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Masashi Nishihara
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Research Institute for Peace and Security
Akasaka HKN Bldg., 2nd Floor
1-8-6 Akasaka, Minato-ku, Tokyo 107-0052, Japan
Tel: 81-3-3560-3288 Fax:81-3-3560-3289
E-mail: rips-info@rips.or.jp
URL: <http://www.rips.or.jp>

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Asian Perspectives in 2011: China's "Coercive" Diplomacy Leads to New Power Realignments

Masashi Nishihara*

With its economy and military power growing rapidly, China now is increasingly employing a much more aggressive diplomacy. It has become more assertive in protecting its national interests throughout East Asia and is even competing with the United States by trying to limit its presence there. Over the last few years, this more forceful diplomacy also has been clear in China's relations with both the Association of Southeast Nations (ASEAN) and Japan. During this time, the United States, by siding with ASEAN, has attempted to take advantage of the tension both between China and the ASEAN countries over the disputed territories in the South China Sea and between China and Japan over the Senkaku Islands. Then, in an effort to fend off the U.S. intervention, China persuaded the ASEAN countries to tone down their criticism of its country by offering the member nations handsome economic aid packages.

Moreover, since 2010, perhaps to limit the U.S. presence in the region, China and Russia have become close partners, to support both their own interests and those of North Korea. These developments have divided

*President of the Research Institute for Peace and Security and Chairman of the Japan Association for International Security.

the Asian Pacific nations into two camps: one made up of China, Russia, and North Korea, and the other, led by the United States, of Japan, South Korea, the ASEAN nations, Australia, and India. The ASEAN nations, however, have been careful not to ally themselves firmly with either camp. But Japan—having to rebuild after the disastrous earthquake, tsunami, and nuclear reactor meltdown—is working even more closely with the United States than before. The result of all this is new power realignments in the region.

The United States' Thwarted Support of ASEAN

On July 23, 2011, at the ASEAN Regional Forum held in Bali, U.S. Secretary of State Hillary Clinton proposed that China present the legal basis for its claims to the disputed islands in the South China Sea. China refused. The event nonetheless showed that the United States was siding with ASEAN, thereby challenging China's expansive and forceful diplomacy.

The United States' support of ASEAN is typical of the new direction of power realignments in the Western Pacific. Since 2010, the disputes between China and ASEAN and between China and Japan have brought ASEAN, Japan, and the United States closer than ever before. At last year's Regional Forum meeting in Hanoi, the United States stressed the importance of "the freedom of navigation" in regard to China's claim of "core national interests" in the South China Sea, thereby attempting to keep China's military activities in check. Then in August, the U.S. Pacific Fleet conducted naval exercises with the Vietnamese navy. In addition, in response to China's allegedly building structures on an island to which the Philippines have laid

claim, the United States made clear that in case of an armed conflict with China, it would honor its bilateral security treaty with the Philippines.

Although ASEAN appreciated the U.S. gesture, the organization always is careful not to upset China, owing in large part to the overriding importance of economic relations. Indeed, ASEAN itself continues to be a target of Beijing's intimidation. At the Hanoi ARF (ASEAN Regional Forum), Chinese Foreign Minister Yang Jiechi responded angrily to the ASEAN delegates' and Americans' criticisms of China's behavior in the South China Sea. Consequently, that September at the ASEAN-U.S. Summit in New York, ASEAN refrained from issuing a joint statement critical of China. Then in December, under pressure from China, all the ASEAN ambassadors declined to attend the ceremony in Oslo at which the Nobel Peace Prize was awarded to the Chinese human rights activist Lee Xiaobo, who himself was not allowed to attend.

China's policy toward the ASEAN countries has been of the carrot-and-stick variety. In late April 2011, Premier Wen Jiabao visited Indonesia, which chaired this year's ASEAN and related meetings, and offered it a \$9 billion loan, which would result in doubling by 2015 the two countries' bilateral trade of \$40 billion. The goal of Wen's visit was to persuade Indonesia to put aside its claims on disputed islands by offering the country an attractive economic package. The dispute had flared up again in June 2010, when the Indonesian navy intercepted Chinese fishing boats operating in Indonesia's exclusive economic zone. But the navy had to release the boats when it was confronted by a more powerful Chinese naval vessel. After receiving the offer of economic aid, Indonesia gradually shifted its position to Beijing's, that territorial disputes were best settled on a

bilateral rather than a multilateral basis. (The United States and ASEAN favored multilateral consultation.)

There was another dispute in May 2011 when Chinese patrol vessels cut the undersea cables laid by Vietnamese oil-rigging companies, after which the position of Vietnam and the Philippines toward China noticeably hardened. Then in late June, Vietnam's deputy minister of foreign affairs, Ho Xuan Son, went to Beijing, a visit that ended with a surprising joint statement calling for "effective measures to be taken to avoid any action that may damage mutual trust and friendship." China's tactics of penalty and reward may indeed have worked. However, it should be noted that while the Vietnamese authorities have begun to tighten their control over the students' anti-Chinese demonstrations in front of the Chinese embassy in Hanoi, they also reportedly have a plan to refit Cam Ranh Bay to allow the entry of American aircraft carriers. This is how Vietnam is delicately handling its relations with the big powers.

Later, in a meeting before this year's ARF, the ASEAN delegates again compromised with China, issuing a joint document suggesting that China and ASEAN together would draw up an agreement codifying their conduct regarding the disputed islands in the South China Sea. Clearly, the aim of China's tactics of alternating between penalty and reward is to prevent U.S. intervention and defeat U.S. interests in the region.

China's "Coercive" Diplomacy toward Japan

Another example of China's "coercive" diplomacy took place in September 2010, this time toward Japan. When Japanese coast guard vessels were pursuing Chinese fishing boats that had entered Japan's territorial waters

around the Senkaku Islands, two of the fishing boats deliberately struck the coast guard vessels. The Chinese captain and his three crew members were taken into custody. Because the Chinese Communist Party was meeting when this happened, the Beijing government had to act forcefully. Around 10,000 Chinese “voluntarily” canceled their planned vacation trips to Japan; four Japanese company workers were arrested taking photos of a military compound, not realizing that it was restricted; and China’s exports of rare earths to Japan were suddenly suspended. Both Prime Minister Naoto Kan and Foreign Minister Seiji Maehara were in New York when the incident took place, but in any case, Japan’s new government, which had been in office for only three months, did not handle the situation well. Tokyo gave in to Beijing’s coercive tactics and freed the Chinese.

The Senkaku incident, however, strengthened Japanese-U.S. relations. In September 2010, Secretary of State Hillary Clinton and Undersecretary of Defense Michele Flournoy stated that if China were to attack the Senkaku Islands, the United States would honor its defense commitment to Japan in accordance with their bilateral security treaty.

Since mid-2009, China has stepped up its naval activities in the Western Pacific. Its fleet based in Qingdao sailed to the South China Sea in April 2010 and through the Miyako strait (the strait between the main island of Okinawa and the Miyako Islands) to the Okinotorishima area in the Pacific. This was a clear demonstration of China’s intention to expand its area of control beyond the “first island chain” (Okinawa, Taiwan, and the Philippines) to the “second island chain” (Tokyo, Iwoto, and Guam).

China's Move toward Closer Links with North Korea and Russia

Since May 2009, North Korea has not tested any nuclear weapons. Instead, in March 2010, it launched a torpedo against a South Korean corvette and then, in November, shelled Yeonpyeong island. Why North Korea resorted to these attacks remains unclear. Perhaps it wanted to persuade the United States to resume bilateral talks. Perhaps it wanted to give Kim Jong-on, the heir apparent of North Korea's leader Kim Jong-il, an opportunity to see North-South tensions at first hand. Perhaps it wanted to force South Korea's president, Lee Myung-bak, to become more conciliatory toward Pyongyang.

North Korea apparently is feeling the bite of the tougher sanctions imposed by Japan, South Korea, and the United States. Therefore, to show its people the country's "strong and prosperous power" in the year 2012 (the one-hundredth anniversary of Kim Il-song's birth), the Kim regime now wants to ease tensions with South Korea and the United States, which is necessary in order for the country to obtain economic aid. The United States and South Korea, however, have demanded that North Korea return to the six-party talks, which have not been held since 2007, by agreeing to give up its nuclear arms. Although meetings between South and North Korea held in Bali on July 22 and between North Korea and the United States in New York on July 29 have resulted in an agreement to resume the talks, Pyongyang has not agreed to relinquish its nuclear weapons.

China also has urged North Korea to return to the six-party talks, although its principal strategic interest is a politically and economically stable North Korea rather than a denuclearized North Korea leaning toward Washington. That is, China would settle for stable relations with a nuclear North Korea. To that end, China has been constructing a bridge between

Dandong and Shinuiju across the Yalu River as a Chinese model of economic development.

Kim Jong-il's visit to the Russian Far East and Siberia in August 2011 produced an agreement in which Moscow will supply natural gas to the country. Because North Korea is unlikely to be able to pay the \$8 billion for the gas in the foreseeable future, Moscow's geostrategic interest would seem to be a greater presence in the Korean Peninsula.

Together, China's and Russia's policies toward North Korea have prevented the UN Security Council from adopting a resolution condemning North Korea for testing its long-range missiles and nuclear weapons in 2009 and for sinking the South Korean naval vessel *Cheonan* and shelling Yeonpyeong island in 2011. China, especially, has strenuously opposed such a resolution. Both Beijing and Moscow see the strategic benefit of keeping North Korea on their side, at a political distance from the United States. Accordingly, despite their public statements, the two countries seem to acquiesce in North Korea's possession of nuclear arms.

Beijing and Moscow also have formed a united front in their territorial disputes with Japan. At the peak of the Sino-Soviet rift, China supported Japan's claims to the Northern Territories against the Soviet Union. But on September 28, 2010, Presidents Dmitry Medvedev and Hu Jintao issued a joint statement commemorating the sixty-fifth anniversary of their "victory against Japanese militarism," in which they condemned any "attempts" to revise the history of World War II. Their statement came three weeks after the Senkaku incident. With Beijing's support, Russia wanted to end its territorial dispute with Japan. For its part, China may have been provoked

by the statement regarding the applicability of the Japan-U.S. Security Treaty to the defense of Senkaku.

Tensions between Japan and Russia rose in November 2010 when, for the first time as president, President Medvedev visited the Northern Territories. Foreign Minister Maehara immediately summoned the Russian ambassador to warn him of the impending deterioration of bilateral relations. Then, on February 7, Northern Territories Day, Prime Minister Kan referred to President Medvedev's visit to the Northern Territories as an "unforgivable outrage." In response, on February 9 President Medvedev ordered the deployment of additional arms to Russia's "Southern Kuriles," and on February 11 Russian Foreign Minister Sergey Lavrov welcomed Chinese and Korean business firms' investment in the area. These remarks have raised new concerns in Japan.

Despite their strategic partnership, China and Russia still see each other as competitors in several important areas, including the arms market, space technology, and access to oil and gas resources in Central Asia. Nonetheless, their partnership may gain influence in international power relations as the higher price of oil makes Russia richer and stronger and China's increased consumption of oil and gas makes it more dependent on Moscow.

The "Arab Spring" in China

Since the beginning of 2011, two new factors have begun to affect East Asia's security environment. One is the impact of the "Arab spring," or Arab awakening, which began in Tunisia in January 2011. The popular antigovernment demonstrations that drove President Ben Ali out of his

country inspired similar demonstrations in Egypt, which ousted President Hosni Mubarak, and in other Middle East countries, such as Bahrain, Libya, and Syria. These demonstrations also have shaken China's authoritarian government, with Chinese activist bloggers calling for a "Chinese jasmine revolution."

Not wanting to repeat the developments in the Middle East, Chinese security authorities immediately took preventive measures. For example, activists gathering at McDonald's restaurants in as many as thirteen major cities on Sundays were reportedly ordered to disperse quickly, and some of the activists were arrested. In March, the FY2011 budget for internal security passed by China's National People's Congress was 624.4 billion yuan (US\$97 billion), which was larger than the defense budget (601.4 billion yuan, or US\$93.4 billion). In May, the government folded several Internet control offices into the State Internet Information Office, in order to "direct, coordinate and supervise online content management and handle the administration of online newsreporting."

These developments are indicative of how worried the authorities are about the public attitude toward the government. Widespread corruption, unsafe food, media control, and restricted information often are targets of popular criticism. Then after the crash of China's brand-new high-speed train at Wenzhou on July 23 that killed thirty-nine people, bloggers flooded the Internet with angry complaints about the government's cover-up of the real cause of the accident, the corruption, and the absence of safety features. Chinese authorities began controlling media reports for fear that the increasing criticism of the government might explode into demonstrations against the government. These internal factors, which could well damage

China's international prestige, may help restrain its diplomatic and even military activities.

The March 11 Disaster in Japan

The other factor that has affected the security environment of East Asia is the impact of the strong earthquake and tsunami that struck on March 11, 2011, and severely damaged four nuclear reactors at Fukushima Daiichi. Approximately 100,000 members of Japan's Self-Defense Forces were mobilized to the disaster areas, Japan's largest disaster relief operation ever. The United States also deployed about 20,000 troops, in what was called "Operation Tomodachi [friends]." This was the first time that the two forces had conducted actual joint operations, which resulted in strengthening the binational alliance.

At the same time, reconstructing the disaster area—as well as repairing the damage to the reactors and mitigating the subsequent release of radioactivity—will require a huge amount of human and financial resources and has caused serious cleavages in Japanese national politics regarding the future of nuclear energy in the country. Abandoning nuclear energy would lead to a severe shortage of electricity, which would weaken the country's industries and drive some factories to relocate abroad. In addition, with less national power, Japan would probably have to increase its reliance on the United States for its national security.

The United States also is faced with an urgent need to reduce its defense budget, which probably will affect its military presence in Europe and the Middle East. How much this smaller budget will impact the U.S. military presence in Asia has not been determined. The transfer of 8,000 U.S.

Marines to Guam, as agreed on by Tokyo and Washington, will be difficult to achieve by 2014. Nonetheless, the two Pacific allies will take measures to strengthen their alliance, as their foreign and defense ministers pledged in Washington on June 23.

New Power Realignment

The ASEAN Defense Ministers' Meeting (ADMM), which met in Hanoi in April 2010, was expanded by the invitation of their counterparts from eight additional countries (ADMM Plus): Australia, China, India, Japan, South Korea, New Zealand, Russia, and the United States. The first meeting of ADMM Plus took place in October, again in Hanoi. The East Asia Summit (EAS) also welcomed the United States and Russia as new members and will meet in Indonesia in October of this year.

These new associations may give Russia an opportunity to play a more active role in the region than it has in the past. Russia will host the 2012 APEC Summit in Vladivostok, which will help enhance its regional presence, and it has shown increasing interest in expanding its economic and political contacts with the ASEAN nations.

Kim Jong-il's August visit with President Medvedev in Ulan Ude, east of Lake Baikal, and his visit with Dai Bingguo, a state councillor, in Qiqihar may be a move to balance North Korea's relations with its two big neighbors. China probably is not pleased to see strong ties developing between Pyongyang and Moscow.

In the meantime, despite its domestic vulnerabilities, China has continued its economic growth and now has the second largest GDP after the United States. China also has demonstrated its expanding military

capability by testing its first aircraft carrier near Dalian on August 10. Although the carrier is supposed to be only for training purposes, it reportedly will be followed by six more by the end of this decade. On August 24, the U.S. Department of Defense issued a report warning that China's new aircraft carrier might become operational by 2015.

Tensions between the China-led camp and the U.S.-led camp thus are likely to grow, with ASEAN being wooed by both. New power realignments indeed appear to be on the rise.