



Why Rising China Can't Dominate Asia

by Robert Sutter

"China can't dominate Asia; there are too many governments in Asia." This comment by a senior Chinese official during a recent interview in Beijing reflects realities of power that make Chinese leadership in Asia unlikely under foreseeable circumstances. The findings of private interviews and discussions with 75 officials in China and seven other Asian governments about China's rise, the balance of influence in Asia, and Asian regional dynamics contradict much public discourse that depicts a powerful China coming to the leading position in Asia at a time of U.S. decline.

Although prevailing commentaries focus on Chinese strengths and U.S. weaknesses, government officials in Asia privately show an equal awareness of Chinese weaknesses and U.S. strengths. They also recognize that independent-minded governments in Asia maneuver and "hedge" in reaction to China's rise. These governments work quietly among themselves and with the United States to insure that their freedom of action will not be negatively affected as China rises. Such actions reinforce U.S. leadership in Asia.

U.S. policy makers and regional observers can choose to adopt the one-sided view of those commentators who predict China's dominance and U.S. decline in Asia. They tended to do the same thing in the late 1970s, when the U.S. was weak and divided after the defeat in Vietnam and when it was predicted that the rising power, the Soviet Union, would dominate Asia. The same pattern prevailed in the late 1980s when respected U.S. commentators said that Japan would dominate Asia as U.S. influence in the region declined. Of course, those earlier predictions were dead wrong; they focused on the strengths of the rising powers, the USSR and Japan, and did not adequately consider their weaknesses; and they focused on the weaknesses of the U.S. and did not adequately consider its strengths.

A more sensible path is to listen to the more balanced and carefully calibrated views of Asian government officials, summarized below. While media, vocal non-government elites, and public opinion matter in some Asian countries, it is government officials who make foreign policy.

Chinese strengths and limitations

Growing Chinese prominence in Asia is based on rapidly growing economic interchange and adroit diplomacy. Chinese and most Asian officials play down the implications of China's impressive buildup of military power, though Japanese and some Taiwan officials focus on this perceived Chinese threat.

Burgeoning trade and growing Asian investment in China are the most concrete manifestations of greater Chinese prominence in Asia. China has become the largest trade

partner of many Asian neighbors, and Chinese trade expands at almost twice the rate of China's fast-growing economy. Entrepreneurs from the more advanced Asian economies provide the bulk of the \$60 billion in foreign investments China receives annually. Chinese wealth and economic importance support growing popular exchanges in tourism and education. Attentive Chinese diplomacy involves an often dizzying array of leadership meetings and agreements with Asian neighbors and increasing adroit Chinese interchange with the growing number of Asian regional organizations. As a result, China's positive image has grown, particularly in South Korea, much of Southeast Asia, and Australia.

Heading the list of limitations and weaknesses of China's rise in Asia is strong Chinese nationalism; this seriously complicates Chinese relations with Japan and Taiwan, and causes significant difficulties with South Korea, Singapore, and India, among others. Chinese territorial claims are a serious concern in the East China Sea, a major drag on improving relations with India, and an underlying concern in Southeast Asia. China's authoritarian political system is unattractive to many, though certainly not all, of China's neighbors.

Chinese economic and diplomatic strengths also reflect significant limitations and complications. More than half of Chinese trade with Asia and the world is processing trade, which leads to double and triple counting as a product crosses borders, sometimes several times, before completion and (often) export from China to the U.S. and Europe. The value added by China in this trade is frequently low, and the trade depends heavily on U.S. and European consumers. Reflecting this reality, Chinese President Hu Jintao in 2005 said that China is "a major trading country" but has not yet become "a major trading power."

Chinese economic competitiveness means that Asian manufacturers often cannot compete directly with China. In response, Asian entrepreneurs increasingly invest in and integrate their businesses with China, but Asian workers cannot move to China and often suffer. Investment in Asian economies declines and Chinese investment and foreign assistance in Asia remain very small and do not offset these negative implications.

China's "win-win diplomacy" focuses on common ground, which receives great positive publicity but does little to resolve differences or deal with issues. With few exceptions, China does not do hard things; it carefully avoids major international commitments or risks.

U.S. weaknesses and strengths

U.S. weaknesses dominate public discourse on the United States in most of Asia. They center on the decline in the U.S. image amid widespread criticism of the U.S. war in Iraq, the

U.S. position on North Korea, unilateral U.S. actions on significant international issues, and perceived inattentive U.S. policies regarding the economic development and other concerns in Asia.

Nevertheless, Asian government officials were almost uniform in emphasizing the importance of the U.S. role as Asia's security guarantor and vital economic partner. The main exceptions were a Communist Party of India (Marxist) official, and to a degree, some Chinese officials, who criticized the U.S. security role in Asia.

Asian government officials are well aware that Asian governments generally don't trust each other. The suspicion and wariness one sees today between China and Japan characterizes most relationships between and among Asian governments. And yet Asian governments need stability in order to meet their nation-building priorities. In this context, the U.S. looms very large in their calculations. Unlike their Asian neighbors, the U.S. does not want their territory and does not want to dominate them. It too wants stability and, in contrast with China's reluctance to undertake major risks and commitments, the U.S. is seen to continue the massive expenditure and major risk in a U.S. military presence in Asia, viewed as essential in stabilizing the often uncertain security relationships among Asian governments.

Not only does the U.S. continue to occupy the top security position as Asia's "least distrusted power," the U.S. also plays an essential economic role in the development of Asian governments, most of which are focused on export-oriented growth. It continues to allow massive inflows of imports essential to Asian economic development despite an overall U.S. trade deficit approaching \$700 billion annually. Against this background, when asked if overall U.S. power and influence in Asia were in decline, Asian officials were uniform in saying no.

Asian maneuvering and hedging

All Asian government officials consulted acknowledged that China's rise adds to incentives for most Asian governments to maneuver and hedge with other powers, including the U.S., in order to preserve their independence and freedom of action. A Singapore official said that "hedging is the name of the game" in Southeast Asia, while an Indian official said that Asian governments "are not going to put all their eggs in one basket." Asian governments hedge against the U.S. and other powers as well, but their recent focus has been on China's rise. The governments tend to cooperate increasingly with China in areas of common concern, but they work increasingly in other ways, often including efforts to strengthen relations with the U.S., to preserve freedom of action and other interests in the face China's rise.

In sum, such hedging by Asian governments in an Asian order supported by undiminished U.S. security and economic power and influence adds to factors that preclude Chinese leadership or dominance in Asia; it reinforces U.S. leadership in Asia. The majority of Asian government officials assumed that China sought eventual "pre-eminence" in Asia, but Chinese officials said no, even though Chinese foreign policy specialists said that secret Chinese Communist Party documents over the years have continued to refer to a general

goal of Asian leadership. As noted, when asked whether China sought leadership or domination in Asia, a senior Chinese official acknowledged the complications of U.S. power and influence and the role of many independent-minded Asian governments; he responded that "China can't dominate Asia, there are too many governments in Asia." He nonetheless went on to advise that China's influence in the region would grow as China's "weight" would become increasingly important to the governments in the region and China would have increasing success in reassuring Asian governments of Chinese intentions.

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