Emerging China-led Regionalism and Soft Balancing

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中国主导的地区主义与软平衡逐渐成型

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Emerging China-led Regionalism and Soft Balancing

Abstract: The People’s Republic of China has consolidated its status within a complex network of multilateral organizations since the end of the Cold War. Progressively, it has established multiple frameworks with the aim to provide some alternatives to the existing structures. Questions arise as to whether Beijing is going to use this China-led structure to soft balance the Russian Federation in Central Asia or the United States of America in the Asia Pacific, on its quest to secure its core interests (hexin liyi). A comparative method of China’s pro-active agenda setting within the Shanghai Cooperation Organization and the Conference on Interaction and Confidence-Building Measures in Asia is employed in the paper to evaluate China’s engagements. This paper concludes that China’s international ambitions will gradually increase the challenge to the established regional architecture. In the foreseeable future, Beijing will further cultivate closer ties with Russia, as they both coordinate their actions; however their future ties are most likely to be increasingly competitive.

Key Words: China, Regionalism, Soft Balance, Shanghai Cooperation Organisation, Conference on Interaction and Confidence-Building Measures in Asia
EMERGING CHINA-LED REGIONALISM AND SOFT BALANCING

Moving Towards New Regional Arrangements?

This paper seeks to assess the People’s Republic of China’s (PRC or China)’ use of regional organizations in the context of China-led regionalism in Asia. The position made here is that China has gradually increased its interest in multilateralism and engaged in various ASEAN-led frameworks to demonstrate a certain degree of cooperativeness, however, it has also contributed to creating new frameworks for dialogue to demonstrate its pro-active stance on agenda setting. For now, the engagements within the Shanghai Cooperation Organization (SCO) and Conference on Interaction and Confidence-Building Measures in Asia (CICA) complement policies of Moscow, yet over time, we might witness some level of soft balancing vis-à-vis Russia in relation to economic policies as China progresses in its goal of connecting Asia, Europe and Africa under the umbrella of the ‘One Belt, One Road’ (OBOR) vision and Russia expands its activities within the Eurasian Economic Union (EEU).

Ultimately, a greater challenge arises for the United States of America (US) and the existing regional architecture in the Asia Pacific. China is rather successfully reshaping the economic architecture with the help of the Asia Infrastructure Investment Bank (AIIB) and the Silk Road Fund. Although the US’s role as a regional stabilizer is still welcomed by other countries, and various states opt for restatements of enhanced defence agreements (Japan, Vietnam, the Philippines, India), in the long-term, China’s strategy of using the organizations and the pro-Asia economic trends will constrain the operability of dominant players in the region and they will need to find ways to co-exist and collaborate with China in this emerging China-led ‘alternative’ institution-building.

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1 China’s engagement was crucial during the era of post-Cold War uncertainties in Southeast Asia. The Association of Southeast Asian Nations Institutes for Strategic and International Studies and the Council for Security Cooperation in the Asia-Pacific were established to enable regional confidence-building through informal track-two mechanisms. These mechanisms supported activities surrounding China’s entry into the newly created track-one framework – the ASEAN Regional Forum. While ASEAN’s soft balancing strategy worked in facilitating China’s gradual adherence to shared regional norms and agreements on codes of conduct, it has had its limitations in light of China’s unwillingness to compromise its national interests in the South China Sea. This particular interaction has been assessed in Alica Kizekova, ‘Multitrack Diplomatic Approaches to Border and Territorial Disputes in Southeast Asia and Soft Balancing,’ in Unresolved Border, Land and Maritime Disputes in Southeast Asia, eds. Alfred Gerstl and Maria Strasakova (Leiden: Brill, Forthcoming 2016).


At the moment, China already has unprecedented opportunities to voice its narrative to participants at various fora. Initiatives under the slogan ‘Asia for Asians’ or ‘community of common destiny’ (mingyun gongtongti)\(^4\) will gradually boost China’s leadership. It should be noted that China’s pro-active approach to regionalism in the Asia Pacific could be viewed more as a ‘frustration’, rather than an ambition for leadership, in light of the global community’s inability to reform the financial and security systems to better represent the voices of emerging powers.\(^5\)

While the SCO has played a significant role in the development of Chinese multilateralism and may be regarded as a relatively successful test for Chinese diplomacy, CICA - a Kazakhstan’s initiative\(^6\) - is an emerging format, to which China has paid an increased attention only recently.\(^7\) In CICA, China has followed a two-staged approach, from being a ‘rule-taker’ to an influential ‘rule-maker’.\(^8\) Some significant regional players, such as the US or Japan, are not members of these organizations, however, based on the statements of the Chinese scholars and academics, this is not intentional since the Chinese initiatives are ‘open to all’. Furthermore, they reject the argument that the OBOR initiative would stand against the US rebalancing to the Asia Pacific or the Russian project of Eurasian Economic Union.\(^9\)

This paper adopts T.V. Paul’s definition of the concept of soft balancing when ‘tacit balancing’ takes place, short of formal alliances. States converge in their understanding of threats, either regarding a threatening state or a rising power. They use a limited arms build-up, ad hoc

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\(^6\)Kazakhstan’s President Nursultan Nazarbaev is attributed with the idea of convening the CICA. He put the initiative forward at the 47th Session of the United Nations General Assembly on October 5, 1992. See more at ‘CICA’, Embassy of the Republic Kazakhstan, http://www.kazakhembus.com/content/cica#sthash.v607rNaJ.dpuf (accessed August 9, 2016).


cooperative exercises or collaboration in regional and international institutions.\textsuperscript{10} States using this strategy have a set of soft balancing tools at their disposal. In order to disadvantage a threatening or a rising power, the soft balancer (or a soft-balancing coalition) refuses to grant permissions (extend lease) to the superior state’s forces, undermines plans by issuing policies within international (regional) organizations, strengthens economic blocs and coordinates the resistance to policies of the dominant or threatening state.\textsuperscript{11}

*Soft Balancing in the Context of Main Alignment Strategies*

![Diagram of Soft Balancing in the Context of Main Alignment Strategies]


Soft balancing in the Asia Pacific has primarily been seen in cases of states or organizations trying to counter the ‘China factor’. A so-called ‘symbolic soft balancing’ has been attributed to the triangular collaboration among the US, Australia and Japan – the Trilateral Security Dialogue, which vehemently opposed the accusation of responding to the growing military power of the PRC.\textsuperscript{12} Several former Australian officials tried to promote the ‘non-threat-centric’ nature of this triangular security politics by boosting their defense collaboration with China,\textsuperscript{13} however, the


\textsuperscript{12}William T. Tow, ‘Asia’s Competitive ‘Strategic Geometries’: The Australian Perspective,’ *Contemporary Southeast Asia* 30, no.1 (2008), 37.

\textsuperscript{13}‘Downer: Security pact does not target China,’ *People’s Daily Online*, April 6, 2007.
The argument presented here is that the SCO was not established as an anti-US/anti-Western or anti-NATO organization, however, it has been used as an indirect mechanism of reducing the long-term US regional influence through the application of the Shanghai Spirit, regional norms elevating the concept of non-interference in domestic affairs and respect for the state’s sovereignty. Its promotion as a ‘counternorm’ undermines the Western-style democracy. It is a


reinforcement of the regime security of all member states. With gradual maturing of the SCO, the organization has come to be viewed as a parallel alternative to the US dominated system, although some argue that it is a ‘fading star’ and lacks tangible projects.\textsuperscript{18}

Drawing from the set of soft balancing tools, China and the other SCO member states managed to soft balance the US in the instance of ‘territorial denial’, when they supported Uzbekistan’s request for the US to vacate the airbase at Karshi-Khanabad (K2) in 2005. The Uzbek government responded to criticisms and calls from the US and the European Union for investigation of the 2005 violence during an antigovernment demonstration in Andijan, which was suppressed by the government.\textsuperscript{19} Beijing publically supported President Islam Karimov through the SCO by releasing the Astana Declaration in which, in more general terms, the member states suggested that the stationing of the antiterrorist coalition should be temporary and a final timeline for their use should be set.\textsuperscript{20}

Subsequently, China participated in ‘normative’ soft balancing, which has taken place through ‘observer missions’ while overseeing the election processes in the SCO member states. During the 2009 Kyrgyz or the 2015 Uzbek presidential elections, the monitoring mission from the Organization for Security and Cooperation in Europe (OSCE) declared that the election results ‘failed to meet key OSCE commitments for democratic elections,’ in contrast, the SCO’s findings argued that the election had been ‘honest’ and transparent.\textsuperscript{21} Setting up monitoring mechanisms, which provide such contrasting reports, challenges the legitimacy of the existing frameworks. It further reinforces the norms of the Shanghai Spirit, namely the non-interference in domestic affairs.

While the previous examples demonstrated that China aligned with the rest of the SCO member states and willingly used the organization to soft balance the external players, there have been some cases when Beijing faced a major dilemma and did not rush into publically backing other member state’s actions. This was clear during the 2008 Russian intervention in the Russia-
Georgia war, the subsequent non-recognition of Abkhazia and South Ossetia, and the more recently Russia’s annexation of Crimea and of involvement in eastern Ukraine.22

Whilst there is some shared understanding of why Moscow would opt for more vocal and direct opposition to NATO’s expansion to the East, Beijing would not want to be seen as endorsing the establishment of states based on ethnicity, use of force, or backing intervention in the domestic affairs of another state. In the Ukraine case, the country holds for China a valuable strategic value, since it is a certain gateway to Europe and thus invaluable for the OBOR. Thus the economic partnership between Ukraine and China is based on mutual benefit, Ukraine wants to reduce its dependence on the Russian economy and China sees Ukraine as a gateway to Europe. This connection is however ‘conditional’ to the fact that Kiev does not expect Beijing’s public condemnation of Russia’s involvement in Ukraine.23

The impact of the Ukrainian crisis for Russia has been a stronger shift towards the non-Western world and Asia with the intention of building a multipolar world.24 This also affected Sino-Russian ties and brought further pledges of a close coordination in foreign policy areas and signing of economic agreements, including a $400 billion contract to export gas to China. It is to be seen what kind of dependence the latest gas deal creates between Moscow and Beijing and it already has been pointed out that a costly pipeline network had to be built first and both Russia and China needed to show some willingness to compromise.25

CICA – The Emerging Soft-balancing Mechanism

CICA was established with the intention to become an effective organization that would promote confidence building measures, security cooperation and regional integration. Yet, in the end, the process of institutionalization has been relatively slow compared to the SCO.26 Of the three indicators that define a security community, only shared principles have been stated since the beginning of the organization. These are incorporated in the ‘Declaration on the Principles Guiding Relations between the CICA Member-States,’ adopted in Almaty in September 1999.27 Thus, eventually, the CICA member-states agreed that the respect for sovereignty and

territorial integrity, non-use of force and non-intervention in the internal affairs were principles that would be shared.

However, the slow institutionalization, the large and diverse membership of CICA have, to some extent, hampered the rapid development of the other two indicators: shared norms and identity. Mutual trust and consensus have emerged as ingrained norms among member-states only after the creation of small working groups for the implementation of confidence building measures in a specific area and the adoption of the Cooperative Approach (2007). Since China took on the CICA Chairmanship in 2014, the organization has entered a new stage that might contribute to its institutional maturation towards becoming a community with a predictable behavior and a fully crystallized identity.

While China’s participation in the SCO proved the country’s ability to overcome potential conflicting interests with other member states and Beijing participated in using the organization as a soft-balancing mechanism in order to reduce the US influence in the region, the Chinese involvement in CICA has followed a different path. Although China has been a member of CICA since the beginning, its behavior within the organization can be divided into two stages: ‘reluctance’ and ‘engagement’. Only during the second stage, has China started to see CICA as a potential soft-balancing platform that can be used to limit the US influence in the region.

The initial Chinese reluctance to play a more active role in CICA’s agenda setting can be explained by the perception of potential overlaps between SCO and CICA, which, for a while, seemed to promote cooperation in similar fields. Following the continuous enlargement of CICA, which to date is the largest forum on multidimensional security in Asia, China has increasingly recognized the importance of such an organization as an appropriate mechanism for policy coordination between diverse countries that could be bound together by shared principles, norms and identity.

28 The full text of the ‘Cooperative Approach for the implementation of the CICA CBMs’ can be found at the official website of CICA Secretariat, access via http://www.s-cica.org/page.php?page_id=119&lang=1&parent_id=12 (accessed August 9, 2016)
30 The number of CICA members evolved from 16 in 1992 to 22 in 2010 and to 26 in 2015.
31 For the importance of CICA for China, see the speeches by Foreign Minister Wang Yi and Vice Foreign Minister Cheng Guoping: http://www.cica-china.org/eng/yxxw_1/t1307146.htm and http://www.fmprc.gov.cn/mfa_eng/zzxx_662805/t1164862.shtml (accessed August 9, 2016).
Therefore, in 2010[^32] China proposed along with Russia a ‘Joint Initiative on Strengthening Security in the Asia-Pacific Region,’ a document underlining the necessity for an ‘open, transparent and equal’ new security architecture based on principles of non-interference in internal affairs and respect for ‘sovereignty, independence and territorial integrity’ and on ‘the spirit of mutual trust, mutual benefit, equality and interaction’ – principles that are declared in the founding documents of CICA and shared by member-states of the organization.[^33]

The dynamism that characterized the Chinese engagement in CICA has been increasing since the beginning of the Xi Jinping Presidency and especially since the Chinese chairmanship of CICA. Building on the previous joint initiative, President Xi proposed an improved concept of ‘common, comprehensive, cooperative and sustainable security’ based on ‘peace, development and win-win cooperation,’ in which development and security were interwoven.[^34] The Chinese proposal, which can be considered as an example of ‘major country diplomacy with Chinese characteristics,’[^35] does neither imply the establishment of formal alliance nor offers any security guarantee, but it relies on the importance of development as a means to foster security and the relevance of security as a means to foster development,[^36] which represents a common denominator for all states.

Thus, the Chinese agenda in CICA focuses on mutual benefit and confidence building by addressing common challenges (such as economic development and regional stability) and perceived threats (such as terrorism and transnational crime), as well as by pushing for economic integration (through OBOR).[^37] In short, China is promoting a long-term regional strategy which can be easily accepted by the CICA’s member-states regardless of their political system.[^38]

[^32]: The year 2010 was identified by some scholars as the year of a certain change in Chinese foreign policy behavior. For more, see Tim Summers, ‘Changes in China’s Foreign Policy Match Shifting Global Scene,’ *Chatham House*, June 17, 2014, [https://www.chathamhouse.org/expert/comment/14701](https://www.chathamhouse.org/expert/comment/14701) (accessed July 26, 2015).
[^35]: Foreign Minister Wang Yi has described the ‘major country diplomacy with Chinese characteristics’ as being based on a win-win cooperation. See ‘Hallmark of major-country diplomacy is win-win cooperation,’ *Xinhua*, March 8, 2015, [http://english.gov.cn/news/top_news/2015/03/08/content_281475067757214.htm](http://english.gov.cn/news/top_news/2015/03/08/content_281475067757214.htm) (accessed June 20, 2015).
[^36]: For the link between security and development, see Paul Collier et.al. ‘Breaking the Conflict Trap: Civil Wars and Development Policy’ (Washington D.C.: World Bank and Oxford University Press, 2007).
[^38]: China is pushing for a process of institutionalization of CICA by proposing to set up a mechanism of consultations in defense field, a security response center for major emergencies, a coordinating structure to supervise the implementation of confidence-building measures in five dimensions: economic, ecological, humanitarian, military-political, and fight against new challenges. ‘New Asian Security Concept For New Progress in Security
The new Asian security concept excludes the involvement of non-Asian powers, such as the US and Australia, in the process of solving regional issues and it can be understood as a reaction to the ‘rebalance strategy’ of the US. Washington has attempted to transform its traditional ‘hub and spoke’ alliance system into a ‘network’ system that increases the security roles of its allies (especially, Japan and Australia). By underlining regional specificity, the Chinese initiative questions the relevance and applicability of a Western style solution in the Asian context. US officials have acknowledged China’s dissatisfaction with the US strategy and existing institutions. Highlighting the concordance between the Asian character of CICA and agenda setting put forward by Asian countries, China is taking the lead by promoting an exclusive approach- ‘Asia for Asians’- that seeks to change the already established tendency among Asian countries to pursue their economic cooperation with China and their security cooperation with the US.

As the Shanghai Spirit proved to be a successful tool for bringing together the SCO member states, the new Asian security concept is an appeal to all Asian elites within CICA to identify with common values and common grounds for cooperation. Consequently, China has attempted to construct a Pan-Asian identity that can play an essential role in enhancing CICA’s cohesion and increase the sense of mutual identity among members of this organization. This could represent a crucial stepping stone in the evolution of CICA to becoming a security community in the future.

Conclusion

The evolving OBOR strategy has placed the Eurasian area at the center of discussions in relation to China’s current foreign policy. Thus far, this initiative appears to be complementary to the goals of Central Asian states, and in some aspects also with those of Russia. There has been widespread acknowledgement that the BRICS, the EEU and the SCO are all important


40 A Reuters editorial quoted a US official saying ‘We noted President Xi’s statement at the CICA conference about Asia for Asians, the growing criticism of U.S. alliances and the Asian infrastructure bank;’ ‘It is raising serious questions about whether the U.S. vision and the Chinese vision are fully compatible.’ in Ben Blanchard et.al., ‘With one eye on Washington, China plots its own Asia “pivot”, Reuters, July 3, 2014, http://www.reuters.com/article/2014/07/03/us-china-diplomacy-idUSKBN0F82GX20140703 (accessed July 15, 2015).

mechanisms of cooperation, underpinned by President Xi’s calls to facilitate cooperation among these organizations during his speech in Ufa in July 2015.\textsuperscript{42} It is to be seen whether China is going to use the SCO to soft balance Russia’s interests in the region in order to fulfil the stated ambitious vision. Additionally, one has to consider the upcoming enlargement of the SCO through the inclusion of India and Pakistan. With these changes, the SCO’s organizational identity and the efficiency of decision-making might be challenged and even complicated in the future.\textsuperscript{43}

In relation to the Chinese narrative within CICA, some Asian elites might find it attractive, especially those countries less friendly with the US. However, such an exclusive approach might not be completely appealing to other countries; mainly those involved in territorial disputes with China, such as Philippines or Vietnam, as well as close US allies (e.g. Israel, UAE). At this moment, despite its significant potential as a security mechanism, CICA is still far from being a cohesive security community. Its evolution into a full-grown body will need joint efforts and a consensus of all members.

While China has signaled quite clearly its intention to use CICA as a potential tool to soft balance the US, the large membership, political diversity and potential divergent interests of CICA member states\textsuperscript{44} make it difficult to reach a consensus on crucial issues. Moreover, the successes of China’s actions depend on its ability to obtain support from other states. In such a context, it is vital to observe whether Russia\textsuperscript{45} is going to view further development of CICA as beneficial, thus complementary, or an obstacle to the Eurasian Economic Union. This perception can have a significant impact on the development of CICA into a comprehensive security community, as well as on China’s ability to pursue her goals.


\textsuperscript{44} There are several divergent aspects concerning bilateral and international between CICA members (e.g. China and India, China and Turkey, India and Pakistan). If not managed well, they can have a negative impact on the development of CICA.

\textsuperscript{45} The Economic integration is also growing. Moscow has proposed connecting the Russian-led EEU — a trading bloc composed of Armenia, Belarus, Kazakhstan, and Russia — with China’s Silk Road Economic Belt, a series of investments stretching across Eurasia and South Asia. President Vladimir Putin stated that the SCO will work ‘actively on convergence between’ the EEU and the Silk Road Economic Belt, in part to add legitimacy and resources to the fledgling EEU.’ ‘Vladimir Putin met at the Kremlin with participants in the Shanghai Cooperation Organisation’s Council of Ministers of Foreign Affairs meeting,’ The Official Website of Russia’s Presidency in the Shanghai Cooperation Organization in 2014-2015, June 3, 2015, http://en.sco-russia.ru/transcripts/20150603/1013405461.html (accessed June 15, 2015).