

Commentary, May 15, 2015

CHINA'S GLOBAL SHIFT IN THE BALANCE OF POWER

BRAD GLOSSERMAN, VIRGINIA MARANTIDOU

There are curious parallels in US and Chinese foreign policy these days. Just as many – wrongly – believe that the US rebalance to Asia is driven by China's meteoric rise, some analysts speculate that China's "westward march", in particular Xi Jinping's Silk Road Economic Belt and XXI Century Maritime Silk Road initiatives, is a response to the newly invigorated US presence on its eastern littoral. The US is a factor in Chinese thinking, just as China is a factor in US policy. But in neither case is it determinative?

Beijing has many reasons to look West. First, there are economic considerations. Beijing wants to invest its enormous foreign reserves in real projects rather than accumulate US Treasury bills. The "One Belt, one Road" (OBOR) initiative is a mega-project that aims to bring closer China and its peripheral countries in Central and Southeast Asia through physical infrastructure to boost interconnectivity and trade. It will employ excess capacity in the infrastructure sector that hangs ominously over the Chinese economy, while helping to internationalize Chinese firms and the Chinese yuan.

Second, there are strategic concerns. China is increasingly threatened by the "three evils" — terrorism, extremism and separatism — in Xinjiang province. There are fears of 'contagion' by radical Islamic groups from South and Central Asia. For the Chinese leadership, development and security go hand in hand. The Silk Road will open up and connect the region to the outside world, stimulating development and prosperity and help reduce ethnic tensions.

Plainly, then, the rationale for China's westward focus is independent of US policy. Nevertheless, the rebalance has pushed Beijing to articulate and refine its grand strategy, especially when the Chinese leadership is increasingly dissatisfied with the guidance from Deng Xiaoping to "hide your strength, bide your time".

For China, the rebalance is viewed as an attempt by Washington to shore up US interests as the regional balance of power shifts in China's favor. Washington is either exploiting fears among China's neighbors about Beijing's intentions or being exploited by those governments in their territorial disputes with China. Simi-

larly, the Trans-Pacific Partnership (TPP) trade agreement is regarded as a tool of economic containment by forging a new economic union within the Asia Pacific that excludes Asia's largest economy. All the while, the US is expanding and strengthening its network of alliances and enlisting new partners to block China's rightful claims and position in East Asia.

The OBOR is a response to these concerns. The Belt stretches from China through Central Asia into Europe, an area in which the US does not have any formal alliances; in fact, the US withdrawal from Afghanistan gives China strategic space to maneuver and forge partnerships. The Road, which starts at China's coastal areas and runs through Southeast Asia into South Asia and finishes in the Mediterranean, gives China an opportunity to strengthen partnerships and protect its exposed and vulnerable supply lines. Both will help erase the negative image and threat perceptions of China that have been created by its tough stance on territorial disputes. Winning the hearts and minds of the people on its periphery through its generosity will also dilute or neutralize US influence in the region.

Top Chinese officials are reserved when discussing the rebalance and no official mention connects the OBOR to the US presence (for self-evident reasons). Prominent policy experts and academics are not so reticent. Wang Jisi, dean of the School of International Studies at Peking University and a member of former Chinese President Hu Jintao's foreign policy "brains trust", explained that "The logic of 'March West' is rather simple and reflects the complex regional quagmire China is in. As Washington rebalances to Asia, the relation between the US and China has become increasingly contentious and 'zero-sum'. If China 'marches westwards', the potential of US-China cooperation in the fields of investment, energy, terrorism, non-proliferation and maintenance of regional stability will increase." His analysis, *'Marching Westwards': The Rebalancing of China's Geostrategy*, published in 2012, a year before announcement of the OBOR, looks a lot like the foun-

ation for those initiatives.

There is another element of Wang Jisi's thinking that illuminates the US role in Chinese policy. He notes that "...the US 'fixes' China into the category of East Asian nations, which, in turn, easily makes China limit its own outlook." The OBOR is a rejection of that categorization and expands China's outlook.

Although the OBOR focuses on China's periphery, it is part of a much broader and more grand vision. It reflects China's effort to shift from a regional power to an outward-looking global one. It is not only an attempt to win friends, but it provides an alternative to the current US-led world order. The OBOR and other initiatives such as the Asian Infrastructure Investment Bank (AIIB), are designed to contrast with existing Western-led initiatives and institutions. The AIIB, China's flagship international endeavor, aims to democratize Western-dominated global financial institutions and give voice to developing countries. Its OBOR initiatives are framed in the same way. China emphasizes that these initiatives are governed by the spirit of openness, inclusiveness, equality, and non-interference, as opposed to the political and moral conditions used by financial institutions such as the IMF and economic initiatives like TPP.

The OBOR, like the AIIB, is also a rebuttal to Western charges that China is a **free rider**, unwilling to contribute to the provision of international public goods. Beijing's readiness to rise to that challenge is one reason that the US, along with other Western governments, should embrace Chinese efforts – to ensure that they work with existing institutions, rather than undermine them. This policy will also help counter charges that the West is hostile to China and the rebalance is designed to contain Beijing. At a minimum, the US should support efforts to fill the \$8 trillion infrastructure gap that limits development among the "one belt, one road" nations. Such thinking should take precedence over the false bipolarity that currently frames US-China relations.

