



China: reshaping the global order?

by Alice Ekman

The 17th EU-China Summit, celebrating the 40th anniversary of EU-China diplomatic relations, took place last June in Brussels, shortly after China released two important documents: its first action plan on the so-called ‘One Belt, One Road’ project (‘Vision and Actions on Jointly Building Silk Road Economic Belt and 21st-Century Maritime Silk Road’, March 2015) and its first White Paper on China’s military strategy (May 2015).

Apparently covering distinct areas and sets of issues, both documents should be studied jointly, as China’s foreign policy is becoming more integrated under Xi Jinping, based on a two-pronged approach: engaging in proactive and flexible economic diplomacy while at the same time maintaining a firm stance on sovereignty – first and foremost with regard to territorial claims in the East and South China Seas.

Reinforced self-confidence

A joint reading of the two documents first of all confirms China’s renewed confidence in its own initiatives in the present context. ‘With a generally favorable external environment, China will remain in an important period of strategic opportunities for its development, a period in which much can be achieved’, states the White Paper on China’s Military Strategy. This perception has progressively emerged over the last two decades with China’s economic rise and has been further reinforced following its relative success in weathering the 2008-2009 global financial crisis. Today, Beijing’s two-pronged

approach in the Asia-Pacific region is based on the firm belief that China’s market attractiveness and overall economic weight will eventually convert into enhanced political and strategic influence, and help it break out of the relative isolation it has faced in the region so far.

At this stage, the level of confidence is so high that only a sharp economic downturn and slowdown of the growth rate would alter Beijing’s faith in its two-pronged foreign policy strategy. China’s stock market turmoil last June caused serious concern among the government and the population at large, and acted as a reminder that financial and economic challenges facing the country remain extremely significant. However, this event alone is unlikely to alter the government’s international self-confidence, given that China’s market has partly recovered since then, and that the communist authorities believe it is under its control. In addition, China’s slowing economy appeared to stabilise to some extent in the second quarter of the year, with a 7% increase in GDP.

Reshaping regional and global order

Building on this newfound self-confidence, China is actively seeking to reinforce its participation in existing institutions, and, at the same time, to create new institutions or rejuvenate existing ones in which it could play an active role. Such efforts are concentrated first and foremost in the Asia-Pacific region.

The White Paper on China's military strategy states that 'it [the Chinese military] will actively participate in international maritime security dialogues and cooperation', and explicitly advocates promoting 'the establishment of a regional framework for security and cooperation'. It remains unclear how this will be implemented in practical terms. It may involve the consolidation or extension of existing – and so far limited – Chinese initiatives such as the Xiangshan Forum, the annual Beijing-based regional security dialogue, seen as a potential alternative to the Shangri-La dialogue. It may also involve the creation of a larger scale, more comprehensive framework that could emerge during the presidential mandate of Xi Jinping (scheduled to end in 2022).

'One Belt, One Road'

Beyond Asia, China is also increasingly creating new institutions and forums in other regions of the world, including Europe. In 2012, China launched a new framework for dialogue with Central and Eastern European countries – the so-called '16+1' dialogue mechanism – which it is now combining with new gatherings with the same country grouping on the 'One Belt, One Road' project.

This project remains very flexible at the moment: it is designed to seize economic opportunities as they emerge. The Belt and Road action plan itself remains purposely ambiguous about the exact trajectory of the roads in question and underlines the 'primary role of enterprises' and the fact that 'the initiative follows market operation'.

In this context, Beijing is now setting up new meetings, forums and international events of various formats in Europe or involving the participation of European actors under the label 'One Belt, One Road', with the aim to gather ideas and convert this general plan into concrete economic cooperation deals. China has already set up and hosted ministerial-level meetings under the 'new Silk Roads' banner this year, and is planning more for the coming year. And the action plan explicitly calls for the creation of a 'balanced regional economic cooperation architecture' and 'new models of international cooperation and global governance'.

Further institutionalisation of the 'One Belt, One Road' initiative is to be expected, as the plan is increasingly presented by Beijing as a 'platform' for national and international interactions between various government and business actors. Clearly, the 'One Belt, One Road' project itself is a tool at the service of China's ambition to become

the leading agenda setter in Asia, Europe, and beyond.

Reinforced China-US competition

The two documents confirm Xi Jinping's aim to build – for the first time in the history of the People's Republic of China – an ambitious, comprehensive and long-term foreign policy strategy across the Eurasian continent and beyond, supported by new regional and global institutions, and which is officially set to be fully implemented by 2050, for the 100th anniversary of the founding of the PRC.

China's renewed interest in developing cooperation with the EU should be understood in the context of the deployment of the 'One Belt, One Road' project, but also in the broader context of China's ambition to reshape the global order, and challenge what it sees as America's illegitimate hegemony on the world stage. Both documents stand as clear reminders that US-China competition is intensifying in the region and the world at various levels (military, economic, monetary, ideological and institutional).

In China's eyes, the EU appears to be an interesting partner with which to engage in the framework of the institutional competition in particular. This perception has strengthened since the Chinese government launched the Asian Infrastructure Investment Bank (AIIB), already hailed in Beijing as a success considering the number of countries who have signed up to it (14 EU member states have officially applied to join the new bank). The AIIB has certainly reinforced China's confidence in its ability to create new international institutions, and given Beijing the impression that reshaping global governance is, after all, an easier task than expected.

In this context, the EU would gain by consolidating its member states' views and actions regarding the evolution of regional and global governance, in order to be in a stronger position to become an agenda setter in this field as well. In the short term this would also enable the EU to respond in a coordinated and strategic manner to China's forthcoming invitations to join new or revived institutions, frameworks and forums of all types – which are likely to be numerous in the coming years.

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