideology, Evolution of Foreign Policy.
International Influences on China’s Foreign Policy

The structure of the international system played an inordinate role in the foreign policy decisions of all states, especially in the post-War environment that quickly fell to Cold War predominance. It was operating in this environment that Beijing found itself highly influenced by the policies of the two superpowers, the United States and the Soviet Union. During these early years, China was comparatively weak and was forced to lean heavily toward the Soviet Union for protection in the strategic triangle that ensued. But later, when the Sino-Soviet alliance broke down, China was forced to align itself more closely with the United States to ensure protection against a possible Soviet threat, especially along its Northern periphery. As a result of these international dynamics, much of China’s foreign policy could be predicted based on its relationship with the two superpowers. One seemingly obvious example was when China supported the Thai Communist Party when the United States was considered the enemy, but stopped bankrolling and training the Thai Communists once Vietnam, allied with Moscow, became the opponent and Washington was made China’s superpower protector.\(^{159}\)

The international system also affected China’s foreign policy in other ways. For one, Beijing, and all other states, had to conform to the structure and processes of the system in order to operate effectively. For example, the international security environment dictated that in order for China to ensure both national security and international prestige, it had to obtain nuclear weapons. This came at a high cost. “For a time an extraordinary percentage of China’s gross national product, its heavy industry, and technology was given over to this effort”.\(^{160}\)

Another more significant manner in which the international system impacted China was economically. By the 1970s the developed world, and the Asian region especially, was

\(^{159}\) Thomas W. Robinson, 563.
\(^{160}\) Thomas W. Robinson, 564.
dominated not by the militarily strong communist states, but by the export-oriented capitalist countries of the so-called “Four Tigers” in the region – South Korea, Taiwan, Hong Kong, and Singapore, and internationally by the United States and Japan. On top of this, China was sidelined as an influential regional player due to the dominance of the United States and Soviets in playing the balance of power roles through security commitments with both major regional powers and small states alike. This led to the opinion that “although China was geographically in Asia, it was hardly a part of Asia.” As a result, in the later period of Maoist rule, China was forced to become a member of the Asian regional system but was only allowed to do so by conforming to the structure and rules of the system that had already been established by the others.

Post-Mao Foreign Policy Changes:

With the death of Mao and the eventual succession of Deng Xiaoping, major shifts in China’s foreign policy were initiated. While the content of the foreign policy changed significantly, the basic influences on its creation remained the same. The differences between the two have been attributed to Deng’s pragmatic moderation when compared to Mao’s radicalism in making foreign policy decisions.

The most important and obvious distinction between Mao and Deng was the transition from the primacy of politics to the primacy of economic development. With the advent of Deng’s succession and his reform minded colleagues, economic reform took centre stage as Beijing’s principal policy objective and was thus an overriding principle for almost all other

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161 Thomas W. Robinson, 565.
162 Thomas Robinson, 565.
163 Michael Swaine and Ashley J.Tellis, 108.
164 Thomas Robinson, 568.
policy choices. As such, it could be said during this time that, “whatever appeared good for China’s domestic economic development became Beijing’s foreign policy”.165

Deng and his advisors concluded that the most effective means of achieving economic development would come through opening up their closed economy to outside markets and market forces to produce a mixed economy. By doing so, it was thought that the Chinese people could gain the social advantages of a planned economy and material betterment through the profit incentive derived from private ownership. This meant that China needed to open up to foreign direct investment, technology transfer, and trade. These were factors that could only be achieved through access to the international system, especially to the West. Furthermore, it was apparent to all parties involved that the environment most conducive to achieving economic development was a state of peace. Swaine and Tellis argue “the majority of coalitions currently behind China’s pragmatic reform era policies have an even greater interest in ensuring that a pacific external environment is created to the maximum extent possible”.166 Therefore, Beijing’s emphasis on economic modernization and development became closely associated with its goals of peace and security in the international system.167 A more detailed explanation of China’s emphasis on economic modernization will be explored later but for now it will suffice to say that economic modernization became the new cornerstone of China’s foreign policy under Deng.

Under Deng’s leadership there was a reversion to traditional Chinese culture and a movement away from Mao’s revolutionary tradition. This allowed for the re-emergence of Chinese customs, habits, and practices – many of which had been harshly suppressed under the mantra of the Cultural Revolution.

165 Thomas Robinson, 568.
167 Thomas Robinson, 569.
Included in Deng’s revision of Chinese politics was a loosening of ideological influences. The relaxation of Marxist-Leninism did not mean its rejection, but a redirection. Deng sought to shift the focus away from the dogmatic components of communism towards the pragmatic aspects embodied in scientific concepts and so-called ‘facts’. In part, this was due to the rejection of anti-Westernism and anti-capitalism that had developed during Mao’s era, but it was also a move to rid the Communist Party of some of its older Mao supporters who disagreed with the new China Deng envisioned. All of this justified the Party having close relationships with Western capitalist countries and the financial and technological support that they offered.

The changing domestic influences coincided with changes in the international system and combined to create a new environment that allowed an emphasis on economic development. The most consequential of the changes in the international system was the lowering of external threats that China faced. Swaine and Tellis contend that, “the gradual diminution in the levels of threat faced by the Chinese state since the 1970s created an environment where increased Chinese security-related interactions with other states became possible.” One of the most important of these security-related interactions was China’s threat perception from the two superpowers. The threat from the Soviet Union was downgraded after 1978 when the Chinese leadership concluded that the probability of conflict with Moscow had been over estimated since the Soviets had the capability and opportunity to attack China for over a decade and had chosen not to. The fact that the Soviets were more concerned with other events in South-West Asia also influenced China’s strategic thinking.

It was also during the 1970s that the United States solved its other problems in South-East Asia and initiated a process of détente with China as part of its engagement strategy aimed

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168 Thomas Robinson, 571.
169 Michael Swaine and Ashley J.Tellis, 110.
170 Thomas Robinson, 572.
at the Soviet Union. But the decline of the threat from Moscow meant that China had more room to manoeuvre within the strategic triangle and felt secure enough to gradually distance themselves from the Americans. This was at the same time that Sino-American trade, investment, tourism, and training were being bolstered and hence the relationship was “both complex and contradictory”. While China opposed American hegemonism and superpower status by speaking and voting against them in the United Nations, it also realized that the key to their success in economic development laid with American investment, trade, and technology, and that access to these depended on good relations with Washington. Chinese leaders concluded that they needed a way to ensure access to the benefits of Western resources without becoming dependent on, or obligated to, the West, and also needed to maintain the capability to prevent certain critical losses at all costs. Consequently, Beijing began a calculated strategy that was characterized by “an outward-orientated pragmatism designed to rapidly improve its domestic social conditions, increase the legitimacy of its governing regime, enhance its national economic and technological capabilities, … and improve its standing and influence in the international political order”. This approach has been highly successful in some respects, but as will be shown below, China made some major blunders along the way.

**Post-Cold War Changes:**

The post-Cold War era has brought about numerous changes to the strategic environment in which China, and all states, operate. Two decades of uninterrupted economic development and a focus on building comprehensive national power had left China in a much more influential position. Despite this, it was still in a state of purgatory - caught between being a rising global

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171 Michael Swaine and Ashley J.Tellis, 110.
172 Thomas Robinson, 572.
173 Michael Swaine and Ashley J.Tellis, 112
power but yet still not strong enough to influence its external environment so as to reach preferred outcomes for itself. As such, China was, and arguably still is, a "consumer rather than an entirely self-sufficient producer of security". Consequently, China has been utilizing a strategy of "constrained maximization" by seeking to increase its power in a number of areas in as "non-provocative a fashion as possible to avoid precipitating those regional or global responses that would seek to retard the growth of that power".

Despite this calculative strategy, a number of events occurred early in this era that severely damaged China's emergence as a global power. The most important was the Tiananmen massacre in June of 1989 that dramatically affected China's relations with the international community. Domestically the reform process was temporarily halted due to the leadership feeling it had lost control over the population. It was felt that the reform process had gone too far under Deng and many of the neo-Maoist leaders rose to important positions of power to replace reform-minded Deng supporters. The result was a closing of China's doors to the outside world for over a year, a move to re-centralize the economy, and the halting of many economic reforms initiated under Deng. Internationally, the United States led the world in placing various sanctions - mostly economic - immediately after the incident. This served to further isolate China from the rest of the world at a time when it needed to continue with its economic modernization and increase its international acceptability as a responsible and constructive international actor.

The subsequent fall of communism with the collapse of the Soviet Union in 1991 added to China's difficulties. The Party's legitimacy as the sole means of governance had already been severely challenged with the domestic uprising at Tiananmen. The fact that the Soviet Union,
one of the world’s superpowers and most important actor for close to fifty years, collapsed under communism and was now reaching out to democratic capitalist countries of the West, was a difficult situation to deal with. This, along with events in their own and other communist countries around the world, demonstrated that future revolutions would not be toward Marxism but towards democracy and capitalism - a reality that did not bode well for the Communist Party.  

Other changes were also occurring that would change the way China would have to think and act in the new international environment. Without the bipolar superpower rivalry that had dominated the Cold War world, new power relationships were being mapped out between the major power centers resulting in a more multi-polar world. The Gulf War served as the symbol of this new environment. In a world with shared common global concerns and problems, the great powers could be brought together into a coalition of overwhelming superiority. The monumental victory of the U.S.-led coalition was a wake up call for Chinese leaders. It demonstrated that many of the principles and norms embodied in the United Nations that had laid dormant during the Cold War period, were now more likely to be enforced and the overpowering technological capabilities of the developed nations meant that they also had the ability to enforce them. Overall, the Tiananmen massacre, the collapse of communism and the subsequent end of the Cold War, and the implications of the Gulf War all “acted as powerful constraints on the latitude and direction of Chinese foreign policy”.

While the Tiananmen massacre and other events were considered major setbacks to China’s integration into the international system at a critical time, they did not significantly alter the threat environment that China had been operating in since the late 1970s. The détente

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177 Thomas Robinson, 590.
178 Thomas Robinson, 597.
initiated in this period by the Americans with China, coupled with a dramatic decrease in tensions with the Soviet Union resulted in an unprecedented reduction in the level of foreign threats posed to China in the modern era. Therefore, the international system allowed China the freedom to pursue internal economic reforms without excessive risk. It also allowed China the luxury of downgrading its military modernization to the last of the “four modernizations” identified as agriculture, industry, science and technology, and national defence. This was a considerable achievement because it permitted China to undertake market reforms for nearly two decades without having to redirect a disproportionate amount of its resources or energies into security-related issues or military development.

**Economic Modernization:**

In the late 1970s, reform-minded Chinese leaders realized that the future of China’s economic development lay in opening up to the outside world and to forces of globalization that had propelled other East Asian nations to economic success. The reformers, under the leadership of Deng Xiaoping, viewed the globalization process from the “perspective of a competitive interstate system in which the national economy remains the main unit of analysis”. Mainstream Chinese elite, with the same emphasis on the role of economics, define globalization as “an increasingly competitive struggle among national economies over the means to create wealth within their territories”. Through this Chinese analytical lens, globalization has not changed the state-centric nature of the international system. As such, state-to-state and state-to-firm, whether they are domestic or foreign, relationships still dominate as the main discourse of state

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179 Subsequent relations with Moscow warmed considerably with the improvement of Sino-American relations.
180 Michael Swaine and Ashley J. Tellis, 111.
182 Thomas Moore, 77.
activity as they have in the past, albeit with a new role as economic managers aimed at promoting their country’s integration into the transnational production and financial system.\textsuperscript{183}

This system is the key to generating wealth and is seen as indispensable to long-term national power. Chinese security managers recognize that only through sustained economic success can China acquire the comprehensive national strength that it feels is within its grasp. Only comprehensive national strength generated through economic success can assure:

the successful servicing of social objectives to produce domestic order and well-being..., the restoration of the geopolitical centrality and status China enjoyed for many centuries before the modern era, the desired admittance to the core structures regulating global order and governance, and the obtaining of critical civilian, dual-use, and military technologies necessary for sustaining Chinese security in the evolving regional order.\textsuperscript{184}

It was with these long-term objectives in mind that China began a myriad of economic reforms in 1978.

Mao had adopted and implemented a Soviet-style economy as China’s economic system shortly after he took power in the early 1950s. Markets were replaced by planned resource and investment allocations, and enterprises of importance were nationalized and put under control of the state. The main objective of this system was rapid economic growth and restructuring to move China from a backward agrarian society to a modern industrialized state.

Despite many of the major blunders and tragedies that transpired throughout Mao’s rule, the average annual rate of growth of China’s GDP from 1952 to 1975 was 6.7 percent.\textsuperscript{185} While this growth rate is impressive, all other indicators showed that China was not achieving the same economic results as other Asian countries. Major campaigns attempted to improve the

\textsuperscript{183} Thomas Moore, 81.
\textsuperscript{184} Michael Swaine and Ashley Tellis, 99.
management of SOEs in the 1970s and even early 1980s, but it was clear major change was needed.

The major priority of Deng when he emerged as the supreme leader in 1978 was to eliminate the most serious economic problems inherited from Mao. In an attempt to close the gap between China and the other developing countries, Deng’s policies opened up the Chinese economy to foreign trade and investment through economic liberalization aimed at “the phasing-out of state price controls, the opening up of product markets, the exposure of industrial sectors to competition, and the extension of autonomy to economic producers.”^186 Seeing the ramifications of transnational economic activity all around them, Chinese leaders moved quickly to join multilateral institutions that governed the rapidly expanding global economy.^187

Domestically, SOEs were forced onto the markets to compete against both non-state enterprises and foreign companies. For the first time since the founding of the PRC, a dominant share of transactions and profits were carried on outside the direct control of the central government.^188 The reforms resulted in an average annual growth rate of 9.8 percent during the 1978-95 period with some years reaching as high as 13 percent.^189 This increased growth rate reflected China’s growing participation in the global economy and the efficiencies created under the market-oriented economic system put in place under Deng.

While the Deng era has an impressive list of accomplishments, the Chinese economy still faced formidable challenges when Jiang Zemin emerged as the supreme leader in 1996. Jiang and Zhu Rongji inherited an economic system that was badly in need of further reform. The economy seemed to be in a critical period, teetering between socialism and capitalism but now

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187 Robert Demberger, 610.
188 Robert Demberger, 610.
189 Robert Demberger, 610.
“instead of using market forces to save state socialism, state socialism itself would have to be sacrificed to preserve the market economy”.

The major area of concern is the decline in the rate of economic growth. The downward trend is explained by the simple fact that the sources of growth relied upon to achieve the rapid growth rates in Deng’s era are no longer present. To begin with, much of the growth that was gained in the transition to household farming was a one time significant gain but growth has now slowed as the inefficiencies of the communal farms were phased out. Secondly, as private enterprises grew in number they began competing with themselves and with foreign competitors, which also contributed to the slowdown in growth.

The majority of economic problems in the Chinese economy lie with SOEs. Of the registered urban population, over 65 percent of the workforce are employed by the state with over 45 percent working in SOEs. They are also a huge drain on state investment that could otherwise be directed to more efficient and profitable private enterprises. In the mid-1990s, SOEs were producing less than 35 percent of industrial output, but were consuming almost 75 percent of national industrial investment. Jiang and Rongji have made it a priority to privatize the smaller SOEs, merge some into larger more competitive enterprises, and to close the most inefficient. The number of SOEs in 1998 that were suffering a loss was increasing, along with the size of their losses. This was putting the financial situation of the state and the banking sector at risk.

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190 Edward Steinfeld, 272.
191 Robert Demberger, 612.
193 Edward Steinfeld, 275.
194 Robert Demberger, 613.
In 1998, four leading Chinese banks had non-performing loans that were 25 to 40 per cent of their total loans. As these loans become unrecoverable from SOEs that are allowed to go bankrupt after years of state financing, the banking system will become more insolvent. Demberger states, "if people ever demanded their money in a run on the banks, they could not be paid without a large injection of funds from the state". Overall, China is facing a potentially destabilizing problem of capital misallocation that many argue is moving China towards an economic crisis.

In addition to these domestic obstacles to economic growth, China was also affected by the 1997 Asian crisis that contributed to its economic slowdown. One of the big impacts that the crisis had on the Chinese economy was a decline of exports. Even though China was able to redirect the bulk of its exports away from non-receptive Asian economies to the United States and Europe, it still resulted in China's trade surplus shrinking from (U.S.)$43.6 billion to $31.6 billion in 1998. The real estate market was also damaged by the crisis. In 1997 the central government quietly ordered the provinces to stop underwriting the real estate market because there had been drastic overbuilding. At that time nearly 40 per cent of the office buildings remained empty and it was estimated that in 1999 there was as much as 350 million square meters of office space standing empty. The rapid decline in stock prices on the Hong Kong market during the crisis also affected China's economy. Many Chinese enterprises were preparing to issue stocks on Hong Kong's stock market, but were delayed, meaning that their money-raising efforts were curtailed at a time when they needed it most.

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195 Lucian Pye, 577.
196 Robert Dernberger, 614.
198 Alvin So, 87.
199 Alvin So, 87.
Compared to other Asian countries, the Chinese economy fared the crisis extremely well due to a number of factors. First, in the early 1990s China's real estate bubble began to burst slowly and its effect on the economy was spread over a number of years instead of overnight as in other Asian countries. Secondly, in 1998 China had a manageable foreign debt of (U.S.)$130 billion, a trade surplus of $44 billion, and the second-largest foreign exchange reserve in the world worth close to $140 billion. Thirdly, China had small stock markets and the non-convertibility of the renminbi on capital provided a buffer from the external financial turmoil in the region. These factors combined to insulate China from the short-term capital flows that devastated the Indonesian, Thai, and South Korean economies.

Not surprisingly, the Asian crisis gave Chinese leaders a mandate and a sense of urgency to push ahead with economic reforms. It also lowered the high expectations of what the growth levels would be to consider the reforms successful. One of the ways in which China felt that it could overcome the slowdown in economic growth was through membership in the World Trade Organization (WTO). On November 15, 1999 China and the United States signed a landmark deal on Beijing joining the WTO after thirteen years of negotiations. The deal was passed in the U.S. Congress on September 19, 2000 by an overwhelming 83 to 13 vote that granted China Permanent Normal Trade Relations (PNTR) status. The deal came after ardent lobbying by American companies as well as international pressure from China. According to a report by the Public Citizens' Global Trade Watch, corporate America, led by the Chamber of Commerce and the Business Roundtable, spent an unprecedented $113 million to lobby Congress to approve

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200 Alvin So, 91.
201 Alvin So, 91.
PNTR status for China. Analysts estimate that the deal will boost the U.S.' annual exports to China by $13 billion in five years, which will eat away at China's trade surplus.

WTO membership has been considered important for two reasons. First, it is argued that “GDP is falling, all efforts to revive consumer confidence have failed, and investment levels are falling. [Therefore] WTO is a sort of Vitamin B shot to turn the economy around". Secondly, the deal gives political cover to China's leaders, especially Zhu Ronji, to continue the painful domestic reforms the deal forces, and painful they will be. Agriculture will take a significant hit. The lowering of tariffs from 85 to 18 percent on agricultural products will benefit Chinese consumers but will be devastating for the 900 million rural Chinese who are already suffering high levels of unemployment. Hu Angang from the Chinese Academy of Sciences predicts that a third of China's SOEs will be forced to shut down because of foreign competition. State firms laid off 20 million workers last year and the numbers are going to continue to increase as foreign competition continues to force SOEs out of business. Lu Zhiqiang, deputy director of the central government's top research group, predicts that, "a wave of bankruptcies will sweep through the economy" after the WTO trade deal goes into effect. Chinese leaders will face an uncertain future at best when confronted with the challenge of placating millions of unemployed Chinese citizens in a country with little or no social safety net. The prospects of massive social unrest are potentially imminent.

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206 Alejandro Reyes, 51.


208 Alejandro Reyes, 53.

209 Craig Smith, [on-line document].
Overall, China’s economic modernization has become a driving force in its foreign policy and is the linchpin in its strategic plan for achieving comprehensive national power. With the key to modernization lying with opening up to foreign competition and investment along with the transfer of high technology, China has understood that a secure and peaceful international system is necessary to ensure uninterrupted access to these resources from the West. As outlined, Western markets have opened up to China through membership in the WTO, and in effect, granted China the resources it needs to continue with its modernization agenda. But just as crucial to achieving China’s foreign policy objectives, is utilizing these economic resources to modernize its military capabilities.

**China’s Military Modernization:**

Chinese leaders are keenly aware of the role that military strength has played in the power struggles of the past century. It has long since felt that a strong military was of the utmost importance to ensuring the protection of its sovereignty, territorial claims, and attaining political and diplomatic leverage in the international arena. This feeling is strongly associated with China’s perception of its own comparative weakness throughout the 19th and early 20th century, and the subsequent humiliation that it suffered at the hands of stronger states. As a result, Chinese leaders maintain that it must modernize its military capabilities to ensure that it can attain its political and strategic objectives, both domestically and internationally.

The fundamental importance of military power seems underscored by the emerging post-Cold War balance of power being established in the Asia-Pacific region. Almost all regional actors appear involved in defense spending and modernization programs. China views this new strategic environment, not as a unipolar world dominated by the United States, but multipolar with regional actors playing important roles in resolving regional conflicts and eliminating past
economic disparities between the industrialized and newly-industrialized states.\textsuperscript{210} Within this framework, China claims it is committed to upholding its Five Principles of Peaceful Coexistence and will continue to struggle against states seeking hegemonic power. That said, Chinese policy also stresses that strong national defense is imperative to avoid containment by its regional neighbours and to create an environment conducive to achieving its diplomatic objectives.\textsuperscript{211}

In order to develop a military force capable of achieving these objectives, Chinese leaders recognize that modernization efforts must be built upon indigenous scientific, technological, and economic capabilities.\textsuperscript{212} This logic is based on the foundation of the Four Principles of Modernization that places military modernization last among the four. Thus military modernization is to come as a beneficial side effect of advancement in these other areas, and not at their expense.

Hence, the level of resources devoted to military modernization has increased at a pace that is intended neither to undermine the attainment of essential civilian development priorities nor to unduly alarm both the peripheral states and the major powers and thus erode the generally benign threat environment facing China today.\textsuperscript{213}

Despite China’s effort to downplay the importance of its military modernization efforts, the ambiguity surrounding its regional intentions has led to insecurity and instability in the region.

For fifty years the mandate of the People’s Liberation Army (PLA) has been to “maintain domestic order, safeguard national security and maintain the Communist Party in power”.\textsuperscript{214} For much of the early period of the PRC, the PLA’s role was dominated by supporting Mao’s domestic political campaigns. The country had only been unified for short periods of time over its long history and, to Mao and the PLA’s credit, it was unified again and became one of the

\begin{footnotesize}
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\item\textsuperscript{211} Satoshi Morimoto, 38.
\item\textsuperscript{212} Sujit Dutta, [on-line document].
\item\textsuperscript{213} Michael Swaine & Ashley Tellis, 128.
\item\textsuperscript{214} David Shambaugh, “The People’s Liberation Army and the People’s Republic at 50: Reform at Last,” \textit{The China Quarterly}, No. 159, September 1999, 660.
\end{enumerate}
\end{footnotesize}
government's overriding objectives to maintain its unity. But with the combination of Moscow terminating military assistance after the 1959-60 split in Sino-Soviet relations and the PLA's primarily domestic policing duties, the PLA was left woefully inadequate as an effective fighting force. Thus by the late 1970s, China's military power had eroded into obsolescence, which was clearly demonstrated by their disastrous performance in the 1979 incursion into Vietnam. As a result, reform of the PLA began after the landmark Central Military Commission meeting in December of 1985, but only became significant after the Gulf War when sweeping reforms began to take place.

The necessity of PLA modernization and the changing international and regional security environment have redefined the mandate and the role of the military. Sujit Dutta has outlined three key challenges that China’s military modernization must meet. It must build a military force structure capable of defending its sovereignty and territorial claims on Taiwan, the SCS, and possibly against India, Vietnam, and Japan; provide adequate deterrence against the United States; and ensure that China will become an integral part of a new security structure in Asia and the Pacific so that its interests and concerns are not undermined. With these new roles in mind, Chinese leaders have characterized a new PLA that is striving to “strengthen their overall development and form a revolutionized, modernized and regularized peoples army with Chinese characteristics”. So far, the modernization program has stressed the development and deployment of missiles, satellites, naval systems, and modern combat aircraft with the ability of these systems to deliver both nuclear and conventional armaments.

After exploding its first atomic bomb in 1964, China remained the only Asian country to possess nuclear weapons until India and Pakistan went nuclear in 1999. China’s missile force is

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215 Satoshi Morimoto, 40.
217 David Shambaugh, 661.
deployed by the Second Artillery division and is under the direct control of the Central Military Commission, which is headed by the President. Its total nuclear arsenal is estimated at 400 warheads by the Bulletin of the Atomic Scientists and the SIPRI 1999 Yearbook, a similar arsenal to that of Great Britain and France. The range of China's nuclear weapon arsenal is limited in comparison to the capabilities of the United States or Russia but has been considered adequate to fulfill the role within China's overall military strategy. As a result of the massive arsenals the two superpowers had amassed during the Cold War, China was satisfied that the mutual deterrence between them precluded the need for a significant expansion of their own capabilities. China was satisfied with a "strategic force capable of conducting a credible retaliatory strike against either Soviet or U.S. cities and major U.S. military bases in Asia".

China maintains that it has a "small but effective nuclear counterattacking force in order to deter possible nuclear attacks by other countries. Any such attack will inevitably result in a retaliatory nuclear counterstrike by China". Analysts believe the Chinese value their nuclear weapons because they remain the only effective deterrent in all situations where Chinese conventional power is inadequate. Sujit Dutta has stated, "China's nuclear weapons and missiles give it an edge over virtually all its neighbors, except Russia," and has gone so far as to state that, "nuclear weapons provide China with a security shield and the overall cover under which China can use conventional power against an adversary without fearing large-scale retaliation on its own territory". In addition, they bestow a sense of power and assurance, a great deal of status both regionally and internationally, and provide them with diplomatic leverage in insecure circumstances.

China's modernization has concentrated on improving the effectiveness and sophistication of its nuclear forces and not on increasing the size of its inventory. The primary efforts have been focused on improving the "survivability of its strategic forces, developing less vulnerable

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221 Micheal Swaine & Ashely Tellis, 122.
223 Sujit Dutta, 97.
basing modes, and making general improvements in the accuracy, range, guidance, and control of its missile forces.\textsuperscript{224} Currently, China deploys DF-5 intercontinental ballistic missiles (ICBMs), which are launched from vertical silos but only after a two hour fueling process. These missiles can be fired on all of Asia, Europe, and most of the United States.\textsuperscript{225} China is developing an 8,000 km DF-31 and 12,000 km DF-41 based on mobile launchers and with possible penetration aids such as multiple re-entry vehicles (MRVs) or multiple independently targetable re-entry vehicles (MIRVs). It is expected the DF-31 will be operational by 2005 and the DF-41 by 2010.\textsuperscript{226}

China has only one nuclear-powered submarine capable of firing nuclear ballistic missiles (SSBN), the Xia Type 092, that can carry twelve JL-1 ballistic missiles with a range of 1,700 km. China is planning to build six new Xia 094 SSBNs with quieter reactors and better performance that will allow it to be deployed outside of regional waters with the ability to strike all of Asia, Europe, and North America.\textsuperscript{227}

China also deploys a significant amount of medium-range ballistic missiles such as the DF-3, DF-4, and the new DF-21, a solid fueled design that eliminates the fueling time of the older missiles. The DF-21 is carried on mobile launchers and has a range of 1,800 km that can target all of Asia including India and the American bases located in Asia.\textsuperscript{228} On May 16, 2000 China received the first batch of Russian built SS-N-22 Sunburn nuclear-capable anti-ship missiles that will be used on the Russian-built Sovremenny class naval destroyer. The supersonic Sunburns were created by the Russians to destroy U.S. aircraft carriers and ships using Aegis battle-management systems.\textsuperscript{229} These missiles represent a significant increase in China's firepower and offensive capabilities seemingly in response to possible American

\textsuperscript{224} Michael Swaine & Ashley Tellis, 123.
\textsuperscript{226} Frank Moore, [on-line document].
\textsuperscript{227} Frank Moore, [on-line document].
\textsuperscript{228} Frank Moore, [on-line document].
intervention in the Taiwan dispute. In 1995 the DF-11 and DF-15 came into service as a short-range ballistic missile with a range of 300 km and 600 km respectively. They are used with both nuclear and conventional warheads and have been primarily aimed at Taiwan.\(^{230}\)

The PLA’s strategic bomber force is severely antiquated. The H-6 remains the only nuclear-capable bomber in the Chinese inventory and is based on Soviet 1950s design and entered into service with the PLA in the 1960s. There are 120 H-6 bombers believed capable of flying nuclear missions with a combat radius of 3,100 km and there are no indications of a replacement anytime soon.\(^{231}\)

Overall, China has developed the ability to react to a number of threats from a diversified nuclear arsenal that is capable of being deployed from land, sea and air. This locational uncertainty adds to China’s deterrence factor since it is highly unlikely that a first strike could wipe out its ability to counterattack. Its nuclear capabilities force more powerful conventional forces to reconsider attacking because of the possible nuclear retaliation. It has also brought China into the nuclear club and added to China’s overall image as an emerging great power.

China has spent significantly more time and resources into modernizing its conventional forces. This reflects the reality that conventional weaponry is much more likely to be utilized in any modern conflict. Conventional force is also more important given the threat environment in which China operates. The economic reforms initiated in the late 1970s have shifted the most valuable economic and social resources to the coastal territory that has been weakly defended. Another aspect of economic security that has shifted towards the maritime is trade. China’s economic growth is dependent upon ocean commerce, which means that is must be able to keep

\(^{230}\) Frank Moore, [on-line document].
\(^{231}\) Frank Moore, [on-line document].
the shipping lanes open.\textsuperscript{232} Furthermore, the nature of China’s potential adversaries has changed from land-based threats such as the Soviet Union to maritime adversaries such as Taiwan, Japan, and the United States.\textsuperscript{233} These considerations have forced China to re-evaluate whether it can execute effective border defense aimed at securing coastal resources. Since the likelihood of using nuclear weapons remains slim, the bulk of the requirements fall on the PLA’s conventional forces to ensure China can achieve its foreign policy objectives. This is especially true given China’s territorial claims in the SCS and over Taiwan. If China wants to realize its great power aspirations it must have the ability to project force beyond its strategic borders, unequivocally defend its national interests, and backup its political rhetoric with force to ensure its diplomatic leverage.

Currently, China’s conventional forces lag behind Western, Japanese, South Korean, Russian and Indian capabilities but ahead of many of its neighbours including Vietnam, Myanmar, Laos, Nepal, the Central Asian states, Mongolia, and the Philippines.\textsuperscript{234} The gap between the PLA and stronger militaries is due to technological superiority that has revolutionized military affairs over the last decade. David Shambaugh identified a number of military transformations that have taken place in modern fighting forces and that the PLA is keenly aware of and hopes to emulate.\textsuperscript{235}

- Conflicts tend to be short rather than protracted;
- They are characterized by intense firepower rather than manpower;
- Long-range “stand-off” precision-guided munitions are the weapon of choice, and supplement strategic air power;
- Mobile rapid reaction forces are more important than positional warfare;
- The electronic battlefield and over-the-horizon location and targeting capability requires battlespace awareness at all times of day and night and in all weather conditions;

\textsuperscript{233} Michael Swaine & Ashley Tellis, 124.
\textsuperscript{234} Sujit Dutta, 97.
\textsuperscript{235} David Shambaugh, 662.
Satellites and airborne command posts and early-warning provide critical intelligence;
Information warfare and electronic countermeasures can confuse and disrupt enemy communications, command, and control;
Battlespace penetration (force insertion), the element of surprise and stealth are critical to the initial phase of combat and disrupting an enemy’s capability to respond effectively;
Combined arms and joint force operations are important and require close co-ordination and repetitive training.

A common theme by many analysts of the PLA’s capabilities is not to confuse ambition or desire with capability. Most analysts agree that China has yet to acquire the technology that would permit it to field a military force to achieve the kind of modern warfare Shambaugh describes. While it has taken some important steps in the direction of modern warfare capabilities, the PLA remains extremely backward in many critical features of modern warfare, especially in terms of equipment and weaponry. Retired U.S. Navy Rear Admiral Eric McVadon has stated that, “Senior PLA officers are quite tired of hearing people say that the PLA is the world’s largest military museum”.\(^{236}\) Statements like that are not without an underlying truth. The bulk of the PLA’s military inventory are weapons systems that came into service in the 1950s, 60s, and 70s and are all based on 1950s era technology that was imported from the Soviet Union.\(^{237}\) This is largely explained by two factors. China has a horrible history of indigenous defense production and the West placed stringent limits on what they would sell China following the 1989 Tiananmen massacre, and with the exception of Israel, embargoed all arms and military transfers to China.\(^{238}\) Therefore, China has only had access to high technology military transfers since 1990 from Russia when Sino-Russian relations improved and Russia was in desperate need of money.

Given that China’s modern threat environment has shifted away from interior defense to maritime security, it is no surprise that the PLA ground forces have been the hardest hit by

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\(^{236}\) Eric McVadon, no page numbers.
\(^{237}\) Frank Moore, [on-line document].
\(^{238}\) Paul Goodwin, 255.
modernization efforts. With the goal of creating a more modern and mobile army, the number of PLA personnel has been reduced from 4.2 million to 2.5 million in 2000. This figure can be misleading considering that a 900,000 strong People's Armed Police (PAP) has been created to eliminate the PLA's policing role and the reserves have been reconstituted with many of the demobilized servicemen and presently stands at 1.2 million. In total, the number of people under arms stands at a staggering 4.6 million.

Within the PLA, largely as a result of the diminished Russian threat, troops have been moved from the north to the centre and south parts of China with a strong emphasis on training rapid response units capable of reacting to regional strife with high mobility and firepower. These training exercises are explicitly concentrated on joint service operations so as to increase the effectiveness and coordination of multi-divisional capability. These joint training operations include coordinating amphibious warfare exercises and naval maneuvers involving underway replenishment, surface combat, and antisubmarine warfare.

The PLA recently established its first hi-tech reserve detachment specializing in digital information and wireless telecommunications. This will allow commanders to use special hand-held computers to direct and manage field operations in real time from any part of the world. Extending current trends in this direction will mean future cuts to personnel as equipment and training modernizes and reduces the need for human resources.

After witnessing the overwhelming superiority of Western air power in the Gulf War and again in Kosovo, Chinese leaders have concentrated much of their efforts on increasing the PLA

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239 Frank Moore, [on-line document].
240 David Shambaugh, 664-65.
241 Satoshi Morimoto, 43.
242 Paul Godwin, 255.
Air Force (PLAAF) and missile technologies. As with the PLA ground forces, the PLAAF's superior numbers cannot be equated with superior capabilities. Of the 4,350 combat aircraft the PLAAF possesses, the vast majority entered into service before 1972 and were based on earlier Soviet models.  

China has extended significant resources to develop an indigenous aerospace industry but has met with very limited success. The PLA has been working on two fighters. The F-10, a fourth generation multi-role fighter that incorporates stealth-like design features and advanced avionics from Israel. The second is the JH-7, a long-range striker/fighter designed for air cover missions. However, both aircraft have been plagued with problems and are still in the flight-testing stage. As a result of their limited success, China has turned to foreign countries for military assistance. The purchase of Russian build Su-27 fighters has been the most significant upgrade in the PLAAF's capabilities. The Su-27 capabilities include:

Look-down/shoot-down capability, over-the-horizon advanced pulse Doppler radar (detection range 149 miles), a laser rangefinder, and advanced fire control system and an autopilot function that permits either ground control or AWAC remote guidance; is in-flight refuellable; carries a complement of short and medium range missiles as well as air-to-ground pods for cluster bombs; has a combat radius of 1,500 km; can fly at Mach 2 speeds; can be used both for close attack and climb to a ceiling of 60,000 feet.

China has recently purchased 50 of the fighters and has a contract to produce under license another 200 more modified Su-27s that are tailored specifically for PLA roles. There are also plans to purchase 30 – 60 more advanced Su-30s from Russia that will further increase the PLAAF's capabilities.

Two other features that China is currently working on to improve are airborne command and control and in-flight refueling capabilities. The Washington Post reported that Israel has

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244 Frank Moore, [on-line document].
245 David Shambaugh, 668.
246 David Shambaugh, 668.
248 Frank Moore, [on-line document].
nearly finished working on the first of several advanced airborne warning and control systems (AWACS) aircraft for China that will increase its ability to target enemy forces “over the horizon”. AWACS help make the battlespace three-dimensional by giving commanders real time intelligence by combining their airborne data with information collected on the ground and by space based satellites. This gives commanders an enormous advantage on the field.

China is also making progress in in-flight refueling by converting several H-6 bombers and Y-8 transports into tanker aircraft capable of carrying fuel. In-flight refueling affords a greater advantage by allowing continued air support over battlespace areas without returning to the Chinese mainland for fuel.

Features such as these will significantly increase the PLA’s ability to project and sustain a force beyond its strategic borders and over areas such as the SCS. Despite the fact that these are considerable improvements over previous PLA capabilities, it is important to keep in mind that these modernizations will be equivalent to a 1980’s-quality air force and will not be fully operational until around 2005-07.

The PLA Navy (PLAN) is still largely a coastal defense force but is being modernized with the intention of becoming a blue-water capable force. The PLAN’s near term priorities are to achieve dominance in the Taiwan Strait and the SCS, eventually moving towards the Indian Ocean and out into the Pacific. Again, as with the other parts of the PLA, the gap between objectives and capabilities is marked by the severely antiquated inventory of the PLAN. It currently maintains 50 main surface ships, 52 submarines, missile crafts, large numbers of torpedo boats, amphibious and support ships, and one marine brigade. Of its submarine force, 50 per cent of the 52 submarines deployed are based on outdated Soviet Romeo-types from the 1950s. China has deployed its own submarines, such as the Ming, Song, and the Han nuclear

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250 Frank Moore, [on-line document].
251 David Shambaugh, 669.
252 Sujit Dutta, 98.
253 Satoshi Morimoto, 43.
254 Paul Godwin, 255.
powered class, but they are based on older technologies and are very noisy and easy to target by modern anti-submarine warfare systems.\(^{255}\)

Just as with the limited success of their indigenously produced aircraft, China turned to foreign countries for updating its naval forces. In 1994, China purchased four Kilo class diesel electric submarines from Russia and may purchase newer Amur class subs if development of its own Song class goes badly.\(^{256}\) China’s two Luhu class destroyers are outfitted with “German and American engines, French and American radars and sonars, a French helicopter, Italian torpedo launchers, and French surface-to-air and ship-to-ship missiles”.\(^{257}\)

The PLAN has added 20 surface combatant ships to its fleet over the past decade and has updated the electronic countermeasures, radar and sonar, fire control systems, and onboard armaments of many of its ships.\(^{258}\) The most important of its additions has been the purchase of two Sovremenny destroyers from Russia with two more on the way. These are the largest and most powerful warships the PLAN has ever operated. They are armed with the SS-N-22 Sunburn anti-ship missile and the N-7 gadfly, which gives them limited naval air-defense capability.\(^{259}\) As mentioned, these missiles can be armed with nuclear and conventional warheads and are extremely deadly weapons, even against American defense technologies. They provide a significant advancement in firepower, especially vis-à-vis other regional militaries.

China has introduced other technologies that increase the PLA’s overall capabilities as well. These include information attack capabilities centered on anti-satellite warfare, electronic warfare, and deception and denial operations.\(^{260}\) China sees electronic warfare as a means of closing the gap between themselves and a technologically superior force, such as the United States. The official Chinese Xinhua news agency has reported the PLA has been working with a Russian company that has developed a hand-held global positioning jamming device with an

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\(^{255}\) Paul Godwin, 255.
\(^{256}\) Frank Moore, [on-line document].
\(^{257}\) David Shambaugh, 669.
\(^{258}\) David Shambaugh, 669.
\(^{259}\) Frank Moore, [on-line document].
\(^{260}\) Michael Swaine & Ashley Tellis, 126.
effective scope of 150 miles, and that a nuclear weapon detonated at an appropriate altitude could scorch and damage all satellites in the earth’s orbit.\(^{261}\)

In addition, China is developing its own satellite system for civilian and military use. The system uses a laser guidance gyro control technology that tracks satellites and can be attached to ships, planes, or ground vehicles enabling real-time TV viewing while in motion - a technology only a few other countries have.\(^{262}\) The Hong Kong Sing Tao Jih Pao reports that China has revealed a revolutionary new ‘stealth-detecting’ radar system that can detect stealth aircraft by analyzing the signal confusion caused by an aircraft sweeping across the sky instead of using radar.\(^{263}\) In addition, the PLA has developed a number of electronic counter-measures and counter-guidance devices to defeat the enemy’s means of detection and attack, such as a radar early warning receiver, and has developed anti-satellite and electro-magnetic pulse weapons to prevent U.S. satellites from detecting its missiles.\(^{264}\)

Overall, the PLA has significantly modernized parts of its antiquated forces, especially over the past decade. It has begun to demobilize large numbers of the antiquated forces that remain and are replacing them with more modern, capable weapon systems. Training for the modern battlefield has been a priority but this training can really only be done with the limited modern equipment that it has already acquired. Indigenous production of defense systems has been woefully inadequate but Russian and other foreign imports have begun to fill some of the largest capability gaps. Closing these gaps will allow China to meet some of its foreign policy objectives.

Its missile acquisitions pose a significant threat to Taiwan by allowing it to launch a surprise missile attack that would overwhelm their defense system and clear the way for a PLA invasion. China’s naval and air power acquisitions allow the PLA to defend its coastal resources

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\(^{262}\) Al Santoli, “Beijing Describes How to Defeat U.S. in High-Tech War”.

\(^{263}\) Al Santoli, “PLA Plug-in Telecom Systems Facilitate World-Wide Battle Operations”

\(^{264}\) Al Santoli, “PLA Plug-in Telecom Systems Facilitate World-Wide Battle Operations”
and extend its strategic border further out to sea. It also extends the PLA’s reach into the SCS to defend China’s territorial claims. It is likely that the PLA could now overpower any one of the states that claim territory in the SCS but the PLA could not fight against a unified ASEAN force or sustain military action for extended periods of time so far away from the mainland. China’s nuclear force also makes it an important global and regional actor and amplifies its status as a great power beyond what its true capabilities are.

Most Western analysts still “place the PLA’s conventional capabilities 20 to 30 years behind the state-of-the-art, with the gap widening. Today, China’s best conventional military capabilities resemble early 1980s European equipment”. However, there is also evidence that the PLA is beginning to incorporate a modern war fighting doctrine at a much quicker pace than was expected, and that new dual-use technology is having an impact on China’s ability to modernize. The most recent information surrounding PLA modernization is demonstrating that a new modern warfare doctrine is allowing China to close the gap quicker than its technological acquisitions.

**China’s Changing Military Doctrine:**

A military doctrine serves as an overall guiding principle for a state’s military and defense policies. It coordinates the activities of the different political and military branches to ensure that all of the state’s policies and actions are directed towards a common objective. China has followed a number of different doctrines that have reflected both their capabilities and the security environment in which they operated.

The PLA has gone through four significant transitions since the 1950s. These transitions parallel China’s threat perceptions and military capabilities. The first transition was to Mao’s doctrine of the ‘people’s war’ that became prevalent in the late 1950s and 1960s. This

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265 David Shambaugh, 670.
doctrine emphasized a long war of protraction in which the enemy was lured into the interior of the continent where vastly superior numbers would systematically overtake it.\textsuperscript{267} This strategy was taken because China had little else to rely on in the post-War period aside from its massive population. It had been devastated by the war, had little defensive capability, and the newly formed government was still attempting to solidify its control of power and legitimate rule over the country. China’s external threat environment was also relatively stable in the post-War period given the American occupation of Japan and its friendly relations with the Soviet Union. It also reflected the Mao influence and ideological fury of the time by incorporating the notion of a ‘people’s war’ into the defense doctrine.

The emphasis of nuclear warfare and dramatic increases in military technology forced China to shift its war-fighting doctrine. By the 1970s a second military doctrine emerged entitled the ‘people’s war under modern conditions’ that called for the containment of the enemy at or near the border, heightened the importance of successful first battles and deemed cities as important strongholds, which should not be abandoned for rural environments.\textsuperscript{268} This new doctrine also incorporated the threat of nuclear retaliation for an attack on China’s strategic national interests. It reflected a number of internal and external realities.

First, two decades of economic development in urban areas along the coast meant cities could not be left undefended to fight a protracted war of attrition in the continental hinterland. Second, the external threat environment had changed. Sino-Soviet relations had broken down and border disputes between the two countries, as well as with India and Vietnam, ensued. Finally, the transfer of military equipment and technology to China from the Soviet Union during the early years of their relationship provided the PLA with the capability to mount a more effective border defense. Despite improvements in military capability, the PLA still relied

\textsuperscript{268} N. Li, 444.
heavily upon the size of its four million-man army and the principles of the so-called people’s war to defend China’s interests.

The third transition evolved around 1985 when the “Central Military Commission led by Deng Xiaoping formally announced that ‘a world war, a major war, or a nuclear war’ were unlikely in the current historical epoch and that the PLA should prepare itself for fighting ‘local, border, and limited wars’”. Based on the observations that American and Soviet economies were suffering due to the high cost of waging the Cold War and thus diminishing their world influence, Chinese analysts determined in the mid-1980s the overall trend in world politics was shifting back to multipolarity. This would appear as though the Chinese foresaw the end of the Cold War before the West, but according to Li, the shift in military doctrine was based on simple logic.

The superpowers were not likely to engage in a nuclear war because of mutually assured destruction and it was impossible for them to compromise given the conflict of their values and interests. The result of the stalemate and the perceived declining economic ability of the superpowers to intervene in regional disputes led Chinese analysts to assume local conflict would emerge as the most likely security threat in the future. Godwin describes the Chinese coming to the same conclusion, “...the overall trend in world politics was towards a multi-polar system and further diminution of superpower preeminence ... [and therefore] the growing military strength and relative independence of regional powers in a multi-polar world could well increase the incidence of local wars”.

Chinese officials argued the ability to fight swift, high intensity local wars was paramount because of the political climate of the modern world. It was concluded that military action was now limited by political and diplomatic mediation and by widespread global negative

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269 Deng Xiaoping quoted in Sujit Dutta, 96.
270 Paul Godwin, “From Continent to Periphery:”, 465.
271 N. Li, 445.
272 Paul Godwin, “From Continent to Periphery:”, 465.
public opinion, which develops quickly against aggressive state behaviour. These local wars would allow for quick decisive military action to obtain political or territorial objectives but would be accomplished in limited time and space, with both sides striving to avoid escalation. Objectives could be taken before world opinion has time to formulate and react.

This new military doctrine represents the changing international environment in which China operated. The Cold War superpower dominance was perceived to be in decline along with the threat of Soviet invasion along the northern border. China could focus on the south and its maritime interests that had become more strategically important given the high priority of securing economic modernization. It also was a move to deal with the reality of the rising importance of other Asian actors. The Asian Tiger economies were expanding rapidly under capitalist markets and Japan was beginning to come out from under the American umbrella. China needed to focus on local and regional security issues to ensure it was not pushed to the periphery in its own backyard.

The fourth and latest military doctrine transition in 1993 was from ‘limited war under modern’ conditions to ‘limited war under high technology conditions’. This has consumed the modernization process of the PLA during the past decade and was reinforced by the demonstration of modern military technology throughout the Gulf War. This new shift occurred at a time when China was beginning to receive new imports of military equipment from a cash-starved Russia and China’s military capabilities were being dramatically improved. The world had just witnessed the effectiveness of high technology on the battlefield, the Cold War had thawed and allowed more freedom to act internationally, regional issues where taking centre stage, and regional actors were rising in importance. These factors forced China to mold its rapid economic development together with its newly acquired advanced military equipment to

273 N. Li, 446.
274 N. Li, 447.
275 David Shambaugh, “The United States and China:” 246.
give the perception it was an important regional actor. But China knew it had to close the gap between its foreign policy objectives and capabilities.

According to Shambaugh, few militaries in the world have devoted as many resources to studying the nature of contemporary warfare as the PLA. Contemporary warfare has been defined by the revolution in military affairs (RMA). It is with good reason that China has devoted so many resources to the study of RMA, “the countries most vigorously advancing RMA and most capable of bringing the concept to reality are all China’s potential adversaries”.277

An American professor at the Armed Forces Staff College commented, “Chinese defense analysts appear to be at the cutting edge of the implications of information warfare for traditional institutions such as the military”.278 Thus, the introduction of RMA thinking into the PLA’s war doctrine of ‘war under high-technology conditions’ remedied traditional doctrine defects and laid the groundwork for force restructuring to counter the new threats that China faced.

The significance of RMA entering into the PLA’s war doctrine is important for two reasons. First of all, a key element of RMA is forward defense because the defining line between the front and rear has become blurred with advancement of long-range precision weapons. As a result, the PLA has been forced to enlarge is strategic operating theatre, which, “according to [PLA] defense planners, should not be restricted to within Chinese borders” in order to “protect China’s vital national interests, such as territorial integrity”.279

Secondly, RMA also blurs the line between offensive and defensive weapons. Historically, China has always followed the Russian military concept of aggressiveness in defense that “implies an ironclad commitment to initiate hostilities so long as the Chinese leadership feels that this is done in defense of what it deems its sovereign territories and, more

276 David Shambaugh, “The PLA and the PRC at 50”, 662-663.
278 You Ji, 349-350.
279 You Ji, 354.
broadly, national interests”. The introduction of RMA principles increases the likelihood of an offensive posture and pre-emptive strikes since “digitalized battle-fields, electronic soft-kills, and pinpoint accuracy in eliminating the enemy’s key targets all indicate that the offensive side can seize the initiative in a war and has the best chance of success”. Therefore, the PLA’s policy of active defense could mean future pre-emptive offensive campaigns to neutralize potential imminent threats, as well as maintaining a forward posture to protect its territorial integrity. Overall, the latest doctrine transition underscores a new security reality that is playing itself out in Asia and around the world.

Over the past fifty years China’s military doctrine has changed from continent to periphery, from attrition to assertion, and from the ill-equipped masses to the well equipped few. The PLA’s military doctrine has closely followed the strategic environment that China operated in and the capabilities it had to effectively deal with that environment. Tracing the causes and rationale for China’s military doctrine evolution offers a broad overview of China’s foreign policy development.

Conclusions:

China’s foreign policy has been in constant evolution and transition since the PRC’s inception. This chapter identified and explained the main forces shaping this evolution to better understand current and future foreign policy decisions. Each of the three different eras of foreign policy had distinctive characteristics. Foreign policy during the first era under Mao Zedong’s rule was characterized by his personal leadership style. This emphasized the primacy of politics and was underscored by overcoming the historical legacy of colonialism, building and acting upon a strong sense of nationalism to mobilize the masses, and utilizing ideology to mould the country, define its interests, and establish its goals and objectives.

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281 You Ji, 355.
Internationally, foreign policies were dominated by the superpower rivalry and China’s shifting alliance between them ensured a type of security architecture to protect its interests. The latter part of the era also saw China pushed to the periphery of Asian politics because of poor economic performance while other regional actors were rising in international importance in an increasingly global economy.

China’s foreign policy during the second era under Deng Xiaoping’s leadership changed direction considerably. Mao’s radicalism was replaced by Deng’s pragmatic moderation and the locus of China’s foreign policy shifted towards economic modernization. There was a loosening of ideological furor under Deng, allowing the pragmatic ideas of communism to be stressed instead of the dogmatic components. This paralleled the movement to open up the Chinese market to create a mixed economy; with an emphasis on creating a peaceful and secure international environment to maximize economic development. During this era, Sino-American relations improved considerably, which allowed China greater flexibility within the strategic triangle and a more independent foreign policy.

The third era of Chinese foreign policy coincided with the end of the Cold War and roughly with the emergence of Jiang Zemin as President and leader of the Communist Party. This era saw Chinese leaders struggle with a number of issues. The two most prominent issues were the Tiananmen massacre and the collapse of the Soviet Union, both of which created a significant legitimacy crisis for the Communist Party and severely affected China’s foreign relations. The Gulf War underscored the harsh reality of the PLA’s antiquated military forces and spurred an increase in the resources devoted to military modernization.

Military modernization came after two decades of uninterrupted economic development that was possible because of the low external threat environment China faced. This allowed China to focus on modernizing its economy through access to Western foreign direct investment, technology transfers, and trade. Chinese leaders have placed enormous emphasis on economic development and access to the global economy since they feel it holds the key to comprehensive
national power from which all other national requirements can be fulfilled – including military
modernization.

Chinese leaders had hoped with a modernized economy, they would have the
technological ability to develop an indigenous military industrial complex. But with their
indigenously produced hardware plagued with problems, the PLA has been forced to turn to
foreign sources. Their expanding economy has afforded the PLA access to highly sophisticated
equipment from foreign countries and by extensively studying the intricacies of modern warfare,
China has made significant progress in modernizing their military from its antiquated state at the
beginning of the decade. These new modernizations allow China to pose a serious threat to most
Asian states, but a major capabilities gap still exists between the PLA and modern Western
military forces.

The evolution of China’s military doctrine parallels the changes in the international
system and reflects China’s changing capabilities to respond to their threat environment. A
careful examination of the PLA’s military doctrine sheds critical light on what China’s foreign
policy objectives were and how it intended on protecting or attaining those objectives.

After examining the main forces shaping China’s foreign policy evolution, it is now
possible to discuss China’s specific foreign relations in the SCS and determine which type of
diplomatic activity is the most effective means of engaging China to influence its foreign and
security policy decisions in the future.

Chapter 4: The Effectiveness of Bilateral Relations

The PRC and the United States are arguably the two most important actors in East Asia.
Their objectives are both shared and conflicting – a peaceful and stable region that allows for
maximum economic growth, which produces a regional order favourable to their self-interests.
The conflict ensues over the type of regional order that is best suited to pursue those interests.
Understanding the complex dynamics that form Sino-American bilateral relations is best achieved by briefly examining their relations over the past half-century and the unique role the U.S. plays in the region.

History of U.S.-Sino Bilateral Relations:

Bilateral relations between China and the U.S. have been marked by strategic shifts, about turns, and, especially as of late, characterized by crisis management. Going back over fifty years, the Americans supported Chiang Kai-shek in the Chinese civil war who was defeated by the Communist Party. 282 This left the PRC and the U.S. on ideologically opposing sides. The PRC continued its development through the outright rejection of liberal-capitalism and its transnational communist ideology. As such, the PRC’s advancement occurred within the context of policies that the U.S. deemed as hostile to its national security and broader interests in the international system. 283 Washington, therefore, sought to isolate China and undermine its growing power and prestige through the denial of recognition, constriction of China’s trading relationships, and bolstering an alternative regime on the island of Taiwan. 284 These policy decisions resulted in a U.S. embargo of all trade, investment, and travel to China and the subsequent forming of the Sino-Soviet alliance.285 This early period also saw the initial U.S. backing of Taiwan. In 1954, President Truman recognized the Republic of China on Taiwan as the legitimate government of China and signed the first mutual defence treaty. 286 Throughout the 1950s and early 1960s, China and the U.S. remained severely divided along ideological lines.

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284 Rosemary Foot, 260.
285 Elizabeth Economy, 255.
286 Elizabeth Economy, 255.
However, in the mid-1960s the U.S. experienced an international and domestic erosion of its policy of isolating China. With its other Western allies emboldened by more than a decade of close post-War relations, the U.S. was concerned that Europe may try to normalize relations with China without its support. The U.S. wanted to ensure that it continued to “play a leading role in establishing and reinforcing the norms and rules of behaviour associated with the post-War order,” and as such, felt it should be the state to normalize relations with China and bring it into the fold of the broader international community. Additionally, the period following the War had also given the West a more sober appreciation of China’s capabilities, which turned out to be neither as menacing or powerful as had been originally perceived. This was evident when taking into account the cumulative effects the rift between China and the Soviets and the failure of the Great Leap Forward and the subsequent economic collapse had on China’s hard and soft power resources.

As such, the policy shift to rapprochement and then normalization, combined with China’s deteriorated relations with the Soviets, both countries saw an opportunity to overcome their differences and cooperate in opposition to a common threat. The Sino-Soviet-U.S. strategic triangle, in which Washington needed Beijing as a counterweight to Moscow, was born out of this realpolitik collaboration. Realist thinking in this situation trumped ideological differences when both countries realized their security was best guaranteed through a balance of power relationship that was tipped in their favour.

This new era in Sino-U.S. cooperation was ushered in with Nixon’s visit to Beijing and the 1972 Shanghai Communiqué that “set aside their conflict over Taiwan in pursuit of broader

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287 Rosemary Foot, 259.
288 Rosemary Foot, 260.
289 Rosemary Foot, 261.
strategic interests". The establishment of formal diplomatic ties in 1979 following the U.S.' official recognition of the PRC set the stage for amiable bilateral relations throughout the 1980s as each benefited from pursuing common economic and strategic interests. Although problems occurred, such as the U.S. Congress passing the Taiwan Relations Act guaranteeing continued economic and security relations, their common strategic interests outweighed other concerns that arose.

The period after the U.S.' normalized relations with Beijing also saw China opening up to the international community and participating in it according to the rules and norms of the international system. Rosemary Foot describes Beijing as offering its support to institutions that espoused the values of liberal capitalism, participating in UN peacekeeping activities, and offering to align its policies on arms sales and transfers of nuclear technology with those of the Western states. As argued later in Chapter Six, China's internalization of international norms is characterized by constructivist arguments and reflective of its exposure to and interaction with other states and international organizations espousing such norms and values.

The end of the Cold War and the collapse of the Soviet Union ended the strategic justification for Sino-American cooperation. With the rationale for the relationship already called into question, the 1989 massacre at Tiananmen Square quickly severed any remaining threads that had bound the two countries. The reaction from the U.S. was severe. "Congress placed sanctions on all forms of government assistance and exchange, and annual renewal of most [favoured] nation trade status for China was tied to progress in the country's human rights

291 Elizabeth Economy, 255.
293 Rosemary Foot, 264.
record." In China, the U.S. was portrayed as the instigator and supporter behind the events leading up to the student uprising, while Washington believed Beijing was trying to sabotage the reform process that had been developing over the past 15 years of engagement. Bilateral relations remained extremely cold over the next few years. As discussed in Chapter Three, the isolating effect of the worldwide collapse of communism and the emerging ‘New World Order’ in the post-Cold War era, led by the U.S. and highlighted by the Gulf War, forced Beijing to rethink its isolationist stance. China began taking steps to repair its image and relations with other major countries.

As a result, relations began to thaw, and in 1994 President Bill Clinton took steps to de-link trade and human rights and began the process of engagement with China again. This renewed China’s most favoured nation (MFN) trading status and signalled that Washington was ready to move beyond the Tiananmen massacre, despite major reservations in Congress. Disputes continued over issues such as arms proliferation and intellectual property rights, but trade and economic considerations began to solidify. Unfortunately, this period of relative normalcy in bilateral relations was short lived.

The decision by President Clinton in 1995 to allow Taiwan’s President Lee Teng-hui to visit the U.S. and his alma mater, Cornell University, sparked a series of strong reactions from Beijing. China’s response included conducting surface-to-surface missile tests off Taiwan’s coast, and again less than a year later in March of 1996, in an attempt to intimidate Taiwanese

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294 Elizabeth Economy, 256.
296 Xiaoming Huang, 271.
297 Elizabeth Economy, 256.
298 Xiaoming Huang, 271-72.
299 Xiaoming Huang, 273.
voters of the possible consequences of voting for independence parties. The U.S. responded with the highly publicized military decision to send two aircraft-carrier battle groups near the Taiwan Straits to demonstrate their willingness to use force to ensure the Taiwan question was resolved peacefully.

The new low in bilateral relations, reminiscent of the post-Tiananmen years, served to jump-start the summitry process that had been stalled during the 1990s. In 1997, China's President Jiang Zemin visited the U.S. and President Clinton went to China the following year. The negotiations culminated in the largely empty declaration that a "constructive strategic partnership" had been established. Even with minor advancements and new commitments, relations have been plagued with problems.

The list of problems is long and sordid: Chinese espionage and stolen nuclear missile secrets, the bombing of the Chinese Embassy in Belgrade by U.S.-led NATO forces, the U.S.' intention to build a Ballistic Missile Defence (BMD) system, the sale of advanced military hardware to Taiwan, and the downed U.S. spy-plane incident that tested the new Bush administration's diplomatic skills. For the Americans, the debate over these issues is often reduced to a policy question. Should the U.S. engage or contain China? Some analysts argue neither are coherent policies but are merely a means through which to achieve specific policy objectives. However, those objectives remain undefined.

The Clinton administration clearly embraced a policy of engagement, while it is less clear how the Bush administration will proceed. During the election campaign Bush commented that, "we must deal with China without ill will – but without illusions," indicating his view of China

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300 Elizabeth Economy, 256.
301 Bates Gill, 67.
as a strategic competitor and not a strategic partner.\textsuperscript{302} Clearly, the Bush administration is "caught between big business and military hawks" as it tries to pursue a "two layered policy of pushing a harder line against China's authoritarian regime while knitting stronger trade ties".\textsuperscript{303} As the U.S. economy continues to slow down after a decade of high growth, President Bush will have to remain keenly aware of economic issues when making foreign policy decisions.

Recent setbacks caused by the bombing of the Chinese Embassy in Belgrade - that resulted in Beijing suspending all talks with Washington on human rights, arms control, and trade and cancelling planned military-to-military contacts and cultural exchanges\textsuperscript{304} – and the U.S. spy-plane incident, severely strained Sino-U.S. relations. Relations have improved since September 11\textsuperscript{th} with China being unusually cooperative in the crackdown on terrorist activities and remaining silent about considerable U.S. military forces being deployed across the Asia region as a whole.

**American View of Security In East Asia:**

There are three persistent factors that continue to hamper Sino-U.S. relations: human rights, trade, and security. Human rights in China remain a constant obstacle as public opinion in the U.S. continues to challenge the administration's policy decisions over MFN trading status and continued efforts of engagement.\textsuperscript{305} In the past, human rights were secondary to strategic U.S. interests, but recently "humanitarian and security interests have become increasingly intertwined" and will continue to pose challenges to the fragile relationship.\textsuperscript{306} Trade and other

\textsuperscript{303} Mark Clifford, Dexter Roberts, Pete Engardio, and Alysha Webb, 30 & 34.
\textsuperscript{304} Elizabeth Economy, 258.
\textsuperscript{306} Melvin Gurtov, 112.
economic issues that have dominated much of the debate throughout the 1990s may finally be subsiding with the closing of talks on China’s entrance into the WTO. However, there is still significant concern over China’s ability to meet the obligations it has pledged during the negotiations. Lastly, security issues are a major point of contention in Sino-U.S. relations and remain unresolved.

Maintaining regional peace and security remains central to the U.S. because of its substantial strategic interests in East Asia. This is one source of stability between administrations since their interests remain largely unchanged and include:

- over U.S.$500 billion in trade (in 1998);
- the maintenance of open trade routes and SLOCs;
- extensive investments;
- the maintenance and expansion of open, growing, capitalist economies;
- and the prevention of a single power, or allied group of powers, from establishing their control over the region.

The 1997 financial crisis also deepened U.S. interests in the region.

The U.S. has emerged as the indispensable guarantor of regional political and economic stability. When there was reluctance to accept the restructuring and austerity measures dictated by the IMF, the U.S. backed the latter to ensure that its prescribed programs would be carried out. Many in Southeast Asia felt that American banks and businesses would profit from the opening up of their economies.

To ensure stability, the U.S. maintains over 100,000 military personnel in the Asia-Pacific theatre and utilize their massive:

- global power-projection capabilities which have been able to transform almost the entire U.S. military structure into a medium term (about a month) deployment force;
- a naval-and-air power-based military command which extends from California to the Persian Gulf;
- and pre-positioned forces and installations in states as diverse as Japan, South Korea, and Australia. These forces have stood behind U.S. diplomacy in the region for the last decade and are the foundations for U.S. capacity to constrain China.

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309 Bob Catley, 152.
In addition to its forward military presence in the region, the U.S. has been advocating an Asia-Pacific security structure through a series of U.S.-led bilateral alliances.\textsuperscript{310} This is the essence of hegemonic stability and the balance of power role that the U.S. plays in the region. As the pre-eminent military power in the region, it has the ability to bring stability by committing itself to advancing economic development, international laws and norms, and democratic principles. Its most constructive roles have been: ensuring a passive and demilitarized Japan by providing for its security; maintaining a military presence in South Korea that has kept conflict between the two Koreas at a stalemate since the end of the Korean War; and countering Soviet imperialism in the region throughout the Cold War.

To achieve these, the U.S. has remained heavily dependent on military power, security alliances, and forward deployed forces in order to back up its diplomatic efforts with military resolve.\textsuperscript{311} Pentagon documents state that the U.S. will continue to “maintain primary reliance on bilateral relationships and continued U.S. forward presence in the [Asia-Pacific] region. Multilateral dialogues and cooperation are important, but they must be under-girded by bilateral ties”.\textsuperscript{312} The U.S. Department of Defence Annual Report 2000 reinforces that agenda and states:

The continued development of support – outside the traditional basing structure – in such nations as Australia, Indonesia, Thailand, Malaysia, Brunei, Singapore and the Philippines will enhance U.S. strategic interests in maintaining regional stability and a credible power projection capability in the region and beyond.\textsuperscript{313}

A recent report published by the Rand Corporation and primarily authored by Zalmay Khalilzad, who is a senior staff member in the Bush Administration’s National Security Council, states the U.S. needs to further develop its balance of power strategy to prevent China or India

\textsuperscript{310} Wu Xinbo, 481.
\textsuperscript{311} Wu Xinbo, 482.
\textsuperscript{312} Melvin Gurtov, 114.
\textsuperscript{313} Bob Catley, 154.
from dominating the region.\textsuperscript{314} It further recommends that the administration “reverse a decades-old policy of shutting down U.S. military bases in Asia” and attempt to further solidify its presence in Asia in ways that don’t require bases”.\textsuperscript{315} The 1998 Security Strategy for East Asia “will maintain, as it has for over 40 years, bilateral security alliances with Japan, Korea, Australia and to a lesser extent Thailand and the Philippines”.\textsuperscript{316}

Overall, it is clear that the U.S. intends on maintaining its balance of power function through a forward military presence to solidify its role as a stabilizing force for development and the processes of globalization that are favourable to its strategic and economic interests. Unfortunately, this is a regional architecture that China does not support.

**Chinese View of Security in East Asia:**

An important and all too common misconception in the analysis of Chinese policy is misinterpreting the policy views of Chinese leaders. There is an assumption that Chinese leaders are divided between hard-liners and moderates and U.S. policy makers need to appeal to the moderate camp to pull China closer toward American interests. But as Paul Heer points out, “the hard-liners versus moderates dichotomy is a false one”.\textsuperscript{317} Heer claims Chinese leaders are all moderates and hardliners depending on the issue. “On domestic policy they are all reformers in the sense that they are all openly committed to the reform program of Deng Xiaoping and economic modernization, while they are all hardliners on foreign policy issues like sovereignty


\textsuperscript{315} U.S. Defence.com.


and nationalism. An awareness of China's historical weakness and vulnerability to foreign powers and its desire for economic modernization while pursuing comprehensive national power is something all Chinese leaders share. This is relevant when analyzing the differences between American and Chinese positions on security issues because it denotes that most positions on security issues are not held by a minority or factions of the leadership, but can be considered mainstream.

To almost unanimous agreement, Chinese analysts have espoused their commitment to a peaceful regional and international system that will allow China the time and an environment conducive to achieving social and economic development. Given this reality, there is a forced dichotomy in Chinese behaviour. China needs access to American financial, military, and institutional resources to integrate into the forces of globalization, yet it fundamentally differs from U.S. conceptions of globalization, democratization, and regional security structures. Thus, Beijing's security policy vis-à-vis the U.S. can be characterized by a two-tiered approach as well. While the U.S. subsists "in economic terms as an important trading partner and major investor in China", it simultaneously remains "in nationalistic terms a major rival in a competition for comprehensive national strength". Therefore, there is a constant jockeying back and forth between accommodation on economic issues and confrontation over security issues, despite the fact that they are irreparably intertwined.

There are also a number of issues and concerns that China and the U.S. have in common. Most importantly, since the end of WWII both countries have been working to ensure that Japan remains a pacifist country. The U.S. policy of providing for Japan's security through

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318 Paul Heer, 20.

substituting its own military resources for a comparable Japanese force has been serving the interests of the entire region for over 50 years.\textsuperscript{320} Both sides have also worked for a peaceful Korean peninsula throughout the decades since the Korean War. The U.S. had the military capabilities to play a deterrent role while China was able to influence relations because of it positive relationship with both sides.\textsuperscript{321}

In South Asia, both the U.S. and China would like to see the peaceful settlement of the India-Pakistan dispute and halt any further escalation in the nuclear arms race between the two countries.\textsuperscript{322} Despite the animosity in Sino-U.S. relations over Taiwan, Washington’s “one China” policy since the 1970s has contributed to stability across the Taiwan Strait.\textsuperscript{323}

In extra-regional issues, the U.S. and China share a mutual interest in the viability of a number of international organizations and treaties including; the UN, WTO, IMF, APEC, the International Atomic Energy Agency, the Comprehensive Test Ban Treaty, the Nuclear Non-proliferation Treaty, and the Chemical Weapons Convention.\textsuperscript{324} The balance of power role played by the U.S. in the region has been instrumental in promoting many of these common interests and shared objectives. China acknowledges this role of the U.S. and understands the power vacuum that would ensue in the case of their disengagement from Asia. However, it feels that U.S. policy has failed to make changes consistent with the changing reality in the post-Cold War order. China feels the U.S. is further expanding its bilateral relations to the detriment of regional stability instead of positively reacting to changes in the security dynamics of the region.

Contrary to the American security policy in East Asia of constructing stability through balance of power bilateral agreements, China views these arrangements as destabilizing.

\textsuperscript{320} Wu Xinbo, 484.
\textsuperscript{321} Xioming Huang, 280.
\textsuperscript{322} Wu Xinbo, 484.
\textsuperscript{323} Wu Xinbo, 485.
\textsuperscript{324} Bates Gill, 68.
Chinese analysts argue that, “military blocs, while enhancing security of some countries, undermine that of others, causes suspicion and division, and even encourages confrontation among regional states”. David Shambaugh comes to a similar conclusion about the Chinese strategic analysis: “the positive-sum notion that alliances can exist to preserve stability and deter aggression, without singling out specific enemies, is alien to the Chinese realpolitik security thinking”. This underlying rationale is based on China’s fear of containment by the U.S. and its allies in the region.

The relationship between the U.S. and Taiwan exemplifies China’s sense of frustration with U.S. policy. For “historical, political, nationalistic, and strategic reasons” reunification with Taiwan is at the top of China’s strategic agenda. Yet strategically, the U.S. views Taiwan as part of its “sphere of influence” and a quasi-ally. Politically, the U.S. prefers the maintenance of the status quo and the de facto independence of Taiwan, and militarily it continues to provide Taiwan with advance armaments, military technology, and intelligence. President Bush’s recent statements concerning Taiwan have also eliminated the ‘strategic ambiguity’ factor over U.S. military assistance to Taiwan should China try to retake the island by force. The Chinese find these expanded military and political relations to be increasingly intolerable.

Apart from the Taiwan issue, there are a host of other strategic relationships that continue to isolate China. Of particular concern is the U.S.-Japan Mutual Defense Treaty. “Although it serves to restrain Japanese remilitarization in the near term, it could over time become the nucleus of a containment effort directed against China.” China’s feeling of containment is

325 Wu Xinbo, 483.
327 Wu Xinbo, 489.
328 Wu Xinbo, 489.
329 Wu Xinbo, 489.
exacerbated by the extension of the Partnership for Peace to Central Asia, the re-activation of the Five-Powers Defence Pact, as well as recently enhanced U.S. security ties with Australia, Thailand, the Philippines, and Singapore.\textsuperscript{331} While less immediate, the enlargement of NATO brings a similar feeling of exclusion to China, especially since the U.S. has made a concerted effort since the end of the Cold War to expand and strengthen its military alliances and security partnerships worldwide.

The Chinese believe that “the United States is seeking to create an ‘international security order’ under its control, in which NATO will assume a ‘global mission’ and other U.S. allies will be junior partners in this quest for ‘security dominance’”.\textsuperscript{332} Nowhere has this been more evident to the Chinese than in Kosovo. China saw NATO’s ‘out-of-area crisis response’ as a means to sidestep international norms and laws to suit American interests under the guise of humanitarianism. More importantly, it made China doubt its ability to rely on its leverage in the Security Council to prevent challenges to Chinese interests if American-led forces continued to use NATO instead of the UN in the future.\textsuperscript{333} The bombing of the Chinese embassy in Belgrade served to focus China’s resentment over this kind of military action into one synthesizing moment.

Indeed, all that China opposes in the U.S.-led NATO action in Serbia – American aggression, the trampling of state sovereignty, excessive force – has been intensely magnified by the single action of destroying the Chinese embassy. This tragic event cuts to the very core of Chinese grievances with the current world order, illustrating U.S. dominance, highlighting China’s relative weakness, and violating China’s long and passionately held principle of non-interference in the internal affairs of other states.\textsuperscript{334}

\textsuperscript{331} David Shambaugh, 66.
\textsuperscript{332} David Shambaugh, 66.
\textsuperscript{333} Paul Heer, 23.
\textsuperscript{334} Bates Gill, 70.
These differences in worldview inundate almost all facets of Chinese policy, whether it is foreign or domestic. The disputes in the SCS serve to highlight these strategic differences and offer a way to measure the effectiveness of the American strategy.

The South China Sea in Sino-U.S. Relations:

As discussed in the Introduction, the SCS is a highly disputed region with numerous Southeast Asian states forming a litany of complex claims that have been backed up by various interpretations of international law, diplomatic efforts, and in some cases, military force. While many of the claimants have been frustrated by American involvement, or lack thereof, in the SCS disputes, U.S. policy has been consistent.

In official U.S. government documents, the SCS has received scant attention. During the Cold War there was some concern about the Soviet’s ability to interdict the sea-lanes of communication (SLOC) in the SCS, but little else was mentioned. In the 1990 U.S. Department of Defence report A Strategic Framework for the Asia-Pacific Rim: Looking Towards the 21st Century, the SCS was only mentioned indirectly, stating that the maritime objective of the U.S. in East Asia was to maintain the security of the SLOC throughout the Pacific.335 It was not until 1991, in an interview with the Commander-in-Chief, U.S. Pacific Command, Admiral Charles Larson, that U.S. intentions were clearly stated. He laid out four main points regarding the SCS:

The U.S. maintained a non-committal stance as there was no interest for the U.S. to intervene; it was a regional issue and the U.S. had no contingency plan to go to the Spratlys in the event of a conflict; it would be up to the countries concerned to work together and regional groups to find a solution; and that the U.S. preferred that the claimants resolve the issue through political channels rather than by military means.336

336 Ang Cheng Guan, 208.
In 1992, the U.S. Undersecretary of State, Robert Zoellick reiterated that Washington’s position on the SCS remained unchanged; “the U.S. would not make judgments on the merits of the claims, wanted freedom of navigation to be preserved and supported a peaceful resolution of the disputes”. This has consistently been the U.S. policy position on the SCS throughout the 1990s and remains so today. Yet there are subtle differences between the U.S.’ stated policy and its recent behaviour in the region.

After the 1995 Mischief Reef incident, where the Philippines’ navy and air force destroyed Chinese-built concrete structures that were discovered inside the Philippine-claimed EEZ, the White House made a press statement on the Spratlys and the SCS. Again, this statement reiterated the same four familiar points that have been the staple of U.S. policy on the SCS, but it was important for a number of reasons and marked a faint turning point in U.S. policy.

The statement by U.S. Department of State on May 10, 1995 underscored the U.S.’ overarching priority in the region by declaring: “Maintaining freedom of navigation is a fundamental interest of the United States. Unhindered navigation by all ships and aircraft in the [SCS] is essential for the peace and prosperity of the entire Asia-Pacific region, including the United States.” This position pleased the Chinese but was less than satisfying for many of the Southeast Asian states, especially since it appeared the U.S. would only become involved if the disputes interfered with the movement of their military or commercial vehicles.

337 Ang Cheng Guan, 208.
To ensure that the SLOC remain unfettered, the U.S. has since stepped up its military activities in the region to provide a regular U.S. naval presence in the SCS. American analysts have also called for military responses similar to that of the Taiwan Strait crisis should other unilateral acts of provocation occur.\textsuperscript{340} Despite maintaining the same policy position, the U.S. seems to have slowly changed its behaviour from “passive neutrality to active neutrality” after the Mischief Reef Incident.\textsuperscript{341}

The State Department’s statement from 10 May 1995 also endorsed the 1992 Manila Declaration of ASEAN, which reinforced the Chinese view of America’s ‘active neutrality’ with the underpinnings of anti-China rhetoric.\textsuperscript{342} On 15 March 2000, U.S. Secretary of Defence William Cohen added to this sense of containment when he “urged Vietnam and its Southeast Asian neighbours to use their collective leverage and combined strength to reach a peaceful settlement of a potentially explosive dispute with China over control of the [SCS]”.\textsuperscript{343} This statement came as the U.S. was reviving military-to-military relationships with the Philippines to engage in joint military exercises in Filipino-claimed waters.\textsuperscript{344} Along with other steps to increase U.S. security presence in the region through port access arrangements with a number of Southeast Asian states, this has led the Chinese to believe the U.S. intends to “constrict Chinese activities in the [SCS]”.\textsuperscript{345}

\textsuperscript{341} Wu Xinbo, 486.
\textsuperscript{342} Wu Xinbo, 486.
\textsuperscript{345} Wu Xinbo, 486.
The feelings of frustration with the U.S. over their activities in the SCS became highly publicized with the collision of the U.S. spy-plane and the Chinese fighter in April of 2001. Diplomatic relations were damaged and statements by the PRC indicated they are taking a hard line towards U.S. military activities in the region. An article in the July issue of Guoji Zhanwang, a Shanghai International Issues Research Institute, reported that the PRC has warned that in forthcoming military exercises the PLA “will reserve the right to resolutely intercept or drive away foreign or Taiwanese aircraft or warships conducting reconnaissance. If incoming aircraft or warships refuse to heed the warning, the PLA will open fire to bring them down or sink them”.

While this is reflective of the highly charged rhetoric between the two states since the spy-plane incident, it clearly indicates China’s frustration with its apparent inability to operate unencumbered in its own backyard.

Despite the U.S.' increased regional military activity since the 1995 Mischief Reef Incident, many of the Southeast Asian countries have expressed their dissatisfaction with the U.S. defining its interests in narrow legalistic terms. They feel this allows Beijing to avoid American involvement or internationalizing the dispute so long as Chinese actions do not impede the sea-lanes or undermine U.S. credibility in the region. Even with the U.S.-Philippine Mutual Defence Treaty, the Filipino government was unable to elicit an American commitment to assist Manila if conflict erupted in its disputed area.

The unwillingness of the U.S. to become embroiled in conflict in the region with its Southeast Asian security partners calls into question its role as a stabilizing force and the value

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348 Ang Cheng Guan, 209.
of supporting its presence in the region. Analysts argue that if the U.S. is serious about continuing its leadership role in Asia, it could not ignore a Chinese act of provocation in the SCS.\textsuperscript{349} Regardless, as a result of an aloof legalistic U.S. position, "Southeast Asians have been unwilling to go out on a limb against China because they have been unsure of U.S. backing."\textsuperscript{350} This was demonstrated in 1999 when Manila failed to elicit the support of ASEAN to condemn the actions of China against Philippine-claimed territory.

Beyond the issues revolving around disputed territorial claims in the SCS, many of the security concerns of the Southeast Asian countries cannot be solved by military force. As discussed in the Introduction, most of these would be considered non-traditional or soft security threats and include such issues as:

- combating narcotics production and trafficking,
- fighting organized crime,
- controlling illegal immigrant smuggling and piracy,
- controlling weapons smuggling,
- promoting economic stability and security,
- protecting the environment,
- providing disaster relief,
- and peacekeeping operations.\textsuperscript{351}

With concerns such as these topping the security agenda of regional leaders, there is little that bilateral military alliances could accomplish to overcome these difficult problems.

**Conclusions:**

Overall, U.S.-Sino relations have continually bounced between bad and worse since the end of the Cold War and the subsequent end to the justification for their strategic cooperation. Their fundamental differences in worldview and the future structure of the Asian security architecture seem almost insurmountable.

\textsuperscript{349} Ralph Cossa, C-8.
\textsuperscript{350} Michael McDevitt.
The U.S. continues to expand its bilateral relationships in the region to augment its forward military presence in hopes of maintaining military superiority and to continue to play its balance of power role. This remains important in a number of areas where the U.S. has historically played this role, such as with pacifying Japan and its presence on the Korean peninsula.

China’s foreign relations with the U.S. will likely remain tempered for the foreseeable future due to the role it can play in China’s modernization and growth. As Rosemary Foot points out, “America has a diverse and open market …; it retains a prominent role in global international institutions; largely shapes how major challenges to the international status quo are dealt with; and has offered and will probably continue to offer large numbers of Chinese citizens access to knowledge and training in new skills.”

China needs access to and positive relations with the U.S., which will force Beijing to try to appease U.S. interests without compromising its own vital national interests in other areas.

Overall, the evidence indicates China is committed to a peaceful regional and international environment that is conducive to economic development. Outright regional conflict, which U.S. bilateral relations are intended to prevent, is highly unlikely with the possible exception of Taiwan. China is dependent on economic development through trade and stability, is motivated to foster normalized relations with extra-regional actors in the EU, Middle East, and Latin America, and is driven towards achieving international acceptance as a great power through the responsible promotion of international laws, norms, and practices. These are, and will remain, integral to China’s strategy for achieving comprehensive national power. This effort would be extremely curtailed if China used its newly developed resources to become an expansionist or militaristic regional power.

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352 Rosemary Foot, 257.
Realist thought and influence on regional foreign policy will continue to be an important analytical framework for understanding Southeast Asian security. With the insecurity brought by the unresolved conflicts discussed in the Introduction and without a consensus concerning whether China poses a threat to regional stability, the weak regional states will continue to turn to the U.S. for security guarantees through bilateral agreements. The U.S.' preponderant power in the region creates a sense of hegemonic stability. However, these bilateral alliances also serve to eliminate the need for cooperation with neighbouring states and perpetuate the insecure environment. Without a sense of regional cooperation and security, those states could remain dependent upon U.S. protection and the accompanying American influence in the region that comes with it.

In addition, while these bilateral agreements may offer a sense of security in the unlikely event of a Chinese military attack, they only offer a false sense of security for the non-traditional security threats such as environmental degradation, migration, communicable diseases, piracy, and terrorism that affect the daily lives of millions of Southeast Asians. Many argue that the U.S.' reliance on superior military capabilities is out of step with the current strategic realities in the region, which are just as affected by non-traditional or soft security issues. These are issues that are not addressed through balance of power politics or through a superior military force, but they do offer a relatively stable environment in which to deal with the soft security issues.

The balance of power role that the U.S. plays in the region is appropriate and encouraged in its traditional areas of keeping major powers in check. Yet the continued attempt by the U.S. to expand that role and influence other Southeast Asian states could serve to destabilize regional security and possibly force China into decisions it would not otherwise make to ensure its national security. The bilateral security agreements offer a sense of security if measures to solve
the security issues in the SCS breakdown, but they do little to lend themselves to furthering the process of cooperation to actually mitigate the security problems. As discussed in Chapter Two regarding neo-liberal institutionalism, regimes of cooperation are based upon the creation of norms, principles, and accepted decision-making procedures. As will be shown in Chapter Five, Sino-ASEAN diplomatic relations serves to demonstrate the effectiveness and limitations of multilateralism in fostering regional cooperation.
Chapter 5: The Effectiveness of Multilateral Relations

Throughout the Cold War, most ASEAN countries maintained a non-aligned position among competing regional powers. This allowed them to focus on their economic development and maintain positive regional relationships, while at the same time exploiting any economic or strategic advantages offered from either of the two superpowers. China was part of the strategic triangle with the two superpowers and, as discussed in Chapter Three, shifted allegiances between the two poles as opportunities presented themselves. Beijing’s foreign policy focused on this superpower rivalry throughout most of the Cold War leaving very little energy devoted to cultivating regional relations. As a result, China was often seen as “a regional power without a regional policy due to the lack of an integrated policy towards the countries on its periphery”.353

After the fall of the Gang of Four in 1976, China’s emphasis shifted toward Deng’s policy of ‘Four Modernizations’ and was no longer intent on exporting communist style revolution.354 As a result, China abandoned ideology as a guiding principle and attempted to develop friendly relations with neighbouring countries regardless of ideology. This helped to ease tensions with regional leaders and created a more amicable environment that was conducive to regional relations. The ‘punitive war’ between China and Vietnam in 1979 also led to a brief strategic relationship between the PRC and ASEAN as they came together to keep Vietnamese expansion in check.355

As discussed in Chapter Three, the PRC also began to foreshadow the end of the Cold War and prepared for regional and local conflict. It was not surprising then that Beijing began to

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devise an integrated regional policy known as “periphery policy or good neighbour policy” in the early 1980s. This policy was aimed at capitalizing on the prospect of a ‘Pacific Century’ and the success of regional modernization based on Asian values. As such, the new regional policy was designed to, “actively develop friendly relations with the surrounding countries, preserve regional peace and stability, and promote regional economic cooperation”. There were also regional and international advantages with closer relations with ASEAN countries. These included: a common united front in human rights vis-à-vis the West, economic leverage as a means to develop closer ties with ASEAN, and a more flexible and responsible role in regional affairs. Taken as a whole, enhanced regional relationships had a positive impact, especially with the isolating events of 1989.

China’s new periphery policy improved relations with regional countries but the Tiananmen Square massacre marked a significant turning point. China was isolated from the West as a result of the Tiananmen crackdown, and at the same time, the Soviet Union and Eastern European countries collapsed under communism. This forced China to further adjust its foreign policies towards the Asian region, especially Southeast Asia. The policy shift towards more like-minded states, which included the “ASEAN principle of non-interference in another country’s domestic affairs”, was a welcomed relief from the diplomatic pressures exerted through engagement with Western countries.

China’s regional diplomatic activities achieved quick results. Beijing normalized relations with Indonesia and Singapore in 1990, with Vietnam in 1991, and “assumed a

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356 Suisheng Zhao, 335.
357 Suisheng Zhao, 336.
359 Joseph Y.S. Cheng, 178.
360 Joseph Y.S. Cheng, 179.
constructive role in facilitating a peaceful political settlement in Cambodia” after 1992. With the improvement of regional diplomatic relations, China was also invited to participate in a number of multilateral forums. This was neither something that Beijing was used to nor entirely comfortable operating in.

**China’s Take On Multilateralism:**

Hongying Wang identifies two types of multilateralism, nominal and qualitative, that are appropriate distinctions when examining Chinese participation. The former simply refers to the textbook definition of “coordinating national policies of three or more states,” while the latter refers to something much more distinct. Wang borrows his definition of qualitative multilateralism from John Ruggie who defines it as:

> an institutional form which coordinates behaviour among three or more states on the basis of generalized principles of conduct – that is, principles which specify appropriate conduct for a class of actions, without regard to the particularistic interests of the parties or the strategic exigencies that may exist in any specific occurrence.

Wang further adds that, “Countries that subscribe to qualitative multilateralism forego substantial flexibility and short-term gains to ensure long-term benefits”.

Historically, China has gone through a number of phases in its assessment of multilateralism. As with the evolutionary stages of China’s military doctrine, their assessment of multilateralism has changed to reflect the changes in the international system and their status within it. In the 1950s and ‘60s China rejected nominal multilateralism as instruments of

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361 Joseph Y.S. Cheng, 179.
364 Hongying Wang, 476-77.
imperialism. However, this changed in the 1970s with selective and symbolic involvement in international organizations such as the UN, but qualitative multilateralism remained unacceptable. It was not until the 1980s that Chinese scholars and policy analysts began taking multilateralism seriously and they have continued to place greater emphasis on it throughout the 1990s in hopes of realizing a multi-polar international order. Overall, the evidence seems to indicate that China has made considerable steps towards embracing multilateralism, especially on the policy side, in a relatively short period of time.

**China’s Participation in Multilateral Activities:**

China made its first foray into multilateralism in economic areas and has been an active participant in many of the region’s economic arrangements. In 1986 China joined the Pacific Economic Cooperation Council (PECC), and later in 1991, joined the Asia-Pacific Economic Cooperation (APEC) forum. Having come a long way since earlier views of multilateralism, China has “repeatedly stated that it advocates equality among members, open and free trade and investment, and non-discriminatory treatment”. These are welcome indications that China is slowly beginning to move beyond nominal to qualitative multilateralism, but a true assessment must be weighed against activities that reflect and support those statements of goodwill.

Almost all Asia-Pacific multilateral forums remain informal with distinctive Asian qualities. The principles and practices in these regional forums include: “extensive consultations and an obligation to reach consensus, informality, a low degree of institutionalization, non-

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365 Hongying Wang, 478.
366 Hongying Wang, 478-79.
368 Hongying Wang, 481.
intervention, and an evolutionary approach. The same can be said for multilateral political and security forums. Since 1993, China has moved away from its negative stance on multilateral cooperation in the region regarding political and security matters. It has since become involved in almost all of the regional forums including: the Conference on Interaction and Confidence-Building Measures in Asia (CICA), the Council on Security Cooperation in Asia and Pacific Region (CSCAP), Northeast Asia Cooperation Dialogue (NEACD), and arguably the most important, the ASEAN Regional Forum (ARF).

During the Cold War, regional security arrangements were dominated by bilateral alliances with the U.S. ASEAN was the only meaningful multilateral security organization in the region and after the Cold War it was felt that some of the old bilateral alliances should be replaced with "new multi-state security mechanisms." The ARF was born out of the desire to realize that goal in 1994. Initially, China's view of the ARF's role in regional security was mixed for a number of reasons.

As a multilateral forum including non-regional actors such as the U.S., it was viewed as an attempt to maintain American influence in the region. Secondly, while China's expectation was that ASEAN would contribute to the multipolarization of the region and serve to help balance the U.S. dominance, a "more cohesive and integrated ASEAN [could] pose as an economic competitor and also a potential adversary in the SCS." Part of the scepticism that Beijing feels about a collective security organization is linked to the fact that it has often been the target of such organizations. As such, China has insisted that the proceedings remain informal.

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369 Juergen Haacke, 167-68.
370 Juergen Haacke, 171.
371 Hongying Wang, 483.
372 Hongying Wang, 482.
373 Jing-dong Yuan, 6.
ASEAN’s preference for informality over institutionalism is also quite evident. “Dialogues and consultative mechanisms are preferred to institutions and conflict resolution measures. Instead of elaborate and formal institutional structures, ASEAN countries seem to prefer ad hoc mechanisms.” As one former ASEAN participant put it, “We often find that private talks over breakfast prove more important than formal meetings.” This type of informality is aimed at creating an environment that is comfortable, which is hoped will lead to flexible decision-making and mutual accommodation between participants. While this plays well with China and its tepid acceptance of regional multilateral security cooperation, there are aspects of the ARF that it still remains uncomfortable with.

China has given tacit approval of qualitative multilateralism in the region and has been willing to participate in it. “China’s policy makers have expressed encouragement of the ARF’s inclusive nature, its procedures of consultation and consensus-building, and its pursuit of common security.” But as mentioned, China does not want the process to become formal or binding. Yet at the second ARF meeting in 1995, ASEAN officials presented a concept paper that suggested a gradual three-stage process of intensification of cooperative security relations that would begin with “the promotion of confidence building measures, the development of mechanisms of preventative diplomacy, and the creation of conflict settlement approaches”. This was an attempt to move beyond the criticisms that the ARF would amount to nothing more than a ‘talk shop’.

China has been a willing participant in the first of the three stages and has taken positive confidence building steps such as creating more transparency by publishing a number of white

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375 Amitav Acharya, 58.
376 Hongying Wang, 483.
377 Juergen Haacke, 168.
papers, but has serious reservations about the latter two.\(^{378}\) Beijing has consistently argued against the ARF becoming a mechanism for conflict resolution and prefers to deal with security issues or territorial disputes through bilateral negotiations. It also feels that including preventative diplomacy could allow for interference in its domestic affairs and possibly threaten its sovereignty.\(^{379}\)

Jing-dong Yuan has examined China’s evolving position on multilateralism and has characterized Beijing’s actions as ‘conditional multilateralism’. His rationale is as follows; “Its essence is to present China as a supporter of the emerging regional security dialogues, while at the same time avoiding committing itself to a more institutionalized arrangement whose norms and rules may constrain Beijing’s freedom of action”.\(^{380}\) This allows China to be, “part of the process of building regional security, influence its agenda, and have a voice in its pace and direction,” without having to sacrifice short-term manoeuvrability or its ability to act in its own self-interest.\(^{381}\) In many senses, China is gaining the advantages from following the rationale embedded in both realist and neo-liberal schools of thought without having to commit to either.

Overall, China’s commitment to the principles of qualitative multilateralism is “constrained by the government’s determination to preserve national sovereignty, its insistence on policy flexibility, and its lingering anxiety that multilateralism may be an instrument serving American interests in the region”.\(^{382}\) But China’s current stance on the utilization of qualitative multilateralism must be viewed in relative terms and progress in Asia-Pacific multilateralism must be judged against its own limited history. In that sense, all of the Asian countries, China included, have made significant progress and need more time to allow for their comfort levels.

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\(^{378}\) Hongying Wang, 484.  
\(^{379}\) Hongying Wang, 484.  
\(^{380}\) Jing-dong Yuan, 9.  
\(^{381}\) Jing-dong Yuan, 9.  
\(^{382}\) Hongying Wang, 484.
and familiarity with multilateralism to grow before the possibilities for multilateral cooperation in the region can be fully understood and assessed. For now, an analysis of how China is using multilateralism in a regional context will help demonstrate its effectiveness and utility. As will be shown, China's strategy for dealing with territorial disputes in the SCS falls closely in line with Jing-dong Yuan's conditional multilateralism.

**China's Use of Multilateralism in the South China Sea Disputes:**

As discussed at length in Chapter Three, the evolution of China's strategic environment in the SCS and other contiguous sea-lanes has become more important to China's national security. Beijing is faced with the difficult tasks of preserving its sovereignty from maritime threats by protecting its new maritime economic interests, and defending its territorial claims in the SCS, while at the same time, not giving cause for alarm that its actions are a threat that need to be contained.

Containment would be counter productive to the efforts Beijing has invested in fostering good-neighbourly relations with ASEAN countries and would only serve to curtail its economic development. Ji Guoxing argued that, "Any use of force in the [SCS] by China would undermine the credibility of the current and future Chinese leadership with ASEAN, the U.S. and Europe. At present, and in the foreseeable future, the economic costs to China of such a venture would far outweigh the potential gain".383

Shee Poon Kim also highlighted a number of reasons why China is unlikely and would be unwise to use force in the SCS. These included: the leadership is largely made up of technocrats who prefer a 'play-it safe', low-risk strategy; conflict would adversely affect China's international image, a difficult lesson learned from Tiananmen; the use of force would sour Sino-

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ASEAN relations, which Beijing has been cultivating since the late 1970’s; using force in the SCS would further heighten tensions with Taipei and could give Japan an excuse to re-arm; it would invite a hard-line policy from the U.S.; and could trigger an arms race in Southeast Asia. Yet as will be discussed later, China has been known to use military force on occasion in the SCS.

Jing-dong Yuan argues these incidents are indicators that China is losing patience over encroachment on its maritime territories by regional states and therefore uses military force as a selective demonstration to prove its resolve but restrained enough to avoid alarming its neighbours. Yuan also adds that defending China’s sovereignty and maintaining its maritime rights and interests while keeping good regional relations requires two policy tracks, “diplomatic initiatives to maintain the status quo and joint development and naval build-up in case diplomacy eventually fails to protect China’s interests”. The Mischief Reef Incident is a good example of both.

As briefly mentioned in Chapter 5, the Mischief Reef Incident occurred in February of 1995. The Philippines armed forces had discovered Chinese-built concrete structures inside their 200-mile EEZ. After three days of bilateral negotiations, the Philippines government ordered their military to destroy the structures. This came as a surprise to the Chinese but ASEAN’s response was even more surprising. After the Mischief Reef Incident, ASEAN states reaffirmed the 1992 Manila Declaration, which called on claimants to exercise self-restraint in the SCS and not to make any provocative or destabilizing moves in the area, and called for Chinese

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385 Jing-dong Yuan, 19.
386 Jing-dong Yuan, 19-20.
compliance. China did not expect the solidarity within ASEAN over its actions and refused to discuss the issue formally at the 1995 Hangzhou summit, but ASEAN members did raise the issue at an informal dinner session. Previously, ASEAN members had used quiet diplomacy and private dialogue with China to save face rather than engage in a public shouting match.

This new common-stand tactic by ASEAN forced China to respond. "To diffuse regional tensions, Beijing told Manila privately that the Chinese would not build any new structures in the disputed areas with the Philippines, and subsequently offered to discuss the [SCS] dispute with ASEAN as a group at its 1995 summit in Bangkok". At the 1995 ARF meeting in Brunei, China also indicated for the first time that it would "abide by international law in sovereignty negotiations with the claimants to the Spratlys". This was an important concession because China had previously refused to discuss the disputes in a formal or multilateral setting.

In early Sino-ASEAN meetings, China had pushed its policy of shelving disputes in favour of joint development of the resources to avoid discussing sovereignty issues. It had also managed to keep the SCS disputes off the ARF's formal agenda and out of official Chairman's statements. In addition, China resisted attempts by ASEAN claimant countries to discuss SCS disputes in multilateral forums. As stated above, China prefers to negotiate in bilateral talks because of its fear that in a multilateral setting, "undue pressure would be brought to bear on Beijing by small and medium-sized states, to secure compromises possibly harmful to its national interests".

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388 Craig A. Snyder, 27.
389 Craig A. Snyder, 27.
390 Chien-peng Chung, 29.
391 Chien-peng Chung, 30.
392 Joseph Y.S. Cheng, 190.
394 Lee Lai To, 170.
All of this changed when China acquiesced to a discussion of the issue at the 1995 ARF and the inclusion of the Chairman’s statement calling on “all claimant states to seek a peaceful resolution to the dispute and to abide by the principles of relevant international treaties and conventions”. This marked the beginning of China’s acceptance of limited multilateral security dialogues, at least in a Sino-ASEAN context. It should also be noted that although China did begin multilateral security discussions following unified pressure from ASEAN, as early as March of 1996 the Chinese had rebuilt the structures on Mischief Reef that the Philippines had destroyed. While the evidence appears to confirm Yuan’s two-track policy argument, multilateral discussions have nevertheless continued.

Subsequent ASEAN-China Senior Officials Meetings (SOMs) have also dealt with SCS issues. The second meeting held in June of 1996 dealt specifically with the Spratlys but it was not formally scheduled, but by the third ASEAN-China SOM in 1997, the Spratlys issue was a formal feature on the agenda for the first time since consultations started in 1995. An ASEAN official commented after the meeting that while the positions on either side had remained the same, the atmosphere had changed: “The tone and the mood have improved. What we need to do now is to mobilize the political will to make real progress and the technical side will follow”. Unfortunately, much of the political will evaporated with the onslaught of the Asian financial crisis.

The crisis diverted ASEAN’s attention away from the territorial disputes towards their own domestic economic problems. In addition to this, there were also other regional security

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395 Craig A. Snyder, 28.
396 Chien-peng Chung, 30.
397 Lee Lai To, 174.
398 Joseph Y.S. Cheng, 190.
threats such as the conflict in Cambodia and nuclear proliferation in South Asia. As a result, the urgency of tackling SCS issues was overtaken by more imminent concerns and it received only passing attention at the 1998 ASEAN-China SOM in Kuala Lumpur.

In addition, as discussed in Chapter Three, China fared the economic crisis relatively well and was a major contributor to financial stability in the Asian markets by offering billions of dollars in aid to ASEAN countries and by promising not to devalue the renminbi. As such, "China’s self-restraint and its financial support for ASEAN in the latter’s economic crisis have enhanced mutual trust between them". Contesting China’s activities in the SCS while receiving economic aid from them at the same time put ASEAN in a difficult position. Despite some of the setbacks, multilateral cooperation has continued. The most prominent and potentially consequential of these activities has been the cooperation on developing a code of conduct for the SCS.

The initial proposal of a code of conduct was developed within ASEAN, which in itself required a number of compromises. There were differences over what areas the code should cover. Vietnam wanted the code to cover all of the SCS, including the Paracels where it has disputed claims with China. Others, such as Malaysia wanted the code limited to the Spratlys because it knew that China was opposed to the inclusion of the Paracels and it did not have interests in that area. Reuters reported on 25 November 1999 that officials from ASEAN had agreed to a draft code of conduct ahead of a summit to be held in Manila the following weekend and that it would be presented to China for approval. At the third ASEAN Informal Summit

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399 Lee Lai To, 174.
400 Joseph Y.S. Cheng, 196.
402 Reuters, “ASEAN Agrees on Spratlys Code, Needs China to Join,”
on 28 November 1999, the Vietnamese Prime Minister said, "A code of conduct in the [SCS] is an important confidence-building measure, significantly contributing to regional stability and creating a favourable condition for finding a basic and long-term solution for disputes in the [SCS]." 403

China rejected the initial draft and insisted that the joint statement entitled "ASEAN-China Cooperation Towards the 21st Century" should be the code of conduct instead.404 This was a statement issued at the heads of state meeting in Kuala Lumpur on 16 December 1997, which basically reiterated other joint China-ASEAN statements on cooperation and consultation based on UNCLOS and promoted peace and stability through confidence building measures.405 However, China did accept that further discussions were needed on the issue. A key problem with the initial ASEAN draft code was that it was "intended to freeze the status quo", which Beijing felt would legitimize other claimants illegal occupation of Chinese territory.406 But, China did appear to be in agreement with ASEAN on the benefits of establishing a regional code of conduct.

On 17 October 2000, Beijing "called on relevant countries to reach consensus at an early date so as to finalize consultation on the code of conduct in the [SCS]." 407 Beijing wanted to ensure that the code only applied to the Spratlys and that it restricted military exercises in the waters surrounding them. This was clearly an effort to derail further joint military exercises.

404 The Nation (Thai Newspaper), "Thailand to Host ASEAN-China meeting on Spratlys," BBC Monitoring Asia Pacific, 8 March 2000.
405 Chen Hung-Yu, 122.
between the U.S. and the Philippines in the area.\(^\text{408}\) The head of the Chinese delegation also pointed out that “the code of conduct is not a legal document but a political one which aims to promote peace and stability in the region, and good neighbourly relations with ASEAN”\(^\text{409}\). This is consistent with China’s attempts to maintain informal and non-binding multilateral consultations. Again, as in other multilateral discussions over the SCS, China reiterated its desire to solve the disputes peacefully but maintained its indisputable sovereignty over the SCS and adjacent waters.\(^\text{410}\)

While this remains an obstacle to be overcome, ASEAN feels that by engaging China, an equitable and peaceful solution to the disputes is possible. To that end, both sides agreed that “the code of conduct should include confidence-building measures and areas of cooperation, starting with those that are least controversial and easiest to implement”.\(^\text{411}\) Areas of cooperation that could be included are, “marine environmental protection, marine scientific research, safety of navigation and communication, search and rescue operations, combating transnational crime, including but not limited to trafficking in illicit drugs and arms, and piracy”.\(^\text{412}\) These are issues that will be examined more closely in Chapter Six and are reflective of the need to address soft security issues described in the Introduction. The consultation process has brought China and ASEAN closer together in their negotiations, but differences still remain.

The most notable differences between the regional code of conduct proposed by ASEAN on 29 November 1999 and China’s own version prepared in response is as follows:

\(^{408}\) Jane’s Intelligence Review, “A Code of Conduct for the South China Sea?”.


\(^{412}\) ASEAN Secretariat.
1) ASEAN emphasized resolving conflicts via multilateral channels while the PRC stressed settling dispute through bilateral talks.

2) ASEAN emphasized cooperation in the whole SCS area. ... The PRC wanted the application of the code to be limited only to the Spratlys.

3) ASEAN emphasized that cooperation should be promoted according to bilateral or multilateral agreements while the PRC stressed joint development.

4) ASEAN emphasized stopping any attempts to occupy more islands and reefs, a point the PRC refrained from mentioning at all.

5) ASEAN did not raise any objection to military exercises, military reconnaissance, and military patrols in the SCS area, while the PRC clearly stated objections to such activities.\(^4\)

After numerous consultations, these differences are still being negotiated. However, some analysts question the difference that such a code would make in actual state practices in the SCS, especially for China.

As discussed in Chapter Three, China continues to modernize its military forces with an emphasis on its naval force projection capability. This has prompted fears within ASEAN that China is merely negotiating on issues like the code of conduct to buy the time it needs to further develop its military and economic capabilities to a point where it can defend its claims in the SCS by force. In addition, China has already failed to live up to the code of conduct it agreed to with the Philippines after the Mischief Reef Incident.

Beijing upgraded the facilities on Mischief Reef, which are now claimed to have sophisticated surveillance and communication equipment, despite an agreement to halt building any further structures on the reef.\(^5\) ASEAN was distracted by the financial crisis, Indonesia’s domestic problems, and the problems associated with new members, which provided an opportunity for China to take action without much fear of another ASEAN reprisal similar to the

\(^4\) Chen Hurng-Yu, 125-26.
The Philippines was again outraged by the Chinese actions but could not elicit the support of ASEAN who was preoccupied and retained lingering gratitude for China’s assistance during the financial crisis.

Analysts have highlighted this second Mischief Reef incident as another classic example of a long history of China’s opportunism that dates back as far as its conflict with Vietnam in 1974. At that time, South Vietnam was isolated because the U.S. had withdrawn its forces when China attacked in 1974, and Vietnam was again faced with a boycott from the U.S., other Western countries, and ASEAN when China attacked it in 1988.

Similarly, the initial confrontation in 1995 at Mischief Reef followed the withdrawal of U.S. troops from the Philippines and the termination of the Manila-Washington military-base cooperation. Beijing’s miscalculation at that juncture led to the strong unified response by ASEAN. But having learned from its mistake, Beijing seemingly waited until ASEAN was distracted and unlikely to respond in defence of the Philippines again when it made its next move in 1999. Overall, the evidence appears to demonstrate that China has carefully weighed its options and used military force on occasions when it felt it could gain advantages without undo risk of upsetting regional relations.

Details of countless other low-key clashes between China and other claimant states continue to make the headlines of local newspapers. These clashes tend to be between militaries and local fishermen, scientific groups, or tourists. These conflicts can have deadly consequences, as seen in one story reported by the Xinhua News Agency, “China is gravely shocked and strongly dissatisfied over the incident that a Chinese fishing boat was attacked and a

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415 Ang Cheng Guan, 426.
417 Chen Hurng-Yu, 130.
418 Chen Hurng-Yu, 131.
fisherman shot dead by Philippine maritime guards in the [SCS].\textsuperscript{419} Beijing has also continued its policy of creeping assertiveness by quietly improving its presence in the SCS. “Living conditions and logistics supplies for Chinese soldiers guarding the Spratlys in the [SCS] have been greatly improved in recent years. … Helicopter pads have been built on several of the big islands [and] modern weaponry and reconnaissance equipment [have been added].\textsuperscript{420} All of this continues to raise fears among ASEAN leaders.

The centerpiece of ASEAN’s collective diplomacy since the early 1990s has been an attempt to engage China in a broad range of security oriented dialogues, primarily through the ARF, but also through multi-level processes that will be examined in Chapter Six. Tim Huxley points to ASEAN’s members continued reliance on the U.S. to maintain the regional balance of power, despite their political and economic differences, as evidence that they are realizing dialogue and economic interdependence may not be enough to constrain China’s regional ambitions.\textsuperscript{421}

There are also indications that with the effects of the financial crisis fading, some of the regional countries are again starting to shop for more sophisticated military hardware. Two unlikely states have recently made purchases that appear aimed at improving their capability to operate militarily in the SCS. While China and ASEAN were negotiating the code of conduct aimed at reducing tensions in the SCS, Malaysia decided to purchase a submarine to be based out

of Teluk Sepanggar bay on the SCS. Malaysia’s decision came on the heels of Singapore’s purchase of a submarine and 27 offshore patrol vessels.

ASEAN fears the Bush administration’s decision to go ahead with its missile defence program will cause a further Chinese military build-up. They are also concerned about the implications of a settlement to the Taiwan issue. A former national security adviser to the Philippines stated, “If and when Taiwan becomes reunited with the mainland, internal demands will grow for the settlement of China’s remaining irredentist claims. We in Southeast Asia cannot under estimate the seriousness with which China is pursuing its claim to the Spratlys in the [SCS].” A resolution to the Taiwan problem would also free up a considerable amount of China’s military resources that could be deployed in the SCS theatre.

While all of this is a far cry from a new regional arms race, it does raise concerns about how regional states will react to the uncertainty that China creates when it espouses the benefits and its commitment to multilateral cooperation on the one hand, and continues to take provocative actions in the disputed areas on the other.

Conclusions:

The development of multilateral security dialogues in Southeast Asia has been an important element in fostering regional stability and realizing the eventual resolution of territorial disputes in the SCS. During the 1990s, multilateralism became an important part of

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422 The Nation (Thai Newspaper), “Malaysia’s plan for submarine raises fears among Thailand, China,” Monitoring Asia Pacific, 1 August 2000.
423 The Nation (Thai Newspaper), “Malaysia’s plan for submarine raises fears among Thailand, China.”
China’s economic and security policy. It was seen as a tool for Beijing to balance U.S. military alliances and as a means to appease regional states by reducing the perception of China as a threat. Yet Beijing has made its preference clear for dealing with key issues such as sovereignty in bilateral negotiations where it can attain further leverage as the more powerful actor.

ASEAN’s strategy of engaging China has been aimed at overcoming this mentality and hopes that, “over the long run, networks of security, economic, and political institutions can be established and consolidated, in which China has a clear stake, the framework of which China has helped to build, and hence Beijing will have an incentive to maintain”. Unfortunately, as Wang points out, Chinese foreign policy makers are not only exposed to the principles of multilateralism, but have learned their greatest lessons from the basic principles of realpolitik.

As long as Beijing feels victimized from historical wrongs and insecure due to threats of containment by the U.S. in collusion with other regional states, China is likely to continue its dual policy of strengthening its military force projection capabilities and promoting a peaceful external environment to focus on domestic economic modernization. Therefore, China has tried to appear as a benign power focusing on economic modernization and improving multilateral relations with its neighbours through constructive consultations and commitments to peace and international law. But it has also been assertive and even belligerent in dealing with issues of vital interest such as sovereignty.

The disparity between these two sides has brought significant uncertainty to the region and adds to the “China threat” perception and the need for regional states to secure military

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426 Hongying Wang, 485.
427 Jing-dong Yuan, 21.
428 Hongying Wang, 487.
429 Shee Poon Kim, 385.
430 Suisheng Zhao, 345.
alliances with the U.S. as a balance of power against possible Chinese aggression. But China cannot afford to be left out of shaping the institutional framework that will determine the rules and norms for regional security, and ASEAN will play an important role in this process. In order to ensure good regional relations and a place at the table to influence this process, China must appear as though it is a constructive participant in regional institutions.

China’s actions are thus characteristic of behaviour described by both realist and neo-liberal institutionalist thinking. Beijing remains constantly aware of its fundamental interests and continues to see them largely in relative as opposed to absolute terms. At the same time, it sees multilateral institutions as creating the norms and principles of regional cooperation and the importance of being able to participate in shaping those processes to reflect their own interests. In that sense, China sees policy coordination among regional states translating into actors adjusting their behaviour to others’ preferences, ultimately leading to mutual gains.

Thus, the evidence appears to support Jing-dong Yuan’s concept of ‘conditional multilateralism’ as the most appropriate description of China’s behaviour. The concept, whether Yuan’s intent or not, appears to capture the meshing of realist and neo-liberal institutionalist influence on China’s policy decisions. Beijing has been willing to enter into multilateral discussion on security issues so long as they remain informal and de-institutionalized. This allows China a maximum range of flexibility without constraining its freedom of action by binding it to legal or formal mechanisms of conflict resolution. At the same time however, Chinese interests are becoming increasingly integrated with other countries and as the number of multilateral consultations increases, so does the complexity of the interdependence.

The degree of multilateral cooperation, especially on security issues, has grown rapidly in the last decade. So while China may not have internalized the norms of qualitative
multilateralism and tends to use it more as a strategic tool than an ingrained principle, given time to mature, multilateralism could become a constructive part of China’s foreign policy. Again, the soft security issues encompassed in non-traditional security threats in the SCS could provide an ideal place to allow this principle to mature.
Chapter 6: The Effectiveness of Multi-Level Relations

Thus far the analysis of the various levels of diplomatic activity in the SCS has examined the bilateral balance of power relationship between China and the United States, and multilateral relations between China and ASEAN. This chapter will turn its focus away from traditional state-to-state relations toward multi-level diplomatic activities (MDA) that include state, sub-state, and non-state actors.

As discussed in previous chapters, the territorial disputes in the SCS are often viewed as intractable. For China especially, the SCS disputes have been interwoven into a complex web of strategic, economic, and nationalistic ambitions. This has taken the form of strategic necessity to defend against potential military attacks from its maritime approaches, as well as a rationale for the development of blue-water power projection capabilities. They have highlighted the economic importance of the region to provide much needed energy resources to drive their economic modernization with the potential wealth of carbon-based resources. Lastly, regaining sovereign control over regions China lost during its ‘century of shame’ has seen the emergence of a heightened sense of nationalism, often deliberately heightened by Beijing to draw attention away from questions over the legitimacy of its authoritarian rule.

This is the rationale that drives China’s policy of asserting indisputable sovereignty over its claims in the SCS and why Beijing refuses to negotiate on sovereignty issues. Yet Beijing has been willing to discuss ways to bring a peaceful conclusion to the disputes, and has indicated that it will do so in accordance with the principles of international law. This is one of the many positive developments that have come out of regional multilateral discussions. However, the evidence demonstrates that China is still extremely cautious when it comes to multilateralism and is only willing to participate if the process remains informal and non-binding. The principle
regional multilateral security forum, the ARF, has operated in that exact fashion and is based upon the values and principles embodied in the ‘ASEAN Way’, and includes the following elements:

- Building cordial relations among political elites
- Emphasizing inclusiveness and avoiding strategies of exclusion and isolation
- Reinforcing state-enhancing principles of sovereignty and equality
- Avoiding interference in the domestic affairs of other states
- Emphasizing encouragement rather than punishment
- Moving at a pace acceptable to all participants
- Operating on the basis of consensus rather than majority rule
- Fostering the habit of disagreeing without being disagreeable
- Avoiding bureaucratic institutionalization through permanent secretariats
- Promoting “soft regionalism” by using non-binding and voluntary commitments rather than formal treaties and negotiations
- Using multilateral processes to set the stage for successful bilateral negotiations and conflict management
- Developing instruments for subliming and defusing conflicts rather than resolving them
- Building cooperation in an evolutionary, step-by-step manner rather than by grand design, and
- Supporting the vocabulary and rhetoric of cooperative and comprehensive security.  

Operating in an environment characterized by Asian values and modes of operation has markedly increased China’s comfort level with participating in such forums and has allowed for neighbouring countries to engage China in multilateral dialogue on regional security issues. But as discussed in the previous chapter, China’s commitment to the multilateral dialogue process can be considered ‘conditional’ at best. Yet this must be weighed in relative terms against the short period with which Beijing has been actively involved in such processes. Given the intractability of many of the issues surrounding the sovereignty disputes in the SCS, the evidence is beginning to demonstrate the positive role MDA is having upon China’s limited experience in multilateralism by allowing for unofficial, informal, and most importantly, frank discussions on a broad range of issues that are unencumbered by official policy positions.

Multi-Level Diplomatic Forums and Their Accomplishments:

Multi-level diplomatic forums of unofficial diplomacy have been expanding considerably in the Asia-Pacific region throughout the 1990s. Of the 112 multilateral fora on regional security issues convened between 1993 and early 1995, at least 93 were unofficial in nature. These types of forums have become “instrumental in the expansion of multilateral channels for regional exchanges on security cooperation” in the Asia Pacific. This type of diplomatic interaction is often referred to as Track II, although almost always in quotations so as to seemingly denote that it has somehow not been accepted as truly legitimate. Traditional, or Track I, diplomatic activity is normally defined as official interactions between accredited representatives of sovereign states. Track II on the other hand, involves the participation of:

academics, policy analysts, business, media, grassroots organizations, and government officials in their private capacity in policy-related activities such as seminars, conferences, even participatory research designed to influence foreign policy whether in the economic or the political-security realms.

There are also two others levels of diplomatic activity that fall on either side of Track II.

Track one-and-a-half falls between Track I and Track II and is considered unofficial, but more closely linked with official governments. Often the agenda is set by government officials and is more regulated and result-orientated than Track II. Kraft writes, “While largely subjective as a basis, the distinction between Track II and Track one-and-a-half is primarily

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433 Herman Kraft, 343.
determined by the process' relative independence from the interests of the participating states."\(^{436}\)

The other is Track III, which is composed entirely of non-governmental actors. In Track III interactions, "discussions are more academic and very informal, and the agendas generally tend to be critical of governments and their policies".\(^{437}\) Track III participants are reluctant to associate themselves too closely with Track one-and-a-half and Track II for fear of legitimizing a security discourse they disagree with.

The growth of Track III actors and networks underscores the limitations of Track II in providing a fundamentally different security discourse to that offered by the Track I process. As Kraft points out, "These groups, largely marginalized by the dominant discourse on security in the region, seek to build constituencies for peace which can question conventional practices and beliefs and present alternatives to official government positions".\(^{438}\) Track III remains an underused asset in regional diplomatic initiatives and needs to be further integrated into Track I and II matrixes to achieve the full potential of MDA. Track II actors are needed to play the important role of bridging the current gap between Track I and Track III activities.

The benefits of Track II interaction are multi-fold. Due to its unofficial standing, "any conclusions or recommendations emerging from such meetings are in no way binding upon governments, nor are the proceedings of the meetings declamatory of the position of any state".\(^{439}\) This type of dialogue between government officials operating in their personal capacity supposedly remains uninhibited by the policy positions of their respective governments.

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\(^{436}\) Herman Kraft, "Unofficial Diplomacy in Southeast Asia: The Role of ASEAN-ISIS," CANCAPS Papier Number 22, February 2000, 4.

\(^{437}\) Herman Kraft, 350.

\(^{438}\) Herman Kraft, "Unofficial Diplomacy...", 16.

This allows for frank and open discussion on sensitive issues that would be too disputatious to be discussed at the formal Track I level.\textsuperscript{440} Kraft points out that the notion of officials participating in their private capacity “is generally considered to be a ‘polite fiction’ as the line demarcating what is official and non-official in such meetings is unclear”.\textsuperscript{441}

Regardless, the various participants remain engaged in consultations on sensitive political and security issues and are free to voice opinions and recommendations that are often viewed as too unconventional to be raised at a formal level. Cossa refers to Track II activities as both “a sounding board for potential government initiatives and a vehicle through which security specialists and academicians from outside the government can expose officials to new ideas or approaches”.\textsuperscript{442} This type of informality and flexibility allows even government officials to make such recommendations without the fear of their statements reflecting their official state policy, and subsequently, governments are free to adopt any of the recommendations that are seen as positive and to dismiss ones that are not.

There are three main forums of MDA operating in Southeast Asia – the ASEAN Institutes for Strategic and International Studies (ASEAN-ISIS), the Council for Security Cooperation in the Asia Pacific (CSCAP), and the Workshops on Managing Potential Conflict in the South China Sea. An examination of these forums will garner a better understanding of the effectiveness and impact that MDA processes are having on regional security, especially on SCS issues.


\textsuperscript{441} Herman Kraft, 334.

ASEAN Institutes for Strategic International Studies (ASEAN-ISIS):

ASEAN-ISIS was founded in 1984 in Bali, Indonesia, and is registered with the ASEAN Secretariat as an ASEAN NGO.\textsuperscript{443} Its charter mandates that only research institutions based in ASEAN member countries may join but it also maintains an extensive network of institutional linkages with leading think tanks in many countries in the Asia-Pacific, including: Australia, Canada, China, India, Japan, New Zealand, South Korea, Taiwan, and the United States.\textsuperscript{444} ASEAN-ISIS operates as the Track II support mechanism for Track I ASEAN activities. After initially working individually through their respective governments, relations between ASEAN and ASEAN-ISIS were formalized in 1993 and ASEAN-ISIS was invited to meet ASEAN senior officials shortly before the Senior Officials Meeting (SOM) in Singapore that year.\textsuperscript{445}

This formal relationship between the official and unofficial levels can be seen as a double-edged sword. The close linkage “provides [Track II] diplomacy with access to privileged information and a position from which it could directly influence official policy. At the same time, it affects [Track II’s] potential for critical thinking and, consequently, the quality of analysis and discussion”.\textsuperscript{446} Despite questionable independence, ASEAN-ISIS has achieved considerable success in influencing ASEAN policy decisions. ASEAN-ISIS played a crucial role in urging ASEAN to begin security dialogues in the early 1990s, and subsequently helped set the agenda on security issues for ASEAN ministerial meetings. Later it also played an important role in the creation of the ARF.\textsuperscript{447}

\textsuperscript{443} Carolina Hernandez.
\textsuperscript{444} Carolina Hernandez.
\textsuperscript{445} Carolina Hernandez.
\textsuperscript{446} Herman Kraft, 346.
After the ARF’s inception, ASEAN-ISIS continued to have a significant role in setting its agenda and shaping its future. "Among the early ISIS proposals which found their way to the ARF agenda were national white papers on defence, a Southeast Asia arms registry, mutual invitations to observe military exercises, and the establishment of an ASEAN Peace Keeping Center." Another important element of its influence on the ARF is its ability to engage China.

In an attempt to assist ASEAN to constructively engage China on security issues, ASEAN-ISIS has held regular dialogues with its Chinese counterparts, facilitated China’s membership in CSCAP, assisted in moving the political aspects of the informal workshops on the SCS forward, and conceptualized a comprehensive document covering ASEAN-China relations. This kind of informal multilateral engagement is well suited to China’s reservations about multilateralism and assists in allaying its suspicions about participating in such forums.

The Council for Security Cooperation in the Asia Pacific (CSCAP):

The end of Cold War superpower rivalries brought about the formulation of the ARF with the intention of engaging non-like-minded states in the Asian region, such as China and Russia, on political and security issues since their actions would have implications for all countries in the region. CSCAP was formed in 1993 with major support from ASEAN-ISIS as the Track II counterpart to the ARF. In essence, it is a “vehicle for shadow diplomacy in which influence on government policy is the principal task”. CSCAP is a federation of national Asia-Pacific security research organizations that has become “the most comprehensive, regular, non-

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448 Sheldon Simon, 208.
449 Carolina Hernandez.
450 Carolina Hernandez.
451 Paul Evans, 163.
governmental forum on Pacific security in history". It links “regional security-orientated institutes, and through them, broad-based member committees comprised of academicians, business leaders, security specialists, and former and current foreign ministry and defence officials”.

Its membership is made up of organizations from major Asia-Pacific countries, and includes ten leading research institutes for strategic and international studies from the ASEAN states (Indonesia, Thailand, Philippines, and Malaysia), and from Australia, Canada, South Korea, Japan, and the United States. China joined later in December of 1996 and CSCAP was able to broker a deal which allowed for Taiwanese scholars to participate in their private capacity but not as members of a national group. The diversity of opinions and historical experiences contained in such a broad membership adds to the quality of input and analysis CSCAP offers.

CSCAP’s output is achieved by focusing its members’ activities into four working groups. These were established to explore the following topics: confidence and security-building measures, the concepts of cooperative and comprehensive security, maritime cooperation, security cooperation in the North Pacific, and more recently, transnational crime. The working groups undertake policy-orientated studies and make recommendations to CSCAP, which in turn present them to the ARF SOM. In essence, the relationship could be described as “complementary components of a double-track approach to regional diplomacy”.

This type of approach is beginning to achieve notable results. A partial list of these achievements include: draft guidelines for regional maritime cooperation, a CSCAP Memoranda

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452 Sheldon Simon, 208.
453 Ralph Cossa, 2.
454 Sheldon Simon, 208, and Carolina Hernandez.
455 Sheldon Simon, 208.
457 Frances Lai.
458 Lawrence Woods, 91.
outlining how both CBMs and comprehensive/cooperative security measures apply to the Asia-Pacific region, investigation into the utility of the UN Register of Conventional Arms to the region, the development of a generic outline for defence white papers, and stimulated discussion on the possible future role of the ARF's involvement in preventative diplomacy. The evidence demonstrates CSCAP's success at not only influencing Track I diplomacy, but also furthering the security discourse in the region by pursuing innovative and non-traditional policy options for Asian governments.

CSCAP has also been successful at engaging China multilaterally on issues of regional security, which was part of the rationale for the creation of the council. It was hoped that the regional countries could influence Chinese attitudes and behaviour through multilateral engagement. China's continued participation in these fora can only be seen as a positive reflection of these efforts. China has attended every CSCAP meeting since its entry in 1993, has established a large and active member committee, has become a co-chair of one working group, and has prepared papers for at least eight meetings. Beijing has also taken other official steps to enhance its participation in Track II activities.

In 1996, the Chinese Ministry of Foreign Affairs (MFA) established a special unit within the Asia Department to manage regional cooperation fora including CSCAP and other Track II initiatives. This has also meant a dramatic increase in the number of Chinese participating in various diplomatic initiatives. Paul Evans has estimated that the number of individuals representing China at multilateral forums has increased from fewer than 15 in 1992 to exceeding 100 by 1997, and would be doubled if bilateral forums were included. This expansion has also

459 Ralph Cossa, 2.
460 Paul Evans, 167.
461 Paul Evans, 169.
462 Paul Evans, 169.
been seen in China’s CSCAP member committee, which now has over 45 members and is regarded by Chinese scholars as “an unusual and constructive means for establishing horizontal connections among previously disparate components of the policy elite”. This appears to be one of the most important underlying aspects of the process.

Multilateral Track II initiatives are involving a growing number of Chinese officials and scholars interacting with their counterparts across the Asia-Pacific and beyond. This type of consultation can only serve to broaden China’s strategic thinking and to slowly begin to allay some of its fears about the intentions of its peer competitors and neighbours. At the same time, Hernandez reminds us that the Chinese have had very limited experience in Track II activities because of how their political system is organized. “The notion of non-governmental, non-official actors participating in the discussions on peace and security issues is an alien one for [China].”

While it is difficult to make any concrete conclusions due to remaining challenges, the Chinese have made significant progress in both accepting the benefits of Track II activities and in becoming actively involved in the process. Evans concludes that, “It is fair to say that Chinese attitudes have shifted further than those of almost any other participant. And for the first time in 50 years, there is a growing constituency in China, well connected to the outside world, that is rethinking the future of China’s international relations.”

Another important measuring stick to assess China’s acceptance of MDA and its influence on Chinese foreign policy decision-making is Beijing’s involvement in the Informal Workshops on resolving contentious issues in the SCS.

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463 Paul Evans, 169.
464 Carolina Hernandez.
465 Paul Evans, 170.
Workshops on Managing Potential Conflict in the South China Sea:

Ambassador Hasjim Djalal from Indonesia envisioned the Workshops on Managing Potential Conflict in the SCS as a two-pronged approach to territorial and jurisdictional dispute resolution. The first prong was to determine where cooperation could be developed between the littoral states of the SCS, and the second was to develop means of preventative diplomacy that could build confidence and ensure a peaceful resolution to the disputes. The objectives of the Workshops are to "identify marine activities that require the co-operation of the [SCS] region, and to develop project proposals accordingly, first because such joint activities are required functionally and second, to build confidence and co-operation to replace conflict and confrontation". These are ambitious objectives but the process is broken down into narrowly defined areas of consideration with each step building upon the previous one. The Workshops are:

- approached through the identification of areas for potential cooperation between the states of the [SCS] region in marine scientific research; marine environmental protection; navigation safety and sea communications; fisheries assessment and management; non-living resources assessment and development; defence and security issues; territorial and jurisdictional issues (other than claims to ocean-space and islands); and institutional mechanisms for cooperation.

While brief statements on jurisdiction over the islands in the SCS are allowed, discussion about the sovereignty disputes is not permitted. It is felt by both the organizers and the participants that confrontational issues like sovereignty should be avoided so that work can concentrate on less controversial issues. This tactic has "de-emphasized the disputes to the

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advantage of confidence-building measures”. This fact highlights a common misperception that the Workshop process was established to resolve the territorial disputes in the SCS.

The underlying premise of the Workshop process is that it matters little who has sovereign control over various parts of the SCS. As littoral states in a semi-enclosed sea, all regional countries have an important role to play in the myriad of complex marine management issues. As Stornmont points out, “Boundaries may provide some answers but they do not adequately address the broader issue of marine management, particularly when one considers the migratory fish and pollutants pay no regard to boundary lines.” In order to properly manage these marine issues, a high degree of cooperation is necessary. The consultative process used in the Workshops to achieve the cooperative mechanisms necessary for marine management could form the basis for resolving the more contentious territorial disputes at a later date.

Like ASEAN-ISIS and CSCAP, the Workshops are organized as an unofficial Track II initiative. Its membership is likewise comprised of government officials, diplomatic corps, military officers, academia, and research organizations, all of which participate in their own private capacity. The director of the Workshops, professor Ian Townsend-Gault from the University of British Columbia, has stated that the “process could not have been initiated, much less developed, had there been any attempt to establish it as an official activity, …but far from removing the process from the attention of senior officials, this device allows such officials to attend and participate.” The status of the individuals attending also speaks to the seriousness

470 William Stornmont.
with which the regional states take the Workshop process, as well as the possible influence that it has. Chung points out that:

The individuals involved in the Workshops are by and large influential opinion-leaders in their own countries with high-level political contacts gained through current or previous government service and personal associations with state leaders. ...Their opinions may be decisive in shifting the priorities of these leaders from contemplating confrontation to pursuing cooperation.472

Despite the fact that the Workshop process is informal and non-obliging, it is still fashioned after traditional means of diplomatic dialogue — exchange of information, communication, and negotiation.473 Yet, as with other Track II activities, the unofficial nature of the proceedings allow participants far more latitude when discussing issues. “By and large, a collegiate atmosphere can be established, and junior as well as senior participants feel free to express views. Individuals from the same country have been known to contradict or disagree publicly with one another in the [SCS] meetings.”474 This remains one of the most valuable advantages of Track II activities and allows for innovative solutions to complex problems that might not otherwise surface. This is especially relevant when dealing with the sensitive issues of the SCS.

The first Workshop took place in Bali, Indonesia in January 1990, and was only attended by members of ASEAN and support staff from Canada. This allowed ASEAN members to present their personal positions on furthering cooperation in the SCS before meeting with other regional representatives. By the second Workshop meeting in 1991 the membership had expanded to include participants from China, Taiwan, Laos, and Vietnam.475 Another advantage of regional Track II activity is China’s acceptance of Taiwan’s participation due to the unofficial

472 Chien-peng Chung, 26.
473 Lisolette Odgaard, 12.
474 Ian Townsend-Gault, “Brokering Cooperation in the South China Sea,”.
475 Chien-peng Chung, 24.
status of the Workshops. The governments and universities of these states participate in a number of ways, including technical support, acting as hosts for the Technical Working Group meetings, and the release of officials/professors to prepare research papers and/or to participate in their private capacities.\(^{476}\)

Discussions on marine management issues were becoming too complex to deal with at the annual meetings. By the third Workshop in 1992, Technical Working Groups were established and have since expanded to include: resource assessment and ways and means of development; marine scientific research; safety of navigation, transportation, and communications; and legal matters.\(^{477}\) The value of having non-state actors working along side officials becomes evident when examining these forums. “In contrast to the government officials, they [the non-state actors, such as scientists] have the time, unofficial position and knowledge to prepare concrete project proposals that are necessary to reach the stage of implementation.”\(^{478}\)

The work done by these groups of experts are then formalized into reports to be submitted to the annual plenary meetings for adoption, and subsequently, to governments for formal adoption or to organizations for financial support to implement them. “The intention therefore is to produce concrete ideas for cooperation using Track II or informal diplomacy, with the intention of turning finished ideas over to traditional inter-governmental groups for final approval.”\(^{479}\) This process has met with some success but is meant to be an incremental approach in an attempt to build the political will necessary to realize the work being carried out

\(^{476}\) Ian Townsend-Gault, “Brokering Cooperation in the South China Sea,”.


\(^{478}\) Liselotte Odgaard, 13.

\(^{479}\) Ian Townsend-Gault, “Brokering Cooperation in the South China Sea,”.
in the Workshops. China’s participation and cooperation in implementing the Workshop proposals is essential if the process is to be successful. Thus far China’s participation in the Workshops has been mixed.

The Workshop process began at the same time that China was reshaping its foreign policy towards the Asian region. As discussed in Chapters Three and Five, this was a direct result of China’s isolation after the end of the Cold War and the devastating international repercussions of the Tiananmen Massacre. Participating in the Workshop process was a natural extension of establishing closer regional ties and attempting to diffuse suspicions over its intentions in the region. While the other Southeast Asian claimants had occupied SCS islands throughout the post-War period, China had not occupied any islands until its military skirmish with Vietnam in 1988, which left many in the region guessing as to what China’s intentions might be.480

China does not share the Southeast Asian practice of non-use of force that had ensured inter-state disputes did not result in military conflict, but has used force at various intervals as a means of dispute settlement.481 While China has traditionally not been an expansionary state, its participation in the Workshops would provide an opportunity to explain its position and allay any fears about its regional intentions. However, as Odgaard points out,

China does not view the [SCS] as foreign territory, but as an inalienable part of China. Therefore, Chinese insistence that she has no expansionary ambitions in the [SCS] has done nothing to convince her Southeast Asian neighbours that she will refrain from the use of force in the Spratlys dispute.482

It would also be imprudent for China to not be at the table discussing the SCS disputes while other claimants were taking part and shaping the discussions in their favour. In addition,

480 Lisolette Odgaard, 8.
481 Lisolette Odgaard, 8.
482 Lisolette Odgaard, 8.
"Beijing probably found the ‘informal’ workshop process comfortable, as it provided some flexibility and leeway to question or refute any resolutions or agreements that might be accepted by the other participants". This is in part a function of China’s insistence on maintaining an independent foreign policy as described in the first section of Chapter 3. Having blamed many of the principal causes of China’s loss of greatness on foreign exploitation, Beijing has been reluctant to commit to formal multilateral negotiations because it might be pressured to enter into agreements as a result of its minority position.

As pointed out in Chapter Five, China’s willingness to participate in formal multilateral fora like the ARF has improved considerably throughout the post-Cold War period but remains conditional at best. As a result, “the Workshops have been the only feasible organizational instrument by which China might be engaged in the development of co-operative mechanisms of reconciliation and coordination”. Snyder has also pointed out China’s preference for working through the informal multilateral Workshops. The Workshop forums allow China an opportunity to participate and influence discussions on security and maritime issues in multilateral fora without having to fear that the proceedings are binding.

China sent a team headed by officials from the Ministry of Foreign Affairs to the 1991 Workshop. Its debut was marked by a statement indicating that its participation did not mean that it would compromise on its SCS claims, and in fact reiterated Beijing’s indisputable sovereignty of the areas it claimed. However, China has advocated shelving the sovereignty issue and promoted joint development of the Spratlys instead, which is a Chinese proposal that

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484 Lisolette Odgaard, 12.
485 Lisolette Odgaard, 12.
487 Lee Lai To, 166.
dates back to the late 1980s. In order to achieve the more complicated cooperation and develop the goodwill needed for joint development, China felt that cooperation should begin with the less sensitive projects being discussed at the Workshops.

At the fourth Workshop meeting in 1993, Indonesian proposals for negotiations on a joint development program were 'rebuffed' by China and the idea was shelved because it was decided more confidence building-measures (CBM) were needed. Yet, during the 1994 to 1996 meetings, methods of confidence-building were again rebuffed by China and the Chinese delegates refused to commit themselves to a joint Workshop statement containing confidence-building principles. While these principles were supported by most in the Workshop, China felt that they were beyond the proper purview of the Workshop. As a result, the discussion of CBMs was discontinued at the 1997 meeting and the attempt to bring about proposals for direct conflict prevention failed.

Thus far, while the Chinese government has supported the Workshop process and efforts to promote cooperation on select issues, it feels that it is going too far too fast. As a result, China has been slow in supporting many of the other proposals, pointing instead to the fact that the Workshops are a CBM in and of themselves. Odgaard points to two explanations for China's actions. The Chinese have been continually suspicious that technical initiatives are

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488 Lee Lai To, 166. But as Odgaard points out, China did not clarify what it meant by joint development until 1997. See Odgaard p.13.
489 Lee Lai To, 166.
491 The methods of CBMs were identified as mutual exercise of restraint and non-expansion of existing military presence, resolution of disputes by peaceful means, and the renouncement of use or threat of force to settle disputes.
492 Lisolette Odgaard, 9.
493 Christopher Joyner, 95.
494 Lisolette Odgaard, 10.
495 Christopher Joyner, 97.
496 Lee Lai To, 189.
politically motivated, and that its reluctance to implement proposals reflects China’s tradition of secrecy and independence from long-term commitments with foreign powers that might collaborate against its interests.\textsuperscript{497}

This fact is frustrating to the other participants, especially with regards to the Spratly dispute. The other Southeast Asian states “have witnessed China participating in discussions aimed at preventing confrontation in the area only to find that China at the same time continues her policy of effective occupation”.\textsuperscript{498} In many respects, China’s actions in the Workshops mirror its actions in other official multilateral forums.

Much of China’s actions described here would fit with Yuan’s definition of conditional multilateralism described in Chapter Five. This is not completely surprising since, as with official multilateralism, China has limited experience with this type of interaction and requires time and patience to build the trust and confidence needed to fully embrace the characteristics of qualitative multilateralism and build a distinctive regional security framework. What needs to be highlighted is the fact that, despite some of the problems described above, high-level Chinese officials are meeting with other regional officials, academics, and NGO’s on a regular basis to discuss innovative ways to foster cooperation and CBMs on real issues that are affecting the lives and livelihoods of hundreds of millions of Asians. The Workshops are the foundation of this process and have begun to make progress on a number of fronts.

Results of the Workshops are often difficult to quantify. If one were to simply look at concrete accomplishments they might be initially inclined to call the Workshops a failure. Yet upon deeper reflection, it is apparent that important progress has been made over the past ten

\textsuperscript{497} Lisolette Odgaard, 13.
\textsuperscript{498} Lisolette Odgaard, 10. However, as To (p.169) points out, all claimants are seeking to consolidate or expand their control of SCS islands.
years. Ian Townsend-Gault summarizes the formal achievements of the 32 meetings that have taken place under the aegis of the Workshop process as follows:

- Agreement to implement a project: Compilation of a Database on Non-hydrocarbon mineral resources in the SCS
- The development of project proposals for the SCS in: biodiversity protection, sea-level monitoring, marine scientific research information and data exchange, and marine environmental monitoring
- Proposals being formulated in areas such as: standardizing education and training for mariners, a regional protocol on the exchange of hydrographic data and information, and a joint hydrographic survey of a part of the SCS, and
- Discussions taking place on: zones of marine cooperation including different models of joint development, harmonization of marine environmental laws and policies, fisheries stock assessment, exchanging information on non-living hydrocarbon resources, a Code of Conduct for the SCS, and regulations to promote the protection and preservation of fish habitat.

But what may be as important as the formal accomplishments are the people who participated to produce them. The Workshops succeeded in “attracting the participation of a great number of the most senior experts in the region in a variety of fields: marine science, ecology, marine environmental protection, navigation safety, hydrography, geology, law, and so on”. This should be taken together with the fact that countries involved remain willing to host and send their senior officials and best experts to project meetings on important and often controversial issues at their own expense. As Townsend-Gault points out, “The Workshop process remains the only regularly convened forum at which regional experts can express views in ways which they cannot prejudice national positions”.

The political will to implement the policies produced by the Workshop process remains the most formidable obstacle. Yet it appears that most analysts believe the informal process the Workshops are based on remains the most viable option for developing the kind of cooperation

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499 Ian Townsend-Gault, “Managing Potential Conflicts in the South China Sea.”
501 Hasjim Djalal and Ian Townsend-Gault.
502 Ian Townsend-Gault, “Preventative Diplomacy and Pro-Activity in the South China Sea.”, 186.
needed to deal with the security issues of the SCS and, eventually, the region. Snyder states that, "the Workshop process appears to be the most effective mechanism for facilitating a peaceful resolution to the disputes [in the SCS]." Odgaard adds that, "the Workshop process may be seen as a reflection of and a contribution to the emergence of a security order between China and Southeast Asia in the post-Cold War era." Djalal and Townsend-Gault, two people intimately involved in the Workshop process from the beginning, fittingly conclude that:

They [the participants] are being asked to think around a regional problem which engages the most difficult issues facing any group of people: sovereignty and access to resources. Few issues pose such challenges or rouse passions to such an extent. This cannot be achieved overnight. ...As this chapter goes to press, we are planning for at least nine meetings in 1999 on zones of cooperation, illegal acts at sea, search and rescue, environmental legislation, marine scientific research and marine environmental protection, non-living non-hydrocarbon resources, and of course the 10th Workshop.

As their statement reflects, while there has been much progress made, there is still much to be done. The evolution of the Workshop process is reassuring. The evidence indicates that as the process matures, so do the participants, and the process evolves to tackle more complex and sensitive issues.

Conclusions:

This chapter has highlighted how senior officials in their unofficial capacities can effectively engage in the complex and seemingly intractable security issues that dominate the security discourse in Southeast Asia. The Track II diplomatic initiatives examined clearly demonstrated the advantages of unofficial diplomacy in supporting Track I activities. Track II initiatives, through frank and unhindered discussion of substantive and controversial security issues, achieved innovative and viable proposals for implementation by the

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503 Craig Snyder, 31.
504 Lisolette Odgaard, 19.
505 Hasjim Djalal and Ian Townsend-Gault.
traditional state-level mechanisms. The political will to implement these proposals is unfortunately not keeping pace with those involved in the Track II process.

ASEAN-ISIS has had measurable success at influencing official policy decisions and is credited with playing a major role in the creation of the ARF, setting its agenda, and shaping its future in the context of dealing with the overall regional security problématique. CSCAP has also achieved notable results with a number of accomplishments ranging from guidelines for regional maritime cooperation, to the development of a generic outline for defence white papers used by regional states. The evidence demonstrates ASEAN-ISIS and CSCAP’s success at not only influencing Track I diplomacy, but also furthering the security discourse in the region by pursuing innovative and non-traditional policy options for Asian governments.

From a constructivist perspective, the pivotal question is whether or not China’s interests and identities have been changed through the process of interacting in MDA. Is MDA socializing China into adopting new normative behaviour that makes cooperation more likely? ASEAN-ISIS and CSCAP have been successful at engaging China and encouraging Chinese participation in the Track II process. The number of Chinese participants engaged in unofficial diplomatic efforts has grown tremendously in recent years. Through multilateral engagement in Track II initiatives the regional countries have been able to influence Chinese attitudes and behaviour. As discussed, there is a growing constituency in China, well connected to the outside world, which is rethinking the future of China’s international relations. China’s expanding participation in these fora can only be seen as a positive reflection of these efforts.

The Workshops on Managing Potential Conflict in the South China Sea have utilized the Track II process of unofficial diplomacy, but have focused less on state-centric security issues.
and more on non-traditional transnational security threats. In essence, the Workshops were created to determine where cooperation could be developed between the littoral states of the SCS, and to develop means of preventative diplomacy that could build the necessary confidence to ensure a peaceful resolution to the disputes.

The fact that it matters little who has sovereign control over the various parts of the SCS has been an underlying premise of the Workshop process. As littoral states in a semi-enclosed sea, all regional countries have an important role to play in the myriad of complex marine management issues. Boundaries may provide some answers but they do not adequately address the broader issue of marine management.

The objectives of the Workshops have been to identify transnational marine activities that require the co-operation of the SCS littoral states, and to develop project proposals to deal with the issues through confidence-building measures and co-operation to replace conflict and confrontation.

China's participation in the Workshop process has been mixed. While initiating the idea of shelving sovereignty issues in an attempt to cooperate on marine management issues and resource exploration, Beijing subsequently rebuffed Workshop efforts to develop confidence-building measures and proposals for direct conflict prevention. Despite making great strides in accepting multilateralism and the benefits of Track II diplomatic processes, there remains a reluctance in China to depart from traditional concepts of state-centric diplomatic activity. However, its willingness to engage in non-traditional concepts of state interaction is likely to increase with its expanding participation in and exposure to this type of activity. As one of the most important actors in the region, China's eventual acceptance of these principles will be
essential for dealing with the multitude of transnational non-traditional security issues that threaten the long-term security of Southeast Asia.

Overall, one of the most important indicators of the influence MDA is having on China is reflected in the 2002 Defence White Paper. The inclusion of the non-traditional security threats and the need for multilateral cooperation to effectively deal with them and that these processes could build the CBMs necessary to deal with traditional security issues is a major step forward. It is only one step of many that need to take place before discussion and good intentions are translated into action, but its inclusion in China's official policy document is proof that Beijing is beginning to internalize these issues and is beginning to adopt new norms and values, which can only be seen as positive.

That said, regional Track II diplomacy must continue to place a greater emphasis on non-traditional security issues. Their current focus, especially in ASEAN-ISIS and CSCAPS, has been too closely linked with the activities of their Track I counter-parts. Track III organizations have been at the forefront of non-traditional security issues and more cooperation is needed with these groups to bring these issues to the Track I level. Track II interlockers will be required to bridge the growing gap between Track I and Track III participants if cooperation on security issues, both traditional and non-traditional, is to continue.
Chapter Seven: Conclusions and the Way Ahead

The Evidence Revisited

This paper began with a brief overview of the strategic importance of China in the maintenance of a peaceful and stable international environment. As one of the most important actors in the Southeast Asian security complex, the introduction highlighted how China's policy decisions in the coming years will impact all aspects of regional security, including military, economic, political, social, and environmental.

It also described the complex web of hard security issues prevalent in the SCS. These traditional security issues revolve around disputed territorial claims of many of the islands in the SCS, sovereign control over the potential resources in and around those islands, and the strategic benefits derived from controlling the sea-lanes and the forward basing opportunities they afford.

The introduction further described the often-overlooked soft security issues that remain critically important to the overall security of the region. These non-traditional security issues include such threats as environmental degradation, illegal migration, piracy, illicit trade in drugs and other illegal commodities, health issues such as communicable diseases, and terrorism.

Lastly, the introduction looked at what the paper hoped to demonstrate and the expected outcomes from examining the issue of cooperation with China in the context of the SCS, and offered a brief overview of what each chapter would discuss.

Chapter Two examined the theoretical foundations underlying the concept of international cooperation. Realism and neo-realism, neo-liberal institutionalism, and constructivism were the three main theoretical schools of thought examined. Each theory offered a different perspective on the effectiveness and likelihood of international cooperation.
This chapter described how realists are self-proclaimed pessimists when it comes to international cooperation. They argue that international anarchy leads to a competitive environment between states without an overarching authority capable of enforcing agreements. While realists acknowledge that cooperation does occur between states, they argue it is difficult to achieve and always difficult to sustain. Realists describe relative gains considerations and concern about cheating as the two main factors that inhibit the likelihood of cooperation between states.

Neo-liberal institutionalists were described as more optimistic about the likelihood of cooperation but rejected classical liberalism’s ‘spontaneity thesis’ and argued that cooperation would not naturally occur. Instead it needed to be engineered through the construction of international regimes. These regimes or institutions shape actors’ preferences, often in ways not contemplated at the start, and generate and sustain international cooperation between their members.

This chapter also showed that constructivists believe that states’ identities and interests are socially constructed and that rules, norms, and identities drive human behaviour, which can lead to an international environment where states can be socialized into cooperating, even in an anarchical system. Despite their very different views, the case studies in later chapters showed how elements of each theory are driving policy decisions in the SCS and East Asian region as a whole.

Chapter Three provided a historical overview of China’s foreign policy and illustrated how it has been in constant evolution and transition since the inception of the PRC. It identified and explained the primary forces shaping this evolution in order to put into context later
discussions on China’s current and future foreign policy options. Each of the three different foreign policy eras discussed had distinctive characteristics.

The first era under Mao Zedong’s rule was characterized by overcoming the historical legacy of colonialism, building upon a strong sense of nationalism to mobilize the masses, and using ideology to mould the country, define its interests, and establish its goals and objectives. However, it was shown that this strategy largely ignored economic development in the country. China was therefore pushed to the periphery of Asian politics while other regional actors were rising in international importance in an increasingly global economy.

The second era described in this chapter under Deng Xiaoping was characterized by more pragmatic moderation and the locus of China’s foreign policy shifted towards economic modernization. This opened up the Chinese market to create a mixed economy, with an emphasis on creating a peaceful and secure international environment to maximize economic development. It was also explained that during this era, Sino-American relations improved considerably, which allowed China greater flexibility within the strategic triangle and a more independent foreign policy.

This chapter showed that the third era of Chinese foreign policy coincided with the end of the Cold War and the emergence of Jiang Zemin as President and leader of the Communist Party. This era saw the government struggle with the political fallout from the Tiananmen massacre and the collapse of the Soviet Union, both of which severely affected China’s foreign relations.

In addition, it also demonstrated how the Gulf War underscored a harsh reality to China. The PLA’s antiquated military equipment and training were vastly inadequate for modern warfare, which subsequently spurred a dramatic increase in the resources devoted to military modernization. China’s expanding economy afforded the PLA access to more sophisticated
equipment from foreign countries. They were then able to make significant progress in modernizing their military from its antiquated state at the beginning of the decade. This chapter demonstrated how China’s new military capabilities are considered a serious threat to most of the smaller Asian states; however, it also noted the major capabilities gap that still exists between the PLA and modern Western military forces.

Another important factor highlighted in this chapter was how the evolution of China’s military doctrine paralleled the strategic changes in the international system and reflected China’s changing capabilities to respond to their threat environment. The careful examination of the PLA’s military doctrine shed critical light on what China’s foreign policy objectives were and how it intended on attaining them.

Overall this chapter sets the context from which to draw later conclusions about the likelihood of China’s acceptance of cooperative behaviour with regional and international actors. It has demonstrated how China’s historical foreign and security policy choices have been very pragmatic and sought to capitalize on available opportunities by moulding their policies to trends in the international system to ensure their security and further their development. This same pragmatism can be seen in China’s current policy decisions as it confronts new trends towards multilateralism and informal cooperation in Southeast Asia that were described in the case studies.

Chapter Four illustrated how U.S.-Sino relations have continuously seen the countries bounce between strategic partners and competitors and how the end of the Cold War has resulted in the end of the justification for their strategic cooperation. Their differences in worldview and vision of the future structure of the Asian security architecture has placed them more often than not at odds with each other.
In keeping with traditional realist thinking, the U.S. continues to expand its bilateral relationships in the region to augment its forward military presence in hopes of maintaining military superiority and to continue to play its balance of power role. This remains important in a number of areas where the U.S. has historically played this role, such as pacifying Japan and maintaining its presence on the Korean peninsula.

The evidence presented in this chapter indicated that China is committed to a peaceful regional and international environment, which would be conducive to its economic development. Outright regional conflict, which U.S. bilateral relations are intended to prevent, is highly unlikely with the possible exception of Taiwan. China, dependent on economic development through trade and stability, is motivated to foster normalized relations with extra-regional actors and is driven towards achieving international acceptance as a great power. This chapter demonstrated how this will remain integral to China’s strategy for achieving comprehensive national power. This effort would be curtailed if China used its newly developed resources to become an expansionist or militaristic regional power.

Chapter Four also demonstrated the influence of realist thought on regional foreign policy and why it will continue to be an important analytical framework for understanding Southeast Asian security. With the unresolved conflicts discussed in the Introduction and China’s potential threat to regional stability, weaker regional states will continue to turn to the U.S. for security guarantees through bilateral agreements. The U.S.’ preponderant power in the region creates this sense of hegemonic stability predicted by realist arguments.

However, the evidence presented in this chapter illustrated that these bilateral alliances also eliminate the need for cooperation with neighbouring states and perpetuate the insecure environment. This chapter argued that without a sense of regional cooperation and security, the
region would likely remain dependent upon U.S. protection and the accompanying American influence in the region that comes with it.

In addition, it was argued that while these bilateral agreements may offer a sense of security in the unlikely event of a Chinese military attack, they only offer a false sense of security for the non-traditional security threats. These issues are not addressed through balance of power politics or through a superior military force, but they do offer a relatively stable environment in which states feel confident to begin the process of cooperation.

Thus, it was argued that the balance of power role played by the U.S. in the region is appropriate and encouraged in its traditional areas of keeping the major powers in check. The bilateral security agreements offer a sense of security if measures to solve the security issues in the SCS break down. But beyond that, they do little to lend themselves to furthering the process of cooperation to actually mitigate the security problems. The limits of U.S. interactions in its bilateral relationships with both China and the smaller Southeast Asian states is reflective of realist arguments which do not hold that cooperation is likely. As such, its relationships are defined by the use of economic and military power to achieve its political aims.

Chapter Five discussed the development of multilateral security dialogues in Southeast Asia and how they have also been an important element in fostering regional stability. It was shown how multilateralism became an important part of China’s economic and security policy in the 1990s. Beijing saw multilateralism as a tool to balance U.S. military alliances and as a means to appease regional states by reducing the ‘China threat’ perception. Yet it was shown that Beijing has also made its preference known for dealing with key issues such as sovereignty in bilateral negotiations where it can attain further leverage as the more powerful actor.
This chapter confirmed that ASEAN’s strategy of engaging China, reflective of neo-liberal institutionalist thinking, has been aimed at overcoming this mentality and hopes that networks of security, economic, and political institutions can be established over the long-term. With China having a clear stake in the framework that it has helped to build, it is argued that it will have an incentive to maintain these frameworks and remain engaged in the multilateral process. Unfortunately, Chinese foreign policy makers are not only exposed to the principles of multilateralism through ASEAN, but have learned many of their greatest lessons from the basic principles of realism highlighted by their current relationship with Washington.

This chapter argued that as long as Beijing feels victimized from historical wrongs and insecure due to threats of containment by the U.S. in collusion with other regional states, China is likely to continue its dual policy of strengthening its military force projection capabilities and promoting a peaceful external environment while focusing on domestic economic modernization. Therefore, China has tried to appear as a benign power focusing on economic modernization and improving multilateral relations with its neighbours through constructive consultations and commitments to peace and international law. But it has also been assertive and even belligerent in dealing with issues of vital national interest such as sovereignty.

It was shown how the disparity between these two sides has brought significant uncertainty to the region and adds to the “China threat” perception. It also pushes regional states to secure military alliances with the U.S. as a balance against possible Chinese aggression. However, it was argued that China could not afford to be left out of shaping the institutional framework that will determine the rules and norms for regional security. In order to ensure good regional relations and a place at the table to influence this process, China must appear as though it is a constructive participant in regional institutions.
Through this argument it was shown how China’s actions are thus characteristic of behaviour described by both realist and neo-liberal institutionalist thinking. Beijing remains constantly aware of its fundamental interests and continues to see them largely in absolute, as opposed to relative, terms. At the same time, it sees multilateral institutions as creating the norms and principles of regional cooperation and the importance of being able to participate in shaping those processes to reflect their own interests. In that sense, this chapter illustrated how China sees policy coordination among regional states translating into actors adjusting their behaviour to others’ preferences, ultimately leading to mutual gains.

Thus, the evidence presented in this chapter appears to support Jing-dong Yuan’s concept of ‘conditional multilateralism’ as the most appropriate description of China’s behaviour. The concept, whether Yuan’s intent or not, appears to capture the meshing of realist and neo-liberal institutionalist influence on China’s policy decisions. Beijing has been willing to enter into multilateral discussion on security issues, so long as they remain informal and de-institutionalized. This allows China a maximum range of flexibility without constraining its freedom of action by binding it to legal or formal mechanisms of conflict resolution. At the same time, however, it was shown that Chinese interests are becoming increasingly integrated with other countries and as the number of multilateral consultations increases, so does the complexity of the interdependence.

This chapter also demonstrated that the degree of multilateral cooperation, especially on security issues, has grown rapidly in the last decade. Therefore, while China may not have internalized the norms of qualitative multilateralism, given time to mature, it could become a constructive part of China’s foreign policy.
Chapter Six sought to highlight how state, non-state, and sub-state actors effectively engaged in the complex and seemingly intractable security issues that dominate the security discourse in Southeast Asia. The Track II diplomatic initiatives examined clearly demonstrated the advantages of unofficial diplomacy in supporting Track I activities. It was shown how Track II initiatives, through frank and unhindered discussion of substantive and controversial security issues, achieved innovative and viable proposals for implementation by the traditional state-level mechanisms. Unfortunately, the evidence also indicated that much of the political will needed to implement these proposals is not keeping pace with those involved in the Track II process.

This chapter demonstrated how ASEAN-ISIS has had measurable success at influencing official policy decisions and is credited with playing a major role in the creation of the ARF, setting its agenda, and shaping its future in the context of dealing with the overall regional security *problématique*. This chapter also revealed how CSCAP has achieved notable results with a number of accomplishments ranging from guidelines for regional maritime cooperation, to the development of a generic outline for defence white papers used by regional states. The evidence presented demonstrated that ASEAN-ISIS and CSCAP have had success at not only influencing Track I diplomacy, but also furthering the security discourse in the region by pursuing innovative and non-traditional policy options for Asian governments.

From a constructivist perspective, the pivotal question this chapter sought to answer was whether or not China's interests and identities had been changed through the process of interacting in MDA. In the context of cooperation, it asked if MDA socialized China into adopting new normative behaviour that would make cooperation more likely? This chapter
showed that ASEAN-ISIS and CSCAP have been successful at engaging China and encouraging Chinese participation in the Track II process. The number of Chinese participants engaged in unofficial diplomatic efforts has grown tremendously in recent years.

Through engagement in Track II initiatives, regional countries have also been able to influence Chinese attitudes and behaviour. It established that there is a growing constituency in China, well connected to the outside world, which is rethinking the future of China’s international relations. China’s expanding participation in these foras can only be seen as a positive reflection of these efforts.

Chapter Six also illustrated that an underlying premise of the SCS Workshop process has been that it matters little who has sovereign control over the various parts of the SCS. As littoral states in a semi-enclosed sea, all regional countries have an important role to play in the myriad of complex marine management issues. Boundaries may provide some answers, but they do not adequately address the broader issue of marine management or address the other soft security issues that are threatening the region.

The results of China’s participation in the Workshop process have been mixed. While initiating the idea of shelving sovereignty issues in an attempt to cooperate on marine management issues and resource exploration, Beijing subsequently rebuffed Workshop efforts to develop confidence-building measures and proposals for direct conflict prevention. Despite making great strides in accepting multilateralism and the benefits of Track II diplomatic processes, there remains a reluctance in China to depart from traditional concepts of state-centric diplomatic activity.

However, this chapter argued that its willingness to engage in non-traditional concepts of state interaction is likely to increase with its expanding participation and exposure to this type of
activity. As constructivist arguments would indicate, interacting within the MDA processes is changing Beijing’s values and interests. In doing so, it is demonstrating how these informal institutions have power in themselves. As one of the most important actors in the region, China’s eventual acceptance of these principles will be essential for dealing with the multitude of transnational security issues that threaten the long-term security of Southeast Asia.

In addition, regional Track II diplomacy must begin to place a greater emphasis on non-traditional security issues. The evidence presented in this chapter indicated that the current focus of Track II diplomacy, especially in ASEAN-ISIS and CSCAPS, has been too closely linked with the activities of their Track I counter-parts. Track III organizations have been at the forefront of non-traditional security issues and more cooperation is needed with these groups to bring those issues to the Track I level. This chapter argued that Track II interlockers will be required to bridge the growing gap between Track I and Track III participants if cooperation on security issues, both traditional and non-traditional, is to continue.

Conclusions:

This paper has sought to explore the most effective means of engaging China in an attempt to influence its foreign and security policies to address the security issues in Southeast Asia through regional cooperation. As reviewed above, it has looked at bilateral relations between China and the United States, multilateral relations between China and ASEAN, and lastly at multi-level diplomatic activities between China and state, sub-state, and non-state actors. These different methods of interaction are correspondingly reflected in the three theoretical schools of thought described in Chapter Two; realism, neo-liberalism, and constructivism respectively.
Readers of these academic works on the theoretical basis of international relations and the nature of cooperation are left with the distinct impression that the theories are mutually exclusive and act in isolation. Reflective of a scientific approach to the study of international relations, the various authors purport their ideas to be the one theory that explains inter-state relations. If their theory only partly explained this phenomenon, or if they only explained relations in specific circumstances, they would not stand up to scientific scrutiny. However, as witnessed in the application of the theoretical approaches in the three case studies, elements of all three theories can be seen influencing the policy decisions of the states involved in the SCS disputes.

The bilateral relations between China and the U.S. serve the critical function of providing stability in East Asia. American hegemony in the region ensures that China’s expanding military powers are kept in check, preserves the status quo between the South and North Koreans, and eliminates Japan’s need to re-militarize by providing for its security. In addition, it provides security guarantees to many of the smaller countries surrounding the SCS through bilateral security agreements.

Realist thinking explains all these interactions. There is a struggle for power in the region and the weaker states view the more powerful states as potential aggressors. Thus in an attempt at self-preservation, the weaker states turn to the U.S., the preponderant power with the ability to create a hegemonic stability to offset the threat from other regional powers. However, the stability that this generates gives the regional actors the latitude to engage in cooperative measures aimed at increasing their own security through means other than relying on an external power.
Relations between ASEAN and China have been a direct attempt by the smaller Southeast Asian countries to influence China into more cooperative behaviour through multilateral engagement. Collectively, they present a more powerful lobby group to influence their much larger and more powerful neighbour.

Here again, neo-liberal institutionalism helps explains these interactions. ASEAN’s engagement with China is reflective of the liberal belief that there is progress in international politics over time gained through a market economy, the declining utility of war, and the benefits of cooperation. ASEAN also understood, as argued by neo-liberal institutionalists, that cooperation would not naturally occur. Instead it needed to be engineered through the construction of international regimes.

In addition, ASEAN benefited through the continued engagement as China became more concerned with the process and less with the outcomes. Chinese decision makers often only sought limited cooperation but the policies they adopted for this purpose triggered further changes in laws, incentives, and strategies that led to much greater integration. This is typical of neo-liberal institutionalist thinking in the sense that institutions can often take on a life of their own as they both shape and reflect interests. Lastly, engaging China multilaterally has also helped ASEAN erode China’s power advantage by giving voice, legitimacy, and forms of influence to its weaker members.

Therefore, the evidence appears to indicate that multilateral relations have been more effective than bilateral relations at influencing China into increasingly cooperative foreign and security policies. However, the cooperative benefits derived from multilateral relations have largely been built upon the hegemonic stability generated by the U.S. through bilateral relations with China and various smaller states around the SCS.
Multi-level diplomatic relations between China and state, sub-state, and non-state actors have attempted to go beyond what has been achieved by multilateral relations with China. This has been done through a process of informal or Track II activities, the rationale for which can be seen in the arguments of constructivists.

Many of the Track II participants believe, as do constructivists, that China’s interests are socially constructed and that rules, norms, and identities drive Chinese behaviour. Track II participants believe that China can be socialized into cooperating through MDA. They see MDA generating cooperation that is directly affected by the mutual interaction between themselves and China, whereby each plays a role in moulding the interests and norms of the other. These socially prescribed norms bind China to ‘appropriate’ behaviour defined by the processes in which they participate. However, constructivism, with its emphasis on the role of states and institutions, does not articulate a role for individuals in this process and thus fails to explain how individuals and other non-state actors can bring about international cooperation.

Overall, the evidence presented demonstrates that MDA encompassing state, sub-state, and non-state actors has been the most effective means of socializing China into more cooperative behaviour. The evidence showed how Track II initiatives, through frank and unhindered discussion of the controversial security issues, achieved innovative and viable proposals for implementation by the traditional state-level mechanisms. However, a caveat to this statement must be added - the political will to implement these proposals has not kept pace with those involved in the Track II processes.

The evidence presented demonstrated MDA’s success at not only influencing Track I diplomacy, but also furthering the security discourse in the region by pursuing innovative and non-traditional policy options for Asian governments. Embodied in this process were the
identification and proposed solutions to many of the soft transnational security issues that also threaten regional security. MDA has shown how dealing with these issues through cooperative measures can instigate the confidence-building measures that will facilitate the trust, mutual understanding, and accommodation needed to solve or render irrelevant the territorial and resource-based disputes of the SCS. State, sub-state, and non-state actors have been able to influence Chinese attitudes and behaviour in this direction through an evolving set of shared ideas, norms and values facilitated by Track II initiatives.

The Way Ahead

The paper has identified a few key issues that require further academic scrutiny. As mentioned briefly in the conclusions, much of the literature on international relations theory posits one theory against another and treats these theoretical frameworks as mutually exclusive. However, as evident from the case studies presented in this paper, various theoretical models can operate simultaneously at different levels in similar environments while dealing with identical issues. Further research is needed to determine how these various theoretical concepts complement each other in real world scenarios.

In addition, the third case study highlighted the fact that there has yet to be a theory developed that incorporates the role of individuals and non-state actors in the process of interacting with states and institutions. What level of influence can sub-state and non-state actors have on foreign and security policy decision-making? Does their influence and participation increase the likelihood of initiating or sustaining international cooperation?

There has also been little academic attention devoted to Track II processes in general, and the role of Track III activities specifically. Given the important contribution that these processes
are adding to the security discourse in Southeast Asia, considerable more attention is well deserved. How can we measure the impact these processes have on decision-making? How can informal initiatives be better integrated into a more coherent multi-level diplomatic process with embedded links to the official state-level decision making process? Specifically, can Track II initiatives bridge the gap that currently exists between Track I and Track III forums? With Track III forums focusing most of their attention on soft or non-traditional security issues, will their integration serve to further drive the security discourse towards the many transnational security issues discussed throughout the paper?

Lastly, further research needs to be done to determine if working towards resolving soft security issues is actually generating the mutual understanding and accommodation, based on trust and confidence, needed to overcome China’s current hyper-sovereignty values over territorial disputes.
Introduction Bibliography:


Chapter 2 Bibliography


Chapter 3 Bibliography:


Chapter 4 Bibliography:


Chapter 5 Bibliography:


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Chapter 6 Bibliography


