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## FROM STRATEGIC AMBIGUITY TO STRATEGIC PERSUASION IS CHINA COMING TO GRIPS WITH THE US' NEW ROLE IN ASIA?

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While the US is seeking a way of rebalancing China in East Asia its approach left space for interpretation. The strategy of positioning itself in Asia on basis of concrete security issues and alliances while keeping its involvement open is seemingly only one aspect of the new game. Today a more or less refined toolbox of 'strategic persuasion' was designed in order to deal with an increasingly influential and powerful China. Instead of engaging in a non-desirable and costly direct military opposition to China, the US tries to pull all the strings in order influence its behavior towards moderation particularly in East Asia. In so doing, Washington is encountering an expectation-perception gap. So far the strategy has not necessarily proven successful. In Beijing, strategic maneuvers were often not fully understood and responses did not turn out not as initially desired. The US' pivot to Asia has aroused a primordial fear in modern China: containment by outside powers. With a return to more traditional language of balancing, in China the situation was better understood. Yet, the implication remains the same. China has in reaction adopted a more assertive stance in military affairs while gradually trying to limit political damage in the ASEAN framework.

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## Coming full circle in strategic affairs?

Until 2010 the widespread perception in China and across Southeast Asia was that the US' strategic priorities had changed. Particularly the changing status quo in the Strait of Taiwan seemingly made US strategic involvement less apparent. Likewise the US approach of keeping any involvement in security and military operation open – its so-called strategic ambiguity – became a less powerful tool in balancing the two sides.

Today the US is trying to reposition itself in East Asia and it appears that it is defining its role is still work in progress. At the same time China and other players have been reacting to US rhetoric moves, thereby changing the strategic environment in East Asia. The question remains whether the US will regain a strategic position in Asia both conceptually and geographically.

To all appearances, China's international appearance has during the past decade become increasingly confident. Beijing was assuming a pro-active stance in its neighborhood relations, formalizing economic links and to some degree positioning itself in regional security affairs. Mainly two factors were conducive to this change of attitude: the US pre-occupation with the war on terrorism and the rapprochement across the Taiwan Strait.

With Ma Ying-jeou taking up the Taiwanese Presidency in 2008 cross-Strait relations were bound to improve. Rapprochement, close consultation and cooperation were agreed on in a range of areas. In June 2010 the Economic Cooperation Framework Agreement (ECFA) was signed. The agreement enabled easier economic relations in trade and eventually investment on both sides. Due to improving communication, consultation mechanisms and a common *sprachregelung*, both sides were able to avoid renewed tensions and even handle public sentiment about possible incidents.

After 2001 US international engagement was concerned with its impending global war on terror, its engagement in Afghanistan and by its invasion of Iraq in 2003. By 2007 the US financial crisis set in, letting some Chinese analysts come to believe that US global power was diminishing.

Already in 2002, former Chinese President Jiang Zemin announced on the 16<sup>th</sup> CPC National congress that China was facing what he called an 'important period of strategic opportunities'. Although the real meaning of this slogan remained concealed, the scenario was clear. China's development was coinciding with a period, when traditional powers were preoccupied with wars, terrorism and own structural and economic problems. During this time it was possible for China to rise economically and increase its international weight without major resistance.

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With us financial crisis setting in a great number of Chinese commentators predicted the end of US dominance in international affairs and economy and its demise as a global power. Yet, on official level interpretations had been subtler. Although Chinese policy-makers are gradually coming to the conclusion that they will have to be prepared for the possibility that the US is limiting its engagement in various regions such as the Middle East or Central and South Asia. In fact, in Beijing's eyes a complete disappearance of US influence and economic weight would not be desirable. The US is still an important trading partner and still indispensable for maintaining stability in many regions of the world, including East Asia.

When former State Secretary Hillary Clinton announced during the ASEAN Regional Forum in Hanoi in 2010 that the US had a nation interest in the freedom of navigation in the South China Sea, she took Beijing by surprise. Although the pivot only marked a rhetorical shift that indicated a rebalancing of US foreign policy, it had a direct impact. China declared that the South China Sea was core interest, a status that only Taiwan had before.

At the same time a range of events came to attention that got into the context of US' reengagement in the region. Ongoing rows between Chinese maritime agencies and Vietnamese and Philippine fisher boats in disputed territory came to the center of attention and cause for a number of littoral states to adopt a more confrontative stance towards China.

Regular joint military exercises by the US and South Korea off the coast of Korea were protested by China. The ongoing dispute between China and Japan over the Diaoyutai/Senkaku island also gained new momentum. In September 2010 the collision of Japanese patrol boats with a Chinese fish trawler and the following arrest of the Chinese skipper led to major diplomatic dispute. In September 2012 the Japan's government tried to defuse possible tensions and decided to leapfrog Tokyo's popular-nationalist mayor by buying the islands from a private Japanese owner.

The US little means to react to these trends, which in part were reinforced by the growing Chinese perception of US containment of its rise on basis of existing territorial disputes. In practice it reacted with an increasingly assertive stance using economic and military pressure in order to lend weight to its cause. Surveillance ships of the China Marine Surveillance (CMS) have been placed near Scarborough Shoal, most likely in order to provoke a diplomatic row with the Philippines. In the follow up, fruit exports from the Philippines to China were blocked. Japanese companies. Although does not fundamentally want to change the status quo, it has set the stakes higher and thereby caused changes in its favour.

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Although policy-makers in Washington have to some extent had realized that the rhetoric of the pivot had set into motion unwanted events, there was little they could do to prevent small countries such as the Philippines or Vietnam from setting the agenda. One option would have been a return to its time-proven strategic ambiguity approach. But with a shaky status quo and rising nationalism in the region such an option would carry high risks. The question remains what the US approach might be and whether it is an answer in dealing with a more confident China that under the government of President Xi Jinping has turned towards more solid policy making than its predecessor.

### US strategic toolbox and goals in Asia

The US had to design an strategic approach towards East Asia that takes into account that China is an important economic partner, is needed as a responsible stakeholder in Asia and beyond and that has risen to considerable economic and military strength in its immediate vicinity. In short, while China has to limited degree become a strategic opponent in East Asian geopolitics, it is needed as a cooperation partner elsewhere. At the same time a balanced approach involving engagement and strategic competition can at this stage only be reactive to policy decisions that China has already made.

During past years many of the less official debates in the military factors revolving around two arguments. Firstly, strategist tried to put forward the idea that US had to engage additional defense spending particularly in naval capacities in order to be able counter China's rapid military modernization. Yet, such debates were more about domestic policies and negotiations about defense budgeting in the US and had less to do with real strategic choice vis-à-vis China. Others argued along lines of a *de facto* arms race that would impose high and exhaustive cost on China. But such an approach is based on the assumption that China actually regards the US as a key strategic opponent on global scale.

It is more likely that the US will have to position itself as the party that has to make strategic responses by which it can in the best case influence China's strategic outlook. The main flaw of such an approach is that Chinese military ambitions are indeed defensive. Recent confrontation and moves by China's maritime agencies indicated a projection of military might. However, these moves were more a reaction towards trends in maritime Asia and the perception of containment rather than a long-term move towards military offence and disruptive behavior. Furthermore, any moves that are intended to persuade China to make different choices or move it towards responsible behavior can always be misread as aggressive moves or

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containment or exceed its possibilities and thus miss the point. For China, the role of the US would either be difficult to interpret or its intentions lost in translation. For instance, the US missile defense shield to be based in South Korea and Japan and anti-ballistic missile interceptors along the Pacific coast is not only a deterrent towards North Korea. It also has strategic consequences for China due to limited deterrence capabilities and the fact of increasing US presence in Asia Pacific. Yet, China itself, as North Korea's key ally, only had limited influence to restrain North Korea's behavior or its decisions regarding its nuclear weapons program.

The relationship between China and the US is getting increasingly complex and issues that involve the need of cooperation from both sides outweigh strategic rivalry. Influencing North Korean stance on nuclear armament, stability in Afghanistan, Central Asia and South East Asia or international finance crisis are only few of the common concerns. Yet, US foreign policy also needs to regain pace in Asian markets in order not to lose out on progress in economic integration in East Asia. While ASEAN is moving towards regional economic integration with the targeted goal in 2015, China has already arranged FTAs with all member states. For the US there is little choice but to bring in own arrangements. In 2010 the US joined the Transpacific Trade Partnership (TTP). The TTP is an upgraded and extended version of the already existent Trans-Pacific Strategic Economic Partnership (TPSEP) now consisting of 12 Asian and American states including the US. The member-states have proposed a common FTA. As APEC before the group does not include China.

The general importance of US-China was demonstrated during President Xi Jinping's visit to Sunnydale in June 2013 where mutual issues such as cyber security and climate change were discussed. Xi used to the opportunity to put the ball into Washington's court. The meeting was intended to chart the future of China-US relations and draw a blueprint for the relationship. He added that the Pacific Ocean had enough space for two large countries like the United States and China. In fact, both sides will have to continue the dialogue on how to shape their relationship and the impact on other countries in the region.

### **China viewing the US in Asia Pacific**

Under President Xi Jinping's presidency voices have become quieter and it seems that the government regained supremacy over the official line in defense and foreign policy. Hawkish commentators in the military as much as critical comments about security issues in the Chinese blogosphere have been silenced. On the possibility of a confrontation even model hawk General Liu Yuan in February 2013

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warned in in the Hong Kong based South China Morning Post that China should not step into the trap of provocations because its own development was of paramount importance.

It seems that the new governments is seeking re-boot of its relationships particularly in China's neighbourhood. First steps were made in early July when ASEAN and China agreed to discuss the Code of Conduct to avoid tensions and conflict in the South China Sea.

By and large the Chinese commentary has made out the problem that US forays into Asia Pacific will lead to point that other nations would have to decide. The *The weekly China Newswave (Xinwen Zhoukan)* commented in October 2012 that the evolving dual pattern, the US led security and political system and China led economic system, was forcing Asian countries to make choices and thereby changing the relationships between the Asian countries. Rong Wuzu of the China Foundation of International Studies wrote in one of his op-eds that the goal of the Asian re-balancing strategy was twofold. Firstly, the US wants to catch a ride with the Asian economic boom. Secondly, the US wanted to speed up the military, diplomatic and political dispositions around China in order to deter China's comprehensive strength. In so doing, it was preventing Asian countries from making choices about treating each other on equal basis and promote economic development. As for the developments in the framework of the TPP the Chinese commentary has been divided. While the *Caixin Magazine* regarded the TPP as a Chance for China as a chance for reforming and liberalizing its economy, as it was the case with the WTO before, other commentators were more skeptical. Since the negotiations over the free trade agreement were already underway, China would have to join on terms that had largely been formulated in Washington. If the TPP was not to become competitive issues, the agreement would have to provide for the accession of third countries such as China, Indonesia and even India. Yet, such provisions would be designed in order to provide for their accession according to their needs, reform agendas, development and interests of the whole region. Any agreement that would require unilateral US approval would keep China outside for time to come. All in all, Chinese perceptions of the US in Asia have as of late been by and large pragmatic. Strategic moves from side of the US are longer perceived as direct containment. Yet, instead of taking of the leads for changing its own behavior US moves have been interpreted as competitive and disruptive for inner-Asian relations. Insofar the US has not come to refine its strategic approach economic competition and strategic misunderstandings will dominate the relationship for time to come. Open dialogue about a new model for the relationship as it had been initiated in Sunnylands might set the agenda for an alternative path.

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