

**A tale of two tales: competing narratives in the Asia Pacific** by Ralph Cossa and Brad Glosserman

*Ralph Cossa ([ralph@pacforum.org](mailto:ralph@pacforum.org)) is president of Pacific Forum CSIS. Brad Glosserman ([brad@pacforum.org](mailto:brad@pacforum.org)) is executive director of Pacific Forum CSIS and co-author with Scott Snyder of The Japan-Korea Identity Clash (Columbia University Press, forthcoming, 2015).*

Remember when the US used to call on China to step up and be a “responsible stakeholder”? Well, be careful what you wish for! Xi Jinping used the bully pulpit provided by China’s hosting of this year’s Asia Pacific Economic Cooperation (APEC) Leaders Meeting last month to present China (and himself) as the new power in Asia, touting his new Asian Infrastructure Investment Bank (AIIB) initiative while calling for the conclusion of a Free Trade Agreement of the Asia Pacific (FTAAP), originally a US initiative. “We are getting killed here,” confided one Asia-based US official, pointing to two headlines in that day’s paper: one heralded progress in ROK-China trade negotiations; the other noted US efforts to block the AIIB while seemingly rejecting China’s efforts to move forward on the FTAAP.

Echoes of this dismay are being heard throughout the region. While President Obama’s Asia tour is touted as a success for the administration – and there were some notable accomplishments – the contrast with Chinese diplomacy was striking. Beijing is increasingly seen as a nuanced and aggressive actor, responding to regional needs (and its own), while Washington is playing defense, working to block new initiatives and seemingly struggling to keep pace with China. Meanwhile, those convinced (wrongly in our view) that the US rebalance is really aimed at somehow containing China point to these obstructionist efforts as confirming their worst suspicions.

To be fair, China was supposed to look good last month. As in the 2008 Olympics, Beijing milked APEC for all it was worth. Every component of the national bureaucracy was devoted to stage managing the APEC forum and all associated festivities. Xi even managed to patch up differences with Japan (at least temporarily and begrudgingly) to allow him to meet visiting Prime Minister Abe Shinzo. Meeting with Obama in Beijing, the two men concluded a series of agreements designed to breathe new life into Xi’s concept of “a new type of major country relations,” among them a potentially historic pledge on climate change. And unlike Obama, Xi is thought to be able to deliver on his promise to cut emissions. Obama had hardly stopped speaking when Congress began negating and berating the agreement, reinforcing the image of a president (and nation) in decline.

But APEC and the AIIB were just part of a larger demonstration of Chinese power and largesse. Xi has been touting one initiative after another, whether the “Asia for

Asians” security concept unveiled at the Conference on Interaction and Confidence Building Measures in Asia (CICA), a New Silk Road Land Belt, the 21st Century Maritime Silk Road, the BRICS (Brazil, Russia, India, China, South Africa) New Development Bank (NDB), or trade agreements with the ROK and Australia. And those aren’t just empty words. China has pledged half the capital for the AIIB, at least 20 percent (and probably more) of the NDB funds, \$20 billion for investment in India, and \$40 billion for the Maritime Silk Road.

Meanwhile, the US is playing defense. The run-up to the APEC meeting was dominated by reports of Washington’s behind the scenes efforts to undermine the AIIB, pushing allies and partners to keep their distance from the new bank. The US was also allegedly impeding Chinese efforts to promote the FTAAP: rightly (to avoid distractions from the Trans-Pacific Partnership process) or not, the image is of a government set on blocking progress, not shaping the future.

All this is overlaid across the narrative of a sclerotic US political system, with a lame duck president deeply wounded by midterm election results. Most have given up hope that Obama will muster the political courage, much less the political support, to move forward with Trade Promotion Authority (TPA or “fast track”) legislation deemed essential for any hope of successful conclusion of the TPP. Obama is increasingly seen as weak, overly intellectual, indecisive, perhaps even feckless. The US public is riven by ideological discord, soft, and prone to disengagement. Even the US military is overextended and battling the budget cuts triggered by take no prisoners domestic politics and decades of profligacy; the image of Defense Secretary Chuck Hagel (the only Republican in Obama’s Cabinet) being forced to resign only deepens this image, one that fits the story of a weak and declining country, battling to maintain its hegemony in the face of a rising power.

This hapless state of affairs is a stark contrast with the image of Xi, a strong and powerful Chinese leader, bending even a rapidly modernizing PLA to his will, determined to root out corruption, to enhance the legitimacy of the Communist party and to realize the Chinese dream that culminates in the emergence of the Middle Kingdom. He has rallied the Party and the public behind him and his vision. Xi has even shown a capacity for correction, recognizing the damage done by four years of aggressive diplomacy and showing more nuance in recent weeks in remarks and actions toward neighbors.

These perceptions are distorted. They exaggerate US problems and misinterpret domestic developments. In fact, the US economy is on the mend, registering growth in excess of 3 percent, with unemployment dropping below 6 percent for the first time since the global financial crisis, the budget deficit

dropping, and US exports surging. Obama may be wounded but he is not enfeebled, as his recent executive actions testify. The US commitment to Asia remains strong; the rebalance is continuing. And while the US public is wary of foreign adventurism, polls show that the demand for US leadership in the world remains undimmed. When problems require action, the public will back intelligent responses.

China's growth continues to outpace that of the US, but it should since it is a less developed economy. Still, the nation's growth rate has dropped by one-third, and internal strains are increasing: the banking system is stressed, real estate prices are frothy, corruption may be under assault but it is deep rooted and eradicating the cancer threatens to do great damage to the Party itself. Beijing's citizens derisively talk about "APEC Blue," the (temporary) clear skies manufactured for APEC, which have already been replaced by hazardous pollution ratings now that the spotlight has been turned off. Neighboring countries are happy to accept China's largesse but that has not stopped them from forging stronger security ties with the US to hedge against Chinese assertiveness as Beijing violates its own pledges not to change the status quo in the South China Sea, for example.

US foreign policy in Asia may seem self-interested, especially when contrasted with China's generosity, but the fact remains that there is a strong demand for the US presence and profile in the region. If partners and allies are troubled by US behavior, it is because they still expect much of Washington. And Washington is right to raise serious questions about the standards that the NDB and AIIB will follow and how they will complement rather than compete with existing organizations like the World Bank, Asian Development Bank (ADB), and International Monetary Fund (IMF).

Nevertheless, the two divergent narratives should worry US policy makers. Washington is losing the PR battle, and while perception doesn't always match reality, in many cases it shapes reality. While the US must not substitute public relations for policy, it must do more to manage the message and help rewrite those headlines. For instance, moving forward with IMF reform (currently languishing, like many other initiatives, in the US Congress) would send a signal that the US is committed to adapting existing institutions to allow China and the other BRICS countries to play an expanded role commensurate with their growing economic influence, rather than having to create alternative mechanisms.

Critical to the US effort is somehow accommodating and coopting Chinese efforts to shape the international environment. Washington cannot be perceived as opposed to Chinese (or other government's) initiatives to deal with regional problems; it cannot be seen as petty or petulant, more concerned with the provenance of an idea than its ability to solve problems. It needs to encourage participation from all countries to handle the myriad challenges of the 21st century. Otherwise, the United States will appear as increasingly obstructionist and weak, rather than the world leader it still proclaims itself to be.