

## **Does China Seek to Dominate Asia and Reduce US influence as a Regional Power?<sup>1</sup>**

The question for this session of the China debate series sponsored by the Carnegie Endowment for International Peace gets to the core of why the recent rise of China matters to many American and international observers. Asia is important for the United States. As we enter the 21<sup>st</sup> century, Asia arguably is the world's most important economic and strategic center of power for the United States. For China to dominate Asia to the detriment of the United States would represent a challenge to vital US interests and concerns.

To answer the question, I follow a pattern used in my long professional career of providing information and analysis about China and Asia to congressional and executive branch policy makers. The pattern has involved providing relevant historical context and using balance in assessing contemporary developments. A major goal is to provide perspective that will moderate US excitement about China—either positive or negative. In my opinion, history seems clear about the lessons of US excitement about China—it leads to exaggeration about the opportunities or dangers posed by China, which in turn provides a poor basis for US policy and often leads to policy that is not well aligned with US interests.

In sum, section 1 of this paper looks at relevant patterns and behavior of the United States and China in Asia since the start of the cold war. They show that the United States tends to exaggerate recent threats to its leadership in Asia, and that China remains determined to resist and reduce great power involvement along China's periphery. Section 2 provides an assessment of Chinese leaders' current intentions toward the United States in Asia, and argues that US policy makers would be prudent if they remained attentive for possible changes in the current comparatively moderate Chinese approach to the United States in Asia in favor of a more assertive Chinese stance. Section 3 foresees continued effective checks on a possibly more assertive or coercive Chinese approach to Asia. Those checks are based on the twin forces of effective US security and economic power in Asia and by pervasive hedging of independent-minded Asian governments. Section 4 answers specific questions from the debate moderator.

### **1. Context: US and Chinese Patterns in Asia**

#### **China's Rise—the Latest Challenge to the US in Asia**

Since the end of World War II, the United States has been the leading power of Asia. In broad terms, US policy has sought three goals:

- A balance of power favorable to American interests where no power hostile to the United States consolidates power as Japan did prior to World War II and posed a direct threat to the United States.
- Free economic access to the region

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- The ability to promote US political and religious values and beliefs.

US policymakers saw these goals seriously challenged throughout the Cold War and bore the costs of two wars and massive expenditures in order to sustain an acceptable strategic balance and to enhance other US goals. The so-called containment policies proved very costly and the United States probably was politically, economically, and militarily weaker in Asia after the failure of containment during the Vietnam War in 1975 than at any other time since the Korean War. Though US policy at the time aligned with China and worked with US allies and associates to deal with the rising power in regional affairs, the USSR, there was great concern in US government circles and among commentators in the United States and Asia that the rising Soviet Union would emerge as Asia's leading power and its rise would marginalize the United States.

For various reasons, US opinion gradually turned away from the Soviet challenge in Asia by the mid-1980s. US and other government and non-government specialists now saw that America's position as Asia's leading power was being challenged in ways very different from those used by the Soviet Union. Faced with protracted and serious economic problems at home and abroad, the United States seemed unable to compete, even in US domestic markets, with Asia's rising power, Japan. The Japanese economic, education, social welfare, and government systems were widely touted as "#1" while America was widely seen as in decline and unable to catch up. Using investment, aid, and trade, Japan was seen increasingly to dominate East Asia, placing the United States, its military ally and protector, in an increasingly secondary position.

The end of the Cold War, the collapse of the Soviet Union, and the protracted economic stagnation of Japan in the 1990s prompted for a time a variety of US and international assessments of continued US strength and leadership in Asia. However, China's sustained and rapid economic advance along with significant improvements in Chinese military power and diplomacy made China the new focus of those concerned with the regional order in Asia and its potentially profound implications for US interests.

By the start of the 21<sup>st</sup> century, China appeared to many officials and commentators in the United States and abroad to be emerging as Asia's leading power, a development which placed the United States in a secondary position. In this view, a new "China-centered" order was emerging in the region. It was based notably on webs of trade and investment relations among Asia's export oriented economies that positioned China as the key element in Asian economic calculations. Adroit and generally accommodating Chinese diplomacy in bilateral relations and in the wide array of multilateral groups dealing with Asian affairs seemed to succeed in winning over Asian officials along with popular and elite opinion in order to support Chinese advances and initiatives. By contrast, US policies fostered widespread resentment and criticism, while US policymakers seemed preoccupied elsewhere where they appeared mired in international conflict and confrontation, notably in the war in Iraq.

### **China's Opposition to US and Other "Hegemony" in Asia**

Chinese leaders have been pretty consistent in saying that China does not seek dominance in Asia. These declarations seem self serving and disingenuous to many foreign and some Chinese observers, and so it might be more useful to assess what China opposes in Asia in order to come up with insights on what China's rise may actually mean for the Asian order and US leadership in Asia. Here the answer is pretty clear—China has long opposed large powers establishing strong positions along the periphery of China. This opposition appears to have its roots in a wary Chinese view of international powers and competition. This perception is a result in considerable measure of the widely held and officially reinforced view of China's having been victimized and exploited by foreign powers in the 19<sup>th</sup> and 20<sup>th</sup> centuries.

Mao Zedong repeatedly confronted US and Soviet power in Asia for security and revolutionary reasons. Deng Xiaoping, while focused on pragmatic economic reform, saw opposition to Soviet dominance in Asia as China's top foreign policy priority. In the post cold war period, China's leaders saw opposition to US "hegemony" in Asian and world affairs as an important policy priority. They avoided costly confrontation with the United States but worked through diplomacy, rhetoric and other means to promote a "multipolar" regional and world order where US power and influence would be weaker than in the past.

While still seeking a multipolar world, China's leaders in recent years have seen their policy goals and interests best served by muting opposition to the United States and US leadership in Asian and world affairs. In general, China's goals in Asia have been:

- To promote stability and a "peaceful environment" conducive to domestic Chinese economic development and political stability.
- To seek advantageous economic contacts and relationships.
- To reassure China's neighbors about the implications of China's rise.
- To isolate Taiwan.
- To gain regional influence relative to other powers (e.g. Japan, India, and the United States).

Over the past decade, China's leaders have adjusted their policies and approach to Asia in ways that appear to accord with changing circumstances and the costs and benefits for Chinese interests:

- Jiang Zemin in the mid-1990s enhanced his leadership stature in the lead up to China's 15<sup>th</sup> Communist Party Congress in 1997 by modifying Deng Xiaoping's injunction for China to maintain a low-profile in world politics. Jiang reached out to Asian and world powers seeking "strategic partnerships" that enhanced both China's and Jiang's international profile at this important time in Chinese domestic politics.
- China at this time also endeavored to reassure Asian neighbors alarmed by Chinese military actions in the 1995-1996 Taiwan Strait crisis by proposing a "New Security Concept" that promoted "good neighbor" relations with most in Asia—Taiwan and the United States were the main exceptions.
- By mid 2001, before the terrorist attack on America, China decided to reduce sharply its rhetorical and political opposition to US "hegemony" in Asian and

world affairs. The continued strong public opposition to the United States in Asia had not been popular with Asian governments unwilling to choose between China and the United States. It also ran the risk of significant push back from the newly elected George W. Bush administration that had a decidedly more wary view of China's rise than its predecessor.

- By late 2003, Chinese officials began formulating a new public approach focused on China's "peaceful rise" in Asia that was designed to reassure most concerned powers—Taiwan remained the main exception—that China's rise would not be adverse to their interests. Reassuring the United States seemed particularly important, and China remained remarkably discreet in dealing with most differences with the United States.

## **2. Assessing China's Intentions Today**

Chinese officials continue to maintain that China does not seek dominance in Asia and that it does seek cooperation and common ground with the United States and other powers in the region. Some Chinese officials privately maintain that secret Chinese Communist Party documents sustain an eventual goal of China's leadership in Asian affairs, but they see little practical implications stemming from that goal.

Foreign assessments of China's goals are more mixed. On the one hand are prominent specialists who stress "new thinking" in Chinese foreign relations that has put aside the lessons of past victimization and seen the benefits of interdependence, globalization, and ever closer Chinese cooperation and convergence with world power centers, notably the United States.

On the other hand are more skeptical observers including this writer who are less convinced that the "old thinking" of China's longstanding opposition to US and other dominance and hegemony in Asia and elsewhere is a thing of the past. What the record seems to show is a series of adjustments by Chinese leaders pragmatically seeking to maximize Chinese interests in an Asian environment still heavily influenced by the United States. These adjustments seem better explained as tactical changes rather than strategic ones, even though Chinese leaders insist that China's "peaceful development road" is a fundamental strategic policy of China.

Reasons for doubt that China has made a fundamental change away from past opposition to US leadership in Asia include:

- While much more discreet than in the past, Chinese officials still articulate goals for Asia and take diplomatic, economic and military actions that undermine US leadership in Asia.
- China's avowed national security assessments and goals, and the nationalism fostered by the Chinese administration, are at times in significant contradiction with the "peaceful development road" highlighted by Chinese officials.
- Learning theory points out that older men—including the fourth generation leaders of China—change their outlooks only in the face of great pressure and change. The fact that senior Chinese leaders continue with a world view that sees

the United States in competitive terms is underlined by disclosures and assessments by prominent Chinese specialists who interact with them regularly.

### **Implications for US Policy**

On balance, this writer judges that US policy makers in the Congress and the US administration would be prudent to assume that China's recently more cooperative approach to the United States in Asia is based on an assessment of the costs and benefits of this approach for Chinese interests. China's preference remains a multipolar world where the United States would be less prominent than it is today and would not be the leading power in Asian and world affairs. China's goals for its own power and influence in Asia seem hazy, even to Chinese leaders. China's recent maneuvering against Japan and India regarding permanent membership in the UN Security Council, in ASEAN and in other Asian multilateral organizations, and other steps strongly reinforce a judgment that China seeks advantage over these powers in the emerging Asian order. To assume that China seeks to be the leading Asian power as it seeks diminishing US leadership in Asia would appear to be a prudent course for US policy makers.

One lesson that flows from this line of analysis is that China's approach to the United States in Asia depends on circumstances that determine the costs and benefits of China's approach. If the circumstances were to change, the perceived costs and benefits would change, and likely would lead to change in China's approach to the United States in Asia. For example, if China were to grow in power and influence in Asian and world affairs relative to the United States, China's leaders might see less cost associated with a policy of stronger opposition to the US position and interests in Asia. Also, if the United States were to adopt strong support for Taiwan independence or to seriously restrict access to US markets for Chinese, these moves could trigger a reevaluation by China's leaders of the cost and benefits of the recent generally accommodating Chinese approach toward the United States in Asia, resulting in a tougher stance against US leadership and interests in Asia.

### **3. Outlook —Why Rising China Can't Dominate Asia**

“China can't dominate Asia; there are too many governments in Asia.” This response by a senior Chinese official to my question during an interview in Beijing last year reflects some of the realities of power in Asia that make Chinese ability to seriously challenge US leadership in Asia unlikely under foreseeable circumstances. The findings of my private discussions with Chinese and other Asian government officials about China's rise and its implications for US leadership in Asia contradict much media and other public discourse in the United States and some parts of Asia that depict a rising and powerful China coming to the leading position in Asia at a time of US decline in the region. In contrast to these media and other commentaries, which focus on Chinese strengths and US weaknesses, government officials in Asia in private conversations and interviews show an equal awareness of Chinese weaknesses and US strengths in the region. They also are aware of how the many independent-minded governments in Asia “hedge” in reaction to China's rise. These governments work quietly among themselves and with the United

States to insure that their independence and freedom of action will not be negatively affected as China's rises in prominence in the region. Such actions reinforce US leadership in Asia as China rises.

US policy makers in the Congress and elsewhere can choose to adopt the one-sided view of those US media and other commentators who predict China's dominance and US decline in Asia. US policy makers tended to do the same thing in the late 1970s when the United States was indeed weak and divided after the defeat in Vietnam and prevailing US media and other predictions said the rising power, the Soviet Union, would dominate Asia. The same kind of pattern prevailed in the late 1980s when respected US media and commentators said that Japan would dominate Asia as US influence in the region declined. Of course, those earlier predictions were dead wrong; they focused on the strengths of the rising powers, the USSR and Japan, and did not adequately consider their weaknesses; and they focused on the weaknesses of the United States and did not adequately consider its strengths.

A more sensible path, in my view, is for US policy makers to listen carefully to the more balanced and carefully calibrated views of Asian government officials. While media, vocal non-government elites, and public opinion matter in some Asian countries, at the end of the day it is the government officials who make the foreign policy decisions. There are few failed states in Asia; most governments are strong and are expected by their constituents to lead.

This section is based on the findings of a research trip in 2006 that involved dozens of public seminars and workshops dealing with China's rise and US leadership in Asia that were attended by several hundred non-government specialists and elites in 21 cities of eight Asian countries; and—more importantly for this presentation—in-depth interviews and consultations on these subjects with 75 diplomats and government specialists in those countries. The trip followed the author's past interchanges with Asian government officials, including a similarly extensive research trip to region in May-June 2004 (Those are reviewed in his book *China's Rise in Asia: Promises and Perils* (Lanham Md.: Rowman and Littlefield, 2005).

The main findings of this work are:

- China is rising in influence in Asia, the part of the world where China always has exerted greatest influence; but China also has major limitations and weaknesses and has a long way to go to compete for regional leadership.
- The power and interests of the United States and most Asian governments work against China ever achieving dominance in Asia.
- The US image in Asia has declined in recent years and US foreign policy continues to be widely criticized. However, US ability and willingness to serve as Asia's security guarantor and its vital economic partner remain strong and provide a solid foundation for continued US leadership in the region. Overall US influence in the region has not declined, according to every Asian official interviewed in 2006.

- Most Asian governments maneuver and hedge against China's rise, and they find a strong US presence in Asia fundamentally important and reassuring.

### **Chinese Strengths and Limitations**

Growing Chinese prominence in Asia is based on rapidly growing economic interchange and adroit Chinese diplomacy. Chinese and most Asian officials play down the implications of China's impressive buildup of military power, though Japanese and some Taiwan officials focus on this perceived Chinese threat.

Burgeoning trade and growing Asian investment in China are the most concrete manifestations of greater Chinese prominence in Asia. China has become the largest trade partner of many Asian neighbors, and Chinese trade expands at almost twice the rate of China's fast-growing economy. Entrepreneurs from the more advanced Asian economies provide the bulk of the \$60 billion plus in foreign investments China receives annually. Chinese wealth and economic importance support growing popular exchanges in tourism and education. Attentive Chinese diplomacy involves an often dizzying array of leadership meetings and agreements with Asian neighbors and increasing adroit Chinese interchange with the growing number of Asian regional organizations. As a result, China's positive image has grown, particularly in South Korea, much of Southeast Asia, and Australia.

Heading the list of limitations and weaknesses of China's rise in Asia is strong Chinese nationalism; this seriously complicates Chinese relations with Japan and Taiwan, and causes significant difficulties with South Korea, Singapore, and India, among others. Chinese territorial claims are a serious concern in the East China Sea, a major drag on improving relations with India, and an underlying concern in Southeast Asia. China's authoritarian political system is unattractive to many, though certainly not all, of China's neighbors.

Chinese economic and diplomatic strengths also reflect significant limitations and complications. More than half of Chinese trade with Asia and the world is processing trade, which leads to double and triple counting as a product crosses borders, sometimes several times, before completion and (often) export from China to the United States and Europe. The value added by China in this trade is frequently low, and the trade depends heavily on US and European consumers. The majority of the trade is carried out by foreign invested enterprises in China. Reflecting these realities, Chinese President Hu Jintao in 2005 said that China is "a major trading country" but has not yet become "a major trading power."

Chinese economic competitiveness means that Asian manufacturers often cannot compete directly with China. In response, Asian entrepreneurs increasingly invest in and integrate their businesses with China, but Asian workers cannot move to China and often suffer. Investment in Asian economies declines and Chinese investment and foreign assistance in Asia remain small and do not offset these negative implications.

China's "win-win diplomacy" focuses on common ground, which receives great positive publicity but does little to resolve differences or deal with issues. With few exceptions, China does not do hard things; it carefully avoids major international commitments or risks.

### **US Weaknesses and Strengths**

US weaknesses in Asia are widely publicized. They center on the decline in the US image in Asia amid widespread criticism of the US war in Iraq, the US position on North Korea, unilateral US actions on significant international issues, and perceived inattentive US policies regarding the economic development, multilateral regional organizations, and other concerns in Asia. These weaknesses dominate the media and public discourse in most of Asia.

Nevertheless, Asian government officials interviewed during the 2006 research trip were almost uniform in emphasizing the positive importance of the US leading role as Asia's security guarantor and vital economic partner. The main exceptions were a Communist Party of India (Marxist) official, and to a degree, some Chinese officials, who criticized the US security role in Asia.

Asian government officials are well aware that Asian governments generally don't trust each other. The kind of suspicion and wariness one sees today between China and Japan characterizes most relationships between and among Asian governments. And yet the Asian governments need stability in order to meet their nation-building priorities. In this context, the United States looms very large in their calculations. Unlike their Asian neighbors, the United States does not want their territory and does not want to dominate them. It too wants stability and, in contrast with China's reluctance to undertake major risks and commitments, the United States is seen to continue the massive expenditure and major risk in a US military presence in Asia, viewed as essential in stabilizing the often uncertain security relationships among Asian governments.

Not only does the United States continue to occupy the top security position as Asia's "least distrusted power," the United States also plays an essential economic role in the development priorities of Asian governments, most of which are focused on export-oriented growth. It continues to allow massive inflows of Asian imports essential to Asian economic development despite an overall US trade deficit over \$700 billion annually. Against this background, when asked if overall US power and influence in Asia were in decline, Asian officials were uniform in saying no.

### **Asian Maneuvering and Hedging**

All Asian government officials consulted agreed that China's rise adds to incentives for most Asian governments to maneuver and hedge with other powers, including the United States, in order to preserve their independence and freedom of action. A Singapore official said that "hedging is the name of the game" in Southeast Asia, while an Indian official said that Asian governments "are not going to put all their eggs in one basket."



Asian governments hedge against the United States and other powers as well, but their recent focus has been on China's rise. The governments tend to cooperate increasingly with China in areas of common concern, but they work increasingly in other ways, often including efforts to strengthen relations with the United States, to preserve freedom of action and other interests in the face of China's rise.

In an Asian order supported by undiminished US security and economic power and influence, such hedging by Asian governments adds to factors that are seen to preclude Chinese leadership or dominance in Asia and that reinforce US leadership in Asia. The majority of Asian government officials assumed that China sought eventual "pre-eminence" in Asia; Chinese officials said no, though Chinese foreign policy specialists said that secret Chinese Communist Party documents over the years have continued to refer to a general goal of Asian leadership. As noted above, when asked whether China sought leadership or domination in Asia, a senior Chinese official acknowledged the complications of US power and influence and the role of many independent-minded Asian governments. He responded that "China can't dominate Asia; there are too many governments in Asia." He nonetheless went on to advise that China's influence in the region would grow as China's "weight" would become increasingly important to the governments in the region and China would have increasing success in reassuring Asian governments of Chinese intentions.

#### 4. Answers to Specific Questions

**1. Do China's leaders explicitly seek or intend for China to become the clearly predominant power in the Asia-Pacific?** The assessment above shows that the Chinese leaders work explicitly to assure that no one power dominates Asia around the periphery of China. How hard China works on this goal varies. It also makes clear that China seeks greater influence in Asian and world affairs than that exerted by Japan and India. Of the Chinese goals in Asia listed on page 3, seeking predominant power in Asia seems of least importance in current circumstances.

**2. Even if China's leaders might not have a deliberate plan to dominate the region, will they most likely be driven to attempt to do so eventually?** Chinese nationalism, China's national security concerns, and longstanding opposition to hegemonism are among factors that could drive China's leaders in this direction. However, as argued above, China's leaders' decision making will be influenced by the perceived costs and benefits of such a change in policy for Chinese interests. As argued above, persisting US power, if handled in ways that don't fundamentally challenge China's core interests regarding Taiwan and the Chinese political system, and pervasive hedging among Asian governments, are likely to sustain a regional environment that will make it very difficult for China to see strong, assertive or coercive efforts for regional dominance as in the best interests of China.

**3. What would be the most significant (and threatening) indicators of a Chinese quest for predominance in Asia, from the perspective of the United States and its allies in the region?** These indicators would involve use of military force or coercive

economic and political actions seeking to compel regional powers to follow Chinese wishes or dictates. As noted above, these Chinese actions seem likely not to be seen in Chinese interests so long as US power in the region remains strong and does not fundamentally confront core Chinese interests; and Asian powers remain determined to sustain independence and find the United States and others as useful sources in hedging against China's rise. Chinese leaders may come under pressure because of deteriorating conditions at home and might choose to adopt tough and assertive positions in Asia as a means to shore up nationalistic support at home.

A key indicator for US policy makers to watch seems to be US willingness and ability to sustain the costs associated with the twin pillars of US leadership in Asia—the US security presence in the region and the open US market to Asian imports. If US policy pulls back substantially in these areas, it will change regional dynamics in Asia and reduce US power and influence. This will erode the check US power current exerts against coercive or assertive Chinese approaches to Asia.

**4. On balance, how should the United States modify or adjust its existing policies toward Beijing and the region to most effectively manage China's growing presence in Asia?** These policies appear secondary to a broader need for US policy makers to deal with major and pressing defense and economic issues like the war in Iraq and the massive US trade deficits in ways that will sustain US military, economic and political power and influence in Asian and world affairs. The existing mix of positive and negative elements in US policy toward China is broadly appropriate to deal with China's rise. The importance to Chinese leaders of US positive overtures and encouragement, and of US efforts to press against, deter, and hedge against Chinese actions adverse to US interests, will rise and fall with the broad power and influence of the United States.