Q&A

Political and Security Challenges in Asia: A Chinese Perspective

Ambassador Liu Xiaoming
Ambassador of the People's Republic of China to the UK

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Robin Niblett:
Thank you very much Ambassador, thank you for those very comprehensive sets of remarks and thoughts and laying out I think both a strategy and a philosophy on Asian security and politics as viewed, as you said, from China. You touched on the parallels of history, 1914 to 2014 at the beginning. You also touched, and you gave this example of a stable region, a shining region, a solid region, the three Ss you talked about, the neighbourhood kind of investments that China is making right now. You talked about the issue of peace and stability and Japan’s role as you see within that process, and the kind of steps that you believe it needs to take, and then you raised this interesting concept of a new sort of security concept as you called it. I think that Asia must not have competitive security, it not being a boxing ring.

These are important parallels and I have no doubt that there’ll be many people in our audience here who would like to pose questions, and we’ve had quite a few coming in from our members outside as well. Could I just start with one question and then I’m going to open it up to the floor, and just give you a second to collate your thoughts. You said that, I think very importantly, China believes you need to use history as a mirror. And to take your first theme about 1914/2014, the rise in defence spending amongst all members ended up creating some belief, a dynamic and a momentum that ended up negating the close economic interaction that you have described takes place right now in Asia, and was certainly a characteristic of Europe in the early 20th century. What is China’s thinking behind the rise in its own defence budget, which notable is now second in the world, and has grown extensively in the last 20 years? Where does China’s defence spending fit into its thinking about Asian security, how does that fit into this non-competitive comprehensive and kind of integrated Asia?

Liu Xiaoming:
I think first of all you have to realize that China is a large country. A large country to defend, its territory is 960 million square metres, much bigger than Britain, four times Britain. I’m sorry, 40 times.

Robin Niblett:
That’s a lot of people.
Liu Xiaoming:

40 times than Britain, 25 times than Japan, China’s defence expenditure is just twice of Britain and Japan. And China is one of the few countries in this world which has most of its neighbours, we’ve got 14 neighbours on land, six on sea, on water, so all together 20 neighbours. How many neighbours Britain have, how many Japan have? And China has borderline of about 22,000km, 32,000km coastline, so it’s a large country to defend. And you mentioned about the increase of military expenditure, you have to realize the growth of China’s economy, the economy is growing at a two digit growth for the past 30 years yet the defence budget, taking share of the GDP, is decreasing. And also what’s important you have to realize, got to know that per capita military expenditure, China is the lowest among the big powers.

In terms per capita military expenditure, China is only 22, one 22th of the United States, one ninth of Britain, one fifth of Japan. And also military expenditure per serviceman, I mean how many people in the army, I think China is just one tenth of the United States, and still one fifth of Japan. So if you’re comparing these figures you realize that China’s military expenditure increase is moderate. It’s a large country, and as I mentioned in my presentation, that we are also faced more complicated international environment, and China’s interest, global interest, interest overseas expanding, China now is largest trading country in the world replacing United States. So we have more trading partners, so China has to be more sensitive to the safety of the sea routes, so that’s why China has been so active in the past years in the peace keeping, in fighting piracy. We provide naval ships to escort the merchant vessels, not only for China but also for many other countries in Somalia, off the Somalia area.

Robin Niblett:

But is the plan to end up, how can I put it this way, therefore the US is the right model or the per capita level of the US or the UK is where China needs to go, because this is what other countries have done in the past? Is that not an old model rather than a new model?

Liu Xiaoming:

You know when you talk about the military, you talk about the defence, military budget is one aspect you should focus. So I told you China’s increase is moderate comparing all these, its neighbouring countries or the major
countries, major powers in the world. And also people are talking about the transparency of China’s defence. And I think China is transparent, becoming more and more, Chinese defence is becoming more and more transparent. When you are weak you can’t tell everything to strong powers, and China becoming now — China enjoys more growth so become more confident about being transparent. So every two years we publish, there is a white paper on China defence, it's very detailed, so I do hope those who challenge so called transparency of China defence should have an in-depth study of this white paper. And also the military budget is submitted to the National People’s Congress, not only for the deputies of the People’s Congress to study, to consider it, but also for the world to judge.

And what is more important, that China’s defence, military defence is defensive in nature. China is the only nuclear weapon country which solemnly from the very first day when it had nuclear weapons, China will never be the first power, will not be the first to use nuclear weapons, and China is committed not to use nuclear weapons against non-nuclear countries. No other nuclear powers, we have five big nuclear powers, have made such a commitment. So that means China’s nuclear weapons contain no threat and we commit ourselves. And also we have made a very solemn commitment to the world that China will follow the path of peaceful development. That is written into China’s constitution, that China will not seek hegemony, will not seek hegemony as the British pronounce it, Americans pronounce hegemony, and we mean what we say. And China does occupy a single inch of land overseas, no military base. It's purely we are for the, what we call it, the military forces, armed forces are for defence of its country.

**Question 1:**

Perhaps global security is the key issue here. Vice President Al Gore, in the future, and his six drivers of global change says starkly that the future of human civilization is at stake. Christine Lagarde speaking this week here in London was virtually as stark. She was saying the choice is 1914 or 1944 and a new international 21st century multilateralism. Do you share their very stark assessment and the severity of the challenge facing us across the globe, and secondly what is China’s approach to try and make the new 21st century multilateralism work?.

Question 2:

Regarding your characterization of Prime Minister Abe, I need to say that this was so misleading, erroneous, outrageous, and it is unfortunate that those accusations were made based not on fact or foundations. But my question relates to your neighbouring, good neighbouring policy, there are cases for example in your neighbours, for example in the Philippines. Philippines goes to ITLOS, the International Tribunal for the Law of the Sea. China seems not to be accepting the rule of law, and we wonder: what is the degree of Chinese commitment to international law, international human rights, democracy and other issues? And on China I just was reading [indiscernible] report, and the report refers to the issue that by 2020 China could be in a position to invade and occupy Taiwan, according to Taiwan’s report published in October. And my question is where will the Chinese military expansion stop concerning, you are talking about military spending per capita.

Robin Niblett:

Thank you, I think you’ve got two questions in there with some comments as well. Just in the first point, if you don’t mind me just saying a little bit. I think this very big question about is this 1914 or 1944 and what’s the Chinese approach, I think the Ambassador addressed that throughout the length of his speech but I will let him add to it if he wants to. But I think your speech was about whether this is 1914 and what the Chinese approach is, but if there was anything you wanted to just touch on on that first question that you didn’t put in your speech, then by all means do. But I think this very specific question about the approach to the Philippines which has not quite benefited from the same positive, should we say, approach from the new leadership in China, and the specific question about international law, that approach and where you see that fitting into China’s regional approach, I think would be very interesting to hear.

Liu Xiaoming:

On the multinationalism, I think China is very supportive, that is multinationalism. An example is China is very committed to United Nations. We’d like to see United Nations still play an important role, so that’s why I mentioned many time about maintaining the World War II international order based on United Nations charter. But some other countries tried to upset this international order, that is running against the basic charter of United Nations.
And so China is very committed, and of course United Nations have to progress, so we’re also supportive of the reform of United Nations. And China is very active in peacekeeping, the concerted effort of international community maintaining peace and stability. So far China is among the permanent members of the [UN] Security Council, China contribute the most peace keepers on many dozens of UN missions. I think China will continue to play an active role with regard to United Nations. China believes that multinationalism will ensure a more peaceful world, more stability of the world, than single unilateral actions of individual countries.

And the second question about China’s dispute with the Philippines, we have all along called for peaceful negotiations, consultations, when it’s come to dispute, including territorial dispute, water dispute with neighbouring countries. We welcome any opportunities of peaceful dialogue and negotiations. The reason why we do not accept arbitration, we have a full international law base because according to the UN convention of a sea of law that the sovereign countries enjoy immunity with regard to the water dispute - it’s a long article, I can’t remember, it should be 1,200-something-something, I don’t have that convention with me. But certainly we act according to international law. When you criticize China avoiding international law, I advise you to read the law by yourself to be begin with before you criticize China. When we criticize Japan for violating international law, we have every reason, we have the basis.

Like the Cairo Declaration, Potsdam Proclamation reached by the leaders from China, Britain, United States, Soviet Union, these documents set the foundation for the post-war order. It called Japan to return all its territories seized illegally by force from the war against China in 1895 to China, including Taiwan and surrounding islands. Yet 钓鱼岛 [Senkaku Islands/Diaoyu Islands], still Japan believes it belongs to Japan confronting this basic international law and international document. So when it comes to international law, I really encourage my Japanese colleagues to read what the international law is about, I really recommend you to read every word of the Cairo Declaration. I happen to be Chinese Ambassador in Cairo, and I visit the manor house, I visit the site where the Cairo Declaration was reached by Winston Churchill, FDR and Chiang Kai-shek. I do encourage them to read, and not only to read but act accordingly and return the 钓鱼岛 to China, under China authority. Thank you.
Question 3:

Whilst China is, sincerely in my view, trying to be a responsible member of the international community it does share a land border with North Korea, which is clearly an extraordinarily irresponsible member of the international community. It seems to me that China is the only country through its land border which can effectively pressure North Korea to saner behaviour. What does China intend to do in the near future?

Question 4:

This is really related to this question of North Korea. Ambassador, there’s been as you know a great deal of change in the DPRK (Democratic People’s Republic of Korea) recently, particularly involving senior personnel, raising questions about the commitment of the DPRK to the process of greater openness and in particular economic reform. To what extent do you see those changes, particularly the removal of Jang Song Thaek, as creating more instability in the DPRK, and what can China do to in a sense enhance that process of economic engagement with the outside world?

Liu Xiaoming:

I think both of you are quite right, that DPRK is an important country in the region. So that means the stability of DPRK really hold the key of maintaining peace and stability. So I think the top priority of China with regard to its policy towards DPRK is peace and stability. For that reason we develop neighbourhood, and when we talk about neighbourhood relations that also applies to DPRK. What’s more, China enjoys traditional friendship with the DPRK, and we try to engage them, we try to work with them. What is important, we also believe that it’s important to engage with the DPRK. They also like to reach out, and so far there are major players in the region do not recognize them diplomatically, United States, Japan, even its compatriot South Korea. So this is still a cold war mentality over there, in the cold war what we call it, iron triangle, China, Russia, China Soviet Union and North Korea maintain close relation, and Japan, United States and South Korea, that’s other iron triangle.

But now we have already discarded this cold war mentality and we enjoy good relations with the South Koreans. It’s a very good neighbouring country, enjoying very strong, not only treaty relations but also political relations. Yet
North Korea still feel very isolated. So I think it’s important to engage them rather than isolate them. So we do hope that engagement is better than confrontation, dialogue is better than confrontation. Having said that, we’re also very firm in terms of opposing to their nuclear weapon program. So from the very first day when they start this program we voiced our strong position. And we also believe that this issue can only be resolved by peaceful means, so that’s why China is actively participating in peace talks, what we call it six party talks, and China has been chairing these talks together with other players from United States, Japan, South Korea and Russia. We do hope that this process can be resumed as soon as possible. And through this process you will engage with North Korea, and I think when you make them confident you would expect them to be more open. When you try to isolate them, too confrontational against them, I don’t think you would expect open North Korea.

**Question 5:**

I have a question for Mr Ambassador less related with the political economic issue but more about the financial issues. I think we are still in the shadow of the financial crisis five years ago, and the biggest lesson perhaps from that crisis is the need of global and coordinated solution to build up the global financial safety net as to minimize the turbulences. But as you mentioned that Asia is to be a major economic power for global growth in perhaps the next decade, but what’s missing, it seems to me, is the building of the regional financial safety net in Asia. I know there has been some very impressive progress taking place in the past few years, but do you think there is enough consensus among the regional countries to further develop a safe regional financial safety net in Asia? Thank you.

**Question 6:**

Ambassador, thank you very much for the picture there you painted to us tonight, and particularly for touching upon the question of maritime security. I wonder if I could ask you to elaborate a little more on a particular point in this respect. In light of increased Chinese naval and air law enforcement activities in the east and the South China Sea, one major international maritime specialist observed that it was only Japan’s self-restraint in the use of force that prevented the situation from escalating to the point of no return. In relation to what you mentioned about UNCLOS (United Nations Convention
on the Law of the Sea), what is your message to those who think that at sea Chinese behaviour is showing somehow the features of an increased use of military and paramilitary force to advance foreign and security policy?

**Liu Xiaoming:**

I’m sorry, I missed your point, you said the Japanese constraints?

**Robin Niblett:**

That only Japanese self-restraint —

**Question 6:**

That was published on the BBC News from a major international maritime expert from Canada.

**Robin Niblett:**

That only Japanese self-restraint had avoided, and the question I have comes on this point as well. Let me just follow up on this one because the question that came in over the internet is directly related to that. Nik Gowing, who’s a member of Chatham House as well as doing his BBC work, raised the point you addressed in your remarks about the importance of confidence of security building measures. You said China’s going to be putting forward some ideas on this this year. Obviously one of the most important CSBNs we’ve learned from the cold war era between a very opposed America and Soviet Union was a hotline. So even at a moment of intense tension Nik Gowing asks why does China seem to be resisting the introduction of a hotline process to try to avoid perhaps some of these types of conflicts? So I could just add that in on that question. Last question here I think.

**Question 8:**

Contrary to some of the comments here, I was rather surprised you didn’t mention the May 4th movement. The problem with Japan goes back to the origins of the Communist Party in China, and I think the Chinese have shown great restraint, and when you talked about Japan you showed restraint. But there’s been some question as to whether the PLA (People's Liberation
Army), the military has such a control over its emotions on the question of Japan. I’d like you to perhaps address the question of there have been moments when the Chinese leadership, political leadership, seems to have been slightly out of contact with the PLA leadership. And I was wondering whether emotions are running high in the Chinese army?

**Liu Xiaoming:**

I’ll go one by one. With regards to the financial safety net, I think China is very committed. I think progress has been made between, in the area of financial cooperation between China and its neighbouring countries. That’s including China have reached many agreements with its neighbouring countries with regard to the swap currency agreement, and also as I mentioned about this infrastructure development bank. So China is very active in engaging with the neighbouring countries in financial dialogue. There’s many, there’s dozens of financial mechanisms between China and its neighbouring countries, so I think there’s a greater awareness among Asian countries to strengthen financial cooperation for the common prosperity.

On the second question about the Japanese constraint, I really don’t, I really want to challenge this observation. I think it’s really Chinese side which exercised the utmost constraint. China had no interest to at the moment. As I said in answering Robin’s question, that Chinese defence is purely defensive in nature. China will never as I said, will never use military means to resolve disputes between countries. And so that is a clear cut commitment from China, and I don’t need to go through again my answers with regard to China military expenditure. I think this is related to the military leaders. Military leaders will listen to the guideline set by the political leaders, there’s no such thing that military leaders will dominate China in the political life. I think their purpose, their main mission is to defend the country, to do what the country needs done, like disaster rescue, just like what the British military did in recent days. So I don’t think there’s such a question of in the military leaders will impose their will on the political leaders, and they will follow the basic policy of peaceful development of China. China military will serve the interests and the guideline set by the government. I think I answered all the questions.

**Robin Niblett:**

On the hotline, just because this is tied very tied to this, in that case why doesn’t it.
Liu Xiaoming:

Of course, as I’ve said, we believe dialogue is better than confrontation. As I said, the door of dialogue is always open. But when it comes to Japan, the problem is it is Abe which shut the door of communications. He visit this war shrine and pay respects of war criminals, I don’t foresee any substantial dialogue between China and Japan before Abe admits the wrongdoings he has made with regard to the attitudes towards history. It’s not only China’s problem, it’s international problem. I think Korean President also refused to meet Abe before he, so Japan leaders shall repent on the past of aggression. And I think some Western powers, including the United States and Britain, encouraged Japan to admit their past mistakes. So I’m very much encouraged to read the news that British Ambassador in Tokyo in one of the conferences - I don’t know if you’ll pick up his statement - he encouraged Japan leaders, Abe, to admit the past mistakes so that to improve relations, lower the tensions with neighbours, improve the relations with neighbouring countries. So it’s really a matter of, I can’t say it’s egg and chicken but you can’t put a horse before the cart, you really have to, in fact we have a Chinese saying —

Robin Niblett:

The Chinese saying’s definitely better I think, we’re waiting for the Chinese saying because the carts and the horses are never that good.

Liu Xiaoming:

Put the cart before the horse. Put the cart before the horse, so in China we have another saying, those who tie the knot should untie it. So we expect Abe to admit his wrongdoings, and I said Japan can only have a future with its neighbours when he’s really going to do, like how German leaders did and can do, to show they repent for their past. And in doing so, they can win the forgiveness, understanding and friendship from its neighbouring countries.

Robin Niblett:

Thank you very much Ambassador, and thanks for answering these questions very clearly and very thoroughly. You started at the beginning of your remarks by saying that Chatham House was founded in the ashes of 1919. The structures that were developed then proved not to be resilient, and I think the
question that faces us all, and which you’ve made abundantly clear in your remarks and which I think we heard also through the questions that were asked to you, reflect that we probably live maybe not in 1914 but more in a world of 1919 or 20 than in 1945 yet as far as Asia is concerned. And I think that’s going to give us no shortage of work to continue to do, no shortage of work for you on the diplomatic front, and plenty of business for John Swenson-Right and Helena and other colleagues of mine here at Chatham House. We look forward to continuing to review this issue, to discuss it with you, with other countries in the region.

Thank you all very much for posing good questions and joining us on this difficult evening where getting home I know is going to prove a challenge. So I appreciate that Chatham House members are particularly hardy and determined not to miss a good discussion, and they didn’t do it this evening. Could you please pass your gratitude also on to the Chinese Ambassador for his remarks.