

“America’s strengths in Asia remain formidable. . . . Chinese leaders seem to understand this in their acceptance of US leadership in Asian and world affairs, as part of a long-term strategy to develop ‘peacefully’ without upsetting the United States.”

Asia in the Balance: America and China’s “Peaceful Rise”

ROBERT SUTTER

Backed by a dynamic economy and strengthened military power, China has developed an increasingly moderate and flexible approach to its Asian neighbors over the past decade. The result has been a remarkable expansion of influence in the region. Senior Chinese leaders have kept busy schedules, meeting with Asian counterparts from small as well as large countries. China has launched a wide array of economic, political, security, and cultural initiatives designed to foster closer bilateral and multilateral arrangements. Beijing has even shown flexibility on some territorial issues that in the past prompted rigid and assertive postures.

The impact of these efforts has been more or less favorable for China’s influence throughout the region, with the exception of Taiwan and, possibly, Japan. The greatest gains have come in South Korea and several countries in Southeast Asia. The rapid growth of the Chinese economy has attracted or compelled businesspeople in these areas to seek closer relations with China, while China’s attentive diplomacy and willingness to accommodate the concerns of South Korea and some Southeast Asian nations have won high marks from officials in those countries. In South Korea a “China fever” has prevailed for the past few years, with elite and popular opinion showing China to be more highly regarded than any other power. Beijing’s increasing willingness to work closely with regional groupings centered on the Association of Southeast Asian Nations (ASEAN) has combined with China’s economic dynamism and flexibility over territorial issues to help win broad support among Southeast Asian neighbors.

This record of generally positive accomplishment in Asia has been accompanied by little debate

among Chinese and foreign observers about the objectives behind the new approach. There is general agreement that, still preoccupied with difficult economic and political issues at home, China’s leaders seek a stable environment in Asia that will allow them to focus on domestic concerns. Fearful that Asian neighbors may react anxiously and perhaps try to resist China’s growing power and influence, Beijing has pursued an active diplomacy designed to offset regional worries about a Chinese “threat.” Meanwhile, economic modernization is essential to China’s internal stability and greater international power, and the economies of Asia are a focal point of Chinese interest. Chinese efforts to isolate and pressure Taiwan also have encouraged improved relations with other Asian countries with the goal of making them less likely to interact with Taiwan in ways not approved by Beijing.

The significance of these changes is not lost on the United States. Some American specialists, recalling China’s past strident objections to US leadership in the region, conclude that China wants to expand its influence at the expense of America’s, and to weaken the US position in Asia. Others take the opposite tack, noting Beijing’s diplomatic moderation toward the United States and its efforts to seek cooperative relationships and partnership with Americans in dealing with Asian affairs. The latest Chinese policy framework for the region—emphasizing China’s “peaceful rise” in Asia—seems to support the latter view, although leaders in Beijing continue to debate and discuss that framework.

IMPLEMENTING THE “PEACEFUL RISE”

China’s new approach to Asia has seen repeated summits and other high-level political, economic, and military discussions with Asian leaders. There also has been an unprecedented wave of Chinese

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activism in multilateral organizations. China has entered into free trade arrangements and security initiatives with ASEAN, and it has strengthened ties with Russia and Central Asia. Meanwhile, China's trade with Asia has expanded dramatically, attracting widespread positive attention and not a little concern from neighbors anxious to take advantage of opportunities in China's growth but fearful of the competition coming from China's rapid advances. China has become the main export destination for South Korea, Japan, and Taiwan.

Chinese leaders and officials have generally avoided the defensive assertiveness that characterized Chinese policy in Asia in the past, trying wherever possible to accommodate the interests of the smaller Asian states. In 2002, Beijing reached an accord to manage disputes with other Asian claimants of islands in the South China Sea. It also began to ameliorate its criticisms of the United States. In the 1990s, China had accompanied its generally positive approach to Asian neighbors with rhetoric and actions designed to weaken the American position in the region. It attacked US alliances and "cold war thinking" and encouraged Asian states to pursue policies independent of US leadership, which Chinese officials tended to view as "hegemonic." Such criticism of the United States was markedly reduced by mid-2001, before the September 11 attacks on America, as Chinese leaders calculated their interests were better served by cooperation than confrontation with the US superpower.

A similar pragmatism has also affected Chinese-Russian relations. During the 1990s, Beijing relied on Russia for political support against the United States, and Russia was China's main source of modern weapons imports. Sino-Russian military cooperation has continued smoothly, and trade relations have developed from a relatively low base. However, President Vladimir Putin by early 2001 saw Russian interests better served by constructive relations with the United States, and he deemphasized anti-US themes in interactions with China. In addition, Putin showed less commitment to the Chinese relationship as Russia maneuvered to obtain advantageous arrangements for the sale of Siberian oil to bidders from China and Japan. Chinese officials came to recognize that the Sino-Russian "strategic partnership" was subject to adjustments by Russian leaders pursuing narrow national interests. China's leaders reacted pragmatically to these changed circumstances, expecting less help from Russia when dealing with their own differences with the United States.

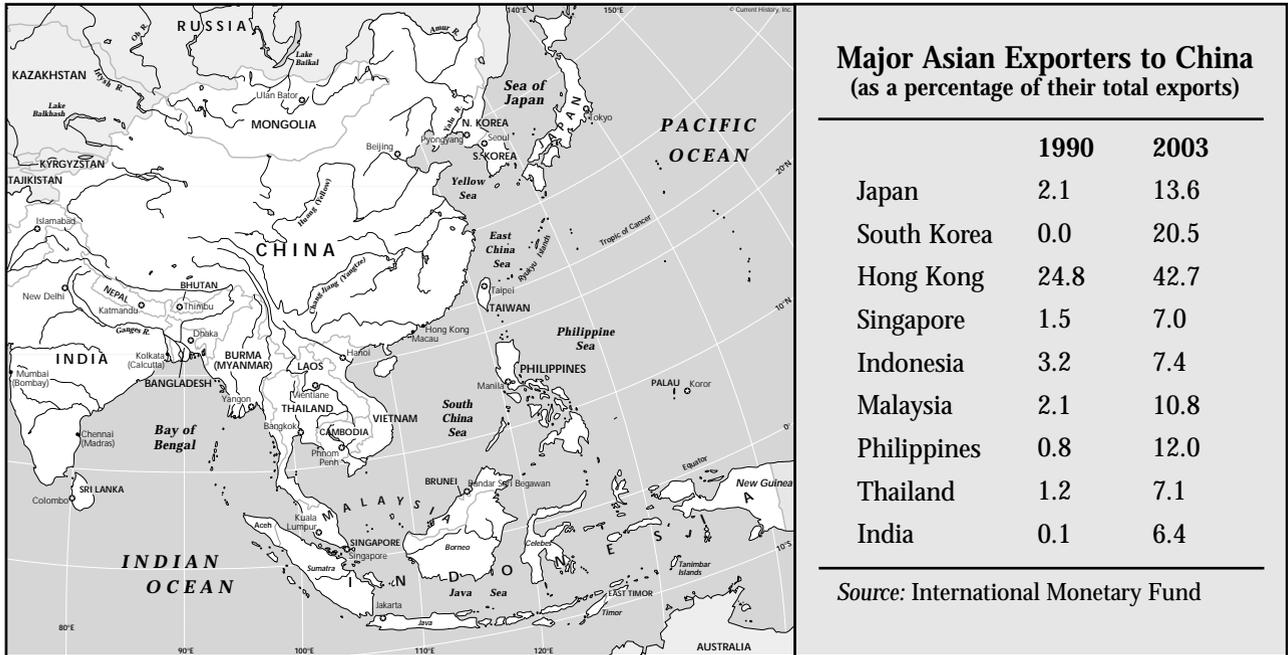
China has, however, joined with Russia and four Central Asian states—Kazakhstan, Tajikistan, Uzbekistan, and Kyrgyzstan—to deal with terrorist issues, border security, and economic cooperation in the regional grouping called the Shanghai Cooperation Organization. The SCO excludes and appears at odds with US and Western influence in Central Asia, but the organization has had to adjust to an abrupt upswing of US military power and deployments in the area as a result of the invasion of Afghanistan in 2001. As the chief financial and political supporter of the SCO, China has continued incrementally to expand its influence in Central Asia, recognizing that most governments in the region still give higher priority to their relations with Russia or the West.

In another illustration of China's new approach to Asia, Beijing has pursued a slow process of reconciliation with India while sustaining active support for India's strategic opponent, Pakistan. The attractiveness and the competitiveness of the Chinese economy have drawn Indian business interest, and trade has grown from relatively low levels. China's constructive approach to New Delhi has positively influenced elite opinion and Indian officials, but they remain wary of Chinese objectives, especially given Beijing's continued support for Pakistan. Some Indian leaders are concerned about expanding Chinese influence in Burma and elsewhere in South Asia, which appears at odds with Indian security interests.

China's booming economy has also changed relations with Australia, the other continental power in the region. Chinese industry is increasingly important to Australian raw material exporters, while Australian manufacturers see a growing need to deal with competition from the People's Republic. Adroit Chinese diplomacy has reinforced Australian tendencies not to upset an overall beneficial relationship with China as the Australian government continues to side closely with its American allies.

BEHIND THE NEW MODERATION

What are the implications of China's moderate policies and growing regional influence for US leadership in Asia? Although Chinese party, government, and military specialists can provide a systematic outline of the purpose and scope of the moderate approach to domestic development and foreign policy captured under the heading of "peaceful rise," they acknowledge that there remain issues of debate and uncertainty because the process of establishing a firm policy remains incom-



plete. Consultations this author held in mid-2004 with 50 Chinese officials and specialists in Beijing and Shanghai, and with officials and nongovernment specialists in Taiwan, South Korea, Japan, Singapore, Australia, and India, helped to clarify the importance of Chinese leaders' strategic thinking for US interests in the region.

In contrast to Western commentary depicting the new Chinese strategy as evidence of greater confidence among the leaders in dealing with domestic and foreign affairs, most Chinese officials interviewed stressed Chinese diffidence and preoccupations. Apart from numerous domestic concerns and worries, the main international uncertainty they addressed involved the United States. Specifically, they recognize that rising powers of the past, such as imperial Germany before World War I and imperial Japan before World War II, became powerful in ways that challenged the prevailing international order. In the event, other powers aligned against and destroyed them.

Chinese officials see the United States as the dominant power in Asian and world affairs, and the main potential international danger that can confront and complicate China's development and rising power. The US preoccupation with the Iraq quagmire has not fundamentally altered the Chinese view of American power. Under these circumstances, Chinese officials and specialists say they are determined that the United States not see China's rise as a challenge to America. To reduce the likelihood of this outcome, they have worked to solidify trends evident since mid-2001, with Chinese com-

mentary reducing past attacks on a wide range of US domestic and foreign policies and practices. Chinese officials say Beijing is prepared, for example, to restrain condemnation of US "hegemony." In general, Chinese officials have tried to narrow criticism of US policies and behavior to areas that relate to Taiwan. Meanwhile, Chinese officials assert that they accept US leadership in Asian and world affairs.

China's recent moderate approach is strategic and long-term, officials and experts emphasize. But they add that it also depends on circumstances, notably a constructive US response to Chinese moderation.

US-China differences over Taiwan represent an immediate challenge in this regard. As US national security adviser Condoleezza Rice discovered during meetings in China this July, Chinese officials and specialists want the Bush administration to do more to curb the Taiwan government's signals and actions pointing toward a more formal independent status for the island. They want America to cut back military support for Taiwan, and they are disappointed that the United States continues such support as it seeks to deter China from using force against Taiwan.

Chinese officials and specialists also admit that Japan poses a special problem for China's peaceful and moderate approach to Asia, and that US support for Japan feeds into this problem. Thus, China has shown less moderation toward Japan than toward the United States, India, or other countries that Chinese officials and commentary attacked in the past. Officials and specialists say the fundamental problem is Chinese domestic politics, as well as Japanese

domestic politics, which make it very difficult for the two countries to moderate differences over history, territorial issues, and other disputes. Not surprisingly, Japanese officials have a mixed view of China's rising power and influence in Asia. They generally welcome economic cooperation with China, but some Japanese officials and specialists make clear that Japan is unlikely to fully embrace China's avowed peaceful intentions until Chinese military doctrine, deployments, and force improvements clearly reflect a peaceful intent. Partly as a result, Japanese officials continue to rely closely on the US security alliance.

Chinese officials and specialists also acknowledge that it may be difficult for the United States to fully embrace and reciprocate China's moderate approach. US officials have been surprised by Beijing's recent moderation, by its avowed acceptance of US leadership in Asian and world affairs, and by the narrowing of significant differences in the Sino-American relationship to focus on the Taiwan issue. Although China no longer is the prime target of US foreign policy debate as it was prior to September 11, 2001, the United States still has wide-ranging differences with Chinese policies and practices over values, economic issues, security concerns, and sovereignty questions that are unlikely to be silenced by the shift in China's stance toward greater moderation. Moreover, American security planners, like their Japanese counterparts, are unlikely to fully embrace Beijing's avowed peaceful intent until China reduces its strong military modernization efforts targeted at Taiwan and at US forces that might intervene in a Taiwan contingency.

CHINA'S "GULLIVER STRATEGY"

Chinese officials and specialists express hope that the United States will reciprocate China's moderate foreign policy by developing closer relations with Beijing and accommodating Chinese interests regarding Taiwan and Japan. But they also recognize that China's peaceful rise has benefits for China even if the United States disappoints Chinese expectations. In particular, Beijing's approach to Asia has greatly expanded positive Chinese influence throughout its periphery. Recent diplomatic and economic initiatives have created a buffer around China that would make it difficult for the United States to gain the cooperation of Asian countries should the United States try to pressure or contain Beijing. In addition, the expanding array of Chinese-backed multilateral efforts and arrangements in Asia acts as a sort of "Gulliver strategy," impeding a more

assertive US policy by tying it down in a multitude of multilateral restrictions and constraints.

Thus, rising Chinese influence in Asia is seen to work in some ways against American influence and adds to difficulties the United States already faces in the region. Overall US leadership in Asia is weakened by preoccupations with protracted military and political difficulties in Iraq and Southwest Asia, as well as by concerns about instability or uncertain cooperation in frontline states in the war on terrorism such as Afghanistan, Pakistan, and Indonesia. In addition, the US occupation of Iraq has prompted Asian elite and public opinion to join worldwide complaints against America's perceived unilateralism and dominance in international affairs.

In the context of the Iraq occupation and the war against terrorism, issues in other parts of Asia have tended to receive lower US priority, amid an overall reactive and weakened American posture in the region. In 2002, North Korea broke declared nuclear nonproliferation commitments and reactivated nuclear facilities frozen under the 1994 US-North Korea Agreed Framework accord. Deep divisions within the US government over how to deal with North Korea, and strong differences between Washington and Seoul over policy toward North Korea, hampered an effective US response. China eventually agreed to play an intermediary role that was welcomed by the United States; it organized three-party talks (the United States, North Korea, and China) in 2003 that were followed by six-party talks in 2003 and 2004 (adding Japan, South Korea, and Russia). Little progress ensued, although the Korean situation remained outwardly calm and all parties refrained from serious provocations. A similarly reactive US stance was seen when President George W. Bush on December 9, 2003, responded to the Taiwan president's moves toward greater independence and rebuked him, warning against efforts to alter the status quo in relations with the mainland.

AMERICAN ADVANTAGES

China's rising influence and other recent challenges to the United States in Asia have weakened and diverted US leadership in the region. Nevertheless, these challenges are balanced to a considerable degree by continuing strengths and favorable trends in Asia for US policies and interests. Indeed, the outlook for US leadership in promoting stability, development, and American values in Asia remains positive.

Despite the preoccupation with Iraq, the Bush administration has adjusted in generally pragmatic

ways to unexpected Asian challenges, notably on the Korean peninsula—an area of much more salient concern than Iraq to most Asian governments. While attempting to justify unilateral action in other parts of the world, the Bush administration in practice has sought to deal with the North Korean crisis and other issues in Asia through broad international consultation and engagement. Of course, North Korea's armed power makes American military options on the peninsula more limited and difficult than they were in Iraq; US strategic deployments in Southwest Asia further limit US options against North Korea. North Korea's efforts to develop nuclear weapons continue, and could precipitate sharper divisions between the United States and Asian powers or within the US government. Meanwhile, however, the Bush administration's response to Taiwan's recent assertiveness has broad support in Asia as a sensible approach designed to stabilize a difficult situation.

Despite debate over the size and deployment of US forces in South Korea, the South Korean and US governments have tried to manage the issue without jeopardizing strong mutual interests supported by a continued US military presence. Meanwhile, polls that have shown setbacks for America's image in some Asian countries also show that most of those polled retain overall positive views of American leadership and that clear majorities in Asia agree that their interests would suffer if the United States were no longer the world's dominant power.

Under the Bush administration, the United States maintains open markets despite occasional aberrations—such as moves in 2002 to protect US farmers and steel manufacturers, or official complaints in 2004 about American job losses to Asia and unfair currency values in China and Japan. Asian governments view the US economy as critical to Asia's economic well-being. Although China is a new engine for regional growth, US economic prospects remain much more important for Asian development. The United States in recent years has absorbed an increasing percentage (about 40 percent, according to US government figures) of exports from China, which is emerging as the export-manufacturing base for investors from a wide range of advanced Asian economies. The US market continues to absorb one-third of Japan's exports. The economies of South Korea, Taiwan, and the ASEAN countries

rely on the American market to take about 20 percent of their exports.

Much is written about growing Asian trade with China, and indeed China's share of regional trade is important and expanding. However, US trade surpassed China's trade in 2003 with most major Asia traders. For example, US trade with ASEAN countries far surpassed China's trade with them in 2002. Meanwhile, US foreign direct investment has grown notably in China, but it is still less than in Australia, Hong Kong, Singapore, or Japan.

Despite occasionally strong rhetoric in support of religious freedom in China or condemning political repression in Burma, Bush administration policy has been pragmatic in the promotion of human rights, democracy, and political values in Asia. As the United States has sought allies and supporters in the global war on terrorism, it has moderated its approach in

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these areas: for example, it did not seek to bring China's human rights conditions before the UN Human Rights Commission in 2003. The adjustment has been generally welcomed in Asia. After

the 9-11 attacks, the United States mobilized military, political, and economic power that, at least initially, proved overwhelming to adversaries and duly impressed Asian states. US power contradicted earlier predictions of American decline; indeed, the United States has become more powerful and influential in Asia and the Pacific than at any time since the Vietnam War and perhaps earlier.

Amid criticism by some US nongovernment experts and grumblings in the ranks of the US military, American defense officials have moved ahead with plans to shift US deployments in Asia as part of a global realignment, while sustaining large ground-force commitments in Iraq. The realignment reportedly involves plans to downsize forces in Western Europe and South Korea, to increase the mobility of forces, and to expand the scope of bases and access points while reducing the overall size of bases abroad. On balance, the changes do not appear to alter the prevailing situation in Asia. Some in the region might wish to challenge or confront the United States, and might be more inclined to do so if the United States were seen as bogged down in Iraq. Most, however, remain reluctant to do so given the dangers they would face in opposition to the world's dominant power, with a leadership seemingly prepared to use that power against its enemies.

Meanwhile, the Bush administration has improved US relations with all the great powers in Asia. This strengthens US leadership in the region, and reinforces Washington's ability to deal with crises and regional difficulties. It is rare for the United States to have good relations with Japan and China at the same time. It is unprecedented to have good relations with both India and Pakistan, and with both Beijing and Taipei.

THE BALANCE IN ASIA

On balance, the advantages of China's moderate approach toward the United States—set forth in China's strategy of "peaceful rise" in Asia—seem substantial for US interests. China's moderation has meant less criticism from Beijing over US policy in Iraq, even though China opposed the war. It has allowed the Bush administration to highlight relations with China as a significant accomplishment. And it has set a positive atmosphere for US-China cooperation on North Korea and the war on terrorism. Any loss of US ability to revert to a policy of containing China seems small in comparison. In the past, Asian countries were unlikely to side with the United States against China out of concern that China might react aggressively; now the Asian governments are loathe to do so for fear of jeopardizing positive benefits they receive from China. In either case, it has long been effectively true that a US containment policy against China would not win much support in Asia.

Since Asian countries have been reluctant to choose between America and China, it would be foolish for the United States to react to China's rise by trying to compete directly and antagonistically with Beijing for influence in the region. A more effective approach would be to build on the US role as Asia's leading power and the region's economic and security partner of choice. Greater activism in the region and sensitivity to the concerns of Asian states going through difficult transitions (South Korea is a good example) also would go far toward improving US influence in this important part of the world.

Given all the difficulties facing the United States at home and abroad, US policy making toward Asia will likely remain somewhat reactive. America is unlikely to come up with as comprehensive and attractive an approach to the region as that pursued by Beijing. China's gains should not be exaggerated, however. So far they amount to less even than those achieved by Japan in the 1980s, when the burgeoning Japanese economy prompted many specialists to argue that Japan was Asia's leader and

that American decline in Asia in the face of expanding Japanese economic and political influence would continue.

America's strengths in Asia remain formidable and will grow particularly as the US economy grows and as US military power continues to be seen as serving broad Asian interests in regional stability. Chinese leaders seem to understand this in their acceptance of US leadership in Asian and world affairs, as part of a long-term strategy to develop "peacefully" without upsetting the United States. This understanding represents a sharp reversal from China's post-cold war efforts to wear down the US superpower and create a "multipolar" world. It reflects a clear-eyed adjustment to the realities and asymmetries of power and influence between the United States and China still prevailing in Asia and across the globe. ■

A Current History Snapshot . . .



"There are indications that Mao himself is not such a blind follower of Moscow as some other leaders of the Communist Party. He has always maintained that Marxism must be adapted to suit Chinese conditions. In criticizing the impractical formalism of party workers some ten years ago, he stated on repeated occasions that it was futile to study the abstract principles of Marxism without an accurate knowledge of the practical problems of China. Whether Mao's moderate viewpoint or that of the more extreme Russophile group will govern the policies of the future remains to be seen. . . . Much will depend on the policies of Soviet Russia in regard to China and the reactions of the Chinese students and intellectuals—the leaders of public opinion—to such policies. In the meantime, the policies of the United States . . . will also influence the course of events in the future."

"Communism Wins"
Current History, August 1950
 Theodore Hsi-en Chen,
 University of Southern California