Chinese Foreign Policy under Xi Jinping: Continuity & Change

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Introduction

China’s emergence as a global military and economic power and its growing influence in global affairs has shifted the current geopolitical landscape and has challenged the post-cold war unipolar order defined by the United States. The impetus behind this shift is China’s rapid economic growth\(^1\) that is compelling the United States to rethink its strategic options in the Asia Pacific.\(^2\) When President Xi Jinping rose to power in 2012, a strong debate emerged in the academic circles over the direction of Chinese foreign policy. Some scholars argue that China has adopted a much more aggressive foreign policy approach under Xi Jinping.\(^3\) Moreover, it has become a widespread narrative in the West, particularly in the United States that China has become more assertive under Xi’s government. It argues that China has abandoned the “keep a low profile” dictum set by Deng Xiaoping in the early 1990s - a strategy which stipulated that China would avoid confrontation in global affairs even as it contributes to world peace and development and that China would achieve these goals by maintaining a low profile on the international stage.\(^4\)
China’s steady rise as a great power has triggered concerns among its Asian neighbours and their Western allies. However, many scholars in China have argued that the Chinese foreign policy remains status quo oriented\(^5\) and that China must move from its traditional policy of ‘keeping a low profile’ strategy and instead should play a more proactive role to protect its interests.

This paper will discuss the factors which have played a crucial role in the formulation of Chinese foreign policy. It will focus primarily on the foreign-policy priorities adopted by President Xi Jinping and how the new Chinese leadership assesses the international environment in order to meet future global challenges. The paper will also analyse how much of Chinese foreign policy is based on continuity and what are the shifts if any, under President Xi Jinping. The paper will consult the works of scholars and journalists as secondary sources. For primary sources, the study will explore official policy documents and speeches available via China’s official government websites. The study will, however, mostly rely on sources of secondary data.

**Historical Background of Chinese Foreign Policy**

Historians have described primitive China as a backward country with a parochial society which remained defenceless against imperial powers almost throughout the 20th century. This era is considered the most turbulent era
in China’s history as it suffered a series of military defeats including occupation by the British and Japanese forces. In 1931, Japanese troops attacked three north-eastern provinces of China known as Manchuria and later launched a full-scale attack on China. This initiated the Sino-Japanese War in 1937 thus leading to the Japanese capture of large swathes of the Chinese territory including Shanghai. China was militarily weak and could not match the modern Japanese troops. By 1941, the United States had entered the pacific theatre, following Japan’s provocations with an attack on Pearl Harbour. In 1945, after the United States dropped nuclear bombs on Hiroshima and Nagasaki, the World War II came to an end. As a result, the Japanese forces surrendered and were ultimately forced to retreat from China. Following the withdrawal of Japanese troops from China, the power struggle between then Nationalist Kuomintang (KMT) led government and the Communists party of China (CPC) intensified triggering a civil war in the country. The KMT regime was corrupt, ultimately creating economic challenges such as hyperinflation and unemployment and also weakening its support in China. KMT was finally defeated in 1949 and the Communist Party of China rose to power in mainland China. The period between 1839 and 1949 is dubbed the “century of national humiliation”. Since then, Communist Party of China (CPC) has used the ‘century of national humiliation’ as a political rhetoric to highlight China’s past suffering. The CPC also uses this rhetoric for
strengthening Chinese national identity. This rhetoric has played and continues to play an important role in shaping Chinese politics and its foreign relations.

Moreover, the transformation of modern China cannot be understood without analysing the role of Mao Zedong. In the early 1920s, the Chinese society was divided into fragments, while many parts of the country were controlled by local warlords. In 1923, when the famous peasant movement started, Mao went to Hunan and formed an army of workers and peasants. The peasants had demanded reductions in rent and interest rates and there was class struggle between the peasants and land owners. At the time of growing schism in the Chinese society between the landowners and workers, the communists promised a redistribution of the land, which meant limiting the influence of the landlords. The communists also promised to give the peasants a greater say in local government in the communist controlled areas. This led to a decrease in support for Nationalists bringing Communist Party leader Mao Zedong to power in 1949. Some scholars argue that the socio-economic policies of the CPC to address the sufferings of the Chinese peasantry played a major role in building a close relationship between the two. Those policies of the party were the key contributors to the CPC’s success in gaining support from the peasants.
After Mao came to power, he sought to ameliorate Chinese society by introducing land reforms and collectivising the country’s agricultural sector. Mao remained in control of China until his death in 1976. Following his death, a power struggle ensued within China which saw the marginalisation of Mao’s ‘Gang of Four’ supporters - a powerful group led by Mao’s last wife, Jian Qing and strong proponents of the cultural revolution. The members of this influential group were arrested and put under trial.

In 1978, Deng Xiaoping - viewed as the main architect of China’s economic liberalisation programme - rose to power. Under his leadership, China saw dramatic changes in its ideological and policy directions. Deng enacted the “Four Modernisations” enunciated by Zhou Enlai in 1975 which focused on the modernisation of Agriculture, Industry, Science and Technology and National Defence. Mao’s push for continuous socialist transformations was reversed by Deng’s policy of “de-collectivisation”. China also underwent major social and economic transformations and it was during his tenure that China experienced unprecedented economic growth. Deng introduced drastic economic reforms and liberalised China’s trade policies through opening up to the global economy. Today his policies are considered crucial in transforming China as a global economic power.
Chinese Foreign Policy under Xi Jinping

Xi Jinping – whom many have described as the country’s most powerful leader since Mao Zedong and Deng Xiaoping – was born to a revolutionary, Xi Zhongxun, a first generation communist reformist who also became Chinese vice premier in 1959. Xi Zhongxun was later purged from the CPC in 1962. At the time, Xi Jinping was sent to Liangjiahe, a remote village in northern China, for doing labour alongside peasants as part of Mao Zedong’s campaign which compelled the urban “intellectual youth” to experience the hardships of peasant life. Xi Jinping joined the Communist Party of China (CPC) in 1974 and quickly rose to the higher ranks in CPC getting hold of diverse portfolios. In 1999, Xi was elected as vice-governor of Fujian province and a year later became the governor of the same province. In 2002 he took up senior government and Party positions in Zhejiang Province. Xi Jinping became the General Secretary of the Central Committee of the Communist Party of China in November 2012. In March 2013, Xi Jinping was elected President and the head of Central Military Commission by the National People Congress giving him full control of CPC, the state and the military. In October 2016, the CPC declared Xi Jinping as China’s “Core Leader”, suggesting the rise of new strongman in
China.\textsuperscript{20} The title was previously held by Mao Zedong, Deng Xiaoping and Jiang Zemin.

In late 2012, President Xi Jinping set forth the new political slogan of the “China Dream” a concept for realising the “rejuvenation of the Chinese nation”.\textsuperscript{21} Many have equated the “Chinese Dream” with the popular “American dream” a widespread notion in the US for individualistic growth and prosperity. However, it is important to mention that Xi’s “China Dream” is not individualistic but collective as it involves multiple aspects including the “dream of a strong nation,” and the “dream of a strong army.”\textsuperscript{22} Xi stressed, “To achieve the great revival of the Chinese nation, we must ensure that there is unison between a prosperous country and a strong military.”\textsuperscript{23} The theme has become a driving force behind China’s development while Xi has stressed on the need to strengthen confidence in socialism with Chinese characteristics.\textsuperscript{24}

After succeeding Hu Jintao as party leader in November 2012, Xi vowed to imprison, what he called the “tigers and flies,” a phrase coined by Xi to describe corrupt officials from the top to the bottom. Xi has been explicit that stamping out corruption from the country would remain his core policy objective on the domestic front.\textsuperscript{25} Since then a large number of powerful figures have been convicted in China including two of its top military generals, Guo Boxiong, and Xu Caihou, both of whom were vice chairmen of the powerful Central Military Commission.\textsuperscript{26}
Meanwhile, Xi’s core foreign policy goal remains the realisation of China’s One Belt One Road (OBOR) initiative that has been described being central to President Xi’s foreign policy objectives for achieving regional interconnectivity and beyond. The centuries old Silk Road was first named by a German geographer, Baron Ferdinand von Richthofen, in the 19th century which was a vast network of land and sea routes established during the Hans Dynasty. The communication routes linked China with the Asia, Middle East, and Africa to Europe through which China exported silk and tea. These vast routes not only boosted trade but also the intellectual and cultural exchange that was taking place in cities along the Silk Roads.

**Xi’s One Belt One Road**

In October 2013, Chinese President, Xi Jinping outlined plans for a New Silk Road also known as One Belt One Road. This initiative includes Silk Road Economic Belt and 21st Century Maritime Silk Road which are proposed land based and sea based economic roadmaps respectively. The Silk Road Economic Belt would connect China with Central Asia, West Asia, and Europe including Russia while the 21st Century Maritime Silk Road would connect China’s east coasts with the Indian Ocean through Gwadar in Pakistan reaching the Mediterranean. The plan calls for new investments in roads, railways, pipelines,
ports to deepen economic integration and connectivity across Asia and into Africa and Europe.\textsuperscript{31} OBOR will give China greater access to energy and other natural resources from the Central Asian countries and Russia, it will also develop new opportunities for China to partner with various countries along the route, most of which are developing countries.\textsuperscript{32} The infrastructure development, trade and economic initiatives of the Silk Road strategy will reinforce China’s geopolitical position in the region and advance its economic interests overseas. OBOR will also boost China’s economic integration with its neighboring Asian countries through improvement of inter-regional connectivity.

In April 2015, Xi Jinping announced a $46 billion China Pakistan Economic Corridor (CPEC) plan during his visit to Pakistan. The enormous plan – China’s biggest overseas investment to date – was described as ‘game changer for the region’.\textsuperscript{33} The plan involving energy projects, transport infrastructure, development of Gwadar Port and industrial cooperation will connect China to Asia, Europe and Africa.\textsuperscript{34} Under the CPEC projects, China is developing a 2700 kilometres road link connecting its north-western province of Xinjiang to the Pakistani port city of Gwadar on the Arabian Sea. This route will also give China the shortest link to reach Middle East and oil rich Gulf States, particularly for its energy and oil imports reducing the distance four times, from 10,000 kilometers (5,400
nautical miles) to 2700 kilometers. The venture has brought the two ‘strategic partners’ closer than ever before, even as the two countries are strengthening their cooperation at all levels, from political to military to economic.

The OBOR initiatives have made China the center of geo-economics and geopolitics in the region and beyond. China is a central actor both in the region and on the world’s economic and political stage and its growing geo-economic power suggests that it is now the largest trading and economic partner for most of the Asian countries. To support the implementation of the OBOR strategy, China led the establishment of the Asian Infrastructure Investment Bank (AIIB), which is discussed in the following section.
Asian Infrastructure Investment Bank (AIIB)

In 2014, Xi Jinping announced the establishment of a new international development bank to assist and finance regional and multilateral infrastructure development. The AIIB has been dubbed as one of China’s biggest foreign policy successes under Xi.\textsuperscript{37}

AIIB, as its name suggest, will lend money to countries for improving their communications and infrastructure through which the OBOR routes will pass. Since the establishment of the bank, many Asian countries are hoping to seek financial assistance from China for the development of their infrastructure projects as many Asian countries are witnessing challenges in upgrading their road, air transport, port and railroad infrastructure.\textsuperscript{38}

Also, Asia has a massive infrastructure funding gap while the construction of these large-scale port projects in the region will help China in protecting its economic as well as security interests. Thus, the new global lending institution has become an important instrument for China in increasing its geo-economic influence in the region. Inadequate port facilities have made intra and inter-regional maritime trade extremely costly in many countries and have impeded their maritime cooperation with China as they lack the financial resources to upgrade their existing facilities. One such example is the lack of adequate infrastructure in Central
Asian states which is a crucial Silk Road link to connect China with Europe. Hence, the Chinese companies, with the backing of the Chinese government are investing massively for communication and other infrastructure projects located in the Silk Road countries. This new Silk Road strategy will eventually increase China’s global influence as well as its global leadership role.

Being the world’s second largest economy, China has sought a greater stake in the West-dominated international financial system. The AIIB manifests China’s increased frustration with the slow pace of reform of the international financial system as China’s stake and voting power in these multilateral organisations has failed to match the global power shift towards the east and its status as the rising global power. China’s limited voting powers in Asian Development Bank (ADB), World Bank and International Monetary Fund (IMF) implies it has little influence in the decision-making process. China is therefore demanding a greater say in these organisations in return for supplying Chinese capital to fund existing multilateral institutions. In March 2015, US Secretary of Treasury, Jack Lew warned the US would lose some of its ability to influence international economic rules if Washington continues its opposition to IMF reforms that would give China and other emerging economies a greater voice in the fund.
After US President-elect Trump signaled to withdraw the Trans Pacific Partnership (TPP) – an ambitious trade deal proposed by his predecessor President Barack Obama – many countries in the region are looking towards China for the new trade opportunities.\textsuperscript{41} The TPP was aimed at creating a free trade zone, signed between 12 countries which included Japan, the United States, Australia, Brunei, Canada, Chile, Malaysia, Mexico, New Zealand, Peru, Singapore and Vietnam. However, China was excluded from the deal. Advocates of the deal had argued that TPP would have allowed the United States to further define global economy while many in western academic circles termed it a centre piece of the American geopolitical “pivot” toward the Asia-Pacific region. In May 2016, President Barack Obama noted in a column in the Washington Post that TPP would “Put American workers first and make sure we write the rules of the road for trade in the 21\textsuperscript{st} century. But none of this will happen if the TPP doesn’t become a reality. That’s because the Asia-Pacific region will continue its economic integration, with or without the United States. We can lead that process, or we can sit on the sidelines and watch prosperity pass us by.”\textsuperscript{42}

The existing economic system is largely dominated by the United States and its allies while other countries have little influence on the current arrangements. One such example is the Asian Development Bank (ADB) which is dominated by Japan despite that China
remains the biggest economy in Asia. Japan’s voting share is more than twice in the ADB. Also, reforms to give China a more say at the International Monetary Fund (IMF) have been delayed for years, and even if they go through the United States will still retain far more power. The US fears that China’s real intention in founding the AIIB might be to replace the Western-dominated financial architecture with a China-centric regional and international financial system. However, many view US’s decision of not joining the AIIB as unwise. James Woolsey who has served on important positions in the US government including CIA termed US decision of not joining the AIIB as a ‘strategic mistake’.43

In spite of United States’ opposition, almost all of its core allies including Australia, Britain, German, Italy and South Korea have joined the AIIB.44 The United States, which initially cautioned nations against joining the AIIB, fears that the institution would not abide by high standards of transparency and will use the bank to benefit its own state-run companies. Moreover, the policymakers in the United States are worried that the bank would potentially challenge the already established institutions such as the World Bank and that it will serve as a vehicle for the Chinese influence.
Challenges to Xi Jinping in Managing China’s Foreign Relations

In China, there has been a fierce debate that it could face a hostile regional environment in the coming years as well as greater challenges in maintaining a stable environment in the Asia Pacific that is critical for the Chinese domestic development. The growing conflicts between China and other claimants in the South China Sea and East China Sea disputes further put China in a complex position as the region is facing new strategic alignments. In this context, China’s Xi Jinping is facing far greater challenges than his predecessors as competition for regional domination grows between Beijing and Washington.

Tensions in the South China Sea and the East China Sea

The South China Sea has long remained at the centre of tension due to overlapping claims between China and various countries including the Philippines, Vietnam, Malaysia, Brunei and Taiwan. In July 2016, The Hague International Arbitration Court rejected China’s claims to its exclusive control over large swathes of the South China Sea through which more than $5 trillion of international trade passes every year. However, Beijing rejected the verdict by the International Arbitration Court, while, the United States, intensified its warship maneuvering near islands built by Beijing, arguing that sailing in and flights over the disputed waters are
conducted according to the principle of Freedom of Navigation (FON). According to the National Institute for South China Sea Studies, “China has become the top target of the US close reconnaissance in terms of frequency, scope and means.” However, the academics are of the view that the new Trump Administration in the US is highly likely to increase US’ military spending in the Asia-Pacific as more military presence in the region could ratchet up tensions between China and the US. Meanwhile, on the contrary, the joint naval drill between Russia and China held in the South China Sea have added to concerns in the United States. Russia has been a strong backer of China’s stance on the arbitration case while Xi Jinping has adopted a careful position on the Ukraine conflict. This is an outcome of Russia’s tension with the West over Ukraine that has pushed Moscow closer to Beijing. Russia is also keen to develop overland energy supply lines and it also needs China’s market and capital, especially after Western sanctions over Ukraine.

In the East China Sea, China has growing tensions with Japan as the two countries dispute over the cluster of islands, known as Senkaku in Japanese or Diaoyu in China. The islands - a constant source of friction for two neighbours since World War II - are currently under the Japanese control. However, the relations between Beijing and Tokyo are important in the global context as China and Japan are the world’s second and third largest economies respectively. Both also possess
significant military capabilities while Japan also hosts US military facilities as both are close strategic partners.\textsuperscript{51} There are growing concerns in the region that any accidental collision could escalate the conflict.

\textit{China and North Korea}

North Korea’s fifth nuclear test brought calls for action against Pyongyang from the international community.\textsuperscript{52} However, Pyongyang maintains that calls for its denuclearisation is a non-negotiable goal.\textsuperscript{53} After North Korea’s continued provocative actions, including missile launches, the Obama Administration stressed that the benefits of dialogue with North Korea remain limited. Meanwhile, cooperation between Washington and Beijing on North Korea also remains complex after exacerbated concerns in the United States over China’s growing influence in the South China Sea and Beijing’s opposition to the United States’ and South Korean decision to deploy the THAAD (Terminal High-altitude Area Defence) missile defence system.\textsuperscript{54} China’s support remains critical for the implementation of strong sanctions against North Korea as most of the North Korean trade flows through China. Moreover, growing naval presence of the United States in the Asia Pacific and its expanding military engagement with India has further discomforted Beijing. It views such moves by the United States along with its frontline states as an effort to isolate China.
The United States, however, fears China would challenge its interest in the region.

China has remained North Korea’s biggest trading partner, and the main source of food and energy. After Pyongyang’s nuclear as well as ballistic missile tests in 2016, the relations between North Korea and China became complicated as Beijing supported UN Security Council Resolution 1718 which imposed sanctions on Pyongyang.\(^5\) Beijing has continued to advocate the resumption of the six party talks – the multilateral framework aimed at denuclearising North Korea. With this resolution and others, Beijing signaled a shift in tone from diplomacy to punishment. China implemented new trade sanctions, reduced energy supplies to North Korea, and called for the Six Party Talks launched in 2003, aimed at ending North Korea’s nuclear programme through negotiations involving China, the United States, North and South Korea, Japan, and Russia.\(^6\)

**China’s growing role in Africa**

More recently there has been a spate of commentaries in the West, mainly in the US, on China’s increasing role in Africa. During the summit between China and Africa in Johannesburg in December 2015, Xi Jinping called for an upgrade in China-Africa relations to comprehensive strategic and cooperative Partnership.\(^7\) China has announced $60bn of assistance and loans for Africa for the development of the continent and is now the
largest investor in Africa with over $200bn of investments in oil, minerals, timber, telecommunications, infrastructure, manufacturing and agriculture.  

Conclusion

There are concerns particularly in the West that China will become more aggressive in foreign affairs, especially when dealing with its smaller neighbours. The Chinese leadership, however, affirms that “China will never seek hegemony”. The US has become increasingly angry at what it sees as China’s “militarisation” of the South China Sea. Chinese officials are already angry with the US carrying out naval missions within the South China Sea, under the convention of Freedom of Navigation in international waters.

The United States has deployed thousands of troops as well as advanced weaponry at its bases in South Korea to deter what it calls possible military action from North Korea. The South China Sea and its neighbouring countries are also hosting a range of American military assets. On top of that, the United States has been active in strengthening its partnership with India and Japan to counter China’s rise.

Realists often view China as a revisionist state arguing that it is challenging the United States hegemony and the world order. The liberals view China as a status quo power pursuing its economic interests through
international cooperation within the existing institutional arrangements. Whilst, there are strong reasons to suggest that the elements of continuity are still stronger than those of a shift in Chinese foreign policy under President Xi Jinping. It can be argued that the main driving force behind a shift in Chinese foreign policy is the result of a changing global scenario.

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