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ADDRESSING INTERSTATE ETHNIC TENSIONS IN THE PACIFIC THROUGH COOPERATIVE SEA LANE STRATEGY

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I. INTRODUCTION

The fall of the Berlin Wall, the dissolution of the Warsaw Pact, and the ultimate collapse of the Union of Soviet Socialist Republics (USSR) ushered in a new era in geopolitics. The Cold War left an indelible mark on the Asian geopolitical environment, including a bevy of bilateral, hub-and-spoke arrangements. As Asian expert and political economist Bruce Overholt instructs, as a new era emerges, institutions and mindsets still linger from the previous era, constraining progress and outliving their utility.\(^1\) Indeed, the Cold-War institutions have proven to be ill-suited for the modern Asian geopolitical environment. However, emerging Asian multilateralism provides hope for the future. Today, the Asia-Pacific requires continued political stability and secure, open Sea Lines of Communications (SLOCs) for continued economic development and therefore, the United States’ must deter conflict and reassure allies within a complex, geopolitical environment rife with ethnic mistrust and successfully welcome a rising but fragile, economic and military power—China.

The paper begins by exploring four salient aspects of the Asia-Pacific geopolitical environment. First, the biggest challenge is ethnic mistrust, followed by the domestic fragility of China; however, the greatest benefit thus far is the emergence of Asian multilateralism, and in this regard, the most promising opportunity for future progress is cooperative security of the Sea Lines of Communications (SLOCs). Finally, the paper provides recommendations for US policy to deter conflict, reassure regional allies—Japan, South Korea, and ASEAN—and accommodate the rise of China.

II. LATENT ETHNIC MISTRUST

The most salient region-wide challenge in transitioning to a truly Post-Cold War and globalized Asia is the ethnic mistrust between the three largest Asian economic nations—China,
South Korea, and Japan. This mistrust increases the likelihood of misunderstandings, which would upset the political stability of the region and thus jeopardize continued economic development. First, Sino-Korean relations have become strained in recent years through South Korean nationalistic calls for the reunification of Goguryeo or “Greater Korea”—the historical Korean kingdom that covered all of North Korea and part of China—which is home to two to three million ethnic Koreans. Additionally, China and South Korea have overlapping claims to Exclusive Economic Zones (EEZ) in the East China Sea, leading to heated disputes over fishing rights. Although China and South Korea have been able to avert a major crisis, enjoy strong economic ties, and share a common interest in managing the North Korean regime, sufficient tensions exist to revive historical enmity.

Japanese and South Korean relations remain tenuous as well. First, South Koreans see Japan as a hindrance to their ultimate goal of reunification with the North. For its part, Japan is concerned with both the North Korean nuclear threat and the resulting combined military threat in the event of reunification. In fact, a recent poll of Japanese Diet members revealed some 80 members are in support of a nuclear-armed Japan given the concern over the North Korean threat. Adding to the rising tensions are Japan’s prime ministerial visits to the controversial Yasukuni Shrine, which entombs Japanese war dead, and reopens wounds of Japanese historical occupation of Korea. Finally, unresolved territorial disputes over the Dokdo/Takeshima islet and the competition for vital energy resources in the East China Sea continue to threaten the relationship. Although Japan and South Korea—with help from the US—have successfully prevented a major crisis through negotiation, the potential still exists for conflict in the future.

Most concerning of all, however, is the reemergence of intense Sino-Japanese rivalries. The Chinese, too, have fears regarding the repeated Japanese prime ministerial visits to the
Yasukuni Shrine and the revisions of Japanese historical accounts of the occupation of China. Popular sentiments are especially strident: Chinese fans threatened the victorious Japanese soccer team in Beijing in 2004, and the popular Japanese view towards China has eroded through 2005. Japanese-US cooperation on missile defense and its deepening ties with Taiwan further fuel Chinese apprehensions. Moreover, territorial disputes over East China Sea energy resources and the Daioyu/Senkaku Islands could spark a confrontation as both nations rely heavily on energy imports and secure economic SLOCs. In fact, as recently as 2010, a ship collision in the East China Sea seriously damaged Sino-Japanese relations, resulting in a dispute and the incarceration of a Chinese ship captain. Most worrisome; however, is Fukuyama’s note that China’s leaders have been unable to control anti-Japanese sentiments among its population at times. That is a deeply concerning development given both Shirk’s notion of a “Fragile China” and Kuik’s Innenpolitik’s or “internal” explanation of Chinese political behavior, bent on retaining regime power domestically. In the event of a Taiwan or domestic crisis, these Sino-Japanese tensions could provide an external scapegoat for the Chinese regime to consolidate power but might necessitate confrontation, which could lead to a significant regional crisis.

Complicating these issues of strategic mistrust is the question of the continued US presence in the region and its implications. US relations between South Korea, China, and Japan are all uncertain in their ultimate, future strategic focus and intent. For example, Fukuyama notes that the South Korea and US bilateral arrangement is becoming fragile as South Korean leaders see the US presence on the peninsula as a barrier to reunification and as building a divide on the perceived North Korean threat between Seoul and Washington. Further, the US insistence on democratic diplomacy, driven by the belief that democratic nations are by definition more peaceful, concerns many Asian nations, especially China, as it is inconsistent with the Asian
experience.\textsuperscript{16} While China continues to strengthen economically and builds military strength, the US, as Ikenberry notes, cannot do much to abate either and even has a stake in seeing the former’s power rise continue.\textsuperscript{17} Many Association of Southeast Asian Nations (ASEAN) nations want a continued US presence a counter balance against a rising China; however, domestic politics restrains their ability to support the US overtly.\textsuperscript{18}

Moreover, the near sixty-year-old Pacific Alliance’s economic and military foundations require recapitalization, as preeminent Japan expert Calder notes.\textsuperscript{19} Forged in the aftermath of World War II, the alliance between Washington and Tokyo quelled fears from Asian neighbors of a resurgence of Japanese militarism, contained the spread of communism during the Cold War, and provided unparalleled access to the American markets, which enabled Japan’s subsequent economic resurgence. Today, however, the Korean Cold Wars are over, Japan boasts the third largest economy in the world\textsuperscript{20}, the region fears Chinese not Japanese military strength, and China boasts a more open and globalized economy than Japan.\textsuperscript{21} Thus, the terms of Dulles’ grand bargain—economic favoritism to quell a resurgence of militarism—appears to be ill-suited for today’s geopolitical realities. However, that does not mean the region needs the Pacific Alliance less; as Cohen rightfully argues, it merely requires the recapitalization of its foundations.\textsuperscript{22} In sum, the US position vis-à-vis the Asia region is complex, in terms of lacking an easily defined and all-encompassing focal point as in the bipolar Cold War. This more heterogeneous strategic stance and presence requires strong engagement while accommodating China’s rise as the region transitions to be more multipolar in nature.

All of this yields an uncertain future and an Asian geopolitical environment full of mistrust festering in the background while economic development proceeds in the foreground. If not resolved, this mistrust stands as a barrier to further comprehensive multilateral engagement
in the region and possibly holds the seeds of conflict. For example, if a territorial or sovereignty issue combines with domestic nationalism to spark a crisis, this mistrust poses a serious threat to continue regional stability and in turn to economic development.

III. CHINESE ECONOMIC AND POLITICAL FRAGILITY

China’s rise is economically and politically fragile; thus, its continued rise is uncertain. Given that China currently boasts the largest standing military and the second largest economy in the world, it is a formidable player on the world stage. A Chinese collapse, economically or politically, would spell disaster for regional stability and be an economic tragedy for the world. Thus, policy solutions for 21st century East Asia must deal with this Chinese domestic instability if the region is to avoid conflict and competition.23

China’s fragility stems from the two unstable assumptions of Chinese Communist Party (CCP) rule: a robust, growing economy and controlled Chinese nationalism. The former tempers Chinese foreign policy while the latter brews tension with China’s neighbors. Shirk describes this phenomenon as the “Two Faces of China’s Power,”24 with the first leading to policies focused on maintaining social stability and sustaining economic growth. To sustain economic growth, the CCP requires infusions of foreign capital, management acumen, financial services, technology, and equipment, thus requiring a foreign policy conducive to symbiotic partnership. In contrast, the second face of China focuses on portraying the CCP’s as the “superhero” savior of Chinese people.25 To accomplish this feat, the CCP relies on fanning Chinese nationalism and the latent ethnic tension.

Continued economic growth is the primary goal of the CCP because it strengthens their political power. In fact, Shrink explains that 7 percent economic growth is a CPP political
imperative to enable job growth and avert unemployment driven by social unrest. Thus, Chinese leaders have prioritized economic development over a bevy of other, competing geopolitical concerns, attempting to establish China as a rising but responsible power. To that end, China’s responsible power campaign comprises three main thrusts: “accommodating neighbors, being a team player in multilateral organizations, and leveraging economic ties to make friends.” In order to preserve economic growth and regional stability, CCP established diplomatic relations with its neighbors, settled territorial disputes with Vietnam, Russia, and India, and sought win-win solutions to economic cooperation—especially with the United States.

Yet, continued economic growth might not be sustainable. First, China faces a troublesome inequality problem, which could spark social and political unrest. A downside to the rapid urbanization and economic growth is the increasingly salient disparity among the wealthy and poor in modern Chinese society. As an illustration, China’s Gini index—the international measure of income inequality—eclipsed .40 in 1994 and today hovers between .40-.50. Moreover, rural income lags behind urban income by a factor of three and is getting worse as urban income continues to grow twice as fast rural incomes. Most concerning, Chinese cities serve as a stark, daily reminders of the socio-economic inequalities, with the extremely wealthy living amongst the destitute. In sum, the realities of inequality undermine social stability and thus, the sustained domestic economic growth required by the CCP.

Second, China has an aging population, placing an imperative on immediate economic growth. China’s leadership faces an important “strategic” growth window through 2020; however, after that point the working population will begin to shrink—largely due its population control policies—and sustaining economic development becomes difficult. Any domestic or
international dispute could strain China’s ability to hit these key economic targets. Moreover, as the strategic window begins to close by 2025, Chinese leaders might sense a need to find an external scapegoat on which to blame its economic failure. For example, Chinese leaders might seek to blame external governments’ perceived efforts to contain China’s economic growth.

Finally, China’s leaders ignore environmental considerations, opting instead for rapid economic growth without concerns for sustainability, and those actions are beginning to prove shortsighted. Today, China is home to 16 of the 20 most air-polluted cities, with nearly two-thirds of its cities failing to meet World Health Organization (WHO) standards for air quality. Moreover, the penance for this behavior is 70 percent of China’s rivers and lakes polluted and 90 percent of its ground water compromised. A recent BBC article notes, the CCP might be reaching an environmental tipping point as Chinese Premier Li Keqiang recently cut in economic growth targets to 7 percent—dangerously close to aforementioned politically-required economic growth targets. Further, Keqiang described the actions as “taking a knife to one's own flesh.” In sum, a variety of issues constrains the Chinese leader’s ability to sustain the economic growth that has become a political imperative, creating a serious threat to the Asia-Pacific region.

Politically, the CCP clings to three unifying dicta for political control burned into its collective political psyche in the aftermath of Tiananmen Square: 1) avoid public leadership splits, 2) prevent large-scale social unrest, and 3) keep the military in the CCP’s corner. The primary lesson from Tiananmen is the CCP elites either rule together or hang together. Avoiding public leadership splits is a unifying goal for the CCP leadership; however, it is also a structural defect of communist systems in that it prevents serious political debate and can therefore hinder political progress. By contrast, democratic states encourage and benefit from the public political debates and a diversity of viewpoints. Finally, a domestic or international
crisis could trigger a latent, but currently hidden, political divide and result in a political power grab, potentially bringing the CCP’s reign to end abruptly with catastrophic effects for the region and the world.

The second CCP dictum is preventing large-scale social unrest. Although autocracies have oppressive means of controlling their publics, they remain hypersensitive to social unrest because within it lay the seeds of their demise. As Shirk poignantly warns, democracies placate to the masses; autocracies fear the fringe. As mentioned above, the fear of large-scale social unrest drives the economic imperatives sought by the CCP. As Kuik notes, economic growth underwrites CCP’s legitimacy by preventing social unrest and supports its goals of achieving great power status and preserving national unity.

The final lesson from Tiananmen is keeping the military on the CCP’s side. Increasingly, Chinese leaders have turned to increasing military budgets as a means of buying allegiance due to a lack of personal military service among civilian leaders. The current round of military budget increases follows the 1995-1996 Taiwan Strait crisis and President Clinton’s response—sending two carrier strike groups to Taiwan. Indeed, as the PLA grows stronger, so does its influence within the party. Deeply concerning, as Shirk warns, “a party anxious to keep the military on its side might find it difficult to say no to the generals.” This is an especially concerning realization when one considers the CCP’s primary political power consolidation mechanism, namely, fanning latent, historical ethnic tensions.

Most worrisome, the CCP’s primary “tool” for political power consolidation is informing and building upon latent Chinese nationalistic grievances based upon the aforementioned historical tensions with neighboring states—Japan and South Korea. While successful to date, this tendency is hardly stable or prudent because each incidence fuels lingering historical
animosities, which could eventually exceed the ability of CCP elites to control it. In a region where the three largest economic powers—South Korea, China, and Japan—possess latent ethnic animosities and territorial disputes, the loss of CCP’s domestic control over nationalistic winds could trigger CCP aggression in an attempt to consolidate and to retain domestic power. That possibility would spell disaster. In fact, a popular nationalistic call to end China’s century of humiliation or to restore the Sino-centric “Middle Kingdom” could spell disaster. Both could serve as a political rallying slogan to support seizing or defending Taiwan and/or a response to real or perceived Japanese or South Korean transgressions. Ultimately, preservation of CCP rule is the single most important concern of CCP members, which poses a complex challenge, especially as China recapitalizes its military strength.  

Further complicating China’s domestic picture is its military resurgence. China has parlayed its newly acquired wealth into a formidable military capability. This increased military capability awakens fears from past eras in which conflict was the primary means of cessation of power. Most troubling, the Chinese military investment fits Paul Kennedy’s historical pattern: “Wealth underpins military power; military power allows for the acquisition of additional wealth.” Given that China’s defense spending continues to grow at double-digit rates and occurs in an opaque budget process, China’s neighbors and the world understandably fear of Chinese intentions. China’s recent declination of a Cold War style red-phone fuels the US fears of political crises and misunderstandings leading to a conflict and does nothing to assuage international fear of China’s intent. Although China’s military expenditures amount to less than a fifth of US expenditures, China’s rapid military accession stands in contrast to its responsible power tenets of accommodating neighbors, being a team player in multilateral organizations, and
leveraging economic ties to make friends. Not surprisingly then, many see the Chinese military resurgence as a threat to the stability of the region.

From sheer scale, China’s domestic issues have deleterious political, economic, and security implications for region and the world. Thus, finding solutions requires consideration of the likely CCP responses; however, it should not require complete subordination of policy goals to Chinese domestic implications.

IV. EMERGING MULTILATERALISM PROVIDES HOPE

The greatest region-wide benefit so far is the rise of Asian multilateralism demonstrated by the successes of the ASEAN plus 3 (APT) and the Six-Party Talks. Four characteristics define Asian multilateralism: lack of stringent membership requirements; lack of legalized enforcement measures; consensus decision-making; and the primacy of member-state sovereignty. After the Asian financial crisis, the ASEAN nations and three North Asian nations—China, Japan, and South Korea—agreed to financial and economic cooperation, including the Chiang Mai Initiative, to stabilize the regional financial outlook and strengthen cooperation in the event of a future financial crisis.51 Through the Chiang Mai Initiative (CMI), the ASEAN nations and the three largest Asian economies agreed to establish bilateral currency swap arrangements that add liquidity to markets in a future crisis without the need for external assistance. The latter is key given that many Asian nations ascribe to the belief that the US-led International Monetary Fund (IMF) failed to act to in their interest during the 1997-1998 Asian economic crisis.52 What the Asian nations ultimately learned from this watershed economic crisis is they needed to transition from “rule takers” to “rule makers.”53 The APT subsequently built on the CMI’s success to create a foreign currency reserve pool and a network of free trade agreements (FTAs) between
the ASEAN and the three major Asian economic powers. However, as Rosen notes, ethnic mistrust and an unwillingness to relinquish sovereignty places limits on the successes of true Asian financial cooperation and its ability to act during a crisis.

Since its establishment, the APT has become the primary venue for regional cooperation, and given its inclusiveness, it holds the most promise for future regional cooperation. Moreover, the APT has yielded tangible results in non-traditional security issues, including Beijing Olympic security, combatting terrorism, piracy, and infectious diseases. The APT’s success include all parties approving the Treaty of Amity and Cooperation in Southeast Asia (TAC) and the Declaration of the Conduct of Parties in the South China Sea (DOC), setting up foundational norms of behavior and committing members to resolving disputes without military force.

Another promising development is the Six-Party Talks—with participation from China, Russia, North Korea, South Korea, Japan, and the US—on the North Korean nuclear weapons program, which demonstrates the willingness and ability of Asian powers to cooperate on hard security issues when required. In 2003, North Korea withdrew from the Nuclear Non-Proliferation Treaty (NPT) and announced its intentions to develop nuclear weapons. China’s leaders, fearing US unilateral action in the aftermath of Iraq and the specter of nuclear proliferation to Japan, South Korea, and Taiwan, stepped forward to mediate the dispute and avoid chaos on its border. China, demonstrating a willingness to distance itself from its communist ally, North Korea, demanded the denuclearization of the Korean peninsula, cut off vital energy supplies to North Korea, and condemned the regime for its violations of its NPT obligations. These efforts ultimately compelled North Korea to return to the negotiation table. When North Korea again defied the international community in 2006 by testing a nuclear bomb
and firing a missile over Japan, China backed a strong UN Security Council resolution condemning the actions and imposing strong sanctions.\textsuperscript{61} Although the Six-Party talks have failed to achieve the denuclearization of the Korean peninsula, it is promising that China, South Korea, Japan, and the US have demonstrated a willingness to confront hard security issues multilaterally.

Economic development and its need for regional stability are the primary factors driving the pace of progress in the emergent Asian multilateralism. While Asian multilateral efforts have made progress, that progress stagnates at times, adapting only when a crisis prompts change. Some analysts, including Cohen, see the emergence of episodic progress and punctuated equilibrium as a promising development.\textsuperscript{62} Punctuated equilibrium, a term coopted from evolutionary biology by political scientists, refers to periods of long periods of stasis, “punctuated” by sudden, drastic changes, usually in response to a crisis or major policy shift.\textsuperscript{63} Cohen rightly postulates that East Asian cooperation follows this model because of the primacy of sovereignty and the latent ethnic mistrust in the system; however, he views this punctuated equilibrium positively because new crises provide opportunities to deepen regional ties and promotes comprise.\textsuperscript{64}

However, relying on crisis response to spur progress is fraught with danger. What happens if sovereignty and ethnic mistrust result in a hardening of relations rather than a motivation to compromise? In a region trying to adapt cautiously to a rising China, a more militarily assertive Japan, and the tensions of energy security, such an approach could prove disastrous. For example, a crisis in the East or South China Seas—where energy and sovereignty intersect—could spark a military confrontation, which would jeopardize the rapid economic development accomplished to date.
The greatest opportunity for catalyzing change in the Asian geopolitical environment lies in the common, shared interest of a secure, stable flow of energy and trade through the vital SLOCs. The SLOCs are critical to the economic development of every nation in the region. In fact, Japan’s Middle Eastern oil imports rose from 84.6 percent in 1970 to nearly 90 percent by 2005. Similarly, 80 percent of Chinese oil imports transit the Straits of Malacca and its appetite shows no signs of abating and will drive world oil prices for the near future. In total, 80-90 percent of the energy needs of South Korea, China, and Japan pass through the Straits of Malacca through the South China Sea. Although many nations are diversifying their energy sources as a hedge against disruption, a disruption of sea trade would have drastic effects on the economic, and thus political, stability in Asia. Therefore, every Asian nation has an interest in secure SLOCs and in removing threats to this vital lifeline.

Perhaps not surprisingly then, cooperation is already emerging on soft security issues. For example, China for the first time participated in joint naval exercises with Pakistan in 2003. Moreover, China continues to participate in biennial Pakistani-led Aman exercises focusing on combatting illegal activity in the Arabian Sea. Most importantly, these exercises included key Asian partners—Japan, Australia, Bangladesh, Malaysia, and the US. Finally, China built partnerships with nations bordering the Straits of Malacca—Indonesia, Malaysia, Singapore, and Thailand—to both strengthen their security capacity and their ability to combat piracy.

These developments demonstrate China’s interest in cooperative maritime security. While some analysts are apprehensive about Chinese assertiveness, these developments have the potential to increase mutual trust through cooperative security efforts and should instead provide hope that cooperation might expand to address broader hard security issues. If successful, this cooperation could mitigate the chances for misunderstanding and conflict or provide another
layer of stability redundancy. Given the state of China’s fledgling naval capability, cooperation now could provide an avenue to assuage concerns over China’s naval ambitions with both the United States and China’s regional neighbors.

Similarly, Japan is also increasing its role in cooperative maritime security. Currently, the United States provides the bulk of Japanese maritime security as part of the grand Pacific Alliance; however, recently Japan has taken a more active role. Japan has both increased its domestic capabilities and begun seeking partnerships. After a failed attempt at collaborating with Malaysia, Indonesia, and Singapore directly, Japan adopted an indirect approach stressing the recognition of their sovereignty and low-key means. Japan provides aid to ASEAN nations to bolster their maritime law enforcement capacities and to conduct training exercises. More positively, Japan has also trained with its neighbors China and South Korea on maritime law enforcement and currently collaborates with India on maritime on piracy and transnational crime. Most promising, Japan successfully established the Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia (ReCAAP) demonstrating its ability to provide leadership and established “the first multilateral government-to-government antipiracy and armed robbery effort in the region.” All told, the Japanese successes demonstrate that with proper leadership and guidance, Asian nations can collaborate to combat shared nontraditional security threats.

Today, the United States Navy (USN) is the primary provider of SLOC security, placing the US in a unique position to drive cooperation. However, as Kraig astutely notes rising powers rarely leave the command of the sea uncontested for long. Indeed, Asia’s rising powers—China, India, and increasingly Japan and ASEAN nations—are asserting their presence, challenging US preeminence at sea. Simultaneously, the US military is facing austere budget
conditions prompting a call for more cost sharing on SLOC security. A recent RAND study notes, “the U.S. Navy, the long-time guarantor of freedom of the seas, has a shrinking fleet but at the same time faces an increasing array of missions and an expanding area of operations, raising concerns in Asia about the fleet’s continued presence.” However, the US cannot withdrawal from its current role without abandoning key strategic allies and exacerbating problems with China’s neighbors—who fear Chinese hegemony in its place.

Consequently, the US should learn from previous naval powers desperately attempting to retain command of the sea—a historically illusory goal as Kraig illustrates. Instead, the US should capitalize on multilateral security successes thus far and strive to establish a new multilateral cooperative security organization to facilitate a cooperative approach to ensuring security of the SLOCs. Whether built through the APT or some other venue, the simple fact is that the current Asian geopolitical realities require robust economic development and regional stability. Indeed, if successful, this organization would provide an avenue to ease the tensions of energy security, share the financial burden of providing SLOC security, aid in the normalization of Japan, and most importantly provide a forum to build cooperation and mitigate the latent ethnic mistrust within Asia.

V. US POLICY RECOMMENDATIONS

Given the Asia-Pacific geopolitical realities, US policy must support three goals: deter major war, reassure allies in the region, and encourage China’s emergence as a responsible regional power (provided its rise does not threaten the established international order). That is, so long as China complies with the tenets of its peaceful rise program, its rise should not threaten the region. In fact, by deftly wielding its instruments of power (IOP), the US can navigate the geopolitical environment to preserve regional stability for all nations and sustain needed
economic growth. However, doing so requires the rethinking of the US’s role in the region (without abandoning allies), leading to new actions to assuage latent ethnic mistrust in the region.

First and foremost, the US should rethink its role in the region because there is little to gain by challenging or preventing China from assuming a larger role within the region, and stability between the US and China is a prerequisite for regional stability. First, as Admiral McDevitt wisely summarizes, the US is a Pacific, not an Asian power. The distinction is important because while the US has interests within the region, it does not need to dominate the region to protect those interests. Second, the deep economic interdependence between both sides provides a form of economic deterrent to conflict. As Shirk illustrates, the United States and China have become economic “Siamese twins” with economic troubles on either side providing deleterious effects in the other. Thus, a conflict would be disastrous for both Washington and Beijing, and this fact renders war between the two highly unlikely. More to the point, China currently lacks the ability to challenge the United States militarily. Although China has fielded significant Anti-Access/Area Denial capabilities recently, these military developments are primarily defensive in nature and serve as a deterrent to the US intervention with China’s national interests—specifically, Taiwan. It is particularly noteworthy that much of the Chinese military buildup occurred in direct response to the 1995-1996 Taiwan crisis that poignantly demonstrated Chinese military vulnerability. In sum, the US needs to return to welcoming China’s rise as an engine of economic growth and view it as strategic partner rather than a competitor.

To demonstrate this change in policy concretely, the US should embark on a strategic messaging campaign to convey this policy change publicly by referring to China as a strategic
partner. Second, the US should reiterate its commitment to China’s current “one party, two systems” policy, its commitment to ensuring territorial disputes are resolved without the use of force—Taiwan or otherwise, and its warning to Taipei that it will not support a declaration of Taiwanese independence. Most importantly for Chinese leaders, particularly, in the area of domestic concerns, the US should offer assurances to Beijing that US forces in the region would not defend Taiwan in the event of Taiwanese declaration of independence in exchange for a commitment from Beijing to status quo policy. If accepted, this arrangement would demonstrate concretely where the US policy stands in regards to Taiwan and demonstrate respect for Chinese sovereignty. Further, it would stand as a counterargument to any CCP leader claims that the US intends on containing China in a Cold War fashion.

To demonstrate further the US’ respect for China’s regional and global status, the US should announce its support for Chinese efforts to expand mechanisms to fund regional economic development. While the US typically uses international agencies like the International Monetary Fund and the World Bank to pressure China and has traditionally blocked Chinese efforts to set up regional alternatives, the time has come for the US to realize these actions undermine the shared US and Chinese interests in continued economic development and political stability. Thus, the US should announce that it welcomes the Chinese emergence as a global financing partner for economic development. For example, the US should announce its support of the Asian Infrastructure Investment Bank (AIIB), with or without US membership, and begin acting in accordance with its stated goal of supporting Chinese ascent, provided China acts responsibly in the globalized world. Frankly, supporting these initiatives could represent a win for the United States regardless of the outcome. If successful, the economic development of other
nations would be a boon for the globalized economy benefiting all; if not, the US stands to gain evidence of the relative efficacy of its traditional IMF development regime.

Finally, the US should strengthen its military-to-military relationships with China. Strengthening these relationships would enable cooperation on common areas of interest, bolster vital understanding of each side’s intentions and capabilities, and establish key military relationships that could become critical in times of international crises. The most promising avenues for this endeavor are the aforementioned cooperation on non-traditional security issues such as combatting terrorism, humanitarian assistance, cooperative SLOC security, and combating piracy. In fact, a recent CSIS review of military force posture notes an improvement in military to military relations—including senior military visits by both sides, joint exercises, and a nuclear memorandum of understanding between the U.S. Department of Energy (DOE) and the Chinese Atomic Energy Authority—marked by suspended interactions by Beijing coinciding with arms sales with Taiwan. In whole, the steps recommended above could reassure Chinese leaders of the US position vis-à-vis Taiwan and thus could eliminate the Chinese fears setting the stage for a peaceful resolution as occurred with Hong Kong’s reintegration.

While the US should welcome and embrace the Chinese rise, it cannot withdraw military forces from the region nor abandon its key regional alliances with Tokyo and Seoul because it would destabilize the region. For Japan, the Pacific Alliance provides the lasting guarantee of security through US conventional forces and the US nuclear umbrella providing a deterrent for North Korean and Chinese aggression. A US withdrawal would likely amplify Japanese nationalist calls to reevaluate its nuclear position and its constitutional restraint on its military. 
Either would further destabilize the region by rekindling fears of renewed Japanese militarism and perhaps spark an uncontrollable arms race between Japan and China.

Similarly, the US-South Korea alliance remains vital to the continued stability of the region. First, it is a key component of in success of the Six-Party talks, providing a strategic deterrent for South Korea, a fact that became salient during the recent North Korean sinking of the Cheonon. The event bolstered the South Koreans’ understanding of the alliance’s enduring value with 91 percent in favor of it remaining and an astonishing 75 percent seeing it as vital even after a reunification with the North. Further, the same surveys indicate concerns over the emerging Chinese threat fueled in part by a perception of Chinese backing of North Korean claims of Cheonon’s responsibility for the incident. Thus, the Cold War-era strategic alliances remain vitally important to the stability of the region. Most importantly, they place the US in a position to act as a regional buffer and mediator between the three East Asian economic powers—South Korea, China, and Japan.

The US must capitalize on this position vis-à-vis the three major Asian economic powers by working to quell latent ethnic tensions between them to promote regional stability. If successful, their increased familiarity would dampen the security risks from CCP’s appeals to Chinese nationalism and ethnic tensions. Diplomatically, the US should encourage all sides to highlight publicly the positive outcomes of cooperation to provide a counter argument to nationalistic claims within each country. Long-term these actions should demonstrate that these nations can work together for the common good and potentially could improve popular sentiments in all countries. In fact, cooperation is possible as the recent announcement of the South Korean, Chinese, and Japanese leaders to begin multilateral discussions via a trilateral summit demonstrates. This represents a perfect opportunity for the US to demonstrate leadership
in this regard. Further, this development could increase each nation’s commitment to resolving key territorial and sovereignty disputes through peaceful negotiation rather than military confrontation. In this role, however, the US must find a way to assuage the Chinese inevitable fear of US bias due to its historic, Cold War alliances. Finding that partner may be difficult as Australia and ASEAN states similarly fear upsetting their key trade and financial relationships with China.

In this regard, the aforementioned emergence of Asian multilateralism on soft security is promising and the US should encourage continued cooperation on issues common to all regional players. The security of the common sea lines of communication (SLOC) is the most promising avenue for growth. Thus, diplomatically the US should seek to promote the common understanding that all nations rely on the safe, reliable flow energy and commercial goods to support regional economic development. Using this unifying, shared interest the US should seek opportunities for military cooperation and economic aid to combat piracy and terrorism, especially in the Straits of Malacca. These efforts should capitalize on building partner capacity with ASEAN states to strengthen the SLOCs. The US should appeal to Chinese aspirations of attaining great power status and its sensitivity to regional perceptions to encourage Chinese participation. In the end, conducting joint cooperative security exercises with ASEAN, Japan, China, South Korea, and other regional partners should strengthen the military-to-military relationships, improving understanding in every capital. Ultimately, soft security cooperation offers a second avenue to ameliorate ethnic tensions and disputes by demonstrating the ability of the nations to band together for the common good; potentially, the familiarity will breed a commitment to resolving disputes peacefully rather than militarily preserving the stability of all.
The Cold War left the Asian geopolitical environment with a set of lingering but outmoded institutions. Latent ethnic tensions breed an environment fraught with mistrust. A rising, fragile China and the uncertain role of the US in the region complicate the problem further. Past missteps have ended in stable outcomes, but there are no guarantees in the future. The APT and Six-Party Talks demonstrate the benefits of Asian multilateralism and provide evidence of the potential for cooperation in the future. In fact, emerging South Korean, Japanese, and Chinese cooperation, soft security cooperation on shared regional economic interests, and China’s rise as a responsible, global supporter of the globalized economy demonstrates a possibility of multilateral cooperation instead of traditional great power competition and conflict. Overall, if managed correctly, China’s rise will not threaten the established international order; instead, China will become more dependent upon and thus more committed to preserving the established international order.

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