

STRATEGIC ASIA 2010–11

ASIA'S RISING POWER *and America's Continued Purpose*

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Geopolitics

The Geopolitics of Strategic Asia,
2000–2020

Aaron L. Friedberg

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EXECUTIVE SUMMARY

This chapter examines a range of possible geopolitical futures for Strategic Asia and evaluates the likelihood of each outcome based on the prospective performances of the U.S. and Chinese economies, potential political reform in China, and other factors.

MAIN ARGUMENT:

No student of geopolitics should be surprised by the conclusion that the future shape of Strategic Asia will be determined in large part by the power and preferences of its two biggest players. If China's economy falters, the U.S. will remain dominant in at least the eastern portion of this vast domain. If the U.S. stumbles, on the other hand, the chances of Chinese hegemony will grow. If both powers remain strong and engaged, Strategic Asia will likely be split along geographic and ideological lines.

The probability of other scenarios will depend on factors that lie outside the realm of normal geopolitical calculation. It is much easier to imagine the U.S. and China collaborating to keep order in Asia if they share the same democratic values and institutions. Similarly, an East Asian community modeled on the European Union is more likely if China liberalizes than if it does not.

POLICY IMPLICATIONS:

- The geostrategic future of Asia will depend on whether China continues to rise, whether the U.S. retains the economic resources and political will to stay engaged in the region, and on the choices and preferences of the two powers.
- Current trends suggest that Chinese hegemony or the division of the region into continental and maritime spheres of influence is most likely.
- Given the unlikelihood that China will undergo significant political reform in the near future, the U.S. must craft its regional strategy without counting on a liberal regional partner.

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Despite changes in technology, patterns of economic exchange, the role of nonstate actors, and the increasing prominence of international rules and institutions, the stability and character of relations in any system of states is still largely determined by the distribution of power among those states. Moreover, despite the increasing attention paid in recent years to “soft power,” “smart power,” and other similar concepts, “hard power”—measured roughly by the size and sophistication of a nation’s economic, scientific, and industrial base, and the quality and quantity of its armed forces—remains the essential currency of politics among nations. Finally, despite the globalization of the international economy and the growing interconnectedness of all parts of the planet, in the strategic realm, where geography, topography, and distance remain critical, it still makes sense to think in terms of regional systems (or subsystems) and power balances.¹

Serious analysis of the international politics of specific regions, and of the world as a whole, must begin with a consideration of the distribution of hard power. It cannot end there, however. Instead of being fixed, the power balance is constantly changing, sometimes rapidly, thanks to differences in economic growth rates, levels of technological sophistication, and military expenditures. Albeit to varying degrees, these are variables over which national decisionmakers generally have at least some measure of control.

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¹ Portions of this paper were originally presented at the 12th Asian Security Conference on “Asian Strategic Futures 2030: Trends, Scenarios and Alternatives,” organized by the Institute for Defence Studies and Analyses, February 11–13, 2010.

The shifting structure of power shapes the parameters within which states must act, setting limits on what they can achieve and creating imperatives that they ignore at their peril. How quickly and in precisely what ways states react to changing material conditions will depend on their goals and strategies. These, in turn, are the product of a variety of tangible and intangible factors, including the perceptions of key individuals, the power of various societal groups, the domestic political regimes within which they operate, and the content of prevailing ideologies. Structure is important, but so too is strategy. To paraphrase Marx, “nations make their own histories, but they do not make them just as they please.”

These basic insights and beliefs have informed the Strategic Asia Program since its inception. Successive volumes in this series have sought to look forward as well as backward, speculating in a disciplined way about where the confluence of underlying trends and evolving policies seemed to be taking the region. Contributors have presented what the late Samuel Huntington used to call “policy-relevant basic research”: probing, rigorous treatments of fundamental questions intended ultimately to inform the thinking of those charged with making and executing national strategy.

The purpose of this chapter is to analyze the evolving balance of power across “Strategic Asia,” an area encompassing the entire eastern half of the Eurasian landmass and the arc of islands in the Western Pacific. As this is the tenth anniversary of the Strategic Asia Program, it seems appropriate to begin by looking back briefly over the events of the past decade, before considering the decade that has just begun. Because the future of the region is so contingent and uncertain, instead of making a single prediction about where Asia is headed, this chapter will offer a range of alternative futures. In each case, the chapter will identify both the factors that could make a particular configuration of power more likely and the possible implications for the countries of the region and for the United States.

A Geopolitical Retrospective: Strategic Asia, 2000–2010

The past ten years have been punctuated by geopolitical and economic shocks of exceptional, once-in-a-century magnitude. For an event similar in impact to the September 11 attacks on New York and Washington, one would have to go back 60 years to December 7, 1941. The closest equivalent to the global financial meltdown and deep recession that began in 2008–09 would be the October 1929 stock market crash that marked the start of the Great Depression. In terms of the diplomatic and domestic political furor unleashed, the invasion and occupation of Iraq most closely resembled the Vietnam War of the mid-1960s to mid-1970s.

Despite all this unanticipated turmoil, at least insofar as Asia is concerned, the basic economic trends visible at the beginning of the century have thus far played themselves out more or less as expected. The region as a whole has continued to grow faster than the rest of the world, with the result that its share of global GDP has increased from 33% in 2000 to nearly 40% in 2010. Within Asia itself, China and India remained the growth leaders, with their GDPs advancing at an average annual rate of 9.9% and 7.3%, respectively, between 2000 and 2009, and increasing from a combined total of 34% of the region's total output in 2000 to 48% in 2010. Thanks largely to an increase in oil prices, Russia managed to hold onto its share of world GDP (growing slightly over the course of the decade from 2.7% to 3.0%), while Japan's position continued to weaken (its GDP share falling from 7.6% to just under 6%). Both Russia and Japan also entered into what is likely to be an irreversible absolute drop in population, with unfavorable portents for their future prosperity, dynamism, and strength.²

The essential continuity of the region's economic trend lines, in spite of political upheaval, suggests that they are being driven by deeply rooted demographic and technological forces. Nonetheless, over the past ten years all the major regional powers (and some smaller ones, too) have provided illustrations of the ability of leaders and governments to influence, for good or ill, both the perception and the reality of national power and prestige, at least at the margins. During this period, Russia moved from the drunken buffoonery of erstwhile democrat Boris Yeltsin to the seemingly tough-minded pragmatism of the decidedly authoritarian Vladimir Putin. The fundamentals of Russia's position did not change perceptibly. The country made little progress toward modernizing its economy or armed forces, with the result that its increasingly questionable claim to great-power status continued to rest on little more than exports of non-renewable resources and an aging stockpile of nuclear weapons. But Putin's obvious determination to reassert Russian influence in its "near abroad," as well as in Europe and the Middle East, made his country look more like a force to be reckoned with at the end of the decade than it had appeared at the beginning.

Japan, meanwhile, went through a reverse cycle. The country started out in 2001 under the leadership of Junichiro Koizumi—an iconoclastic, popular reformer determined to smash long-established political and bureaucratic cartels, rouse his country from years of economic stagnation,

² International Monetary Fund, World Economic Outlook Database, April 2010, <http://www.imf.org/external/pubs/ft/weo/2010/01/weodata/index.aspx>; World Bank, World Development Indicators and Global Development Finance Database, <http://databank.worldbank.org/>; World Bank, *South Asia Economic Update 2010: Moving Up, Looking East*, advance edition (Washington, D.C.: World Bank, April 2010), 67; and "China Quarterly Update," World Bank, Beijing Office, March 2010, 10.

flex and strengthen its military muscles, and assert its right finally to play the role of a “normal nation” on the international stage. Yet by the decade’s close, notwithstanding the fact that the Liberal Democratic Party (LDP) had finally lost its monopoly on power, the nation seemed to have lapsed back into an all-too-familiar pattern of weakness, deadlock, indecision, and underperformance.

Both China and India gave further proof of the importance of policy in shaping national destiny, albeit in very different ways. In the first instance, despite changes in top leadership, the ruling Chinese Communist Party (CCP) regime in Beijing maintained its single-minded focus on sustaining market-driven economic growth as the means to preserving social stability and fueling the acquisition of all other forms of “comprehensive national power.” For all its messy inconsistencies, democratic India held firm to a similar commitment. In this case pro-growth policies were rooted not only in the convictions of a small ruling elite but also in a broad societal consensus, sustained across changes in elected governments.

In the introduction to the inaugural volume of the *Strategic Asia* series, I made a number of observations about the policies of the major Asian powers and about the patterns of interaction that seemed to be emerging among them and with the United States. As of 2001, all were pursuing “mixed, hedged” national strategies aimed at “fending-off short-term challenges, while at the same time preserving options for the future and attempting to build (or re-build) long-term power and influence.” All were eager to enjoy the benefits of economic exchange, and none sought confrontation. Nevertheless, to varying degrees, and with differing impact on their policies, Russia, India, and Japan were all worried about the rapid growth of China’s power, while Chinese strategists, for their part, feared that Japan, India, the United States, and perhaps someday Russia would “join together in an encircling alliance directed against them.” These considerations produced a layered pattern of interstate relations in which day-to-day dealings were “dominated by trade and talk of peace” and in which all parties declared “a willingness to negotiate differences... participate in multilateral institutions and, in general, to abjure the threat or use of force,” while, at the same time, harboring deep concerns about the capabilities and ultimate intentions of their counterparts. Despite the evident fluidity of the situation, I noted finally that there were signs of “an unmistakable movement toward polarization in Strategic Asia, with China and a handful of friends on one side, and an assortment of allies and quasi-allies on the other.”³

³ Aaron L. Friedberg, “Introduction,” in *Strategic Asia 2001–02: Power and Purpose*, ed. Richard J. Ellings and Aaron L. Friedberg (Seattle: National Bureau of Asian Research, 2001), 18, 21, 22.

In the ten years that have passed since these words were written, the rise of China and the responses of other states to it have emerged even more clearly as the defining features of the Asian, and indeed the global, strategic landscape. To date, Beijing has been able to sustain annual growth at or near the average levels achieved since the start of “reform and opening up” in the late 1970s. What is more, at least as of this writing, China has managed to navigate a major crisis of precisely the sort that some analysts had long predicted would derail the nation’s economy and destabilize its political system. The resulting compounding of China’s GDP and the country’s movement up the ranks of the world’s largest economies were entirely predictable, but the reality nevertheless inspired awe and anxiety in other Asian capitals, as well as in Washington.

China’s continuing growth has enabled the country to conduct a wide-ranging and rapid modernization of its armed forces and defense industrial base that, in terms of the burden imposed on the national economy, has been all but painless. Whereas at the turn of the century it was still commonplace to observe that China’s jets, tanks, ships, and submarines lagged several generations behind those of the United States, the gap in many areas has clearly begun to close. More worrisome is the recognition that China has also been pursuing asymmetric approaches to deterring and defeating potential enemies by developing anti-satellite weapons, large numbers of precision-guided conventional ballistic missiles, and cyber warfare techniques that could prove disproportionately costly and difficult for the United States and its allies to counter.

Economic growth has also given Beijing a variety of tools that it previously lacked, including the ability to promise (or threaten to withhold) aid, investment capital, access to China’s massive market for energy and raw materials, and its seemingly limitless supply of inexpensive labor. In recent years Beijing has become more subtle and sophisticated in using all these instruments of soft power to enhance its influence and shape its strategic environment. In addition, the mere fact of China’s obvious economic success has boosted its prestige around the world, and its ability to combine growth with authoritarianism has encouraged the perception in some quarters that China provides a workable alternative to Western models of liberal democratic capitalism.

This last point deserves emphasis. Throughout the 1990s and into the start of the new century, concern over the possible strategic implications of China’s rapidly growing wealth and power was offset to a degree by the widely held belief that the country was also on a fast track to political reform. Increasing wealth, it was thought, would lead to the emergence of a middle class, which would demand expanded political rights. Like

several of its East Asian counterparts, including South Korea and Taiwan, China would eventually make the transition from authoritarian rule to liberal democracy. Once that happened, China would presumably enter the democratic “zone of peace,” and the likelihood that Beijing would use China’s newfound power to confront the United States, or its democratic allies, would decline dramatically.

Over the course of the past decade the prospects for change seem to have receded. Even as Beijing has kept the economy moving forward, the current regime has proven to be remarkably inventive, ruthless, and determined in crushing dissent, developing techniques for controlling information, and finding new ways to co-opt and intimidate potential opponents. As in the economic domain, sudden reversals are always possible. For now, however, it seems likely that China will continue to be ruled for some time by an authoritarian regime with growing resources at its disposal, whose wider ambitions and intentions are opaque, but whose determination to keep a tight grip on domestic political power, while exerting a growing influence across Asia, is unmistakable.

The questions going forward are: Will China continue to rise? And, assuming that it does, how will others respond? Due to the multiple uncertainties that necessarily surround these issues, this chapter will take a frankly speculative approach, looking in turn at six alternative geopolitical futures for Strategic Asia. For reasons that will be explained, the first four possibilities (a restoration of American hegemony, an East Asian community, Sino-American “bi-gemony,” and a U.S.-India-China triangle) appear to be relatively less likely than the final two (either Chinese hegemony or a balance between a grouping of authoritarian, continental states centered on China and a coalition of maritime democracies led by the United States).

Strategic Asia, 2010–20: American Hegemony Restored?

In the immediate aftermath of the Cold War, the United States enjoyed a huge advantage in both economic and military capabilities over any nation in Asia, or in any other part of the world for that matter. Today, in relation to China and, to a lesser extent, India, the margins are somewhat smaller, though still substantial. While the narrowing of the “GDP gap” between the United States and China has received the most attention, the latter’s ongoing military build-up is beginning to reach the point where it could produce a noticeable shift in the regional balance of power. Whereas twenty years ago U.S. air and naval forces could operate with impunity right up to the edge of China’s coastal waters and airspace, the acquisition by the People’s Republic of China (PRC) of layered anti-access capabilities will soon make this a

more complex and risky task. China's deployment of larger, more secure intercontinental-range nuclear forces will also begin to raise questions about the ability of the United States to extend deterrence to some of its friends and allies in the region. In this respect, as in the economic and diplomatic domains, China is beginning to have the capabilities necessary to match or offset U.S. power in Asia, if not yet on a global scale.⁴

As noted above, at the time of writing China seems to have passed through the recent economic turmoil comparatively unscathed. After rising to a peak of 13% in 2007, its annual growth was cut almost in half (to around 7% on a year-on-year basis) during the initial stages of the global crisis.⁵ Thanks to a very aggressive response by the central authorities, growth climbed back to just under 9% in 2009, and some estimates show it hovering between 9% and 10% for at least the next few years.⁶ While Beijing chose to slow the rate of growth in defense spending in the wake of the crisis, there appears to be little reason why China cannot sustain a continued build-up at or near previous rates.⁷

For its part, the United States is entering the new decade tightly constrained fiscally and politically. The recession that began at the end of 2007 and extended into 2010 caused tax revenues to fall and the deficit to grow, and the federal government's efforts to contain the banking crisis and stimulate the economy produced even bigger imbalances. In the span of only a year, the deficit quadrupled in size from \$459 billion (3.2% of GDP) to \$1.85 trillion (13.1% of GDP), the most rapid deterioration on record and the largest deficit in relation to the economy as a whole since the end of World War II.⁸ To cover the gap between revenues and expenditures the federal government had to borrow at unprecedented rates, causing the federal debt to balloon from 41% of GDP to 60%.⁹

⁴ These shifts and their possible implications are discussed in Aaron L. Friedberg, "Here Be Dragons: Is China a Military Threat?" *National Interest*, no. 103 (September/October 2009): 19–25, 31–32.

⁵ Pieter Bottelier, "China and the International Financial Crisis," in *Strategic Asia 2009–10: Economic Meltdown and Geopolitical Stability*, ed. Ashley J. Tellis, Andrew Marble, and Travis Tanner (Seattle: National Bureau of Asian Research, 2009), 72–76.

⁶ See "OECD Sees Strong Growth, Low Inflation in China," Reuters, November 19, 2009, <http://www.reuters.com/article/idUSSGR00205520091119>. Based on surprisingly strong growth in exports, Morgan Stanley predicted that China would grow at around 11% in 2010. See Qing Wang and Steven Zhang, "China: Upgrading 2010 Forecasts on Improved External Outlook," Morgan Stanley, February 5, 2010, <http://www.morganstanley.com/views/gef/archive/2010/20100205-Fri.html>.

⁷ "China's Defense Budget to Grow 7.5% in 2010: Spokesman," *China Daily*, March 4, 2010, http://www.chinadaily.com.cn/china/2010-03/04/content_9537753.htm.

⁸ "Seeing Red," *Economist*, June 13, 2009, 33; Paul Swartz, "Quarterly Update: The Recession in Historical Context," Council on Foreign Relations, Center for Geoeconomic Studies, June 5, 2009; and "The Long-Term Budget Outlook," Congressional Budget Office (CBO), CBO Summary, June 2009, 2, http://www.cbo.gov/ftpdocs/102xx/doc10297/SummaryforWeb_LTBO.pdf.

⁹ "The Long-Term Budget Outlook."

Unusually low interest rates have helped to hold down the cost of servicing this massive increase in debt. As rates rise, however, so too will the size of the federal government's payments to its creditors. Within the next decade, for the first time on record, annual payments on the federal debt could exceed outlays for national defense.¹⁰

The deflection of resources from productive investment to debt repayment, coupled with the tax increases and spending cuts that are likely to be imposed in order to shrink the deficit, will put a damper on growth rates. While there are some optimistic outliers, the emerging consensus among forecasters is that the United States will not bounce back immediately to its pre-crisis performance. Instead of averaging 3.0%–3.5% per year, growth is expected to remain at about 2.0%–2.5% for much of this decade and perhaps beyond.¹¹

The combination of rising interest costs, slower growth, and the long-awaited explosion in entitlement programs due to population aging will tend to squeeze all forms of “discretionary spending.”¹² Of these, the defense budget is the biggest and may turn out to be the most politically vulnerable. As the United States disentangles itself from Iraq and Afghanistan, there will be calls to pocket the resulting “peace dividend” and to direct more resources to urgent domestic needs. Instead of being freed to spend more on systems relevant to a possible long-term competition with China, the Defense Department is likely to face the necessity of making cuts in R&D and procurement over the coming decade.¹³

If present trends continue, then, over the next ten years China will begin to pose an increasing challenge to American preponderance in Asia. But, of course, these trends may not continue. Despite its recent success, China may not manage to keep growing at anything resembling the rates attained over the past three decades. The enormous sums that both the central and local authorities have pumped into the economy since the start

¹⁰ “U.S. Interest vs. Defense Spending,” Council on Foreign Relations, Center for Geoeconomic Studies, October 26, 2009.

¹¹ The historical average for the period since 1875 is 3.4%. See David J. Lynch, “U.S. May Face Years of Sluggish Economic Growth,” *USA Today*, May 7, 2009, http://www.usatoday.com/money/economy/2009-05-07-slow-us-economic-growth_N.htm. For a relatively optimistic prediction of 2.6% for the period 2010–20, see Martin S. Feldstein, “U.S. Growth in the Decade Ahead,” National Bureau of Economic Research, Working Paper, no. 15685, January 2010.

¹² The intensity of this pressure will depend in part on the outcome and fiscal impact of the ongoing debate over health care reform. If reform winds up slowing the growth of health care costs, as promised, the pressures will obviously be less. Unfortunately, the opposite scenario is at least equally plausible. For one pessimistic assessment, see Robert Samuelson, “A Parody of Leadership,” *Washington Post*, December 21, 2009.

¹³ See Dov S. Zakheim, “Security Challenges Arising from the Global Economic Crisis,” remarks to the House Committee on Armed Services, Washington, D.C., March 11, 2009, available at <http://www.fpri.org/enotes/200903.zakheim.securityeconomiccrisis.html>.

of the recent crisis may soon produce asset price bubbles and contribute to massive overcapacity in certain key sectors. In the process of staving off immediate danger the Chinese government may have set the stage for an even bigger crisis in the years just ahead.¹⁴

Even if China manages to stay on track for the next few years, and even for the next decade, the burdens imposed by environmental, demographic, and natural resource constraints; official corruption; increasingly dysfunctional development policies; foreign protectionism; energy price shocks; and social unrest could combine to knock China off its current steep trajectory.¹⁵ By contrast, despite recent difficulties, the United States' economic fundamentals still look extremely strong. In addition to the entrepreneurial culture, stable political and legal institutions, deep capital markets, natural resource endowments, well-funded corporate research establishments, and great universities, if it remains open to immigration, the United States—unlike China and virtually all of the advanced industrial democracies—will be able to sustain a favorable ratio of workers to retirees. In the mid to long term, the prospects for restoring growth to historic levels thus appear good. What is more, projected constraints on defense budgets are the result of politics rather than of any absolute scarcity of resources. Should the country and its leaders perceive a sufficient threat, then even in hard times the United States can ramp up spending very quickly, much as it did in the late 1970s and early 1980s, to say nothing of the late 1930s and early 1940s.

Present trends point to a further erosion in U.S. hegemony rather than to its restoration. Should China stumble, however, and if, at the same time, the United States were able to rejuvenate its own economy, then the era of American preponderance in Asia could be extended well into the future. Even if this were the case, however, the United States would be unlikely to regain its previous position of overwhelming advantage over all comers. Unless China experiences a truly catastrophic systemic crisis, the country's wealth and power will probably continue to grow, albeit perhaps less steadily and at a slower pace. India, too, will become stronger and more influential, certainly in South and Southeast Asia and perhaps beyond. One way or another, the United States' unipolar moment in Asia is drawing to a close.

¹⁴ For a debunking of many of the more pessimistic appraisals of China's performance and prospects, see Bobo Lo, "China and the Global Financial Crisis," Centre for European Reform, April 2010. http://www.cer.org.uk/pdf/essay_974.pdf.

¹⁵ For useful surveys of these problems, see Charles Wolf Jr. et al., *Fault Lines in China's Economic Terrain* (Santa Monica: RAND Corporation, 2003); and C. Fred Bergsten, Bates Gill, Nicholas R. Lardy, and Derek Mitchell, *China: The Balance Sheet* (New York: Public Affairs, 2006), 18–72.

An East Asian Community?

Throughout the Cold War, Asia, like Europe, was divided along ideological lines. For a mix of historical and geographical reasons, the United States' non-Communist friends and allies in Asia were also largely separated from, and suspicious of, one another. Furthermore, from the 1960s onward, the Communist camp was itself split between China and the Soviet Union. Since the early 1990s, there has been a steady stream of proposals for new multilateral structures intended to remedy this fragmentation and knit the region together into a more coherent institutional whole. The most ambitious of these have called for the creation of an East Asian community loosely modeled on the European Union. While there are many variants under discussion, such an entity would presumably include both an economic component (perhaps a free trade zone or a tariff union of some kind) and a deliberative body to deal with a variety of issues, including security.

Adherents of “realist” theories of international politics believe that institutions reflect the power and preferences of the nations that make them up rather than any shared commitment to lofty abstract principles. The process of institutional design generally involves political struggle among the potential participants, with each pushing for the plan that best serves its own interests. Such struggle is clearly visible just beneath the surface of recent discussions of a possible East Asian community, with China, Japan, and the United States all trying to shape whatever may ultimately emerge. Not surprisingly, Beijing has tended to favor mechanisms such as ASEAN +3 (the ten smaller nations of Southeast Asia plus Japan, China, and South Korea), in which China would be the biggest and most powerful member. Japan, meanwhile, has advanced proposals in which China's strength would be offset by the addition of other major players (including, at a minimum, India, Australia, and New Zealand).¹⁶ The United States has made clear its preference for open, pan-Pacific organizations as opposed to pan-Asian ones, but Washington has been careful not to appear too eager or to put itself in a position where it might seem to be actively opposing the wishes of a substantial group of Asian nations.

Is it conceivable that ten years from now most or all of Strategic Asia could be organized around a set of institutions that not only would seek to promote trade but also would address serious regional and global issues,

¹⁶ For a useful overview of the “conceptual rivalry, if not geopolitical conflict,” between China and Japan on this issue, see Yoshihide Soeya, “An East Asian Community and Japan-China Relations,” East Asia Forum, May 17, 2010, <http://www.eastasiaforum.org/2010/05/17/an-east-asian-community-and-japan-china-relations>. See also Aurelia George Mulgan, “Hatoyama's East Asia Community and Regional Leadership Rivalries,” East Asia Forum, October 13, 2009, <http://www.eastasiaforum.org/2009/10/13/hatoyamas-east-asia-community/>.

resolve disputes, and keep the peace? Given the present distribution of power and interests, the probability of such an outcome appears remote at best. As a rising power with expanding ambitions, China has little to gain by locking itself into arrangements that will restrict its future freedom of action or give the United States a perpetual voice in the affairs of the region. Conversely, the weaker powers (especially Japan, but also South Korea and Australia, among others) will be wary of joining organizations that a powerful, opaque China can easily dominate.

A comparison to the circumstances that gave rise to the EU is instructive. In that case the process took several decades to unfold, and by the time it began to reach fruition, all the participants were stable, open, liberal democracies (indeed, this became a precondition for membership in the new European institutions). Furthermore, the societies and economies of the major players were increasingly interwoven, and they were also members of a strategic alliance led by the United States. At the same time, as they converged ideologically and developed habits of cooperation, nations that had only recently been deadly enemies were thus able to reconcile and reach a mutually acceptable understanding regarding their tragic shared past. Here, again, the ability of a friendly outside power to act as go-between and referee was vitally important, as was the menacing, unifying presence of the Warsaw Pact on Europe's eastern frontiers.

Compared to Europe at the close of the Cold War, Asia today remains divided by ideology, history, the lack of any prior experience of regional integration, and the absence of a trusted arbiter and guarantor. Despite claims about the existence of an "Asian way," and the search for "universal values" that somehow transcend differences in political ideology, the fact that China is authoritarian as well as strong still matters. The regime's lack of transparency, the absence of any internal checks on its power, and the degree to which the CCP is closed to outside influences make China far more difficult for others to trust than it would be if it were a democracy. In contrast to Germany, Japan's failure to come to terms adequately with its past, coupled with the CCP's deliberate efforts to keep Tokyo off balance and alienated from Japan's other neighbors, has helped to keep the history issue very much alive. Even though several East Asian states maintain strong strategic connections to the United States as part of the latter's hub-and-spokes system, they have never been integrated into anything resembling a true multilateral alliance, and, of course, throughout the Cold War China, Russia, and India remained in orbits of their own. The fact that the United States would not even be a full member of some proposed organizations means that there would be no one to play honest broker, a role that, in any event, China would be exceedingly unlikely to grant.

Sino-American “Bi-gemony”?

If China continues to grow rich and strong and the United States remains vigorous and engaged, over the next several decades the two nations may arrive at a position of broad equivalence, at least in terms of their influence in Asia. While it is possible to imagine circumstances under which the two Pacific powers would agree to some kind of spheres of influence arrangement, or cooperate with one another over the heads of the other regional players, such scenarios do not seem especially likely.

A tacit division (such as the one that a Chinese admiral recently suggested, presumably in jest, to his U.S. counterpart) in which China would dominate everything out to the “second island chain” and the United States would pull back to the mid-Pacific or all the way to Hawaii would obviously not be appealing to Washington.¹⁷ Aside from the fact that it would leave the United States’ allies on their own, such a division would not guarantee U.S. access to, or transit through, the most economically and strategically important region in the world. It is true that, at the close of the nineteenth century, Great Britain decided to give way in the Western Hemisphere to a fast-rising United States. By that point, however, the two Anglo-Saxon nations saw themselves as drawn together by their shared commitment to popular government, as well as by a common language and cultural heritage. At the turn of the century Britain also faced pressing strategic challenges closer to home. Pulling the Royal Navy back from the North Atlantic and the Caribbean in order to concentrate on Germany was a gamble, albeit one that paid off in the long run.

It will take time for Washington to work its way free from commitments in Afghanistan and Iraq, the fiscal challenges it now confronts are unlikely to be resolved in the next several years, and the problems of terrorism, proliferation, and Middle East instability will remain preoccupations for the foreseeable future. Still, the United States does not presently face a combination of threats and constraints of sufficient magnitude to compel it to withdraw from Asia. While Washington might choose to do so at some point, such a decision does not appear plausible today. Unless and until China makes the transition to a form of government more closely resembling liberal democracy, no U.S. president is likely to be able to make sweeping strategic concessions to Beijing of the sort that Britain once made to the

¹⁷ In 2008, Admiral Timothy Keating, commander of the U.S. Pacific Command, reported a conversation in which a senior Chinese naval officer suggested drawing a line down the middle of the Pacific: “You guys can have the east part of the Pacific, Hawaii to the States. We’ll take the west part of the Pacific, from Hawaii to China.” Timothy J. Keating, testimony before the House Armed Services Committee, Washington, D.C., March 12, 2008, available at https://www.pacom.mil/speeches/sst2008/080312-hasc-keating_testimony.pdf.

United States. For its part, the Chinese regime as presently constituted will continue to see an ideologically driven United States as posing an enduring challenge to its legitimacy and long-term survival. China is, therefore, unlikely simply to accept with equanimity the indefinite presence of U.S. bases, forces, and allies around its periphery.

The idea that China and the United States, as the biggest regional powers, should somehow “manage” East Asia together has a certain logic to it and is a possibility at which some Chinese interlocutors have hinted in recent years in their informal conversations with U.S. scholars and officials. On the U.S. side a number of observers have raised similar possibilities, albeit in most cases with reference to the formation of a group of two (G-2) that would focus primarily on economic issues.¹⁸ Enthusiasts have suggested a long list of areas in which the prospect of mutual gains might be sufficient to coax Washington and Beijing into putting aside their ideological differences and geopolitical mistrust in order to assume the joint task of regional, and eventually global, leadership.

This step-by-step, issue-by-issue approach appears at first glance to be pragmatic and plausible. Unfortunately, it turns out on closer inspection that in virtually every instance—from North Korea and Iran to counterterrorism, the delineation of exclusive economic zones, climate change, and, increasingly, trade—U.S. and Chinese interests diverge more than they converge. Indeed, ongoing efforts to work together on these problems have produced at least as much friction and frustration as any sense of steady progress and growing harmony. Although it is possible that this could change with the passage of time (and especially if China undergoes a process of domestic political liberalization), for the moment the basis for a true G-2 simply does not exist.

A U.S.-China-India Triangle?

In international politics, triangular systems containing three roughly equal poles have a strong tendency toward instability. The fact that if one power aligns with another the third will be overmatched lends an element of tension, uncertainty, and mistrust to all three sets of bilateral relationships. One party will generally try to put itself in the position of pivot, extracting concessions from its two “suitors” while holding out the

¹⁸ See C. Fred Bergsten, “The United States-China Economic Relationship and the Strategic and Economic Dialogue,” testimony before the Subcommittee on Asia, the Pacific, and the Global Environment, Committee on Foreign Affairs, U.S. House of Representatives, September 10, 2009, <http://www.hcfa.house.gov/111/ber091009.pdf>; and C. Fred Bergsten, “A Partnership of Equals: How Washington Should Respond to China’s Economic Challenge,” *Foreign Affairs* 97, no. 4 (July/August 2008): 57–69.

promise of alignment to both. (The Soviet Union attempted to do this with Nazi Germany and the Anglo-French alliance before the outbreak of World War II, and the United States tried a similar gambit for a brief period in the late 1960s and early 1970s with the Soviet Union and China.) But this is a game that cannot be played indefinitely. Triangles have a tendency to collapse into simpler, two-sided structures.

In the situation now emerging in Strategic Asia, India might be tempted to pursue a policy of equidistance, avoiding overly close alignment with either the United States or China. While there seems little prospect at present of a true Sino-Indian entente, New Delhi could hold out the prospect of maintaining its traditional posture of non-alignment in order to win concessions from Beijing, while at the same time dangling the promise of closer strategic cooperation with Washington. Beijing, meanwhile, might respond by intimating that it is willing to consider an eventual spheres-of-influence arrangement in which it would no longer seek to challenge New Delhi in South Asia in return for an understanding that India would not meddle in East Asia.

There are several reasons to be skeptical that this kind of flirtation would ever amount to much. Based on current trends, Beijing is unlikely to regard India as an equal in ten or even twenty years time. Especially if China has by then managed to head off or contain potential threats from its eastern shores, it will have more resources to devote to the south, making the distribution of effective power with India even more lopsided than it would otherwise be. Beijing may therefore feel little pressure to give New Delhi what it wants. Following a more accommodating course would also involve a major reversal in long-standing Chinese strategy and the abandonment of some substantial commitments and investments. Leaving South Asia to India would require easing back on support to Pakistan and Myanmar and accepting a settlement of outstanding border disputes that many in Beijing would see as leaving China dangerously exposed to Indian meddling in Tibet. Moreover, it is not at all clear what China would gain in return for such concessions. Commitments from New Delhi to limit involvement in East Asia and to forgo actions that might threaten China's use of vital sea lanes across the Indian Ocean could easily be reversed at some point in the future. By contrast, if it were to abandon the positions that presently give China leverage against India in South Asia, Beijing would have a very difficult time in recreating them. China's growing reliance on energy imports from the Persian Gulf and Africa makes an expansion of its activities in the Indian Ocean seem far more plausible than a willing contraction. For its part, an ever more powerful India will probably be less inclined to tolerate

what it regards as Chinese intrusions into “its” region and more willing, and better able, to oppose such actions in various ways.

The problem for India is that drawing closer to China is unlikely to win the kind of concessions New Delhi wants but could very well limit the kinds of cooperation (on technology, trade, and intelligence-sharing) that it needs from the United States. On the other hand, in addition to Indian concern over the continuing growth of Chinese power, other, more positive factors are already inclining India to lean toward the United States (or, rather, are causing the two to lean toward one another). Among these factors are growing economic, educational, and familial links between the two societies; common concern over Islamist terrorism; and the somewhat belated recognition of the depth of the two nations’ shared commitment to democratic values.

After eight years of priority treatment from the United States, some in India now worry that the Obama administration is less committed than its predecessor to cultivating a new “special relationship.”¹⁹ There are also a number of important issues on which the two countries differ and could collide, including Iran’s nuclear program, strategy for Afghanistan, and climate change. Such differences could impose limits on how far and how fast cooperation can progress, but they are unlikely to throw relations into reverse. The underlying forces of attraction between the two countries now appear strong enough to hold them together, regardless of the ebb and flow of policy. In the years ahead it is more likely that the United States and India will become closer to one another than that either will draw close to China.

Chinese Hegemony?

The extension of American preponderance in Asia would come as a surprise to many people. The emergence of China as the dominant power in East Asia, if not the entire region, would not. A recent Chicago Council on Global Affairs poll of public opinion in Japan, South Korea, Indonesia, and Vietnam found, for example, that large majorities of those questioned expect Beijing to become “the leader in Asia,” though what this means and when it is anticipated are not clear from the survey data.²⁰ The fact

¹⁹ See, for example, G. Parthasarathy, “The Axis of Grudging Cooperation,” *Wall Street Journal*, May 4, 2010, http://online.wsj.com/article/SB10001424052748704608104575221303790430846.html?mod=wsj_india_main; and Sumit Ganguly, “America’s Wounded Ally,” *Newsweek*, April 2, 2010, <http://www.newsweek.com/2010/04/01/america-s-wounded-ally.html>.

²⁰ “Soft Power in Asia: Results of a 2008 Multinational Survey of Public Opinion,” Chicago Council on Global Affairs and East Asia Institute, 2008, 5, http://www.thechicagocouncil.org/UserFiles/File/POS_Topline%20Reports/Asia%20Soft%20Power%202008/Chicago%20Council%20Soft%20Power%20Report-%20Final%206-11-08.pdf.

that other surveys show that China is viewed less favorably than in the past, while attitudes toward the United States are generally improving, suggests that the prospect of a transition in regional leadership is viewed with some concern.²¹

In order for China to displace the United States as the pole around which Asia is organized, several things would have to happen. First, and most obviously, Beijing would need to find a way to sidestep all the various obstacles just identified and continue on its path of rapid economic and military expansion. Second, the United States would either have to choose or be compelled against its will to withdraw substantially from the region, pulling back its forward-based forces and allowing its alliances and quasi-alliance relationships to be dissolved or drained of any real strategic significance. Third, Beijing would need to find ways to prevent the other regional actors from joining together in the absence of the United States to form a countervailing coalition capable of balancing China's power and challenging its influence.

While it might seem implausible that all these conditions could be achieved simultaneously, they may turn out to be linked in ways that would make them mutually reinforcing. Suppose that China is able to sustain its rapid growth while the United States struggles economically in the wake of the recent financial crisis and remains bogged down in costly counterterrorism and counterinsurgency operations in Southwest Asia, the Middle East, and Africa. Public opinion polls already show more support for disengagement, if not outright isolationism, than at any time since the end of the Vietnam War. The American people are wary of China, but they give no indication of wanting to enter into a costly arms race or to compete with China for influence in Asia. To the contrary, they seem at present far more inclined toward tending to their own problems than going out into the world seeking dragons to slay.²²

For the most part, American business, academic, and government elites remain optimistic about the prospects for eventual political liberalization in China. Partly for this reason, they are deeply committed to sustaining the best possible relationship with China and to avoiding measures that might provoke Beijing unnecessarily. Not surprisingly, a key element of Beijing's strategy in recent years has been to do everything possible to encourage

²¹ See "Opinion of the United States," Pew Research Center, Pew Global Attitudes Project, Key Indicators Database, 2009, <http://pewglobal.org/database/?indicator=1&group=7>; and "Opinion of China," Pew Global Attitudes Project, Key Indicators Database, 2009, <http://pewglobal.org/database/?indicator=24&group=7>.

²² "America's Place in the World 2009," Pew Research Center, December 3, 2009, 1–3, <http://people-press.org/reports/pdf/569.pdf>. The report finds that 53% of the American public sees China as a "major threat," compared to only 21% of members of the Council on Foreign Relations.

these attitudes and the policies that follow from them. Absent a galvanizing crisis of some kind, Washington is unlikely to assume a markedly more competitive posture toward China, even as the relative power of the United States continues to erode.

Under these conditions, at some point policymakers in Washington might conclude that Chinese regional preponderance is inevitable and that the best option for the United States is to accept reality and accommodate to it. Realizing (or perhaps anticipating) that U.S. help can no longer be counted on, one or more of the local powers might decide that the best option is to follow suit. The loss of potential balancing partners could have a cascading effect, as one nation after another tries to hop on China's bandwagon.

Some analysts have suggested in recent years that East Asian nations are culturally predisposed toward bandwagoning and may therefore find it easier than many Westerners would expect to accept Chinese preponderance.²³ Whether or not this is the case (and the early evidence of balancing behavior on the part of many countries in the region would seem to call such sweeping assertions into question), there is no reason to believe that Asian decisionmakers are any less rational than their counterparts in other parts of the world. If balancing appears fruitless, and possibly dangerous, it should come as no surprise that many will opt for bandwagoning instead.

While a coalition of Asian nations may attempt to balance against China, without help from the United States the prospects for success do not look especially good. The combined GDPs and military capabilities of India, Russia, Japan, South Korea, Australia, and perhaps Indonesia and Vietnam look impressive on paper, but actually melding them into a strategically significant whole would be extremely difficult. The geographical separation of the major players from one another would make it hard for them to coordinate their actions for purposes of mutual defense. And, unless all perceived an intense and imminent threat from China, the likely divergence of their interests on other matters would stand in the way of forming a united front. As in its dealings with the United States, Beijing would take care to avoid antagonizing its Asian neighbors, or at least antagonizing all of them simultaneously. To the contrary, a clever diplomatic strategy would aim to divide potential enemies from one another by offering inducements to some while intimidating others in ways designed to demonstrate the emptiness of any promises of mutual defense.

If this approach were to succeed, the end result of a "divide and conquer" strategy might be an inverted version of the U.S.-centered hub-and-spokes

²³ This possibility is suggested in Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon and Schuster, 1996), 218–38. For an elaboration, see David C. Kang, *China Rising: Peace, Power, and Order in East Asia* (New York: Columbia University Press, 2007).

arrangement, this time with China at the center and the other regional players (including Japan, South Korea, India, Australia, and Russia) maintaining amicable, but strategically detached, relationships with one another. In such circumstances, China might not be able to exert positive control over its neighbors, but it would have considerable influence over all of them and perhaps an effective veto over the policy choices of some. In addition to deterring attacks, threats, or other actions deemed contrary to its interests, Beijing would be in a strong position to persuade or coerce others to accede to its wishes on issues ranging from trade and investment, to alliance and third-party basing arrangements, to the treatment of ethnic Chinese populations, and, at least in the case of some of its closest neighbors, to the character and composition of their governments.

A Continental-Maritime Divide?

Without active U.S. participation, the balance of power in Asia is unlikely to remain balanced. Instead of stable multipolarity, or a post-polar regional system bound together by strong multilateral institutions, what is likely to emerge in the wake of U.S. disengagement is some form of Chinese hegemony. Conversely, if China's wealth and power continue to grow, the United States will find it increasingly difficult to provide an adequate counterweight without the vigorous support of friends and allies.

If China continues to rise but its regime does not change, and if the United States remains engaged in Asia, relations between the two powers are likely to become increasingly competitive and contentious rather than more cooperative. As China's power increases, so too will the sphere of its interests. Like other rising powers of the past, China will seek to reshape the regional and global orders in ways that better reflect its preferences and serve its needs. The United States, for its part, is likely to push back and to encourage others to do the same rather than give way before a power that it sees as hostile to its own liberal democratic vision for Asia and the world.

Instead of being dominated by Beijing or overseen by a Sino-American condominium, Asia could thus be divided into two camps. On the one hand would be a grouping of continental nations physically contiguous to, and strategically centered on, China. Most of these countries would be economically dependent on and comparatively weak in relation to the PRC, and each would have its own form of authoritarian government. Included in this coalition would be North Korea, Russia, Kazakhstan, Kyrgyzstan, Tajikistan, Pakistan, Myanmar, Laos, and possibly Vietnam. On the other side would be a group consisting primarily of liberal democracies; aligned with the United States; physically separated from China by oceans, mountains,

or intervening territory; and with a largely maritime orientation. Among these countries would be Japan, South Korea, the Philippines, Indonesia, Australia, Singapore, Thailand, India, and possibly Mongolia.

As noted in the first volume of the *Strategic Asia* series, the outlines of such a structure were already visible at the turn of the century. This final scenario would thus involve the playing out of current trends. Depending on how events unfold (and depending, in particular, on the course of Sino-American relations), the degree of polarization between the continental and maritime groupings—and the extent to which their members coalesce—could vary considerably. At one extreme would be something resembling a new Cold War, with the United States and China sharply at odds with one another, and each trying to bind its friends into a more tightly integrated coalition. At the other extreme, relations within and between the two coalitions could remain highly fluid, even to the point that the distinction between them might begin to disappear. A general mellowing in U.S.-China relations, resulting from a liberalization of the latter's domestic politics, would likely be accompanied by the dissolution of any continental-maritime divide.

Assuming a continuing, and perhaps mounting, measure of tension and rivalry between them, Washington and Beijing may both try to weaken each others' nascent coalition, by neutralizing or peeling away one or more coalition members. China seems already to be attempting this in its relations with South Korea, Thailand, Australia, India, and now Japan. The United States may eventually respond by wooing Vietnam and, if Moscow's anxieties about Chinese expansionism continue to grow, Russia as well. While in all but the most dire circumstances these states would continue to trade and talk with one another, the members of the two coalitions would also engage in intelligence-sharing, joint weapons development programs, and military exercises meant to enhance their collective ability to threaten or use force. The resulting patterns of interaction within and between the two groups of nations could come eventually to resemble those among the great powers of Europe in the nineteenth and early twentieth centuries—not an entirely comforting thought for those who know their history.

Conclusion

No student of geopolitics should be surprised by the conclusion that the future shape of Strategic Asia will be determined in large part by the power and preferences of its two biggest players. If China fails to fulfill its potential, the United States will remain dominant in at least the eastern portion of this vast domain. If the United States stumbles, on the other

hand, the chances of Chinese hegemony will grow. If both powers remain strong and engaged, Strategic Asia will likely be split along geographic and ideological lines.

The probability of other scenarios will depend on factors that lie outside the realm of normal geopolitical calculation. It is much easier to imagine the United States and China (or the United States, China, Japan, and India) collaborating to keep order in Asia if all share the same democratic values and institutions. Similarly, an East Asian community modeled on the EU is more likely if China liberalizes than if it does not. With all that has transpired in the interim, this prospect appears no closer today than it did ten years ago.

