

The Rise of China and Its Geopolitical Implications

By Tony Tai-Ting Liu

In 1993, Nicholas Kristof published an influential article entitled "The Rise of China" in *Foreign Affairs* magazine (see quotation on right). The article attracted immediate attention, as it was the first discussion of the phenomenon in a widely circulated publication. A quarter of a century later, the article remains relevant, as many of the issues continue to be important—the economic growth of China, the spread of Chinese influence in the world, and the development of geopolitical tensions in the South and East China Seas.

For most of the twentieth century, despite some positive developments, China was not internationally perceived as "rising." Excessive foreign intervention, ideological struggles between Communists and Nationalists, a devastating 1937–1945 war with Japan, followed by a civil war, occurred. Mao's successful 1949 Communist Revolution brought forth the 1958–1962 Great Leap Forward that greatly reduced agricultural production in China and led to mass famine, while the 1966–1976 Cultural Revolution threw the country into a decade of hierarchical struggles and social chaos. By 1976, although China had begun to recover from the worst devastations of the Cultural Revolution, it was an economically backward country compared to Western Europe and Japan. It was not until the succession of Deng Xiaoping in 1978 and his introduction of gradual market reforms that China began to move onto the path of development again.

When Kristof's article was released in 1993, China was in the midst of a period of strong economic growth, with its economy growing at an average of 10 percent annually. China's rapid growth in the post-Cold War period was echoed at the start of the new century by another wave of high-speed growth that averaged more than 10 percent per year for a decade. Such growth provided the background for another *Foreign Affairs* article in 2005, appropriately titled "China's Peaceful Rise to Great-Power Status." As Chinese intellectual and government adviser Zheng Bijian proclaimed, "China does not seek hegemony or predominance in world affairs . . . China's development depends on world peace—a peace that its development will in turn reinforce."²

As growth continued, China's influence soon spilled over into other realms. The rise of China gave way to a global surge of interest in Chinese language, culture, and history, while politically, many observers began debating the power transition between China and the US, and the formation of a new international order hinged on the G-2.

Geopolitically, the rise of China has complicated the old post-World War II international order founded on the ideological divide between liberalism and communism, and pushed many countries, particularly in Asia, to make efforts toward adjusting to a new regional reality that is increasingly centered on Chinese and American influences. China's rise challenges US preeminence in Asia and suggests new geopolitical possibilities. Adopting a regional approach in the essay that follows, I survey the geopolitical ramifications of China's rise on Northeast, Southeast, and South Asia, and conclude with a consideration of the One Belt, One Road (OBOR) initiative and how China-Asia relations fit into China's ambition to integrate the Eurasia market.

The rise of China, if it continues, may be the most important trend in the world for the next century. When historians 100 years hence write about our time, they may well conclude that the most significant development was the emergence of a vigorous market economy—and army—in the most populous country of the world.¹

—Nicholas Kristof

Northeast Asia

Northeast Asia, including Taiwan, has long been a region where the US hub-and-spoke system is transparently demonstrated. Developed during the Cold War period, the hub-and-spoke system is a nickname for the US foreign policy strategy that emphasizes bilateral relations between the US (the hub) and select Asian countries (the spokes). The US continues to uphold security alliances with both Japan and South Korea while stationing troops in both countries as a way to support "peace and stability in the Asia Pacific."³ Even though the US terminated its defense treaty with Taiwan in 1980, contin-

ued military arms sales to Taiwan and the Congressional Taiwan Relations Act in 1979 suggest that Taiwan continues to play a critical role in the system. The fact that China holds grievances against Japan, South Korea, and Taiwan greatly destabilizes the region. While the rise of China has encouraged trade and economic cooperation between China and neighboring countries, new geopolitical rifts have emerged in Northeast Asia.

Notwithstanding historical tensions, China's rise not only prompted some observers in Japan to perceive China as a threat in the post-Cold War period, but the Japanese government adopted new strategies to compete against China. China's 2011 displacement of Japan to become the world's second-largest economy ended Japan's almost-140-year position as the leading economic power in Asia.

Geopolitically, the two countries clash in the East China Sea over the disputed islands referred to as the "Senkakus" by Japanese and the "Diaoyu Islands" by Chinese. While the islands are small and seem no more than barren rocks surrounded by water, they are critical for delineating maritime borders that are crucial for drawing fishing and economic rights. As such, the Senkaku/Diaoyu Islands dispute has developed into a highly politicized issue in Japan-China relations over the past decades that increased competitive and nationalistic sentiments on both sides. Tensions over the islands reached a high point in September 2012, when Japan unilaterally obtained ownership of the disputed islands, or "purchased" the islands from their owner, Hiroyuki Kurihara, for two billion Japanese yen. The move generated national outrage in China and gave rise to large-scale anti-Japanese protests in more than fifty-two cities across the country, with Japanese nationals attacked and factories and shops severely damaged.

In response to China's rise, in 2012, not long after assuming office, Japanese Prime Minister Abe Shinzō proposed the "democratic security diamond," a strategic concept that seeks to reinforce cooperation among Japan, the US, Australia, and India.⁴ Even though Abe has not openly proclaimed China the target of his strategic initiative, after the release of the statement, Japan carried out many actions that seemed to challenge China directly. One such move is "diplomacy that takes a panoramic perspective of the world map," a strategy that emphasizes head-of-state diplomacy, or regular visits by the prime minister to other states.⁵ Since 2012, Abe has visited more than 100 countries and agreed to cooperate with many Asian states that share cooperation agreements with China. Another significant strategic move by Japan was the adoption of new national security bills in 2016 that allow the country to exercise collective self-defense. While



Indian Prime Minister Narendra Modi with other world leaders at the fifteenth ASEAN-India Summit in Manila, Philippines on November 14th, 2017. Source: Office of the Prime Minister website at <https://tinyurl.com/y8puwjdo>.

Article 9 of the Japanese Constitution continues to ban the use of force as a policy option for Japan, revisions in the new national security bills essentially provide Japan with more power to resort to the use of force in retaliation.

Meanwhile, perhaps a less-noticed development in the face of China's rise is the strengthening of Japan-Taiwan relations, which greatly complicates geopolitics in the region. While trade and commerce between China and Taiwan expanded in the post-Cold War period, political relations between Beijing and Taipei remain strained. Despite the warming of cross-strait relations from 2008 to 2016, bilateral relations have begun to stagnate again since May 2016, which marked the inauguration of Taiwan's first Democratic Progressive Party president (DPP) in eight years. Beijing is substantially more suspicious of the DPP than its rival Nationalist (KMT) Party because the former party has been a stronger advocate of more separation, or even possible independence, from China. In the meantime, Japan-Taiwan relations began to improve rapidly, culminating in the change in name of Japan's representative office in Taiwan from the Interchange Association of Japan to Japan-Taiwan Exchange Association in 2017. Recognizing traditional tensions between China and Japan, the improvement of Japan-Taiwan relations adds a destabilizing factor to regional security. Beijing has long considered the possibility of an independent Taiwan as nonnegotiable and views any attempt by a foreign power to establish closer relations with Taiwan as a threat to China's national interests.

In terms of the Korean peninsula, the rise of China adds another dimension to the competition between North Korea and South Korea. As China currently maintains official relations with both Koreas, it is difficult to claim whether China favors one over the other. Interestingly, China's rise has made both Koreas more dependent on relations with Beijing in the post-Cold War period. For North Korea, despite the gradual souring of relations with China under the Kim Jong-un administration, China continues to be one of the few countries P'yongyang trusts to counterbalance the threat of US influence. For South Korea, China's growing economy offers immense opportunities. Such hope led South Korea to conclude a free trade agreement with China in 2015, despite continued tensions with North Korea and Beijing's vigilance over the military alliance between the US and South Korea.

Nonetheless, South Korea's decision to implement Terminal High Altitude Area Defense (THAAD) in 2016 proved to be a tipping point in China's relationship with the Korean peninsula. Considered by China as forward deployment aimed at rolling back Chinese influence, THAAD led to Chinese boycotts against the South Korean entertainment industry and exports, which effectively hurt the South Korean economy. Meanwhile, THAAD has also provoked North Korea to carry out further nuclear tests in defiance of US-led efforts to manage a brewing nuclear crisis on the Korean peninsula. Due in part to China's rise, the international community generally believes that Beijing has a critical role to play in the denuclearization process of North Korea.

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Southeast Asia

While China and many Southeast Asian states joined hands in the Cold War as members of the so-called non-alignment movement, China's relationship with its southern neighbors exudes both antagonism and benevolence. In general, China-Southeast Asia relations did not begin to significantly move forward until the aftermath of the 1997 Asia Financial Crisis. China's decision not to devalue the renminbi saved countries such as Thailand and Indonesia from further economic damages and greatly improved China's status and image in Southeast Asia. Coinciding with its economic boom in the new century, China looked to Southeast Asia as a convenient region to support its growing influence as a global power. In contrast with Northeast Asia, Southeast Asia seems to offer a more favorable environment for cooperation for China.

The fact that Southeast Asia harbors critical sea lanes that connect Asia with Africa and the Middle East is proof of the region's geopolitical importance. If China gains effective access and control of major sea lanes in the region, such as the Strait of Malacca and the Strait of Lombok, not only can China challenge the security of Japan, South Korea, and Taiwan by "choking off" their trade with Africa and the Middle East, it can also consolidate its status as a state with stakes in the geopolitics of Southeast Asia, particularly concerning territorial disputes in the South China Sea. Conversely, the US and Japan share similar calculations as China. The strategic location of Southeast Asia makes the region a battleground for geopolitical competition among countries.

In Southeast Asia, perhaps the biggest consequence of China's rise is a pressing demand for countries in the region to strategically respond to a new great power in the neighborhood. In contrast with the US and Japan, due to its proximity to Southeast Asia, China poses an imminent security challenge, particularly in light of conflicts in the South China Sea that involve China, Việt Nam, the Philippines, and Indonesia, among others. Similar to the East China Sea, countries vie over control of the Spratly and Paracel Islands in the South China Sea, which are crucial for the delineation of fishing and economic rights. Tensions among the claimants have led to frequent clashes in the region. For example, in 2014, Chinese oil drilling operation near the Paracel Islands provoked Việt Nam to issue strong, hostile statements against China, which later sparked massive anti-Chinese protests in Việt Nam. Meanwhile, the clashing of fishing boats and patrol boats from claimant countries—most recently between Việt Nam and Indonesia in 2017—are common, and all the claimant countries have carried out regular military drills in the region to flex their muscles. Prolonged disputes in the South China Sea have led China to carry out aggressive land reclamation efforts in the region, which further heightens the intense atmosphere to the brink of conflict between China and other parties. In the face of a rising China, Southeast Asian countries confront the dilemma of maintaining trade relations with Beijing while not giving in to the latter's sovereign claims.

As academic and diplomat Kishore Mahbubani points out, the establishment and maturation of the Association of Southeast Asian Nations (ASEAN) is without doubt the most significant progress in the region in the past half-century.⁶ In terms of geopolitics, one can argue that China's



Top left, clockwise: Indian Prime Minister Narendra Modi, Japanese Prime Minister Abe Shinzō, President Donald Trump, and Australian Prime Minister Malcolm Turnbull.
Source: Photo montage by Willa Davis.

rise encouraged Southeast Asian countries to adopt institutional balancing as a counterbalancing measure. By inviting China to the ASEAN Plus Forum—which also includes the US, Japan, South Korea, India, and Australia—Southeast Asian countries essentially embed China in a multilateral setting for negotiations that makes unilateral actions by the latter more difficult. The inclusion of powers outside the region provides ASEAN with the option of maintaining its interests by balancing, or “playing off,” these nations against one another.

South Asia

In terms of countries emerging as major powers on the world stage, India is the latest country to follow China’s rise. In 2015, India became the fastest-growing economy in the world. Although China boasts a population of 1.4 billion, India trails not far behind with a population of 1.3 billion. In addition, India’s young population stands in sharp contrast to a rapidly aging population in China. India’s size and expanding economy have led many observers to tout India as a future great power.⁷

Although India was one of the first countries to recognize China in the Cold War period and bilateral trade has expanded immensely in recent years, in terms of geopolitics, the rise of China reinforces India’s strategic importance. Except for Russia, India is perhaps the only country along the Chinese border that has sufficient capability to check the expansion of China. Besides China, India and Pakistan are the only Asian countries to possess a nuclear arsenal, each nation holding over 100 nuclear weapons. Since 2008, India’s sheer weight in the region has led the US and Japan, among others, to actively pursue cooperation with New Delhi. India was not only deemed a focal point of the US pivot to Asia strategy during the Barack Obama administration, the Donald Trump administration also replaced the traditional geopolitical notion of “Asia Pacific” with the concept of “Indo-Pacific,” which directly emphasizes the geopolitical importance of India.⁸

In the face of China’s rise, India has adopted an equal distance, or “middle way,” strategy that seeks to maintain cooperation with China while reconsolidating traditional relations to balance against China. While trade continues to expand between the two powers and dialogues are carried out through channels such as the BRICS Forum (Britain, Russia, India, China, South Africa) and the Shanghai Cooperation Organization (SCO), India continues to seek closer relations with the US, Japan, and Southeast Asia. Since 2014, Indian Prime Minister Narendra Modi has made state visits to the US each year in an effort to strengthen bilateral relations. Also, in response to China’s OBOR initiative, India and Japan agreed to establish the Asia–Africa Growth Corridor (AAGC) as a parallel initiative. In 2017, India agreed to join the Quadrilateral Strategic Dialogue with the

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US, Australia, and Japan—a forum that developed from Abe’s concept of the democratic security diamond.⁹ In addition, founded on the “Look East” policy that sought to promote more economic exchange between India and Southeast Asia, under the Modi government, India adopted the Act East policy, an initiative that seeks to deepen all-around cooperation with Southeast Asian countries.¹⁰ It is clear that India remains wary of its growing neighbor.

The One Belt, One Road Initiative and the Prospects of China’s Rise

As China’s economic growth continues—rising past Japan and potentially overtaking the US as the largest economy in the world in the near future—under President Xi Jinping, China harbors new ambitions to sustain its growth in the new century. In his visit to Kazakhstan in 2013, Xi announced the establishment of the OBOR initiative consisting of the Silk Road Economic Belt and the Twenty-First Century Maritime Silk Road.¹¹ The OBOR initiative is envisioned to be a global integration project that will realize market integration of more than sixty countries along the planned roads through trade and infrastructural cooperation. Through the OBOR initiative, China seeks to further boost its economy, consolidate its peaceful and benevolent image, and establish its great power status in the world. In May 2017, China held the first Belt and Road Forum for International Cooperation in Beijing, which symbolized the importance of the OBOR initiative. Twenty-nine foreign heads of state and representatives from more than 130 countries attended the event.

In terms of geopolitics, China’s pivot toward the West overturned the long-term Eurocentric conception of the world and provides renewed significance to Eurasia. China’s turn toward Central Asia is an important move that exposes China’s ambition. Thanks to the OBOR initiative, the “five stans” in Central Asia, Kazakhstan, Kyrgyzstan, Tajikistan, Turkmenistan and Uzbekistan, suddenly gained in strategic importance and garnered global attention. Furthermore, Eastern Europe, as the doorway that leads to the terminal point of the Silk Road Economic Belt in the European continent, also advanced its strategic status greatly due to the OBOR initiative.

While the OBOR initiative—a gesture that marks China’s rise into the new century—directly stimulated Asian countries to adopt competitive or counterbalancing strategies, as suggested by India and Japan’s buy in to the multi-lateral Indo–Pacific strategy and Southeast Asia’s institutional balancing strategy, it should also be noted that some countries choose to diversify their markets in an effort to reduce their dependence on the Chinese economy. Regardless of the result, both Taiwan and South Korea have adopted a so-called “southward policy” to strengthen their relations with Southeast Asia. In 2016, Taiwan adopted the New Southbound policy in the hope of decreasing its economic dependence on China while balancing China geopolitically through better relations with India. Similarly, in 2017, South Korea announced its version of the “New Southbound” policy that aims to strengthen the country’s relations with Southeast Asia. Both Taiwan and South Korea remain outside the OBOR initiative.

To conclude, a survey of regional reactions toward China’s rise reveals that most countries are wary of the growing influence of Beijing and have adopted various measures to provide balance against Chinese influence. While China is no doubt an important driver of the global economy and the Chinese market offers numerous opportunities for the world, the sheer size and unspoken intent of China have caused many neighboring



One Belt, One Road map illustration by Willa Davis, based on a graphic in the article "Your Guide to Understanding OBOR, China's New Silk Road Plan" on the Quartz website at <https://tinyurl.com/ya5t7ybo>.

countries to remain anxious and watchful. Geopolitically, concerns have translated into actions that compete with or move away from Chinese influence, with many of the strategies centered on cooperation with India and Southeast Asia. Noting China's successful push westward toward Central Asia, the strategic turn toward Southeast Asia by India, Japan, South Korea, and Taiwan, among others, suggests the emergence of a potential counterbalancing force in Southeast Asia. It remains to be seen whether competitions in Southeast Asia will develop into a confrontation involving China and major players like India and China.

The continued rise of China rests on many factors, with the maintenance of a stable regional environment for economic development being the most critical. A peaceful environment provides the strategic opportunity that China needs to focus on sustaining economic growth and mitigating domestic problems such as income disparity and the developmental gap between urban and rural areas. Although China seems to have survived the omen of total collapse—a prediction most recently proposed by Professor David Shambaugh—several regional developments threaten to disturb China's rise.¹² North Korea's relentless efforts to acquire lethal nuclear capability not only destabilize regional security but also challenge China's aspiration for peace and stability in the region. Tensions with India over Aksai China—the disputed border between India and China—and strategic competition with the US in the South China Sea also have the potential to plunge China into conflicts that may derail its rise. Whether the OBOR initiative is the solution that China needs to consolidate its peaceful image and status remains to be determined. ■

NOTES

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