

THE NEW CYCLE OF POWER IN THE 21ST CENTURY AND THE STRATEGIC RELATIONSHIP BETWEEN THE USA AND CHINA

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Abstract

We are witnessing an increased number of unexpected political and economic evolutions, of crises and conflicts, of hot spots on the geopolitical map - see *the hybrid war* in Eastern Ukraine, on the Euro-Atlantic frontier, the actions of ISIL and the changing nature of conflict and the dramatic follow-up of the so-called *Arab Spring*, the wars in Libya, Syria or Yemen and moreover China's new status as being "on the rise", its assertively in South and East China Seas, etc. - which are all part of the new political and strategic landscape at the beginning of the XXI Century. These events happen in a stage of transition to a new cycle of systemic power/towards a new strategic environment which means that we are facing a redistribution of power, are designing of the geopolitical map. The aim of this paper is to analyse the strategic environment at the beginning of the XXI Century, to assess the impact of the main emerging security challenges on the configuration of the new cycle of power with a focus on Asia-Pacific and the strategic relationship between the USA and China.

Keywords

Asia-Pacific; new posture of China; restructuring process; strategic environment; strategic partnership

Let me start by mentioning the old Chinese saying about “living in interesting times”.¹ It is tough and dangerous. I would like to tell you that *we live again* in interesting times! We are witnessing an increased number of unexpected political and economic evolutions; of crises and conflicts; we see a lot of hot spots on the geopolitical map... I will only mention *the hybrid war* in Eastern Ukraine, on the Euro-Atlantic frontier and the dramatic follow-up of the so-called *Arab Spring* – now the wars in Libya, Syria or Yemen, etc. They are, all of them, part of the new political and strategic landscape which I intend to discuss here.

I said “again”, “we live again...”, because some 25 years ago the world entered the most significant and interesting period of our contemporary history. We were witnessing not only the collapse of the Soviet Empire and the end of the Cold War...It was *a lot more*: the end of the post-war international order and the starting point of *the political and strategic restructuring* of the international system. The starting point of a *transition* towards a *new cycle of power* and a *new global structure of power*, redesigning the *geopolitical map* of the world.

The centre of this transformation was *Eastern and Central Europe* and generally speaking *Europe*. No one was able to predict what happened in Eastern and Central Europe in 1989 or the collapse of USSR in 1991. This was a

¹ This paper is based on the comments presented in Bucharest during the release of the volume *Between the two Communist giants. Romania and North Korea relationship during the Cold War*, ed. by Gen. Mihail Ionescu and Carmen Rijnoveanu, on January 29, 2015, and especially during my meetings in Beijing at the *China Institute of Contemporary International Relations* and *China Institute of International Studies*, March 30-31, 2015, and at the dinner organized by H.E. Doru Costea, Ambassador of Romania in the People’s Republic of China, on March 31, 2015. My analysis benefited a lot from the meetings and discussions I had during a recent visit to Japan – in the context of the Diplomatic Roundtable organized by the Japan Forum on International Relations, on June 23rd 2015 – and to the Republic of Korea – in the context of two working sessions at the Institute of Foreign Affairs and National Security of the Korean National Diplomatic Academy and the ASAN Institute for Policy Studies on June 16th and 17th, 2015. I am grateful for the discussions and comments made by Prof. Dr. Feng Zhongping, Vice-president of CICIR in Beijing, H.E. Mr Tae-Yul Cho, Second Vice Foreign Minister of the MoFA in Seoul, H.E. Ambassador Shingo Yamagami, Policy Planning, International Security Policy and Deputy Director General of Foreign Policy Bureau, MoFA in Tokyo, President Yoshiji Nogami, Japan Institute of International Affairs in Tokyo, Kenichi Ito, President of the Japan Forum of International Relations and Masahiro Sakamoto, Trustee and Senior Fellow, Japan Forum of International Relations in Tokyo.

good example of the so-called theory of *black swans*. This evolution was escaping the normal logic of the functioning of the international system. Thinking about the collapse of the USSR and of the Soviet Empire: there is no other example in history of a great power losing its position without being defeated during a hegemonic war.

However, let me tell you that this change in *Eastern and Central Europe*, the redesigning of the geopolitical map in Europe, was made possible by *the strategic agreement between the USA and the USSR*. Of course, we had the new policy of Gorbachev and its consequences. However, from a *strategic point of view*, this agreement was essential.¹

I would like to mention that this *restructuring process was not a win-win game, but a zero-sum game*. Please remember *Gorbachev's real agenda*: to negotiate with the West an accepted place/role for the USSR (as a member of the hegemonic structure/club of power of the 21st century) and finally to save the empire; its project to negotiate with the West *the Finlandisation of Eastern and Central Europe*; or the discussion on the reunification of Germany and its future status. Gorbachev was trying to accelerate the process of change in Eastern and Central Europe in order to maintain *the initiative and the geopolitical role* of the USSR in this region. He discovered afterwards that he lost! At the end of '89, the geopolitical situation in Eastern and Central Europe had altered.

Everything that happened in 1989 was a component of *an evolving/new strategic framework*. In January 1989 Gorbachev met the *Trilateral Commission*: Kissinger, Giscard d'Estaing and Nakasone. The Soviet leader was convinced that he was in control and he could make a choice: to play the American card (the condominium), while at the same time playing the European card. On the other hand, in February 1989 the new American president, George Bush, met chairman Deng Xiaoping in Beijing. They were discussing the global picture/strategic framework, including the changes in Eastern and Central Europe. The American and Chinese leaders underlined the central role of the *strategic partnership* between the USA and China. Even more importantly, George Bush mentioned that the negotiations under way with the Soviet Union were not intended to interfere with the strategic interests of China. In

¹ We had some connected components, adding their contribution to the new strategic landscape: the Soviet-German reconciliation or the Soviet-French agreement.

1989, the most important thing was *the redesigning of the strategic framework*. What was the result of 1989 (- 1991)? As I said, it was the starting point of a *transition*, a *new geopolitical map* of Europe and a *new security and strategic environment* dominated by the American hyper-power. But, the political elites developed a lot of inconsistent ideas about *the post-Cold War world*:

- a) The idea of an “end of history” and the end of the political conflict in international relations; the idea of a homogenous world created by the victory of liberal democracy and of a new world order based on the results of 1989 - 1991;
- b) The idea that we were now in a *post-modern world*;
- c) The idea of a *new* (and more diversified) *security environment* - characterized by non-conventional risks and threats and by the declining role of military force.

What do we see after 25 years? My main argument is that we entered the final phase of the restructuring process started in the early '90s. How do I see it? A very tough “power game”, showing that we are not in a post-modern world! A process characterized by an increased use of military means and by the very important role of economic and financial instruments. In this context, the economic and financial crisis of the last almost 7 years was an instrument of redistribution and a process redesigning the geostrategic and geoeconomic map of the world. Let me add the role of the currency war of this period.

I see three or four very important dimensions / components of this stage of restructuring:

1. Some very tough question marks in connection with *the evolution and the future of the EU*, especially the renationalization of the European politics. We discovered that we were not able to finalize the political unification of Europe and that the most important strategic decisions are made in Berlin, Paris or London and not in Brussels. We rediscovered the *political geography of power* in the EU! The future of the EU is in question... and we see different projects of this future - let me mention only the German one and the very special relationship between Germany and Russia, which is having an impact on the functioning of the EU.

2. We are witnessing what I would call *the challenge we didn't know about: the Russian challenge*. We see today a different, more assertive Russia. During the past year its message was that “Russia is back in history”! Russia is

questioning not only frontiers – and it does this in Ukraine – but *the political and security arrangements* made after the end of the Cold War in Europe, including the corresponding *geopolitical map!* After Crimea, in the Black Sea Region, we are back in the “Soviet military times”. Even more, in Crimea during the last year, Russia managed to develop a real *force de frappe* – a military force having effective offensive capabilities. This new “Kaliningrad” is an anchor for a different military situation in the region. For us in Eastern and Central Europe, it is important to figure out *the next step*: is Russia working to create a logistic corridor (via Mariupol) for Crimea? Are we going to see the restoration of the former Soviet Odessa military region? It is possible to see Russia making a move in Transnistria or in Ukraine, in Southern Bessarabia? (reaching the Danube Delta)? The geopolitical project developed by professor Alexander Dughin in the late '90s seems to be – now – a real political map for the Russian actions in Ukraine and against the West!¹ What we see is that in Europe, with *the hybrid war* in Ukraine, “the good old military threat” is back! Let me underline some important *weak points* of the present situation as far as *the security of the Euro-Atlantic area* is concerned. We saw a rather weak reaction from NATO and the EU – NATO was very late with the necessary redeployment of its capabilities; its military doctrine was not really changed since the end of the Cold War; there are a lot of ambiguities on the Euro-Atlantic frontier²; we are witnessing a real “Russian camp” in the EU...³

3. After (or starting with) the *Arab Spring*, we see the very complex and difficult process of restructuring in the MENA region. H. Kissinger was mentioning “three or four revolutions going on simultaneously” in the Middle East. Let me mention “the disintegration of the international system as it was created at the end of World War I” (by the UK and France). I will add the

1 See the analysis of the Polish expert Michel Wojsnowsky (Wojsnowsky 2015).

2 For a very good analysis of “a new, modern [Russian] threat to the West”, which managed for instance “to disrupt the EU’s ability to develop a united policy towards Russia”, see Maior 2015.

³ 20-25 years ago, we were convinced that *the new geopolitical map* of Europe was already in place. It is not! Mr. Putin seems to put again on the Russian agenda *the Finlandisation of Eastern and Central Europe*. How come?! The ECE countries are now members of NATO and the EU! But he seems to have some ideas about that... Let me quote again for an answer the “new map” of Eastern and Central Europe of Alexander Dughin, based on some kind of “division of labour”, as far as their influence is concerned, between Germany and Russia (of course, this region should become “free of American influence”).

challenge represented by ISIL: a new form of a *hybrid war*, organized by a non-state actor (calling itself a “state”). What we are witnessing right now are both conventional and non-conventional threats, a combination of military and non-military dimensions, targeting not only the local regimes but also the West. It is not difficult to see, on the one side, that ISIL started to be a real actor, creating a different military situation in the region; on the other, the lack of strategic coherence of the West, as far as the future geopolitical map of this region is concerned (and generally speaking, the political, economic and social situation in this area), is more than evident.

4. But the most important dimension of the present strategic landscape is *the restructuring process that is reaching the Asia-Pacific region*. As early as 2010, Asia’s share in the global economy reached 27.4%, surpassing that of North America (25.8%) and the EU (25.9%). Even more important, China is already the second economy of the world and we should think about what is coming in the future: within 10 or 15 years (some forecasts are saying: after 2020) it is very likely that China will become the largest economy of the world (will overtake the USA). In PPP terms, the economic aggregate of China had already surpassed that of the USA in 2014. That is why I am saying that at the beginning of the 21st century – during the last 15 years – China was a regional power and *a quiet global power in the making*. Now it’s different. China is *already a real global power!* Let me add that China started to enter its new role. For Javier Solana, China’s move into multilateral processes “is good news for the world” and the West must “welcome China to the table of global governance” (Solana 2015). Uichiro Niwa, a former president and CEO of Itochu Corporation, and a former ambassador of Japan to China, said recently that “Big rule – making issues will then lie in store for China” (Hong 2015). Even more, I fully agree with what Ian Bremmer was saying in this context about the fact that “the only country in the world with a *global strategy* right now is China” (Holodny 2015). Let me add that this strategy started to work. There is no doubt that the USA will continue to be “*the most important power*” and China is taking into account this hard fact. China is lagging behind as far as its economic power (or its technological dimension) is concerned. At today’s exchange rates, its economy is only 60% of the US and the gap in GDP per capita is even wider. Moreover, Japan is ahead in some important domains. China is not a match for the USA in military terms (the US still has the world’s strongest military by a long margin) or in soft power. But China is *on the rise*

and its growing influence is making the US “feel uneasy in certain regards”. Bremmer is right again when he says that “the Chinese do want to compete with us (USA – my note) economically, globally... to compete with our standards... with our influence... with our architecture that we've created... And it's a real strategy”(Holodny 2015). In Asia-Pacific, this is even more important especially because in this region “the difference between them has narrowed down”. The military dimension is important: China is the second biggest military spender in the world (having surpassed the UK in 2008). It is the only country besides the USA to have a triple-digit defence budget (in billions of US dollars: in 2015, roughly \$145 billion, a five-fold real increase in military expenditures since 1997). The PLA has all the money it needs to continue its very rapid military modernization program (roughly 1/3 of the present budget on equipment and as much as \$10 billion on R&D) (Bitzinger 2015). In this context, the *Research Group* of CICIR was mentioning that “the rapid pace of China’s military modernization and the meteoric rise of its sci-tech prowess have transformed the China-US relationship from that between a major power and a super power to one between an emerging power and an established one”(Research Group, CICIR 2014). It is important to mention in this context the renewed effort of the USA to put some substance or to give some weight to its *Asia – Pacific strategy*, based on the so-called *Strategic Pivot* to the Asia-Pacific region. Let me say that America is facing difficult times due to the necessity of developing at the same time the right solutions on the Euro-Atlantic frontier in Europe in order to meet the Russian challenge.

What we see now is that China is becoming *the second global power*. We are witnessing *a new posture* of China. Self-confidence is growing in Beijing. Let me only mention its new financial stature. Of course, there are some question marks about China’s economic growth in the future or about its financial stability and a possible stock market bubble, etc. Nonetheless, it is unwise to underestimate some important realities. According to the last edition (2015) of *Forbes*, at this moment the most powerful banks (based on assets) are Chinese: *Industrial and Commercial Bank of China*, *China Construction Bank*, *Agricultural Bank of China* and *Bank of China*. They are well ahead of *JP Morgan*, *Citigroup* or *Bank of America*. China started to deepen its involvement in countries across Asia, Africa and Latin America, becoming the world’s largest provider of financing for developing countries, with *the China Development Bank* already offering more loans than *the World Bank*. Bremmer was mentioning: “over a

trillion dollars being spent. No one comes close.” In implementing its “one belt, one road” strategy, China will pursue investments in some 60 countries – including those in Central Asia (see the geopolitical importance of this region). Let me add that China-US economic and trade exchanges and cooperation have enjoyed unprecedented expansion. The two-way trade volume is above 500 billion US \$ and they are the largest or second largest trading partners to each other (Shulong and Shasha 2014). At the same time, China is developing its position as the EU’s main commercial partner. The *New Silk Road Initiative* reaffirms China’s desire “to establish itself as a Eurasian power”.

Eswar Prasad, Senior-Fellow at the *Brookings Institution*, underlined in March in Beijing that the RMB is on its way to being a widely-used international currency and the implications of its larger role in the international monetary system will be very profound in the years to come. There are now about 28 central banks having signed local currency swap lines with PBOC. He said that the RMB’s path to internationalization requires far more than what has been done already and China has a long way to go (especially institutions, a democratic government, a trusted, independent central bank and an independent judiciary) but *the direction* is clear. China is on its way to *reserve currency status*: as a matter of fact its RMB is already being held as a reserve currency. Finally, his assessment was that at the time of the next review of the SDR basket of the IMF (which will happen at the end of 2015) RMB is going to become part of the SDR basket. Just recently, the finance ministers of G7 supported this step. The RMB can be a viable reserve currency in the next decade (if the necessary reforms of the financial market continue), without ultimately displacing dollar’s dominant role in global finance (The Brookings Institution 2015).

I see as a very important strategic decision the *new step* made by China with the *Asian Infrastructure Investment Bank* (AIIB)¹. The new bank is going to become an instrument able to contribute to “reshape global financing rules”. Now, the AIIB is an international reality: 57 countries across four continents applied to become founding members of the bank. Among them: 4 members of the Security Council of the UN; 4 members of G7; 14 member countries of the

1 Of course, we already have the New Development Bank, created last year by the BRICS countries (with its headquarters in Shanghai). But this new initiative – the AIIB – has a different, strategic dimension

EU (of 28); 21 member countries of the OECD (of 34). The President of China, Xi Jinping, underlined the necessary “complementary and coordinated development” between *AIIB* and such multilateral financial institutions as the *Asian Development Bank* and the *World Bank*. Christine Lagarde already stated that the *IMF* is willing to cooperate with the *AIIB*, mentioning her hope that the *World Bank* will do the same.

How do I see the challenge raised by the *AIIB* and its political and even strategic implications/consequences? It was already said that this China-backed bank “reflects Beijing's dissatisfaction with existing global institutions” and “Chinese frustration with (...) the failure of these institutions to reform in order to provide a greater voice to emerging powers...”. Even more, “from this perspective, the *AIIB* – along with its companion BRICS bank – is a challenge ... and a clear statement of *intent* from China that it desires to play a leading role in defining new rules of the game for investment in Asia” (Kahn 2015).

Let me say that I see a lot more. As a matter of fact, making this step, China “crossed the Rubicon”: the *AIIB* is not only about “new rules of the game in Asia”; it's about new rules of the global game, global governance, and last but not least it is about the global political-financial game. The US government “caught many by surprise when it made an aggressive and public effort to persuade countries not to join the Beijing-led institution.” There is no doubt that this reaction was based on concerns about the economic and political implications of a new multilateral lending agency led by China (Kahn 2015). And the decisions of the UK, France, Germany and Italy – and afterward of half of the members of the EU – to join the *AIIB* was met “with alarm and surprise” from Washington, not to mention its “disappointment” with the UK step, because this “is not the best way to engage a rising power”! I could not see a more clear statement. But in Asia, it was not only the US. Japan decided not to join the *AIIB* and there are strong voices in Tokyo saying that the Europeans “made a mistake” and “their assessment was wrong”. What motivated all these countries to back the *AIIB*? Robert Kahn said that “this decision by traditional allies signals that Washington is increasingly isolated” (Kahn 2015). I don't think that this is the most important aspect of this new situation. What I see is that “the traditional allies” of the USA started to *read in a different way* the present strategic environment: *an evolving distribution of power and a new strategic framework*. Let me add that after a few days the US government softened its stance: on Monday, March 30, in Beijing, US Treasury

Secretary Jacob Lew said that Washington “is looking forward to cooperating with the new bank” (Hong 2015). At the same time, we see that the Trans-Pacific Partnership – the trade agreement negotiated by the US with the other 11 Pacific Rim nations – could collapse. The death of the TPP would be another important setback for American economic diplomacy in the Asia-Pacific region (after the failed attempt to thwart the AIIB). Its impact would be not only economic: at stake is the American influence in the region. Shinzo Abe, the PM of Japan, has said that “it is not only about economy, it is about our security”. TPP has an important strategic value. Ichiro Fujisaki, a former ambassador of Japan to the US, was mentioning that this is “an important time for rule-making in Asia, and TPP is central...”. I quoted two Japanese ambassadors pointing to the substance of the game during this decade: it is an important time for rule-making! But they were seeing different sides of the same coin. There is no doubt that the US and China are engaged in a competitive effort to play the right game.

Singapore’s Foreign Minister, K Shanmugam, asked in Washington (on June 15th, 2015) a very direct question: “Do you want to be part of the region, or do you want to be out of the region?”. Even more, he argued that if TPP fails the US will be left with only its military leverage and this would create an enormous disadvantage for the Americans. China knows that TPP is one of the pillars of the US rebalancing strategy in Asia. In this context it has its own alternatives: to negotiate a regional trade deal with the ASEAN countries, Japan, South Korea and other nations or, as Song Guoyon, of Fudan University in Shanghai, was saying, the US should work with China to offer “a more ambitious and a more inclusive” agreement (Sang-hun and Huang 2015).

As I understand it, the result of this process is already visible: we are witnessing a very clear evolution towards *a new strategic framework in Asia-Pacific* and *a new strategic environment at the global level*. The main strategic component of this new structure is becoming *the relationship between the USA and China*. How do I see the starting point of this evolution?

1. There is no doubt that in the present context – during this transition towards a new strategic environment – that the US and China “share many interests” (Bu 2014). From a strategic point of view, the two countries are interdependent. President Xi Jinping was very precise when he said that “China and the US share ever-growing converging interests”.

2. I fully agree with what Dr. Kissinger said in March this year: *Partnership should become an element of the modern balance of power*. Even more, he said that China and the US have to lead in cooperation (Kissinger 2015)! During his previous meeting with President Obama (2013), the Chinese President, Xi Jinping, said that he wants China and the US to work together and build *a new model of big power/major country relations*. This is a “major strategic decision made by both countries...” (Bu 2014). Of course, “breaking the old pattern of inevitable conflict between big powers” and “building a new model of major-country relations” (between China and the US) is something that has “no precedent” (Bu 2014). It is a very difficult process. In this context, the Chinese analysts mention that “China should never underestimate... the strategic importance of maintaining long-term peace and stability between Beijing and Washington” (Bu 2015; see also Sakamoto 2013).

3. My analysis is that in the years to come the *main dimension* of the political and security evolutions in Asia-Pacific will be *the founding of the strategic partnership between the USA and China*, having as an objective the establishment of the main rules of the game, the main political and security coordinates and last, but not least, some of conflict resolution mechanism.

4. Some authors note that a “progressively modernizing Chinese military constitutes a growing challenge to US supremacy in Asia” (Bitzinger 2015). As a matter of fact, we see that the chorus of voices predicting a clash between China and the US is growing. The present assessment shared by many politicians, diplomats and analysts in Japan is that the military (maritime) presence of China and the increased number of Chinese “acts of provocation” in the South China Sea and the East China Sea represent not only a new level of competition between the US and China in East Asia but “a brutal challenge” for the existing status quo. Some of them are saying that this challenge (at sea) in East Asia is similar to the Russian challenge (on the ground) in Europe (Ukraine). In recent days, the Chinese program of building artificial islands (“land reclamation” taking place at 7 sites) in the South China Sea has become a much disputed issue. At a security forum in Singapore in May this year, Defense Secretary Ashton B. Carter called on China to stop construction and warned that the US would “fly, sail and operate” in the South China Sea to ensure freedom of navigation and flight as permitted by international law (see, for instance JFIR 2015; see also Wong and Perlez 2015).

5. This evolution – as I see it – will not necessarily put China on a collision course with the USA. They share too many common interests and they need each other. Leaders from the US and China are set to meet in Washington at a major annual conference: *The Strategic and Economic Dialogue*. Beijing is (or seems to be) ready to compromise on its program of “land reclamation” developed for “military defence needs” as well as “civilians demands” (maritime search and rescue efforts). China does not want to enter into an air or sea confrontation with the US in the South China Sea. The risks are unacceptably high (Wong and Perlez 2015). I don’t think that Graham Allison of Harvard is right when he speaks of the “Thucydidean trap” in which rising powers – as is now the case of China – fight with status quo powers. And I see as a great error what Robert Blackwell and Ashley Telis proposed in a recent report of the Council of Foreign Relations about a neo-containment strategy with China. Of course, I have no intention to put “into brackets” those disturbing/real question marks about the intentions of and actions of China in the region.

6. Let me mention the very important role of *the new strategic perspective* developed by the Chinese leadership in connection with *the responsibilities of major powers* and *the win-win and all-win approach of international relations*, featuring a *partnership* rather than an *alliance*. The document of the Chinese government of March 2015: “*Vision and Actions on Jointly Building Silk Road Economic Belt and 21st Century Maritime Silk Road*” is based on the idea that big countries are shouldering greater responsibilities for “regional and world peace and development” and on a *multipolar map* of the future distribution of power. The Chinese approach underlines the fact that the new structure of cooperation should accommodate the political and cultural diversity¹ of partners, of their development strategies, creating in the same time the necessary conditions for their policy coordination (including coordination of their macroeconomic policies!), their land and maritime connectivity, advancing full integration in infrastructure... Even more, this agenda speaks of economic globalization, “policies and institutions” integration and financial integration. Let me add that this vision mentions the

1 The President Xi Jinping was quoting *Mencius*, the great ancient Chinese philosopher: “Things are born to be different”.

decisive role of market mechanisms - of the market - and the necessity of unrestricted free trade.

Shi Ze, from CIIS, speaks about an innovative concept - called "New Thinking" - of great strategic importance, bringing together Chinese interests (and internal development) with "the interests and development of our neighbouring countries in a system of world-wide development and mutual progress..." (Ze 2014). The way the Chinese are developing the necessary "operational policies" for the establishment of *AIIB* is a very good example of this new approach. There are features that make it "more inclusive". China says it will not hold veto power inside the *AIIB*, unlike the *World Bank*, where the US has a limited veto. At the same time, a number of financial analysts are saying that China will have a *de facto* veto power. China is proposing to include non-Asian countries on the board of the *AIIB* (three non-regional), giving small shareholders a voice in the institution. This is only one example but we are witnessing elements of a new approach.

The new Chinese initiatives to establish a *Silk Road Economic Belt* and *21st Century Silk Road*, the so-called "*One Belt, One Road Initiatives*", putting an emphasis on promoting infrastructural connectivity and building overland economic corridors and pillars of maritime cooperation, follow the logic of "bringing in" strategy and the "going out" strategy; they also include the idea of "sharing advantages" and "the notion of balanced development". China is working for instance "to engage ASEAN as a partner in the *Silk Road Economic Belt* and *21st Century Silk Road* initiatives". Kheng Swe Lim, from the *Nanyang University* of Singapore, was mentioning that "there is a fundamental synergy" between the interests of China and those of ASEAN. These initiatives have the potential "to reshape the geo-economic landscape of the region" (Lim 2015).

I would say that the value of this new approach cannot be underestimated. At the same time, let us have a closer look, from a neo-realist perspective, at the possible impact of these initiatives: in time, they will change the geo-economic and the geo-political map of some huge parts of Eurasia; even more, some of their economic, financial or industrial consequences will represent "shared advantages" - no doubt about that; but all in all this re-designing of the geo-economic map will contribute to a greater role of China. It is about world politics. Using a metaphor, China is proposing a *new game* and the *bridge game* could be a good description of this new *non-zero sum game*. From a semiotic perspective, bridge - this game or meta game - is also a

language: a new language of international relations – especially of the interactions among major powers – at the beginning of the 21st century.

7. In trying to discover “its new role in the world”, China is not – according to its leaders – “seeking a sphere of influence” and not “striving for hegemony”. In the Asia-Pacific region, “neither the US, Russia or China could become a dominant power”. That’s why China’s approach is aimed at “maintaining equilibrium” (Ze 2014). I will only mention the agenda presented at the *Boao Forum for Asia Annual Conference 2015* by the President of the People’s Republic of China, Xi Jinping, about “the community of common destiny” in Asia (Jinping 2015). For China – said recently the Chinese Foreign Minister, Wang Yi – 2014 was “a year of harvest” of its diplomacy and “a year of forging ahead and breaking new ground”. Its new approach in international relations “it is not China’s solo, but a symphony performed by all relevant countries” (“the responsibility of major power”, based on partnership) and its new initiatives (*One Belt, One Road*) represent “a product of inclusive cooperation, not a tool of geopolitics”. China is trying “to replace the old practice of ‘going it alone’” and “the old mentality of ‘the winner takes all’” (MFA China 2015).

8. I see another very important dimension of the new posture of this major power and its role at the world level. In the “non-homogenous world” of the 21st century – especially in Asia-Pacific – China could represent *a new model of development, a solution to a very important dilemma*: how to achieve economic growth while retaining political stability and control. The recent discussion on the legacy of Lee Kuan Yew, who managed “the miraculous transformation” of Singapore’s economy while maintaining tight political control over the country, illustrates the appeal of a formula. Kissinger was mentioning “the discipline perhaps considered excessive by Western countries” that the governing elites of this region “are anxious to learn” (Kissinger 2015; Zakaria 1994). But this is far from being a simple question. China underlines the fact that “the new structure of cooperation” should accommodate “the political diversity” of partners. Its partners, especially the US and Japan, note the fact that China is far from accepting the liberal values of freedom, democracy and human rights. In this context, the question is whether “an increasingly powerful China will support the liberal, open, and rule-based international order” (JFIR 2015). I have serious doubts about the

“communist characteristics” of the present political regime of China, but this question is a legitimate one.

9. I already mentioned that the Chinese strategy is based on a “multipolar map” of the present evolution towards a new distribution of power and a new world order. What does it mean in very concrete terms? I see four very important ideas in this context. Usually we don't give them the necessary attention. *First of all*: “the international order needs to be updated”. China supports a series of “reforms” of the existing system. *Second*: this “is not about overturning the current system or starting all over again”; it's about new ideas to improve it, promoting “democracy in international relations and the rule of law in global governance” (MFA China 2015). *Third*: this evolving strategic context is characterized by the fact that the USA will continue to be the most important power (China “should never underestimate the US power”) and the strategic relationship between the USA and China will become the essential dimension of the new political and security environment. *Last but not least*: this distribution has to be balanced. That's why China considers the EU as a very important global actor – taking into account not only the conventional attributes of its status (in the realist reading) but also its normative role, its soft power and the appeal of its social model of development. China is interested in developing its partnership with the EU, inter-connecting their infrastructures and coordinating some of their policies. Let me also mention the idea of “working together in Central Asia”.

10. This global picture does include *the role of BRICS countries*, creating a more diversified strategic environment. In this context my interpretation is that China sees Russia as a “junior partner”, given right now its very dangerous and erratic behaviour. As a matter of fact, China “keeps an eye” on the real meaning of the Russian project of the so-called “Euro-Asian Union” and on its “Southern Thrust”. China is interested in a “strategic cooperation” on the development of Russia's Far Eastern region. At the same time, there are, again, some disturbing question marks in connection with the military cooperation between China and Russia: see their common maritime military exercises in the Mediterranean Sea.

A real question mark seems to be associated to the role of *Japan* in this context: more exactly the way Japan is reading the present strategic environment and trying to adjust to it. The political and security debate existing right now in Tokyo shows “growing concerns” related to the “ongoing

shift in the international power balance”, brought about by the rise of China. The recent report of JFIR I just quoted is mentioning that under the present circumstances “the fundamental importance of the US-Japan Alliance remains unchanged”. Even more, it has to be strengthened and the US has “to declare that Japan is the cornerstone of its alliance system in the Asia-Pacific region”. In this context, “the most important question that now confronts both Japan and the US is whether the two countries are able to manage the international situation so that the essential elements of the existing international order, i.e., its liberal, open and rule-based character, can be preserved regardless of the various changes...” (JFIR 2015). In this context, “The new guidelines for US-Japan Defense cooperation” issued in April 27 2015 and the “US-Japan joint vision statement” of April 28 2015 both mention that through the US Asia Pacific rebalancing strategy and Japan’s policy of “proactive contribution to peace” these two countries “are working closely together in the region at the world level”.

This is an indication that the US-Japan Alliance is a part of the US policy of rebalancing. But at the same time, it is more evident that an important part of the strategic community is taking “a cautiously optimistic view” toward the continued commitment of the US toward the US-Japan Alliance, or even more, towards the determination of the US to continue with its involvement in the world (the so-called inward-looking trend). There are a lot of anxieties about the attitude of the US toward China. Some analysts are saying that the US has started to endorse the “new model of major power relations” proposed by China. Not to mention the anxieties about “the cornerstone” of the security system in Asia Pacific. All in all, the future evolution of the strategic relationship between the USA and China seems to create a lot of uncertainties for Japan. There is no doubt that Japan is a very important actor of the new strategic environment in Asia-Pacific and of the new global distribution of power. Its role during the present transition should go well beyond the idea that “Japan is America’s indispensable partner to share leadership with the US” in order to maintain the existing international order (especially in Asia Pacific); of keeping “China’s excessive assertiveness in check” by deterrence; or the “basic fundamental principle” of “simultaneously engage and hedge against China” (focusing more on hedging rather than engaging). I would say even well beyond the idea of an approach based on the understanding that the US and Japan “will have to take every

necessary measures to prevent conflicts with China” or that “Japan should not provoke China on the Senkaku islands issue”; or on dialogue and consultation and of adopting “a controlled stance and actions, in order to avoid escalation and to prevent the deterioration of the situation” (see the territorial disputes). Of course, taking into account the present circumstances, Japan revised the national defence program guidelines and formulated Japan’s first National Security Strategy. Its government is taking a proactive stance towards security and defence policies and started an effort to build a new defence posture and new capabilities. But still, there is a real necessity to read in a different way the new strategic context. At this moment, as far as I understand it, Japan does not see real possibilities for its strategic adjustment and creativity. A recent report of CICIR was mentioning, as a major risk, “Japan’s unpredictable strategic orientation” (Research Group, CICIR 2014). Additionally, Japan was not considering membership to the AIIB and is trying to develop a competitive approach (Japan would announce a 100 billion USD plan to invest in roads, bridges, railways and other projects in Asia)¹.

The most recent strategic debate developed in China seems to be well aware of the growing complexity of the security environment of the Asia-Pacific region. The Chinese experts are mentioning that in some parts we can speak of a “security predicament” or even “security of peril”. On the one hand, the present security environment is characterized by an important number of “traditional and non-traditional threats” and “new threats and challenges continuously emerge”. On the other hand, “regional security games increasingly become complex” (Zhida 2014).

1. To no one’s surprise, the Chinese experts note the negative impact of the fact that the USA “has been carving out a comprehensive Eastward shift in its global strategic focus, by raising strategic input across multiple channels in order to beef up its traditional primacy” (Research Group, CICIR 2014). This agenda is dominated by the so-called “strategic pivot to Asia” of the USA and of its effort to implement “rebalancing to Asia-Pacific and air-to-sea battle plan” (Zhida 2014). In this context, “The China-US game of cooperation-rivalry has become increasingly complicated...” and their confrontation “would be a

1 Chinese President Xi Jinping mentioned that “In the coming five years, China will import more than 10 trillion US \$ of goods, Chinese investment abroad will exceed 500 billion US \$ and more than 500 million outbound visits will be made by Chinese tourists.”

catastrophe” (Research Group, CICIR 2014). At the same time, this approach “invites all other major powers to follow suit in making their own corresponding strategic adjustments”, igniting “the big game of grand powers” in Asia-Pacific (Research Group, CICIR 2014) and even worse, complicating “the rivalries over security in the region” by openly supporting other countries “to confront China” and to build up a so-called “encirclement ring” to counter and deter China (Zhida 2014).

2. The Chinese experts say this is the result of an old approach: the “zero-sum game of the Cold war mentality”. But, and I see here a very important message, during this transition the US and China should cooperate. The USA “would have to get involved in the Asian regional integration process with an open heart, and justly promote peace and development by working cooperatively with China and other emerging countries”(Zhida 2014).

3. We see a very different “reading” of the security environment in East Asia made by the political elite and the strategic/security community in the US and Japan, with China, Russia and North Korea representing or creating a serious threat in East China Sea or South China Sea. In the case of Japan, the present assessment mentions the increasing Chinese intrusions into territorial waters around the Senkaku islands or China’s announcement of the establishment of an “air defence identification zone” in the East China Sea, or an increased number of flights of the Russian military jet fighters in the vicinity of Japan, etc. Not to mention “the chronology of BM launches and nuclear tests” by North Korea. In this context, the US and Japan “agree that the US-Japan Alliance must deter China while preparing for a situation in which deterrence fails” (JFIR 2015).

4. The conclusion of the present strategic assessment is that in the region we are witnessing “numerous security mechanisms”, but they represent “inadequate response mechanisms”. They do not cover the whole Asia-Pacific and are not meeting the requirements of the existing security agenda in the region. No existing “platform for security and political dialogue” can represent the whole of Asia (Zhida 2014). Of course, some of them have been successful in promoting understanding between regional powers, political dialogue and economic cooperation. Even “the US military alliance system... did play a certain constructive role... stabilizing the region” (Research Group, CICIR 2014). In particular, the ASEAN-led security dialogue / cooperation has been “successful... in pushing non-traditional security...” (Research Group, CICIR

2014). But the present security agenda represents an overloaded “big cart” for this “pony model” solution. All other mechanisms/structures (including *Shanghai Cooperation Organization* or *CICA Summit* or the *Shangri-la Dialogue* etc.) suffer from limitations to varying degrees. Not to mention the fact that they are all functioning on their own, in isolation, without any necessary communication or coordination with one another (Research Group, CICIR 2014).

5. The Chinese conclusion is that Asia-Pacific needs “a new framework”, “in line with regional realities” and able to meet “the needs of all parties” (Jinping 2014). A “region-wide structure” or, quoting the recent *Report* of CICIR: a “new overarching structure”, based not on power politics logic but on the awareness of a “community” evolving into a “consensus sweeping across Asia-Pacific”. Key words for this vision seem to be *development*, *cooperative security* and *inclusiveness*. Jiang Zhida, Research Fellow at the *Center of China-US Relations* of *China Institute of International Studies* (CIIS), was mentioning the *transition* towards a security model handled by Asian countries themselves: “the transition of Asian order from the model of external-generation to internal-generation”. I see a much more elaborate approach in the recent *Report* of CICIR: this new structure “acknowledges the presence of the US and accepts its legitimate rights”. It is not intended to “squeeze Washington out of the region” (Research Group, CICIR 2014).

The recent *Report* of the Research Group of CICIR on the so-called “*Trans-Pacific Security Cooperation Architecture*” (TPSCA) was mentioning some important *ideas* produced by a number of initiatives during the last 20 years, preparing the ground for their concept: proposals of President Clinton (1993), of the former Prime-Ministers of Japan Junichiro (2002) and Hatoyama (2009), of ASEAN (Bali Summit, 2003), of the former Prime-Minister of Australia Kevin Rudd (2008), of Russia (2013, 2014). Not only that: the *Report* was quoting the solutions suggested by H. Kissinger – a “*Pacific Community*” (2012) or a “*New Pacific Security Framework*” (2014), based on a “*new equilibrium*” and “*partnerships*”, or by Fred Bergsten, director of the *Petersen Institute for International Economics*, on a “*new economic order*” in Asia-Pacific region, supported by the partnership between the USA and China (“*Bridging the Pacific*”, 2014), or by the Australian strategist Hugh White, who proposed a formula of “*US-China power sharing*”, meaning a bigger role for China while preserving for the US “the important job of safeguarding security in Asia”.

The concept developed by the Research Group of CICIR represents “an integrated security formula” covering “East Asia, Oceania and North America”: “closely inter-connected areas that exert real influence on security matters in the region, with the focus on the Northern and Western Pacific” (Research Group, CICIR 2014). This new model of “a regional security order” has to be “a flexible, dynamic, open and growing system / network” based on “inclusiveness, openness, pluralism and balance”, in order to “accommodate the security and development of all regional players” (Research Group, CICIR 2014). Its objective is to realize “the joint governance” of regional security challenges through the *common yet differentiated* action/duty of the participating countries using different – “bilateral + multilateral” – solutions/formats. In this context, “great powers bear special responsibilities and their coordination is necessary”. But this does not negate the role of others” (Research Group, CICIR 2014). Let me add that this architecture is based, in my opinion, on “a very special responsibility” of the USA and China and their coordination. As a matter of fact, the report is very clear that: “the new model of major country relationships (between the US and China – my note) *serves as a cornerstone for Asia-Pacific security cooperation* (my italics)”. Even more: “the new model of Beijing-Washington and bilateral peaceful coexistence in the Asia-Pacific stands for two sides of the same coin. We should strive to stabilize the Asia-Pacific and the broader Pacific Ocean with such a model” (Research Group, CICIR 2014).

6. Of course, now we see a problem: the lack of “strategic mutual trust” and this gap should be addressed. The Chinese leaders are well aware of the fact that the partnership between the US and China “depends to a great extent on how the two perceive the others' strategic intentions”. President Xi was putting the idea in very clear terms: “We can ill afford a mistake on these fundamental issues. Any mistake may ruin the whole undertaking” (Bu 2014). At the same time, the authors mention that this structure “will not be a G2 in disguise, designed to usurp the ASEAN of its indispensable role and contribution” (Research Group, CICIR 2014). I already mentioned the fact that this blueprint for a “Security Community” in the Asia-Pacific region acknowledges the role and the legitimate rights and security concerns of the US. Even more, the authors are confident that “the US-led alliance system will conduct self-readjustment in order to safeguard... Asia-Pacific peace and stability”. Nonetheless, this is not the whole story. Still, China has to

accommodate (is it possible?) “the fears and apprehensions” of other Pacific Rim nations. Let’s not underestimate what many are saying: China does not have a lot of (real) friends and partners in the region. Even more, the present political and security debate underlines a difference (a gap?) between the words and the deeds of China in Asia Pacific.

This blueprint is addressing a very complex agenda and a lot of specific security concerns. But the *Report* of CICIR says that this agenda could be managed (Research Group, CICIR 2014).

1. In February this year State Councilor Yang Jiechi and National Security Advisor Susan Rice declared that the US and China “have agreed to strengthen coordination on regional and global challenges”. The Chinese Foreign Minister, Wang Yi, said in March that during the visit of the President Xi Jinping this fall in the USA that, “the two presidents will... inject a new momentum into our efforts to build a new model of major-country relations between China and the United States”. This is a “pioneering effort. It will not be smooth sailing. But it is a logical development because it accords with the common intersects of both sides...”. Trying “to read” what the Chinese official was saying, I would offer this explanation: what we see now is the starting point of their effort to “explore the immense possibility of win-win cooperation between China and the United States” and “*the building of a new model of major-country relations should begin with the Asia-Pacific region*” ([author’s italics]; MFA China 2015).

2. Last but not least, I will mention another dimension of the pragmatic approach of this new agenda. The recent *Report* of CICIR discussed a very important tool in this context: “building such an array of new model of major-country relations (and the coordination between the US and China - my note) requires a number of trilateral dialogue mechanisms as their supplements, such as China-US-Japan, China-US-India, China-US-Russia, China-US-ROK and China-US-ASEAN”. All these trilateral dialogues, having different emphases (from global order and Asia-Pacific configuration and security to economic development, etc.) “should transcend the trilateral frame in order to look at things from a TPSCA prism” (Research Group, CICIR 2014). It is more than clear that this strategic approach is dominated by the *centrality of the US-China partnership*. Still, there is an open question how to accommodate during the present transition the visions - hardly compatible at this moment - developed by the US, China and Japan on the new security

environment starting a real process toward an “integrated security structure” or “a new model of regional security” able to realize the joint governance of regional security challenges. Japan in particular is facing a tough dilemma as far as its objective seems to be “to build expanded security cooperation networks that takes the form <<US and Japan plus alpha>>”, strengthening the cooperation networks among US-Japan-Australia, US-Japan-India, US-Japan-Korea, and US-Japan-ASEAN (JFIR 2015). How realistic would be for them to continue to read in such a way the present transition remains to be seen...A better option could be “to engage China” by its words (its concepts, proposals or initiatives) making all the necessary amendments and working together in the “real world”, developing real institutional networks or security arrangements, building “the good rules” of the game – of a “liberal, open and rule-based international order” – in the real functioning of the new structures and mechanisms badly needed in the Asia-Pacific region.

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