



**CSCAP**  
COUNCIL FOR  
SECURITY COOPERATION  
IN THE ASIA PACIFIC

# CSCAP



REGIONAL

SECURITY  
OUTLOOK

2016

## COUNCIL FOR SECURITY COOPERATION IN THE ASIA PACIFIC

Established in 1993, the Council for Security Cooperation in the Asia Pacific (CSCAP) is the premier Track Two organization in the Asia Pacific region and counterpart to the Track One processes dealing with security issues, namely, the ASEAN Regional Forum (ARF), the East Asia Summit (EAS) and the ASEAN Defence Ministers Plus Forum.

It provides an informal mechanism for scholars, officials and others in their private capacities to discuss political and security issues and challenges facing the region. It provides policy recommendations to various intergovernmental bodies, convenes regional and international meetings and establishes linkages with institutions and organisations in other parts of the world to exchange information, insights and experiences in the area of regional political-security cooperation.

### ***Front cover image***

Satellite image of Fiery Cross Reef under construction, 11 April, 2015.

Source: Centre for Security and International Studies  
Asia Maritime Transparency Initiative

### ***Back cover image***

Monks in Angkor Wat, Siem Reap, Cambodia.  
Source: Jan Huisken

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## LETTER FROM THE CO-EDITORS

On behalf of CSCAP, we are pleased to present the CSCAP Regional Security Outlook (CRSO) 2016. Inaugurated in 2007, this is the ninth annual CRSO volume.

The CRSO brings expert analysis to bear on critical security issues facing the region and points to policy-relevant alternatives for Track One (official) and Track Two (non-official) to advance multilateral regional security cooperation.

The views in the CRSO 2016 do not represent those of any Member committee or other institution and are the responsibility of the individual authors and the Editor. Charts and images in the CRSO 2016 do not necessarily reflect the views of the chapter authors.

Ron Huisken and Olivia Cable

# CONTENTS

- 3 The Outlook for Security in the Asia Pacific: Uncertain**  
*Ron Huisken*
- 7 The Pivot: A Sound Policy in Need of Serious Repair**  
*Michael J. Green*
- 10 The Security Landscape in East Asia: A Justifiable Anxiety?**  
*Zha Daojiong*
- 13 In Search of a Seamless Security Posture:  
US-Japan Defense Cooperation Guidelines and National Security Legislation**  
*Ken Jimbo*
- 17 The Asia-Pacific Paradox: Rising Wealth, Rising Tension**  
*Brahma Chellaney*
- 21 Russia in the Indo-Pacific: A New Awakening?**  
*Alexey D Muraviev*
- 25 A New Model of Major Country Relations: Avoiding the Inevitable**  
*Fan Jishe*
- 28 The Ascent and Demise of “New Type of Great Power Relations”  
Between the US and China**  
*Bonnie Glaser and Jake Douglas*
- 31 China’s Concept for a New Type of Great Power Relations:  
An Indian Perspective**  
*Neelam D. Sabharwal and Hemant K. Singh*
- 34 The China-US Interaction Over the “New Type of Major Country Relationship”**  
*Seiichiro Takagi*
- 37 Security Outlook 2016: A South Korean Perspective**  
*Chung-in Moon*
- 41 The Regional Security Outlook for 2016: A View From Thailand**  
*Kavi Chongkittavorn*
- 44 Territorial Disputes in the South China Sea: Options for Peaceful Settlement**  
*Arif Havas Oegroseno*
- 47 The ‘Boat People’ Crisis: Promoting Regulation and Mitigation**  
*Thitinan Pongsudhirak*
- 50 CSCAP: Keeping it Alert, Agile and Relevant**  
*Ralph Cossa and Tan Sri Rastam Mohd Isa*

# China's Concept for a New Type of Great Power Relations: An Indian Perspective

Neelam D. Sabharwal and Hemant K. Singh

On the agenda for the Xi-Obama summit during Chinese President Xi's first state visit to the US from 23-28 September 2015, Beijing's insistence on engaging the US on a new type of major-power relations over the next decade featured prominently. Having emerged as an economic powerhouse following decades of spectacular and sustained growth, China now rivals the US as a major economic power. Furthermore, as a development paradigm, the so-called "Beijing consensus" is superior to the "Washington consensus", has gained traction in global discourse. Backed by its rapidly modernizing military and growing political influence in regional and global institutions, an ascendant China sees itself as the rising power in a region where the long dominant power, the United States, is declining. Clearly, China sees this as an opportune moment to reposition itself in relation to the world's sole existing great power and claim its rightful place at the global high table.

At the same time, China recognizes that even as its power gap with the US shrinks, in GDP terms its economy is still little more than half that of the US. China also lags way behind in soft power appeal. Though the largest fast-growing economy in the world, China is still by its own admission an emerging economy aspiring to moderate prosperity. In other words, China is the first developing country to have achieved major power status.

Due to the asymmetry of resources vis-à-vis the US and questions about its own future economic growth,

China worries about major challenges from the established great power, as evidenced by its concerns about America's "Rebalance" towards Asia. These concerns extend to the emergence of other rising powers, new strategic alignments and the consolidation of existing alliances in its neighborhood. China has thus placed itself in opposition to the "Rebalance", seeing it as a cover for countries led by the US ganging up on China to prevent its peaceful development. These factors, combined with China's presumptive claim to major power status with its accompanying regional initiatives such as the Asian Infrastructure Investment Bank and new China-led security constructs for Asia, have in turn directly challenged the US role in East Asia's security order.

Given China's unilateral assertiveness, most regional countries want the US define its position on China with clarity. This also goes for China's projection of its territorial and maritime claims, and other destabilizing actions from Northeast Asia to Southeast Asia. The response of regional states to these actions will also determine acceptance of China's claim to regional supremacy and positioning as a global power. There is also regional support for America's constructive engagement in Asia for continued stability. The last five years have seen the deepening of Trilateral strategic cooperation between Australia, Japan and the US, advances in the India-Japan-US Trilateral and an increase in bilateral strategic partnerships such as the ones developed between India and Japan and India and Vietnam.

ASEAN states have welcomed the US role at the East Asia Summit (EAS), the ASEAN Defense Ministers Plus process and the expanded ASEAN Maritime Forum.

Thus, managing great power relations has assumed an added urgency for China and has become the fulcrum of its diplomacy with the US since its new leadership took office in 2012. The orchestrated build-up of Xi in the run up to the leadership change, as a more self-confident and powerful leader capable of making big strategic moves, prepared the ground for launching China's new orientation. China lost no time at the beginning of President Xi's term to reset the fundamental direction of its relations with the US by announcing its foreign policy concept of a "New Type of Great Power Relations". The new concept, buttressed by China's foreign policy under Xi Jinping, has effectively been a script characterizing China's new status as the leading power in Asia, poised to be one of the two leading major powers globally, that China has endeavored to act out.

The addition of a "new model of major country relations" as a guiding principle of foreign policy has sent the Chinese media, party and state entities, strategic community and indeed the entire foreign policy establishment into overdrive to explain and annotate the concept. Reminiscent of the campaigns launched by the theoretical and propaganda wings of the Chinese Communist Party in its heyday, this was projected as a novel concept developed by China to manage

major power relations appropriate to the 21st century. The main characteristics have been described as the simultaneous presence of challenges and interests; coexistence of competition and cooperation; mutual respect and a win-win framework of relations. Within China it was widely applauded as creative thinking to defy traditional theories on the inevitability of conflict associated with the rise of a new power.

China's influential ally's have also endorsed the concept as innovative thinking to avoid the so-called 'Thucydides Trap', that most dangerous period in relations between states when a rising power challenges established pre-eminent powers. For instance, Kevin Rudd, Australia's Prime Minister from 2007-10, and again in 2013, has supported the concept as a means to avoid the mistakes of the early 20<sup>th</sup> century.

The idea of evaluating the international situation and developing its foreign policy and national security goals is consistent with Chinese practice since the founding of the PRC in 1949. Its critique of the existing world order is centered on the objective of breaking up the global concentration of power, while China views its own accumulation of power as just, democratic and ethical. Thus, in its own transition from a position of isolation and relative weakness in the twentieth century to its emergence as a preeminent power, China has created a narrative of theoretical constructs: from Mao's "strident three worlds" to Deng's "setting aside disputes and keeping sovereignty", "good neighbor policy", "multi-polarity" and "peaceful rise". Hu Jintao's "harmonious world" and Xi Jinping's "China Dream" and "New Type of Great Power Relations" add to the narrative. A thread running through these concepts propounded unilaterally in different eras has been China's aim to advance its core interests and to achieve a transformation of existing power hierarchies.

Significantly, the only jointly formulated set of guiding principles announced by China were the Five Principles, or *Pancasila*, coauthored with India in 1954. These principles represented the most basic elements of international law, the essential characteristics of a new type of interstate relations, and were hailed for their universal validity in a resurgent developing world. But less than a decade after their enunciation, China jettisoned these principles in its relations with India in 1962. Today, in a vastly transformed world, China has reinvented them to carve its way to regional and global leadership. Indeed, the "new type of great power relations" in essence bears close similarity to the Five Principles of Peaceful Coexistence. It keeps open the discourse of equality and sovereign rights to project itself as a responsible rising power. What has changed today is that instead of ideological grandstanding, China now focusses on the process of major power dialogue, engagement and partnership.

In conformity with this historical lineage, an optimistic President Xi raised this concept in the informal setting of the Sunnylands Summit with President Obama in June 2013. The core elements were stressed as no conflict, no confrontation, mutual respect, and win-win cooperation. Xi had also put forward this idea earlier when he visited the US in February 2012 as the Chinese Vice President. During that visit, he had called upon the two countries to work together to build a new type of relationship between major countries in the 21st century, to set an example of constructive and cooperative state to state relations between countries with different political systems, historical and cultural backgrounds and economic development goals, an example without precedent and one that would inspire future generations.

The groundwork for this enunciation was laid during several preceding rounds of strategic dialogue with

the US by State Councillor and former Head of the International Liaison Department of the CCP, Dai Bingguo, who had also been principal interlocutor with the US and Russia and with India on the boundary question. In 2010, he tested the idea at the second Sino-US strategic and economic dialogue, when he proposed "China and the US should initiate, in an era of globalization, a new type of great power relations of mutual respect, harmonious coexistence, win-win relations between states with different social systems, cultural traditions and levels of development".

Ahead of Xi's visit in 2012, a compelling case was presented by Cui Tiankai, then Vice Foreign Minister and at present China's Ambassador to the US. He went so far as to say that for China to follow unswervingly its strategic choice of taking the peaceful road to development, a major pre-requisite was for China and the US to develop a new model of bilateral relationship. Based on a "win-win approach", the two countries should cooperate in international affairs, maintain channels of dialogue and communication (including military-to-military links), strengthen business ties, intensify people to people exchanges and uphold a strategic consensus that neither side has any territorial claims on the other. He also listed the five thorny problems in China-US relations: lack of mutual trust, bottleneck of "core interests", Taiwan issue, the imperative of treating each other as equals, restructuring the trade mix, and ensuring healthy interaction in Asia. China, he concluded, respected US legitimate interests and expected the US to likewise respect China's interests and concerns.

Foreign Minister Wang Yi's address at the Brookings Institution in September 2013 explicitly singled out the Asia-Pacific as an experimental area, where the two sides could work together to develop such a relationship. China, he said, had no

interest to drive the US away, while equivalent US respect for China's interests would ensure the avoidance of confrontation.

Xi's ambition to engage the US Administration to develop a "New Type of Major Power Relations" reflects the desire to manage the relationship to better accommodate China's rise and pre-empt threats to its ability to advance its expanding economic and strategic interests. Although skeptical, the US side was initially receptive, as indicated in early statements by President Barack Obama and other senior administration officials.

Obama and his team may have assumed that China could be persuaded to step back from challenging the "rebalance" to Asia, the cornerstone of US policy in the region. However, there is now a growing perception that the Chinese position demands disproportionate compromises and a pre-emptive withdrawal by the US to accommodate Chinese ambitions. China for its part has escalated confrontation in East Asia and the South China Sea, launched initiatives like Asia Infrastructure Investment Bank and presented major new challenges on issues like cyber security. These moves signal China's determination to change the regional order in Asia, as much as the US "Rebalance" seeks to preserve it. So far, China has not been able to significantly advance its "new type of major power relations" with the Obama Administration, nor has the US been able to persuade China to step back from challenging the cornerstone of its policy in the Asia-Pacific.

Against this background, Xi's state visit to the US was watched with great interest in world capitals, especially in the Asia-Pacific region. Xi's proactive engagement with the US business community and technology leaders to project the lure of the Chinese market appeared designed to trump the

US Administration on its own turf. But the Xi-Obama summit has not brought the "new type of major power relations" any closer, despite tentative commitments on cyberattacks. Xi has reiterated China's claim of sovereignty over the South China Sea "since ancient times", denied that construction activities target or impact any country, and made an ambiguous commitment that China does not "intend" to pursue "militarization".

For Asia's emerging powers, the security challenges posed by China will thus remain paramount. The absence of a balanced, region-wide security architecture to mediate power shifts and uphold a rules-based order is acute, rendered infeasible by a lack of congruence in national systems and security perspectives. The revival of Asian power in the 21st century is creating "Asian anxiety" instead of "Asian solidarity". It is increasingly clear that having long benefitted from the US-led international order, China has enjoyed a free ride to major power status and secured far greater salience for itself at the expense of an Asia where everyone rises.

This conjuncture must now be scrutinized more critically, and for good reason. In its external manifestation, Xi's Chinese dream is not a benign construct. It seeks to impose a hierarchical regional order which respects Chinese hegemony. Countries like Japan and India must reconcile to this reality as Russia appear to have; the US must accommodate; and none can question China's core interests which are non-negotiable. Nowhere is the challenge to regional security more evident than in the maritime domain. China's artificial islands in the South China Sea are changing facts on the ground and will potentially alter the naval balance of power by excising the maritime heart out of South East Asia.

Fortunately, the regional power equation has not yet swung irrevocably

in China's favor. Its controlled escalation, creeping expansionism and growing capacity for military coercion are giving rise to new security alignments and strategies for diplomatic, political and military balancing. China's attempts (with Russian support) to impose a regional security architecture that pushes the US alliance based system and strategic partnerships among like-minded democracies to the periphery are being resisted.

India has revived its historical maritime interests across the Indo Pacific and joined the US, Japan and ASEAN in raising concerns about maritime freedoms in the South China Sea. Japan has adopted new security laws which will add substance to its aspiration to make proactive contributions to peace, which has been broadly welcomed in the region. Trilateral constructs are being elevated and deepened. And there is still hope that ASEAN may retain enough cohesion to strengthen the EAS as the principal leaders' led forum for strategic dialogue, security cooperation and upholding a normative regional order.

China would do well to understand that the principal constraint to its inexorable rise is its own aggressive, nationalist posture. Alongside its push for a "new type of major power relations", it should seriously consider putting forward constructive ideas for a "new type of emerging power relations" that uphold a more multi polar balance in Asia to secure peace, stability and long term prosperity.

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