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Awaiting the Rising Dragon: Preparing for the Emboldened Aspirations of China's Red Dynasty

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China's current importance on the world political and economic stage is hardly an anomaly in the history of the world. Five thousand years of dynastic history, science, literature, engineering, and military might speak to China's national pride, their record of accomplishments, and their promise for projecting strength and leadership. In the twenty-first century, China has rediscovered its historical strength, breaking off colonial chains, and extending its influence abroad in ways not seen since the voyages of Zheng He during the Ming Dynasty. In East Asia, China is the clear regional hegemon. Two schools of international political thought — realism and liberalism — assess its implications and what it means for economic and military power balances differently. The United States, therefore, is at a crossroads in this strategic part of the world and has a difficult decision to make. It must either accept realist thinking and approach China skeptically as a constant potential adversary, or it must adopt a liberal approach and take China to be a major economic partner with potential for democratization. Although China does not necessarily present an explicit military challenge to the United States, it has and will continue to contest America's economic and political influence, to the detriment of America's interests and presence in East Asia. Therefore, it is imperative to assume a realist worldview by observing with caution and skepticism when dealing with China. The United States must preempt their geopolitical moves accordingly to ensure they do not assert undue action against their neighbors in a way that would violate international norms or the sovereignty of our regional allies.

To start, it is essential that any conversation on the rise of China and its implications for American foreign policy begin with the differences between the realist and the liberal schools of international thought, as well as how they respectively interpret political developments and their causal mechanisms. The realist worldview adheres to the notion that power is king. Realists

believe that international politics happens within the scope of an anarchic world order and therefore operates according to a self-help system, meaning that power-balancing is a common feature among states.¹ Since each state is the best and only guardian of its own core interests, it must approach other partners with the understanding that it cannot truly depend on them for security or other mutual benefits. Self-interest governs most state interactions, and to ensure their own maximum outcomes, states need to gain a relative military and economic power advantage over their neighbors. According to Christopher Layne, there is a version of realism known as offensive realism, which dictates that states gain security by eliminating their rivals, and, to an extent, by becoming a hegemon in their own right.² This power-focused dynamic has indeed played out on more than one occasion throughout history, mainly through war. Both World Wars are perfect examples of this. Entangling alliance networks developed in both cases in an attempt to geo-strategically outmaneuver the opposing state-alliance network, whether it be the Triple Alliance and Entente of the first World War, or the Axis and Allies of the second World War. Indeed, as it affects America, Christopher Layne makes indirect reference to the Monroe Doctrine as America's attempt to establish its own hemispherical hegemony, meaning that it would take any European military entrance into its "backyard" as a challenge against its own territorial legitimacy. He responds to John Mearsheimer's hypothetical scenario of a Post-War victorious Germany making an alliance with Mexico by criticizing the notion that it would ever happen, since America, acting in accordance with a realist perspective, would launch a preventive war.³

¹ Kenneth N. Waltz, "Structural Realism after the Cold War," *International Security*, 25.1 (2000): 5.

² Christopher Layne, "The Poster Child for Offensive Realism: America as a Global Hegemon," *Security Studies* 12.2 (2002): 127.

³ *Ibid.*

In the contemporary context, realism dictates circumstances with China and its geopolitical situation. Walter Russell Mead makes reference to what he calls the “Axis of Weevils”: China, Russia, and Iran.⁴ Although at the U.N. these countries appear to form a cohesive anti-American unit, that is exactly as far as their cohesion goes. As guided by realism’s explanation of self-interest, China does not see eye to eye with Russia and Iran on relations between them. China wants low oil prices as a net importer, while Iran and Russia want to sell high. China also prefers political stability in the Middle East while Russia and Iran want to use it to their advantage.⁵ As will be discussed later on, China’s attempt to disrupt the status quo in East Asia is tightening links between the U.S. and its Asian allies. It is also increasing nationalism in Japan,⁶ both of which are realist survival mechanisms and instincts.

In stark contrast, the liberal school of international relations theory offers a less cynical, more optimistic view of interactions among states. In the liberal internationalist view, there are two key beliefs. The first is Democratic Peace Theory (DPT), which suggests that democratic states do not go to war against one another, which is a key reason for the promotion of democracy around the world as a means of improving America’s security situation.⁷ The second belief is that trade facilitates positive relationships and interdependence between the economies of the involved states, making it less likely that they will go to war. In some cases, the trade aspect can be absorbed into general political/economic partnerships that proceed from democratic cooperation. Therefore, it would be considered as a subset of the first belief on DPT. Indeed, John Ikenberry posits as much when he champions the notion of the Liberal order’s

⁴ Walter M. Mead, “The Return of Geopolitics: The Revenge of the Revisionist Powers,” *Foreign Affairs* 91.4 (2014): n.p.

⁵ Ibid.

⁶ Ibid.

⁷ Christopher Layne, “Kant or Can’t: The Myth of Democratic Peace,” *International Security*, 19.2 (1994): 5.

enduring power. He references the United States' "sustained efforts to build a far-flung system of multilateral institutions, alliances, trade agreements, and political partnerships" and how these bonding partnerships have "strengthen[ed] global norms and rules that undercut the legitimacy of nineteenth-century-style spheres of influence."⁸ At the helm of global dominance, the United States has constructed an international order by way of either establishing or promoting such international organizations as NATO, the United Nations, and the World Trade Organization. that have integrated new democracies, new states, and rising powers into a peaceful framework that has seen fewer conflicts since its implementation. Through the liberal democratic lens, interdependence creates a security apparatus in its own right not through force but through incentives. In this circumstance, China is most welcome and encouraged to participate as a way of giving them proverbial "skin" at stake in the international realm of democratic and trade prosperity, even if China itself is just only starting to experiment with open/non-partisan elections at the municipal level. Regardless, China is arguably constructing a mirroring international order with its membership in BRICS, its belt-and-road initiative, leadership of the Asian Infrastructure Investment Bank (AIIB), and investment in Africa as a means to build its own illiberal order. As for military affairs, China's aggressiveness against its neighbors over maritime rights and nearby islands does not make it a serious contender against the surrounding democratic security apparatus led by the U.S., so Ikenberry considers them simple "spoilers" at best to the notion of the prevailing liberal order⁹.

With both realist and liberal schools of thought accounted for, China's foreign policy record and current trajectory reveals two competing narratives. Two Chinas exist between

⁸ Gilford John Ikenberry, "The Illusion of Geopolitics: The Enduring Power of the Liberal Order," *Foreign Affairs* 91.4 (2014): n.p.

⁹ Ibid.

realists and liberals: one that is and has always been in peaceful coexistence with its neighbors (the liberal version), and another that is and always has been an aspiring great power, patiently awaiting its moment to claim the central seat of world influence (the realist version). The prior China wishes to preserve its own sovereignty and to respect that of its neighbors as it has always claimed to do. The latter China wishes to bring true life and physical meaning to its historical and metaphysical notion of itself as “Middle Kingdom”.

Starting with the realist assessment of Chinese foreign policy, one can observe that China has always acted the part of a power player seeking to assert regional hegemony at the cost of its neighbors, with times of internal turmoil and economic weakness only serving to delay its typical posture. This is determined from its stance on boundaries and self-perceived notion of centrality in the universe. As Henry Kissinger describes in his book *On China*, China has for millennia labeled itself “*zhongguo* – the ‘Middle Kingdom’ or the ‘Central Country’,” with its emperor “conceived of and recognized by most neighboring states as the pinnacle of a universal political hierarchy, with all other states’ rulers theoretically serving as vassals.”¹⁰ This reflects cultural pride in China’s own history, language, culture, and other nationally defining societal characteristics, but it has also driven a vain sense of self-importance that has caused it to look down upon other states. The more a certain people attained Chinese culture and rituals, which connotes submission to China, the more humanely and compassionately China would treat them.¹¹ Barbarians, defined by the Chinese as people not in any way sharing a semblance to Sino customs and tradition, would be treated with hostility. In channeling raw security instincts as realism would predict, China dealt with its power imbalances against arriving European powers

¹⁰ Henry Kissinger, *On China* (New York: Penguin Books, 2012): 2-3.

¹¹ *Ibid.*, 19.

by creatively playing them against each other, or as the Chinese put it: to “use barbarians against barbarians.”¹² Prior to the eighteenth century, this involved bribing “barbarians” to fight each other or submitting to their invaders and Sinicizing them after the fact. By the nineteenth century, although much less successful, it involved offering lucrative trade offers to the Russians, French, British, and other European powers, leaving them to compete among themselves for the preferred relationship. China inevitably had to settle for humiliating terms and treaties legally signing away concessions in the form of unfavorable trade deals and territory, and China never adhered to or honored western legalistic norms. Even as power politics and warfare have impacted the size of China’s realm of influence and its formal boundaries, China still adhered to its preferred interpretation of boundaries that served its own self-interest above that of its lesser neighbors. Mao Zedong, leading a revolutionary Communist Party that was eliminating all notions of its feudal past, still conveniently invoked ancient imperial Chinese principles and traditions when doing so suited his political purposes. Such was the case when India and China faced a border dispute over the Himalayan frontier, with India claiming the legalistic McMahon Line demarcated by the British during their rule, and the Chinese claiming the limits of imperial China of dynasties past.¹³ It finished the war victoriously over India, and enforced a peace with them that they claim was similar to the peace enforced by the Tang Dynasty 1,300 years prior.

History aside, present-day China still exhibits realist tendencies in its economic and military posturing, indicating cause for concern over the stability of East Asia. Since the fall of the Soviet Union in the 1990s, Chinese military strategy has shifted from continental defense to a focus on protecting air and maritime approaches to itself from the east in order to increase the

¹² Ibid., 21.

¹³ Ibid., 1.

costs of American intervention should a local war break out in China's oceanic or terrestrial neighborhood.¹⁴ China's counter strategy involves holding U.S. assets at risk within the first island chain in the East and South China seas, holding the U.S. surface navy at risk within the second island chain extending to the Marianas, and challenging the U.S. for space and cyberspace superiority.¹⁵ To achieve these ambitions, China has modernized and amplified the size of its strategic missile, air, and naval forces to catch up with the U.S. military presence, something a non-aspiring regional power would likely not attempt. China adopted a posture of threatening American forward bases. The PLA 2nd Artillery Corps added more than 1,100 short-range ballistic missiles to its arsenal, with ranges stretching between Taiwan and Okinawa, in addition to 500 Land Attack Cruise missiles with a range to reach beyond Japan (~1000 nautical miles).¹⁶ According to Evan Montgomery, this new equipment and the fourth-generation air force are part of a "joint anti-air raid campaign" that is designed to send a salvo of missiles backed by air strikes against U.S. airbases for reassurance that the U.S. air force would be disabled.¹⁷ Meanwhile, the PLA Navy is acquiring thousands of Area Surface Cruise and Ballistic Missiles to threaten American aircraft carriers and obtaining enhanced-range submarines and radar detection equipment. Not only that, but China is also developing counter-C4ISR (Command, Control, Communications, Computers, Intelligence, Surveillance, Reconnaissance) mechanisms, namely antisatellite missiles, radio frequency jammers, and

¹⁴ Evan Braden Montgomery, "Contested Primacy in the Western Pacific: China's Rise and the Future of the U.S. Power Projection," *International Security* 38.4 (2014): 130-131.

¹⁵ *Ibid.*

¹⁶ *Ibid.*, 132.

¹⁷ *Ibid.*, 133.

viruses, that have the ability to disable all electronic equipment, hardware, aircraft, and vessels belonging to the U.S. and its allies.¹⁸

Economically, China may seem amenable and open to scheming with fellow autocracies like Russia, since both seemingly form a duo in countering U.S. interests. Yet China has again attempted to outmaneuver so-called allies in an attempt to preserve dominance over its neighbors. One of the primary concerns is Central Asia. Once a part of the Soviet Union and Russian Empires, Central Asian states have found themselves to be very appealing partners caught in a tug-of-war for economic influence between Russia and China as China has aggressively inserted itself into Russia's former territory. China has already entered a strategic partnership with Uzbekistan as of 2012, and Vladimir Putin has sought to counter China's economic surge with the creation of the "Eurasian Union," which is a military, political, and economic union akin to the European Union complete with an Economic Commission and a Customs Union.¹⁹ This has pulled Kazakhstan and Kyrgyzstan closer to Russia, but China still cuts into those relationships too. As of 2009, China had built pipelines connecting directly to Kazakh oil fields and Turkmen gas fields, bypassing Russia completely, thereby undercutting Russian energy profit potential in the region.²⁰ China is evidently not one to accept resource dependency from other states. As China has done with its military, it is posturing itself economically to overcome its Russian neighbor.

The liberal interpretation of Chinese foreign policy would counter with a stark contrast to the aforementioned Machiavellian scheming suggested by realist judgments of China's actions. The liberal understanding that market reforms enable liberal democratization and subsequently

¹⁸ Ibid., 134.

¹⁹ Robert G. Sutter, *The United States and Asia: Regional Dynamics and Twenty-First-Century Relations* (London: Rowman & Littlefield, 2015): 280-281.

²⁰ Thomas Graham, "The Sources of Russia's Insecurity," *Survival* 52.1 (2010): 65.

reduce conflict among states, can apply to China, even if it is a single party state, by participating in the international arena as a partner rather than an antagonist. Historically, China has been a singular kingdom in both its demographic identity and hegemony. Geography separated China from other major civilizations: The Himalayas separated it from India, the Central Asian deserts separated it from Persia, and the vast expanses of Siberia to the north and oceanic expanses to the south and east precluded any European contact until the seventeenth century. China has never been and still is not democratic, but nonetheless it still exercises indirect contact with distant lands along the Silk Road via trade caravans.²¹ It also never expressed a desire to claim or conquer new territories, an attitude completely opposite to European counterparts and their imperial ambitions. In fact, as Henry Kissinger notes:

“The territorial claims of the Chinese Empire stopped at the water’s edge. As early as the Song Dynasty (960-1279), China led the world in nautical technology; its fleets could have carried the empire into an era of conquest and exploration. Yet China acquired no overseas colonies and showed relatively little interest in the countries beyond its coast. It developed no rationale for venturing abroad to convert the barbarians to Confucian principles or Buddhist virtues.”²²

Even in its imperial history, China never had aggressive territorial aims in lands it did not consider to be part of its core, defying realist expectations in classical and medieval eras and matching more closely the behavior of modern democratic states. The fact of this imperial outlier gives liberals reason to believe that China and its historical heritage do not fit the western psychological mold of international relations that would suggest it to be a Machiavellian member of the international community. In fact, with the exception of the communist ideological fervor pushed by Mao Zedong during his tenure as chairman, China has displayed a calm posture in foreign affairs.

²¹ Kissinger, *On China*, 8.

²² *Ibid.*

Whereas western states acting in the realist perspective might consider a build-up of arms and military modernization as an attempt at regional hegemony, China would consider it as a precautionary measure to ensure its own sovereignty against another invasive violation. Mao Zedong broke with Chinese history by engaging in what Thomas Christensen calls “revolutionary evangelism” in the 1950s and 1960s, fomenting armed revolts in neighboring states to spread revolutionary communism, notably in Korea, while shaming the Soviet Union for being too “moderate” in its communist commitments.²³ It could be interpreted as a reinforcement of neighboring regimes that had already chosen a communist path and were struggling to preserve it. Even so, at its worst, China under Mao opened to the United States through dialogue. In their first Joint Communiqué in 1972, China expressed its opposition to hegemony, its opposition to colonial imperialism, and support for national self-determination across the world.²⁴ In fact, listed under the segment on mutual interests is a commitment by both the U.S. and China to avoid dividing the world into spheres of influence and to refrain from establishing hegemony in the Asia-Pacific.²⁵ Deng Xiaoping, speaking on behalf of Mao Zedong at the United Nations in 1974, repeated these sentiments in his speech at the 6th Special Session of the General Assembly when he said that should China ever become a superpower, it inevitably would also be a tyrant, seeing one and both as the same.²⁶ The speech ironically carried an incendiary tone, condemning the exploitative nature of market capitalism as well as capitalism’s imperialistic aspects so as to champion the cause of the third world.

²³ Thomas J. Christensen, *The China Challenge* (New York: W. W. Norton & Company, 2015): 21-22.

²⁴ Joint Communiqué of the People's Republic of China and the United States of America (Shanghai Communiqué), February 28, 1972.

²⁵ Ibid.

²⁶ Deng Xiaoping, “Speech at the Sixth Special Session of the U.N. General Assembly,” April 10, 1974.

Yet, with Mao's death, a new China would emerge. Deng Xiaoping, the Communist Party successor to Mao, pulled China from its aggressive revolutionary path and instead placed it on its current steady path of diplomatic integration. Almost immediately, Deng directed Chinese foreign policy on a path to openness, dialogue, and cooperation with the international community. The first major step was the establishment of diplomatic relations with the U.S. in December of 1978 (to take effect January 1, 1979), made possible by the reaffirmation of the Shanghai Communique against establishing hegemony and U.S. recognition of one China.²⁷ Despite the Chinese insistence on Taiwan's importance to Chinese sovereignty, Deng allowed for "cultural, commercial, and other unofficial relations" between the U.S. and Taiwan, understanding that normalization in Sino-American relations would "contribute to the cause of peace in Asia and the world."²⁸ With diplomatic dialogue and trade to proceed, a repeat of Korean War style conflict became nearly impossible, and even if China was not becoming a democracy, liberal school academics could at least point to improvements in China's shift from domestic demands of totalitarian party purism under Mao.

The political improvements, however significant, were dwarfed by economic liberalization reforms that, to this day, have delivered astounding results in national development. The economic half of the liberalist premise explains much more about Chinese foreign policy behavior than the democratic half and even offers cues on how China's integration ought to proceed going forward. History already displays China as a center of regional commerce, envied by its neighbors and European merchants thousands of miles away. In fact, until the Industrial Revolution, China was the world's largest and most productive economy. With the largest trading area and complete self-sufficiency, China had a greater share of world

²⁷ The Shanghai Communique

²⁸ Ibid.

GDP than any Western country for eighteen of the last twenty centuries.²⁹ Kissinger adds that “as late as 1820, it produced over 30 percent of world GDP – an amount exceeding the GDP of Western Europe, Eastern Europe, and the United States combined.”³⁰

China fell from economic grace throughout the nineteenth and mid-twentieth centuries as European powers extracted large trade and territorial concessions from China and later as Mao Zedong’s socialist policies tanked national productivity (and send tens of millions into poverty and death). Liberalists would not have much cause to celebrate if the Great Leap Forward and Cultural Revolution were still formal policy. However, as referenced earlier, Deng Xiaoping’s rise to power altered China’s trajectory for the better. Since the late 1970s, Deng restored market incentives to the economy, restored land ownership rights to farmers, opened the country to foreign trade and investment, and established a merit-based system of bureaucratic promotion to replace the ideological loyalty system of patronage.³¹ The results have been unprecedented, with 300 million people lifted above the international poverty standard, 10 percent per year real economic growth, a GDP that has doubled every seven years since 1979, an increase of per capita income from \$220 in 1978 to \$4,940 in 2011, and attaining second largest economy status behind the United States.³² As liberalists would predict, the increase in Chinese market participation led to a greater participation in international institutional mechanisms and a lesser dependence on aggression as a means of statecraft. In fact, contrary to realists’ focus on self-interest and power balance, liberalists would argue that China is looking for a stable international system as part of its foreign policy goals. China does not seek to eliminate or undermine international institutions or rules because it has no viable alternative to offer and is therefore a

²⁹ Kissinger, *On China*, 11-12.

³⁰ *Ibid.*, 12.

³¹ Christensen, *The China Challenge*, 14.

³² *Ibid.*

member of every major international institution (G7, G20, U.N. Peacekeeping, etc.). However, China does seek to “democratize” these international structures to serve the needs of those outside the west who would wish for their own chance at an economic miracle, mainly by getting non-G7 industrialized democracies involved in leading such structures and global endeavors.³³ One could interpret China’s construction of parallel institutions such as the Asia Infrastructure Investment Bank (AIIB) as complementary to the existing western-led framework of global institutions. Though China may seek to resist Western dominance of international finance and commerce, its creation of non-replacement, coexisting programs shows that it is not in the business of overturning the existing global economic system.³⁴ China also has much to gain from the existing international order, and open markets are responsible for the decline in militant ideological fervor in China in the decades since Mao’s passing. China’s abidance by the international set-up of rules has enabled its extraordinary rise to economic success and global respect, facilitated by its economic interdependence with the U.S. and the United States’ provision of once inaccessible, but now public, goods to the Chinese economy.³⁵ Trade and diplomacy of these kinds, a liberalist would argue, has and will continue to make a peaceful partner out of China. Nevertheless, military power remains the primary obsession of analysts, power being, according to realist political theory, the final and ultimate decider of who dictates the circumstances in any given corner of the world.

Concerning the rise of China over the last century, there are political optimists and pessimists who, as with realists and liberalists, see two different Chinas going forward, each with

³³ Evan A. Feigenbaum, “China and the World: Dealing With Reluctant Power,” *Foreign Affairs* 96.1 (2017): n.p.

³⁴ Zhang Xiaotong and James Keith, “From Wealth to Power: China’s New Economic Statecraft,” *The Washington Quarterly* 40.1 (2017): 186.

³⁵ Randall Schweller and Xiaoyu Pu, “After Unipolarity: China’s Visions of an International Order in an Era of U.S. Decline,” *International Security*, 36.1 (2011): 63.

an opposite trajectory. Christopher Layne considers the optimistic and pessimistic views as two extreme and opposite analytical traps. If analyzed together though, one can identify a version of China that fits both molds. Optimists and pessimists only take account of raw material power, and nothing else that might bear importance such as history, culture, and domestic politics. According to Layne, pessimists consider China's rise to regional hegemony as a destabilizing factor in East Asia and are often fearful of China's national power with the understanding that U.S. leadership in Asia is not adequately sustainable.³⁶ Optimists, on the other hand, claim that China will not catch up to U.S. military capabilities in the near future, with all measures of military power and economic indicators demonstrating that the U.S. has insurmountable superiority (for now at least) over China such that the U.S. need not concern itself over incremental Chinese improvements.³⁷ As a matter of practical public policy, accounting for the relative loss of American advantage over China should be balanced with a calm and collected attitude towards the long-term vision of geopolitical strategy revisal. One must understand that plenty of time remains before the balance of power notably shifts, while not mistaking that situation for eternal advantage or even short-term invincibility.

Acknowledging the pessimist analysis of East Asia, there are indeed several reasons to be concerned with China's rise. First, whether or not China chooses to extol its own bargaining position in this world or not, it knows as well as everyone else in the international community that it has substantial weight to influence events as it likes, whenever it likes (barring U.S. intervention for the short term). China has the world's largest population (and therefore the capacity to summon the world's largest armed force) and the world's second largest economy behind the U.S. It is also one of nine nuclear powers and is physically equivalent in size to the

³⁶ Christensen, *The China Challenge*, 2.

³⁷ *Ibid.*

U.S. with borders on Central Asia, South Asia, South East Asia, Russia, and East Asia. China may be building bases on artificial islands in its adjacent seas, but its military resources are all on its territory and immediate periphery. The U.S., by contrast, has military personnel and equipment strewn throughout all six permanently inhabited continents. This means that under the weight of the unipolar world order, with multiple world security distractions on any given day, the U.S. will be underprepared and understaffed to meet a Chinese threat. In addition, several indicators would indicate that American geopolitical influence and power advantages have declined, and will continue to fall until China surpasses the U.S. as it seems poised to do. For example, at the end of World War II, the U.S. not only accounted for half the world's GDP, but was also the primary creditor nation, enjoyed a positive trade balance, and had sole possession of atomic weapons. The U.S. also designed international institutions (IMF, U.N., GATT) and held a goodwill spanning the entirety of western and developing countries from its Marshall Plan.³⁸ Today, none of these advantage situations still hold true, with the exception of the international system the U.S. founded which still has seen a rise in non-U.S. leadership and influence. China is expected to surpass U.S. economic output by 2025, and regional economic powers have emerged across the continents like Brazil, India, and Turkey, all of whom have either rejected cooperation on security matters (like Turkey) or are decreasingly deferential to American leadership (Brazil and India), which is why the G8 expanded into the G20.³⁹ The United States' influence and status in the community of nations is declining. The Iraq and Afghan wars, by all measures and benchmarks for success, have failed. Dictators like Bashar Al-Assad have not stepped down to U.S. pressure. Iran is pursuing nuclear enrichment despite western sanctions. Worst of all, the

³⁸ Stephen M. Walt, "The End of the American Era," *The National Interest* 116 (2011): 7-8.

³⁹ *Ibid.*, 9-10.

U.S. is heading towards bankruptcy and is acting as if a shortage of future resources is of no object. The Congressional Budget Office released projections stating that, on the present course, federal debt will exceed 100 percent of GDP by 2023, and 190 percent of GDP by 2035.⁴⁰ In the near future, policymakers may realize that they cannot project authority from bankruptcy court, and the increasing debt-interest payments could force a harsh choice of budget prioritization between mandatory entitlement spending and discretionary military spending. For these reasons, the pessimist case has a point. The only question is when exactly the clock will ring on American dominance of East Asia.

An optimist's analysis of East Asia will provide comforting indicators that should allow military analysts and policymakers in D.C. to make well-calculated, long-term considerations with peace of mind. As it stands right now, the U.S. armed forces are strategically located in such a way that forms a pincer between China's East and West. East of China lies the U.S. Pacific Command (PACOM), equipped with 325,000 military personnel, 180 ships and 1,900 aircraft; to China's west is U.S. Central Command (CENTCOM), equipped with tens of thousands of troops and several airbases between Afghanistan and Kyrgyzstan. All around China are states participating in bilateral defense treaties with the U.S.—Australia, New Zealand, Japan, South Korea, and the Philippines.⁴¹ This completes a strategic circle around most of China, and therefore there is not a need to expand on a system that is currently working as is. The deterrent effect so far has shown that as a result of encirclement, China is not yet in a position to challenge U.S. strength.

⁴⁰ Ibid., 12.

⁴¹ Andrew Nathan and Andrew Scobell, "How China Sees America: The Sum of Beijing's Fears," *Foreign Affairs* 91.5 (2012): n.p.

In addition, for all the commentary suggesting American dependency on China, it may be more appropriate to suggest that the opposite is indeed the case, and that China will still need the U.S. for some time to come. To China, the U.S. is its single most important market and its largest source of foreign direct investment and advanced technology.⁴² The U.S. Navy can also blockade China's sea lanes, thereby blocking critical shipments of oil and metal ore supplies, and the U.S. Treasury can impose sanctions backed by Federal Reserve on Chinese financial interests, the latter controlling the interest rates of the world's reserve currency — the U.S. dollar.⁴³ Lastly, despite the United States' One-China policy, there are indeed actually "Two Chinas" in practice: Mainland China and Taiwan. The country is technically still divided, and that provides the U.S. a bargaining chip to keep China's long-term grand ambitions on a leash. In the U.S.-China Communiqué of 1982, the U.S. reaffirmed its commitment to acknowledging "One China", and also stated its intention not to carry out a long-term policy of arms sales to Taiwan, with a gradual reduction in sales and transfers until the final resolution of the Taiwan issue.⁴⁴ Ironically, the arms sales benchmark for gradual reductions was set at 1979 levels with inflation adjustments such that arms sales were actually increasing, and the U.S. redefined its arms sales as "technology transfers" to skirt agreement requirements.⁴⁵ This rendered the 1982 communiqué a dead letter, and since then, Taiwan has liberalized towards democracy, making future unification with China a more complicated affair.

Still, the U.S. retains defense privileges if China forces itself into Taiwan, in which case the U.S. can resume full and explicit military cooperation with Taiwan. China, of course, is aware of this disadvantage, and of all the disadvantages holding China back. The seemingly

⁴² Ibid.

⁴³ Ibid.

⁴⁴ The Shanghai Communiqué

⁴⁵ Andrew and Scobell, "How China Sees America: The Sum of Beijing's Fears."

hopeless split from a significant piece of land it considers its own is the greatest humiliation to its own notion of internal sovereignty. If China chooses to challenge the United States, it will be over what it considers its own undisputed territory, and thus far China is unwilling to challenge the U.S. for restoration of the “twenty-third province.” The U.S., as demonstrated, has a flexible range of punitive measures to restrain China from military to economic, and the economic incentive on its own is compelling enough to cause China to second guess its own actions. The optimistic case, therefore, is proven and reassuring of the U.S. security situation.

In consideration of this comprehensive analysis of realist and liberal interpretations of China’s history, military modernization, and economic growth, the best course for engaging China as the U.S. is to proceed with a realist-optimist state of mind. Policy optimism is the level-headed and collected approach to China, whereas pessimism sets a stage for cynicism in which everything would needlessly be put through a hostile lens, precluding opportunities for meaningful China-U.S. cooperation. Realism should ideologically guide American analyst interpretations of Chinese activity, understanding that each state ultimately prioritizes its own position first, and places economic unity and diplomatic cooperation second (or as it sees fit).

To this end, American foreign policy should recalibrate away from immediate military focus and readiness, to avoid unnecessary short-term conflicts in territories and waters not of strategic interest to the U.S. Instead of paying the costs of maintaining direct military presence in East Asia, the U.S. should allow China’s neighbors to band together to collectively defend their interests while domestic political deficiencies can be fixed. This means adopting a strategy of offshore balancing, not because America is too weak to project power, but because it has plenty of time to rebuild its military and diplomatic strength and China is not going to change its behavior overnight. As antiquated as it sounds, America can and should pursue an offshore

balancing strategy because of its separation by two oceans, its weak and friendly neighbors, its abundance of land and resources, and a large and productive population.⁴⁶ As Stephen Walt and John Mearsheimer describe it, offshore balancing is a realist grand strategy, and would be responsible and tempered in allowing regional forces to keep each other in check, although the United States would come onshore to stabilize situations as a measure of last resort, to leave as soon as the situation is resolved.⁴⁷ In addition to that, offshore balancing costs considerably less money than any strategy besides isolationism, particularly since it requires that America concentrate forces into only the strategic area in threat, much to the chagrin of the Chinese who stand to benefit from thin U.S. forces dispersal.⁴⁸

To successfully rely on an offshore balancing strategy, America needs its allies around China to serve as the first line of defense. The Chinese strategy of encirclement a la Weiqi would be the staple of America's approach to deterring Chinese assertiveness. The U.S. currently enjoys military arrangements with South Korea, Japan, Taiwan, and the Philippines, however encirclement will not be complete until India, Russia, and the Central Asian Republics (most importantly Kazakhstan) join in subtle collaboration to check Chinese ambitions in unison. Without making it exclusively militaristic in focus, which would be pure containment, this collaborative effort should focus more on cumulative balancing through other forms of cooperation. The approach offered by Ashley Tellis in her writings would prove useful in this endeavor. In it, she suggests that the U.S. ought to assist these regional powers with reaching their strategic interests as a means by which to build trust, interdependence, cooperation, and a

⁴⁶ John J. Mearsheimer and Stephen Walt, "The Case for Offshore Balancing: A Superior U.S. Grand Strategy," *Foreign Affairs* 95.4 (2016): n.p.

⁴⁷ Ibid.

⁴⁸ John J. Mearsheimer, "Imperial by Design," *National Interest* (2011): 33.

series of deepened partnerships.⁴⁹ If U.S. aid or assistance can strengthen regional partners, particularly economically, then these states' bargaining positions strengthen in such a way that economic interdependence between them and China would increase, thereby reducing China's capacity for malevolence.⁵⁰ This would require U.S. reentry into the Trans-Pacific Partnership, and the fostering of Free Trade Agreements, regional and bilateral, between the U.S. and the encircling states, the U.S. and China, and also between China and the encircling states. In effect a trade triangle would be needed to implement this strategy. As the next strategy point will cover, economic growth is everything to China, and to risk the encirclement of sanctions would hurt it more than territorial disputes are worth. Just as NATO exists in Europe to protect member state sovereignty against an aggressive Russia, this pan-Asian circle of states should coalesce to form an unspoken NATO equivalent to protect their own sovereignty against China.

From an economic perspective, it will be critical to stall Chinese ambitions with continued trade and foreign investment, since economic growth and improved standards of living are what China have valued most since the death of Mao Zedong. Economic growth in China has been shrinking since 2010, which is problematic since regime legitimacy rests on rising popular welfare, global stature, and social stability⁵¹. As economic growth diminishes, China's party regime apparatus, and Xi Jinping especially, will need to adopt a more aggressive foreign policy to save face with its elites. However, as the optimist would say, there is time. Declining growth has encouraged China to improve its economic performance by market liberalization efforts: interest rate flexibility, forming a bank deposit insurance system, expanding the private sector,

⁴⁹ Ashley J. Tellis, "Balancing Without Containment: A U.S. Strategy for Confronting China's Rise," *The Washington Quarterly* 36.4 (2013): 112.

⁵⁰ *Ibid.*, 113.

⁵¹ David M. Lampton, "China: Challenger or Challenged?" *The Washington Quarterly* 39.3 (2016): 112.

more research & development spending, and services sector promotion.⁵² U.S. corporations and domestic/international financial institutions combined have influence over all these efforts with their knowledge and expertise in such endeavors. Improved economic conditions ensure a less belligerent attitude in China, and a China not focused on territorial aggression is a China that will not need an American balancer.

As history proceeds into the twenty-first century, ongoing economic, political, and military patterns will continue to shape the global security situation in East Asia in ways for which no state can perfectly prepare for. When the twentieth century began, few foresaw the rise of Communism and the consequent birth of the USSR or Maoist China. Few foresaw two world wars from which the U.S. would emerge as the world's military hegemon and leader of the international arrangement of world-integrating institutions. China is no exception to surprising developments. Should China's foreign policy change, for better or worse, the U.S. must be ready to act upon each development. As the world awaits rise of this competitor power, China will undoubtedly reassert its national pride and resurrect its historical standing. As China's economy becomes more central to international trade and China increases its sway over international institutions, the Middle Kingdom might come back sooner than the ordinary analyst might guess. China will continue to assert itself in the South and East China Seas and will likely back its territorial ambitions with military force against its neighbors, so the question remains when it will do so. The United States must not shirk its moral authority and responsibility to ensure that all states abide by international laws and norms. The U.S. has time to solidify its relationships and to employ new military technologies, but must not refrain from exercising its East Asian

⁵² Ibid., 113.

presence too long lest China destabilize a strategic location of the world, and a new Cold War ensues with a new bipolar order.

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