

Dr. László Gulyás, PhD

The Foreign Policy of the People's Republic of China – leading to the beginning of the Belt and Road Initiative

A Brief Introduction to the Belt and Road Initiative

This teaching material has been made at the University of Szeged, and supported by the European Union. Project identity number: EFOP-3.4.3-16-2016-00014

SZÉCHENYI 2020 



HUNGARIAN
GOVERNMENT

European Union
European Social
Fund



INVESTING IN YOUR FUTURE



Dr. László Gulyás, PhD

Estimated reading time:

18-20 minutes

Estimated learning time:

40-50 minutes

Class II: The Foreign Policy of the People's Republic of China – leading to the beginning of the Belt and Road Initiative

Summary

This class gives a general overview about the core attributes of China's foreign policy and its main focus especially from the early 2000s to the start of the Belt and Road Initiative.

Topics of the class include:

- the issue of the South China Sea dispute
- historical overview
- question of Exclusive Economical Zones
- important parts of United Nations Convention on the Law of the Sea
- The "Nine dotted line"

Under Xi Jinping's leadership, several significant foreign policy initiatives have been undertaken, including a more stringent policy towards North Korea and the establishment of an Air Defence Identification Zone (ADIZ) in the East China Sea. Moreover, during the US-China presidential summit in June 2013, Xi called for a "new type of major-power relationship", in which China and the United States would strive to avoid conflict, increase cooperation and develop a mutually advantageous relationship.

Of course ever since Donald Trump became president the conflict avoidance is not very successful to say the least, so we can consider this part to be a failure. Maybe after the Trump presidency run its course than this could be changing in the long run.

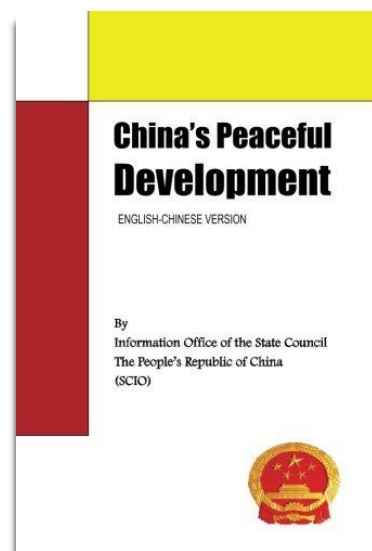
In order for us to try to understand Chinese foreign policy we need to mention the classification of **China's main political interests**. These can be split into the following categories:

- **feasibility** – is it possible to achieve in the short or the long run?
- **significance** – how important it is to Beijing
- **moral convergence** – what kind of impact it exerts on the image and reputation of the country

The significance is the most important in regard to China's political interests and can be classified into other sub-categories. Out of these the most important are the **core interests**.

Based on the white paper "China's Peaceful Development 2011", core interests include:

- a) **sovereignty (of the People's Republic of China);**
- b) **national security;**
- c) **territorial integrity (the question of Tibet);**
- d) **national reunification (the question of Taiwan);**
- e) **China's political system established by the Constitution and overall social stability;**
- f) **basic safeguards for ensuring sustainable economic and social development**



National security and territorial integrity are of importance for us regarding Beijing's foreign policy. And the reason for this is the one thing that affects both the national security and the territorial integrity – at least to some degree – of the People's Republic of China and that

is much more important than anything else regarding the foreign policy of Beijing: the question of the South China Sea. It was the main cornerstone of China's foreign policy in the 2000's and especially just before the announcement of the Belt and Road Initiative.

Short Historical Summary of the roots of the South China Sea Dispute

It is very hard to pinpoint an exact date as to when the international disputes regarding the South China Sea began – and it is not the aim of this course anyway. What is important to note though is that by the later part of the 19th century the area of the South China Sea and especially the Paracel and Spratly islands were the source of tensions between China and the colonial powers, among them France especially. The sino-french war of 1884-1885 affected this area as well (although the region was not the cause of the war). Meanwhile the British Empire made official claims on the Spratly Islands back in 1877 – at the same time the Qing dynasty of China also claimed that Chinese fishermen have been using the disputed areas for fishing for decades. It is easy to see that this region was very problematic way before the 20th century even began. Basically countries and powers came and go, all of them claimed rights to these islands at some point in history.

In the 1920s Imperial Japan also declared his need for this region but what was different this time is that Japan began to use military power to seize the land – and it was before the second World War started.

This step is important because once the 2nd World War has ended – with Imperial Japan on the losing side – the Nanjing based, Guomintang led Republic of China has accepted Japan's surrender and after the Japanese armed forces moved out of the region they moved in and has attached it administratively to Guangdong province. The problem is they did not really have legal claims to the territory. What makes the situation even more complicated is after 1949 both the People's Republic of China and the Republic of China announced that they consider the territory theirs based on "historical facts".

It is extremely important to note – and ever since can be basically considered to be the root of the problem – that the Paris peace treaties never actually settled the disputed affiliation of the islands. Most countries base their claim on just historical heritage. What happened basically is that everyone kept laying claims to the territory throughout the whole 20th Century and beyond.

An interesting inconsistency can be noticed between the People's Republic of China's foreign policy regarding the South China Sea and the Belt And Road Initiative. On the one hand Beijing is signaling a strongarm approach but on the other hand it tries to handle communication and relations in a generally amicable way.

So the question is, why the different approach?

First of all the South China Sea is **important for multiple factors**. The first one being – and by some considered to be the most important – is that there is a possibility of a huge **economic gain** regarding the Paracel and Spratly Islands. Basically, jurisdiction over these waters would give China access to the **maritime resources** of the South China Sea, especially **hydrocarbons and fish**. Some experts think that under these regions the hydrocarbon reserves could amount to at least 100 billions barrels which obviously is a substantial deposit. Furthermore we need to mention the fishing rights around these waters: a large portion of China's annual catch is coming from these areas.

Secondly most part of the South China Sea is of **strategical importance**. The main **sea trade routes** of East Asia go through the South China Sea and because of this reason, most part of the People's Republic of China's long range trade also uses this area for transit. This also means that if any navy would decide to form a blockade in the South China Sea (be it American, Japanese etc.) that would seriously impede China's trade and harm its economy. So as we can see it is no longer just an economic question but also a security one as well.

And now that we have arrived at both the questions of trade and security the problem shows itself in the form of maritime law and especially of **Exclusive Economic Zones**.

An Exclusive Economic Zone (EEZ) is a sea zone defined by the 1982 United Nations Convention on the Law of the Sea over which a sovereign state has special rights regarding

the exploration and use of marine resources. This includes energy production from water or mining hydrocarbons from below water or drawing energy from wind farms.

The following articles are extremely important regarding the issue of the South China Sea.

United Nations Convention on the Law of the Sea

Part V – Exclusive Economic Zone

Article 56

Rights, jurisdiction and duties of the coastal State in the exclusive economic zone

1. In the exclusive economic zone, the coastal State has:

(a) sovereign rights for the purpose of exploring and exploiting, conserving and managing the natural resources, whether living or non-living, of the waters superjacent to the seabed and of the seabed and its subsoil, and with regard to other activities for the economic exploitation and exploration of the zone, such as the production of energy from the water, currents and winds;

(b) jurisdiction as provided for in the relevant provisions of this Convention with regard to:

(i) the establishment and use of artificial islands, installations and structures;

(ii) marine scientific research;

(iii) the protection and preservation of the marine environment

(c) other rights and duties provided for in this Convention.

2. In exercising its rights and performing its duties under this Convention in the exclusive economic zone, the coastal State shall have due regard to the rights and duties of other States and shall act in a manner compatible with the provisions of this Convention.

...

Article 57

Breadth of the exclusive economic zone

The exclusive economic zone shall not extend beyond 200 nautical miles from the baselines from which the breadth of the territorial sea is measured.

This means that the EEZ could stretch from the baseline¹ no farther than 200 nautical miles. We need to pinpoint the difference between the EEZ and the territorial sea. The latter is by the UNCLOS a belt of coastal waters extending at most 12 nautical miles from the baseline of a coastal state. The territorial sea is regarded as the sovereign territory of the state. And there is the difference. **Territorial waters means that a state basically has complete „rule” and jurisdiction over those waters while with the EEZ the state retains mainly its rights below the surface of the sea.**

The same regulation defines that a state has a right to create artificial islands and certain facilities within its own Exclusive Economic Zone but these islands and facilities do not extend the size of the EEZ (meaning not stretching to another 200 nautical miles).

Article 60

Artificial islands, installations and structures

in the exclusive economic zone

1. In the exclusive economic zone, the coastal State shall have the exclusive right to construct and to authorize and regulate the construction, operation and use of:

(a) artificial islands;

(b) installations and structures for the purposes provided for in article 56 and other economic purposes;

(c) installations and structures which may interfere with the exercise of the rights of the coastal State in the zone.

2. The coastal State shall have exclusive jurisdiction over such artificial islands, installations and structures, including jurisdiction with regard to customs, fiscal, health, safety and immigration laws and regulations.

3. Due notice must be given of the construction of such artificial islands, installations or structures, and permanent means for giving warning of their presence must be maintained. Any installations or structures which are abandoned or disused shall be removed to ensure safety of navigation, taking into account any generally accepted international standards established in this regard by the competent international organization. Such removal shall also have due regard to fishing, the protection of the marine environment and the rights and duties of other States. Appropriate publicity shall be given to the depth, position and dimensions of any installations or structures not entirely removed.

¹ Normally, a sea baseline follows the height of the low water line of a coastal state. The height of the mean low water springs is the average height obtained by the two successive low waters during the same time period. Definition by the National Tidal and Sea Level Facility. <https://www.ntsif.org/tgi/definitions>

4. The coastal State may, where necessary, establish reasonable safety zones around such artificial islands, installations and structures in which it may take appropriate measures to ensure the safety both of navigation and of the artificial islands, installations and structures.

5. The breadth of the safety zones shall be determined by the coastal State, taking into account applicable international standards. Such zones shall be designed to ensure that they are reasonably related to the nature and function of the artificial islands, installations or structures, and shall not exceed a distance of 500 metres around them, measured from each point of their outer edge, except as authorized by generally accepted international standards or as recommended by the competent international organization. Due notice shall be given of the extent of safety zones.

6. All ships must respect these safety zones and shall comply with generally accepted international standards regarding navigation in the vicinity of artificial islands, installations, structures and safety zones.

7. Artificial islands, installations and structures and the safety zones around them may not be established where interference may be caused to the use of recognized sea lanes essential to international navigation.

8. Artificial islands, installations and structures do not possess the status of islands. They have no territorial sea of their own, and their presence does not affect the delimitation of the territorial sea, the exclusive economic zone or the continental shelf.

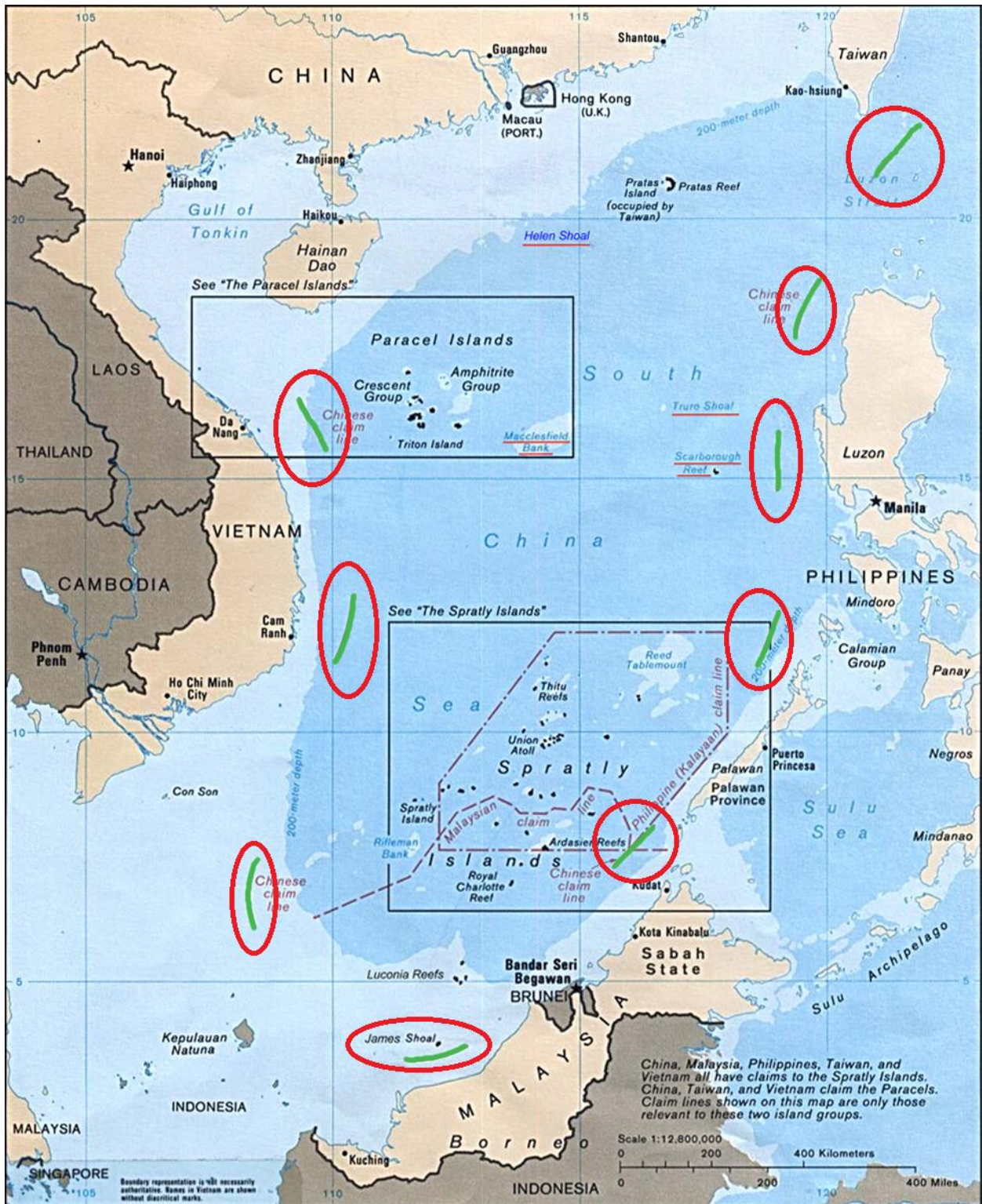
So why these articles are important regarding the People's Republic of China's Foreign Policy? The answer to this is very simple: because of Beijing's **aim to create artificial islands** (of which some are already completed) in the South China Sea. Although the UNCLOS defines explicitly that these artificial islands cannot extend the range of an EEZ still the PRC tries to use them as an extender by the following logic: they create certain facilities and military bases on these islands and station a small number of staff on them thus making the islands inhabited and so they consider these artificial islands "normal" islands where people live. And because these islands are part of the main state, the 200 nautical miles applies from the baseline of the islands.

Not to mention **by adding military personnel to these islands Beijing started to militarize the issue** of the South China Sea and the tension between China and the other involved South East Asian countries reached an all time high.

Adding to this already confusing situation is the issue of the so-called "nine dash" or "nine dotted" lines map.

On this map Beijing indicates which part of the South China Sea it considers to belong to China. The problem is that these **claims are all based on "historical heritage" and does not have a clear legal basis.** Furthermore there is not a clear line that connects the

indicated “dots” with each other giving the opportunity to deviate from the “invisible lines” here and there, also leading to much tension and problems.



1. picture: The so-called „Nine dash” or „Nine dotted” line”. Highlighting is done by the author of this paper. Source of the original map: https://upload.wikimedia.org/wikipedia/commons/c/ce/9_dotted_line.png

In regards to the contested territories here is one case in particular: in May 2014 China deployed a drilling platform into Vietnam's claimed exclusive economic zone triggering a major crisis in Sino-Vietnamese relations. More significantly, from late 2013, China began transforming seven atolls under its control in the Spratly Islands into massive artificial islands, leading to accusations that Beijing was – as I have mentioned before – “militarizing” the dispute. And in January 2013, China refused to participate in a legal case brought against it by the **Philippines** under UNCLOS which **challenged Beijing's maritime jurisdictional claims** in the South China Sea, and it subsequently rejected the final verdict when it was announced in July 2016.

However at the same time Xi has also telegraphed clear signals of goodwill and cooperation towards the countries of Southeast Asia. Both the “Belt” and the “Road” could be considered very important to South East Asian countries. The **BRI aims to reorient China's domestic economic structure by enhancing connectivity and cooperation between China and the rest of Eurasia. It is also a useful tool for China to shape international rules and norms, as well as influence the global economic order**, all of which are crucial to achieving President Xi's domestic “China dream” and “national rejuvenation”.

So the question is: isn't this contradictory? The past decade have led to rising tensions between Beijing and the Southeast Asian claimants (Vietnam, the Philippines, Malaysia, Brunei and even Indonesia), as well as between China and other stakeholders such as the United States and Japan. It has the potential of war in it and that would mean not only conflict between the PRC and the other powers but would also end the BRI altogether.

Many – even in China – believe that Beijing should not allow the situation in the South China Sea to deteriorate further, and that a conflict should be avoided at all costs. In order to make sure that the BRI is a global success China should shelve the dispute and engage in the joint development of maritime resources, reduce tensions and create an environment conducive to a peaceful resolution. Although recently Beijing's pressure on the region has eased somewhat, we can not say that it has given up on its plans regarding the area.

During the late 1990s and early 21st century, Chinese foreign policy appeared to be focused on improving relations with Russia and Europe to counterbalance the United States. This strategy was based on the premise that the United States was a hyperpower whose influence could be only checked through alliances with other powers, such as Russia or the European Union. This assessment of United States power was reconsidered after the early 2000s. So the question has arisen: how to how to reorient Chinese foreign policy, does it need a reorientation at all? This discussion also occurred in the context of China's new security concept, which argued that the post-Cold War era required nations to move away from thinking in terms of alliances and power blocs and toward thinking in terms of economic and diplomatic cooperation. The BRI seems to sustain this notion but still there are some parts of China's foreign policy that remains unchanged.

Questions for Self-checking:

What are the „core interests“ of the PRC's policy?

Why is the South China Sea is so important for Beijing?

What is the main problem with the so called „Nine dotted line“?

Suggested read:

United Nations Convention on the Law of the Sea at

https://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf