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China’s White Paper on Security Cooperation in the Asia-Pacific Region and Chinese Grand Strategy

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EXECUTIVE SUMMARY

- China’s recently released white paper on Asia-Pacific Security Cooperation underlines two major geo-strategic goals for China and two challenges for Southeast Asian states.

- Echoing US language, the paper foresees that China will be a great military power and provider of regional security and stability.

- China aims to supplant the United States as the predominant power in East Asia.

- Southeast Asian states deemed as enhancing security relations with the US will face more Chinese pressure to not “take sides”.

- Southeast Asia could become an arena of intensified US-China rivalry.

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INTRODUCTION

China’s rise in the past three decades has been nothing less than spectacular. Its economy, at US$12 trillion, is now two thirds the size of the US economy, far outstripping the next largest economy, that of Japan. (In PPP terms, China is already the largest economy). Its military is now able to challenge the US military dominance in at least the western part of the Western Pacific, something almost unthinkable two decades ago. It has also become adept at the multilateral game, skilfully advancing its interests within the ASEAN-based regional security architecture and setting up new organisations and forums in which it plays a leading role.

Such advances in power and influence bear all the hallmarks of a carefully crafted long-term strategy, one major element of which was to accumulate economic and military power without arousing alarm among neighbours and potential adversaries. Another has been to avoid war with the US while China is still the weaker power because a military defeat would derail the quest for predominance in East Asia and the Western Pacific, a quest that has become increasingly clear since about 2008 when Deng Xiaoping’s dictum “hide brightness (capabilities) and bide one’s time” was discarded.

Against this background, China’s State Council issued on 11 January 2017 a White Paper prepared by a think tank of the Foreign Ministry entitled “China’s Policies on Asia-Pacific Security Cooperation”, but with inputs also from other agencies, including Defence. While China has published defence white papers before, this is the first time it has published one on security cooperation in the Asia-Pacific which it defines to include Northeast and Southeast Asia as well as the United States and India.

Released just before the inauguration of the new US President who, as President-elect, had alarmed China with his hawkish stance, the White Paper was probably intended to put on the table China’s views on regional security for the new Administration’s attention. The Paper has little that is new. However it brings together different elements of China’s vision and policy on regional security into a single comprehensive policy document with high-level official sanction, and hence deserves some attention and reflection.

Policy documents on foreign and security policies released for public consumption, even by western states like the US and Britain, are written with a consciousness of what messages to deliver to international, regional and domestic audiences, and what to avoid. This would be more so for this White Paper from Beijing where policy debates take place much more behind closed doors and where principles of contest drawn from the Period of the Warring States in Chinese history combine with Leninist principles and tactics in the conduct of international relations.

So what is said between the lines or left unsaid may be just as important as what is openly said. And what is openly said need not necessarily be permanent and cast in stone,

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1 The term “East Asia” in this essay is meant to include both Northeast Asia and Southeast Asia. Sometimes East Asia is referred to as “the region”.
2 Henceforth referred to as “White Paper” or just “Paper”.
something those prone to be bewitched by the supposed sanctity of the high-level official word need to bear in mind. A change in circumstances can rapidly bring a change in tune and substance, underlining the importance of scrutinising a state’s actions and not just its words.

**DRAWING THE REGION INTO CHINA’S ORBIT**

The ongoing policies to draw the region, especially Southeast Asia, into China’s economic and political embrace through economic integration and building political and security partnerships, will be stepped up.

The White Paper highlights the importance of pursuing “common” economic development, which, it says, should be speeded up through economic integration and building free trade areas and connectivity, presumably of the region with China. China’s Belt and Road Initiative, the Asian Infrastructure Investment Bank and the Silk Road Fund are mentioned in this context. Common economic development is viewed as the foundation of political and security cooperation. The message here may also be that it is not possible to separate the two as some countries try to do by looking to China for economic benefits and to the US for security protection.

The building of political and security partnerships between the region and China are contrasted with alliances which are equated with confrontations, clearly a reference to America’s Asian alliances which China has often portrayed as remnants of a Cold War mentality and aimed against China.

**ACCEPTING THE REALITY OF US ALLIANCES, FOR THE TIME BEING**

However, while China’s longer-term goal of an East Asia without US military alliances and bases would almost certainly remain intact, the White Paper seeks to convey that they are a reality it has to live with for some time. The Paper carefully avoids President Xi Jinping’s statement at the second Conference on Interaction and Confidence-Building Measures in Asia (CICA) in 2014 that Asian problems should be solved by Asians.

Still, since China does see the US alliances as the main obstacle to its regional ambitions, it will work to undermine them. In particular it is now confident enough to try to prevent new American security initiatives by putting pressure, including the use of economic sanctions, on America’s Asian partners involved in such initiatives. An important aim would be to frustrate the American strategy of building a network of cross-linked security partners and allies in the Asia-Pacific. The message to regional countries would be that while China can live for the time being with their existing security arrangements with the US, it will oppose any new steps to enhance US and allied security capabilities in region.

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4 Based on discussion with a knowledgeable Chinese scholar at a forum at the Rajaratnam School of International Studies, Singapore, late March 2017.

5 Discussion with Chinese scholar, late March 2017.
The White Paper lays out a vague path for ultimately bringing about an East Asia in which US alliances become irrelevant. It calls for more coordination between the different security mechanisms in Asia, i.e. the US alliances and the ASEAN-led and China-led multilateral mechanisms, and movement towards an eventual “common” security framework based on consensus in which “regional security affairs [are] decided by all countries in the region through equal participation”. The intention would be to weaken the US alliance system by marshalling regional non-cooperation, even opposition against them, through a policy of carrots-and-sticks towards regional countries.

The Paper seeks to reassure that China does not seek to overhaul the existing security order, only to improve it. It claims that the new security framework will be built in such a way “that it does not mean starting all over again but improving and upgrading the existing mechanisms”. Needless to say, cynics will see this as being in accord with the Leninist notion that when the end goal seems far it is better first to reach a near or intermediate one and use that as a platform to advance further.

**SMALL AND MEDIUM-SIZED COUNTRIES ‘SHOULD NOT TAKE SIDES’**

Interestingly the White Paper says “Small and medium sized countries need not and should not take sides among big countries.” Since the White Paper classifies China, US, Russia, India, Japan as “major countries” this seems to be aimed at the other US allies and partners in East Asia, including countries in Southeast Asia and Australia/New Zealand.

It is not explained in the White Paper what precisely “taking sides” means. However one important consideration would be whether a country further facilitates the US military to operate in the region by participating in new US security initiatives, though the term can also be used more broadly, if need be, to refer to a country’s stand on the South China Sea and other aspects of its foreign policy. China is likely to apply economic pressures against countries which thus “take sides”. The pressures on the Republic of Korea for hosting the American THAAD anti-ballistic system are a case in point. Whether it poses a threat to China’s strategic nuclear deterrent, as China claims, or not, a more important reason for vehemently opposing the deployment would be to conscribe US freedom to take major military initiatives in the East Asian region.⁶

Perhaps it is irreverent to point out here that if a country facilitates a Chinese naval presence, for example Pakistan or some Southeast Asian country in the future, it would not be censured or punished for “taking sides”.

The principle of “not taking sides” was wielded during Premier Li Keqiang’s recent visit to Australia, where on 23 March 2017, he told a gathering of Australian political and business leaders “we don’t want to see (Australia) taking sides, as happened during the Cold War” with a hint that otherwise Australia’s trade relations with China could be endangered. The message was put across at a time of vigorous debate in Australia on whether Australia

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⁶ See, for instance, Abraham M Denmark, “China’s fear of US missile defense is disingenuous”, *Foreign Policy*, March 2017.
should continue to adhere to its traditional policy towards US and China or tilt more towards China.

**LARGER SECURITY AND MILITARY ROLE FOR CHINA**

The White Paper is forthright about China’s desire for an expansive security role: “China will shoulder greater responsibilities for regional and global security, and provide more public security services to the Asia-Pacific region and the world at large.” The language emulates America’s declared role to provide regional and international security and stability. The message is that China too can and will do this.

There is no longer any inhibition in openly declaring that China will be a great military power: the Paper says that China will build armed forces that are commensurate with China’s “international standing and its security and development interests.” China’s 2015 official defence budget was US$145 billion, the second biggest in the world, having grown by double digit rates for two to three decades, though real defence spending would almost certainly be higher. Assuming a slower 7 per cent growth per year, the official defence budget alone could exceed US$360 billion by 2030 and within less than two decades from now approximate the current US defence budget in US dollar terms, and more in PPP terms. And the capabilities acquired with this expenditure would likely be concentrated in the Western Pacific and the Indian Ocean while the US military has to tend to global commitments.

There are also indications that China may significantly expand its marine corps. According to one report, citing “military insiders” in China, the force will be increased from about 20,000 to 100,000 personnel by transferring special combat units from the Army. If this huge increase is carried out, China’s marine corps will become far bigger than that of any other country except the US.

**SOUTH CHINA SEA**

As expected, the White Paper takes a tough stance on the South China Sea issue: it is an issue of China’s sovereignty and “maritime rights and interest”. Provocations by outsiders and attempts to “internationalise and judicialize” the issue will be resolutely opposed. However it does not mention China’s nine-dash line, referring only to “China’s indisputable sovereignty over the Nansha Islands and their adjacent waters”.

China having changed the status quo in the South China Sea by building artificial islands, almost certainly for military purposes, and achieving a virtual fait accompli, the White Paper seeks to tranquilise the issue (and eventually turn it into a non-issue), by giving the impression that ASEAN countries and China are already working to resolve it and the involvement of “outsiders” would only make it worse. China seems to be also taking a new diplomatic initiative, probably to reinforce this stance: its Vice Foreign Minister Liu

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7 *South China Morning Post*, 13 March 2017.
8 China’s military has long declared its intention to dominate the waters within the “first island chain” which includes the South China Sea.
Zhenmin on 25 March 2017 pushed for South China Sea littoral states to establish a new cooperation mechanism, based at Boao, on Hainan island to discuss non-traditional security issues related to the South China Sea. Needless to say this mechanism will be outside the ASEAN-based security architecture and will be China-led.

The build-up of tensions on the Korean peninsula will distract US and international attention from the South China Sea for the near term. However, over the medium and longer term, the Sea will likely be an arena of military tensions as China seeks to consolidate its control and the navies of the US and its allies mount freedom of navigation operations and continue to transit and exercise in it.

China’s actions in relation to the South China Sea have been the single most important factor in heightening mistrust of it in Southeast Asia. However it is prepared to pay this price because it regards its broader strategic goals vis-à-vis the US as much more important. It also seems to believe that ultimately the weaker will have to bend to the more powerful.

CALLING FOR CHANGES IN INTERNATIONAL RULES

The White Paper advocates changes to “international rules” to make them more “fair and equitable”. While stressing China’s adherence and contributions to international law, the Paper takes a swipe at international rules: “International rules should be discussed, formulated and observed by all countries concerned, rather than being dictated by any particular country. Rules of individual countries should not automatically become “international rules”, still less should individual countries be allowed to violate the lawful rights and interests of others under the pretext of ‘rule of law’.

While the Paper does not say what international rules should be modified and to what extent, this may have particular significance in relation to the 12 July 2016 Arbitral Tribunal ruling on the case between the Philippines and China on the South China Sea which China scornfully rejected. However it is worth noting in this context that China participated fully in the negotiations which led to the United Nations Convention on the Law of the Sea (UNCLOS).

MULTILATERAL MECHANISMS

Of the multilateral mechanisms in the Asia-Pacific, China clearly favours mechanisms in which the US is not present. In the ASEAN-based regional security architecture, the highest importance seems to be given to the ASEAN +1, i.e. ASEAN-China cooperation, which is described as a “priority” in China’s neighbourhood diplomacy. The paper cites President Xi Jinping’s desire “to build a closer China-ASEAN community of shared future.” Next in importance for China is ASEAN Plus Three (APT), described as “the main vehicle for East Asian cooperation”.

China also attaches importance to the Lancang-Mekong Cooperation (LMC) mechanism whose members are five ASEAN countries (Cambodia, Laos, Myanmar, Thailand and Vietnam) and China. LMC operates outside the ASEAN-led architecture and China will try
to build it as “a community of shared future” which will have implications for ASEAN-China cooperation.

Then come forums which China would have difficulty in leading because of the presence of the US and its allies: the East Asian Summit (EAS), the ASEAN Regional Forum (ARF), and the ASEAN Defence Ministers’ Meeting Plus (ADMM-Plus), in that order.

On the EAS, the White Paper cites Premier Li Keqiang’s statement at the 11th EAS at Vientiane on 8 September 2006 that economic development and “political security” cooperation were the “two engines propelling the EAS”. Two sentences down it explains that by “political security” it means China’s new security concept of building a security framework of “common, comprehensive, cooperative and sustainable security”.

**CHINA’S RELATIONS WITH MAJOR COUNTRIES IN THE ASIA-PACIFIC**

The White Paper has a section on China’s relations with “major countries in the Asia-Pacific”—listed as US, Russia, India and Japan—which seeks to avoid playing up controversial issues.

While in the earlier sections of the Paper, there are oblique criticisms of the US, usually without naming it, this section seeks to project current US-China relations generally in positive terms. It reiterates China’s continued commitment to work with the United States “to build a new model of major-country relations featuring non-conflict, non-confrontation, mutual respect and mutually beneficial relationship.” the usual code language for gaining US recognition of China’s equal status and respect for its political system and vital interests, while seeking political and strategic gains through dialogue and diplomacy. The continuation of regular high-level engagement with the US is of vital importance to China in order to ward off a possible Sino-American conflict and to ensure a peaceful climate that is necessary for expanding China’s influence in the region.

The treatment of Russia, a quasi-ally of China, as expected, is positive.

India is placed before Japan, and the treatment of Sino-Indian relations is, somewhat surprisingly, all positive. Earlier in the White Paper, it is stated that China is committed to “establishing a closer partnership with India”. It is possible that with the prospect of more difficult relations with the US and Japan to its east, China may seek to ease tensions with India on the west.

The Paper notes that sensitive factors still remain in Sino-Japanese relations and gently chides Japan’s “negative moves concerning historical and maritime territory issues”, urging it to abide by previous agreements with China. However on the whole, Sino-Japanese relations are given a bland and factual treatment.

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9 This was first enunciated by President XI Jinping at the CICA summit in May 2014.
APPARENT CONTRADICTIONS

Many in East Asia would see contradictions in the White Paper between words and deeds which may be less apparent to its writers.

There is emphasis on China’s positive contribution to regional stability and building of trust when many states in the region would regard its actions in the South China Sea as damaging to trust, even destabilising. Likewise, the Paper’s stress on the importance of mutual respect and equality among states when in fact several smaller states may feel they have experienced an overbearing and pushy China which shows scant respect for their interests.

Then there is the admirable statement: “We cannot just have the security of one or some countries while leaving the rest insecure, still less should we seek ‘absolute security’ for oneself at the expense of the security of the others. We should respect and accommodate the legitimate security concerns of all countries.” Again, not a few East Asian countries would say: How nice if only China could abide by this precept in its dealings with them.

One reason for these apparent contradictions is that such statements in the White Paper are often implicitly addressed to the US, i.e. China wants the US to treat it as an equal and with respect and not to damage its security interests. The hierarchical mind-set of those behind the White Paper may not appreciate, leave alone deign to acknowledge, that their dealings with smaller states contradict such principles, a predisposition not uncommon among great powers, including Asian ones.

THE RISING VERSUS THE ESTABLISHED POWER

Viewing the geopolitical contest between the rising power and the established hegemon in clinically realist terms, without favouring any side, one cannot but admire China’s strategy which has significantly expanded its economic and strategic reach in the region—including major strategic gains in the vital South China Sea under the very nose of the reigning hegemon—and all without firing a shot. Further, the Trump Administration has cavalierly given away its economic ace, the Trans-Pacific Partnership, leaving the field open for China to shape the region’s economic order.

China’s policy makers have viewed the contest in the Asia-Pacific with deadly seriousness, virtually as war by other means, which the reigning hegemon is taking a long time to come to terms with. The latter has been unable to take the contest with the same seriousness in part because it does not pose a present and clear danger to its homeland. Besides, with endless wars in the Middle East since 2001 together with increased domestic socio-economic stress among important segments of American society—as manifested in an inward turn in public mood and the isolationist impulses reflected in President Trump’s campaign rhetoric—it would be difficult for the American democracy to mobilise the necessary public support for a possible major power conflict in faraway East Asia involving
the US. And it is part of China’s strategy to ensure that the perception of a serious threat to the US does not develop.¹⁰

Further, unlike its stand-off with the Soviet Union during the Cold War, the US now faces a competitor with a huge and growing economy which has made important economic and political stakeholders in this region as well as within the US and among US allies dependent to varying measures on its goodwill, making a cohesive and forceful response more difficult.¹¹

China is not without its vulnerabilities. It faces daunting domestic problems, which makes the communist party leadership feel less than secure, though authoritarian regimes like China’s with their extensive and efficient surveillance and control capacities would be better able to manage domestic unrest than democratic ones. Also, unlike the US, in the Asia-Pacific region, China hardly has any genuine ally or partner. China’s assertive policies have intensified distrust of it in the region and alarmed Japan which may further jettison the constraints on its military. The US, though in relative decline, is still powerful and may still be able to maintain its key alliances and assemble new coalitions. Whatever its long-term ambition of Asian hegemony, China is not yet in a position to assume the sort of leadership role that the US provides.

Still, barring perhaps a hard economic landing in China, at present the advantage in this epic contest seems to lie with China. China has a clever long-term strategy that can be adjusted to changing situations, it has a strong determination to succeed and it has geography on its side. East Asia is close to China and far from the US for power projection purposes. Through its rapid military modernisation, China has been raising the costs for the US of any conflict with China in East Asia and its maritime environs. Luck has also helped China in the election of Rodrigo Duterte as President of the Philippines, a development that makes American use of Philippine military bases in the event of a South China Sea contingency uncertain.

Given reasons of history, geography and growing power China’s quest for regional pre-eminence is perfectly understandable. However, China could have taken a different and more patient approach, working closely with the existing stakeholders like the US and other regional and extra-regional powers. However hard liners in the Chinese military and the communist party seem to be driving China’s policies. Also, concerns about the domestic legitimacy of the Communist Party coupled with the perceived need to meet the targets the Communist Party has set to make China great again apparently rule out a more patient and moderate approach.

¹⁰ China may have been concerned that Trump might rally American public support behind a confrontation with China by blaming China for America’s economic problems, but that seems less likely now.
CONCLUSION

Although the advantage would seem to lie with China, there is considerable uncertainty about how this contest will progress in the next decade or so. The small and medium-sized countries in the region would desire a balance between the powers without too much tension to enable them to maintain maximum independence and room for manoeuvre.

Whether a balance can be maintained will depend much on US political will to remain deeply engaged economically and militarily and, over the medium and longer term, whether countries like Japan, India and others can exercise significantly more strategic weight. A more united and effective ASEAN would also help. There are uncertainties about each of these.

A Chinese domination of East Asia will make it the dominant power of Asia and put it in a position to challenge the western domination of the world and the liberal international order. It will be a new world and little is yet known about how China, as a hegemon, would relate to the small and medium-sized countries of the region.

Meanwhile, countries in Southeast Asia need to brace themselves for the fall-out from a likely increase in US-China economic and strategic tensions—and pressures. Unless united, Southeast Asia will have little or no influence on the gathering rivalry of the two great powers and it will be an arena of contest, and will be unable to do anything to shape or mitigate it.