

China in Northeast Asia

- Panel:** Plenary Session II (Orchid Room)
Date/Time: Tuesday, December 11, 2012 / 17:15-18:30
Speakers: Simon Long, The Economist (Moderator)
Linda Jakobson, Lowry Institute for International Policy
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Panel Short Summary

As much of Northeast Asia undergoes leadership changes in 2012, the region faces a series of seemingly contradictory trends. The current period is a time of increasing tensions, with the potential for a new Cold War or hot war, but at the same time the region is undergoing a period of greater economic integration. As these trends take place, it is unclear what China's role in Northeast Asia will be in the short and long terms.

At the same time, China finds itself at its own crossroads. In many ways, China is at the height of its own history. Never before have so many Chinese been so wealthy while China is at peace with its neighbors. However, the trends that have allowed China to reach this level of prosperity, including the development of a highly educated population, a burgeoning middle class, and an export oriented economy, argue for both political and economic reforms.

In the realm of foreign policy, China's most significant challenge is that it has no grand strategy. While China's leadership is highly capable, they have not developed a strategy for how to deal with China's increased power, domestic pressures for action on foreign policy issues, increased ability to project military power, handle relations with the United States, and make China's increasing regional role acceptable to its neighbors. While China has historically been a great power in the region, these challenges mean that it will have to relearn how to act like a great power.

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In terms of China's relations in Northeast Asia, how relations develop under the second Obama administration in Washington, DC, and the new Xi Jinping administration in Beijing will impact relations around Northeast Asia.

In regard to China's relations with its other neighbors, there is little expectation for broader change in China's foreign policy in general and the expectation is that its policy towards North Korea will remain largely the same with an emphasis on the three nos—no war, no instability, and no nuclear weapons.

The new administration in Beijing also quickly needs to address relations with Japan. The dispute over the Senkaku/Daiyou islands is expected to be the top foreign policy issue. There are indications that Xi Jinping has already been highly involved in managing this issue and will seek a solution to allow China to focus on needed domestic issues and avoid its dispute with Japan becoming a hot conflict. While Xi is expected to seek a solution to this issue, domestic pressures in China mean that he cannot be seen as having lost to Japan early in his administration, but at the same time he is seen as unlikely to try to use the issue to distract the public from domestic troubles.

In terms of China's broader global role, the key is China getting its relations in Northeast Asia right. If it is able to do this, it will succeed in East Asia and that will then follow on to success globally.

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