American Enterprise Institute for Public Policy Research

China in Asia Seminar Series

National Defense University— INSS

NDU-AEI China in Asia Seminar Series
Seminar 1: "Will China be a Coherent Strategic Actor in Asia?" March 14, 2005
Speaker: Professor David Shambaugh, George Washington University
Discussant: Dr. Ashley Tellis, Carnegie Endowment for International Peace
Video available at: http://www.aei.org/events/eventID.1032,filter.all/event_detail.asp#

Professor David Shambaugh's remarks drew upon his recent *International Security* article, "China Engages Asia: Reshaping the Regional Order," available at: http://mitpress.mit.edu/catalog/item/default.asp?ttype=4&tid=26

Public Session:
Professor David Shambaugh began with the premise that China is changing the Asian regional order dominated by the United States for the past 50 years. China's engagement with East Asia and emergence as a dynamic actor in the Pacific Rim is an important topic that is underappreciated in Washington and in the US policy community. An Asian diplomat recently noted that although the U.S. still holds the balance of power in the region, it has essentially lost the balance of influence to China.

Professor Shambaugh views China's activities in Asia as serving reinforcing and complementing goals rather than a coherent grand strategy. The elements of China's policy are: 1) Maintain territorial unity and sovereignty; 2) Keep the CCP in power; 3) Build PRC wealth and power; 4) Use foreign policy to serve the first three goals; and 5) China's relations with its periphery serve as a subcomponent to the fourth goal.

Since 1998 China's engagement with its periphery has seen profound changes in the economic, military, diplomatic, and the multilateral/institutional arenas. Only a few years ago China was seen as a rising hegemonic power and a threat; had border disputes with almost all its neighbors; was outside most regional organizations; and did not have formal diplomatic relations with South Korea, Vietnam, and Singapore until the early 1990s. China's moderate behavior, effective diplomacy, and willingness to endorse regional norms such as ASEAN's Treaty of Amity and Cooperation have changed China's image to that of a good neighbor and non-threatening regional power. Professor Shambaugh noted that China had briefly called for the end of U.S. Asian alliances in 1997, but abandoned this effort in the face of negative reactions. The positive view of China is not universal—Japan and Taiwan are notable exceptions—but this is the predominant regional view. Most countries are "semi-bandwagoning" with China rather than balancing against it. This involves efforts to enmesh China in regional organizations, deepen ties, build sub-state relations, and enhance confidence building measures.

China has been engaging the region multilaterally and bilaterally. China has undergone a rapid conversion to embrace regional multilateralism. China initially regarded regional organizations with suspicion, seeing them as tools of U.S. policy and influence. Yet as the Chinese began participating, they found that regional organizations were not U.S. tools and

that the U.S. did not take these institutions seriously. Beijing is now confident of its ability to operate in multilateral organizations.

The Chinese have also been very successful in bilateral relations. Professor Shambaugh noted increased professionalism and community involvement of Chinese diplomats, frequent travel of senior Chinese officials, and even party-to-party ties illustrated by Beijing's hosting of the Third International Conference of Asian Political Parties in September 2004. There are also increasing exchanges of students and tourists. China's economic activities, from trade to FDI and ODA, have been the most noteworthy aspect of its increasing regional engagement.

China has also been engaging the region in the security sphere. The unilateral aspect of Chinese policy includes a worrisome build-up of Chinese military assets opposite Taiwan, but this reflects a specific agenda rather than a broader buildup of power projection capabilities. China has initiated a series of bilateral exercises, security dialogues, and educational exchanges with other Asian militaries. Multilaterally, China has improved military transparency to the level of other Asian militaries and increased its involvement in the ASEAN Regional Forum.

China's rise in power and regional influence does not necessarily come at the expense of the United States. The U.S. hub and spoke architecture is still dominant, conducive to regional stability, and beneficial to the whole region, including China. The U.S. is involved in almost all regional security issues, and U.S. and China interests converge on most issues. U.S. and Chinese cooperation in the region is substantial and is increasing, not decreasing. The integration of China into the regional order has been a long-standing goal of virtually all Asian countries and the United States. Now that it is occurring it should be welcomed and not opposed by the U.S. A major challenge ahead is to lock China into this positive regional role.

Dr. Ashley Tellis praised Professor Shambaugh's assessment of *how* China is engaging the region, but disagreed on *why* and the implications for the United States.

Dr. Tellis argued that China has invested considerable resources in engaging countries on its periphery; this reflects an effort to achieve great power status and minimize potential costs of global engagement. China's engagement has three major goals: 1) Reaping the economic benefits of interdependence, which will help consolidate domestic power and provide a fast track to great power status; 2) Preventing the rise of balancing coalitions by engaging and reassuring other countries in the region; and 3) Paving the way for China to gradually and peacefully supplant the US as the primary provider of security in the region.

Dr. Tellis noted that we should not confuse interim goals and instruments with long-term objectives when evaluating China's interests and strategies. He argued that Professor Shambaugh's analysis of China's near-term goals and capabilities produced inferences about long-term goals and capabilities that might not last once China reaches great power status. He noted that China's geographic position as a continental power might make the development of U.S.-style power projection capabilities unnecessary. Evidence for China's

conversion to multilateralism is inconclusive; China continues to see U.S. alliances in the region as constraining its own behavior and influence. He argued that the region is more concerned about China than Professor Shambaugh acknowledges; countries are hedging symbolically to avoid being forced to choose between China and the United States, but circumstances may force a choice.

If China acquires great-power status, it is likely to mirror the behavior of past great powers. A Sino-centric order might require Asian countries to defer to Beijing, to take Chinese interests into account when making decisions, and to weaken their links with the United States. China would likely acquire military instruments to pursue these objectives. Dr. Tellis argued that China's rise has important strategic implications for the United States. Historically, rising powers often conflict with established powers; Beijing's efforts to promote "peaceful rise" reflects an awareness of this history. As China grows, it will have more resources to engage in alliance-making and alliance-breaking strategies of its own. Economic interdependence complicates strategic choices, but does not eliminate the need for strategic clarity. The United States should engage China, but must keep its existing and prospective alliances in good repair. The U.S. should also make efforts to widen the gap between U.S. and China power by getting its economic house in order and improving the quality of the U.S. educational system.

Questions:
In response to a question about the role of the European Union, **Professor Shambaugh** noted that European concerns about China's internal stability and efforts to improve China's state capacity matched Asian views that a stable China translates into a stable region. The United States tends to look at China through a hard security lens and neglect these issues. **Dr. Tellis** agreed that state capacity and internal stability were important, but argued the U.S. needs to think about China's hard power because it has alliance commitments it must fulfill. EU efforts to lift the arms embargo create real problems and put the U.S. on a collision course with the EU.

In response to a question about whether U.S. neglect of Southeast Asia in the mid-1990s provided an opportunity for China to expand its influence, both agreed that U.S. distraction was not a principal cause. Professor Shambaugh argued that China's engagement reflected a gradual process of learning and a decision in 1999 that China needed to be more proactive in the region.

In response to a question about China's use of arms sales and proliferation as sources of influence, Professor Shambaugh noted that Chinese arms sales have declined to about $400 million dollars a year, with half going to Burma, Pakistan and Bangladesh. Co-moderator Dr. Phillip Saunders observed that there is not much interest in low-tech Chinese arms, but that China has recently offered to co-produce arms with other countries in the region. Dr. Tellis mentioned that Pakistan is the principal recipient of Chinese proliferation. China views the security environment from the perspective of a continental power, hence its interest in access to ports in Pakistan and Burma. If we tie these activities to China's energy demands, we may discover China's strategic logic.