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Discussion Paper

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China's Asia Strategy :

Seven Questions for the United States Concerning China's Role in Asia

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For more than half a century the relationship between the United States and People's Republic of China has been a central defining feature of the Asian geopolitical order. During this period, the Sino-American regional relationship has passed through phases of confrontation (1949-72), coexistence (1972-1979), quasi-condominium (1979-1982), cooperation (1982-1989), strain and confrontation (1989-1996), aspiring strategic partnership (1997-2000), more strain (2001), and strategic competition mixed with cooperation (2001-present). While other actors (Japan, ASEAN, Australia, India) play their own roles on the regional stage today, it can be argued that the U.S.-China strategic relationship has become *the central feature* of Asian international relations today. The state of Sino-American relations—cooperative, competitive or conflictual—will have a defining impact on international relations in Asia.

This is largely because over the past decade China has asserted itself proactively in all dimensions of regional relations—diplomatically, economically, technologically, culturally, normatively, and in security/military affairs. As Beijing has done so, it has necessarily challenged many elements of the preeminence of the United States (and its alliance-based system) in the region—a challenge that has come about not necessarily because Beijing offers an alternative vision or system to that of the United States, but simply through the totality of China's regional presence. For its part, the U.S. has abdicated some of its previous leadership through its preoccupation with the “war on terror,” invasion and ongoing military campaigns in Iraq and Afghanistan, and focus on Middle East diplomacy. As a result, China has quietly moved to fill the vacuum left by American distraction elsewhere, resulting in more equal distribution of geopolitical influence between Beijing and Washington.

This year's BCAS conference offers a useful opportunity to take stock of China's regional rise and how other nations in Asia view it, how they are reacting, and what it means for the emerging regional order. This is not the first such attempt to gauge this subject, as several important monographs and articles have appeared in recent years,¹ but it offers a fresh opportunity to revisit the issue from a more multinational perspective (including, importantly, European views). My own contribution focuses on American responses to the rise and roles of China in Asia.² While there have also been a number of

¹ A partial bibliography includes Robert Sutter, *China's Rise in Asia: Promises & Perils* (Lanham, MD: Rowman & Littlefield, 2005); David Shambaugh (ed.), *Power Shift: China & Asia's New Dynamics* (Berkeley: University of California Press, 2005); David Shambaugh, “China Engages Asia: Reshaping the Regional Order,” *International Security*, vol. 29, no. 3 (Winter 2004-2005), pp. 64-99; David Kang, *China Rising: Peace, Power, Order in East Asia* (New York: Columbia University Press, 2007); Bates Gill, *Rising Star: China's New Security Diplomacy* (Washington, D.C.: Brookings Institution Press, 2007); Robert Ross, “Balance of Power Politics and the Rise of China: Accommodation and Balancing in East Asia,” *Security Studies*, no. 15 (Fall 2006), pp. 355-395; William W. Keller and Thomas G. Rawski (eds.), *China's Rise and the Balance of Influence in Asia* (Pittsburgh: University of Pittsburgh Press, 2007); Ryosei Kokubun and Wang Jisi (eds.), *Rising China and a Changing East Asian Order* (New York: Japan Center for International Exchange, 2004); Alastair I. Johnston and Robert S. Ross (eds.), *Engaging China: The Management of an Emerging Power* (London: Routledge, 1999).

² I am grateful to Robert Sutter and Roy Kamphausen for helpful comments on an earlier draft.

published contributions on this subject,³ as well as some broader assessments of the evolving Asian order and place of the United States in it,⁴ I will not attempt to summarize these other views in this essay. Rather, I frame the analysis around a set of seven questions for the United States—and try to synthesize the predominant viewpoints while offering my own assessments.

Question 1: Does China seek to exclude the United States from Asia and become the dominant regional power?

While Chinese officials and experts have often exhibited discomfort with the dominant American role in Asia, China has also benefited directly from it in several crucial respects: the strategic stability provided by the United States and its alliance-based “hub-and-spokes” system; maintenance of open sea lanes of communication (SLOCs) by the U.S. Navy (USN); the open U.S. market and investment. In all of these ways, the United States has provided the “public goods” that have contributed to no small degree to China’s explosive economic growth and security over the past quarter century. Beijing has also recognized the positive role Washington can play in defusing certain regional “hot spots” that endanger Chinese national interests—such as the Cambodian and North Korean crises.

Beginning at the ASEAN Regional Forum (ARF) Annual Meeting in Hanoi in 2001 and over subsequent years, various Chinese officials have also offered reassuring public and private statements to visiting U.S. officials to the effect that “China welcomes the U.S. role in Asia,” “China recognizes the important interests the U.S. has in Asia,” “The United States plays a positive role in Asia,” etc. While these official statements are infrequent and guarded, they are still useful and reassuring. However, what has *not* been said publicly or unambiguously by *any* Chinese official is that “China welcomes the U.S. alliances and *security* presence in the Asia-Pacific region.” American officials have often mistakenly misread the general statements above to be an endorsement of the U.S. security presence in the region—while this has not, in fact, been said. China clearly still has a great deal of ambivalence at best, or outright opposition at worst, to the U.S. security presence in the region. Such sentiments became explicit in the 1997-1998 timeframe when various Chinese civilian and military officials toured the region calling for the abrogation

³ See for example, Robert Sutter, *China’s Rise: Implications for U.S. Leadership in Asia* (Washington, D.C.: East-West Center Policy Studies, No. 21, 2006); “China’s Rising Influence in Asia: Implications for U.S. Policy,” *Strategic Forum*, no. 231 (Washington, D.C.: Institute for National Security Studies, National Defense University, 2008); Evan Feigenbaum, “China’s Challenge to Pax Americana,” *The Washington Quarterly*, vol. 24, no. 1 (Summer 2001);

⁴ See Jonathan Pollack (ed.), *Asia Eyes America* (Newport, RI: Naval War College Press, 2007); David Shambaugh and Michael Yahuda (eds.), *The International Relations of Asia* (Lanham, MD: Rowman & Littlefield, 2008); Morton Abromowitz and Stephen Bosworth, *Chasing the Sun: Rethinking American East Asia Policy* (New York: Century Foundation Press, 2006); Aaron Friedberg, “Ripe for Rivalry: Prospects for Peace in a Multipolar Asia,” *International Security*, vol. 18., no. 3 (Winter 1993/1994), pp. 5-33; Aaron Friedberg, “Will Europe’s Past be Asia’s Future?” *Survival*, vol. 42, no. 3 (Autumn 2000), pp. 147-160.

of all alliances and the adoption of a “New Security Concept.” Such statements were not welcomed by many Asian governments—allies and non-allies alike—and they told Beijing so bluntly. Thereafter, such rhetoric was halted publicly and even muted privately in Chinese international relations publications.

Beyond rhetoric, there is not much, if any, evidence in recent years of China working to exclude the U.S. from the region. Beijing is not building counter-alliances or counter-coalitions against the U.S.—if anything, it has sought to strengthen its own bilateral relations with U.S. allies and all nations around its periphery (see below), thus undermining (in some cases) Washington’s previously exclusive relationships.

Even if China is not fully comfortable with the U.S. presence in Asia, there is little Beijing can do about it—as other nations throughout the region seek a robust and continued American security, diplomatic, economic, and cultural presence in the region. No Asian nation wishes the United States to either withdraw from, or be forced out of, Asia.

Question 2: Is China’s regional diplomacy undermining America’s bilateral relationships and alliances?

This is a matter of debate in the United States. Some scholars who served in the Bush administration argue that America’s bilateral relationships in Asia remain sound and strong and are not compromised by China’s improved relations across the region.⁵ This is also the official view of the Bush administration (Deputy Secretary of State John Negroponte).⁶ Some other prominent scholars argue that, when viewed comparatively, America’s regional relationships are much stronger than China’s bilateral ties in the region. Some argue that Asian nations are themselves seeking to strengthen ties with Washington as *they* seek to “hedge” against China. Other scholars argue that whether or not Asian states hedge against China, the United States should do so because the larger strategic balance in Asia requires that the U.S. “balance” China. Other scholars go even further arguing that the United States must maintain absolute dominance over China and not permit China to become a “peer competitor.” Other scholars (including this observer) see America’s bilateral relationships and overall reputation in the region as weakened under the Bush administration, with four of the five alliances (except the U.S.-Japan alliance) being strained and its general reputation tarnished. Such strain has come about mainly for reasons other than China, because of the global nature of U.S. foreign policy under the Bush administration, but I also believe that the counter-China “hedging strategy” has placed unnecessary pressure on key allies (especially Canberra and Seoul). Other scholars see China’s regional diplomatic offensive as having undermined America’s bilateral relations, as these countries prefer Beijing to Washington. Still others argue that

⁵ See for example, Victor Cha, “Winning Asia: Washington’s Untold Success Story,” *Foreign Affairs* (November/December 2007).

⁶ See John D. Negroponte, “U.S. Policy in Asia: Meeting Opportunities and Challenges,” speech at the Brookings Institution, July 28, 2008, available at: <http://www.state.gov/s/d/2008/107500.htm>.

there need not be a zero-sum competition between Washington and Beijing for regional influence, but that there can be positive-sum cooperation among the two powers and regional states.

Thus, there exist a range of views among American scholars of Asian international relations. The majority believe that China has not stolen a march on America in Asia, and that U.S. bilateral ties remain strong—even if relatively weakened compared with a decade ago. Beijing’s and Washington’s bilateral ties with other Asian states need not be competitive or zero-sum, as it is quite natural and appropriate that each has a strong set of relationships throughout the region. As long as there is no overarching strategic competition between the two, bilateral ties can be pursued respectively in their own right rather than as part of a competitive dynamic.

Question 3: Is China’s multilateral diplomacy in Asia a challenge to the United States?

Where Beijing’s behavior has run more counter to U.S. interests is in regional multilateral groupings, where Beijing has often adopted an “exclusive” rather than “inclusive” posture, i.e. seeking to admit members that are geographically confined to East and Central Asia. The East Asia Summit (EAS) and Shanghai Cooperation Organization (SCO) are prime examples. It must also be said, however, that Washington has not actively sought membership in these organizations and has not undertaken the necessary conditions for membership (e.g. signing the ASEAN Treaty of Amity and Cooperation).

Even in the multilateral institutions where the U.S. and China are both members, the American role has been considerably more passive in recent years (APEC excepted)—thus it can be argued that Washington is *isolating itself* in regional multilateral institutions (intergovernmental and Track II) through passive participation while Beijing is more proactive. It has been the case during the Bush administration that the U.S. Government departments (State and DOD in particular) have demonstrated a reticence and impatience with ASEAN-inspired regional organizations in particular, dismissing them as “talk shops” that are preoccupied with process over substance and have poor, if any, enforcement mechanisms. This penchant has changed somewhat, for the better, during the second Bush term—but the overall impression throughout Asia is that the United States is disinterested in regional multilateral institutions.

So, while Beijing *has* sought to exclude the United States from certain regional groupings, it is also the case that Washington’s own ambivalence and passivity has contributed to a shifting “balance of influence” in regional multilateral institutions. Where Beijing has sought to “bind Washington in,” and where the U.S. has been far more comfortable, is in *multinational*—as distinct from *multilateral*—groupings. These are groups of nations (“coalitions of the willing”) that work together on existing problems, but are (a) selective and exclusive in their membership, and (b) non-institutionalized. The classic example is the Six Party Talks over North Korea’s nuclear weapons program.

Question 4: Is China's economic position and power in Asia a threat to the United States?

As the East Asian economies are highly interdependent and globalized, it is misleading to conceive of U.S.-China economic relations in zero-sum competitive terms. To be sure, China's economic footprint in the region has magnified significantly over the past two decades, yet today 27 percent of China's total global trade is intra-regional (down from nearly 50 percent 7-8 years ago). Of this, nearly two-thirds are imports of raw materials or semi-finished goods from regional suppliers for final assembly in, and export from, China. Nonetheless, the Asian production chain is now increasingly centered on China. China is also the world's second largest recipient of FDI (after the United States) and approximately two-thirds of this originates in Asia.

To some extent, it could be argued that the increased concentration of East Asian imports into China that are re-exported from China to the United States, contributing to the massive trade surplus on China's part, is an economic threat to the U.S. But when one examines the profile and composition of total U.S. commodity trade with East Asia, the U.S. still maintains an edge in volume and value. Besides, many of the exports from China to the U.S. are from U.S. multinationals operating in China.

Nonetheless, for many countries in East Asia—including the U.S. allies Australia, Thailand, and South Korea—China has replaced the United States as their leading trading partner. There *has* been a shift in the economic balance of power. But this primarily reflects the realities of intra-regional processing trade and the comparative advantage of China's low-end manufacturing goods. In fact, U.S. exports to the region, and to China specifically, have been growing at a healthy pace in the past three years. China is now the fastest growing market for U.S. exports in the world.

While China's economic heft is impressive, it must be kept in perspective. Japan remains, by far, the economic giant of the region and is the world's second largest economy. Japan's \$4.5 trillion annual economic output is 37 percent that of the United States—representing nearly 50 percent of *all* Asian countries together—while China's annual GDP is half of Japan's (\$2.2 trillion). Japan accounts for 51 percent of East Asian GDP, while China accounts for 21 percent, South Korea 7 percent, and all other nations less than 5 percent. When regional investment patterns are examined, China's role is uneven: it remains the largest recipient of FDI, but is a minimal exporter of capital to East Asia (only about \$2 billion per year). Thus, while China has become the center of the production chain in East Asia and a significant engine of regional growth, its overall economic footprint and impact should not be exaggerated. It is certainly not a "threat" to the United States. The American economy continues to dwarf China's and U.S. comparative advantages in several key sectors (both innovation and production) will continue to outstrip China's capacities for a number of years to come.

Question 5: Is China's soft power in Asia a challenge to the United States?

Much has been made of China's increased "soft power" and influence in Asia, at the same time that America's is often said to have declined. Yet, a recent unprecedented survey of "Soft Power in Asia" conducted by the Chicago Council on Global Affairs suggests otherwise.⁷ In a survey of more than 2000 respondents each in the U.S., Japan, South Korea, China, Vietnam, and Indonesia, the survey measured five indexes of soft power: economic, cultural, human capital, diplomatic, and political—which were combined to form a composite Soft Power Index.. The survey results found that U.S. soft power scored surprisingly well across a series of indicators, while China's was surprisingly weak. The United States ranked at or near the top of every category in the Soft Power Index. China trailed the U.S. in perceptions of its diplomatic, political, and human capital power in Asia, though perceptions are more positive in Southeast Asia than in Northeast Asia. While the survey found much respect for China's traditional culture and economy, there was very little respect for China's political system, rule of law, human rights, society, environment, popular culture, and educational system. The United States, by contrast, scored very well in each of these categories.

Thus, perhaps a distinction is to be made between the success of China's regional diplomacy and its soft power. Beijing scores very high on the former, but not on the latter. Chinese diplomacy is seen as engaged, cooperative, and respectful, Chinese diplomats are fluent in local languages and get out into the societies where they are posted—while U.S. diplomacy is seen as distracted and often absent in Asia, and its diplomats are often political appointees with little knowledge of the countries where they serve. Even the architecture of embassies is symbolic—China has built stylish and modern new facilities across Asian capitals, while the U.S. reconstructs its embassies as impenetrable fortresses. China has scholarships to hand out to its universities (80 percent of the 190,000 students in Chinese universities in 2007-2008 academic year come from Asian countries), is establishing Confucius Institutes across the region, while more than four million Chinese tourists now visit other Asian countries every year. Chinese aid (ODA) in Asia is given to the neediest countries (Laos, Cambodia, North Korea, Myanmar, Bangladesh, Indonesia, East Timor)—while U.S. aid to these countries is minimal, the total number of Asian students in U.S. universities has dropped since 2001, and U.S. public diplomacy efforts are severely under resourced and not well-keyed to local societies. The sheer intensity and frequency of diplomacy is also striking: Chinese leaders meet monthly with one or another Asian counterpart, while the U.S. President visits Asia usually only once per year (for APEC).

Despite the relative effectiveness of Chinese diplomatic instruments in Asia, there remains a deep reservoir of respect for the United States across the region. The Chicago Council survey cited above makes this abundantly clear. The issue is whether the U.S. can

⁷ Chicago Council on Global Affairs, *Soft Power in Asia*. Available at: http://www.thechicagocouncil.org/UserFiles/File/POS_Topline%20Reports/Asia%20Soft%20Power%202008/Chicago%20Council%20Soft%20Power%20Report-%20Final%206-11-08.pdf.

capitalize on this reservoir—or cede the soft power competition through relative inaction to a more nimble and proactive China?

Question 6: Is China's military modernization a threat to the United States?

This is an area of great concern to the United States—but, as in other areas, there exists a range of opinion among experts. With nearly two decades of sustained double-digit growth in its defense budget, continual downsizing and streamlining of the force structure, doctrinal evolution, improved logistics, intensified training, and a variety of new weapons systems, China's People's Liberation Army is demonstrating new competencies and capabilities and has made significant strides in its overall and specialized modernization and professionalization. As a result, there is no doubt that today's PLA is significantly improved over a decade ago. Qualitative advances have been made (advancements in some sectors have been more than incremental improvements); new systems have been deployed; important new ones are under development; the fighting capacity of all services has been increased; perhaps above all, the command, control, and “jointness” of PLA forces has improved. PLA forces are now undertaking certain types of exercises and are displaying certain capabilities that many foreign analysts and intelligence agencies did not think was likely just a few years ago.

Nevertheless, despite this accelerated progress, the PLA still exhibits numerous deficiencies (both in relative and absolute terms) and it would be a mistake to overstate Chinese military capabilities. The PLA can certainly capably defend China's continental territory from invasion, and now possesses a substantially enhanced (compared with 5–10 years ago) range of coercive capabilities against Taiwan—including electronic and information warfare capacities, naval blockade competence, air interdiction and dominance capabilities, improved sea and air denial assets, and increased ballistic and cruise missile deployments.

Yet, when viewed in a broader regional or global context, the PLA still has very limited or no capabilities. Specifically, the PLA evinces little evidence of attempting to acquire power projection capabilities—it has built no aircraft carriers; has no real intercontinental bombers; possesses only a very small fleet of in-flight refueling tankers and airborne command and control aircraft; has a small number of truly blue-water capable surface combatants; possesses no military bases abroad; has no space-based global network for command and control; or other elements that one would expect to see from a nation trying to seriously develop a power projection capability or become a global military power. Even a close reading of Chinese military doctrinal manuals gives little, if any, evidence that developing defense capabilities beyond China's immediate periphery is a priority. It is equally evident that the PLA's regional reach in Asia remains very limited. It is, of course, true that China's mobile SRBMs could be redeployed away from the Taiwan theater to other border areas, but this is not why they have been built and deployed in the first instance. Nor do China's current air and naval capabilities provide for more than peripheral defense at present. Moreover, when one examines the PLA's inventory of

ground, naval, and air assets, it must be said that the vast majority still remain a decade or more behind the international state of the art—and in many areas, the gap is actually widening (due to advances in U.S. and NATO systems). China's naval surface fleet is still a "green water" rather than "blue water" one, i.e. it is only capable of patrolling China's coastline rather than the open ocean. The PLAAF is similarly dated—only 15 percent of its total fighter force is comprised of fourth-generation interceptors. While some of the newest equipment in the PLA's ground force inventory is approaching world standards (e.g. the T-98A and T-99 main battle tank), the bulk of the firepower still lags behind U.S., NATO, Russian, or even Japanese systems.

When one compares the quality of China's weapons systems regionally, however, the gap is not as great (although there still is one). The best of the PLA Navy's (PLAN) surface combatants compare well with those in any regional navy, and the newer destroyers are comparable to those of even Japan. The best of the PLAAF's fighters are about equal in quality to those of Australia, Japan, Singapore, South Korea, Taiwan, and Thailand. Of course, what the PLA has that these other militaries do not is numbers. The Chinese air, ground, and naval weapons platforms dwarf those of any regional military (to say nothing of ballistic missiles). This is not an unimportant factor in any potential regional conflict scenario involving China. Despite large numbers of retired systems in recent years (the PLAAF has been reduced from approximately 5000 to 1000 fighters since the late-1990s), the PLA can still bring to bear a substantial force and wave-upon-wave of attacks against any adversary. Indeed, mothballed ships, planes, and weapons can be refurbished and mobilized if necessary.

Thus, any net assessment of PLA capabilities and progress in China's military modernization program must conclude that the proverbial glass of water is simultaneously half-full and half-empty—but the volume is rising. Only three or five years ago, however, such an assessment would have likely concluded that the glass was only one-quarter or one-third full. With the recent developments noted above and elaborated below, the PLA has made a mini-leap forward over the last seven or eight years.

Should these developments be of concern to the United States and do they threaten American interests? Yes, they are of concern—but do not necessarily threaten U.S. interests. The *do* and *will* complicate U.S. military operations in East Asia—particularly in a direct conflict over Taiwan—as China now possesses substantial "area denial" capacity, i.e. the capacity to deny an adversary from operating in a specific operational theater. China's IW and EW (information and electronic warfare) capabilities, and its improved anti-satellite assets, considerably compromise U.S. military planning and operations. But as China develops such niche competencies against the U.S., so too does the U.S. military develop counter-counter capabilities against Chinese systems. But, unless the United States decided to engage in a direct conflict with China—particularly over Taiwan or on the Chinese mainland—the improvements in PLA capabilities do not directly threaten U.S. capabilities or national security interests in Asia, as U.S. forces remain in a league of their own.

Question 7: Should the United States seek to forestall, slow, or contain China's role in Asia?

Such efforts would be both undesirable and unrealizable. Not a single Asian nation would participate in such an American-led effort, and many would seek to undermine it. It would force America's allies and friendly states in Asia into an extremely awkward and undesirable position—the “nightmare scenario” they all seek to avoid, as no Asian state wishes to have to “choose” in its relations between Washington and Beijing and all seek stable and cooperative ties between the two major powers. Australia, Thailand, South Korea, and the Philippines (four of America's five formal allies in Asia) have all explicitly ruled out participating in such a cabal. “Containment” is simply not an option—even if it were a desirable policy option—as China is already fully integrated into the regional and global economy, intergovernmental organizations, has full and normal diplomatic relations with all of its neighbors. Containment presupposes an isolated country (like North Korea or Myanmar), which China is not. Needless to say, any such effort to impede China's regional role would be seen as a hostile act in Beijing, precipitating countermeasures and ensuring lasting enmity from the Chinese population and government.

Nor has the United States been pursuing such a strategy to date. Quite to the contrary, several successive U.S. administrations have worked towards *integrating* China into regional and global structures, on the very premise that an isolated China is a dangerous China and an integrated China will have many more incentives and pressures to behave responsibly and cooperatively. Tying China into such regional and global relationships *is*, in fact, a strategy that constrains China and limits its options for “revisionist” behavior. It is also a strategy aimed at “socializing” China into regional and global norms and rules. Many positive incentives are provided to Beijing for cooperative, stabilizing, “status quo” behavior.

What the United States *has done*, under the George W. Bush administration has been to “hedge” against the potential for a militarily destabilizing China to emerge on the Asian scene. The U.S. has done so through unilateral, bilateral, and multilateral means. Unilaterally, it has maintained the level of roughly 100,000 forward-deployed forces in Northeast Asia, backed by the full forces of the Pacific Command in Hawaii and the west coast of the United States. It has also unilaterally engaged in a huge build-up of forces and state-of-the-art military equipment on Guam capable of long-range force projection (B-1, B-2, B-52 intercontinental bombers, Los Angeles class attack submarines, C-17 Globemaster long-range transports; Global Hawk and E-2 Hawkeye reconnaissance aircraft; F/A-18 Hornet fighters; in-flight refueling tankers and other aircraft). It has redeployed the Third Marine Expeditionary Force from Okinawa to Guam and is considering homeporting an aircraft carrier battle group there as well. A similar, but lesser, buildup has taken place on Diego Garcia in the Indian Ocean. This unilateral buildup by the United States military is motivated by several factors and potential conflict scenarios, and China is one of them.

U.S. forces under the Pacific Command also regularly train for and scenario against potential conflict with China. Significant military intelligence collection and monitoring is devoted against China 24 hours per day, 365 days a year. Much of this preparation is oriented around a possible conflict over Taiwan, but broader regional considerations also come into play.

Bilaterally, these U.S. military deployments supplement a series of security partnerships that the United States has developed in recent years with India, Mongolia, Pakistan, and Singapore (even Malaysia and Indonesia have quietly enhanced its ties with the U.S. military). In each case, the U.S. undertakes combined exercises, shares intelligence, sells weapons, provides training, and—in the case of Singapore—routinely uses naval and logistical facilities. Many of these militaries (particularly navies) also participate in U.S.-led multilateral exercises such as RIMPAC (Rim of the Pacific). These enhanced U.S. strategic relationships and military deployments have (with the exception of Singapore) all developed in the post-September 11 era. Taken together with the attempt to strengthen the five bilateral alliances in East Asia, some analysts in China now argue that it is effectively encircled by a string of American defense relationships and forces. This is the U.S. strategic “hedging” against China.

Multilaterally, consistent with the hedging strategy, the United States has sought to enlist certain nations into multinational defense consultations and exercises. The Trilateral Security Dialogue (TSD) among the U.S., Japan, and Australia is one such example. Another less formal quadrilateral defense grouping including India was also begun under the Bush administration, although one of Prime Minister Rudd’s first actions in office was to withdraw Australia because he felt it too provocative towards China (Australia continues to participate in the trilateral mechanism). The 2007 multinational “Malabar” naval exercises in the Indian Ocean are another example.

Thus, through these three mechanisms—unilateral, bilateral, and multilateral—the United States *has* engaged in strategic “hedging” against China. Such efforts are *not* oriented against restraining China’s rise or rightful roles in Asia, but are seen (in the U.S. Government) simply as prudent means to hedge against uncertain futures and to deter China from destabilizing or provocative behavior.

Conclusion

In examining these seven questions concerning the U.S. reaction to China’s regional roles, I hope to have unearthed some of the subterranean debates and thinking in the United States (at least “inside the Beltway”), which may be of interest to non-American participants in this conference.

While I believe there *is* a *competition for influence* between China and the United States in Asia, and that China has made relative gains vis-à-vis the U.S. in recent years, I do not view this competition as intractable or of the same nature as during the Cold War. One significant difference is that the two parties are not offering alternative ideological/economic/political/social models for others to emulate. There are differences

between the American and Chinese systems, but they compete in a fluid marketplace of ideas in Asia today. While I believe there *is* an intrinsic *strategic competition* between the two in Asia, it is a “soft rivalry” and not a hard one. Asia is not polarizing into competitive blocs, aligning itself with either Beijing or Washington (indeed this is what Asian seek to avoid most!). The structure of Asian international relations is not characterized by Sino-American rivalry, but rather a much more diverse and fluid range of actors and factors.⁸

There is no doubt that China’s rise in Asia, across all dimensions, presents a new regional dynamic,⁹ and it presents new challenges for the United States—as Asian states who used to focus only on Washington for aid, trade, security, and political leadership, now have to take account of China’s perspectives (and China’s perspectives are often more convergent with their own). China has become an important participant in the multilateral regional architecture, and Beijing has become positively involved in regional problem-solving. It is no longer the aloof or revisionist regional actor it once was, but has become a positive presence in the region in many respects. The United States, above all, should welcome this development—and find ways to work together with Beijing in addressing regional challenges.

⁸ See David Shambaugh and Michael Yahuda (eds.), *International Relations in Asia* (Lanham, MD: Rowman & Littlefield, 2008).

⁹ See the essays in David Shambaugh (ed.), *Power Shift: China & Asia’s New Dynamics*, op cit; and William G. Keller and Thomas G. Rawski, *China’s Rise and the balance of Influence in Asia*, op cit.