



CSCAP
COUNCIL FOR
SECURITY COOPERATION
IN THE ASIA PACIFIC

CSCAP



REGIONAL

SECURITY

OUTLOOK

2015

The Council for Security Cooperation in the Asia Pacific (CSCAP) is the region's leading Track Two (non-official) organisation for promoting cooperation and dialogue on regional security issues. CSCAP was established in 1993 and now has 20 national Member Committees and one Observer.

Front cover image

Vietnam protested China's deployment of an oil rig in disputed waters in the South China Sea in May 2014 resulting in confrontations between vessels of the two countries. Credit: Vietnam Coast Guard.

Back cover image

View of the Mekong River looking toward Thailand, from Vientiane, Laos. Photo credit: Jan Huisken.

CSCAP thanks the Australian National University for support of this publication

Designed and printed by Paragon Printers Australasia, Canberra, Australia.

ISBN: 978-0-9942248-0-4

Copyright © 2014 by CSCAP

Access to the CRSO is available at www.cscap.org

EDITOR

Ron Huisken
Adjunct Associate Professor,
Strategic and Defence Studies
Centre, Australian National
University

EDITORIAL ASSISTANT

Olivia Cable
School of International, Political
and Strategic Studies, Australian
National University

EDITORIAL PANEL

Desmond Ball
CSCAP Australia

Anthony Milner
CSCAP Australia

Rizal Sukma
CSCAP Indonesia

Yusuf Wanandi
CSCAP Indonesia

LETTER FROM THE CO-EDITORS

On behalf of the Council for Security Cooperation in the Asia Pacific (CSCAP), we are pleased to present the CSCAP Regional Security Outlook 2015 (CRSO 2015). Inaugurated in 2007, this is the eighth annual CRSO volume.

The CRSO brings expert analysis to bear on critical security issues facing the region and point to policy-relevant alternatives for Track One (official) and Track Two (non-official) to advance multilateral regional security cooperation.

The views in the CRSO 2015 do not represent those of any Member committee or other institution and are the responsibility of the individual authors and the Editor. Charts and images in the CRSO 2015 do not necessarily reflect the views of the chapter authors.

Ron Huisken

Olivia Cable

The Sino-American security dilemma in Asia: a Chinese perspective

Lanxin Xiang

The US pivot to Asia appears to have triggered a Sino-American security dilemma. With US support for Japan and some Southeast Asian countries in their territorial disputes with China, Sino-US relations has deteriorated markedly. In 2013-14 the Obama Administration was walking a tightrope with its much publicised Asian ‘Pivot’. Although formally launched in November 2011, the idea of America’s military and diplomatic ‘pivot,’ or ‘rebalance’ toward Asia was set out most comprehensively in a 2013 essay in *Foreign Policy* by then Secretary of State Hillary Clinton.¹ The ‘pivot’ strategy, according to Clinton, comprised six courses of action: strengthening bilateral security alliances; deepening America’s relationships with rising powers, including China; engaging with regional multilateral institutions; expanding trade and investment; forging a broad-based military presence; and advancing democracy and human rights.

It is commonly held in Washington that, if the United States is fully committed to Asia, then Washington and Beijing will be able to create long-term cooperative strategies that accommodate each other’s interests. Doing this would significantly reduce miscalculation and the likelihood of conflict. Beijing may not like the pivot, but the US government believes that China’s leaders—while disturbed by the long term strategic dimensions of the pivot—will eventually come to terms



China's first aircraft carrier on sea trials. Credit: Pinstake.

with the US and its alliances and seek avenues of cooperation. But this appears to be a colossal miscalculation.

Chinese critics argue that the pivot toward China is creating a self-fulfilling prophecy, for it enhanced Beijing’s sense of insecurity and could only stimulate China’s *reactive* assertiveness, undermining regional stability, and diminishing the possibility of cooperation between Beijing and Washington. Through exaggerating the threat posed by Chinese power, the United States damages its long-term diplomatic engagement with Beijing. This is a clear deviation from the basic policy setting of all US presidents since Richard Nixon. It also neglects the fact that China’s inherent weaknesses are primarily endogenous problems caused by a

legitimacy crises at home and are beyond the reach of the pivot.²

Foreign supporters of the pivot, however, believe that the US strategy toward China has coupled engagement with balancing. The engagement half of this strategy has been geared toward enmeshing China in global trade and international institutions, discouraging it from challenging the status quo, and giving it incentives to become what the George W. Bush administration termed a “responsible stakeholder” in the existing international system. The other half attempts to maintain the balance of power, deter aggression and mitigate any attempts at coercion.³

China has reacted strongly to the logic and actions brought about by the pivot. On the one hand, China

believes that US policy harks back to a Cold War mentality of military containment. On the other hand, the Chinese military has invested heavily in countering US strengths and cited the pivot as a good excuse for their own continued buildup. China has also used historical American examples to blunt criticism of other actions, such as the establishment of their Air Defense Identification Zone in the East China Sea. During the six-and-a-half-years of the Obama Administration, bilateral relations have sunk to their lowest point since the Nixon-Kissinger period of the 1970s. Leaders in Beijing and Washington have not only disagreed about how to solve major problems in the international trading system, global governance and regional security, but they have also consistently been talking past each other on the key issue of how to define their relationship. This is the result, ultimately, of failing to overcome their fundamental differences about what constitutes legitimacy for a nation state. For Washington, legitimacy has only one element—the democratic procedure, which it considers a universal model applicable everywhere. For Beijing, no political system is universally valid, and the claim that decision-making procedures alone determine political legitimacy is a myth. On this issue, at least, Washington seems to have occupied the moral high ground.

Similarly, whereas the US claims its intense military and diplomatic alliance-building activities in the Asia-Pacific are ‘rebalancing’ for the sake of regional stability, China clearly sees it as a containment strategy. But more worrisome is the fact that the two leaders use quite different reference points to describe their bilateral ties: President Xi Jinping speaks of a “new type of major power

relations”, while President Barack Obama insists on a “new model” of relations. The difference may appear minor but the leaders in fact have starkly divergent perspectives.

In his opening speech at the Strategic and Economic Dialogue held in Beijing in October 2014, Xi emphasised that the Sino-American relationship has no historical precedent or ready-made model as guidance. Obama’s opening statement at the dialogue implied, however, that his ‘model’ is based on the idea that he would never compromise on the question of democratic legitimacy, but is willing to build a working relationship with China contingent upon what the US considers proper Chinese behaviour. China’s behaviour will be judged according to what the US holds as universal standards. Thus, Obama-the-Lawyer deliberately stresses the term ‘model’, which implies an example to follow or imitate.

Why do Beijing and Washington keep talking past each other? Perhaps it is because people are willing to take greater risks to avoid losses than they are to achieve gains. Instead of making decisions that maximise their overall expected gains, people tend to focus on a particular reference point and give more weight to losses than comparable gains. That is to say, leaders usually exhibit a status-quo bias. For example, a superpower in relative decline often considers preventive war a good instrument to forestall the loss of its status and prestige, and is willing to double its effort in existing conflicts rather than withdraw from them. Thus, Washington considers that Beijing is willing to gamble either to enhance its influence at the expense of US interests in diplomatic negotiations, or to offset American influence with an

aggressive agenda for territorial gains. Obama’s original reference point was the status quo before the eruption of the territorial disputes over islands in the East and South China seas, when Washington had a pliable ally in Tokyo, willing to turn over the responsibility for national defense to the US-led alliance arrangement.

But after Japan suddenly changed the status quo in 2012 by ‘nationalising’ the Diaoyus/Senkaku islands, the Obama administration began to see this as a new strategic advantage for the US in the Asia-Pacific. The US decided to abandon a neutral position and started to ‘re-normalise’ its reference point through open support of the Japanese move in the name of alliance solidarity. Therefore, it is not surprising that Beijing sees this American attitude as a major policy reversal.

“China has reacted strongly to the logic and actions brought about by the pivot. On the one hand, China believes that US policy harks back to a Cold War mentality of military containment. On the other hand, the Chinese military has invested heavily in countering US strengths and cited the pivot as a good excuse for their own continued buildup.”

At the same time, China also seems to have changed its posture of ‘peaceful rise’ and is willing to take more risks to compensate for losses in diplomacy in its immediate neighbourhood, despite the fact that its crowning foreign-policy objective is to maintain a peaceful international environment as long as possible. The proposal to establish a new type of major power relationship with the US is aimed at avoiding a downward spiral of strategic relations and preventing a contemporary version of what Henry Kissinger called “Anglo-German alienation” before World War I. Here, we can go further in explaining China’s reactive assertiveness, which, although alarming its neighbours, is rooted in a mentality, very much like that of Washington, that may not be focused on maximising gains but cutting losses.

Thus, we are witnessing a classic security dilemma which has the potential to become a permanent state of confrontation. Taking current US-China relations as a normal state of affairs is completely self-deluding. To understand the present crisis, the US-China relationship must be recognised as entering a phase of ‘New Normal’. Call it a new-Cold War, New Normal is a term invented in the West which refers to economic conditions following the financial crisis of 2007-2008. The term has since been used in a variety of other contexts to imply that something which was previously abnormal has become commonplace. President Xi personally used “new normal” several times in different contexts.

Populism disguised by cultural traditionalism has been the new normal for today’s China. This type of New Normal in foreign relations will not provide much flexibility in solving territorial disputes with other nations. It must be pointed

out that, so far, American leaders have ‘renormalised’ their reference point much faster than their Chinese counterparts; the latter on the defensive and ill-prepared to conduct an effective regional policy. In contrast, the US pivot to Asia is well designed for re-establishing American influence in the region. Furthermore, for Chinese leaders the reference point continues to be the pre-Pivot status quo, as they seek to recover their lost influence. As a result, the US is focusing on rolling back Chinese ‘aggressiveness’ in the western Pacific, while China believes assertiveness to be the most effective deterrent against the US available to it.

The security dilemma in East Asia has two dimensions. On the one hand, regional actors are encouraged to pursue their own agenda. On the other, competing global influences between China and the United States will intensify. This is not a formula for sustained regional stability and prosperity. From the Chinese perspective, most current discussions in the West about the threat posed by the ‘rise of China’ seem flawed, for they tend to focus on how much China would be willing to ‘accommodate’ to the existing international order. The underlying assumption is that the undemocratic Chinese regime lacks legitimacy, and the liberal international order can help change the nature of the regime and save its repressed people. Two theories are in vogue, each with inevitable yet contradictory outcomes. At one end of the spectrum is the theory of the inevitability of China’s integration into the liberal world order, which assumes that China will eventually be brought into this order through the process of globalisation. Democratisation is considered a global and unstoppable trend, while economically China will

“They can hardly engage China seriously—or encourage it to remain psychologically secure and peaceful as it travels the road of ‘national restoration’—if the starting point is to question the legitimacy of the Chinese state.”

develop compelling interests in maintaining the liberal order from which it has benefited a great deal. This is the thinking that appears to have underpinned Washington’s ‘responsible stakeholder’ proposal in 2005.

At the other end of the spectrum, there has been the theory of the inevitability of China posing destructive challenges to the existing international order. This theory, often articulated by a neo-conservative group, assumes China will behave like all leading destructive powers in history and inevitably attempt a global power grab through altering the rules governing the existing international order to enhance its political legitimacy.

It is highly likely that China will decline to go down either of these roads. It has no fundamental reasons to destroy the current international order, but would certainly be attracted to altering some rules of the game according to Chinese tradition, culture and national interest. In this context, China is prepared for an ideological battle with the West. However, unlike the Cold War, it will not be

launched as a battle of good versus evil, but as a serious cultural debate over genuine alternatives. Ironically, the chance of conflict with the West could become higher if China's traditional outlook were to be fully 'Westernised'. Democracy never prevented the territorial expansion of states (the young American republic is a typical example). A Westernised China with an active territorial agenda would surely come into conflict with the United States for geopolitical reasons, just as it would be unlikely to clash with the EU for such reasons.

The policy implication is that, instead of encouraging and forging conditions to Westernise China, the West should seek ways to accommodate key dimensions of China's traditional, non-expansionist political culture.

They can hardly engage China seriously—or encourage it to remain psychologically secure and peaceful as it travels the road of 'national restoration'—if the starting point is to question the legitimacy of the Chinese state. It would be a miscalculation for the West to remain obsessed with nightmare scenarios based on a parochial vision of the 'rise and fall' of great powers. It is totally unrealistic to expect China to remain at the receiving end of a West-dominated international order and not aspire to making its own contributions to improve the rules of the game.

Lanxin Xiang
Professor of International History and Politics, Graduate Institute of International and Development Studies, Geneva.

ENDNOTES

- 1 Hillary Clinton, 'America's Pacific Century', *Foreign Policy*, 11 October 2011.
- 2 Lanxin Xiang, "China and the International Liberal (Western) Order", in *Liberal Order in a Post-Western World*, Transatlantic Academy at the German Marshall Fund, May, 2014, Chapter 9, pp.107-121.
- 3 Aaron Friedberg, 'Bucking Beijing: An Alternative US China Policy', *Foreign Affairs*, vol. 91, no. 5, September-October 2012, pp. 48–58.



The Chinese People's Liberation Army-Navy Jiangkai-class frigate Linyi (FFG 547) moors alongside the Luh-class destroyer Qingdao (DDG 113) following the ships' arrival at Joint Base Pearl Harbor-Hickam, 6 September 2013. Photo credit: Daniel Barker, US Department of Defense.