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## **Fostering Stability or Creating a Monster? The Rise of China and U.S. Policy toward East Asia**

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# Fostering Stability or Creating a Monster?

Thomas J.  
Christensen

The Rise of China and U.S. Policy  
toward East Asia

Whether one views the United States' Asia policy since the end of the Cold War as a success or a failure depends heavily on the theoretical lens with which one views the challenges posed by the rise of the People's Republic of China (PRC). With reference to debates on U.S. policy in the scholarly literature and in the popular press, this article presents two competing perspectives from which to judge trends in the region and the effectiveness of U.S. policies toward China and its neighbors since 1991: a positive-sum perspective in which the United States, China, and other regional actors have strong incentives to increase mutual trust, transparency, and economic ties, thereby minimizing the likelihood of avoidable military conflicts that serve no nation's long-term interests; and a zero-sum perspective, in which the continued relative increase in Chinese power poses the most formidable long-term danger to the national security and economic interests of the United States and its allies in the region, regardless of whether Beijing's relations with the United States or its neighbors appear cordial and constructive in this decade.<sup>1</sup>

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1. I use "zero-sum" and "positive-sum" as ideal types. Almost all relationships in international politics, even the most conflict ridden, fall somewhere along a spectrum between these two. For example, a relationship that tended heavily toward the zero-sum end of the spectrum was the highly competitive U.S.-Soviet economic, diplomatic, and military relationship during the Cold War. But even that relationship had important positive-sum aspects. The entire notion of mutually assured destruction (MAD) was based on a positive-sum premise that each side preferred coexistence to a war that would annihilate both sides. For the best review of the concept of MAD, see Robert Jervis, *The Meaning of the Nuclear Revolution: Statecraft and the Prospect of Armageddon* (Ithaca, N.Y.: Cornell University Press, 1989), chap. 3.

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From the positive-sum perspective, U.S. policy toward East Asia since the early 1990s has largely been a success, despite certain notable and persistent regional problems. The region enjoys much deeper economic interdependence than it did in the early 1990s, and multilateral diplomacy has been growing, especially since the mid-1990s. Of equal importance, China has been at the center of this regional integration process, increasing Beijing's incentives for cooperation with its neighbors, which include U.S. friends and allies. These diplomatic and economic phenomena help lower mutual security concerns, prevent spirals of tension, and reduce strategic misperceptions that often destabilize international relations in periods of structural change, such as we are witnessing with the rise of Chinese power in Asia.

From the zero-sum perspective, however, U.S. policy seems to be heading down the wrong track. Through what many observers have dubbed the "engagement strategy," the United States seems to be promoting rather than constraining China's increasing regional power in comparison to the United States and U.S. security partners. From this point of view, China's deepening economic and diplomatic ties to the region have come at a high price for the United States because, by necessity, those newly developed ties increase China's power in the region. Advocates of this position argue that the United States has been unable or unwilling to take actions to slow or reverse these trends for some combination of the following reasons: business interests have hijacked U.S. national security policy; U.S. elites place false hope in the pacifying effects of economic interdependence and the liberalizing effects on China of economic and diplomatic engagement with the United States and other democracies; and the United States has become distracted by the war on terror, failing to pay sufficient attention to changes in East Asia. From this zero-sum view of the world, the United States' Asia policy has been poor, if not disastrous, especially in the early part of the twenty-first century.

It might appear that there is no way to find a synthesis between the two perspectives. This article, however, offers two fundamental reasons why they can indeed coexist, particularly in the policy arena. First, certain policy decisions, such as maintaining a strong U.S. military and diplomatic presence in the region, fit the prescriptions of analysts' adopting either perspective. Second, it is not always obvious which policy prescriptions flow from either a positive-sum or a zero-sum analysis of U.S. policy toward China and the region. Analysts generally associate positive-sum views of international politics with prescriptions for U.S. accommodation and reassurance of China (i.e., the engagement strategy) and associate zero-sum views with prescriptions for containment of

China. But there is no *a priori* reason that, under all circumstances, U.S. accommodation encourages regional economic integration and multilateralism more than U.S. resolve and a strong military presence in East Asia, for example. In fact, since the mid-1990s relatively assertive U.S. security policies toward Japan, Taiwan, Southeast Asia, and South Asia have helped catalyze the growth of Chinese diplomatic and economic engagement with the PRC's neighbors, and thereby have helped stabilize the region. As is discussed below, China has been encouraged to improve relations with its neighbors diplomatically and economically at least in part as a hedge against U.S. power and the fear of encirclement by a coalition led by the United States. Nor does it follow that zero-sum competition with China for regional influence would logically lead to U.S. policies designed to slow China's economic growth or isolate Beijing diplomatically from the region. In fact, Washington would be ill advised to adopt such tactics, because they would likely harm China's growth only on the margins. Moreover, they would undercut the U.S. diplomatic position with everyone else in the region, including U.S. allies. As a result, the United States would end up much weaker in the region in relation to China. So, just as positive-sum goals have often been fostered in part by relatively tough U.S. policies, zero-sum goals may best be attained through U.S. acceptance and accommodation of China's increasing economic and diplomatic influence in the region combined with Washington's launching of positive U.S. diplomatic and economic initiatives of its own.

This article outlines a moderate U.S. strategy toward China and the region that mixes elements of positive-sum and zero-sum thinking. In such a strategy, a firm security posture toward China would not only hedge against a potential turn for the worse in Chinese domestic politics and foreign policy; it would also help shape long-term Chinese political and diplomatic evolution in directions that reduce the likelihood of unwanted conflict and instability between China and its neighbors and reduce the likelihood of dangerous miscalculations and unnecessary spirals of tension in Sino-American relations. Positive U.S. diplomatic and economic initiatives toward China and its neighbors similarly would not simply build trust and reassurance in the region, but also would maximize relative U.S. power and influence in the region in case China's future foreign policy were to become more aggressive (e.g., if Beijing were to attempt to undercut U.S. regional leadership or extrude U.S. forces from the region). All things being equal, such goals would be harder for Chinese elites to achieve if the United States appears to behave in a constructive manner toward regional actors (including China), rather than if it appears

to be provocative toward China, forcing regional actors to make a stark and unwelcome choice between Beijing and Washington.

### *The Positive-Sum View*

Positive-sum thinkers are a diverse lot. They share a concern about instability and security conflicts that can arise through a process of mutual mistrust, security dilemmas, and escalating tensions. Positive-sum thinkers can be either optimistic or pessimistic, depending on how intense they perceive the security dilemma dynamics to be, but they share the view that military conflicts serve no state's national interest and should be avoidable as long as security dilemmas can be managed and mutual suspicions reduced. Arguably to their great credit, most scholars who apply positive-sum analysis do not stay within one theoretical tradition, despite the tendency in the field to categorize authors in one school or another. Instead they combine structural realist variables, such as the shifting balance of military and economic power since the end of the Cold War, with institutional, domestic, and psychological factors to explain variation in the severity of security dilemmas.<sup>2</sup>

The notion of the security dilemma itself is rooted in structural realism, particularly in what has been labeled "defensive realism."<sup>3</sup> Realism as a whole is often falsely associated with zero-sum thinking and severe pessimism about

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2. For relevant works, see Robert Jervis, "Cooperation under the Security Dilemma," *World Politics*, Vol. 30, No. 2 (January 1978), pp. 167–214; Robert Jervis, *Perception and Misperception in International Politics* (Princeton, N.J.: Princeton University Press, 1978), chap. 3; Robert Jervis, "From Balance to Concert: A Study of Security Cooperation," in Kenneth Oye, ed., *Cooperation under Anarchy* (Princeton, N.J.: Princeton University Press, 1986), pp. 58–69; Stephen Van Evera, *Causes of War: Power and the Roots of Conflict* (Ithaca, N.Y.: Cornell University Press, 1999); Jack Snyder, *Myths of Empire* (Ithaca, N.Y.: Cornell University Press, 1991); G. John Ikenberry, *After Victory: Institutions, Strategic Restraint, and the Rebuilding of Order after Major Wars* (Princeton, N.J.: Princeton University Press, 2001); Glenn Snyder, "The Security Dilemma in Alliance Politics," *World Politics*, Vol. 36, No. 4 (July 1984), pp. 461–495; and Thomas J. Christensen and Jack L. Snyder, "Chain Gangs and Passed Bucks: Predicting Alliance Patterns in Multipolarity," *International Organization*, Vol. 44, No. 2 (Spring 1990), pp. 137–168.

3. On the debate between offensive and defensive realists, see Jeffrey W. Taliaferro, "Security Seeking under Anarchy: Defensive Realism Revisited," *International Security*, Vol. 25, No. 3 (Winter 2000/01), pp. 128–161; Sean M. Lynn-Jones and Steven E. Miller, "Preface," in Michael E. Brown, Lynn-Jones, and Miller, eds., *The Perils of Anarchy: Contemporary Realism and International Security* (Cambridge, Mass.: MIT Press, 1995), pp. ix–xii; Benjamin Frankel, "Restating the Realist Case: An Introduction," *Security Studies*, Vol. 5, No. 3 (Spring 1996), pp. xiv–xx; and Sean M. Lynn-Jones, "Realism and America's Rise: A Review Essay," *International Security*, Vol. 23, No. 2 (Fall 1998), pp. 157–182.

international politics.<sup>4</sup> But as Aaron Friedberg emphasizes, many realists are actually optimistic about the future of U.S.-China relations in the face of China's rise and disagree with others about the likelihood, let alone the inevitability, of military conflict accompanying this rise.<sup>5</sup> Some realists argue that the nuclear revolution and geography make territorial conquest more difficult in contemporary East Asia than it was in Europe in the nineteenth century and the first half of the twentieth century.<sup>6</sup> As a result, some defensive realists agree with many nonrealists that, given these realpolitik forces for stability, the real threats to regional peace and stability are posed not by shifts in relative material power per se, but by those shifts combined with mutual perceptions of hostility that are rooted in historical conflicts, outstanding territorial sovereignty disputes, and so on.<sup>7</sup> Some positive-sum analysts often borrow eclectically from nonrealist approaches: for example, liberal institutionalism, which focuses on how institutional settings can reduce mistrust among actors in a world without international governance; liberalism, a branch of which emphasizes how sets of liberal democracies can increase mutual trust through transparency, domestic constraints on war, shared norms of nonaggression, or some combination thereof; and psychological approaches, which argue that security dilemmas and the spirals of tension they cause are often exacerbated by, if not fundamentally rooted in, mutual misperceptions of objective realities.<sup>8</sup>

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4. For a powerful remedy to this misperception, see Charles L. Glaser, "Realists as Optimists: Cooperation as Self-Help," *International Security*, Vol. 19, No. 3 (Winter 1994/95), pp. 50-90; and Randall L. Schweller and David Priess, "A Tale of Two Realisms: Expanding the Institutions Debate," *Mershon International Studies Review*, Vol. 41, No. 2 (November 1997), pp. 1-32.

5. Aaron L. Friedberg, "The Future of U.S.-China Relations: Is Conflict Inevitable?" *International Security*, Vol. 30, No. 2 (Fall 2005), pp. 7-45.

6. Robert S. Ross, "The Geography of the Peace: East Asia in the Twenty-first Century," *International Security*, Vol. 23, No. 4 (Spring 1999), pp. 49-80. For an excellent recent book on China's grand strategy, see Avery Goldstein, *Rising to the Challenge: China's Grand Strategy and International Security* (Stanford, Calif.: Stanford University Press, 2005); Zbigniew Brzezinski, in Brzezinski and John J. Mearsheimer, "Clash of the Titans," *Foreign Policy*, No. 146 (January/February 2005), pp. 46-50; and Jennifer M. Lind and Thomas J. Christensen, "Correspondence: Spirals, Security, and Stability in East Asia," *International Security*, Vol. 24, No. 4 (Spring 2000), pp. 190-195.

7. See, for example, Goldstein, *Rising to the Challenge*, chap. 8.

8. Aaron L. Friedberg, "Ripe for Rivalry: Prospects for Peace in a Multipolar Asia," *International Security*, Vol. 18, No. 3 (Winter 1993/94), pp. 5-33; and Thomas J. Christensen, "China, the U.S.-Japan Alliance, and the Security Dilemma in East Asia," *International Security*, Vol. 23, No. 4 (Spring 1999), pp. 49-80. For relevant works that claim that power concerns are unlikely to lead to conflict in the absence of other institutional or psychological variables that increase mutual tensions, see James D. Fearon, "Rationalist Explanations for War," *International Organization*, Vol. 49, No. 3 (Summer 1995), pp. 379-414; Van Evera, *Causes of War*; Snyder, *Myths of Empire*; Ikenberry, *After Victory*; and various essays in G. John Ikenberry and Michael Mastanduno, eds., *International*

Constructivist scholars are almost by definition positive-sum analysts, because they believe that conflict is created unnecessarily out of social interactions that are not dictated by the international distribution of power or the lack of an international governing body.<sup>9</sup> Some are optimistic about the region because Asians have found ways to eliminate or severely reduce security dilemmas through new forms of institutional engagement, such as the Association of Southeast Asian Nations (ASEAN) Regional Forum, or ARF.<sup>10</sup> One prominent constructivist, Thomas Berger, is, however, still somewhat pessimistic about the region, because he believes that the bitter history of conflict in the era of imperialism is so rooted in the nationalism of states such as China, Japan, and Korea that mutual insecurity can exist even under normally pacifying economic, institutional, or military conditions.<sup>11</sup>

Several works on East Asia after the Cold War have combined various strands of positive-sum thinking to analyze the relative stability or instability of the region.<sup>12</sup> In 1993 Aaron Friedberg published perhaps the most influential of these works in this journal: "Ripe for Rivalry: Prospects for Peace in a Multipolar Asia."<sup>13</sup> Friedberg's approach in the article takes power shifts in the region seriously, but it emphasizes the importance of a raft of variables associated with the work of liberal and liberal institutionalist scholars.<sup>14</sup>

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*Relations Theory and the Asia Pacific* (New York: Columbia University Press, 2003). For the classic work on perceptions and their role in fostering spirals of tension, see Jervis, *Perception and Misperception in International Politics*, chap. 3.

9. For the classic statement of this position, see Alexander Wendt, *Social Theory of International Politics* (Cambridge: Cambridge University Press, 1999).

10. See Amitav Acharya, "Will Asia's Past Be Its Future?" *International Security*, Vol. 28, No. 3 (Winter 2003/04), pp. 149–164; and Amitav Acharya, "The Role of Regional Organizations: Are Views Changing?" paper prepared for the "Pacific Symposium, 2004," National Defense University, Washington, D.C., April 22–23, 2004.

11. See Thomas Berger, "Set for Stability? Prospects for Cooperation and Conflict in East Asia," *Review of International Studies*, Vol. 26, No. 3 (July 2000), pp. 408–428.

12. For works that combine multiple factors, see Friedberg, "Ripe for Rivalry"; John Duffield, "Asia-Pacific Security Institutions in Comparative Perspective," in Ikenberry and Mastanduno, *International Relations Theory and the Asia Pacific*, pp. 243–270; Gilbert Rozman, *Northeast Asia's Stunted Regionalism: Bilateral Distrust in the Era of Globalization* (Cambridge: Cambridge University Press, 1999); and Christensen, "China, the U.S.-Japan Alliance, and the Security Dilemma in East Asia."

13. Friedberg, "Ripe for Rivalry."

14. Even in its title, the article is consciously more beholden to the liberal take on post-Cold War European security—as argued in Stephen Van Evera's "Primed for Peace"—than it is to John J. Mearsheimer's pessimistic neorealist piece "Back to the Future," which considers the end of Cold War bipolarity dangerous even for Western Europe. Van Evera, "Primed for Peace: Europe after the Cold War," *International Security*, Vol. 15, No. 3 (Winter 1990/91), pp. 7–57; and Mearsheimer, "Back to the Future: Instability in Europe after the Cold War," *International Security*, Vol. 15, No. 1 (Summer 1990), pp. 5–56.



Friedberg reasonably considered that structural change at the end of the Cold War posed challenges for stability in Asia, but then focused on the severe shortage of pacifying domestic, economic, and institutional factors in Asia in the early 1990s. He underscored the importance of the following potentially destabilizing regional characteristics, none of them necessarily rooted in a zero-sum, *realpolitik* struggle for power: different political systems across states; limited intraregional economic interdependence; weak regional multilateral institutions; vast differences in wealth within and across national borders; cultural and ethnic tensions rooted in and exacerbated by legacies of historical conflict; widespread territorial disputes; and the lack of secure, second-strike nuclear capabilities among some of the key regional actors. Positive developments on any or all of these scores, he argued, could help mitigate the destabilizing influences of the structural shock supplied by the collapse of the Soviet Union. After all, in Western Europe widespread liberal democracy, highly interdependent economies, deep reconciliation among historical foes, high degrees of security institutionalization in the North Atlantic Treaty Organization and the Organization for Security and Cooperation in Europe, and secure second-strike capabilities in four of the relevant regional actors (Russia, the United States, Great Britain, and France)—all meant that peace would likely flourish despite the structural shock of Soviet collapse. Such factors help ameliorate or eliminate the normal security dilemmas, mutual misapprehensions, and spirals of tension that one would expect to find in a world undergoing dramatic structural adjustment.<sup>15</sup> East Asia, however, lacked these stabilizing influences and was fraught with mistrust, animosity, and strategic uncertainty. Many questions remained, therefore, about the region's future stability.

From this perspective, one solution to the problem of regional rivalries and mistrust was the continued presence of the United States as a provider of common security and an honest broker in regional disputes. The United States was widely considered in the region to be the "least distrusted actor" and the only actor strong enough to provide collective security goods, so its continued presence as the most powerful military force in the region was considered vital to regional stability.<sup>16</sup> This is especially true for the period before the other afore-

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15. Van Evera, "Primed for Peace."

16. This description of the U.S. role in the region is generally attributed to Singapore's Prime Minister Lee Kwan Yew. See, for example, Roger Buckley, *The United States in the Asia-Pacific since 1945* (Cambridge: Cambridge University Press, 2002), p. v.



mentioned stabilizing institutional, economic, and political factors were in place. Thus, for Friedberg and others, the United States had a key role to play in buying time for the development of stabilizing economic and political relationships. Friedberg also asserted that the United States and other regional actors should encourage the development of confidence-building measures, multilateral security institutions, and economic interdependence. Friedberg's prescription for a U.S. presence in Japan was echoed in work that combined structural analysis with a heavy emphasis on Sino-Japanese historical enmity in exacerbating East Asian security dilemmas.<sup>17</sup>

#### ASSESSMENT OF REGIONAL TRENDS FROM THE POSITIVE-SUM PERSPECTIVE

Applying the same standards of positive-sum analysis outlined above, one has reason to be more optimistic than Friedberg was in 1993. The United States has maintained its bases in Japan and South Korea. Moreover, some of the other stabilizing factors that Friedberg saw as lacking in East Asia in 1993 have developed relatively quickly in the interim: intraregional economic integration has accelerated sharply; and China has improved political relations with many key regional actors, most notably the ASEAN states, Australia, India, the Central Asian republics, and South Korea.

**TRENDS IN U.S. SECURITY POLICY.** Since the launching of the Nye Initiative in 1994, in which the United States requested that Japan take on greater responsibilities in their bilateral alliance, U.S.-Japan security relations have improved markedly. Japan and the United States adopted revised guidelines for the U.S.-Japan alliance in 1997. Those guidelines state more clearly Japan's commitments to the U.S.-Japan alliance in case of conflict involving U.S. forces in the areas surrounding Japan. In the early part of this decade, Japan's Self-Defense Forces have grown significantly more active in the region and the world, to the great satisfaction of Washington elites. The terrorist attacks on September 11, 2001, and the growth of Chinese power have only catalyzed this process of increased Japanese assertiveness and expanded U.S.-Japan coordination on security policies. Under the leadership of Prime Minister Junichiro Koizumi, Japan

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17. Christensen, "China, the U.S.-Japan Alliance, and the Security Dilemma in East Asia"; and Victor D. Cha, "Multilateral Security in Asia and the U.S.-Japan Alliance," in G. John Ikenberry and Takashi Inoguchi, eds., *Reinventing the Alliance: U.S.-Japan Security Partnership in an Era of Change* (New York: Palgrave Macmillan, 2003), pp. 141–162. Even Robert Ross's straightforward defensive realist account builds part of its optimistic argument about future stability in the region on the assumption of continuity in the strong U.S. military presence in East Asia. Ross, "The Geography of the Peace," pp. 114–118.

has contributed logistic and engineering forces not only to the war in Afghanistan but also to the war in Iraq.<sup>18</sup> U.S.-Japan security relations at the strategic level have rarely, if ever, been better. In fact, states in the region no longer worry about the near-term fraying of the U.S.-Japan alliance, as many did in the early 1990s, but rather the potentially increased assertiveness of Japan as part of the alliance.<sup>19</sup> This phenomenon poses challenges of its own from a positive-sum perspective, but the concerns expressed in the early 1990s about the potential fragility of the U.S. military presence in Japan have clearly been allayed.

REGIONAL ECONOMIC INTEGRATION WITH CHINA AT THE CORE. From the positive-sum point of view, the lack of deep regional economic interdependence was a force for instability in early post-Cold War East Asia (as compared to post-Cold War Western Europe). Where regional economic cooperation existed in 1993, it generally took the form of Asian nations' cooperating to produce goods for third markets, especially the United States, which was the biggest export market for most regional actors. Intraregional trade as a percentage of gross national product was low, especially in comparison to a highly integrated Western Europe. In contrast, today, according to some key measures, more than half of regional exports (53 percent) are to other regional actors; and China, not the United States, is the biggest trade partner of many of those regional actors. That list of actors most notably includes South Korea and Japan.<sup>20</sup> Japan had long been China's largest trade partner, but the relationship

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18. On the U.S.-Japan Guidelines Review, see Michael M. Green and Mike M. Mochizuki, "The U.S.-Japan Alliance in the Twenty-first Century," Study Group Papers (New York: Council on Foreign Relations, 1998), pp. 55-72. On Japan's more assertive security policy under Prime Minister Koizumi, see Michael H. Armacost, "Japan: Tilting Closer to Washington," in Richard J. Ellings and Aaron L. Friedberg, with Michael Wills, eds., *Strategic Asia, 2003-04* (Seattle, Wash.: National Bureau of Asian Research, 2003), pp. 81-108; and Christopher W. Hughes, "Japan's Security Policy, the U.S.-Japan Alliance, and the 'War on Terror': Incrementalism Confirmed or Radical Leap?" *Australian Journal of International Affairs*, Vol. 58, No. 4 (December 2004), pp. 427-445.

19. For this evolution in the 1990s, see Christensen, "China, the U.S.-Japan Alliance, and the Security Dilemma in East Asia"; Wu Xinbo, "The End of the Silver Lining: A Chinese View of the U.S.-Japan Alliance," *Washington Quarterly*, Vol. 29, No. 1 (Winter 2005-2006), pp. 119-130; Wu Xinbo, "Taihai: Ri Xiang tong Mei 'Bingjian Zuozhan'" [The Taiwan Strait: Japan thinks it will fight shoulder to shoulder with the United States], *Huanqiu Shibao* [Global Times], June 20, 2005; and Liu Jiangyong, "Xin 'RiMei Fangwei Hezuo Zhizhen' Heyi lingren Youlu" [Why the new U.S.-Japan joint defense cooperation guidelines arouse concern], *Xiandai Guoji Guanxi* [Contemporary International Relations], No. 11 (November 1997), pp. 7-12.

20. Takashi Inoguchi, "Arguing the Regional Community Building in Northeast Asia," paper presented at the Beijing Forum, Beijing, China, November 16-18, 2005, p. 2. See also Shamshad Akhtar, director general, Southeast Asia Department, Asian Development Bank, "Economic Integration of East Asia: Trends, Challenges, and Opportunities," speech given at "The Challenges and Opportunities of Economic Integration in East Asia" symposium, Royal Society, London, England,

is now reciprocal.<sup>21</sup> In 2004 China replaced Japan as the number one regional target for neighboring states' exports as well.<sup>22</sup> In South Asia, China has begun to enjoy great progress in trade and diplomacy with India, as bilateral Sino-Indian trade has ballooned (with the surplus on the Indian side), and serious border negotiations have begun to address issues that led to war between the two Asian giants in 1962.<sup>23</sup> Although ASEAN still trades more with the United States than with China, that gap is closing quickly, and ASEAN-China trade will likely surpass ASEAN-U.S. trade within a decade. According to one report, ASEAN-China trade skyrocketed from just over \$27 billion in 1999 to \$78 billion in 2003. The balance of trade strongly favors ASEAN, and the surplus grew from \$5 billion in 2000 to \$16 billion in 2003.<sup>24</sup> More than half of China's imports are used in Chinese export industries; but a large percentage of those used for domestic consumption are from Australia and East Asia, and an increasing percentage of Chinese exports are destined for the region as well.<sup>25</sup> So, one can see how China's economic development is at the center of regional economic integration.

Fueling trade interdependence is the flow of foreign capital into China, especially in manufacturing industries that require both foreign inputs and foreign markets. As one 2005 Congressional Research Service report points out, "The

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October 27, 2004, <http://www.adb.org/Documents/Speeches/2004/sp2004033.asp>. For discussion of the growth in intraregional trade in the early part of this decade and China's central role in it, see World Bank, "Looking Beyond Short-Term Shocks: East Asia's Urban Transformation," *East Asia Update*, April 2003, <http://www.indofnl/economie/03.18.1.pdf>. A lower figure of 40 percent for intraregional exports is also used. See Takatoshi Kato, "Can the East Asia Miracle Persist?" remarks at the Woodrow Wilson School, Princeton University, December 2, 2004. Kato is deputy managing director of the International Monetary Fund. The difference between the 53 percent figure for 2004 and Kato's figure of 40 percent might be explained in part by the fact that the higher figure double-counts transit trade through Hong Kong. I am grateful to Helen Milner for help in analyzing these data.

21. Thomas Lum and Dick K. Kanto, *China's Trade with the United States and the World*, CRS Report for Congress (Washington, D.C.: Library of Congress, updated April 29, 2005), Order Code RL31403.

22. For coverage of these statistics, see Heather Smith, Garth Day, Brian Thomas, and Luke Yeaman, "The Changing Pattern of East Asia's Growth," [http://www.treasury.gov.au/documents/958/PDF/05\\_changing\\_pattern.pdf](http://www.treasury.gov.au/documents/958/PDF/05_changing_pattern.pdf), especially p. 49.

23. Sino-Indian trade grew to \$13.6 billion in 2004 (an increase of more than 70 percent), and China made key concessions on border disputes over the province of Sikkim during an April 2005 visit to India by Premier Wen Jiabao. See "Trade Powers India-China Ties," *BBC News*, April 8, 2005, [http://news.bbc.co.uk/1/hi/world/south\\_asia/4425831.stm](http://news.bbc.co.uk/1/hi/world/south_asia/4425831.stm).

24. U.S. State Department Bureau of Intelligence and Research, "China-Southeast Asia Relations," unpublished report distributed to the "Conference on China's Relations with Southeast Asia," Singapore, August 23-24, 2005. The compiled figures are based on IMF Direction of Trade Statistics. See also Michael Glosny, "Heading toward a Win-Win Future? Recent Developments in China's Policy toward Southeast Asia," *Asian Security*, Vol. 2, No. 1 (February 2006), pp. 24-57.

25. Smith et al., "The Changing Pattern of East Asia's Growth," pp. 50-51.

bulk of China's exports are manufactured under foreign brand names, and over half of China's exports are produced by foreign-owned companies."<sup>26</sup> China has become the biggest target for foreign direct investment in the world. Utilized foreign direct investment increased from nearly \$4 billion in 2000 to \$64 billion in 2004. Much of that new capital is from the region. In fact, while yearly U.S. investment in China has stayed relatively flat in the past few years, regional investment in China has soared. For example, Japan used to trade heavily with China but invest little. But Japanese investment has been flowing heavily into China in recent years, as has Taiwanese, South Korean, and South-east Asian investment. Japan's yearly investment grew from \$2.9 billion in 2000 to \$5.4 billion in 2004, surpassing U.S. investment by a healthy sum. South Korea's investment in China increased most dramatically, jumping from \$1.5 billion in 2000 to \$6.2 billion in 2004, outstripping U.S. investments in China by more than 50 percent in that year.<sup>27</sup> These flows of intraregional trade and investment have created a vast network of transnational production often centered around the Chinese economy. According to some political scientists writing from a liberal, positive-sum perspective, interdependence based on transnational production reduces incentives for trade conflict and international military conflict well beyond the effects of simple interdependence based on bilateral trade in finished products.<sup>28</sup> Without the central role China has played, there would not be the truly impressive economic interdependence that one sees in the region.<sup>29</sup>

BEIJING'S CONFIDENT DIPLOMACY AND THE GROWTH OF MULTILATERALISM. Without China's active participation, multilateral organizations can have only limited meaning with regard to regional confidence-building.<sup>30</sup> Beijing had been wary of regional multilateral organizations in the first half of the 1990s,

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26. Lum and Kanto, "China's Trade with the United States and the World," p. 37.

27. Ibid.

28. Helen V. Milner, "Resisting the Protectionist Temptation: Industry and the Making of Trade Policy in France and the U.S. in the 1970s," *International Organization*, Vol. 41, No. 4 (Autumn 1987), pp. 639–657; and Stephen G. Brooks, "The Globalization of Production and the Changing Benefits of Conquest," *Journal of Conflict Resolution*, Vol. 43, No. 5 (October 1999), pp. 646–670.

29. See, for example, Eric Teo Chu Cheow, "China as the Center of Asian Economic Integration," *China Brief*, Vol. 4, No. 15 (July 22, 2004), [http://www.jamestown.org/publications\\_details.php?volume\\_id=395&issue\\_id=3025&article\\_id=2368296](http://www.jamestown.org/publications_details.php?volume_id=395&issue_id=3025&article_id=2368296).

30. Making this point in a Chinese journal is Malaysian scholar Kuik Cheng-chee, "Zhongguo Canyu Dongmeng zhudao de Diqu Jizhi de Liyi Fenxi" [Analyzing China's interest in joining regional structures led by ASEAN], *Shijie Jingji yu Zhengzhi* [World Economics and Politics], No. 9 (2004), pp. 53–59, at p. 53. For the evolution of China's attitudes toward multilateral security forums in the 1990s, see Alastair Iain Johnston and Paul Evans, "China's Engagement with Multilateral Security Organizations," in Johnston and Robert S. Ross, eds., *Engaging China: The Management of an Emerging Power* (New York: Routledge, 1999), pp. 235–272.

and those organizations were both few in number and relatively ineffectual. Since the mid-1990s, however, China's active participation has produced new forms of multilateral cooperation and has helped strengthen existing multilateral organizations. The ARF has grown in size and importance since its inception in July 1994 in large part because of increased Chinese participation. In April 1996, following the 1995–96 Taiwan Strait crisis, China reached multilateral security agreements and adopted mutual confidence-building measures along its border with four former Soviet republics. This group, originally the Shanghai 5, would add another member and become the Shanghai Cooperation Organization (SCO) in 2001.<sup>31</sup>

China has improved its relations with Southeast Asian states in part by playing up its generally stabilizing regional role in the 1997 Asian financial crisis. In 1997, Beijing played a major role in the creation of ASEAN plus Three (ASEAN plus China, Japan, and South Korea), a forum that discusses both economic and security affairs.<sup>32</sup> From the perspective of reducing both security dilemmas and misperceptions, such cooperative behavior and the creation of inclusive multilateral organizations should be applauded not only because the organization links Northeast Asia and Southeast Asia, but also because it includes the three major actors in the former, among which nationalist tensions and unresolved historical issues are plentiful.

Rather than merely following the lead of others, China is championing some multilateral initiatives in the region and has sought to catalyze existing trends through economic diplomacy. One factor that might help secure China's leading role in the ASEAN economies is the China-ASEAN free trade agreement (FTA), signed in 2001 and due to take effect in 2010.<sup>33</sup> This FTA supplements agreements reached in multilateral forums such as the Asia Pacific Economic and Cooperation forum (APEC), the Asian Development Bank, and the World Trade Organization (which China joined in 2001); and it promises to accelerate trade and investment between China and its southern neighbors. In 2003

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31. Lyle Goldstein, "China in the New Central Asia: The Fen (RMB) Is Mightier Than the Sword," *Fletcher Forum of World Affairs*, Vol. 29, No. 1 (Winter 2005), pp. 13–34.

32. The first meeting of ASEAN plus Three was in December 1997 in Kuala Lumpur. The group was formally institutionalized in Manila in November 1999. Acharya, "The Role of Regional Organizations."

33. One report claims that China-ASEAN trade surpassed \$100 billion in 2004. See "China, ASEAN Trade over 100 Billion in 2004 (2005/02/04)," <http://www.chinaembassy.org.in/eng/zgbd/t182607.htm>. This reflected a growth of 30 percent over the previous year, along with a 40 percent growth in China's trade with South Korea. U.S. trade with ASEAN stood at \$136 billion, according to Christopher R. Hill in testimony to the Asia and Pacific Affairs Subcommittee of the Senate Foreign Relations Committee, June 7, 2005, <http://www.usembassy.org.uk/china153.html>.

China helped create and hosted the six-party talks on North Korean denuclearization and, in the fall of 2005, not only helped revive those talks but drafted the joint statement presented on September 19, 2005. That statement calls for the dismantling of North Korea's nuclear weapons and weapons-related programs in exchange for security guarantees and energy assistance. In addition, it promises future U.S. consideration of both diplomatic normalization of relations with Pyongyang and the transfer of peaceful nuclear technologies to the North Koreans.<sup>34</sup> China also has been advocating trilateral functional cooperative meetings with South Korea and Japan, including discussion of security issues.<sup>35</sup>

#### REMAINING PROBLEMS AND REASONS FOR OPTIMISM

One should never mistake positive-sum analysis for optimism. To say that nations share an abstract interest in peace and the reduction of tension does not mean that they can automatically achieve that goal. Deep mistrust between China and Japan, for example, remains. Despite China's successful negotiation of many of its territorial disputes on land, the region still has many unresolved maritime sovereignty disputes—for example, between China and Japan, Japan and Korea, and China and the ASEAN states, as well as among the ASEAN states themselves.<sup>36</sup> Some of these disputes have intensified as a result of seabed exploration by multiple actors and surface and subsurface military activities by the PRC in particular.<sup>37</sup> Moreover, despite intense economic integration across the Taiwan Strait, Taiwan seems much more distant politically from the mainland than it did in 1993. In general, the threat of real conflict across the strait (as opposed to missile exercises and other martial demonstrations) ap-

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34. On China's proactive posture in 2005, see Thomas J. Christensen, "Will China Become a 'Responsible Stakeholder'? The Six Party Talks, Taiwan Arms Sales, and Sino-Japanese Relations," *China Leadership Monitor*, No. 16 (Fall 2005), <http://www.chinaleadershipmonitor.org/16/tc.pdf>.

35. In addition, since the early 1990s China has been more active in the UN Security Council and has joined—or at least agreed to comply with—several major arms control agreements (e.g., the Nuclear Nonproliferation Treaty, both the Chemical and Biological Weapons Conventions, and the Comprehensive Test Ban Treaty). China has also settled several of its land border disputes and is in the process of settling others. For a concise review, see David C. Gompert, François Godemont, Evan S. Medeiros, and James C. Mulvenon, *China on the Move: A Franco-American Analysis of Emerging Chinese Strategic Policies and Their Consequences for Transatlantic Relations*, RAND Conference Proceedings (Santa Monica, Calif.: RAND, 2005), pp. 30–32.

36. See M. Taylor Fravel, "Regime Insecurity and International Cooperation: Explaining China's Compromises in Territorial Disputes," *International Security*, Vol. 30, No. 2 (Fall 2005), pp. 46–83.

37. For a review of these issues, see Thomas J. Christensen, "Have Old Problems Trumped New Thinking? China's Relations with Taiwan, Japan, and North Korea," *China Leadership Monitor*, No. 14 (Spring 2005), <http://www.chinaleadershipmonitor.org/20052/tc.html>.



pears higher this decade than last, even though cross-strait conditions seemed to calm significantly since December 2004.<sup>38</sup>

Given the historical legacy of conflict between Japan and China and the high degree of mistrust that flows from it, Japanese assertiveness in security policy could lead to a further spiral of tensions between the two countries, to the detriment of regional stability. This is doubly true when that assertiveness seems to have implications for relations across the Taiwan Strait. For example, in 2005 an influential Chinese academic, Wu Xinbo, expressed grave concern about the more assertive nature of Japan's security posture in the region and around the world since the late 1990s and, in particular, Japan's heightened attention to the security challenges posed to Taiwan by an increasingly powerful mainland China.<sup>39</sup> Other Chinese analysts join Wu in decrying the upgrades in the U.S.-Japan alliance and Washington's alleged effort to use the "China military threat" theory to justify its pursuit of continued hegemony in East Asia.<sup>40</sup> From Japan's perspective, there are new concerns over North Korean nuclearization; uncertainties related to the fast-paced growth of PRC power; and ongoing tensions across the Taiwan Strait, an area that Japanese elites consider to be of significant strategic importance.<sup>41</sup>

Despite these remaining problems, the overall political, economic, and military situation in the region looks quite positive in comparison to that of the early 1990s. Since then, East Asia has experienced significant growth in widely recognized factors for stability, including deepening regional economic integration and the creation of regional multilateral institutions involving all of the major actors in the area. Perhaps most important is China's prominent role in these developments in the past decade. Although many factors were at work,

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38. For a discussion of the impact of the December 2004 Taiwan elections on cross-strait stability, see Thomas J. Christensen, "Taiwan's Legislative Yuan Elections and Cross-Strait Security Relations: Reduced Tensions and Remaining Challenges," *China Leadership Monitor*, No. 13 (Winter 2005), <http://www.chinaleadershipmonitor.org/20051/tc/html>.

39. Wu, "Taihai."

40. Wang Xinjun, "Mei Weihe Guchui 'Zhongguo Junshi Weixie'" [Why the United States plays up the "China Military Threat"], *Huanqiu Shibao* [Global Times], June 13, 2005, p. 11. See also Liu Yantang, "Political Bureau Study Session," *Liaowang* (Beijing), June 6, 2005, pp. 12–15, in Foreign Broadcast Information Service (FBIS), June 9, 2005, doc. CPP20050609000084.

41. For a review of Sino-Japanese relations in the last quarter of 2005, see James J. Przystup, "Japan-China Relations: Yasakuni Stops Everything," *Comparative Connections*, Vol. 7, No. 4 (January 2006), pp. 109–122. For the documents expressing Japanese concern over Taiwan, see U.S. Department of State, "Joint Statement of the U.S.-Japan Security Consultative Committee," February 19, 2005, <http://www.state.gov/r/pa/prs/ps/2005/42490.htm>. For the full text of the report, see "U.S.-Japan Alliance: Transformation and Realignment for the Future," October 29, 2005, <http://www.defenselink.mil/news/Oct2005/d20051029document.pdf>.



U.S. policy played an important role in facilitating these outcomes. Judging from U.S. government documents such as the Department of Defense's 1998 East Asia Strategy Report, the U.S. provision of collective goods in the form of security assurances to all regional players was a central part of U.S. strategy at the time.<sup>42</sup> As Deputy Secretary of State Robert Zoellick pointed out in an influential speech on U.S.-China relations, encouraging China's participation in regional economic and diplomatic affairs was the intention of U.S. engagement strategy, and "our policy has succeeded remarkably well: the dragon emerged and joined the world."<sup>43</sup>

Thus, from the positive-sum perspective, the United States' regional policy, including its China policy, has been a real success. Those viewing regional politics from a zero-sum perspective, however, tend to disagree. They believe that the United States has unwisely encouraged the growth of China's economic and diplomatic power in the region and around the world in ways that could harm U.S. national security interests in the future.

### *The Zero-Sum Perspective*

The second view of international politics portrays international relations, especially between existing and rising great powers, as largely a zero-sum struggle for leadership. Advocates of this view draw easy analogies between contemporary U.S.-China relations and the historical examples of relations among rising challengers and incumbent leading great powers, which have often been tense, highly competitive, and conflict prone.<sup>44</sup> From this perspective, even if

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42. U.S. Department of Defense, *The United States Security Strategy for the East Asia-Pacific Region*, 1998, <http://www.defenselink.mil/pubs/easr98>.

43. Robert Zoellick, "Whither China: From Membership to Responsibility?" speech to the National Committee on U.S.-China Relations, September 21, 2005, <http://www.state.gov/s/d/rem/53682.htm>.

44. The most prominent examples of what has been labeled "offensive realism"—the school that portrays great power transitions as largely zero-sum competitions—are John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W.W. Norton, 2001); and Fareed Zakaria, *From Wealth to Power: The Unusual Origins of America's World Role* (Princeton, N.J.: Princeton University Press, 1999). Although not all scholars working in the traditions of power transition theory and structural realism view international relations as a purely zero-sum game, many emphasize the importance of relative gains and relative costs (as opposed to absolute gains and absolute costs), thereby leaning toward the zero-sum side of the spectrum. For works espousing or debating this theoretical position, see Kenneth N. Waltz, *Theory of International Politics* (Reading, Mass.: Addison-Wesley, 1979); Robert Gilpin, *War and Change in International Politics* (Cambridge: Cambridge University Press, 1981); Jacek Kugler and A.F.K. Organski, "The Power Transition: A Retrospective and Prospective Evaluation," in Manus I. Midlarsky, ed., *Handbook of War Studies* (Ann Arbor: University of Michigan Press, 1996), pp. 171–194; Joseph M. Grieco, "Anarchy and the Limits of Cooperation:

conflict is avoidable in the near term, eventual Sino-American competition for primacy in the East Asia region (or, perhaps, around the globe) will likely lead the two states into a cold war, if not a shooting war. In such a competitive worldview, one great power actor's gains are by definition the other actor's loss. Although the United States maintains a healthy overall lead in the competition for influence in Asia, China has closed the gap faster than most analysts could have expected in the early 1990s.<sup>45</sup>

#### ASSESSING REGIONAL TRENDS FROM THE ZERO-SUM PERSPECTIVE

One basic point underscores the sometimes stark differences between the zero-sum and positive-sum perspectives. Since the early 1990s, almost all of the changes in the region that reduced the dangers of mistrust and spirals of tension from a positive-sum point of view also increased China's relative economic and political role in the region. From a zero-sum perspective, those changes should be seen as unwelcome in Washington because they reduce the relative power of the United States and its regional allies.

NEGATIVE SECURITY IMPLICATIONS OF CHINA'S ECONOMIC RISE. From a zero-sum perspective, relatively high economic growth rates provide China with growing regional power in comparison to the United States. China's rise has been even more impressive compared with its neighbors, including U.S. allies such as Japan, the Philippines, South Korea, and Thailand. Of course, China's economic power helps it afford a fast-paced military modernization program, which began in earnest in the late 1990s. China's official military budget more than doubled from 1999 to 2005; and in addition to increasing ballistic missile deployments across from Taiwan, China is developing/importing from Russia

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A Realist Critique of the Newest Liberal Institutionalism," *International Organization*, Vol. 42, No. 3 (Summer 1988), pp. 485–508; Robert Powell, "Anarchy in International Relations Theory: The Neorealist-Neoliberal Debate," *International Organization*, Vol. 48, No. 2 (Spring 1994), pp. 313–344; Joseph M. Grieco, "Understanding the Problem of International Cooperation: The Limits of Neoliberal Institutionalism and the Future of Realist Theory," in David Baldwin, ed., *Neoliberalism and Neorealism: The Contemporary Debate* (New York: Columbia University Press, 1993); and Robert O. Keohane, "Institutional Theory and the Challenge after the Cold War," in Baldwin, *Neoliberalism and Neoliberalism*.

45. For such predictions of a Sino-American competition for power in East Asia, see Mearsheimer, *The Tragedy of Great Power Politics*; Richard J. Bernstein and Ross Munro, "China I: The Coming Conflict with America," *Foreign Affairs*, Vol. 76, No. 2 (March/April 1997), pp. 18–32; Aaron L. Friedberg, "The Struggle for Mastery in Asia," *Commentary*, Vol. 110, No. 4 (November 2000), pp. 17–26; Robert Kagan, "The Illusion of 'Managing' China," *Washington Post*, May 15, 2005; Dale Copeland, *The Origins of Major War* (Ithaca, N.Y.: Cornell University Press, 2000), p. 244; and Joseph M. Grieco, "China and America in the World Polity," in Carolyn W. Pumphrey, ed., *The Rise of China in Asia* (Carlisle Barracks, Pa.: Strategic Studies Institute, 2002), pp. 24–48.

various weapons systems, such as submarines and cruise missiles, which are of concern to the U.S. Pacific Command and to the security establishments of regional friends and allies of the United States. But China's growing economic presence arguably plays a separate and equally important strategic role. In an article written in 2000, Aaron Friedberg explores a decidedly zero-sum perspective on the challenge posed to the United States by a rising China. He writes, "As time passes, China will probably become even less susceptible to American economic pressure than it is today. Chinese exports to the United States may be large, but even now they are greatly overshadowed by China's exports to its Asian neighbors. And as important as the U.S. is as a source of capital, it now comes in among the five largest providers of direct foreign investment to China; the other four [Hong Kong, Japan, Singapore, and South Korea] are all Asian players."<sup>46</sup> Of course, this is what one would have expected if the region was to break out of its thin intraregional interdependence and the heavy reliance on outside markets that Friedberg and others considered potentially destabilizing from a positive-sum perspective in the early 1990s.

Even in bilateral relationships in which China's diplomatic relations are rather poor, economic leverage still looms large. Since the start of this decade, political relations between China and Japan and across the Taiwan Strait have been frosty, but economic relations are deep and growing quickly. As noted above, both Sino-Japanese and Chinese-South Korean economic cooperation has skyrocketed. China is also Taiwan's leading overseas investment target and its largest trade partner, with Taiwan enjoying a mammoth trade surplus with the mainland.<sup>47</sup> Japan, South Korea, and Taiwan will not likely be eager to simply accommodate mainland China on core security issues, but the economic relationships they have with the PRC will almost certainly affect their choices moving forward. From the zero-sum perspective, Japan's and South Korea's high degree of reliance on the Chinese economy makes analysts nervous about whether either country can be considered a reliable U.S. ally, particularly in conflicts that might directly affect U.S. strategic interests, but not their own. Although to date the U.S.-Japan alliance does not seem severely hampered by this phenomenon, the problem is arguably already severe in

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46. Friedberg, "The Struggle for Mastery in Asia," pp. 18–19.

47. In this decade, China has also become South Korea's largest export market and largest target for foreign direct investment. See Lum and Kanto, "China's Trade with the United States and the World," pp. 10–12.

U.S.–South Korean alliance relations during a period of restructuring of U.S. forces on the peninsula. The government of President Roh Moo-Hyun would clearly like to ensure that Washington will not use its reconfigured bases in South Korea to fight a war with China over Taiwan.<sup>48</sup> Similarly, many actors in the region, including Singapore, Thailand, and Vietnam, seem to want to hedge their bets in the face of a potential U.S.–China military showdown, rather than simply lean toward the United States. They do not want to be forced to choose the United States over China.<sup>49</sup>

CHINA'S DIPLOMACY AS A STRATEGIC PEACE OFFENSIVE. From a zero-sum perspective, China's diplomatic accommodation of its neighbors and its active participation in regional international regimes can be seen as parts of a strategy to drive the United States out of the region. The danger is that regional actors will bandwagon with and accommodate a rising China, rather than balance against it by drawing closer to the United States.<sup>50</sup>

The development of ASEAN plus Three in the late 1990s illustrates how differently multilateralism can be viewed from the two perspectives. For those worried about security dilemmas and spirals of tension, ASEAN plus Three might be seen as highly stabilizing because it includes Southeast Asian states and all three major security actors in Northeast Asia—each of which engaged in military conflicts with the other two at some point in the last century. But from the view of a Sino-American power struggle, an initiative such as ASEAN plus Three looks particularly worrisome precisely because it includes U.S. allies and security partners—Japan, the Philippines, Singapore, South Korea, and Thailand—but excludes the United States. Since the late 1990s, China has enjoyed markedly improved bilateral diplomatic relations with many of these U.S. allies and security partners.<sup>51</sup> Some analysts fear that these

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48. See Richard Halloran, "A Reluctant Alliance Grows Even More So," *Taipei Times*, June 10, 2005; and Jong-Heon Lee, "Analysis: USFK and Taiwan Strait Conflict," *Washington Times*, December 1, 2004.

49. See Evelyn Goh, *Meeting the China Challenge: The U.S. in Southeast Asian Regional Security Strategies*, Policy Studies Monograph, No. 16 (Honolulu, Hawaii: East-West Center, 2005).

50. Friedberg, "The Struggle for Mastery in Asia," pp. 24–25.

51. On improvement in PRC–Philippines relations on security issues, see, for example, Jaime Laude, "Chinese Defense Official Due in Manila for Dialogue," *Philippine Star*, May 22, 2005. Sino–Philippine trade increased by an average of 26.6 percent per year from 2000 to 2004, with a \$2.16 billion surplus in Manila's favor. In 2004 China and the Philippines also agreed to joint development of energy resources in the disputed waters around the Spratly Islands. Filipino President Gloria Macapagal Arroyo has also discussed greater security cooperation with the Chinese leadership. See Bruce Vaughn, *China–Southeast Asia Relations: Trends, Issues, and Implications for the United States*, CRS Report for Congress (Washington, D.C.: Library of Congress, updated February 8, 2005), p. 18, Order Code RL32688. Singapore remains a major U.S. security partner, but in 2005

trends in Beijing's multilateral and bilateral diplomacy might suggest a long-term effort to drive a wedge between the United States and its friends and allies.<sup>52</sup>

In Central Asia, China was the founding member of the SCO, which includes various Central and South Asian actors as members or observers, but does not include the United States.<sup>53</sup> At that organization's meeting in July 2005, members called for a timeline for the withdrawal of foreign military forces in member states that were deployed initially to fight the global war on terror in Afghanistan. This thinly veiled reference to the withdrawal of U.S. bases in Kyrgyzstan and Uzbekistan is exactly what zero-sum analysts fear from multilateral organizations that include both of the potential U.S. great power rivals, China and Russia, and wavering U.S. security partners such as Kyrgyzstan and Uzbekistan, but do not include the United States.<sup>54</sup>

Joshua Kurlantzick emphasizes the dangers of China's newfound diplomatic "soft power" for the United States. He sees China vying with the United

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China improved its relations with Singapore as well. See Clarissa Oon, "Singapore, China to Step Up Defence Ties," *Straits Times*, November 17, 2005. Sino-South Korean relations have improved not only in economics and diplomacy but also in the cultural arena. See Antaneta Bezlova, "China, South Korea Hip to Each Other," *Asia Times*, June 23, 2005. A public opinion poll had "76% of Thai respondents choosing China as Thailand's closest friend, with only 8% naming Japan (Thailand's top trading and foreign investment partner) and 9% choosing the U.S., the world's leading importer of Thai products." U.S. State Department Bureau of Intelligence and Research, "China-Southeast Asia Relations," See unpublished report distributed to conference on China's Relations with Southeast Asia, Singapore, August 23-24, 2005.

52. For a concise expression of such a concern, see Randall Schriver, "The China Challenge," paper presented to the Center for Strategic and International Studies working group With One Hand Tied: Dealing with China during a Period of Preoccupation, Washington, D.C., June 13, 2005, pp. 6-7.

53. Goldstein, "China in the New Central Asia."

54. For the original SCO declaration, see "Declaration of Heads of Member States of Shanghai Cooperation Organization," July 5, 2005 [http://www.sectSCO.org/news\\_detail.asp?id=5008&languageID=2](http://www.sectSCO.org/news_detail.asp?id=5008&languageID=2). For the removal of any remaining veil as to whom the SCO was referring to and what Beijing's position on the matter is, see "Deadline Expected of Anti-terrorism Military Presence," *People's Daily Online*, July 13, 2005; and Marina Volkova, "Shanghai Cooperation against Terrorism," *Rossiyskaya Gazeta*, July 6, 2005, in FBIS, July 6, 2005, doc. 200507061477. For a tough reaction to the SCO declaration from then Chairman of the Joint Chiefs of Staff Richard Myers, see Ann Scott Tyson, "Pentagon Pressured to Pull Out of Uzbek, Kyrgyz Bases: Russia and China Bullying Central Asia, U.S. Says," *Washington Post*, July 15, 2005. For a sharp Chinese rebuke of Myers's statement, see "Mei Jun Canlianhui Zhu Xi Maieris Dihui Zhong E Qiling Zhong Ya Xiaoguo [U.S. Chairman of the Joint Chiefs Myers slanders China and Russia on the bullying of small Central Asian nations], *Qianlong Network*, July 15, 2005, <http://www.qianlong.com/>. Recently the SCO has expanded the number of observers in the organization to include India, Iran, and Pakistan, a trend that concerns the U.S. Army War College's Stephen Blank from a geostrategic perspective. See Blank, "New Turns in Chinese Policy towards Central Asia," *Central Asia-Caucasus Analyst*, June 15, 2005.

States for hegemony not just regionally, but globally. Pointing to how Chinese soft power appears to be spreading quickly to such disparate places as Latin America and Australia, he writes, "China may become the first nation since the fall of the Soviet Union that could seriously challenge the United States for control of the international system."<sup>55</sup> In the fall of 2005, the U.S. commentator Charles Krauthammer adopted a similar zero-sum perspective by viewing even the prospect of China's diplomatic success in promoting North Korean denuclearization as potentially bad for the United States. The perceived danger is that China would gain significant prestige in tackling a knotty problem that the United States could not solve and, therefore, Beijing would gain in relative power terms vis-à-vis the United States.<sup>56</sup>

Some observers have also expressed concern that by asserting its influence in the inaugural meeting of the East Asia Summit (EAS) in December 2005, China has attempted to maximize its power at the expense of the United States and U.S. allies.<sup>57</sup> China's official government position is that it does not favor the exclusion of the United States or other actors from the EAS or from the region more generally.<sup>58</sup> But during the early discussions of the EAS's composition, various signs suggested that China was at least comfortable with, if not fully supportive of, Malaysia's position that actors from outside East Asia should be excluded.<sup>59</sup> ASEAN eventually decided to extend EAS membership to any outside power that has significant regional interests and is willing to sign the association's Treaty of Amity and Cooperation, thus opening the door

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55. Joshua Kurlantzick, "How China Is Changing Global Diplomacy: Cultural Revolution," *New Republic*, June 27, 2005, p. 16.

56. Charles Krauthammer, "China's Moment," *Washington Post*, September 23, 2005.

57. For example, Randall Schriver argued in June 2005 that the only certainty about the upcoming 2005 East Asia Summit was that China was the most influential actor behind the initiative and that the United States was not invited. See Schriver, "The China Challenge."

58. For Zheng Bijian's position on nonexclusion of U.S. or European Union interests, see "China's Peaceful Rise Part of Asia Peaceful Rising, Official Says," *Xinhuanet*, April 22, 2005, <http://www.hq.xinhuanet.com>. Zheng carried a similar message to the United States during a visit in mid-June. See "No Anti-U.S. Plan in Asia: China," Reuters, June 18, 2005. For Director General of the PRC Foreign Ministry's Department of Asian Affairs Cui Tiankai's statements, see Zhang Yongxing, "Chinese Representative Explains China's New Concept of Security at Asian Security Conference," Xinhua News Service, June 4, 2005, in FBIS, June 5, 2005, doc. CPP20050605000027. For a scholarly article on nonexclusion of outside actors to the EAS, see Zhang Yunling, "Ruhe Renshi Dongya Quyu Hezuo de Fazhan" [How to understand the development of East Asian regional cooperation], *Dangdai Yatai* [Contemporary Asia-Pacific Studies], No. 8 (August 2005), p. 4.

59. For example, the highly influential scholar Wang Jisi, of Peking University, argued in June 2005 that the summit should not include the United States. "Ta Kung Pao Cites PRC Scholars on China's Multilateralism in East Asia," *Hong Kong Ta Kung Pao* (internet version), in Chinese, in FBIS, June 21, 2005, doc. CPP20050621000061.



for Australia, India, and New Zealand. Japan apparently had pushed hard for such an “open” summit and initially seemed to have won the day. According to knowledgeable Chinese and Japanese experts, however, in the period leading up to the December meeting, China successfully lobbied to place ASEAN plus Three at the core of the process that will eventually create an East Asian Community (EAC), relegating the more diffuse East Asia Summit to a secondary role. In fact, such a two-tiered arrangement for EAC creation was one of the few clear conclusions reached at the inaugural EAS.<sup>60</sup> China’s apparent strategy before and during the summit suggests to some inside and outside of China that Beijing prefers a relatively closed process for creation of the EAC, a process in which China can maximize its own influence and minimize the role of states more friendly to the United States.<sup>61</sup>

#### ASSESSING U.S. PERFORMANCE FROM THE ZERO-SUM PERSPECTIVE

If one sees regional international relations largely as a zero-sum struggle for influence between an extant hegemon, the United States, and a swiftly rising challenger, China, then the United States has done rather poorly since the breakup of the Soviet Union. China’s economic, diplomatic, and military influence has clearly grown very quickly, especially in the past several years. In many ways, it has done so through mechanisms designed to assuage security dilemmas: the deepening of regional economic integration, the development of regional multilateral institutions, and China’s participation in both of these processes. Although many factors helped foster these results, the U.S. engagement policy toward China and the provision of regional security by U.S. forces certainly helped facilitate those outcomes. For the same reasons that positive-sum analysts generally consider the U.S. performance in the region a success, zero-sum analysts are dissatisfied. Seemingly everything that increases China’s appeal to its neighbors and reassures them about China’s in-

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60. Lu Jianren, “Dongya Fenghui, Zhongguo Diwei Nan Handong” [The East Asia Summit: China’s position is hard to shake], *Xinhuanet*, December 15, 2005, [http://news.xinhuanet.com/world/2005-12/15/content\\_3924348\\_2.html](http://news.xinhuanet.com/world/2005-12/15/content_3924348_2.html). Author discussions with knowledgeable Chinese and Japanese experts in Beijing and Tokyo, January 2006; Akio Takahara, “A Japanese Perspective on China’s Rise and the East Asian Order,” paper presented at “The Rise of China: Theory and Practice” conference, Beijing University, January 6–7, 2006; and Alan D. Romberg, “The East Asia Summit: Much Ado About Nothing—So Far,” *Freeman Report*, Vol. 3, No. 12 (December 2005).

61. For a revealing analytic piece from a member of a Chinese government think tank, see Lu, “Dongya Fenghui, Zhongguo Diwei Nan Handong.” See also Bruce Vaughn, *East Asian Summit: Issues for Congress*, CRS Report for Congress (Washington, D.C.: Library of Congress, December 9, 2005), pp. 2–3, Order Code RS22346; and “Japan, China Clash Over East Asian Summit,” *Yomiuri Shimbun*, November 25, 2005.



tentions appears threatening to U.S. interests in a zero-sum competition. One zero-sum analysis suggests that, if China can somehow avoid being "excessively high-handed or even brutal" toward its neighbors in the short term, this will assist Beijing strategists in achieving their alleged fantasy of "easing the U.S. out of East Asia without firing a shot."<sup>62</sup>

In the *Tragedy of Great Power Politics*, John Mearsheimer takes a similarly dark view of China's rise from the perspective of great power competition. He blasts the U.S. policy of constructive engagement, espoused by most American elites. He believes that this "misguided" policy is based on the false hope that international engagement of China will do more than just make China strong; it will also make it more cooperative. Mearsheimer writes, "China is still very far away from the point where it has enough latent power to make a run at regional hegemony. So it is not too late for the United States to reverse course and do what it can to slow the rise of China. In fact, the structural imperatives of the international system, which are powerful, will probably force the United States to abandon its policy of constructive engagement in the near future."<sup>63</sup> In his 2000 book, Dale Copeland similarly concludes that if high rates of Chinese growth continue through the first decade of this century, Washington's China policy "can be predicted to gravitate toward the hard-line end of the spectrum," meaning, for Copeland, a Cold War-style containment strategy aimed at limiting trade and investment relations with China.<sup>64</sup>

If one accepts zero-sum reasoning, the lack of such a response to China's continued rise later in the same decade must still be explained. Some analysts suggest that U.S. economic interests in China and in the continuation of globalization hamper the United States in its strategy and help explain why Washington has not made a concerted effort to slow China's growth as Mearsheimer prescribes.<sup>65</sup> Robert Kagan believes that U.S. containment efforts have already started, but that the illusion that the United States might be able to manage China's rise along the lines of the positive-sum vision has led

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62. Friedberg, "The Struggle for Mastery in Asia," p. 26.

63. Mearsheimer, *The Tragedy of Great Power Politics*, p. 402. Prominent Chinese international relations experts, such as Shi Yinhong and Yan Xuetong, believe that Mearsheimer's prediction for a change in U.S.-China policy is well under way, although Mearsheimer himself may not agree. See "PRC Scholar Shi Yinhong: China, U.S. 'Structural Contradictions' Deepening," *Beijing Guoji Xianqu Daobao* (internet version), in FBIS, June 13, 2005, doc. CPP20050613000226. For Yan's views, see "PRC's Wang Jisi: China May Leave G8 in Future; Scholars Support Multilateralism," *Wen Wei Po* (Hong Kong, internet version), in Chinese, in FBIS, June 22, 2005, doc. CPP20050622000094.

64. Copeland, *The Origins of Major War*, p. 244.

65. See, for example, Michael A. Weinstein, "Intelligence Brief: China," June 28, 2005, [http://www.pinr.com/report.php?ac=view\\_report&report\\_id=3198&language\\_id=1](http://www.pinr.com/report.php?ac=view_report&report_id=3198&language_id=1).

to a dangerously watered-down containment effort. Kagan asserts that Washington is deluded by positive-sum, liberal theories that give U.S. security analysts false hope that China's rise could be peaceful and consistent with U.S. interests, if only the United States can avoid increasing regional tensions and unnecessarily antagonizing Beijing.<sup>66</sup>

Along the same lines, Joseph Grieco calls into question the restraints provided by interdependence: "Given its tremendously successful economic performance, and the important link between that superb performance and its external economic relations, one might expect that China would be essentially satisfied with the contemporary East Asian and international orders. . . . It now appears as if China would be willing to risk its favorable global economic and political relationships if this would result in an improved position in East Asia."<sup>67</sup> From this neorealist perspective on China's rise in Asia, Grieco logically questions a liberal or neoliberal-institutionalist foundation for U.S. strategy. He writes, "The problem with this strategy is that, while there is less than a 100 percent probability that it will succeed in bringing about a more peaceful and responsible and even more democratic China in the years ahead, there is something approaching a 100 percent likelihood that such engagement will produce a more potent China."<sup>68</sup> Grieco does not dismiss entirely the possibility of a taming effect from engagement, but he suggests that the strategy is excessively risky given the added Chinese power and ambition he believes it is creating.

Other observers concerned with the United States' recent poor showing in its competition for power with China focus on the period following the terrorist attacks of September 11. They argue that Washington has become distracted in the global war on terror, while China has quickly and dramatically gained leverage in Southeast Asia, Northeast Asia, and even Australia with impressive economic and diplomatic initiatives.<sup>69</sup> For example, especially in the years immediately following the September 11 attacks, a widespread impression in

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66. Kagan, "The Illusion of 'Managing' China."

67. Grieco, "China and America in the World Polity," p. 24. For a sophisticated critique of the conclusion that China is necessarily heading toward increased revisionism, see Alastair Iain Johnston, "Is China a Status Quo Power?" *International Security*, Vol. 27, No. 4 (Spring 2003), pp. 5–56.

68. Grieco, "China and America in the World Polity," pp. 36–37.

69. Author's off-the-record discussions with two former U.S. government officials; Kurlantzick, "How China Is Changing Global Diplomacy"; and Schriver, "The China Challenge." For a somewhat less concerned portrayal of Chinese gains and U.S. challenges, see Evelyn Goh, "The Bush Administration and Southeast Asian Regional Security Strategies," in Robert M. Hathaway and Wilson Lee, eds., *George W. Bush and East Asia: A First-Term Assessment* (Washington, D.C.: Woodrow Wilson Center, 2005), pp. 183–194.

the region has been that when the United States does engage with countries in Southeast Asia, it often sounds monotone and obsessed with terrorism at the expense of other issues.<sup>70</sup> In the meantime, the Chinese leadership has kept an eye on the great power prize, has created strategic dependencies on China among its neighbors, and has prevented balancing coalitions from forming by embracing regional multilateralism. Lamenting perceived U.S. inaction during this process, former Deputy Assistant Secretary of Defense Kurt Campbell writes, "The demands, mostly unanticipated, of the martial campaigns in the Middle East have had the additional consequence of diverting the United States away from the rapidly changing strategic landscape of Asia precisely at a time when China is making enormous strides in military modernization, commercial conquests, diplomatic inroads, and application of soft power. Rarely in history has a rising power made such prominent gains in the international system largely as a consequence of the actions and inattentiveness of the dominant power. Indeed, Washington has been mostly unaware of China's gains within the past few years, many of which have come at the expense of the United States."<sup>71</sup> Campbell continues by critiquing the lack of coordination between a U.S. hedging strategy toward China and the U.S. engagement policy, stating that the latter "has succeeded so well that China is beginning to best the United States in open political and commercial contests."<sup>72</sup>

#### REASONS FOR ZERO-SUM OPTIMISM FOR THE UNITED STATES

Even if one accepts a zero-sum perspective on Sino-American competition in East Asia, the news for the United States is not all bad. The United States has improved its strategic relations with several South Asian and Central Asian states since September 11, 2001. U.S. ties with India have improved markedly, even as the United States has maintained a limited strategic partnership with Pakistan in the war on terror. More important, the U.S.-Japan alliance is argu-

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70. This was the theme of a speech by Chan Heng Chee, former Singapore ambassador to the United States, at an early 2006 conference on China and the United States in Southeast Asia. Roger Mitton, "China Scores for Its Dealings with ASEAN," *Straits Times*, February 6, 2006. As one former U.S. official put it to me at a major international East Asian conference in Southeast Asia after the September 11 terrorist attacks, the Chinese official entourage came prepared to discuss a wide variety of issues, whereas the U.S. entourage came to discuss terrorism and, even more specifically, the potential proliferation of shoulder-held antiaircraft missiles to terrorist groups. For prescriptions to rectify the image of the United States as focused only on terrorism, see Goh, "The Bush Administration and Southeast Asian Regional Security Strategies," p. 193.

71. Richard Baum, Kurt M. Campbell, James A. Kelly, and Robert S. Ross, "Whither U.S.-China Relations?" Roundtable Discussion," *NBR Analysis*, Vol. 16, No. 4 (December 2005), p. 25.

72. *Ibid.*, p. 26.

ably stronger now than at any time since the end of the Cold War. The U.S. economy remains highly important to all of the regional actors, especially to the ASEAN states and to China itself. Although regional actors do not want to choose the United States over China, they do not want to be forced to choose China over the United States either.<sup>73</sup>

### *The Search for Synthesis between the Two Perspectives*

The tension between the positive-sum and zero-sum worldviews seems sharp. The growth of the Chinese economy has arguably been the driver of the region's economic integration, and the increase in China's diplomatic activities has been at the center of the growth in meaningful multilateralism in East Asia. China's emergence as the number one target of foreign direct investment in the region and the world is good from the perspective of raising the costs of conflict for all actors, and thereby increasing the positive-sum gains for peace. From a zero-sum perspective, however, China's growing importance to all of the regional actors and the decline in exports to the United States as a percentage of total exports means that China is gaining leverage over its neighbors at U.S. expense. More generally, this fast-paced economic growth affords China the ability to flex its muscles by, for example, offering preferential loans and business deals to real or potential enemies of the United States, holding U.S. Treasury bonds as a strategic lever against the United States, and purchasing weapons and weapons technology abroad. Foreign direct investors and their home states are more beholden to China, thus increasing Beijing's leverage over them and decreasing U.S. power and flexibility in the region. So if one wants to solve the security dilemmas discussed by positive-sum analysts, regional economic interdependence is one of the surest solutions. But if the goal is to limit the growth of China's influence in the region in comparison to that of the United States, then the less integrated hub-and-spokes system, in which regional actors were highly dependent on the United States but relatively independent of each other, would still be greatly preferable.

Regardless of how one scores the Sino-American competition for relative power over the past several years, there was no way to achieve the kind of economic integration and multilateral confidence-building that has developed

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73. For a concise and optimistic recap of continuing U.S. power in the region, see Robert Sutter, "Rising Dragon and the American Eagle, Part II: China Is On the Rise—but U.S. Influence in Asia Shows No Signs of Waning," *YaleGlobal Online*, April 22, 2005.

since the end of the Cold War without a marked increase in Chinese influence in the region. If the goal of U.S. foreign policy in the early 1990s was to stay engaged in East Asia (particularly in Japan) so as to encourage regional economic interdependence, the early growth of multilateral institutions, and a greater role for China in these processes, then U.S. policy has been a fantastic success. As Assistant Secretary of State Christopher Hill testified to Congress in June 2005, the United States has to a considerable degree achieved much of what it sought for the region ten years ago: “[Then, we] all wanted China to become more actively involved in regional and global affairs.” Adopting an explicitly positive-sum approach, he stated, “China’s success in extending its political influence in the Asia-Pacific region and throughout the developing world is, in my view, a logical evolution, closely tied to its emerging economic clout, and certainly is not a zero-sum game for the United States.”<sup>74</sup> Kenneth Lieberthal, former senior director for Asian Affairs at the National Security Council under President Bill Clinton, also emphasizes that U.S.-China economic and diplomatic relations should produce a “win-win” situation for the two countries.<sup>75</sup> A former deputy assistant secretary of state under President George W. Bush, Randall Schriver, used similar language about China’s developing relations with India and Australia, asserting that the United States “is not interested in playing a zero-sum game” in diplomatic competition with China for the hearts and minds of those countries.<sup>76</sup>

For observers primarily concerned about a great power competition for regional hegemony, however, this is largely a zero-sum game; so the picture is considerably more negative. China’s growing economic, military, and political power in Asia might render countries such as Australia, the Philippines, South Korea, and Thailand less willing or able to assist the United States in checking the growth of Chinese power in the future. Although Taiwan is more independence minded than it was in 1993, it is more beholden to the mainland economically, not to mention that it is significantly more threatened militarily.

From the zero-sum perspective, it might in fact be fortunate that some of the remaining destabilizing factors discussed in positive-sum analyses still exist in the region. The positive side of regional rivalries and ethnic tensions are clear: they can serve as glue for U.S. defense relationships in the region and can help

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74. Hill, testimony before the Subcommittee on East Asian and Pacific Affairs.

75. Kenneth Lieberthal, “Why the U.S. Malaise over China?” *YaleGlobal Online*, January 19, 2006.

76. Han Nai-kuo, “U.S. Adjusting Military Deployment with China in Mind: Schriver,” *CNA* (Taipei), July 13, 2005.

prevent local actors from bandwagoning with an ascendant China. For example, in late 2004 and early 2005, China's apparent bullying of Taiwan with the Antiseccession Law (threatening nonpeaceful measures if Taiwan were to cross various red lines), its naval activities near Japan, and anti-Japanese protests in Chinese urban centers that bordered on riots only seemed to delay accommodation across the Taiwan Strait, alienate Japanese elites and citizens further from China, and tighten the U.S.-Japan alliance.<sup>77</sup> These actions seem even to have contributed to improved ties between Japan and Taiwan, a relationship that greatly increases tension between East Asia's two great powers.<sup>78</sup> All of this can be seen as disastrously bad from a positive-sum point of view, but rather welcome from the zero-sum point of view.

Since the spring of 2005, however, Beijing's behavior toward Taiwan has been very moderate, despite President Chen Shui-bian's clear pursuit of legal independence (albeit without sufficient domestic support to achieve this goal). Beijing first invited leaders of Taiwan's anti-independence opposition parties for historic trips to the mainland and then responded relatively mildly to provocative pro-independence statements and measures adopted by President Chen in early 2006.<sup>79</sup> Such an outcome might be welcome from the positive-sum analysts' point of view, but it could be worrisome from a zero-sum perspective. From a radical version of the zero-sum perspective, goading China into adopting a harsh set of policies toward Japan or Taiwan might even be in Washington's long-term strategic interest.<sup>80</sup>

Similarly, if one accepts a stark realpolitik view of China's rise and believes that the United States is in a zero-sum competition with China for regional hegemony, regardless of the latter's domestic political system, then even Chinese democratization might be greatly problematic for the United States. A liberal democratic China might appear less threatening to the American public and to its democratic neighbors. A democratic mainland would also be more attractive to Taiwan and more likely to achieve the PRC's stated goal of peaceful unification. Even if Taiwan still refused to unify after mainland liberalization and a democratic mainland decided to use force to compel national unification

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77. Christensen, "Old Problems Trump New Thinking?"

78. For coverage of these issues, see my contribution to the *China Leadership Monitor*, No. 13 (Spring 2005), <http://www.chinaleadershipmonitor.org/20053>.

79. Judging from my discussions with influential experts in Beijing in early January 2006, this was clearly an intentional strategy on the PRC's part.

80. In the same vein, some Chinese commentators believe that U.S. elites perceive cooperative multilateral networks in the region as harmful to the U.S. effort to maintain U.S. supremacy. See, for example, Wang, "Mei Weihe Guchui 'Zhongguo Junshi Weixie,'" p. 11.

on its terms, the U.S. government would have difficulty convincing Americans to intervene against a nuclear power to prevent a democratic Taiwan from falling into the hands of a democratic mainland. It would certainly be harder than in the case of an authoritarian mainland attacking a democratic Taiwan. So, depending on which lens one applies, Chinese democratization is either a great strategic benefit for the United States—perhaps the big strategic prize for U.S. regional engagement—or a significant strategic danger.

IS THE UNITED STATES TRYING TO CONTAIN CHINA?

Regardless of whether one agrees with Mearsheimer's prescriptions for early abandonment of the U.S. policy of constructive engagement (and I do not), he, Grieco, and others are right to point out that, since the end of the Cold War, the United States generally has not been containing China but, for the most part, fostering its growth. Especially if one uses the United States' containment policies toward the Soviet Union as a basis of comparison, the complaint often heard from Chinese experts—that the United States has been dedicated to a grand strategy of containment of China as part of a general policy to maintain U.S. hegemony—is, for the most part, divorced from reality.<sup>81</sup> During the Cold War, the United States adopted measures not only to check Soviet military expansionism but also to weaken the Soviet Union economically and diplomatically. As stated in the introduction of this article, few grand strategies are either purely zero-sum or positive-sum, but Cold War-style containment policies leveled at the Soviet Union and at China in the 1950s and 1960s are fairly close to the zero-sum end of the spectrum. This has hardly been the case with U.S. policy toward China since late 1978, when the United States normalized relations with the PRC and Deng Xiaoping launched his historic reform program. In fact, since then, no foreign country has done more to make China stronger economically and diplomatically than the United States.<sup>82</sup> Moreover, this is not some sort of accidental failure of strategy. As Deputy Secretary of

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81. Particularly after the bombing of the PRC embassy in Belgrade during the 1999 Kosovo war, the containment and hegemony themes were common in Chinese publications. See Yan Xuetong, *Meiguo Baquan yu Zhongguo Anquan* [U.S. hegemony and Chinese security] (Tianjin: Tianjuing People's Publishers, 2000); and Liang Fang, Feng Zhaoju, and Wang Xixin, chief eds., *Meiguo Endezhu Shijie Ma?* [Can the United States hold down the world?] (Beijing: National Defense University Press, 2000).

82. When Chinese interlocutors tell me that a U.S. grand strategy of containment against China has existed since the end of the Cold War, I routinely ask them to name a country that has done more in the reform era to make the PRC strong and influential than the United States. I have never received a serious reply, though I have elicited visible frustration in some cases.



State Zoellick has pointed out on numerous occasions, and prominently in his influential speech on September 21, 2005, it has not been and is not the intention of the United States to contain China's overall national power.<sup>83</sup> On the contrary, in his speech and in his Senior Dialogue with Vice Foreign Minister Dai Bingguo, Zoellick seems committed to encouraging China to play a more influential role on the international stage, albeit for purposes that fit common Sino-American security and economic interests.<sup>84</sup>

Still, important elements of zero-sum competition do exist in the United States' China policy, particularly in the military arena. Sophisticated Chinese strategic analysts, such as Huang Renwei, are able to separate U.S. military containment of China from the general engagement strategy in which it is embedded.<sup>85</sup> Huang's analysis of a U.S. hedging strategy seems spot-on and tracks with other sound analyses by Chinese and American experts.<sup>86</sup> Looking at key aspects of U.S. policy toward China, one has to concede at least some points to those who would accuse the United States of containing China. Those aspects include U.S. technology transfer restrictions on trade with China; U.S. pressure on the European Union and Israel not to sell weapons to China; the upgrading of U.S. military capabilities in Guam; the offer of advanced weaponry to Taiwan; increased defense coordination and consultation with Taiwan; and the push for a more active Japanese role in the U.S.-Japan alliance. These are all part of a fairly straightforward zero-sum competition between the United States and China in the military arena.<sup>87</sup> Of course, the U.S.-Japan alliance upgrades have much broader goals than simply countering new Chinese capabilities and would likely be on the U.S. agenda even without

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83. Zoellick, "Whither China?"

84. For a brief overview of the Senior Dialogue, see "Senior Dialogue Examines Framework of U.S.-China Relationship," December 8, 2005, <http://usinfo.state.gov/eap/Archive/2005/Dec/08-125799.html>.

85. Huang Renwei, cited in Yang Liqun, "U.S. Strategic Consideration in Militarily Containing China: PRC Scholar on U.S. Strategy of Militarily Containing China," *Jiefang Ribao* (Shanghai, internet version), in Chinese, June 28, 2005, FBIS, doc. CPP20050714000030.

86. For an excellent analysis of the mutual hedging between China and the United States, see Evan S. Medeiros, "Strategic Hedging and the Future of Asia-Pacific Stability," *Washington Quarterly*, Vol. 29, No. 1 (Winter 2005/06), pp. 145–167. See also Robert Sutter, *China's Rise in Asia: Promises and Perils* (New York: Rowman and Littlefield, 2005); and Liu Jianfei, "Meiguo Dui Hua Zhanlue de Zhuanbian Quxiang" [The transformational trends in U.S. strategy toward China], *Shijie Jingji yu Zhengzhi* [World Economics and Politics], No. 2 (February 2005), pp. 30–35.

87. On U.S. pressure on Israel, see Zeev Schiff, "Israel Bows to U.S. Pressure, Will Curb Defense Exports," *Haaretz*, June 26, 2005; and Sharon Weinberger, "New Technology Transfers to China On Hold, Pentagon Official Confirms," *Defense Daily*, June 16, 2005, p. 1. For the PRC official reaction to the U.S. pressure on Israel, see "PRC Spokesman, U.S. Concerns over Military Cooperation with Israel 'Groundless,'" Hong Kong AFP, in FBIS, June 21, 2005, doc. CPP20050621000113.

China's rise, especially after September 11, but there is little doubt that China's military modernization and general assertiveness in the security realm have provided lubricant for changes in that alliance relationship.<sup>88</sup>

These military containment or balancing measures, however, have not altered the general trend lines of China's increasing influence in the region, nor were they designed to do so. In the grand scheme, such measures hardly offset the U.S. trade, investment, and diplomatic policies that have contributed so much to China's overall rise in the region. The broader U.S. grand strategy toward China is decidedly not one of Cold War-style containment.

#### COMMON GROUND BETWEEN THE TWO APPROACHES

Despite the differences in the positive-sum and zero-sum perspectives, one can find areas of common ground, particularly when analyzing the policy prescriptions that flow from both as the United States faces a rising China in Asia. In many instances, the positive-sum and zero-sum worlds are not polar opposites. A robust U.S. military role combined with U.S. alliances and security partnerships in East Asia deters aggression and prevents potentially intense intraregional security competitions in either world. As discussed above, the effort to maintain U.S. supremacy in East Asia is axiomatic from the zero-sum perspective. But U.S. military superiority in East Asia is important for many observers writing from the positive-sum perspective as well. For the United States to provide common security and reassure local actors who mistrust each other more than they mistrust Washington, the United States needs to be more powerful in the region than any other single regional actor. To do so, it must maintain strong regional alliances. All things being equal, however, the positive-sum worldview would lead U.S. policymakers to be more cautious about the expansion of Japanese military roles and more attentive to the ways in which increased Japanese assertiveness is marketed politically within Japan and in the region. Positive-sum analysts who also place great value on the U.S.-Japan alliance would emphasize the reassurance role that the alliance can play for China and Japan during the former's rise and the latter's move toward a more proactive security posture. The zero-sum analysis might see severe competition between the U.S.-Japan alliance and the PRC as so likely that

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88. See, for example, Martin Fackler, "Altered States, Breaking Taboos: Japan Redefines Its Role with China," *Wall Street Journal*, June 28, 2005; and P.R. Kumaraswamy, "Return of the Red Card: Israel-China-U.S. Triangle," *Power and Interest News Report*, May 23, 2005, [http://www.pinr.com/report.php?ac=view\\_report&report\\_id=303&language\\_id=1](http://www.pinr.com/report.php?ac=view_report&report_id=303&language_id=1).

care in the packaging of Japan's new military roles is unnecessary. In fact, a high degree of Sino-Japanese tension might be seen as healthy for the alliance. Advocates of either view would push for greater coordination in U.S.-Japan alliance policies, something that has already begun to occur, especially in 2005–06.<sup>89</sup>

The two worldviews should also overlap on U.S. policy toward cross-strait relations between Taiwan and the mainland. From either perspective, the United States should deter mainland aggression against Taiwan. From the zero-sum perspective, the island's absorption into the PRC would increase China's material power, eliminate a great source of distraction in Beijing's alleged quest for regional domination, and foreclose the possibility of a future alliance between Taiwan, Japan, and the United States. From the positive-sum perspective, Washington should seek to deter PRC aggression because conflict over Taiwan, especially if it were provoked by the mainland, could raise severe security dilemmas between China and its neighbors. U.S. acquiescence to PRC aggression could also damage Washington's reputation for resolve in the region, without which the U.S. military presence in East Asia cannot play its reassurance role. Moreover, successful Chinese aggression against Taiwan would almost certainly have a negative effect on the evolution of China's domestic politics. The successful use of force by an authoritarian China to subdue Taiwan's democracy would carry regressive lessons about what works and what fails in promoting China's national strength. On the other hand, truly peaceful unification with the full acquiescence of Taiwan's democracy would be acceptable to most positive-sum analysts, especially if it followed mainland democratization. This would reduce security dilemmas in the region and foster peaceful relations across the Pacific. An authoritarian China successfully bullying a democratic Taiwan, however, would be an unmitigated disaster both internationally and domestically. By countering PRC coercion of Taiwan with a tough deterrent stance and defense assistance to Taiwan, the United States might be channeling China's competitive energies into positive-sum areas such as economic integration with Taiwan. Such a strategy might even provide a boost to those on the mainland advocating democratization, who can add the patriotic mission of luring Taiwan back into the fold to their reasons

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89. In addition to the 2 plus 2 statements cited above, Tokyo joined Washington in warning against "unilateral changes in the status quo" in response to the President Chen Shui-bian's provocative 2006 Lunar New Year's speech. See "Japan Reiterates One-China Policy," Xinhua News Agency, January 31, 2006.

for promoting liberalization in China. In March 2003 one bold Chinese scholar at the Central Party School, Liu Jianfei, did exactly that in an influential mainland publication.<sup>90</sup>

Even if the positive-sum and zero-sum perspectives both accept that deterrence of unprovoked aggression against Taiwan is a major U.S. objective, how one deters still matters. Like all forms of coercive diplomacy, deterrence involves both credible threats of punishment for transgressions and assurances that compliance will not lead to significant punishment in any case.<sup>91</sup> The Bush administration has mixed very skillfully those elements of deterrence policy. One can never remove all of the strategic ambiguity from U.S. policy toward cross-strait relations without risking war, but a good deal of it has been cleared up since the spring of 2002, when then Vice President Hu Jintao visited Washington. The Bush administration has combined credible threats of a military response by Taiwan and the United States if the mainland uses force against Taiwan with frequent public, high-profile, and explicit assurances to the mainland and warnings to Taipei that the United States does not support Taiwan independence and opposes unilateral changes in the status quo that threaten stability. In the process, the administration has greatly reduced the likelihood of conflict over the next few years (although conflict remains quite possible) by reducing the likelihood of a legal declaration of Taiwan's independence from the Chinese nation during Taiwan's ongoing constitutional revision process.

To a large degree, the Bush administration's policy has been successful from both perspectives. The reduction of tensions across the strait since 2004 is obviously good from the point of view of preventing spirals of tension. But U.S. moderation on Taiwan also has major payoffs even as regards a straightforward, zero-sum power competition with China. Nobody is eager to side with the United States against China on this issue; so, by appearing moderate and wise, Washington prevents Taiwan from becoming an issue that the PRC can use to drive wedges in U.S. security partnerships and alliances in the region.

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90. Liu Jianfei, "Zhongguo Minzhu Zhengzhi Jianshe yu ZhongMei Guanxi [The building of democratic politics in China and Sino-U.S. relations]," *Zhanlüe yu Guanli* [Strategy and Management], March 2003, pp. 76–82.

91. Thomas C. Schelling, *Arms and Influence* (New Haven, Conn.: Yale University Press, 1966); James W. Davis, *Threats and Promises in Coercive Diplomacy: The Pursuit of International Influence* (Baltimore, Md.: Johns Hopkins University Press, 2000); and Thomas J. Christensen, "The Contemporary Security Dilemma: Deterring a Taiwan Conflict," *Washington Quarterly*, Vol. 25, No. 4 (Autumn 2002), pp. 7–21.

Moreover, U.S. moderation increases the likelihood that Japan will side with the United States in a future cross-strait conflict if one were to occur.

Uncertainty about the future of China also provides another reason for overlap between the positive-sum and zero-sum logics. As mentioned earlier, Asia still looks far from fully stable even from a purely positive-sum point of view. Historical issues are still a cause for tensions between, for example, China and Japan, Japan and Korea, and Korea and China. Regime types still vary wildly around the region. Irredentist claims and sovereignty disputes still abound, especially at sea, even though many land border disputes have been settled since 1993. Even if one believes that the eventual acquisition of nuclear weapons would be a stabilizing factor, the process by which certain Asian countries, such as India, Pakistan, and North Korea, have tried to obtain them has caused greater instability in the near term.<sup>92</sup> Finally, the development of regional multilateral institutions seems impressive only when one uses the early 1990s as a comparative baseline.<sup>93</sup> ASEAN, the ARF, and ASEAN plus Three arguably do reduce regional tensions, but the limits of the organizations are evident whenever any positive security agenda issue, such as joint antipiracy or antiterrorism patrolling of the Malacca Strait, is pursued. In the economic realm, wealth differentials within and between countries are still high. Perhaps most important, China remains undemocratic and potentially domestically unstable even as it experiences impressive economic and military growth. So the United States has plenty of reasons to sustain a strong military presence in East Asia and maintain its alliances and security partnerships, even if one subscribes fully to a positive-sum approach to regional security dynamics.<sup>94</sup> As a result, the policies flowing from such a theoretical viewpoint might not always look very different from the policies prescribed when employing the logic of a zero-sum struggle for power.

The two approaches also occupy common ground in the realm of U.S. diplomacy. China has advanced very quickly in its diplomatic push in Southeast Asia and South Korea in particular. Even if one accepts the position that regional multilateralism and economic interdependence are forces for regional stability, there is no reason from either a zero-sum or a positive-sum perspective that the United States should want to see such developments occur while

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92. Even if one believes that having a second-strike capability is a stabilizing factor, one might still recognize that the process of acquiring such a capability can prove destabilizing.

93. See Rozman, *Northeast Asia's Stunted Regionalism*.

94. Making this point are Medeiros, "Strategic Hedging"; and Sutter, *China's Rise in Asia*.

the United States stands on the sidelines. So there is nothing inconsistent with celebrating long-term U.S. successes since the early 1990s in helping to channel China's competitive energies in a positive diplomatic direction and away from direct military rivalry with its southern neighbors, on the one hand, and asserting that the United States should be active and constructive in its own diplomacy in Southeast Asia, on the other. However unfairly, since September 11 many in the region have received the impression that the United States' only interest in the region is fighting terrorism.<sup>95</sup> It is, of course, understandable that the United States has emphasized counterterrorism in its relations with Southeast Asian nations since September 11, but from almost any strategic point of view, Washington should convince Southeast Asian states that it has a more balanced diplomatic portfolio.

The tsunami disaster in December 2004 and the robust response to it by the United States and its allies may have repaired some of the United States' image problems in the region. Visits to Southeast Asia and Northeast Asia in 2005 and early 2006 by top administration officials, including President Bush, should also help alleviate regional concerns.<sup>96</sup> In its second term, the Bush administration also seems to have made some important inroads with Vietnam, as evidenced by Prime Minister Pham Van Khai's visit to Washington in mid-June 2005.<sup>97</sup> Deputy Secretary of State Zoellick's trip to ASEAN states in May 2005 seemed particularly notable given its emphasis on bringing economics back to the top of the U.S.-ASEAN agenda. Zoellick, a former U.S. trade representative who has tremendous experience in the region working on free trade agreements, emphasized economic cooperation on his trip.<sup>98</sup> He summed up the logic of such an approach in a press conference in Singapore: "No, we've

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95. Goh, "Meeting the China Challenge," pp. 43–44; and Kurlantzick, "How China Is Changing Global Diplomacy."

96. According to a 2005 Pew report, those holding a favorable opinion of the United States in Indonesia jumped from 15 percent in 2003 to 38 percent in 2005. See "U.S. Image Up Slightly, but Still Negative," June 23, 2005, <http://pewglobal.org/reports/display.php?ReportID=247>. On the president's November 2005 trip, see Jonathan Marcus, "Bush Trip Suggests Asia Matters," *BBC News*, November 19, 2005. In the first half of 2005, Michael Green of the National Security Council, Deputy Secretary of State Robert Zoellick, and Secretary of State Condoleezza Rice all toured the region.

97. See, for example, Elena Nakashima, "Vietnam, U.S. to Improve Intelligence, Military Ties," *Washington Post*, June 17, 2005.

98. For analyses of how helpful the Zoellick trip was in rectifying the U.S. image in the region, see Evelyn Goh, "Southeast Asia Bright on U.S. Radar Screen," *Asia Times*, May 28, 2005. To see the various speeches and press conferences that emphasized tsunami relief and economic relations during Deputy Secretary of State Zoellick's six-nation tour, see the various reports at <http://usinfo.state.gov>.

never had the concept of containing China. . . . I think there is recognition in the region that China is a growing influence. And this is natural as China becomes a growing and larger economy and interconnects with this region as other parts of the world. I think the Chinese have tried to signal their multiple interests in Southeast Asia through their discussions of a free trade accord, which on the one hand shows the region that others can benefit from China's growth, but also signals the rising influence of China in the region. From the U.S. perspective, the key message is that we believe we should have our own activist engagement with Southeast Asia and that a policy to try to limit or restrict China would be both foolish and ineffective."<sup>99</sup> One can believe that such positive U.S. efforts should be enhanced in the future regardless of whether one subscribes to a zero-sum logic, a positive-sum logic or, as most analysts do, a mix of both.<sup>100</sup>

The United States can improve its diplomatic relations with ASEAN states without making an enormous fuss if Washington is not included in future Asian Summit meetings. The Bush administration found an artful way to handle this issue by proposing a parallel summit between the United States and the seven ASEAN states that participate in APEC. If this plan is adopted, the president would meet these seven heads of state before the annual APEC summit, which he already attends, thus cutting down on the time spent on preparing for and traveling to Asian summits. By selecting these states and this venue, the president would also meet the most important actors in Southeast Asia without having to meet Myanmar's leaders or sign agreements, such as the Treaty of Amity and Cooperation, that some believe might preclude continued U.S. sanctions against Myanmar's regime, which holds under house arrest the democratically elected leaders of that country.<sup>101</sup>

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99. "Deputy Secretary Zoellick Holds a News Conference in Singapore, as Released by the State Department," *Congressional Quarterly*, FDCH Political Transcripts, May 10, 2005.

100. See, for example, Schriver, "The China Challenge."

101. Roger Mitton, "U.S., ASEAN to Boost Ties with Yearly Summit," *Straits Times*, February 3, 2006. The first meeting would be in November 2006 in Hanoi, before the APEC summit. This policy should help repair any regional fallout from the administration's decision not to send Secretary of State Rice to the ARF in July 2005 but rather to send Deputy Secretary of State Zoellick. For regional perceptions, see Marcus, "Bush Trip Suggests Asia Matters." Zoellick's cabinet-level rank and strong reputation in the region probably helped cushion the blow in Southeast Asia; but from all accounts, protocol and perceptions are king in ASEAN, and the decision almost certainly carried some diplomatic costs for the United States. From the point of view of competitive diplomacy, however, the decisions of China and Japan not to send their foreign ministers to the ARF certainly reduced any relative costs to the United States in any alleged diplomatic competition.



COUNTERINTUITIVE POLICY LESSONS AND PRESCRIPTIONS

There is a second and theoretically more interesting reason to call into question the width of the divide between the positive-sum and zero-sum approaches in the policy arena. Relatively assertive U.S. policies sometimes promote goals that are consistent with positive-sum analysts' prescriptions for China and the region, whereas relatively accommodating policies toward China and its neighbors may at times be the most effective way for the United States to vie with China in a zero-sum competition.

U.S. policies derided in Beijing as examples of containment of China have helped catalyze Beijing's adoption of proactive and constructive diplomacy, which has facilitated stability in the region to the benefit of all. By maintaining a strong military presence and a firm deterrent commitment to the security of Taiwan while upgrading its bilateral alliance with Japan in the mid-1990s, the United States helped channel China's competitive energies into positive-sum areas such as multilateral confidence-building and economic accords. In other words, by making Chinese security elites worry about the possibility of U.S. encirclement if Beijing's relations with its neighbors were to remain tense, Washington helped Chinese government elites recognize that cooperation with China's neighbors appears wise as a hedge against such an encirclement campaign. After all, it was just after the Taiwan Strait crisis of 1995–96 and the Clinton-Hashimoto joint communiqué announcing plans to upgrade the U.S.-Japan alliance that Beijing began its most serious pursuit of regional multilateralism. If this logic is right, the prospect of potentially worsening relations with the United States under the security dilemma not only failed to cause regional spirals of tension but encouraged bursts of Chinese cooperation with regional actors. As Men Honghua of the influential Central Party School argued in 2003, China should avoid “falling into the trap of U.S. encirclement [*Meiguo de baoweiquan*]” by adopting measures such as “strengthening contacts with countries along [China's] periphery; promoting the construction of a China-ASEAN free trade area,” and so on.<sup>102</sup>

After putting military pressure on the Philippines over territorial disputes in the Mischief Reef area in 1995, Beijing tried to shape Taiwan's political posture toward the mainland through coercion in 1995–96. Beijing's policy arguably backfired on both fronts. In 1995–96 ASEAN states adopted a tough stance to-

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102. Men Honghua, “Bian Beidong Yingdui Wei Zhudong Mouhua, Weihe He Tuo zhan Guojia Zhanlüe Liyi” [Changing a passive response into an active plan, protecting and developing the national strategic interest], in Hu Angang, chief ed., *Zhongguo Da Zhanlüe* [The grand strategy of China] (Hangzhou: Zhejiang People's Publishers, 2003), p. 86.

ward China's position on sovereignty disputes, and certain members (i.e., Singapore and the Philippines) sought closer military ties from a receptive United States.<sup>103</sup> China's efforts to bully Taiwan arguably also had negative results for China. The U.S. commitment to Taiwan's security was concretely manifested in the dispatch of two carrier battle groups in March 1996 to the Taiwan area in response to the People's Liberation Army's provocative missile and naval exercises aimed at the island. For its part, Japan became much more wary about China's military intentions and more receptive of existing U.S. requests for Tokyo to take on greater and clearer security-related responsibilities, such as base access, logistics support, and intelligence gathering, under the Nye Initiative. This effort culminated in the 1997 revisions to the Defense Guidelines and in the 1998 Japanese decisions to jointly develop theater missile defense systems.<sup>104</sup> In 1996–97 the United States also reasserted its security relationship with Australia in ways that were noted with concern in Beijing.<sup>105</sup>

Following the September 11 terrorist attacks, the United States improved bilateral military cooperation with both Japan and India. It also collaborated more actively with allies and security partners in Southeast Asia, including the Philippines, Singapore, and Thailand. All of these events contributed to Chinese concerns about an encircling alliance designed to contain it, and which might be used to permanently wrest Taiwan away from the Chinese nation.

Many international, bureaucratic, and psychological factors undoubtedly contributed to China's change from multilateral skeptic to multilateral champion in the second half of the 1990s, but there is ample evidence to suggest that one of the major catalysts in this evolution was the sense that multilateralism provided a potential hedge against worrisome trends in U.S.-bilateral diplomacy in the region.<sup>106</sup> China's first big push for multilateral engagement and

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103. Sutter, *China's Rise in Asia*, p. 110.

104. Patrick M. Cronin and Michael J. Green, "From Reaffirmation to Redefinition—An Agenda for the Future," in Green and Cronin, eds., *The U.S.-Japan Alliance: Past, Present, and Future* (New York: Council on Foreign Relations, 1999), pp. 316–318.

105. Goldstein, *Rising to the Challenge*, pp. 103–104.

106. For a rich analysis of China's shifting attitudes toward multilateral institutions in the mid-1990s, see Johnston and Evans, "China's Engagement," especially pp. 258–260. Although they emphasize institutional and psychological factors in their analysis, they show convincingly that China's major advances in multilateral thinking followed the 1995–96 Taiwan Strait crisis and the Nye initiative for strengthening the U.S.-Japan alliance. Various documents, such as the 1998 PRC Defense White Paper, make explicit statements about how multilateral approaches to regional security are preferable to Cold War bilateralism. For an in-depth scholarly work that underscores the importance of tensions across the Taiwan Strait in determining the PRC's strategy toward multilat-

reassurance came in 1996–97, and the process only accelerated in the years following September 11. In 1996 China created the institutional foundations in Central Asia for what would later become the Shanghai Cooperation Organization. In 1997 China inaugurated the New Security Concept in its diplomacy with Southeast Asia and began adopting a much less belligerent posture on various disputes with ASEAN states.<sup>107</sup> The first meeting of the ASEAN plus Three was held in that year.

The Chinese scholar Xia Liping points out that in 1996 Chinese elites developed the New Security Concept and promoted the Shanghai Cooperation Organization and China's entrance into the World Trade Organization as a response to what they saw as "Cold War thinking" and "power politics" (a thinly veiled reference to U.S. behavior in the Taiwan Strait and the strengthening of bilateral U.S. alliances).<sup>108</sup> Yan Xuetong states clearly that 1996 was a "watershed year" in Chinese multilateralism and that Chinese multilateral initiatives in that period were desirable as a hedge against U.S. regional hegemony.<sup>109</sup> The influential government scholar Zhang Yunling similarly portrays China's constructive approach to regional multilateral institutions as a way to counter the "China threat theory" and encirclement by U.S. alliances.<sup>110</sup> Other civilian and military scholars similarly emphasize the role of Chinese multilateralism in countering U.S. encirclement and international in-

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eralism in Southeast Asia, see Xu Xin, "Taiwan and China's National Identity," Ph.D. dissertation, Cornell University, 2004. See also Glosny, "Heading Toward a Win-Win Future?" For a pioneering analysis of the PRC's shifting relations with ASEAN in the mid-1990s, see Allen S. Whiting, "ASEAN Eyes China: The Security Dimension," *Asian Survey*, Vol. 37, No. 4 (April 1997), pp. 299–322. See also Rosemary Foot, "China in the ASEAN Regional Forum: Organizational Processes and Domestic Modes of Thought," *Asian Survey*, Vol. 38, No. 5 (May 1998), pp. 425–440; and Jing-dong Yuan, "Regional Institutional and Cooperative Security: Chinese Approaches and Policies," *Korean Journal of Defense Analysis*, Vol. 13, No. 1 (Autumn 2001), pp. 263–294.

107. Sutter, *China's Rise in Asia*, p. 81.

108. Xia Liping, "Lun Zhongguo Guoji Zhanlüe Zhong de Xin Anquan Guan" [A study of the new security concept in China's international strategy], in Chen Peiyao and Xia, chief eds., *Xin Shiji Jiyuqi yu Zhongguo Guoji Zhanlüe* [The period of opportunity in the new century and China's international strategy] (Beijing: Times Publishers, 2004), p. 58.

109. See "PRC's Wang Jisi: China May Leave G8 in Future."

110. Zhang Yunling, "Zonghe Anquan Guan Ji Dui Wo Guo Anquan de Sikao" [The comprehensive security concept and reflections on our nation's security], in *Dangdai Yatai* [Contemporary Asia-Pacific Studies], No. 1 (2000), pp. 1–16. See also Yong Deng, "Reputation and the Security Dilemma: China Reacts to the 'China Threat Theory,'" in Alastair Iain Johnston and Robert S. Ross, eds., *New Approaches to China's Foreign Relations: Essays in Honor of Allen S. Whiting* (Stanford, Calif.: Stanford University Press, forthcoming); Thomas J. Christensen, Alastair Iain Johnston, and Robert S. Ross, "Conclusion," in Johnston and Ross, *New Approaches to China's Foreign Relations*; and Johnston, "Is China a Status Quo Power," pp. 32–33. See also Glosny, "Heading Toward a Win-Win Future?"

terference in China's sovereignty disputes.<sup>111</sup> In an excellent article, Michael Glosny cites multiple works by Chinese authors that view improved relations with ASEAN as a means to avoid those states' linking up in an encircling alliance with a revitalized U.S.-Japan alliance.<sup>112</sup>

Along the same lines, Allen Carlson argues that the first motivation for China to become less rigid about territorial claims and sign the November 2002 Code of Conduct with ASEAN for naval activities in the South China Sea was Washington's "renewed military commitment in Southeast Asia (a development further cemented in the post-9/11 strategic context of fighting terrorism). As this move appeared driven in part by increased concerns in the region with Beijing's territorial ambitions in the South China Sea, it behooved Chinese leaders to allay such worries by being less aggressive."<sup>113</sup> Avery Goldstein agrees, stating that such "active multilateralism was expected to foster the general perception of a more responsible China and undercut the force of the China threat arguments."<sup>114</sup> Tang Shiping and Zhang Yunling write, "Understanding that the Sino-U.S. relationship will always have its ups and downs, China has pursued a strategy of maintaining amicable relationships with its neighbors [*mulin youhao, wending zhoubian*] to hedge against the bad times in Sino-U.S. relations. . . . [If] China adopts a moderate approach, most regional countries would be reluctant to adopt a policy of hard containment, and thus China will likely enjoy a benign regional security environment. To this end, China has made strenuous efforts to improve its relationships with its neighboring countries, sometimes by making significant concessions against strong domestic opposition."<sup>115</sup> In a major 2003 opus on China's relations in the Asia-Pacific region edited by Zhang Yunling, the Chinese authors

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111. See, for example, Zhang Xizhen, *Zhongguo Dongmeng de Mulin Huxin Huoban Guanxi* [The neighborly, mutually trusting partnership between China and ASEAN], *Guoji Guanxi* [International Relations], No. 2 (1999), pp. 26–29; and Maj. Gen. Li Erbing, *Zhongguo 21 Shiji Qianqi Duiwai Zhanlüe de Xuanze* [China's foreign strategic choices in the early part of the 21st century] (Beijing: Times Publishers, 2004), pp. 10–11.

112. Glosny, "Heading Toward a Win-Win Future?" Cao Yunhua and Tang Chong argue that there is a consensus among Chinese scholars that such initiatives, including trade agreements, are a key way for China to reduce the regional security dilemma associated with its rising economic and military power (*anquan de kunjing*). Cao and Tang, "Xin Zhongguo-Dongmeng Guanxi Lun" [An analysis of new Sino-ASEAN relations] (Beijing: World Knowledge Publishers, 2005), pp. 224–225, 233.

113. Allen Carlson, *Unifying China, Integrating with the World: Securing Chinese Sovereignty in the Reform Era* (Stanford, Calif.: Stanford University Press, 2005), pp. 89–90.

114. Goldstein, *Rising to the Challenge*, p. 124.

115. Tang Shiping and Zhang Yunling, "China's Regional Strategy," in David Shambaugh, ed., *Power Shift: China and Asia's New Dynamics* (Berkeley: University of California Press, forthcoming).

claim that the United States in the mid-1990s began an effort to upgrade its bilateral military relationships in Southeast Asia following setbacks in the early 1990s such as the loss of Subic Bay. They posit that the United States seized opportunities such as the 1997 Asian financial crisis and the September 11 terrorist attacks to seek new basing rights and new military relationships in the region. This effort, they argue, is one reason why “China must continue to vigorously support multilateral cooperative mechanisms that have been initiated in the region. . . . [Such measures] provide an important means by which to prevent the United States from penetrating the Southeast Asian region by way of bilateral military alliances and building an encircling ring around China.”<sup>116</sup>

Concerning China’s relations with India, Beijing’s worries related to upgraded U.S. relations with China’s western neighbor following September 11 might also be motivating China to adopt a proactive and accommodating position on economic interaction and even on the long-running controversies over border disputes that fueled conflict in 1962. Rather than harm Sino-Indian relations, this U.S.-Indian strategic cooperation has apparently catalyzed Sino-Indian cooperation and confidence building. China’s foreign policy calculations toward India are not entirely transparent, but there is reason to believe this logic holds. In 2005 China allowed India to join the SCO as an observer. Since the early part of this decade, there also seem to be more serious, albeit preliminary, discussions on settling the border.<sup>117</sup> Carlson argues that “concerns about the threat posed by U.S. hegemonism” helped move Beijing in the direction of a more accommodating posture toward India in the early part of this decade.<sup>118</sup> Li Yihu of Peking University argues that granting India and two others observer status in the Shanghai Cooperation Organization will help “undermine the pressure exerted by the U.S.-Japan alliance.”<sup>119</sup> The scholar Zhang Guihong writes, “The U.S.-Indian strategic partnership in South Asia and the Indian Ocean and the U.S.-Japan alliance in East Asia and the Pacific

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116. Zhang Yunling, chief ed., *Weilai 10–15 Nian Zhongguo Zai Yatai Diqu Mianlan de Guoji Huanjing* [The security environment China will face in the Southeast Asia region in the next 10–15 years] (Beijing: Chinese Academy of Social Sciences Press, November 2003), pp. 98–99, 309, at p. 309. For a similar argument regarding the security hedge involved in Chinese multilateralism, see Tang Shiping, *Suzao Zhongguo de Lixiang Anquan Huanjing* [Constructing China’s ideal security environment] (Beijing: Chinese Academy of Social Sciences Press, December 2003), p. 241.

117. See Zhao Huanxin, “China, India Forging Strategic Partnership,” *China Daily*, April 12, 2005; and Francine R. Frankel and Harry Harding, *The India-China Relationship: What the United States Needs to Know* (New York: Columbia University Press, 2004).

118. Carlson, *Unifying China*, p. 79.

119. See “PRC Expert: Sino-Russian Cooperation Will Batter U.S. Offensives,” *Wen Wei Po* (Hong Kong), July 8, 2005, in FBIS, July 8, 2005, doc. CPP200507081477.

Ocean are the most important concerns for China in the new great power game in the Asia Pacific region. The continually strengthening U.S.-Indian security relations are a potential balancing power [*qianzai zhiheng de liliang*] against China's ascent [*shangsheng*] in the Asia-Pacific region." Zhang's suggested countermeasures to this situation are a dream list of positive-sum prescriptions for Chinese foreign policy. Among other measures, Zhang calls on Beijing to deepen U.S.-China economic and security cooperation and increase U.S.-China mutual security dependence by continually cooperating in the global war on terror and on combating the proliferation of weapons of mass destruction. As for Sino-Indian relations, Zhang recommends increasing Sino-Indian economic interdependence; strengthening strategic dialogue on sensitive issues such as Kashmir, Taiwan, Tibet, and the Sino-Pakistani relationship; improving political dialogue and coordination on topics such as global trade, the environment, and human rights; adopting military confidence-building measures on the border; and seeking opportunities for regional security cooperation, such as working to battle forces for instability and protecting the security of sea-lanes in the Indian Ocean.<sup>120</sup>

Many of the authors cited above (e.g., Zhang Yunling, Tang, and Carlson) are far from hard-core structural realists, solely concerned with great power balancing. They often offer several reasons for why China pursues cooperative relations with its neighbors related to factors such as economic interests, the 1997 Asian financial crisis, new thinking in China's foreign relations, and so on. But in their accounts, Beijing's strategic responses to U.S. bilateral military initiatives in East Asia themselves have apparently only catalyzed China to be more cooperative with most of its neighbors, and thereby helped stabilize the region. In response to the standard constructivist argument that tough behavior only breeds norms of hostility in others, there is certainly no hint that U.S. upgrades of its regional alliance with Japan, firm support for Taiwan, and efforts to improve military relations with Southeast Asia have had any long-term negative impact on China's tendency toward multilateral cooperation with its neighbors.<sup>121</sup> On the contrary, the effects have generally been positive.

There are counterintuitive realities on the other side of the equation as well.

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120. Zhang Guihong, "MeiYin Zhanlüe Huoban Guanxi yu Zhongguo: Yingxiang yu Duice" [U.S.-Indian strategic partner relations and China: Influence and countermeasures], *Dangdai Yatai* [Contemporary Asia-Pacific], No. 5 (May 2005), pp. 28-34, at pp. 33-34.

121. For the most radical constructivist argument along these lines, see Alexander Wendt, "Anarchy Is What States Make of It," *International Organization*, Vol. 46, No. 2 (Spring 1992), pp. 409, 420, where Wendt suggests that Nazi Germany and the Soviet Union should have been appeased.

One might think that a zero-sum analysis would lead to the prescription of a tough containment and encirclement strategy toward China. A Cold War-style containment policy along the lines implicitly advocated by Mearsheimer would arguably be a bad idea from both a positive-sum and a zero-sum analytic perspective. Any attempt to isolate or hurt the Chinese economy would fail because it would alienate all regional actors from the United States, including Washington's closest allies.<sup>122</sup> The economic effects on China would likely be limited and short-lived as a result, and the economic pain would be shared in no small part by U.S. companies. Moreover, alienating U.S. allies and others by forcing them to choose China or the United States at a time of no conflict in the region would cost the United States dearly in its ability both to maintain a regional military presence and to build a countering alliance against China if Beijing were to become more belligerent in the future. As outlined above, those U.S. military capabilities and security relationships are crucial for provision of public security goods in a positive-sum perspective. They would also be key assets in a straightforward strategic competition with China. An attempt to adopt a containment policy along the lines of U.S. Cold War economic policies toward the Soviet Union or an encircling alliance around China would, then, be ill advised from either perspective. So, thoughtful advocates of either perspective might reject a containment strategy and support the efforts launched by Deputy Secretary of State Zoellick in 2005 to push for improvements in U.S.-ASEAN economic and diplomatic relations.

#### CREATING A MODERATE MIXED STRATEGY

To the degree that China has a grand strategy at all, it seems likely that, up until now, Chinese efforts to reassure its neighbors, encourage regional multilateralism, and deepen regional economic interdependence are rooted more in a hedging strategy against potential U.S. pressure on China than they are in a straightforward drive for regional hegemony or a desire to extrude the United States from the region. For example, in a recent book Avery Goldstein argues persuasively that China has adopted a neo-Bismarckian strategy designed to prevent the formation of an overwhelming countering coalition as it builds

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122. See Schriver, "The China Challenge"; and former Assistant Secretary of State James Kelly's comments on Robert Zoellick's speech to the National Committee on U.S.-China relations delivered on September 21, 2005, in Kelly, "United States Policy toward China: A Timely Restatement," *NBR Analysis*, Vol. 16, No. 4 (December 2005), p. 30.



strength at home.<sup>123</sup> Such a hedging strategy does not call for direct confrontation of the United States and its allies and, in most cases, proscribes such confrontation, especially in the near term. If China is more focused on preventing the United States from forming a strangling coalition around it and less focused on pushing the United States out of the region, then Beijing's concern about the prospect of U.S. dominance in Asia might play a constructive role in encouraging Beijing to reduce tensions with its neighbors. If the United States does not stumble badly in maintaining its own relationships with its allies and security partners in the region, it could end up in the best of all possible worlds: China's competitive energies would be largely channeled into positive-sum endeavors such as reassuring its neighbors and building long-term Chinese equities in peace and stability in the region, while the United States could maintain a strong military presence and set of alliances to prevent China from converting its growing material and diplomatic power into regional political hegemony if, at some point, its strategic priorities were to move in that direction.

The near-term strategic danger for the United States of China's improved diplomatic and economic relations with its neighbors lies in any increased leverage China might gain for the purpose of preventing regional actors from supporting U.S. operations inside and outside the region. In the case of Taiwan contingencies, most regional actors have long wanted to avoid involvement in any case; so the United States loses little from China's added leverage with these actors. But serious new dangers for the United States would be created if Beijing were able to dissuade regional actors from supporting it in conflicts with China over regional issues other than Taiwan, or if the Chinese leadership could dissuade regional actors from cooperating with the United States in operations against third parties either in the region or outside the region. This last outcome should be preventable through constructive U.S. diplomacy, but the importance of working to prevent it should not be underestimated. The U.S. alliance system in Asia is a series of critically important links in the net-

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123. Goldstein, *Rising to the Challenge*. For other fine analyses of Beijing's hedging strategy, see David Shambaugh, "China Engages Asia: Reshaping the Regional Order," *International Security*, Vol. 29, No. 3 (Winter 2004/05), pp. 64–99; and Medeiros, "Strategic Hedging." For my general view of Chinese Communist Party grand strategy, see "China," in Richard J. Ellings and Aaron L. Friedberg, eds., *Power and Purpose: Strategic Asia, 2001–02* (Seattle, Wash.: National Bureau of Asian Research, 2001). For a systematic analysis arguing that China has not yet shown signs of strong revisionism in its foreign policy, see Johnston, "Is China a Status Quo Power?"

work that allows the United States to project military power around the world in a timely and sustained manner. Witness, for example, the key role that U.S. bases in Thailand, Singapore, and Central Asia have played in military operations such as Operations Desert Fox in Iraq and Enduring Freedom in Afghanistan. China's ability to block such cooperation from regional actors could then have a severe impact on U.S. global national security interests.

The United States continues to compete with China directly and through its alliances and security partnerships, especially the U.S.-Japan alliance. But this is only part of the picture. The September 11 terrorist attacks and North Korea's nuclear ambitions have revealed important common interests between the PRC and the United States, even if there is plenty of room for tension in how to pursue resolution of the shared problems. There is also some hope of greater cooperation between China, the United States, Europe, and Russia on curbing Iranian nuclear ambitions.

An intelligent moderate position in a world of both zero-sum and positive-sum relations would be for the United States to maintain a robust presence in the region and a set of strong alliances without attempting to undercut China's diplomatic relationships with other regional actors, even with U.S. allies. In fact, the United States should foster China's engagement with the United States and its allies on issues of common concern. Observers who believe that these policies would weaken U.S. alliances have too little faith in U.S. power and diplomacy. A healthy degree of Japanese wariness about the rise of China may indeed be good for the United States, especially as Washington hopes to encourage Tokyo to adopt a more active regional and global role in the alliance. China's bullying behavior toward Taiwan and its often ham-fisted diplomacy toward Japan have helped Washington in that process. But high degrees of Sino-Japanese tensions, as witnessed in 2004–06, are not in Washington's interest, because they could lead to unwanted conflict and hamper multilateral coordination on issues of common concern. Not only would a conflict between Japan and China be costly for the region as a whole, but it is still unclear how the U.S.-Japan alliance and other U.S. security relationships in the region would fare in such a conflict. Given Japan's existing political trajectory on security issues under Prime Minister Koizumi, such a high degree of tension is not really necessary for the United States to foster Japan's moves toward a more active international security role. Since U.S.-Japan alliance relations seem strong and are getting stronger, why should the prospect of greater tensions in Sino-Japanese relations, which carry real strategic risks for the United States, be seen as a prerequisite for continued improvement in U.S.-Japan relations?

Such tensions are both unnecessary and potentially dangerous, and efforts to reduce them through encouraging Sino-Japanese dialogue seem in order.

### *Conclusion*

How should the United States respond to a rising China to help shape Chinese policy toward the East Asia region and the world? In the largely sterile engagement versus containment debate, those advocating moderate engagement policies toward China view them as ways of leading to more constructive Chinese policies toward the region, and thereby reducing the likelihood of conflict. Such policies are therefore considered wise even if they would somewhat reduce U.S. relative power if conflict were to arise. Tough U.S. policies, such as strengthening the American military presence or tightening coordination with U.S. allies or regional security partners, are often viewed as increasing U.S. power potential in case of conflict, but also as raising the chances for conflict by reducing the likelihood that China will adopt a reassuring and constructive posture toward the region. U.S. assertiveness is often criticized because it alienates U.S. allies who do not want to see an aggressive China policy in Washington. On the other side of the debate, zero-sum thinkers sometimes criticize those advocating engagement for adopting a logic that plays into China's hands and allows Chinese power to grow unchecked by the one power that can do something about it, the United States.

The analysis offered above suggests that this debate is far too simplistic. Even if straightforward and full-spectrum containment were attempted by the United States, it would be counterproductive, not only because it would raise China's ire, but because it would reduce Washington's relative power in the region. The United States would likely gain no new allies in such an effort and would lose some, if not all, of its current regional allies. In this sense, Washington's positive engagement of China assists the United States even in the zero-sum aspects of its policies toward China because it helps the United States maintain its regional alliances.

At the same time, China itself might be adopting many accommodating strategies in the region not as a reward for American and allied moderation, but at least in part as a way to counter U.S. influence. Beijing wants to make it more difficult and painful for regional actors to choose the United States over China in any future standoff. So, by maintaining a strong presence in the region, the United States has done more than provide collective goods in security and economic affairs; it may have provided a major catalyst for Beijing to

help provide such collective goods as well. To the degree that Beijing's new influence does not lead the United States to become fully extruded from the region, the end result of the competition for influence in the region may be a more stable and prosperous region in which actors in East Asia do not want to choose sides in a U.S.-China conflict and Beijing and Washington lack any real pretense for starting one.