

A stylized world map composed of grey dots, with several dots highlighted in red to represent specific countries or regions.

A Comeback in Asia?

How China is Shaping U.S. Foreign Policy in the Pacific

NIELS ANNEN
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- Asia is the United States' biggest foreign policy challenge. There is no consensus in the U.S. on how relations with or strategy towards the region should be shaped, and U.S. policy risks being influenced by distorted views of China.
- Asia is the region with the highest increase in defence spending in the world. Crises like the recent »fisheries incident« between China and Japan remind us that East Asia is still a fragile and potentially dangerous region.
- The U.S. has a fundamental interest in stability in the region, not only because of economic considerations but also because of its military commitment to the defence of Taiwan and Japan.
- The countries of Asia are increasingly worried about the rise of China. Thus while China today poses the biggest challenge to the U.S. power posture in Asia, it also offers a new opportunity for an increased political and military presence in the region, as many countries either openly – or in most cases discreetly – are looking to the U.S. to contain the »awakening giant« on the Yangtze river.
- Owing to the uncertain consequences of China's rise and unsolved problems from North Korea to Taiwan, a protracted U.S. political and military presence in the Pacific will be a major contribution to growth and stability in the region. But this should not be misunderstood as a preparation for a new Cold War as some pundits in Washington would have us believe.

The Frugal Superpower?

Debates about America being in decline are nothing new in the history of the United States, but the extent of pessimism currently shaping the foreign policy debate in Washington is remarkable. »This time it's for real« was how Gideon Rachman subtitled a recent article for *Foreign Policy* on American decline.¹

In his new book *The Frugal Superpower* Johns Hopkins Professor Michael Mandelbaum points to a growing consensus that a combination of a staggering deficit, little innovation and a notorious lack of investment will oblige the U.S. to reduce its footprint in the world.² Mandelbaum also insists that America, thanks to its skilful policies, its soft power and, when required, its military might has in many ways functioned like a world government. He fears, however, that unavoidable cuts in military spending and a reduced U.S. footprint will make the world a less governable place.

The U.S. presence in the Pacific has for the past 60 years functioned like a world government to the region. In a manner rather akin to that of the British Navy in the 18th century, the U.S. naval presence has played and is continuing to play a crucial role in U.S. power posturing and has kept the main trading routes open. Given the fact that 90 % of global commerce and two-thirds of all petroleum travels by sea, this is a vital contribution to worldwide stability and growth. In addition, in many regional conflicts, the U.S. has played the role of an arbiter or a deterrent – as in the case of Taiwanese military aggression.

While during the Cold War these policies were embraced by both Republican and Democrat administrations, today such a consensus about U.S. policy towards the region no longer exists. This is especially true with respect to the 30-pound gorilla in the room: China. While President Obama has publicly embraced a more active role for Beijing in international affairs, the majority of the foreign policy community in Washington is more likely to see China as a threat to American power that needs to be actively contained.

1. Gideon Rachman: »Think Again: American Decline«. *Foreign Policy*, January/February 2011.

2. Michael Mandelbaum: *The Frugal Superpower: America's Global Leadership in a Cash-Strapped Era*. New York, NY: PublicAffairs, 2010.

The U.S. Footprint in Asia

By his own definition, Barack Obama is the country's first »Pacific« president. Born in Hawaii and raised in Indonesia, he has few »Atlantic« ties to boast of in his biography. While Obama's definition of himself in this way during a visit to Asia may have been intended merely as a polite gesture, it nevertheless indicates a shift of focus away from Europe and towards Asia.

Americans have always regarded the world from the perspective of a Great Power and their relationship to Europe has never been exclusive. Nevertheless, during the Cold War Europe was at the centre of United States' political and military strategy to contain Soviet Communism. Those days are now over, and there has so far been no president in the Oval Office as eager to transform the Cold War security structures as Barack Obama. Defence projects have been re-evaluated, the State Department has for the first time undertaken a profound review of its policies, and the G20 has already taken the place of the G8 as the relevant forum for decision-making among the world's major players.

Unlike Europe, where in spite of occasional criticism the United States is still the main pillar guaranteeing the continent's security, Asia lacks a system of collective security like NATO. With the discussion of a »global NATO« going nowhere, this is unlikely to change in the near future. On the contrary, the NATO summit in Lisbon made it clear that NATO's focus will be on article 5 and on its core responsibilities as an Atlantic defence pact.

Asia today is the region with the highest increase in defence spending in the world, and crises like the recent »fisheries incident« between China and Japan have reminded us that East Asia is still a fragile and potentially dangerous region. Asia was the theatre where the United States fought »hot« wars during the Cold War – from Korea to Vietnam all the way to Afghanistan, American soldiers were not dying in Europe but in Asia. That has not changed, unfortunately. The two countries that are still consuming most of America's attention and resources are, of course, Afghanistan and Iraq.

The Western press has a tradition of exaggerating foreign threats, and today there is a real danger that a distorted view of China will influence American foreign policy. A look back at the recent midterm election provides a

telling example. While a serious debate about foreign policy was almost completely absent from the campaign, there was one remarkable exception: China, it seems, was everywhere. President Obama accused Beijing of manipulating its currency and in a rare moment of unity, the House of Representatives passed a resolution almost unanimously condemning China's reluctance to allow the Renminbi to appreciate.

At the same, it was not so long ago that there were widespread fears in the West that Japan could leave the West behind.³ Today, Japan is struggling with a twenty-year-long recession and instead of a threat is seen as a crucial ally in the region.

China

If the West, then, is to formulate an adequate policy for the region, it is crucial for it to understand the historical driving forces shaping the policies of the region's most imminent power. China always saw itself as the »middle kingdom« – the centre of the world – hence its painful humiliation when Western powers forced China to sign unequal treaties, open its ports and establish foreign concessions. According to David Lampton, in the years from 1841 on, China's share of the world's GDP dropped from roughly 25 % to an average of 15 %. This period is known in China as the »150 years of humiliation«. China today is determined to overcome this decade once and for all and restore itself to what it sees as its rightful place in the world. Any attempts to contain China and prevent it from achieving its goals are hence regarded with great suspicion. From the Chinese point of view its agenda is not expansionist but merely reflects the size of its population – 1.3 billion.

»Keep a Low Profile«

Chinese leaders clearly understood that fear in the West about China's rise could seriously harm their interests. After the breakdown of the Soviet Union, Deng Xiaoping advised the cadres of the Chinese Communist Party to »observe calmly; take a firm stand; cope with affairs calmly; hide our capacities and bide our time; be good at

maintaining a low profile; and never try to take the lead«. Deng understood China's weakness, both militarily and economically. His country was exhausted after a century of foreign intervention and war.

China's leaders understood that a hostile neighbourhood or military conflicts would undermine Deng's strategy of economic recovery. Consequently Beijing has tried hard to assuage suspicions and reassured the world about China's peaceful rise and its intent to build what President Hu Jintao calls a »harmonious society«. Chinese strategists believe that they will have a window of opportunity of approximately twenty years without major military threats towards China and they are prepared to accept that during this period of time the United States will remain the world's leading power. The consistency of this strategy is as remarkable as its success. Although it did not completely erase concerns about China's rise, it mitigated fears in the West and among China's 14 neighbours.

Despite the powerful rhetoric of China's rulers, there is little evidence that the nine members of the Politburo's Standing Committee are as confident and assured of their leadership as they appear. On the contrary, there is far more evidence that China's real agenda is domestic rather than external. With tens of thousands of annual »mass disturbances«, China's Communist rulers are confronted with constant challenges to their power. In order to reach its strategic goals and to maintain stability, China needs to maintain a high growth rate, which puts enormous pressure on China's government. For Deng Xiaoping, in contrast, there was no need to prove his communist credentials, something that cannot be said of China's current and upcoming generations of leaders. China's leaders have less room to maneuver than the Western rhetoric about the absolute rulers in Beijing suggests. We often forget that Chinese society is much more diverse today than it was twenty years ago. Today's leaders need to reach out to different constituencies and even within the party different wings are openly identified, something that would have been unthinkable under Mao.

Nationalism seemed to be the most appealing option, although as China was soon to discover this was a double-edged sword. Chinese nationalism is deeply rooted and the party has mobilised popular sentiments towards Taiwan or Tibet to present itself as the rightful

3. Ezra F. Vogel: Japan as Number One. Lessons for America. Cambridge, Mass.: Harvard University Press, 1979.

defender of Chinese national interests. Western politicians should take these aspects into account when drafting their China policy. And they should not forget that many Chinese politicians think their country's successes have not been adequately acknowledged in the United States and Europe.

Consequences of China's Rise

Twenty years after Deng's advice to »be good at maintaining a low profile; and never try to take the lead« the conditions have changed. Given China's new strength it will be almost impossible for it to hide its capacities and to keep a low profile. The question is whether Deng's other advice, to »observe and cope with affairs calmly« will be followed by the fifth generation of leaders. There is certainly no guarantee that China won't turn into a »wolf in the world« as George Walden's famous book from 2008 suggests.⁴ China's military expenditure is exploding, its claim to a »special economic zone« in the South China Sea is generating tensions with Japan, and the unresolved Taiwan question could at any moment turn into a major war. China's need for resources creates political and environmental problems and its constant violations of intellectual property rights are antagonising the West. But China has also demonstrated that it is seeking international cooperation to address these challenges. The prospect of a destabilised China is as much feared in the hallways of the Great Hall of the People as it is in the West.

As clear as Deng's long-term strategy was, the ultimate goal of China's policies remains uncertain. Will China try to succeed the US and become the world's next superpower or are Chinese ambitions limited to the restoration of its vested place in the world? This question marks the most important dividing line between two different schools of thought within the United States. While experts like Dan Twining from the German Marshall Fund advocate a more aggressive containment policy to build up »naval power in the Pacific and Indian oceans, and invest in next-generation technologies to counteract asymmetric Chinese weapons systems«, others like Zbigniew Brzezinski are calling for a cooperative approach to Beijing and are underlining the two countries' shared

economic and political interests. The answer to this question will determine the global landscape for years to come and it is not even clear if Chinese leaders themselves are in agreement about what goals to pursue.

Will a Smaller U.S. Footprint in Asia Mean Less Stability?

After a period of neglect, the current American administration has heavily engaged in Asian diplomacy. Unlike Latin America, where new regional organisations like the Union of South American Nations (UNASUR) exclude the United States, Washington will not easily accept similar developments in Asia. And if they do occur, as in the case of the Shanghai Cooperation Organisation, the U.S. is eager to counterbalance the Chinese influence. Secretary of State Hillary Clinton became the first Secretary to participate in the East Asia Summit and as an indicator of a renewed commitment, President Obama himself has increased his presence in the region. The United States have also reinforced their alliances with Australia and New Zealand and with the South-East Asian states. And although there is no legal obligation for the United States to defend Taiwan, U.S. officials leave no doubt that the presence of the U.S. navy is intended to guarantee just that, nor is the major U.S. military presence in Korea being questioned.

While engaged in diplomatic exchanges, the main players are at the same time hedging their bets by increasing military spending and engaging in a power game resembling 18th century Europe. The best example for these dangerous developments is the Chinese navy operating in the Indian Ocean and the Indian navy in the South China Sea.

The countries of Asia are increasingly worried about the rise of China. Thus while China today poses the biggest challenge to the U.S. power posture in Asia, it also offers a new opportunity for an increased political and military presence in the region, as many countries either openly – or in most cases discreetly – are looking to the U.S. to contain the »awakening giant« on the Yangtze river. Secretary of State Hillary Clinton made clear during a two-week trip to the region that Washington is willing to answer this call. For many policy-makers in the United States it is a tempting perspective to exploit the hostile feelings towards Beijing and the region's growing desire

4. George Walden: China: A Wolf in the World. London: Gibson Square, 2008.

to keep China in check. That it was America's most important ally in the region that seemed to question the U.S. presence came for many as a shock. The supportive attitude that the new Japanese government under Prime Minister Hatoyama showed for critics of the U.S. presence in Okinawa caused irritations in a Washington increasingly obsessed with containing China. Given this atmosphere, anything other than gratitude for the U.S. presence seemed to be irrational, to say the least.

Japan

Although Obama's visit to Japan was used to underline the United States' close friendship with Japan and the American commitment to defend the islands, Prime Minister Hatoyama's promise to close down the U.S. base in Okinawa, which caught Washington by surprise, certainly could not be forgotten. It is fair to say that the tough stand taken by the Obama administration towards Hatoyama's requests to reduce the burden of the U.S. presence on Okinawa was a major factor that led to his resignation in June 2010. But even though his successor, Prime Minister Kan, has silently dropped the Okinawa issue and publicly endorsed ties with the U.S., the Japanese debate is cautiously shifting away from an exclusive American-Japanese alliance. While this does not mean that the alliance with the U.S. will be seriously questioned in the time to come, Hatoyama's proposal for an East Asian Community indicates that Japanese politicians are tending to view their country's future in regional terms. The philosophy of viewing an exclusive alliance with the U.S. as sufficient for Japan's security while neglecting political integration in the region seems to have faded away with the defeat of Japan's once almighty LDP. However, the relationship with China remains ambivalent. While on the one hand, Sino-Japanese economic relations are gaining weight, unsettled territorial questions and the unresolved burden of the past are still putting strains on relations between Tokyo and Beijing.

Containment

For the West to see China only as a wolf and to neglect the progress China has made to manage its rise peacefully could have fatal policy consequences. A new containment strategy could soon bring us back to the days of the balance of power and violent encounters. And however

big resentments against China in the region may be, China's neighbours know they will have to get along with a stronger China for some time to come. The fact that Americans see their might as purely benign is thus not always helpful. Secretary of State Clinton reflected this attitude in her speech in Hawaii when she said »People look to us as have they for decades. The most common thing that Asian leaders have said to me in my travels (...) is thank you«. Americans should take notice of the fact that most Asian leaders prefer to raise their concerns about China in private talks rather than publicly. And it will be crucial for American politicians to understand that positive feelings towards the U.S. are not shared by everybody in the region.

It is, of course, true that China is modernising its army and paying special attention to the buildup of a blue water navy. Given this development, there are more than just a few experts within the U.S. military worrying that the wars in Iraq and Afghanistan are wasting money that the U.S. could better use for an increased naval presence in the Indian Ocean, for instance.

Yet there is little reason to fear an expansionistic agenda from Beijing. China's wars against India in 1962 and Vietnam in 1979 offer remarkable insights into Chinese political philosophy. When Chinese and Indian troops clashed in 1962, the Indian army suffered a devastating blow while the Chinese easily marched forward. But instead of occupying or even annexing Indian Territory, Mao ordered the Chinese troops to withdraw, leaving only a tiny and strategically almost irrelevant part under Chinese control. The goal of »punishing India« for what China saw as constant violations of its borders and threats to Beijing's claim over Tibet had been achieved and no further action was deemed necessary. A similar thing happened when Beijing ordered the invasion of Vietnam in 1979. Although the performance of the People's Liberation Army was much less convincing than it had been 20 years earlier, China temporally occupied a vast part of Vietnam, only to order a complete retreat one month later. In both cases the political aim was not to gain territory, but to teach the country in question a lesson. »Children who don't listen have to be spanked« was the telling explanation Deng Xiaoping gave President Carter. This attitude reflects China's belief that it possesses a unique historic and moral authority, so that at times China has been an aggressive, but not an expansionist power.

Much of the strategic Cold War thinking apparently still prevails when it comes to Asia. A good example is the newly discovered enthusiasm for India on Capitol Hill. While the rapprochement between Washington and New Delhi is indeed a remarkable development, far too many strategists in Washington believe that India could become to the U.S. what China was to the Soviet Union during the Cold War. But this purely »geopolitical« view tends to overlook the fact that India has become a power in its own right in the last decade and is not likely simply to follow a script written in Washington D.C.

Comeback in Asia?

Owing to the uncertain consequences of China's rise and unsolved problems from North Korea to Taiwan, a protracted U.S. political and military presence in the Pacific will be a major contribution to growth and stability in the region. But this should not be misunderstood as a preparation for a new Cold War as some pundits in Washington would have us believe.

The Pentagon is thus unlikely to reduce America's military expenditure in the Asia-Pacific region. Recent agreements with New Zealand, or the U.S. investment in its base at Guam are indications of this. To the surprise of many observers, the U.S. has achieved a remarkable comeback in Asia. However, unlike in the seventies there is today no stable consensus between the major foreign policy actors in Washington. It is striking that today the history of détente with China seems to be almost forgotten. Of course, the policy towards Beijing initiated by Richard Nixon and continued by Ford and Carter was driven by the overall aim of containing the Soviet Union, but it was also based on the assumption that Washington and Beijing had shared interests and that only a political dialogue could help resolve the security threats in Asia. »Thirty years after their collaborative relationship started, the United States and China should not flinch from a forthright discussion of their differences – but they should undertake it with the knowledge that each needs the other« Zbigniew Brzezinski wrote in *The New York Times*. The question therefore is whether the U.S. will be willing and able to maintain the essence of the basic achievement of détente with China under radical new conditions.

The U.S. has a fundamental interest in stability in the region, not only because of economic considerations, but

also because of its military commitment to the defence of Taiwan and Japan. It is fair to say that American decline is more a debate in Washington than a reality in Asia. But even if the pending cuts in the Pentagon's budget are not likely to affect America's power posture in Asia, the effect of the public debate will be just that. While America's footprint will appear smaller, China's will appear bigger than it actually is.

Be that as it may, as much as America's allies may want the U.S. to remain engaged, they do not seem willing to endanger their relations with Beijing. Hillary Clinton's call for a regional conflict resolution mechanism could fall victim to that attitude.

In recent years U.S. policy has too often been driven by binary friend/foe criteria. In order to successfully manage the new realities in Asia, this scheme should not be applied to Asia. To accept that there are new players on the field is at least as challenging to Americans as it is to its allies in the region. This development is nothing to be afraid of. Brazil's success gives Latin America a stronger voice, as does South Africa's the African continent. We should understand that the political legitimacy of the communist rulers in China is based on their unprecedented success in reducing poverty. 300 million people have been lifted out of absolute poverty, something that western development aid was never able to achieve. The West should acknowledge these remarkable achievements more openly even though we also know that there is still a long way to go with respect to human rights and democracy – and the latter circumstance is an even stronger argument for a partnership between the West and its democratic allies in the region.



About the author

Niels Annen currently serves as Non-Resident Fellow at the German Marshall Fund of the United States in Washington D.C. He is member of the Executive Committee of the German Social-democratic Party (SPD). From 2005 to 2009, he was member of the German Bundestag. From 2001 to 2004 he was National Chairman of the Socialdemocratic Youth Organisation (Jusos).

Imprint

Friedrich-Ebert-Stiftung
Department of Western Europe/North America | Division for
International Dialogue
Hiroshimastraße 28 | 10785 Berlin | Germany

Responsible:
Anne Seyfferth
Head, Department of Western Europe/North America

Tel.: ++49-30-269-35-7736 | Fax: ++49-30-269-35-9249

Email: ID-INFO-WENA@fes.de

www.fes.de/international/wil | www.fesdc.org

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