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#### America's 'own goals' in Asia by Marc Wall

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As Washington prepares for Chinese President Xi Jinping's state visit, the US is beginning to question assumptions that have guided its approach to China for decades. Not only does China's economic juggernaut no longer appear quite so relentless, but China's actions are forcing a reevaluation of prospects for its peaceful rise. But like a hapless soccer team persistently kicking the ball into its own goal, Washington has shown a perverse knack for responding with policies that do more to weaken than strengthen the US position.

#### **Emerging strategic rivals**

The debate revolves around concerns that China is poised to challenge the United States in a struggle for primacy in Asia. In this view, as China becomes richer and more powerful, it will seek to reassert its preeminence in its own neighborhood. Just as the US did in its own hemisphere during its rise as a great power, China will strive to prevent outside powers from interfering with its regional dominance.

Proponents of this view regard China's ambitions with alarm. Among the bedrock principles of US policy are the right to free navigation on high seas, the security of treaty allies, and a commitment to peaceful settlement of disputes. Yet in recent years China has tussled with Japan over claims to sovereignty over the Senkaku Islands, declared an Air Defense Identification Zone (ADIZ) over a wide stretch of the East China Sea, built artificial islands in the South China Sea, and bullied smaller nations with claims overlapping China's in these waters.

These and other actions give reason to fear that a rising China is defining its interests in ways that could endanger those of the United States and its allies. In this view, the balancing act of promoting cooperation and managing competition that has characterized US policy toward China since 1972 is inexorably degenerating into a tense, even dangerous, strategic rivalry.

Those who see the situation evolving in Asia in these terms typically advocate steps to bolster the US position. They seek to counter China with a comprehensive strategy to advance US economic, political, and military influence. They endorse President Obama's moves to rebalance toward the Asia Pacific region and welcome steps to engage with regional institutions, upgrade treaty alliances, and strengthen security cooperation with new partners.

In other areas they are sorely disappointed. Rather than a vigorous policy of counterbalancing a more assertive China, they are appalled by the many ways the United States seems to be setting itself up to be a victim of its own mistakes. This goes not only for failures to deal with shortcomings that erode its domestic strength, but for its actions abroad, too. Thus, those worried about China's conduct in the Western Pacific have to wonder how the United States, with so many assets at its disposal, should be so inept at using them.

### America's 'own goals'

Take the reluctance to contest with more than words China's campaign to reinforce its claims in the South China Sea. China is hard at work building landing strips and harbors on tons of sand it has heaped on atolls in waters crossed by some the world's busiest sea lanes. Defense Secretary Ashton Carter stated emphatically at an Asian security forum last May that "the United States will fly, sail and operate wherever international law allows." Indeed, a few days before Secretary Carter spoke, the Chinese navy warned a *P8-A Poseidon* surveillance aircraft carrying a *CNN* film crew when it was deemed too close to one of China's artificial islands.

Within days of China's announcement of an ADIZ in the East China Sea last November, two *B-52* bombers were sent from Guam to fly through that air space, a visible demonstration that the Pentagon had no intention of recognizing China's claim. But in the run-up to Xi's visit, the Obama administration is reportedly holding back from dispatching aircraft and ships on missions to uphold rights of free navigation in the disputed waters – even though China's ability to impose its writ is growing stronger by the day as it closes in on completing military installations on its newly created islands. By these actions, China is asserting a precedent for legal rights in the air and waters surrounding these islands. The longer the delay in deploying military hardware to pass through these areas, the harder it will be to challenge that precedent.

The failure of the United States to ratify the Law of the Sea Convention (UNCLOS) does not help its position. The case Washington and others have against China's actions in the South China Sea is premised on principles codified in this document. Its rules provide the legal framework for military and commercial use of the seas. 157 nations have signed UNCLOS, including China. The United States has conspicuously not done so. Although the US abides by its provisions and both Democratic and Republican administrations have urged US membership, Congress has refused to ratify it.

At a Congressional hearing in 2012 a star-studded panel of senior military officers testified in support of ratification. Vice Chairman of the Joint Chiefs of Staff Admiral James A. Winnefeld Jr. warned that "ongoing and persistent efforts on

the part of a number of nations, including those with growing economic and military power, to advance their national laws and set precedents that could restrict our maritime activities...could place your Navy at legal disadvantage unless we join the convention." But ratification remains stalled in Congress, and US credibility in challenging China's objections to US naval operations is weakened.

A bigger constraint on the US military is the budget straitjacket Washington has imposed on itself. Sequestration is moving forward, sparing neither military spending nor social programs. Congress is playing games with itself on fixes, but has yet to engage in a serious effort on a more sensible approach to managing fiscal affairs. Meanwhile the US military is hobbled. As the US Pacific Command's former Commander Adm. Samuel Locklear testified recently, "resource pressures have triggered deferrals in exercises, operations, and senior leader engagement opportunities; have introduced regional doubt; and compound the risk to US interests in the region."

#### Undermining trade and financial diplomacy

Hope for more energetic engagement in Asia springs on the economic front. After years of missed deadlines, negotiators are close to agreeing on the Trans Pacific Partnership (TPP), the economic centerpiece of the Asian rebalance. This is an agreement that Defense Secretary Carter has called "as important to me as another aircraft carrier." Passage of Trade Promotion Authority in June raised hopes that Washington would be able to deliver on approval of this sweeping regional free trade agreement.

Negotiators failed to close the deal at their gathering in Maui in July but talks continue. Opponents of the agreement will resort to many of the same arguments they used against NAFTA, China's WTO accession, and the free trade agreement with Korea. But after another drawn-out fight, Congress will approve it, as it has these previous trade deals, and for the same reason. On balance, the TPP benefits US workers and consumers and serves US strategic interests. Still, the timeline for approval now means Congress won't be able to act on it during its fall session, thereby consigning the agreement to the purgatory of US election-year politics.

Unfortunately the United States has already missed an opportunity for adroit diplomacy in addressing Asia's financial challenges. The region's rapid growth has created two new realities for the Bretton Woods-based system. First, the structures of the world's financial institutions – the International Monetary Fund's (IMF) in particular – need to be adjusted to reflect the economic heft of Asia's new players. IMF members agreed five years ago to revise their voting shares, but the reforms are stymied because the required legislation has languished in Congress.

The second new reality is Asia's gargantuan needs for new capital to finance its infrastructure requirements. Impatient with the delay in reforming the IMF (and determined to expand its influence in Asia), China launched its own initiative, the Asian Infrastructure Investment Bank and offered to put up \$30 billion of the \$100 billion in new capital subscriptions. For Asian borrowers, the prospect of the Chinese-backed loans was irresistible. European donors, eager

to compete for procurements by the new bank, jumped on the bandwagon too.

Obtaining Congressional approval of a capital contribution was a non-starter and thus direct US participation was never an option. But rather than align itself as a supportive non-member, US officials lobbied friendly European and Asian nations against it. The US position has since shifted to welcome the Chinese initiative to the extent it complements other international financial institutions, but the damage has been done. The United States sidelined itself from the effort to fashion this major new development bank.

This series of missteps hardly puts Washington on the best footing as Xi's visit approaches. These "own goals" dismay those concerned with the strategic dangers of China's rise. All who care about fostering an open, rules-based security and economic order in Asia should be concerned with Washington's obtuse insistence on acting in ways that undermine that order and undercut its influence.

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