



Prolonging East Asia's Surprising Peace—Can It Be Managed?

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News of the first Strategic and Economic Dialogue held between the U.S. and China dominated headlines last month. The Dialogue was focused on “addressing the challenges and opportunities that both countries face on a wide range of bilateral, regional and global areas of immediate and long-term strategic and economic interests,” according to the U.S. Treasury website. Putting this Dialogue in perspective may prove helpful, as it builds on more than a decade of mainly constructive Sino-American relations and peace in East Asia.

Over the past fifteen years, prudent choices by leaders in Washington and Beijing have prevented inevitable disagreements and conflicts from undermining regional stability. East Asia's surprising post-Cold War peace, defying the pessimistic predictions many offered in the early 1990s, has prevailed in large part due to the statesmanship exhibited by Chinese Presidents Jiang and Hu and American Presidents Clinton and Bush. But leaders in both countries continue to face formidable challenges that will try their ability to manage bilateral relations as China rises within a fluid regional and international order. The list of substantive issues that pose challenges for Washington and Beijing is by now familiar, and includes policy disagreements about currency, Taiwan, human rights, Darfur, North Korea, and the global environment. In addition, however, contemporary Sino-American ties face strains that reflect underlying, perhaps more vexing, challenges. Three challenges, in particular, are likely to persist for the foreseeable future. How well Chinese and American leaders cope with them will go a long way to determining whether the recent era of East Asian peace endures.

Transparency and the “Security Dilemma”

Experts often note the lack of any international authority above states to enforce pledges they might make to reassure one another. This condition of anarchy creates uncertainty about the future that drives a pattern of action and reaction known as “the security dilemma.” Such uncertainty about the implications of China's military modernization has already had this predicted effect and, in response, led to calls for greater transparency to clarify a rising China's intentions. Though it might mitigate the

intensity of this security dilemma, however, increased transparency would not eliminate the underlying challenge it poses for U.S.-China relations and East Asian stability in the 21st century.

Greater transparency would clarify the increasingly diverse and sophisticated military forces China is deploying; however, it would not eliminate the uncertainty that drives debates about how China might use these forces. Weapons characteristics, after all, rarely limit their uses to only defensive or offensive purposes. Even if the weapons deployed today were believed to reflect China's repeatedly professed defensive intentions, a change in international circumstances or domestic preferences could prompt Beijing's current leaders, or their successors, to redefine their goals, rethink the uses for existing forces, or deploy different forces. Nor can this troubling possibility be eliminated by crafting international agreements designed to boost confidence in assessments of intentions that greater transparency might suggest. Because there is no reliable mechanism for enforcing such agreements, even states that bind themselves to reassuring commitments today will have the option of behaving as they see fit tomorrow. Simply put, transparency cannot eliminate worries whose source is not a shortage of information but rather uncertainty about the future that is inherent in the anarchic realm of international politics.

Nevertheless, this readily understood limit on the value of increased transparency does not negate the benefits it can provide. In at least two related ways, greater transparency can help lessen the severity of the security dilemma. First, it can reduce the incentives for adversaries to rely on worst-case estimates which may seem only prudent when lacking good information about a potential rival's capabilities. The consequences of underestimating a prospective foe's strength are likely to appear more dire than the consequences of overestimation. Overestimation, however, feeds a cycle of action and reaction that drives arms races. Leaders may anticipate that the result of this kind of competitive arms buildup driven by worst-case hedging will ultimately fail to enhance, or may even undermine, their country's security. If so, they could argue for self-restraint. But that argument will rest on assertions about the strategic interdependence of choices a state and its adversary will make in future years, a stance likely to be a tough sell in policy debates when it confronts the more straightforward argument that it is "better to be safe than sorry." Increased transparency alone won't guarantee that proponents of restraint carry the day. However, it can provide information that reduces the likelihood that unrealistically exaggerated worst-case estimates of a rival's capabilities will drive an intense arms competition.

Second, greater transparency, especially when reinforced by verifiable international agreements, can establish baselines and expectations about future capabilities and behavior that reduces the risk of overreacting to a rival's new military deployments and actions. Without this information, surprise at the discovery that a prospective adversary has more, better, or more forward deployed weapons than previously known or expected often adds a subjective fillip of alarm to assessments about the rival's capabilities and intentions that aggravates the security dilemma.

Where do leaders in Beijing and Washington come down on the matter of transparency? The United States demands greater transparency, arguing it is essential to alleviate suspicions about what the Chinese are up to. But, as noted, even if transparency increases, it will not decisively deflate the anxiety reflected in variations of the questions that former Defense Secretary Donald Rumsfeld asked about China's military modernization: "Since no nation threatens China, one must wonder: Why this growing

investment? Why these continuing large and expanding arms purchases? Why these continuing robust deployments?” China’s position on transparency is quite different. While making modest nods to clarification in its recent defense white papers, China resists revealing information that it believes would add enhanced intelligence to the substantial military advantages the United States enjoys. Because China must rely on clever tactics and strategies to offset U.S. military superiority, it already worries about U.S. reconnaissance technologies and forward based intelligence assets that monitor PLA capabilities. Consequently, it sometimes takes risky actions to signal unhappiness about U.S. naval and air forces gathering information close to the Chinese homeland. In short, China values opacity over transparency. Opacity complicates U.S. contingency planning; and China does not need increased transparency to clearly discern the superiority of American forces it would engage.

These contrasting Chinese and American perspectives seem irreconcilable. Leaders in Beijing and Washington could, however, recast their discussions about transparency by focusing on the mutual benefits available to both countries through reducing the intensity of a security dilemma that threatens to cast a pall over East Asia. The starting point is recognizing that the United States *overstates* and China *understates* the real payoffs from increased transparency. U.S. rhetoric exaggerates the benefits when it suggests that transparency can somehow eliminate suspicions about China’s intentions. China, in contrast, underestimates the benefits of transparency and the costs it pays for continued opacity—especially the nervous reaction by the United States and others who harbor Rumsfeld’s concerns. Leaders in both countries who articulate more measured views about transparency’s benefits will be better positioned to explain how it enhances national interests by reducing the likelihood of unintended provocation. They will also be in a stronger position to respond to domestic critics who otherwise can seize upon high levels of uncertainty to demand the greater military investment justified by worst-case planning.

China’s Rise and America’s Preponderance

Current economic difficulties in the United States, rapid development by China over the last three decades, and limits to U.S. military power revealed in Iraq and Afghanistan, feed speculation about possible future U.S. decline. The reality of the early 21st century, however, is that unipolarity—especially U.S. military preponderance—endures. Yet the expectation that China’s rise could eventually herald the end of unipolarity poses another long-term challenge to leaders in Beijing and Washington. So far, their responses provide reason for both hope and concern about continued peace in East Asia.

In two broadly different ways, Beijing has been hedging against the possibility that the United States might try to jeopardize China’s vital interests or frustrate its desire to play a larger regional and international role. On the one hand, American preponderance has led an “outgunned” China to invest in military capabilities that serve asymmetric strategies. Thus, Beijing invests in modernizing a still small, and vulnerable, nuclear arsenal that poses a risk of unacceptable punishment for any prospective adversary endangering China’s vital interests. Beijing also continues with its selective development, testing, and deployment of advanced nonnuclear weapons that complicate U.S. planning for contingencies in which it might confront China, and increase the costs that the superior U.S. military would pay even in conflicts that China would be likely to lose. Such responses to the unfavorable military reality Beijing faces in a world where the United States remains the sole superpower may reflect nothing more than prudent planning by a cautious and conservative regime. Nevertheless, because others, even if

only out of prudence, question what such steps might portend about Beijing's future intentions, their predictable effect is to deepen concerns about a more powerful China. As noted above, leaders can try to manage, but cannot fully eliminate these concerns.

On the other hand, the daunting challenge of coping with remarkably robust American preponderance has also induced Beijing to embrace proactive diplomacy as a way to reduce the likelihood that a concerned United States and its allies might act to isolate or contain China. China tries to encourage them instead to recognize the advantages of partnering with China, despite uncertainty about the future. The enticement of trade and investment opportunities in China, Beijing's cooperation in the struggle against terrorism, help in dealing with the North Korean nuclear problem, and joint efforts to address global environmental, public health, and economic concerns are some of the familiar ways in which China has sought to build a favorable international environment for its continued "peaceful development," as it rises in the shadow of a dominant United States. Beijing acts out of self-interest, to be sure, but its diplomacy benefits others as well. Indeed, China's approach since the late 1990s has been largely consistent with the U.S. interest, as articulated by Robert Zoellick, that China become a "responsible stakeholder" in the international system.

However, Beijing's new diplomacy is only one facet of a rising China's response to American preponderance, and the prospects for its continuation are far from assured. On the contrary, it is easy to see pitfalls ahead. It is unlikely that Beijing will sustain its commitment to act in the ways expected of a responsible stakeholder on the world stage if it becomes clear that doing so means indefinitely accepting the lesser stake it presently holds, one that entails deference to U.S. leadership of the regional and international order. As important, it is unclear that the United States will be prepared to satisfy China's aspirations for significantly greater influence if that entails a reduction in America's dominant position.

A smooth transition to a world in which a more powerful China wields greater influence will require the United States (and others) to embrace new and unfamiliar roles. Such an adjustment is conceivable. After all, it has happened before. The process was managed rather smoothly when Britain gradually yielded its leading role to the United States in the first half of the twentieth century. In that case, however, shared political values and culture, a clear recognition of the emerging asymmetry in the two countries' capabilities, and a common interest in coping with dangerous common adversaries (first Germany, then the Soviet Union) facilitated Anglo-American cooperation. In the Sino-American case, there are differences in political values and culture, uncertainty about the future balance of capabilities, and no compelling common threat requiring close cooperation. Consequently, without creative thinking, dedication, and flexibility from leaders on both sides of the Pacific, it is hard to imagine a smooth adjustment to the greater international role China will expect to play. Hard work may make it possible to discover solutions that satisfy both Beijing's and Washington's interests. Even with such hard work, however, the process of adjustment undoubtedly will be difficult.

Domestic Political Constraints

A rising China's foreign policy is being shaped not just by the anarchic, unipolar international system in which it operates, but also by domestic political constraints. Among these, one of the most consequential facing leaders in Beijing is the deep-seated nationalism that has taken root in contemporary China. Popular expectations that an increasingly powerful China should be able to more effectively defend its interests

contribute to heightened sensitivity about other countries' statements and actions that can be construed as an affront to nationalist sensibilities. Leaders in Beijing have, as a result, found themselves constrained by domestic political considerations in ways that one might have thought irrelevant for an authoritarian regime. These constraints can make it difficult to strike the compromises necessary if diplomacy is to serve as a buffer against military conflict. Where contemporary challenges are intermingled with the legacies of an earlier era when a weak China was unable to defend its sovereignty, attempts at pragmatism are complicated by the need to satisfy nationalist expectations. Although China's communist leaders are not accountable to a democratic electorate, insensitivity to nationalist sentiment, some of which has been nurtured by the regime's educational and propaganda organs, risks disruptive popular protests as well as challenges from like-minded elements in the civilian and military elite.

The constraints that resurgent nationalism places on China's foreign policy have been most clearly evident in relations with Japan. But the challenges that these passions present for policymakers in Beijing have also played an increasingly important role in the management of U.S.-China relations after the Cold War. A mostly stable era of bilateral ties has been periodically punctuated by tense confrontations. Resolution, in these cases, has been complicated by popular Chinese outrage about alleged affronts to the country's sovereignty, interests, or pride. Although the specifics in each episode have varied (the rejection of China's bid to host the 2000 Olympics, the bombing of the Chinese embassy in Belgrade, the EP-3 spyplane incident, criticism of China's handling of ethnic tensions and violence in Tibet and Xinjiang), the general theme among China's loudest nationalist voices has remained constant. They call on Beijing to stand up to Washington, whose words and actions allegedly reveal an insensitivity to the country's sovereign rights and territorial integrity, not to mention "the feelings of the Chinese people." The advent of a less centrally controlled, if still not free, Chinese media combined with the variety of information sources and outlets for the masses to express their views that the internet provides, have magnified the political pressure confronting China's leaders when they must respond to foreign policy challenges that capture a more attentive public's eye. And because the regime has typically been more thorough in censoring the expression of views that question China's international claims and interests, the sample of popular expression that emerges during these episodes is typically skewed. This selection effect reinforces the perception of support for strongly nationalist foreign policy positions which can, of course, provide the regime with a pretext for digging in its heels when it wants to stand firm. But it also limits flexibility when Beijing prefers to defuse such confrontations before they undermine its overriding interest in a sound working relationship with Washington that is required to preserve the stable international setting essential for China's continued rise.

Can leaders in Beijing and Washington limit the risks that follow from the consequences of resurgent Chinese nationalism? Meeting this challenge will be especially tough not only because of the constraints China's leaders face, but also because it is unrealistic to expect American leaders to give priority to making life easier for the rulers in Beijing. American leaders conduct foreign policy to serve U.S. interests and face their own domestic political constraints. Public opinion and the voice given to it through Congress and the mass media require American leaders, no less than their Chinese counterparts, to be responsive to popular pressures. Perhaps even more than other challenges, then, surging Chinese nationalism is not a problem that can be solved, but rather a vexing challenge that can only be managed more or less effectively to minimize its explosive dangers. However unsatisfying, leaders in Beijing and Washington can probably do no better than to commit themselves to refrain from

stoking nationalist passions and to recognize that neither side can fully control their effects.

Realistic Optimism

Will Chinese and U.S. leaders be able to prolong what has been a surprising era of peace in East Asia after the Cold War by continuing to successfully cope with the consequences of the three broad challenges described above? Given their intractability, pessimistic scenarios are certainly not hard to envision. Nevertheless, there are reasons to believe that tempered optimism is more than wishful thinking or naiveté.

For the foreseeable future, China's leaders will have their hands full dealing with major domestic problems. These include the need to ensure a brisk pace of economic growth while reducing stark inequalities in income, improving environmental protection, and providing adequate health, education, and welfare services for an aging population. Moreover, it must do this while preserving stability in an anachronistic one-party political system that governs an increasingly complex society with many competing interests. These daunting domestic challenges will continue to impose a burden on Beijing that limits its ability to swiftly translate even impressive economic growth into the military power that would enable China to play a more disruptive international role. A much more assertive foreign policy would require investing in military capabilities and paying opportunity costs in terms of economic development that would jeopardize the political viability of a Chinese regime that has struggled for decades to get its own house in order. That does not preclude Beijing from making such a dangerously foolish choice. China wouldn't be the first country to do so. The Soviet Union provides a dramatic example of a regime that underappreciated the need to face up to the "guns vs. butter" tradeoff. However, the clarity of the tradeoffs for China (and the lessons that leaders in Beijing have drawn from the Soviet failure) do argue against expecting that it is likely, let alone inevitable, that they will opt for a recklessly aggressive and self-defeating foreign policy.

It is far more plausible, then, that Beijing's leaders will continue their pursuit of a gradually expanded international role. And as they do, relations with the United States will continue to be characterized by a mix of conflict and cooperation conditioned by the challenges described above. It is unlikely that Chinese and U.S. leaders will be able to eliminate these deeply rooted, chronic sources of friction. That is almost certainly an unrealistic goal. But it is also unnecessary for prolonging the era of peace in East Asia. Instead, the standard for success should be whether Chinese and U.S. leaders can extend their so far impressive record of discovering satisfactory ways to manage the enduring challenges to bilateral relations so that they do not decisively undermine cooperation and exacerbate conflict. Continuing to manage challenges that defy resolution would be an impressive achievement—the handiwork of statesmen who recognize that the best need not be the enemy of the good.