



# 24TH ASIA-PACIFIC ROUNDTABLE

7-9 JUNE 2010 • KUALA LUMPUR

**STRENGTHENING COMPREHENSIVE AND  
COOPERATIVE SECURITY IN THE ASIA-PACIFIC**

**“China’s Relations with Asia”**

*The Rise of China and Beijing’s Future Relations  
with Asia: Lessons of History*

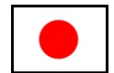
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**PLENARY SESSION ONE Tuesday, 08 June, 2010 1000hrs - 1130 hrs**

## The Rise of China and Beijing's Future Relations with Asia: Lessons of History

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The American master of malapropisms, baseball great Yogi Bera, once quipped that “prediction is difficult –especially about the future.” Others have repeated the admonition that “those who do not know history are destined to repeat its mistakes” or countered with one of President Harry Truman’s favorite lines, “those who *know* history are destined to *repeat* its mistakes.” History is not predictive, but then neither is political science. If history is to be useful in assessing contemporary affairs, however, it is important to avoid narrow comparisons with one epoch or national experience. This session is focused on the lessons provided by China’s historical relations with Asia for the future. In this presentation I would broaden that perspective somewhat, looking at the lessons of both China’s own history with Asia and the history of other rising powers in the international system in order to help frame our interpretation of the current dynamics between China and her neighbors. Specifically, I will consider the lessons of China’s own tributary relationship with Asia before the 16<sup>th</sup> Century arrival of the Europeans and decline of the Qing; the rise of American power in the 19<sup>th</sup> Century; the more tragic consequences of the rise of Japanese and German power shortly after that; and finally the Cold War.

### ***The Peaceful Development Precedent***

One possible interpretation of China’s future relations with Asia has been offered by an examination of the Central Kingdom’s relations with the region in the distant past. The influential intellectual Zheng Bijian has argued in *Foreign Affairs* and elsewhere that China’s power under earlier dynasties reinforced stability because it was always based on mutually beneficial trade and not European-style conquest and colonization. This Chinese variant on Western hegemonic stability theory undergirds Zheng’s larger assertion that China will engage in a naturally “peaceful rise” (though President Hu Jintao found the word “rise” too provocative and instead adopted the phrase “peaceful development” to describe the same phenomenon). In the United States, David Kang has combined a liberal institutionalist approach with Zheng’s interpretation of history to argue that patterns of economic integration in Asia are rapidly eroding the traditional U.S. hub and spokes alliance framework, but that the resulting Sino-centric system will be peaceful because economic interdependence will bring out Asia’s natural predisposition to bandwagon with a powerful China.

The growth of economic integration in Asia is one of the most pronounced factors in international relations today. It helps to mitigate rivalry resulting from historical animosities and shifting power relations. Moreover, there is little doubt that in the aftermath of the financial crisis, China’s economic performance is accelerating the trend towards intraregional production networks and trade patterns. Indeed, it is somewhat reassuring that Chinese

leaders are attempting to frame their growing power in an interpretation of history that emphasizes interdependence rather than expansionism and hegemony.

However, the historical antecedent provided by the Sino-centric tributary system has serious shortcomings as an indicator of future Chinese relations with Asia. First, the modern globalized economy bears little resemblance to the trading patterns of China's Han, Tang and Ming dynasties. While intraregional trade in East Asia is over half of all trade in the region, compared with less than 50% for NAFTA countries, the reality is that the vast majority of trade in Asia is still intermediate trade passing through a massive Chinese assembly floor to markets in North America and Europe. The growth of a Chinese middle class promises to eventually pull in more direct imports from Asia for the Chinese market itself, but the majority of trade will remain intermediate and linked to the developed economies outside of Asia for decades to come. Moreover, financial flows into and out of Asia still dominate investment patterns, in part because Asia has been slow to develop a financial hub that can compete with New York, London and other centers, even after the disastrous impact of the financial crisis. In other words, there is little evidence of decoupling from the global economy.

A second problem with the tributary/peaceful rise historical model is that it existed before the development of the modern nation state. Nationalism in all its forms has led to backlashes against rising Chinese power within neighboring states, even as trade dependence on China has grown. Public opinion polls in Japan, Korea, Australia and India have exposed a correlation between growing trade with China and an increase in identification of China as a threat. For Vietnamese and Koreans, the tributary state system was not one of peacefully managed interdependence, but rather one characterized by repeated invasions from China. History is taught in China, Korea, Vietnam, Japan and elsewhere in ways that only exacerbate the diverging interpretations of the benevolence of Chinese power, as the *Koguryo* dispute between Seoul and Beijing demonstrates. It may have been possible for princes to assume the ritual of subservience to Chinese power in order to enrich themselves through trade five hundred years ago, but in the modern state era that is no longer the possible.

Finally, the tributary/peaceful rise historical model assumes the centrality of a Chinese value system or civilizational hegemony that is much diluted in the modern era. To be sure, the contribution of Chinese culture and civilization to the rest of East Asia is enormous and a new generation of students across the region is rediscovering these historic ties. But there is little empirical evidence to suggest that China has a universal value system that would provide the ideational glue necessary for a new Sino-centric system. The Chicago Council on Global Affairs conducted polling on "soft power" in Asia in 2008 and hired the prominent China expert David Shambaugh of George Washington University to interpret the results—perhaps in the expectation that the survey would demonstrate evidence of China's soft power dominance. In fact, the survey demonstrated that in East Asia the attraction of China's cultural, political and social values ranked below the United States and Japan. CSIS polling of strategic elites in nine Asian countries in 2008 also suggested that the trend in Asia is towards identification with universal rather "Asian" values. For example, while more than 80% of respondents across the region demonstrated support for establishment of an "East Asia Community," they ranked

“good governance,” “rule of law,” “free and fair elections” and “human rights” as priorities only after “confidence-building,” “conflict-prevention” and economic integration” for the future of regional architecture. “Non-interference in internal affairs” – a frequently cited principle of China’s approach to regionalism – ranked much lower. (Interestingly, respondents in developing nations like India and Indonesia gave “non-interference in internal affairs” higher rankings than the norm across the region, but still not as high as the emphasis placed on democratic norms). In short, the much vaunted “Beijing Consensus” around authoritarian development may resonate in countries like Cambodia, but it is hardly the ideational glue necessary to for a Sino-centric system that would subsume democratic Japan, Korea, Indonesia or India.

### ***Anglo-American Entente and the Precedent for Bipolar Accommodation***

If a return to a Sino-centric system is unlikely, what about other historical examples of rising powers in the international system? Since the neo-liberal system emerged at the beginning of the 19<sup>th</sup> Century there have been three powers that have risen to challenge British and then Anglo-American dominance. Two cases ended in war: the rise of Germany and the rise of Japan. Only one of these precedents, the rise of the United States, offers a positive precedent. While not directly pointing to Britain’s successful accommodation to American power at the end of the 19<sup>th</sup> Century, recent proposals for a Sino-American “G-2” or bipolar condominium implicitly assume that a comparable adjustment and co-management of the international system between China and the United States is possible. To be sure, from Nixon’s opening to China in 1972 to Bob Zoellick’s famous call for China to be a “responsible stakeholder” in July 2005 and the recently convened U.S.-China Strategic and Economic Dialogue, U.S. foreign policy has sought ways to encourage Beijing to apply its growing national power to reinforcement of the neoliberal order. And while the phrase “Chimerica” may exaggerate the unity and insulation of the Chinese and American economies from the rest of the global economy, there is a higher degree of mutual economic interdependence between the United States and China in the international system today than there ever was between previous hegemony and their rising challengers.

That said, a G-2 or other form of bipolar condominium between the United States and China seems highly unlikely for the foreseeable future. Moreover, the example of U.S.-UK entente at the dawn of the 20<sup>th</sup> Century points out why. The reason Britain shared power with America was not simply the result of cultural affinity, though many British and Americans waxed eloquent a century ago about “Anglo-Saxonism.” In fact, anti-British sentiment among German and Irish Americans remained a potent force in American politics well into the 20<sup>th</sup> Century, and jingoists –including Theodore Roosevelt – were clamoring for war with Britain as late as the 1897 Venezuela crisis. British accommodation to American power arguably had less to do with cultural affinity than with regime type. As Daniel Kliman indicates in a fascinating new dissertation from Princeton (I sat on his committee), British leaders by 1898 were convinced that they could share leadership with the United States because America’s open and accessible political system of checks and balances gave the British an ability to shape the application of American power and a confidence in their ability to interpret American

intentions. Britain therefore backed down in the Venezuela crisis and actively elicited American leadership in Asia through the Open Door notes. However, it is difficult to see the United States making similar concessions to China in Asia, given continued uncertainties about Chinese intentions –uncertainties caused in large measure by the nature of the political system in Beijing. That is not to say that U.S.-China cooperation cannot or will not expand, but the United States and other powers simply do not have the ability to shape and anticipate Chinese strategic choices the way Britain was able to with the United States a century ago.

### ***Japan and Germany: The Revisionist Power Precedent***

The other two examples of rising powers challenging British and then Anglo-American hegemony ended less happily than the rise of U.S. power. Yet while Germany fought two wars against the neoliberal order and Japan one, it is important to recall that initially neither Japan nor German were revisionist powers. The Germany of Kaiser Wilhelm II was bound to a European order networked through royal lineage. The Kaiser and the Tzar of Russia were close relatives of Queen Victoria and still at the end of the Century shared a common interest in suppressing the anti-monarchist revolutionary elements in all their countries. Japan is a better example in terms of China's rise. Japan was hardly a revisionist power in the Meiji and early Taisho eras. If anything, the goal of the *genro* (elder statesmen) was to end unequal treaties and become a leading *status quo* power. Japan was allied with Britain, fought against Germany in the First World War, joined the League of Nations, and moved for a time towards two-party democracy. What is instructive about Japan's precedent as a rising power is that Japan became revisionist because uncertain political institutions and national identity could not withstand the enormous disruption caused by the twin tsunamis of economic crisis and Western racism (most famously including alien exclusion laws and the rejection of Japan's proposal for a non-racism clause at Versailles). Economic convergence was replaced by autarky; pan-Asian idealism was replaced brutal empire; and nascent liberal democracy was replaced by militarism. In a few decades, the strategies of modernization and convergence conceived by the *genro* like Ito Hirobumi disappeared.

Since Deng, China has also carefully avoided being cast as a revisionist power and Hu Jintao remains a solid Dengist. However, the clamor for more assertive foreign and economic policies by netizens, PLA officers and rent-seekers within the Chinese economy is putting enormous pressure on the current leadership. The financial crisis and the politics of leadership succession in 2012 have only increased rising expectations and frustrations within China. Will Deng become China's Ito Hirobumi? Much will depend on China's economic development and the stability of the global economy.

### ***A Cold War Model?***

Chinese officials and scholars warn that American strategies focused on values or balance of power risk a "new Cold War" in Asia. There are certain dimensions of China's relationship with the United States and its allies that evoke aspects of the bipolar confrontation with the Soviet Union before 1989. There is an ideational if not ideological contest at play at

some level and deep within the Pentagon and the PLA Second Artillery planners contemplate scenarios for nuclear war between China and the United States. Moreover, there are commentators within both societies who call for containment and zero sum competition. However, the Cold War model for China's relations with the United States and Asia is as flawed as the other historical precedents. To begin with, China's foreign policy is no longer revolutionary and China's neighbors no longer fear Beijing supporting overthrow of their governments. China's call for stability on the Korean peninsula and harmonious society in Asia may frustrate South Koreans or others who want to see Beijing use its power and influence to deal with rogue actors like North Korea, but that same stance by Beijing underscores the low-risk *status quo* nature of China's overall approach to foreign policy in the era of "peaceful development." In addition, while many of China's neighbors have been hedging against a more assertive stance by Beijing through closer collaboration with the United States, none of them – including Taiwan – have any stomach for a zero sum competition given trade dependency. Finally, the United States would be hard pressed to implement a "containment" strategy given economic interdependence.

### ***The Lessons of History in the Actions of the Present***

In conclusion, no model of China's past interactions with the world serves as a predictor for the future. However, elements of each model are evident in the dynamics of China's relations with Asia and the United States today. Economic interdependence has created more of a sense of community in Asia, but clearly not one disconnected from the global economy or underpinned by a Sino-centric value system. U.S-China cooperation is expanding at many levels, but the nature of the Chinese political system prevents the emergence of a Sino-U.S. entente. China's rise may not be going as smoothly with the West and the United States' rise did with Britain, but neither is China a revisionist power challenging the neoliberal order. Of course, neither was Japan until larger economic crises caused a backlash against convergence with the West. There is no new Cold War, yet India, Japan, Korea and most of Southeast Asia still rely heavily on the Cold War era "hub and spokes" of U.S. alliances to maintain stability. Most of these nations are increasing security cooperation with the United States as a hedge against a more assertive Chinese security posture in recent years, yet all states are calibrating their alignment with Washington to avoid direct confrontation with Beijing.

Not having to choose strategies, in other words, all the major powers are maintaining a diverse portfolio of approaches to the rise of China: economic interdependence; multilateral community building; and hedging through internal balancing (like Australia's new Defence White Paper) and/or closer alignment with the United States (like the DPJ's return to alliance-centric security policy in Japan).

China is also pursuing a diversified strategy that is the mirror image of its neighbors: emphasizing "peaceful development" and community-building, backed by user-friendly free trade arrangements; hedging through access denial strategies and niche capabilities in outerspace and cyberspace; and alignment through "strategic partnerships" and pressure on smaller states in the region to follow Beijing's line on Tibet, Xinjiang and Taiwan. The historical

precedents of the tributary state period, the rise of previous powers and the Cold War all provide examples of the toolkit available.

If there is a flaw in the Chinese approach, however, it is the assumption that Deng's low key strategy can survive domestic and external expectations. China faces enormous complications domestically, from environmental degradation to the gap between coastal and inland provinces and a looming demographic speed bump. Yet the explosion in China's material power in the international system is unmistakable. Domestically, there are demands from those who want their share and those who think it is time for China to assert its power to advance Chinese sovereignty and dignity. Abroad there are demands for China to use its increased leverage vis-a-vis North Korea or Iran and to avoid mercantilist approaches that undermine governance in developing countries. The irony is that Beijing's low-key "peaceful development" approach could result in China undermining the neo-liberal order it has avoided challenging, thus causing systemic failures that increase demands for revisionist strategies at home.

The other flaw in the Chinese approach is that "peaceful development" is ringing less true in Asia as Beijing unmistakably wields its growing power. The disconnect between Premier Wen Jiabao's narrative of economic community and the aggressive posture of the Chinese military is jarring as the PLA Navy increases its operational tempo and reach in the East and South China Seas and through the "string of pearls" in the Indian Ocean. It is also evident that the Ministry of Foreign Affairs has little control over these activities or ability to arbitrate with neighboring states. Chinese demands on former tributary states in Southeast Asia are also escalating and the Obama administration is under unprecedented pressure (that is only hardening Washington's stance) to make permanent changes in the American policies towards Taiwan, Tibet and Xinjiang to respect China's core interests. The problem for Chinese strategy is that the leadership in Beijing appears to believe its own narrative about "peaceful development" while dismissing statements of concern as "China threat" mongering. Yet those concerns are very real in the region, and China's willingness to moderate its actions and provide transparency will have a profound impact on which aspects of history repeat themselves.