

January 6, 2021

A Perspective on "China in the Eurasia Geopolitics/economics"

By MIFUNE Emi

The author has been a member of "Japan's Diplomacy toward Eurasia amid Ongoing Multi-polarization: From Perspectives of Geopolitics and Geoeconomics," a three-year (2020-2022) research project organized by the Japan Forum on International Relations. Needless to say, China is the core focus of power transition in Eurasia, geopolitically as well as geo-economically. When we think about the direction of Japan's diplomacy toward Eurasia, how could we Japanese people accurately understand the 'expanding China' and 'increasingly influential China'? In this article, the author attempts to indicate the five points analysis on China within the ongoing multi-polarization dynamism in Eurasia, from the perspective of neither an anti-China 'dragon slayer' or a China-friendly 'panda hugger.' In the first section, the author examines the Chinese diplomacy in the three major approaches in the study of international relations. In the second section, the basic understanding of the Belt and Road Initiative will be illustrated. In the third section, the timeline of China and the Premier Xi Jinping will be observed. In the fourth section, how the year '2027' can be regarded in the final report of the project to be published in FY 2022. In the last section, the outlook of 'Finlandization' of Asia and China will be examined.

I. Realism, Liberalism or Constructivism?

The first point to be examined is which approach in the international relations --- realism, liberalism and constructivism--- shall be taken to accurately understand the Chinese diplomacy. In the study of International Relations (IR), the 'realism' is not exactly the same as what is described in a general dictionary. And there are many theories of realism in the IR, that the common basis among them would be (1) state is the main actor in an anarchic realm where there are no higher authority than the state; (2) power is a tool of the state to pursue its national interest, to earn and expand the power is the state's purpose, and the essence of the international relations is the power competition among states; (3) state pursuing its national interest will make a rational decision on its policy in order to maximize its interest; (4) the security of state is the most important issue in the world where there is no mutual trust exist, which is based on a sceptic perspective on humanity.

The liberalism in IR, on the other hand, is an approach that sees not only the competition like realism school does, but rather sees the possibility of cooperation. They, however, are not as optimistic as the cooperation mechanism is naturally generated in

the world of anarchy where there is no higher authority than state. Their approach is that by creating a mechanism to cooperate, states can do so. Depending on what part will be seen as the mechanism, the approach will be different: (1) sociological liberalism, (2) interdependence liberalism, or some categorizes it market/commercial liberalism, (3) institutional liberalism, (4) republican liberalism. China shows little opportunity for building a mechanism for cooperation, with its self-fulfilling diplomacy.

Meanwhile, constructivism approach has an issue, too. China would pursue its national interest over an international norms, because it would not be affected by unmaterialistic reasons such as norms or identity. The constructivism is not the best approach to examine the contemporary Chinese diplomacy, as it does not talk much about the clash of norms among different fields.

Therefore, the realism is the best approach to examine the Eurasian dynamism, except so-called 'structural realism' or 'defensive realism.' Jake Sullivan, the national security advisor appointee of incoming Biden administration, has said that China sees the area of 'geo-political economy' as the main field of competition, unlike the Soviet Union had concentrated its resource in the military, and the United States will regard the 'strategic competition' against China as the direction of its China policy. Which approaches ---'humanistic realism' or 'offensive realism'--- then, is the better one is not clear until 2022, considering President-elect Biden has made a slip of his tongue that "China is not a competitor" and his son, Hunter Biden's relations with China.

II. What is Belt and Road Initiative? -A Political Measure That is not 'Wider Economic Sphere Initiative'

The second point to be examined is understanding the Belt and Road Initiative (BRI). The BRI can be regarded as an initiative that pursue China-led 'Community with shared future of mankind,' in another words, Pax Sinica, by expanding its 'Sphere of amicableness.' Chinese premiere Xi Jinping has said in his speech at the 'CPC in Dialogue with World Political Parties High-Level Meeting' held in Beijing in 2017 that the BRI will bring 'Community with shared future of mankind' to Eurasia continent. Ever since, Communist Party of China's senior officials including Mr. Xi have been emphasizing that the BRI is the platform of China-led community with shared future of mankind.

China expresses "discuss, build and share together" in promoting the BRI in an attempt to reflect its diplomatic principles onto an international consensus, by emphasizing 'together.' Many Japanese media advertise BRI as an 'wider economic sphere,' but BRI is not just a creation of economic partnership or economic sphere in Eurasia. Regarding the BRI, whether in economic or social affairs, China focuses on the word 'development' in an attempt to link the development strategy of neighboring countries and the connectivity with itself. At the same time, China repeatedly emphasizes to mutually respect 'diverse option on the course of development,' or 'diversity in polity' so that each country could figure out the most suitable way of development in light of their circumstances; to co-build 'community of interest, of responsibility, and of destiny'

based on 'political mutual trust, economic fusion, and cultural connotation' to transform the world's political and economic order into China-led 'global governance.'

The BRI promotes 'Five Connectivities:' (1) policy coordination, (2) infrastructure connectivity, (3) unimpeded trade, (4) financial integration, and (5) people-to-people exchange. BRI, therefore, is the China-led initiative that Communist Party and the government of China commits to 'China-led global governance' by forming the 'five connectivities' made along with co-building the economic corridor.

The BRI promotes in spreading the 'China standard' infrastructure, to form and manage the complex infrastructure network, and in the future, strengthen the cooperation in the area of advanced technology such as digital economy, artificial intelligence (AI), nano technology, quantum computing, to help realize Digital Silkroad by promoting utilization of big data, cloud computing and building of smart city. China does not stop there, but further aims to utilize in the security realm for its own benefit by promoting the cross border optical cable network to be structured, better the international communication, plans to lay inter-continental submarine communication cables, and satellite intelligence network. It is noteworthy that BRI is causing the 'debt trap.' There are some cases reported that the debtor countries give up the control of the ports built by the support of China, or cooperate militarily, when they would not be able to pay back to creditor China.

The G20 Summit, a financial meeting held this year under corona pandemic, agreed on allowing the postponement of payback, of which the two thirds of the official assistance are funded by China. Primary creditors to the BRI related projects are policy banks: China Development Bank (CDB) and the Export-Import Bank of China. Asian Infrastructure Investment Bank (AIIB) established in December, 2015, meanwhile, is rather a global institution with transparency required, despite its initial image as the main creditor to BRI related projects, of which policy banks have more shares. China used to argue to exclude the relief framework for developing countries from the debt on state-owned policy banks like CDB as 'they are private organization.' At the G20 Summit this year, China agreed to state that "[t]here is a lack of participation from private creditors, and we strongly encourage them to participate on comparable terms when requested by eligible countries[,]" though many China loans to developing countries are seen as 'hidden loans.' In such manners, BRI is used as a 'political tool' to strengthen 'Chinese hegemony in developing countries.'

III. Timeline of China and Xi Jinping

Now we will look at the third point, 'timeline of China and Xi Jinping.' First, let us go through China's major national goal of "Two Centenaries." The first centenary is of a century anniversary of founding of Communist Party of China, i.e. 2021, when they aim to realize moderately well-off society. The second is of national foundation, i.e. 2049. In those two centenaries timeline, what is called the "Chinese Dream" aims to realize a 'prosperous and strong nation.' Xi Jinping-proposed "Chinese Dream" aims to increase

China's 'Comprehensive National Power,' and revive its people, wealth and power. In another words, Xi Jinping believes the historical mission of "Chinese Dream" is to regain China's pride from the shaming history ever since the Opium War, to reach to the 'great revival of Chinese people.' In that sense, the double hundred-year marathon "Chinese Dream" is a national project to be a rich and powerful nation building.

What Japan should be aware in the course of the realization of "Chinese Dream" is that the expansionism in militarily and territorially are embedded in the process. China's military expansionism poses security threat to the neighbors, as China is modernizing and expanding its military power to increase its CNP. China is not trying to take back the 'territory of Qing dynasty (sphere of influence)' within the scope of international law, but rather to earn the sphere of influence by changing the border by force.

Then we shall go through the 3 major years indicated in "Made in China 2025" (MIC2025). There are many irresponsible reportings that compares it to German-proposed "Industry 4.0," which is incomparable. MIC2025 is a three-step industry development indication for China to be transformed from a 'major producer' to a 'powerful producer.' The three-step strategies are: 1) become one of powerful producer by 2025; 2) become an average level by 2035; and 3) reach top tier by 2049. MIC2025 states innovation, digitalization and domestic production as the keywords, and lists 10 key industries: 1) next generation information technology, 2) robotics and processors, 3) aerospace, 4) ocean engineering and high tech ships, 5) advanced railway equipment, 6) green energy and vehicle, 7) power equipment, 8) agriculture machinery, 9) new materials, and 10) bio-medicine and high quality medical devices. I would like to ask the reader here: if you were a high-ranking Communist Party official, could you imagine not mentioning the unification of Taiwan in "Chinese Dream"? Of course you would say that is included. Meanwhile, if Xi Jinping to step down in 2022 you could say the "Chinese Dream" was nothing more than "Xi's Dream." If ---post-Xi Jinping remains to be Xi Jinping--- what would you think he tries to secure the route to the Pacific Ocean, to be a maritime power and occupy the western Pacific under its hegemony when they become a major power as powerful as the United States?

So it is high time to regard China's purposes for Taiwan unification and reaching to Senkaku Islands are no more the issues of history, energy or fishery. Uploaded on the National People's Congress' website from November 4 to December 3, the draft of China Coast Guard Law, that regulates CCG's surveillance activity in neighboring waters, needs to be read based on such understanding. Yet the regulation on the use of weapon is not as strict compared to that of Japanese coast guard. Right before then, from October 21 to November 19, the website had asked opinions on the proposal of National Defense Law revision, "other major security areas" was added to the original defense of land, sea and air, as well as "law enforcement by police on protecting maritime interests" as legally stated duty, and 'non-war activity mission' to what was originally stated "under the conduct of military authority, militia will take war preparation mission, and defense mission" which is alarming. There is higher possibility of China trying to

use both military and non-military means.

A closer look is needed on the fact that it is more rational for China to take over the command of air and sea near Senkaku Island to prepare for Taiwan emergency situation, rather than Taiwan issue itself. It is not hard to imagine China would build something on/around Senkaku Island if takes over the command of air there, as they have constructed 3000m runway on the reef of South China Sea. Those Western Asia-watchers who claim Senkaku as a "little rock" do not understand the geopolitical importance of the island. Chinese ambition for Japan's Senkaku needs to be recognized with in the dynamism of Japan-US hegemonic competition.

IV. How to Regard the Year 2027

The fourth point is how the year 2027 be regarded in terms of Eurasian geopolitics. The 5th Plenary Session of the 19th Central Committee of the Chinese Communist Party, an important gathering was held in Beijing from October 26 to 29. In the 5th Plenary, the 5 Year Plan and the long-term target until 2035 were discussed. The author indicates 2 points regarding the Session:

First, Xi's successor was not nominated. Jiang Zemin and Hu Jintao had been nominated by Deng Xiaoping as the supreme leaders. In the case of Xi Jinping, he was recognized as the successor of Hu Jintao since he assumed the position of Vice Chairman of the Central Military Commission at the 5th Plenary Session held 10 years ago. This time, however, there was no such event and it could even be imagined that post-Xi is Xi himself.

Based on the CCP bylaw that 68 years or older at the time of National Congress shall retire, Xi Jinping used to be thought he would step down at the National Congress in 2022. But because he revised the constitution to abolish the term limit of the president at the NPC in March 2018, which set the course for him to remain in the power after 2023, and he did not announce his successor this time, he is seen to be willing to maintain the long-term administration beyond 2035. Considering how Xi Jinping has purged many of his enemies and oppositions in the name of anti-corruption campaign, sometimes a case was closed as 'suicide,' Xi cannot retire easily, because as soon as the successor was announced, Xi becomes a lame duck. As such, he might be setting his goal as the top leader at the age of 82, just like President-elect Biden of the U.S.

The second point is how to regard the year 2027. At the 5th Plenary Session, it was proposed on the national defense affairs that "by increasing the combat capability to protect national sovereignty, security and development interest, China will achieve to realize the goal of a centenary anniversary of People's Liberation Army establishment in 2027. The latter part could be regarded as Xi's plan of 'unifying Taiwan by force,' because in 2027 the US military plans to realign and shift the policy. For example, General David H. Berger, Commandant of the US Marine Corps, has indicated a decade planning to review its organization of force from scratch, to shift the focus on counter-China policy in the "Force Design 2030." This report, however, was intended to collect opinions and

not finalized. At the time of this writing, the Defense Secretary nominee of the incoming Biden administration has not been announced due to the opposition from leftists in the Democratic Party. Many reported that the direction of the US military would not be expected to change drastically if Michèle Flournoy, former Under Secretary of Defense and most likely candidate for Defense Secretary position, was to assume the office, but considering the leftists' leap within the Democrats at 2020 election, it would have been no more than about the 'direction.' The Marines established 3 littoral regiments (MLRs), and are positioned in Okinawa, Guam and Hawaii. One of them is already formed in Hawaii, and Gen. Berger clearly stated the remaining 2 will be fully ready by 2027. The MLR will be equipped with long range anti-ship missiles (LRASM) and anti-air missiles; they will be deployed to islands in dispersal at the time of emergency situation, and their main mission is to strike Chinese military vessels from the land, in order to support US Navy to secure the command of sea. So, the author thinks China sets 2027 as a goal to complete its action towards Taiwan before the US military completes the shift.

Meanwhile, China with its population of 1.4 billion is heading to be the aged society for the first time as developing country. China will enter from the aging society to aged society in 2025, pension fund will hit its highest in 2027, so will the population in 2028 and starts descending, national pension fund reserve will run out in 2035, and expected to move on to 'super aged society' in 2036. From the observation of the security affair along with pension and welfare issues in 2027, the possibility is not low for the security environment of Eurasia to experience a major turning point in near future.

V. Conclusion ---Asia with Finlandization

China has strengthened its bilateral relations through BRI, and is trying to increase its deployment capability in Eurasia and Indian Ocean from horizontal to vertical realm. It is no longer a realistic idea to contain China. From the geopolitics-minded Trump administration's Indo-Pacific Strategy with emerging China in mind, China wishes to switch from Biden administration on and following to economic tie based Asia Pacific framework. So the naming of the Indo-Pacific Strategy could be changed after in the post-Trump administration. Given the global supply-chain built till today, the decoupling of the entire economy is not possible and unrealistic. After the new US administration takes the office, they will try to separate sensitive technologies from China, which directly linked to security affairs. Considering the political situation that posting of Flournoy cannot be announced, there is a chance of better environment for China, if not the relations with US.

If the trust in US as a balancer or an ally collapses, the small and midsize countries will consider its Finlandization ---the neutralization as an option to survive, rather than bandwagoning or choose to be with one or another. Finlandization is a metaphor of a state being politically enslaved to what the neighboring major power desire, from the experience of post-World War II Finland having been put under strong influence of the Soviet Union and did not enjoy its state autonomy despite its independence. Hans

Mouritzen, Senior Researcher at the Danish Institute for International Studies, argued that the small countries in Asia would be Finlandized, in his article on "Survival" magazine in 2017. Robert Kaplan, a geopolitical expert with Eurasia Group, too, argued that Japan will eventually be moving towards its Finlandization, in his article on "Foreign Policy" in 2019.

Asian countries will be put in a difficult position if need to choose either US or China, as on one hand they rely on US security policy to counter Chinese threats, while in the economic policy they need to mind not only the direct dealings with China but also to China's sphere of influence in Southeast and Central Asia on the other. Even for severing depopulation and aged society Japan, it needs to figure out how to deal with China, the biggest threat, with its own demography and shrinking market in mind. Hence the US-China relations experts today need to examine the possibility of Finlandization of Asian countries, in addition to the possibility of US withdrawal, and choice of US or China.

If to label Southeast Asian nations with whether China-friendly, anti-China or in the middle, there are currently no anti-China hawk. In spite of the territorial issues they have with China in South China Sea, the economic dependency is advantageous for China as Southeast Asia has been deepening the economic tie under the ongoing corona pandemic circumstance. Due to the China-advantaged division of labor in the region, except in Thailand and Malaysia, it is becoming harder to counter the expanding China even if it is the biggest security threat. In other areas of Eurasia like South or West Asia, too, the environment is becoming advantageous for China's foreign strategy. In Middle East where having the 'age of new three powers,' for example, China has deepened its ties with Iran by leveraging the US-Iran strife under Trump administration. When Foreign Minister of Iran, Mohammad Javad Zarif visited Pakistan in May 2019, his proposal announced of connecting China, Iran and Pakistan through the Port of Gwadar (Pakistan) and of Chabahar (Iran) made a news. The Port of Chabahar locates in the Southeast Iranian province of Sistan and Baluchestan where facing the Gulf of Oman, only 100km away from the Pakistani border, and 140 km from the Port of Gwadar, is an ideal access point from the Indian Ocean. As Iran and Afghanistan have an agreement to utilize Chabahar as their trade hub, the connection with China Pakistan Economic Corridor (CPEC) will enable BRI network expansion from horizontal to vertical realm --from Iran to Afghanistan, Turkmenistan, Kazakhstan, and from Azerbaijan to Russia and Turkey. The linkage of Chabahar Port and CPEC also enables the multi-layer connections among Central and West Asia as well as Middle East. It remains to be unclear if true, but there was a news in Iran this summer that Iran agreed on 25 years lease of Kish Island to China.

In considering Japan's diplomacy in Eurasia, therefore, China needs to be assessed in light of geopolitics in the continent, with the diplomacy on BRI that is expanding in the horizontal realm to vertical, as well as China's attempt to change the status quo.

(This is an English translation of the article written by MIFUNE Emi, Academic Governor of GFJ / Professor, Komazawa University, which originally appeared on the e-Forum “Giron-Hyakushutsu” of GFJ on December 6, 2020.)