

Interpreting Xi Jinping's 'Chinese Dream' and China's Foreign Relations

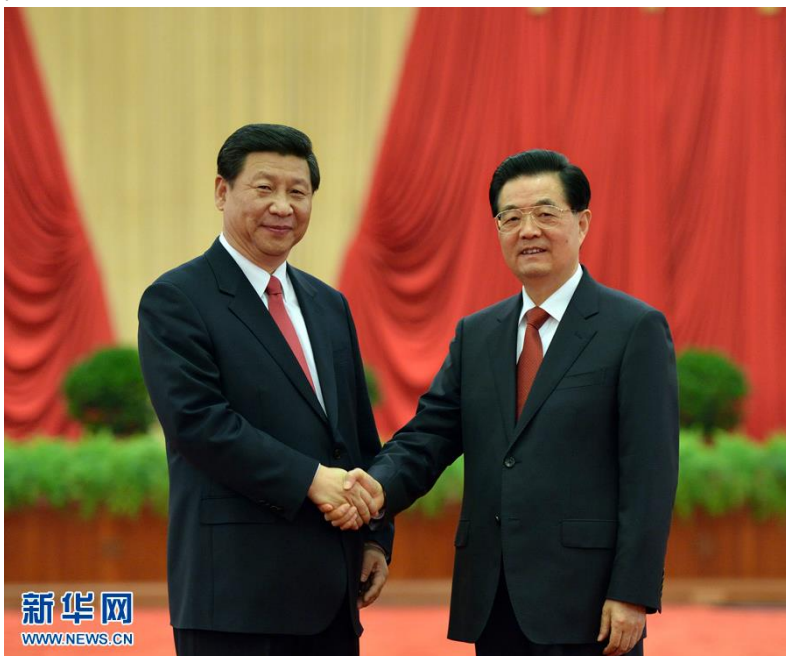
by Biren Nanda, Senior Fellow, Delhi Policy Group



Xi Jinping's 'Chinese Dream' means different things to different countries. That China is a rising power seeking to assert itself in its territorial disputes with neighbors and in establishing spheres of influence along its periphery makes it imperative for us to understand what is exactly the 'Chinese

Dream'. Is it a general statement of aspirations? How far will China go in putting it to practice? Do we believe China's articulation of laying stress on negotiations and peaceful settlement of disputes?

The 'Chinese Dream' (*Zhongguo Meng*) is first and foremost an alternative to the "Century of Humiliation" narrative in the Chinese Communist Party's line on recent Chinese history. In 2010, China became the world's second largest economy. Perhaps, the Central leadership under Xi Jinping felt that the country needed a foreign policy approach commensurate with its enhanced economic status. The 'Chinese Dream' narrative stems out of this realization that China is now a great power and needs to display the attitude of a great power.



President Xi Jinping shown shaking hands with his predecessor Hu Jintao.

Source: Xinhua network.

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China has never publicly repudiated **Deng Xiaoping's foreign policy dictum** “observe things serenely, respond and manage things calmly, hold our ground firmly, hide our capabilities and bide our time, accomplish our objectives”³ but China under Xi has an active foreign policy that is no longer hiding its capabilities and does not shy away from a confrontation in asserting its territorial claims. Similarly, Deng Xiaoping's proposal to “shelve disputes and pursue joint development”, has been abandoned by Xi Jinping in favor of confrontation with littoral claimant States on the South China Sea issue, or gray zone incursions and coercive pressures in the East China Sea.

China under Xi has also sought to compete with the West and attempt to demonstrate the superiority of Chinese values. In response to the values of ‘democracy and human rights’ promoted by western countries, at the 18th Party Congress, China adopted the concept of ‘**Socialist Core Values**’⁴ – explained as democracy, prosperity, harmony, freedom, equality, justice and seeking interests, (*Yi yi*) fairness, rule of law, patriotism (*Aiguo zhuyi*), dedication, honesty and friendliness. China now wishes to compete with the west in the realm of morality and legitimacy and on the basis of its presumed soft power.

The core concept of the ‘Chinese Dream’ is National Revival (*Guojia fuxing*). The CPC Centenary goals are to establish a moderately well off society (*Xiaokang Shehui*) by 2020 and a rich and strong socialist country (*Fuqiangde Shehuizhuyi Guojia*) by 2049. This suggests that China under Xi will shy away from a major confrontation that may provoke a conflict with a great power (the US) as this would delay the realization of her twin Centenary goals. From China's perspective her salami slicing tactics in pursuing territorial claims have not resulted in a confrontation with the United States. Should it be otherwise in the future China would re evaluate its goals and objectives in pursuing these claims. Perhaps, what goes in China's favor is the fact that China's creeping territorial aggression does not pose an existentialist threat to Southeast Asian countries and China's overwhelming preponderance as the major source of investment and regional trade gives victims of Chinese aggression an incentive to cut their losses and negotiate a settlement, or at least a status quo.

The aim is to establish **Socialism with Chinese characteristics**⁵ (*Zhongguo Tese Shehuizhuyi*). ‘Socialism with Chinese characteristics’ asserts the necessity of proceeding from China's realities, integrating the fundamental tenets of Marxism with these concrete realities and finding new ways of building socialism in China. It takes the development of productive forces (and not class struggle) as its fundamental task. Things that fettered the development of productive forces and were not essential to socialism are no longer regarded as socialist principles. Egalitarianism, which inhibited people's enthusiasm and initiative, is not regarded as an essential element in socialism. In order to achieve the goal of common prosperity, some people and some areas should be encouraged to become rich first so that they could help backward areas in an effort to realize common prosperity which is the essence of socialism. The main task of socialism is to free and develop productive forces, eliminate exploitation and polarization, and finally achieve common prosperity. **The underlying assumption in this endeavor is that only the CPC can rejuvenate China and National Identity is centered around the CPC.**

The new buzzwords for foreign policy formulation are **Striving for Achievement** (*Fan fa you wei*), being more active (*Gengjia Jiji*), taking greater initiative (*Gengjia judong* and *Zhudong jinqu*), actively going in (*Jiji Jinqu*), and an active foreign policy (*Jiji Waijiao*). The ‘Chinese Dream’ of Xi Jinping implies a more active and assertive Chinese foreign policy and **a clear departure from Deng Xiaoping's line of giving priority to peace and development (Heping yu fazhan) as the focus of Chinese foreign policy.** The new direction of foreign policy seeks to reshape the international order; increase China's influence along its periphery through projects like the OBOR and CPEC; and introduce concepts like the BRICS bank and the AIIB to dilute dependence on the ‘Bretton Woods’ economic architecture.

The new Chinese diplomacy described as **diplomatic theory with Chinese characteristics** (*Zhongguo tese Waijiao lilun*) seeks innovation, new strategic ideas, new diplomatic initiatives and flexible approaches. An article entitled “A New Milestone for the Socialist Diplomatic Theory with Chinese Characteristics” that appeared in the *Quishi*⁶ Journal published by the Central Committee of the CPC lays down the outline of the approach that is driving Chinese diplomacy in the Xi Jinping era. **First**, China seeks a peaceful international environment to pursue its development. **Second**, recognizing the trend of interdependence between countries China will emphasize cooperation and mutual benefit between countries. **Third**, China calls for trust, inclusiveness, mutual learning and common prosperity. **Fourth**, China believes that the current phase is an “important period of strategic opportunity” for China's development.

“At present, the international situation is generally stable, and the balance of power between countries is tilting in a direction that is favorable to the preservation of world peace. This, together with China's increasing national strength

and global influence, has placed China in a more favorable position to seize and make the most of an important period of strategic opportunity for its development. However, we also need to realize that our development is coming up against increasing risks and challenges, and that the task of preserving and making good use of a second decade of important strategic opportunity will be an arduous one⁷”.

Fifth, China must continue to balance domestic considerations and international ones in formulating its foreign policy initiatives. **Sixth**, China will seek to consolidate foreign policy initiatives with major countries, neighboring countries and developing countries. **Seventh**, China will work to safeguard the safety and legal rights of Chinese nationals and Chinese legal persons overseas. **Eighth, countering the China threat (Zhonguo weixei) narrative remains an important preoccupation for Chinese diplomacy.** Chinese interlocutors argue that the cold war mentality has no place in the era of globalization and China will never seek hegemony over other countries. As China became more prominent on the world stage the Chinese leadership sought to project a benign image through the concept of peaceful rise (*heping jueqi*)



President Obama met with Chinese President Xi Jinping on June 7 and 8, 2013 in Rancho Mirage, California. Obama sought to cultivate a personal relationship with Xi, inviting him to a friendly, ‘shirt-sleeves’ summit at Sunnylands, a historic 200-acre estate in this golf resort destination on the edge of the Mojave Desert. Source: Washington Post

A number of concepts are advanced to promote the implementation of these ideas:

First, there is the **New Model of Major Country (read US) relations** (*Xinxing daguo guanxi*) . China – particularly after becoming the second largest economy now considers herself as the equal of the United States. The unstated presumption behind this approach is the withdrawal of US power from China’s Asian periphery and zone of hegemonic influence.

Xi Jinping defined “The New Type of Great Power relations” during his meeting with Obama in Sunnylands in 2013. He described it in three points – (1) No conflict or confrontation, emphasizing dialogue and viewing each other’s strategic ambitions objectively, (2) Mutual respect for each other’s core interests and major concerns and (3) mutually beneficial cooperation by abandoning the zero sum game mentality and advancing areas of mutual interest.

In proposing “A New Type of Great Power relations” China now hopes to be viewed as an equal of the United States with power parity and equal strategic space, to have a less disruptive rise in an increasingly integrated world and to have the ability and space to focus on the realization of the two centenary goals.

Second, there is the **New model of international relations**.⁸ (*Xinxing Guoji Guangxi*) This is to be based on building a community of shared future, identifying common interests, seeking a win-win outcome and promoting cooperation and the peaceful resolution of international disputes. How does China prioritize different countries in the conduct of its foreign policy? The diplomatic activities and speeches of Xi Jinping reveal the relative importance of different countries in China’s foreign policy. The US is at the apex of the pyramid. With the US, as pointed out above Xi advocates a new type of great power relations (*Xinxing Daguo Guangxi*) based on power parity and equal strategic space. In China’s hierarchical ordering of different countries after the US come Russia, EU, Japan, Korea, India, the Middle East, Africa, Latin America and Australia. Resources, investments and markets are a key element in forging the new type of relations with these countries.

Third, China places priority on her relations with neighboring countries. Here Chinese foreign policy advances the concept of **a Community of Common Destiny with Neighboring States**⁹ (*Mingyun gongtongti*). Stressing the strategic significance of relations with neighboring countries, Xi Jinping has said that relations should be conducted in a mutually beneficial way to safeguard sovereignty, security and development interests and ensure the realization of the *two centenary goals*. In his remarks Xi has also asserted that China should “...integrate the Chinese Dream with the desire of the people of neighboring countries, for a good life and with prospects for regional development, letting the awareness of a *community of common destiny* take root in neighboring countries.” Through this conception, China also seeks to exert pressure towards the exclusion of the United States from China’s neighborhood.



Chinese President Xi Jinping speaking during the fourth summit of the Conference on Interaction and Confidence Building Measures in Asia (CICA), in Shanghai, East China on May 21, 2014. Source: Xinhua

Fourth, China advocates the **Asian Security Partnership Program** (*Yazhou anquan hezuoban*). In a speech entitled “New Asian Security Concept for New Progress in Security Cooperation” delivered at the Fourth CICA Summit in Shanghai on May 21, 2014 Xi laid down his Vision for Asian Security. Asia, Xi asserted, though facing “risks and challenges” was growing in importance in the “international strategic landscape” and played an increasingly important role in promoting “democracy” and a “multipolar”

world. Decrying outdated cold war thinking Xi stressed the need for a “**new security cooperation architecture**”. Security, he said must be universal, equal, inclusive, include traditional and non-traditional areas and have zero tolerance for terrorism, separatism and extremism. Asserting that there was a need to take into account the “**historical background and reality of Asia’s security issues**” he concluded by saying it was “**for the people of Asia to run the affairs of Asia**”. The US despite being a long-standing foundational power in Asia should presumably cede space in Asia to China’s hegemonistic ambitions.

Fifth, China has advocated a **new security concept** on which a **new security architecture** reflecting the regional reality would be based. The new security concept would be based on comprehensive, cooperative and sustainable security. The new Asian Security architecture would be based on the UN centered international order, fundamental principles of international law, the Five Principles of Peaceful coexistence, the ASEAN Treaty of Amity and Cooperation, Codes of Conduct and consensual decision making. Alliances and cold war confrontationist attitudes would be shunned. The new Regional architecture¹⁰ would be **focused on partnerships rather than alliances**, would be multilayered, would respect ASEAN centrality, focus on improving existing institutions rather than creating new ones and encourage CICA and SCO to play bigger roles. Finally the new security architecture would draw strength from development initiatives like the OBOR and institutions like the AIIB. How, China and the US interact would thus decide whether a new security architecture is allowed to emerge.

The new security architecture proposed by China has **three clear objectives**. The **first** is to dilute the US influence over strategic discourse in the region by bringing in Forums where the US does not have a preponderant footprint and presence. **Second**, to advocate partnerships with China as an alternative to alliances, which according to China encourage cold war style thinking in the region. In fact, China has been seeking to do precisely that and may have succeeded most recently in weaning the Philippines away from alliance centered defense arrangements with the US. The **third** objective is to reverse the reputational damage to China on account of its creeping aggression and muscle flexing over territorial claims in the South China Sea by projecting a conciliatory tone for Chinese diplomacy, one that seeks to mediate conflicts through dialogue and peaceful negotiation and pledges for complete adherence to international law.

How does Chinese foreign policy actually measure up to the theoretical formulations articulated by Chinese leaders?

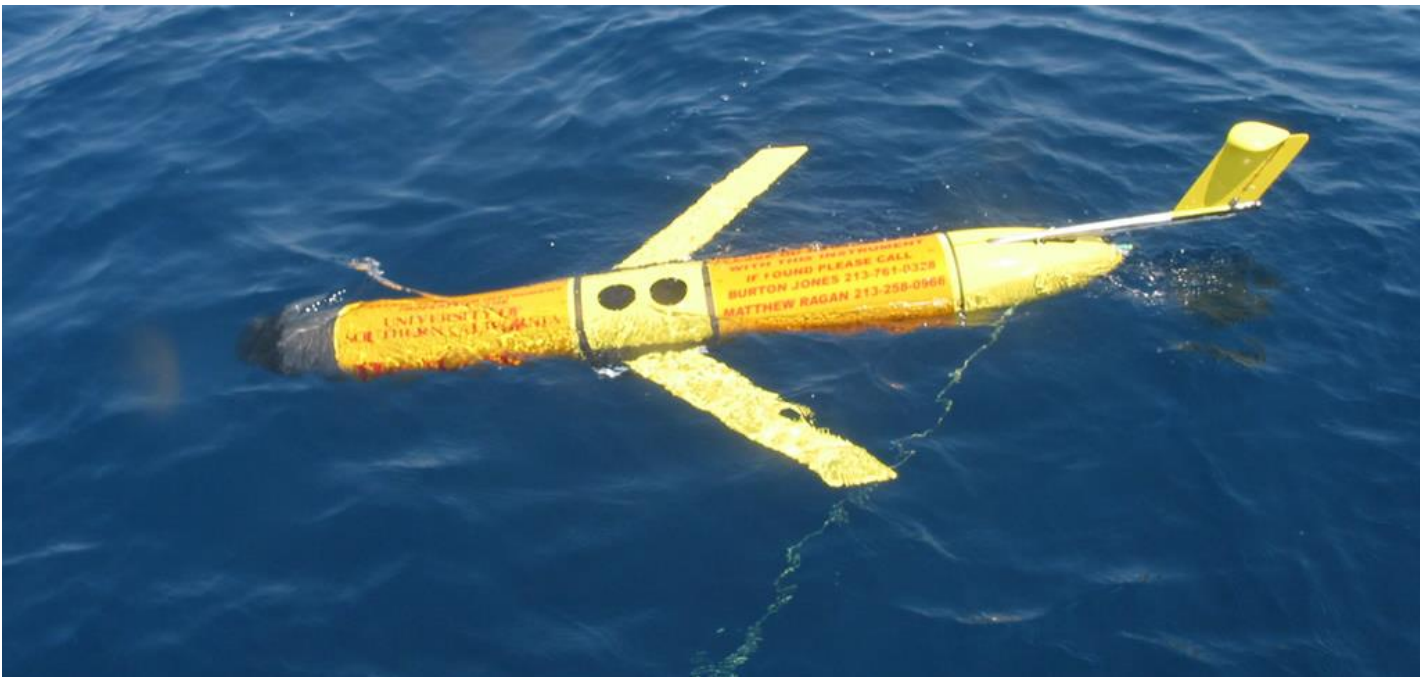
During the era of Hu Jintao the **South China Sea** issue was projected as part of a set of issues left over from history and the ‘century of humiliation’. Now under Xi the South China Sea issue is described as a ‘core issue’, where we get to see the true face of Chinese policy. ASEAN countries are facing an increasingly difficult and coercive security environment, which includes direct challenges from China to their territorial integrity, in the South China Sea. The growing dependence of regional countries on Chinese finance, capital, manufacturing value chains and trade is increasing their vulnerability and diminishing their capacity to stand up to China. In the face of these pressures, ASEAN cohesion and unity has cracked and there is a clear division between those countries, which are more susceptible to Chinese pressure, and those, which are not. The heightened influence of China has also encouraged ASEAN countries to use ASEAN led security institutions and forums in ways that conceal this internal conflict, undermining their credibility.

China has also done little to diffuse the situation and to allay the concerns of her Southeast Asian neighbors. China is certainly not following Deng Xiaoping’s foreign policy dictum by hiding its capabilities as its naval ships and submarines crisscross the Indian Ocean and dock at new Chinese bases in Gwadar and Djibouti. While paying lip service to negotiating the Code of Conduct in the South China Sea, China has shown little interest in the negotiations. Similarly, China rejected the PCA ruling on the Philippines complaint seeking clarification on points of law related to sovereignty and territorial claims in the Spratlys. The ruling itself was extremely damaging to the Chinese case for sovereignty over the islands. China has also proceeded with the militarization of reefs in the EEZ of the Philippines. It would appear, therefore, that the comfortable rhetoric of the ‘Chinese Dream’ is only relevant to remote foreign policy issues of little consequence and not to issues, which are a Chinese foreign policy priority.



The USNS Bowditch, an oceanographic survey ship, is seen in this undated U.S. Navy handout photo. Source: U.S. Navy via REUTERS

On December 16, 2016, a Chinese PLA Navy warship seized an unmanned underwater glider that was collecting underwater scientific data in the South China Sea. The USNS Bowditch – an oceanographic survey ship - was stopped by the Chinese ship in international waters which retrieved and made off with the drone. The US asserted that the drone was a sovereign immune vessel of the US Navy conducting routine operations in international waters while Chinese officials claimed that the drone was a hazard to navigation. The Drone was subsequently returned to the US Navy. There have been similar incidents in the past. In March 2001, the USNS Bowditch was confronted by a Chinese frigate in China’s exclusive economic zone. In April 2001 there was a mid-air collision between a US surveillance aircraft and a Chinese jet fighter. The US aircraft and crew were detained at Hainan airport until the US apologized for the death of the fighter pilot.



A U.S. Navy buoyancy glider similar to one seized by Chinese forces. Source: US Navy

China has made coercive territorial assertions in the East China Sea where it claims the Senkaku Islands and has a territorial dispute with Japan. On June 9, a PLA Frigate sailed near the Senkaku Islands. Although the Chinese naval vessel stayed out of Japanese territorial waters this was the first time a Chinese PLA naval vessel had sailed so close to the Senkaku Islands. The incident came days after a Chinese J 10 fighter flew close to a US RC-135 surveillance aircraft. China has previously been dispatching fishing vessels and coast guard ships into the waters around the Senkaku Islands to make the legal point that there is a territorial dispute over the Islands.

China has been making military incursions into Indian territory along the border with India. The most prominent being the incursion into eastern Ladakh in September, 2014, while Xi Jinping was on a State visit to India. China has been ignoring the aspirations and security concerns of India – in POK where China has built a highway and infrastructure projects under the CPEC; on terror where China has blocked UN sanctions against Masood Azhar a known terrorist mastermind involved in many cross border terrorist incidents in India, on India's quest for membership of the NSG which has been blocked by China and on Arunachal Pradesh where China has sought to block assistance from multilateral institutions.

China perceives the current phase demonstrating increasing multi-polarity and a decline in US power after the Global Financial crisis of 2007-08 as a period of '**great strategic opportunity**' for China to seek the realization of its key goals, including its maritime territorial claims. In articulating the 'Chinese Dream' Xi seeks to convey to his people that he is willing to do something about pursuing China's territorial claims rather than just speaking about them. Chinese leaders stress that China's maritime territorial disputes are a part of her core national interest. In the context of the South China Sea issue it is pertinent to note that Xi has stressed that China is a power with major maritime interests. Scholars have argued that historically China has had the orientation of a land power; this means that under Xi and his predecessor there has been a major change in the focus of China's strategic orientation to that of a maritime power with rapidly growing blue water capabilities and bases across the Indian ocean littoral.

China has also become increasingly assertive on the world stage. During the Iraq war, China often abstained from UNSC resolutions. This is no longer the case with an increasingly confident and assertive China. For example, China expressed limited support for US airstrikes against the ISIS even before western countries did so. Similarly, China came up with a 'Three Point Proposal' to tackle the crisis in Ukraine. China has also been active in the peace process in Afghanistan. China under Xi has played the lead in creating new financial institutions like the BRICS Bank and the AIIB that provide an alternative to the institutions that are part of the Bretton Woods system.

Similarly, China has promoted its strategic agenda along its periphery through the OBOR and Maritime Silk Road Projects. The OBOR is meant to further a number of objectives including resolving the structural imbalance between the coastal and inland regions of China, promoting connectivity of inland provinces with the sea, creating a Chinese sphere of influence in countries along China's periphery, finding markets for the products of Chinese industry through infrastructural projects built with Chinese assistance and establishing naval ports along the Indian Ocean littoral that would serve as bases for China's blue water navy.

Despite the Chinese activism and assertiveness in the foreign policy domain, China had a mixed record of successes and failures. **First**, as pointed out above, the PCA ruling on the South China Sea issue has decisively held against China's maritime claims in the South China Sea – and even though the ruling itself is denied by Beijing it caused serious damage to the Chinese claim of sovereignty over the Spratlys. Subsequent, muscle flexing by China caused considerable reputational damage to China's image as a law abiding nation.

Second, this was preceded by South Korea's decision to deploy the THAAD ABM system, which was linked to Beijing's failure to restrain the DPRK from flexing its nuclear muscle and threatening the South.

Third, the aggressive Chinese air and naval activity around the Senkaku Islands in the East China Sea had a major impact on the Japanese decision to reinterpret the constitution to allow collective self-defense activities under the US Japan Defense Alliance.

Chinese has had one notable success, at the Kunming Meeting between ASEAN Foreign Ministers and Chinese Foreign Minister Wang Yi, held on June 14, 2016, when ASEAN Foreign Ministers first issued and then retracted a joint statement drafted by them. It is believed that the statement included formulations on the South China Sea issues critical of Chinese positions and drew a private protest from the Chinese side and that the Chinese viewpoint was advocated by the Cambodian and Laotian Foreign Ministers within the ASEAN group. There was a similar incident in 2012, when the ASEAN Foreign Ministers meeting in Cambodia failed to issue a Statement at the end of the meeting for the first time owing to a lack of unity on the South China Sea Issue.

Will China continue its relentless assault on the status quo and aggressively pursue its territorial claims in Asia? China sees a big 'strategic opportunity' with the decline in US power in the aftermath of the Global Financial crisis in 2007-08. At the same time, it must attach the highest priority to the realization of the twin CPC Centenary goals to establish a moderately well off society by 2020 and a rich and strong socialist country by 2049. The achievement of these centenary goals is only possible in a

peaceful international environment. This places limits on China's efforts to pursue its territorial claims and change the status quo on land and at sea in Asia. Its actions must not provoke a confrontation with the other great power the United States. But China will undermine the United States' preeminent position in the balance of power in Asia – through chipping away at weak links in the US Alliance like the Philippines, strengthening strategic ties with Russia¹¹ and encouraging discussion on a new security architecture in Asia that includes regional dialogue mechanisms where the United States does not have a role or dominant influence.

Changes in global trends will also slow down China's progress on path of hegemonistic ambitions. The geo-economic trends in Southeast Asia over past few decades were being driven by the rationality of individual investors seeking to benefit from the economic opportunity in China, but whose cumulative effects were generating major geopolitical consequences. Conventional geopolitical wisdom holds that states will engage in power balancing against rising powers. This line of reasoning suggested that states would engage in "containing" or "hedging" against China's rise. This did not happen in the 1990s because multinational firms seeking to access market opportunities in China had been willing to do whatever it took to get in. The cumulative effect of these decisions helped build up their country's foremost strategic competitor and simultaneously undermined their countries' long-term interests. In fact Foreign Direct Investment into China has largely come from three countries and regions most concerned about China's rise: Taiwan, Japan and the United States. The resurgence of territorial disputes in the South China Sea over the past two decades signal a return to the imperatives of geopolitics in the region. The American pivot to the region and Washington's efforts to rebalance its foreign policy to focus on the strategic challenge posed by China's rise has allowed Southeast Asian countries to hedge against China's more opaque intentions.

With the Trump Administration on the horizon many fundamental assumptions of US China relations including the "one China Policy" (relations with Taiwan), trade liberalization (TPP) may no longer be taken for granted. Trump has indicated that he does not consider Putin's Russia as an adversary and China is the major threat to the US economy and US security. Should Trump succeed in raising tariffs on Chinese goods in a significant way it would add to the woes of the Chinese economy and precipitate a trade war. If Trump orders a major upgrade of the capabilities of the US military a major objective would be countering Chinese military modernization and China's growing blue water Navy. That would no doubt cause rising tensions with China.

References:

- ¹ Since President Xi Jinping became President of China in 2013 the "Chinese dream" has been a hot phrase in the Chinese media. Xi has stated that achieving that goal would mean "to achieve national prosperity, revitalization of the nation and its people's happiness." The man who first made the phrase famous, Senior Col. Liu Mingfu of the People's Liberation Army wrote a book called "The China Dream" three years earlier, which is now taught in Chinese military schools alongside the work of Carl von Clausewitz. Liu argues that China needs to return to its former glory — as the world's top superpower.
- ² The 'century of humiliation' has been a central part of the P.R.C.'s narrative on China's modern history. According to this narrative over the centuries China fell behind the superior technology of the West, an imbalance that finally resulted in defeat during the Opium Wars. This began the most tumultuous century in the country's history that did not end until the victory of the Communist Party in China's 1945-49 civil war.
- ³ "Deng Xiaoping's "24-Character Strategy" first emerged in 1990 in response both to the global backlash from the 1989 Tiananmen Square crackdown and to the CPC's sense of alarm following the collapse of the communist states of Eastern Europe. The strategy provided basic principles on how China should protect its national interests while increasing interactions with the world.
- ⁴ "24-word Core Socialist Values Engraved on People's Mind" By Du Yifei (People's Daily), March 02, 2016
- ⁵ Deng, Xiaoping. 1984. 'Building Socialism with a Specifically Chinese Character' published in *The People's Daily*. Beijing.
- ^{6&7} Qiu Shi Vol 5 No 3 July 1, 2013
- ⁸ "Build a New Type of International Relations Featuring Win-Win Cooperation"- article by Chinese Foreign Minister Wang Yi published by the *Study Times* on June 20, 2016.
- ⁹ Xi Jinping introduced the concept of the "Community of Common Destiny" with neighboring countries during a Conference on diplomatic work with neighboring countries on 25 October, 2013. Ministry of Foreign Affairs, People's Republic of China.
- ¹⁰ Speaking at the 7th Xiangshan Forum on 12th October 2016, Chinese Vice Foreign Minister Liu Zhenmin listed the following security mechanisms in Asia – the US led Alliance system; ASEAN centered dialogue mechanisms; Six Party Talks; Quartet on Afghanistan; SCO and CICA; Track 1.5 and Track 2 Dialogues including the Shangrila Dialogue, Xiangshan Forum and the Asia Pacific Roundtable.
- ¹¹ China is building new strategic alliances with Russia and Pakistan while complaining about India's ties with the US and US alliances in Asia.