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Concluding Session - Recommendations

Prof. Dr. Robert Sutter
George Washington University
Washington DC, USA

Recommendations for U.S. Policy in an Uncertain Asia-Pacific Security Environment

Robert Sutter

Developments in the Asia-Pacific region, leadership change in China, possible leadership change in the United States and other trends fed into a wide ranging discussion and debate on how American policy makers, among others, should view the outlook in the Asia-Pacific region, what it means for U.S. policy interests, and what appropriate steps the United States should take to best protect and foster its interests.

The fragile positive equilibrium in Sino-American relations in the Asia-Pacific region in the 21st century seemed challenged as a result of the Obama administration's strong diplomatic, security and economic initiatives under the rubric of "re-engagement" or "pivot" to the Asia-Pacific. The initiatives showed U.S. intention to compete more actively with China in pursuit of U.S. interests in the region, though major questions remained. There was uncertainty about the precise scope and impact of the new U.S. efforts. The sustainability of the American plans seemed questionable, notably within a restricted U.S. government budget environment; and the actual implications for China and its interests in the region were unclear to Chinese observers and others.

Further clouding the outlook was the U.S. presidential election where Republican candidate Mitt Romney, while promising a strong defense of U.S. interests in relations with China, appeared reluctant to endorse the Obama government's plan. In China, meanwhile, the outgoing leadership sought to stabilize relations with the United States in its final year culminating with leadership transition in 2012. This effort followed a series Sino-American difficulties and frictions in 2009-2010 caused by perceived assertive Chinese initiatives focused in the Asia-Pacific region and American interests there. Whether the incoming Chinese leaders would be willing and able to sustain the emphasis on stability or would return to the friction and truculence seen in China's earlier initiatives remained unclear.

The U.S.-China Security Dilemma and Competition in the Asia-Pacific Region

The conference discussion showed that U.S. and Chinese views of regional security are influenced by an underlying security dilemma. The essence of a security dilemma is that the more one state arms itself to protect from other states, the more threatened

those other states feel, and the more prone they are to arming themselves to protect their own national security interests. The dilemma is present even if a state is arming only for defensive purposes; it is rational in a self-help system to assume the worst about an adversary's intentions and to keep pace in any arms build-up.

In Asian areas surrounding China, this mindset implies that as China increases its ability to defend itself from attack, notably from maritime areas long dominated by the United States, the security situation for Taiwan, Japan, South Korea and many countries in Southeast Asia seemingly gets worse. For the bilateral U.S.-China relationship, and especially the troubled military to military exchanges between the two countries and the different approaches taken by the United States and China over disputes on the Korean peninsula and in the South China Sea that were featured at the conference, this dilemma involves serious questions.

In particular, how can China defend its very important security and sovereignty interests involving Taiwan, the Korean peninsula and territorial claims in the East and South China Sea without compromising the U.S. ability to honor its wide-ranging security obligations in the region? In short, the security interests of each country overlap. Through a long series of efforts culminating most recently with the Obama government's "rebalancing" or "pivot" to the Asia-Pacific, the United States seeks to protect its allies and associates and related interests in the same areas where China is seeking to protect its coastal waters and key security and sovereignty interests involving Taiwan, the Korean peninsula and territorial claims in the Yellow, East and South China Seas.

Against this background, circumstances prompting the Obama government's security and other initiatives in the Asia-Pacific included a series of Chinese actions in 2009-2010 widely seen in the United States, the Asia-Pacific region and elsewhere as assertive and truculent in defending Chinese claims in the South China Sea, the East China Sea, the Yellow Sea, and in opposition to U.S. policies regarding Taiwan, Tibet, and management of the American and international economy. The U.S. initiatives under the rubric of rebalancing included strengthening the U.S. military presence in the Asia-Pacific, using diplomacy, military ties and other means to support regional governments at odds with China over territorial issues, and employing economic initiatives, notably the U.S.-backed free-trade plan, the Trans Pacific Partnership, to compete for influence with China and its preference for less demanding Asian free trade arrangements that would exclude the United States.

Longer-term recommendations amid growing problems in U.S.-China relations

The conference deliberations featured two longer term sets of recommendations that were in conflict. One set laid out the argument that the United States needed to respond to what was viewed as an increasingly powerful and “more forceful” and “assertive” China with prolonged and strong military and other countermeasures designed to show China that forceful and assertive Chinese initiatives will meet with resistance very costly for China’s overall national interests. The aim of U.S. policy in this case is to sustain strong regional leadership and thereby deter Chinese actions that would destabilize the region as a result of Chinese intimidation and coercion.

The other set of longer term recommendations argued that it was very dangerous to allow what was seen as an ongoing and deepening drift toward Sino-American strategic competition. China’s rise is seen as too powerful to be managed by the United States and its associates using existing arrangements; China’s rise has made U.S. leadership in Asia obsolete; China will soon overwhelm existing constraints. Rather than engage in costly and increasingly ineffective deterrence and restrictions, the United States and its partners should accommodate China, leading to a smooth running and peaceful Sino-American arrangement shaping Asian affairs into the 21st century.

Against the background of these conflicting sets of longer term recommendation for U.S. policy, the conference discussions tended to focus more on the problems and shortcomings in recent Sino-American relations. The conference presenters made clear that military to military ties have been the weakest link among the array of dialogues between the two countries, with U.S. and Chinese officials coming to the talks with different and often conflicting goals and mindsets influenced by the deepening security dilemma between the two powers.

The conference presentations dealing with recent trends in North Korea and U.S and Chinese relations with North Korea showed that the common ground that had previously been evident between the United States and China over how to deal with North Korea had eroded. Sino-American cooperation in the six party talks was a thing of the past as the talks were now moribund. As China endeavored to consolidate its relationship with the newly installed North Korean leadership determined to pursue nuclear weapons development, the gap between the United States and China over how to deal with North Korea widened substantially.

The conference presentations on the South China Sea showed that issues in this area have emerged with new prominence as a point of disagreement and possible confrontation between the United States and China. Notably, the crisis that developed

over two months in Spring 2012 saw Chinese maritime security forces facing off against Philippine security forces over fishing grounds claimed by both powers. The Philippines officials appealed for assistance from their American ally under terms of the defense treaty of 1951. The United States responded with pledges of increased military supplies and support and conducted long planned military exercises with the Philippines armed forces; it avoided taking a position on the disputed territory. The crisis came against the background of ongoing disputes between China and Vietnam over South China Sea claims at a time when the United States and Vietnam were expanding military cooperation and exchanges; and it came against the background of disputes in the ASEAN Regional Forum and other regional groupings where China and the United States were on opposite sides in deliberations on how to deal with South China Sea disputes.

These negative developments added to the ongoing drift perceived by Chinese and other conference participants toward poorer relations between the United States and China characterized by an absence of strategic trust between US and Chinese officials and growing competition over trade issues and political values as well as security issues in Asia.

Reasons to stay the course, avoid major change in existing U.S. policy

Despite the calls for longer term change in U.S. policy and emphasis on the negatives in existing American relations with China, the conference deliberations also reflected important positives in the current U.S.-China relationship and other circumstances that argued against significant change in existing American policy. The positive elements governing the relationship included:

- Neither side sought confrontation or conflict with the other in the Asia-Pacific or elsewhere. The Obama government recognized that the success of its rebalancing initiatives in Asia depends on support from Asia-Pacific countries that appreciate U.S. efforts to deter Chinese intimidation and coercion but also call on the United States to do so in ways that preserve regional stability and avoid conflict or serious tension in U.S.-Chinese relations.
- The U.S.-Chinese differences over North Korea and seas along China's periphery pale in comparison to the importance of the so-called Taiwan issue. It was clear at the conference that developments in Taiwan are seen by both the United States and China as moving in a positive direction under the moderate policies of recently re-elected president Ma Ying-jeou

- The scope and depth of the dialogues and engagement between U.S. and Chinese officials have become unprecedented and welcomed by both governments.
- Military exchanges may be the weakest among the Sino-American dialogues but they are on the upswing.
- That the dialogues and other exchanges reduce prevailing “distrust” between Chinese and U.S. officials was graphically evident as China relied on the United States to handle discreetly the revelations of Chongqing security officer Wang Lijun to U.S. officials in February that led to the removal from power of Politburo Member Bo Xilai in March 2012; and was evident again when U.S. and Chinese officials dealt in several rounds of talks that ultimately resulted in prominent dissident Chen Guangcheng being allowed to depart China with his family for the United States.
- Interdependence, especially economic interdependence, is growing between the two powers. As discussed at the conference, Japanese and European economic weaknesses add to reasons for the United States and China to seek closer cooperation on economic matters. The competing regional free trade agreements (the U.S. backed Trans Pacific Partnership and the Chinese-backed China-Japan-South Korea FTA) nonetheless converge in promoting greater economic openness in the region that is very much in the interests of the United States and also seems in China’s overall interests.
- Both sides’ leaders remain focused on internal matters. The Chinese leadership has sought to stabilize relations with the United States during this period of leadership transition where emerging Chinese leaders coming to power in late 2012 are seen as unlikely to take significant steps in foreign affairs until they have consolidated their leadership position over the course of their first year(s) in power. China faces major internal problems that are hard to measure with precision but which overall clearly preoccupy Chinese leaders. They include weak leadership legitimacy, corruption, widening income gaps, widespread social turmoil, highly resource intensive economic development, environmental damage, and slowing reform of an economic model seen as unsustainable. In the United States, if Governor Romney is elected president in November, his ability to follow through with a pledged harder posture toward China on trade and other issues likely will be overshadowed by looming crises in U.S. government spending and the slow American economic recovery.

The longer term recommendations offered at the conference seem less than suitable in part because they are in conflict. In addition, while American military preparations seem prudent in the face of China’s rising military capabilities and demonstrated

dissatisfaction with existing circumstances around its periphery, American partners in the region expect such U.S. efforts to be done discreetly and in ways that employ a multitude of political, economic and military measures that stabilize the region, integrate China, and foster steady and favorable American-Chinese relations.

Meanwhile, it was made clear in the conference deliberations that a dramatic shift toward American accommodation with China would sacrifice not only America's position as the security leader in the Asia Pacific but also would weaken and compromise the U.S. backed-international economic norms and political values that so many in the West and in the Asia-Pacific have come to depend on. Also, given the domestic uncertainties that are the foundation of China's rise along with China's complicated and encumbered relationships with so many states in the Asia-Pacific, it seems much less than certain that China's rise actually will be so successful that it will require the American change in course and major sacrifices called for in this set of recommendations.

On balance, an appropriate set of recommendations for the very mixed American relationship with China in the Asia-Pacific under current circumstances seems to focus on a continuation of the wide ranging positive engagement along with carefully managed growing areas of economic, political and security competition. The engagement in the very active sets of Sino-American dialogues serves as a shock absorber to allow for sensible and pragmatic approaches to crises as they emerge. Formal and informal confidence building measures can be developed in these venues. There also is room for a widening array of dialogues and discussions on a track II level such as the Berlin Conference on Asian Security that deepen understanding and mutual respect and provide for greater confidence building on the part of Chinese and American specialists and those from other world powers.

At bottom, one can have some degree of confidence in seeking improvement on the margins while foreseeing that the overall positive stasis in Sino-American relations is likely to be sustained for the next year or two for the following reasons:

- Both the U.S. and Chinese administrations benefit from positive engagement in various areas.
- Both administrations see that the two powers have become so interdependent that emphasizing the negatives in their relationship will hurt the other side but also will hurt them.
- Both leaderships are preoccupied with a long list of urgent domestic and foreign priorities; in this situation, one of the last things they would seek is a serious confrontation in relations with one another.