

Balance of Power Politics and the Rise of China:
Accommodation and Balancing in East Asia

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Realists, whether they are “traditional realists” or “structural realists,” agree that great powers balance the military strength of rising powers. But there is debate regarding secondary state responses to rising powers. Some realist scholars, including Kenneth Waltz and Hans Morgenthau, argue that secondary states’ preferences are situationally determined.¹ Other scholars argue that anarchic structures promote balancing on the part of all but the very weakest states.² There are also differences among realists regarding the importance of economic and military factors in secondary state alignment. The balance of power literature universally ignores the role of economic dependence in secondary state alignments, focusing simply on military power. In addition, the realist political economy literature universally ignores the role of military capabilities in secondary state alignments, focusing simply on economic power.³

There are also challenges to the realist perspective on secondary state responses to rising powers. Scholars have argued that state alignments are not necessarily determined by realist variables, but can also reflect historical experiences or cultural influences. Samuel Huntington has argued that a common East Asian civilization promotes region-wide accommodation with China, including by Japan, so that United States should accommodate the rise of China.⁴ David

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Kang has argued that whereas balancing politics is a European process, in East Asia a cultural predisposition toward hierarchy encourages region-wide accommodation with China.⁵

This chapter addresses these issues in secondary state responses to rising powers. It focuses on the impact of the rise of China on secondary state alignments in East Asia. In so doing, this chapter also addresses an apparent consensus among security specialists that the rise of China will lead to either a costly U.S.-China strategic rivalry or to region-wide accommodation of Chinese power. Scholars have argued that the rise of China will enable Beijing to coerce U.S. allies and contest U.S. military power throughout East Asia, leading to an “open and intense geopolitical rivalry.” Alternatively, China will be the “center” of a “new power arrangement” throughout Asia.⁶

First, following Waltz and Morgenthau, this chapter argues that secondary state behavior is sensitive to local variation in the great power capabilities and that secondary states tend to accommodate rather than balance rising powers. Second, it examines the role of military power and economic power as independent factors affecting secondary state alignment. It concludes that economic capabilities alone are insufficient to generate accommodation. Third, East Asian secondary state alignments establish that there is nothing *sui generis* or culturally-determined in East Asian international politics and that realism explains alignment behavior of East Asian as much as European states. Fourth, this realist analysis of East Asian great power relations challenges assumptions of an emerging Chinese regional hegemony or of a costly region-wide U.S.-China competition.

The first section of this chapter examines realist literature on the balance of power and on political economy regarding sources of secondary state alignment preferences, observing the differences in the literature. The second and third sections respectively focus on the rise of

Chinese military and economic power, examining the intra-regional variation in China's expanding relative capabilities. The fourth section analyzes the responses of East Asian secondary states to the rise of China, examining which states are accommodating Chinese power and which states are balancing Chinese power. The final section considers the implications of the chapter's findings for balance of power theory and addresses the implications of the rise of China for the emerging East Asian balance of power.

REALISM AND SECONDARY POWER ALIGNMENT STRATEGIES

Realists of all persuasions agree that power balances recur because great powers enhance their capabilities in response to the rising capabilities of other great powers.⁷ Nonetheless, among realists there are significant differences regarding the alignment preferences of secondary states. Kenneth Waltz has argued that "secondary states, if they are free to choose, flock to the weaker side,"⁸ suggesting that the behavior of states that are not great powers is contingent upon each state's immediate and changing strategic circumstances.⁹ Thus, situational factors helped to determine the Cold War alignment decisions of even Great Britain and Japan, for example.

Waltz's argument follows the traditional literature of international politics. Robert Rothstein's definition of a "Small Power" is similar to Waltz's definition of secondary power. He differentiates between a great power, that can fight wars against any country, and a small power, which "can not obtain security primarily by use of its own capabilities...."¹⁰ Rothstein observes that whereas great powers make alignment decisions with regard to threats to systemic balances, small powers' behavior is contingent; a secondary state will ally "in terms of a threat to its local balance" and "the range of options open to Small Powers will be related to the specific nature" of its international setting.¹¹ Hans Morgenthau similarly suggests a local power's

alignment is determined by the shifting great power balance in its immediate vicinity. He examines Korea's periodic adjustment to the shifting fortunes of Chinese and Japanese power in Northeast Asia to illustrate his approach to secondary state alignments.¹² George Liska emphasizes that vulnerability to great power capabilities constrains secondary state ability to balance against a great power, unless a local equilibrium is created by the counterpressure of another great power.¹³ Thus, for all but the great powers, a state's response to a rising power will depend on how the status-quo great power(s) responds to the rising power and the implications for the balance of power in its immediate vicinity.

In contrast to realist authors who stress the indeterminacy of secondary state alignment, Stephen Walt has argued that only the behavior of "weak states" is situationally determined; all other states balance against rising powers, reflecting the enduring and consistent systemic effect of anarchy.¹⁴ Walt's analysis of the behavior of such secondary states as Egypt and Iraq suggests that his structural assumption of balancing not only encompasses the behavior of larger secondary states, such as France and Japan, but also many smaller states traditionally assumed to be the subjects of great power competition. The concept of "weak states" thus applies only to a very limited subset, such as Burma and Bhutan, which have traditionally submitted to their larger neighbors.

The balance of power literature argues that military power determines secondary state alignments. But the realist political economy literature argues that a secondary state's alignment pattern may simply reflect economic vulnerability. An economic great power develops political power from the secondary state's dependence on its market for exports, which promote economic growth, employment, and political stability. Economic dependence reflects a state's vulnerability to interruption of trade by its trading partner. For a small power, this can be a

decisive element in its alignment policy. Hirschman observed that “the power to interrupt commercial or financial relations...is the root cause of the...power position which a country acquires in countries, just as it is the root cause of dependence.”¹⁵ As in security relations, dependence is maximized to the extent that the secondary state cannot redirect trade to another economic partner, that it cannot find a “balancing” economic relationship.

Large economies can also develop political power when they are targets of secondary state’s economic investment. As in trade, investment dependence will reflect the degree that the smaller economy’s foreign investments are concentrated in the larger target economy. Secondary state dependence on foreign investment enables a larger economy to threaten appropriation of the secondary state’s investments and thus yields its influence over the latter’s alignment policy. Dependence from both trade and investment can also reflect the role of a dependent influential sector of a secondary state’s economy on decision-making. As Hirschman observes, “vested interests” can become an influential “commercial fifth column” that can affect security policy.¹⁶

The importance of economic dependence in secondary state alignment decisions is ignored by both the traditional and structural realist literature on secondary state alignment preferences.¹⁷ Similarly, the realist political economy literature overlooks the role of military power, suggesting that an economic great power possessing only secondary-level military capabilities can exercise sufficient influence to determine the alignment preferences of an economically dependent state.¹⁸ Yet sensitivity to the two potential sources of secondary state alignment necessarily draws attention to multiple kinds of great powers – great powers that have great power military capabilities, great powers that have great power economic capabilities, and great powers that have both great power military and economic capabilities. Thus, analysis of

the impact of the rise of China on East Asia order requires attention to the multiple sources of Chinese influence and to the spatial variation of its influence, i.e., attention to the “domain” and “scope” of Chinese capabilities.¹⁹

To assess secondary state alignment preferences, working measures of alignment are required. A traditional measure of alignment is alliance policy. But only in highly polarized systems do secondary states formally ally with one great power while engaging in heightened and belligerent conflict with another.²⁰ More often, secondary states have cooperative relations with multiple great powers even as they take sides in great power competition. Such was the case during much of 19th century Europe and is the case in international politics in the early twenty-first century. A more sensitive indicator of alignment during periods of “normal” politics is a secondary state’s position on issues of war and peace. A secondary state’s ability to defy a great power on such an issue reflects balancing with another great power, whereas an emerging compromise on such an issue reflects accommodation. Traditional measures of alignment thus include a secondary state’s policy toward such issues as a great power’s strategic interests vis-à-vis third parties, arms imports, defense planning, and provision of military facilities to a great power.²¹ In addition, secondary state societal developments reflecting attitudes toward conflict and cooperation with the great powers can suggest emerging alignment trends. The development or erosion of “soft power” following the development of “hard power” can be an indicator of long-term accommodation or balancing.²²

Analysis of the rise of China also requires a working definition of power. Military power can reflect varied capabilities, depending on the particular requirements of military operations in any given theater, so that neither gross economic and demographic indicators of power nor a focus on a specific military capability (for example, ground forces, air power, naval power,

nuclear weaponry, or information technologies) can capture a rising power's capabilities in a particular theater and in relation to any particular secondary state. This paper thus adopts different measures of military capability to evaluate improved Chinese military capability and its impact on secondary state alignments on the Korean Peninsula, in the Taiwan Strait, and in maritime East Asia. There is no all-purpose measure of power that enables predictions of interstate behavior in varied historical and distinct geographic settings.

CHINA'S MILITARY RISE: EMERGING TRENDS IN U.S.-CHINA RELATIVE POWER

The relative military rise of China and the corresponding decline of U.S. military power vis-à-vis third countries is not a region-wide development. Rather, the growth of Chinese power reflects the character of China's developing military capabilities in each of the East Asian sub-system balances of power.

Chinese Military Modernization and Relative Change in Mainland Theaters

The most important change in relative Chinese military capabilities has occurred on mainland Asia. Once the Soviet Union withdrew from Indochina beginning in the late 1980s, China emerged as the sole great power in that region. Since then, as China's economic and military reforms have developed, Chinese superiority over its immediate neighbors has widened. Thus, since 1989 Chinese capabilities vis-à-vis Vietnam, Burma, and Mongolia, for example, have improved considerably, and despite fear and even animosity toward China, they have accommodated Chinese interests. Similarly, over the last 15 years as Russian capabilities have declined and China's have grown, Chinese relative power vis-à-vis the Soviet successor states on China's border in Central Asia has expanded.²³ An outlier in this trend had been Chinese

capabilities vis-à-vis South Korea. Reflecting the ongoing development of Seoul's economy and independent military power, Seoul's alliance with the United States and the presence of North Korea between China and South Korea have blunted Chinese capabilities vis-à-vis South Korea. Yet in recent years the growth of Chinese influence has extended to the Korean Peninsula. This change reflects the combination of improvements in Chinese ground forces, political change in China, and the expectation of political change on the Korean Peninsula.

The modernization of Chinese ground forces reflects low-cost yet effective reforms. First, in an example of addition through subtraction, because of the demobilization of soldiers engaged in business activities and the transfer of soldiers to either the militia or to the People's Armed Police (PAP), China's domestic security force, the PLA Army, is now comprised of relatively more effective war-fighting forces. Even modest increases in the ground force's acquisitions budget have had a great impact on resources for training and acquisitions and thus on war-fighting capability.²⁴ Second, during the 1990s Beijing created units with advanced capabilities. Rapid Reaction Units (RRU) are combined-arms units that train to mobilize and respond to a crisis within 24 to 48 hours. Altogether there may be 100,000 soldiers in the RRUs. Beijing has created special units for emergency border defense. These units are estimated to have 300,000 soldiers. China has also modernized its Special Operations Forces, which focus on destruction of key enemy, : C⁴I to C⁴ISR (Command, Control, Communications, Computers, Intelligence, Surveillance, and Reconnaissance), airfields, and air defense.²⁵ Third, elite forces receive priority funding for training and are the first to receive new weapons, including imports from Russia and advanced tanks, artillery, ground-transport vehicles, and heavy-lift helicopters. They also benefit from the modernization of China's C⁴I infrastructure. New communication satellites, military-dedicated fiber optic cables, and microwave technologies have resulted in a

“dramatic improvement of transmission capacity, as well as communications and operation security” and a substantial increase in overall C⁴I capabilities.²⁶

Since the PLA has not fought a war since 1979, the effect of these reforms on China’s war-fighting capability remains untested. Nevertheless, the improved capabilities of the Chinese military have enabled the PLA Army to better contend with United States forces anywhere on the East Asian mainland, including the Korean Peninsula, than was the case 15 years ago following the 1991 Gulf War. The PLA can now wage a high-intensity and modern high-tech conflict near its territory, even against U.S. forces.²⁷ As one expert has observed, its capability will continue to improve and “adds great risks and costs for potential opponents in China’s near periphery.”²⁸

Reinforcing these trends in Chinese ground force capabilities is the prospect of continued Chinese economic and political stability and thus continued military growth. South Korea assumes that China’s current economic and military trajectory is an enduring trend that will continue to transform its security environment. Furthermore, in recent years Seoul has increasingly focused on the likelihood of Korean unification, which would remove the North Korean buffer separating South Korea from China and expose Seoul to the direct threat of Chinese military power. As Taeho Kim has observed, contemporary South Korea foreign policy is fundamentally shaped by the long-term growth in Chinese military power, by the geographic proximity of China, and by the need to chart a post-unification Sino-Korean relationship.²⁹

PLA Modernization and the Changing Military Balance in the Taiwan Strait

Chinese relative military power is also improving in the immediate vicinity of the Taiwan Strait. But in the Taiwan theater, rather than rely on its ground forces, Beijing relies on air power to alter the military balance and challenge U.S. ability to provide for Taiwan's security.

Since Taiwan's leader Lee Teng-hui visited Cornell University in 1995 and escalated Taiwan's independence activities, China has deployed between 50 and 100 short-range M-9 ballistic missiles per year across from Taiwan.³⁰ By 2000 it had deployed approximately 300 of these missiles. These are relatively low-technology missiles, yet they provide China with an effective and credible capability to inflict high costs on Taiwan society in a war over Taiwan independence. Moreover, since 1995 the accuracy of these missiles has steadily improved. And because they are mobile, they are secure from preemptive strikes and thus threaten assured retaliation. By 2005 Beijing had deployed as many as 600 of these missiles.³¹ Equally significant, Beijing is making progress in the development of cruise missiles.

Complementing China's development of missile power is its acquisition of modern Russian military aircraft, including Su-27s and Su-30s. Thus far it has agreed to purchase at least 200 of these aircraft. Over the next five years, as China acquires and operationalizes more Russian aircraft, it will end Taiwan's air superiority across the Taiwan Strait.³² Although the PLA Air Force will not be able to challenge U.S. air superiority over the Taiwan Strait, its growing capability vis-à-vis Taiwan contributes to its ability to inflict high costs on Taiwan in a cross-strait war.

China cannot contend with U.S. naval power throughout the western Pacific. But the PLA can now reach across the Taiwan Strait and target Taiwan's civilian and military centers. It can critically undermine the Taiwan economy and its democracy, regardless of the level of U.S. military intervention.³³

The Limits to China's Rise: The Enduring Military Status Quo in Maritime Theaters

Whereas in the past five years China has developed greater relative military power on the Korean Peninsula and in the Taiwan Strait, in the maritime regions of East Asia, outside the range of its land-based capabilities, China has yet to enhance its relative military presence. The result is stability in the post-Cold War East Asian maritime balance of power.

Maritime power depends on force protection. But the Chinese Navy has no aircraft carriers and has not begun construction of one.³⁴ The U.S. Navy possesses eleven aircraft carriers, two of which can operate simultaneously in the region; one based in Japan and one in Singapore. It also continues to modernize its carrier force, with the launching of the Harry S. Truman and the Ronald Reagan. Moreover, U.S. interceptor aircraft based at Kadena in Japan provide significant coverage of the Western Pacific. The 2006 QDR also calls for the United States to deploy 60 percent of its submarine force in Asia. Thus, whereas U.S. naval force projection capabilities in East Asia are secure from a Chinese air attack, Chinese surface vessels, both those at sea in blue waters and those that remain in port, are vulnerable to U.S. air power. Indeed, once PRC surface vessels leave the range of Chinese land-based aircraft, they are vulnerable to the air power of even the smaller regional states, such as Singapore, Malaysia, and Thailand.

The only element of Chinese modernization that might eventually affect this situation is PRC access-denial capability. PRC acquisition of Russian Kilo-class submarines could serve this purpose, compelling U.S. surface vessels to maintain greater distance from the region during crises and war. But access denial offers neither coercive capability nor even deterrent capability against a much superior navy. Moreover, until China develops situational awareness capability

and can degrade U.S. counter-surveillance technologies, possession of advanced submarines will be insufficient to provide it with a credible access-denial capability, even should it master the skills necessary for maintenance and operation of the Kilo submarines.³⁵

As in the past, the United States possesses absolute military superiority in maritime East Asia. Thus, the modernization of the Chinese military has thus not affected the immediate U.S.-China force-on-force balance in the vicinity of the insular countries of East Asia. Japan, the Philippines, Indonesia, Singapore and Malaysia all remain within a stable U.S. military region.

CHINA'S ECONOMIC RISE: EMERGING TRENDS IN U.S.-CHINA RELATIVE POWER

The growth of the Chinese economy has had a major global impact. As an “engine of growth,” it has contributed to the prosperity of many countries. But coinciding with the absolute economic gains China has contributed to other countries’ economies has been China’s development of relative economic power. As in the development of Chinese military gains, Chinese economic gains have occurred at U.S. expense, because increased third-party dependence on the Chinese economy has caused a relative reduction in their dependence on the U.S. economy. But the scope of Chinese economic power does not coincide with the scope of its military power, creating regional complexities that create secondary power alignment decisions that are not amenable to easy generalizations.

China as the Dominant Economic Power: South Korea and Taiwan

During the past four years, China has become the dominant source of economic growth for both South Korea and Taiwan. The result is that their dependence on the Chinese economy is increasingly greater than their dependence on the U.S. economy.

In 2002 the combined China-Hong Kong market became South Korea's largest export market.³⁶ For the first time since World War II, Seoul was not primarily dependent on the United States for economic growth. Moreover, South Korean annual exports to China have increased nearly 50 percent from 2001 to 2003. Between 2002 and 2003, South Korean exports to the United States, on the other hand, increased by less than one percent. In 2003, more than 31 per cent of South Korean exports went to China. In contrast, Chinese exports to Korea amounted to only 5 per cent of Chinese exports.

Beijing underscored South Korean dependence on the Chinese market during the China-South Korea "Garlic War" in 2000. While ostensibly a dispute over a minor Chinese export product, it was an exercise in Chinese economic signaling. In retaliation against South Korean tariffs on Chinese garlic, Beijing imposed massive tariffs on South Korean polyethylene and mobile phone equipment, causing losses of nearly \$100 million to South Korean companies. Faced with intense pressure from its domestic industries, South Korean leaders compromised, agreeing to an increased market share for Chinese garlic. Faced with credible threats of a costly trade war it would surely lose, Seoul compromised.³⁷

South Korea has also increased its investments in China. By 2001 China had become South Korea's number one target of foreign direct investment (FDI).³⁸ By early 2004 there were more than 22,000 South Korean companies with production facilities in China, with average of 12 new investments daily. Similarly, in 2003, nearly 50 percent of all South Korean foreign direct investment was destined for China. In contrast, whereas the United States was once South Korea's primary target for Korean foreign investment, in 2003 it absorbed only 15 percent of total FDI. South Korea plans to increase its investment in China by more than 50 percent by 2006.³⁹

The Chinese market has just as rapidly been engaging the Taiwan economy. In 2001 the combined Chinese-Hong Kong market surpassed the U.S. market as Taiwan's most important export market. In 2002 and in 2003, Taiwan's exports to the mainland increased by more than 25 percent, while Taiwan's exports to the United States declined. And in 2003, more than 35 percent of Taiwan's exports went to China/Hong Kong market, while Chinese exports to Taiwan amounted to only 6.4 percent of total Chinese exports.⁴⁰ Moreover, Taiwan has not been able to develop alternative economic partners to diversify its economic relationships. Even should Taiwan reach a free trade agreement with the United States, for example, there would be only small impact on Taiwan's exports and its economy.⁴¹

Cross-strait investment trends are equally significant for Taiwan dependence on the mainland. In 2001 the mainland became the leading target of Taiwan foreign investment and in 2002 it became the leading production center of overseas Taiwan investors. Approximately 60 percent of Taiwan overseas investment is now located on the mainland and Taiwan's largest and most advanced industries, including high-technology semiconductor manufacturers, are moving production to the mainland. By 2004 Taiwan firms had invested up to 160 billion dollars in nearly more than 70,000 projects. Overall, total investment on the mainland is equivalent to nearly 50 percent of the Taiwan GDP. More than 30,000 Taiwan companies have manufacturing facilities on the mainland.⁴² The Taiwan government tried to restrict high-technology investment on the mainland and to encourage Taiwan businesses to invest in Southeast Asia, but as in trade relations, the lure of the China market has been irresistible.⁴³

Because South Korea and Taiwan are now dependent on China for prosperity, they are highly vulnerable to the disruption of trade, and they do not have the option of diversifying their economic relations with other economic powers. These are the characteristics Hirschman

identified as critical to the development of politically important economic dependence. Moreover, these trends will likely endure for at least the next few decades. Given the small size of the South Korean and Taiwan economies relative to the Chinese economy, their full integration into the larger Chinese economy is all but inevitable.

China and the Japanese Economy

Since the onset of China's economic reforms in December 1978, the Chinese economy has grown more than 9 percent per year. In contrast, during the 1990s, Japan's economy grew less than 1.5 percent per year. Although in recent years the growth rate of the Japanese economy has begun to increase, it cannot compare to the rate of growth of the Chinese economy. These developments have affected relative Chinese and Japanese GDP. By 1995, measured in terms of the World Bank's purchasing power parity methodology, the Chinese economy was already larger than the Japanese economy. Using market exchange rates to convert GDP totals to U.S. dollars, Japan's 2002 GDP was still three times larger than China's. Nonetheless, China's faster rate of economic growth had halved the difference since Chinese reforms began in 1978.⁴⁴ Although there is no direct link between economic size and military capability, relative economic size does contribute to strategic potential. Accordingly, prolonged Chinese success and Japanese difficulty have contributed to each side's assessment of relative capabilities.⁴⁵

The growth of the Chinese economy has also affected Japan's foreign economic relationships. Between 2000 and 2002, Japanese exports to China increased by more than 50 percent and increased by another 25 percent in 2003. During this same three-year period, Japanese exports to the United States declined by approximately 1.5 percent. In 2002 there would have been no growth in the Japanese economy were it not for exports to China. By 2003,

the value of Japanese exports to China and Hong Kong combined was more than 75 percent of the value of its exports to the United States. By 2006 the Chinese market will be larger and more important to long-term Japanese economic growth than the American market.⁴⁶

After Beijing waged the “Garlic war” with Seoul in 2000, it waged the “Tatami mat war” with Tokyo. In June 2001, Tokyo imposed temporary safeguards on imports of Chinese leeks, shiitake mushrooms, and reeds used in the making of tatami mats. Beijing retaliated with 100 percent duties on Japanese automobiles, cell phones, and air conditioners. The value of the Chinese sanctions on the Japanese goods was seven times the value of the Japanese sanctions on the Chinese goods and threatened the Japanese automobile industry with 420 billion yen in lost sales. Japan quickly agreed to lift the tariffs on Chinese goods and to put off consideration of tariffs on other Chinese imports.⁴⁷ Since then, Japanese economic interest groups have become increasingly vocal in opposition to government policy that challenges Sino-Japanese cooperation. In 2004 leaders of Japan’s major business associations, including the Keidanren, emerged as vocal critics of Japan’s resistance to Beijing’s complaints regarding attitudes toward Japanese military activities in China during World War II.⁴⁸

Trends in Japanese direct foreign investment are also important. From 2000 to 2002, annual Japanese investment in the United States declined by 35 percent, but during this same period Japanese investment in China increased by nearly 35 percent per year. In 2002, for the first time there were more cases of new Japanese investment in China than in the United States and this trend continued in 2003.⁴⁹ Even as the U.S. economy recovered from two and a half years of recession and experienced 3-4 percent growth from 2003-2004, these trade and investment trends have continued. Because of China’s proximity to Japan, its nearly

inexhaustible supply of inexpensive labor, and its large domestic market, it will continue to present Japan with more attractive investment opportunities than the United States.

China's economic rise will not eliminate the importance of the U.S economy to Japanese economic development. The large size of Japan's domestic market will also limit Japanese dependence on the Chinese economy. Thus, unlike China's economic relationship with South Korea and Taiwan, China will not quickly become a dominant economic power vis-à-vis Japan. Nonetheless, the importance of the U.S. economy for Japan will continue to decline as China gradually shares with and in some instances overtakes the United States as a critical international partner determining Japanese economic growth and prosperity.

The Chinese Economy and the ASEAN Countries

Significant changes are also underway in China's economic relationship with the major ASEAN countries aligned with the United States. The November 2002 ASEAN-China free trade agreement was an important development in China's transition to a global economic power. The agreement is reminiscent of the 1947 General Agreement on Tariffs and Trade (GATT), in which Western Europe enjoyed preferential access to the U.S. market for certain commodities. The result was the development of the post-World War II liberal trade order, but equally significant, the GATT contributed to the expansion of relative U.S. global market power. The ASEAN-China free trade agreement reflects a similar economic expansion strategy for China. Beijing has granted preferential access to its economy to the ASEAN countries, thus promoting their exports to the Chinese market. But as these countries expand their exports to China, their economies will increasingly depend on China.⁵⁰ China is also negotiating more expansive bilateral trade agreements with the ASEAN countries, such as with Singapore.

As Ravenhill discusses in chapter 8, the redirection of ASEAN exports from the United States to China is already underway. From 1998 to 2001, Malaysian and Indonesian exports to China more than doubled. Philippine exports to China nearly doubled from 2003 to 2004, while its exports to the United States declined by over 10 percent. From 2002 to 2003, combined exports from all of the ASEAN states to China grew by 51.7 percent and by mid-2004 China had become the region's leading trade partner, surpassing the United States. Singapore is the lead state in this trend. By the end of 2003 Singapore's exports to China were nearly one-third larger than the value of its exports to the United States. Moreover, over the next few years the China-ASEAN Free Trade Agreement will use complementarity in China-ASEAN agricultural products to encourage further trade expansion. Its "Early Harvest" program allows ASEAN agricultural products initial preferential access to the Chinese market.⁵¹

Despite Washington's free trade agreement with Singapore and its effort to reach agreements with other Southeast Asian states, the ASEAN countries will increasingly become vulnerable to Chinese economic power. Region-wide, China's market may well become the anchor of an East Asian free trade area, just as the U.S. market anchors the North American Free Trade Agreement. Since 2001, the proportion of exports by East Asian nations that stayed within the region has steadily increased, reaching a high of 44 percent, suggesting that a regional trade system may be emerging. Much of this increase reflects the growth of exports to China.⁵² The 2004 China-ASEAN agreement aims for a region-wide free-trade area by 2010, suggesting that China wants to use its growing market to become the anchor of an "East Asian Free Trade Association."⁵³

ACCOMMODATING AND BALANCING IN EAST ASIA

The complexity of the rise of China is matched by the complexity of state alignment decisions. There is no uniform East Asian response to Chinese power. Rather, among East Asia's secondary powers there are accommodators as well as the balancers, reflecting trends in the scope and domain of relative Chinese and American power.

The Accommodators: South Korea and Taiwan:

South Korea and Taiwan, the two East Asian actors most vulnerable to the rise of Chinese military power, are accommodating China by resolving conflicts with Beijing and adjusting their defense ties with the United States. Simultaneously, Beijing is penetrating South Korean and Taiwan societies by developing soft power, reflecting trends in Chinese hard power.

South Korean Accommodation of Chinese Power

The most notable impact of the rise of China on South Korea has been on Seoul's response to the North Korean threat. Whereas during the 1994 nuclear crisis Seoul supported U.S. policies that threatened war, in 2003 it publicly and dramatically distanced itself from U.S. policy.⁵⁴

Following North Korea's admission in October 2002 that it had resumed work on a proscribed nuclear reactor, the United States threatened war. In February it placed B-1 and B-52 bombers on alert for deployment to Guam and positioned equipment enabling launches of precision-guided missiles near North Korea. In March, it deployed its bombers to Guam, just following President Bush's warning that he was prepared to use force to end North Korea's nuclear program. In addition, U.S. and South Korean forces carried out large-scale war exercises, with F-117 Stealth fighters participating for the first time in seven years. Afterwards, these fighters remained deployed in South Korea. During the exercises, U.S. forces also increased aerial and naval reconnaissance of North Korea. According to North Korean sources, in March the United States carried out more than 220 surveillance flights against North Korea. Then, in the aftermath

of the invasion of Iraq, Washington transited three aircraft carriers from the Iraq theater to the Pacific theater, so that in April it had four carriers deployed in range of the Korean Peninsula. Two of the carriers returned to the United States, but two remained in the region within range of North Korea.⁵⁵ Then, in May, Washington deployed a Stryker Brigade Combat Team to South Korea, facilitating rapid and flexible application of U.S. medium and heavy weaponry. It also announced that it would deploy Apache military helicopters and PAC-3 missiles in Korea.⁵⁶

As Washington moved close to war with North Korea, South Korea distanced itself from the United States. It held senior-level meetings with the North Korean leadership and continued to offer North Korea food shipments in return for minor quid pro quos. When President George Bush threatened economic sanctions against North Korea, South Korea's president publicly opposed sanctions.⁵⁷ Indeed, South Korea's policy toward North Korea was closer to China's policy than to U.S. policy. Frequent high-level consultations between Beijing and Seoul revealed that at the height of the crisis the South Korean leadership was far more comfortable working with Chinese leaders than with U.S. leaders.

South Korean accommodation of the rise of China is also reflected in Seoul's resistance to post-cold war defense cooperation with the United States. The United States is adjusting its defense planning to stress "strategic flexibility," in which U.S. forces abroad are deployed not for a single contingency but for whatever contingency may arise. In this context, the Pentagon envisions that U.S. forces in South Korea can be deployed anywhere in East Asia, which suggests planning for conflict with China. Seoul has resisted cooperating with U.S. defense policy, insofar as it implies that South Korean territory could be used by the United States against China. Thus in 2005, President Roh Moo-hyun declared that South Korea facilities could

not be used by U.S. forces in a Taiwan conflict, and the United States has been unable to reach agreement with Seoul to enable U.S. use of its South Korean bases for regional contingencies.⁵⁸

These trends in South Korean defense policy also explain Seoul's increasingly sanguine response to U.S. plans to withdraw its troops from between Seoul and the demilitarized zone, and to reduce the overall number of U.S. troops in South Korea. In 1977 Seoul resisted President Jimmy Carter's plan to reduce U.S. troops in Korea. The origin of "Koreagate," in which South Korea bribed members of the U.S. Congress, was Seoul's anxiety over fears of abandonment by the United States.⁵⁹ In contrast, when Secretary of Defense Donald Rumsfeld, at the height of U.S. preparations for war against North Korea, proposed removal of U.S. troops from the demilitarized zone and a reduction of U.S. military presence on the peninsula, Seoul merely questioned the timing of the proposal and then entered into negotiations regarding the schedule for U.S. redeployments. In 2004, when the U.S. announced that it would transfer 4,000 troops from South Korea to Iraq and it would reduce its forces in South Korea by one-third in 2005, Seoul was not alarmed.⁶⁰ In the context of South Korean accommodation of the rise of China, U.S. military presence was becoming less relevant to South Korean security. South Korean Defense Minister Yoon Kwang-ung explained that South Korea planned to be less dependent on its alliance with the United States and that it would increasingly cooperate with Russia and China as it developed a balancer role in Northeast Asia.⁶¹ Although President Roh criticized the North Korean ballistic missile tests in June 2006, he criticized Japan's response to the tests as the more dangerous threat to regional stability.⁶²

In a case of soft power following hard power, the rise of China has led to socio-economic changes in South Korea's relationship with China. There are now direct flights between seven South Korean cities and 24 Chinese cities and more than 200,000 South Koreans have

residencies in China. More than 30,000 South Koreans are studying Chinese in China, more than any other group of foreign students in China. In mid 2003 there were approximately 300,000 South Koreans studying Chinese in South Korea; there is a shortage of South Koreans who can teach Chinese in South Korean junior and high schools.⁶³ Since 1997, South Korean attitudes toward China have steadily improved, largely at the expense of America's standing in South Korea. In 2001, 73 percent of South Koreans had a favorable attitude toward China, while only 66 percent held a favorable attitude toward the United States.⁶⁴

The rise of China has also affected U.S. policy toward North Korea. U.S. agreement to hold the meetings on the North Korean nuclear program in Beijing and to work through Beijing to control North Korea's nuclear program revealed Washington's inability to manage the North Korean threat without Chinese cooperation. Moreover, its ultimate search for a diplomatic solution to the crisis reflected growing U.S. isolation on the Korean Peninsula. Coercion of North Korea cannot be effective when China and South Korea cooperate against U.S. policy.

Furthermore, Chinese relative gains explain Beijing's willingness to pressure North Korea to give up its nuclear weapons program and to make concessions regarding its participation in multilateral negotiations with the United States and its allies. In 1994, China's veiled threat to refrain from vetoing a U.N. Security Council vote on sanctions against North Korea was considered a major concession to the U.S. position.⁶⁵ In contrast, in 2002-2003 China called for P'yongyang to maintain a nuclear-free Korean peninsula and cooperated with South Korea in opposition to North Korea's nuclear program. It also significantly reduced its aid for North Korea. In 2002 Chinese fuel shipments to North Korea declined by approximately thirty percent and its grain exports declined by approximately fifteen percent. In 2003 China suspended fuel shipments to North Korea for three days. In 2006 it reduced fuel shipments to

North Korea in response to Pyongyang's July missile tests. In 2006 China also cooperated with the United States in sanctioning North Korea for counterfeiting foreign currencies.⁶⁶ Whereas China had once been dependent on its close relationship with North Korea to ensure its security in Northeast Asia, its increasingly close relationship with Seoul enables it to distance itself from North Korean foreign policy. Chinese policy analysts now openly call for Beijing to cancel China's treaty commitment to defend North Korea.⁶⁷

Taiwan's Accommodation of Rising Chinese Power The rise of Chinese economic and military power also explains recent developments in Taiwan's defense and foreign policies. From the early 1970s to the late 1990s, Taiwan made annual requests for American advanced weaponry, only to be disappointed at U.S. restraint. Then, in early 2001, the Bush administration agreed to sell Taiwan diesel submarines, Kidd-class destroyers, and anti-submarine reconnaissance aircraft. It has also licensed for export to Taiwan the Patriot III missile, a key ingredient in a Taiwan missile defense system. But then Taiwan became the reluctant party. It required more than two years to purchase four 1970s-generation Kidd-class destroyers and, despite considerable U.S. pressure, Taiwan's legislature has yet to consider a supplementary budget for acquisition of these weapons.

In part, Taiwan's acquisitions policy reflects democratic politics and the resultant demands for increased social spending. Nonetheless, Taiwan's reluctance to purchase U.S. weapons also reflects its increasing accommodation to Chinese power. In a recent public opinion poll, approximately 55 percent of the respondents believed that advanced U.S. weaponry could not make Taiwan secure. Only 37 percent of the respondents supported the acquisition plan. Another poll reported that nearly 60 percent of the public believed that Taiwan could not

defend itself in a war with the mainland.⁶⁸ Taiwan's ministry of defense concurs. In 2004 it concluded that the mainland will gain military superiority over Taiwan in 2006. Because it would require up to a decade to complete the acquisition of the U.S. weaponry, arms acquisitions from the United States will not make Taiwan more secure because the mainland will continue to upgrade its capabilities.⁶⁹ Moreover, Taiwan's 2003 regular defense budget was the lowest since 1996, and the 2004 defense budget was 20 percent lower than the 2003 figure, despite a growing Taiwan economy and increased government revenues.⁷⁰

Until the late 1990s the combination of Taiwan capabilities and U.S. intervention could provide an effective defense against the mainland military, but by 2000 Taiwan had become vulnerable to assured PRC economic and military punishment of its economy and democracy. Indeed, Taiwan's dependence on the mainland means that Beijing will not need to contend with the U.S. Navy to deploy an effective blockade against Taiwan's economy. The mere loss of the mainland market or mainland "nationalization" of Taiwan investments would undermine economic, political and social stability on Taiwan. Moreover, during mainland-Taiwan hostilities Taiwan's other major trading partners, including U.S. businesses, preferring to maintain economic cooperation with Beijing, would likely suspend trade with Taiwan.⁷¹ In early 1996, when China massed troops and carried out military exercises in the vicinity of Taiwan, the Taiwan stock market fell by twenty-five percent. Loss of confidence in the Taiwan dollar and panic buying of the U.S. dollar required the Taiwan government to intervene in capital markets.⁷² The continued rise of Chinese economic power guarantees that Taiwan's will suffer far greater and unacceptable costs in a future war.

Taiwan vulnerability to the mainland is also reflected in political trends suggesting accommodation to Chinese interests regarding *de jure* independence for Taiwan. Taiwan polling

consistently reveals that less than ten percent of the population supports an immediate declaration of independence. Eighty percent oppose changing the name of the island from “Republic of China.” Moreover, nearly sixty-five percent would favor a fifty-year “peace treaty” with the mainland that would preserve the status quo, in which the mainland does not use force against Taiwan and Taiwan does not declare independence.⁷³ Similar prudence is reflected in attitudes toward Chen Shui-bian’s March 2004 initiative for a “defensive referendum” regarding Taiwan’s mainland policy. Public opinion polls conducted by a wide range of media outlets revealed that a majority believed that the referendum was at best unnecessary and at worst provocative. Despite his ultimate electoral victory, Chen’s political advisors acknowledged that the referendum initiative had reduced voter support for his candidacy. Even Chen’s party colleagues worry about his policies. Some party leaders have publicly advised Chen to rethink his plans to seek a new constitution and possibly alter Taiwan’s legal relationship with the mainland.⁷⁴

The majority vote for Chen Shui-bian in the March 2004 presidential election was not a vote for independence. It reflected the affect of an alleged assassination attempt against Chen the day before the election. Prior to the shooting, despite a lackluster campaign led by Lien Chan, the KMT was well ahead of the DPP in almost all opinion polls.⁷⁵ Indeed, despite his many advantages, Chen secured only 50.1 percent of the vote.⁷⁶ Then, in the December 2004 legislative elections, the DPP failed to gain control of the Taiwan legislature. In March 2005 Beijing issued its "Anti-Secession Law" and inflamed Taiwan public opinion. Nonetheless, in April KMT Chairman Lien Chan traveled to Beijing, met with Chinese Communist Party leader Hu Jintao, declared the KMT's opposition to Taiwan independence, and gave an emotional speech at Peking University that advocated cross-strait cooperation. Fifty-six percent of the

people supported his visit. A poll conducted shortly after Lien's visit reported that 46 percent of the voters saw the KMT as most capable of handling cross-strait relations, while only 9.4 percent believed that the DPP was most capable. Taiwan's "accommodationist" trend continued through the December 2005 election for city mayors and county-level magistrates. The DPP suffered a major defeat, securing only six of the twenty-three open posts. Following the election, Chen's popularity rating fell to 10 percent. Meanwhile, Ma Ying-jeou, the KMT's candidate for the 2008 Presidential election, mayor of Taipei, and the new KMT chairman, received an 80 percent approval rating. In a clear sign of accommodation, Ma publicly opposes independence and supports opening of the "three-links" across the Taiwan Strait, which would eliminate the requirement that shipping and flights pass through Hong Kong before entering the mainland. The Taiwan electorate has spoken and rejected independence; the risk is simply too high. This trend of accommodation to Chinese power is irreversible, insofar as the mainland's military power will continue to grow and its stranglehold over the Taiwan economy will deepen.

These trends have also affected the policy preferences of the Taiwan business community. Reflecting Taiwan's economic dependence on the mainland, support from large businesses for the pro-independence DPP has declined in recent years, and during the 2004 presidential election many refused to support Chen Shui-bian. Their political migration to the KMT has increasingly reflected opposition to Chen's focus on independence, and their preference for pragmatic policies promotes cross-strait stability and economic opportunities. These businesses also pressure the government to open direct air and sea transportation links to expand trade with the mainland, despite the implications for Taiwan's security. Seventy-five percent of the business community support liberalized trade relations with the mainland, despite the implications for Taiwan's dependence on the mainland economy. In May 2006 pro-DPP

business leaders, frustrated by Chen's mainland policy, traveled to Beijing with an opposition party delegation and made a direct appeal to Hu Jintao to smooth cross-strait business relations.⁷⁷

In apparent response to such pressure, Chen Shui-bian took the first step in June 2006 toward direct trade with the mainland by allowing cross-strait cargo flights on a case-by-case basis.⁷⁸

Taiwan's business community has become what Hirschman called a "commercial fifth column."

As in Chinese-South Korean relations, China's soft power vis-à-vis Taiwan has followed the rise of its hard power. More than one million Taiwanese now have residencies on the mainland, where they have established separate Taiwan communities with elementary schools. More than 500,000 Taiwanese live in the Shanghai area alone. Taiwan tourism on the mainland continues to expand. In 1988 approximately 450,000 Taiwan tourists visited mainland China; in 2003 the number was nearly 3 million. According to Taiwan's statistics, by the end of 2004 there were more than 250,000 "cross-strait marriages" in Taiwan, amounting to over twenty percent of all Taiwan marriages. In early 2004, there were 5,000 students from Taiwan studying for degrees in Chinese universities, even though Chinese degrees are not recognized by Taiwan.⁷⁹ Change in cross-strait relations is also reflected in subtle shifts in "self-identity" among the Taiwan electorate. Between three age groups, the younger the generation, the less likely it is that voters consider themselves "Taiwanese" and more likely that they consider themselves "Taiwanese and Chinese." Taiwan voters who did not experience the harsh rule of the mainland KMT government from the 1950s to the 1970s but who have been exposed to contemporary mainland China and benefit from cross-strait relations possess greater affinity for mainland China.⁸⁰

Elsewhere in East Asia, China is a rising economic power but not a rising military power; the military balance in maritime East Asia is stable, insofar as the United States remains the dominant military power. But despite these states' growing economic dependence on China and the development of domestic economic interest groups promoting more cooperative policies, U.S. military supremacy provides these secondary powers the opportunity to balance with the United States.

Japanese Balancing and Consolidation of the U.S.-Japan Alliance Japan began balancing the rise of Chinese power in the mid 1990s, just as China was experiencing its second post-Mao economic boom.⁸¹ In 1995 Tokyo agreed to revised guidelines for the U.S.-Japan alliance. The guidelines called for closer wartime coordination between the Japanese and U.S. militaries, including U.S. use of Japanese territory and logistical services in case of war with a third country.⁸² Since then, Japan has become the most active U.S. partner in the development of missile defense technologies. In 2004 it agreed to a five-year plan for U.S.-Japan joint production of a missile defense system and committed one billion dollars for construction of missile defense hardware; it plans to spend ten billion dollars by the end of the decade.⁸³ In late 2005 Japan formally agreed for the first time to base a U.S. nuclear-powered aircraft carrier at the U.S. naval base at Yokosuka; later that year Japan and the United States announced that they would hold the first joint military exercise simulating defense of a small Japanese island, with China the implicit adversary.⁸⁴ Moreover, after many years of U.S. encouragement, in 2005 Tokyo agreed to a U.S.-Japan joint statement on Taiwan expressing mutual interest in the "peaceful resolution" of the Taiwan conflict.⁸⁵ Defense cooperation with the United States has also eroded Japan's reluctance to deploy forces overseas. In the 1990s Japanese participation in

UN peacekeeping operations in Cambodia was a major development. In 2001, Japan passed legislation allowing the Japanese military to provide noncombat support to U.S. antiterrorist operations, and then sent its navy to join in the search for Al Qaeda forces in the waters off of Pakistan and Iran. That same year Japan passed legislation allowing Japan to deploy ground troops in support of U.S. operations in Iraq.⁸⁶ Japanese forces have participated in the war in Iraq since 2003.

Japanese national defense policy is also changing to reflect the possibility of war with China. In 2004 the Japanese Defense Agency publicly referred to a potential Chinese challenge to Japanese security for the first time. The next year the Japanese Foreign Minister Taro Aso followed up with the assertion that growing Chinese military power and increased defense spending posed a “threat” to Japan.⁸⁷ Moreover, Tokyo has adopted a more assertive posture on islands and territorial waters claimed by both China and Japan. In late 2005 officials said that Tokyo would increase the number of ships and planes patrolling gas and oil fields claimed by both Japan and China. Tokyo has decided to develop a surface-to-surface missile, reportedly to defend disputed islands from other claimants. It will build a radar facility on the islands, and has begun allocating gas exploration in the disputed waters.⁸⁸

Japanese balancing of Chinese power is also reflected in changes in Japanese public opinion regarding use of force. Leaders of the ruling Liberal Democratic Party have called for revision of article 9 of the Japanese constitution; a 2003 poll found that 42 percent of the public supported its revision. In late 2005 the Liberal Democratic Party issued a draft revision of the Japanese constitution that would permit Japanese military participation in collective defense.⁸⁹ There is also a growing debate in Japan over possession of nuclear weapons. Senior government officials have argued that possession of nuclear weapons would not violate the Japanese

constitution.⁹⁰ Japan is leaving behind its “pacifist” past and is on its way to becoming a “normal” country. It took the rise of China to start this process.

The rise of China and Japanese balancing coincide with socio-economic changes in Japan and the erosion of Chinese soft power. The percentage of Japanese reporting a positive attitude toward China has steadily declined following the 1989 Tiananmen incident, China’s nuclear tests, and its 1996 show of force against Taiwan. According to Japanese government surveys, for the first time in 2001 Japanese who held no affinity for China were greater than Japanese who held affinity for China.⁹¹ In this domestic context, Japanese politicians no longer anguish whether to pay tribute to World War II soldiers at the Yasukuni Shrine. Rather, they warn that Chinese opposition to the visits could inflame anti-Chinese attitudes in Japan. There is also declining support for economic assistance to China. Japanese had long considered aid to China as an obligation, tantamount to reparations for World War II. But according to a December 2004 poll, less than one-third of the public supports continued aid for China. Since fiscal year 2000, Tokyo has reduced its aid by over half and in 2004 China only ranked third as a recipient of Japanese aid, behind India and Indonesia.⁹²

Maritime Southeast Asia and Defense Cooperation with the United States As in Japan, the rise of China has not diminished U.S. dominance in the South China Sea or U.S. ability to determine the security of Southeast Asia’s maritime states. Thus in this theater the rise of China is limited to this region’s growing economic dependence on the Chinese economy. In these strategic circumstances, the secondary states are consolidating defense cooperation with the United States.

Since 1995 countries throughout maritime Southeast Asia have conducted annual Cooperation Afloat Readiness and Training (CARAT) bilateral military exercises with the U.S. Navy. Indonesia's accommodation of U.S. superior capabilities was especially pronounced in 1999, when it acquiesced to the secession of East Timor from Indonesia. When the United States and its allies deployed significant military forces in the South China Sea in support of East Timor independence, and in the absence of countervailing great power capabilities, Indonesia cooperated with U.S. power.⁹³ Indonesia continued to participate in the CARAT exercises despite the U.S. military embargo imposed on Indonesia following the East Timor issue. Since then, it has been increasingly active in these exercises. In 2002 it resumed security cooperation talks with Washington, and it has purchased more U.S. military equipment.⁹⁴ Malaysia is improving defense ties with Washington. About fifteen to twenty U.S. Navy vessels visit Malaysian ports each year. U.S. Army and Navy Seals conduct training in Malaysia each year, and Malaysia provides jungle warfare training for U.S. military personnel. U.S. aircraft carriers often berth at Port Klang in the Malacca Strait.⁹⁵

Singapore and the Philippines have been particularly active in cooperation with the U.S. military, including basing, defense planning, and arms acquisitions. In 2000 Singapore began annual participation in the U.S. Cobra Gold military exercises. In 2001 it completed construction of its Changi port facility, designed to accommodate a U.S. aircraft carrier, and in March 2001 it hosted the first visit of the USS Kitty Hawk. As the Singapore Defense Minister explained, "It is no secret that Singapore believes that the presence of the U.S. military...contributes to the peace and stability of the region. To that extent, we have facilitated the presence of U.S. military forces."⁹⁶ There are approximately 100 U.S. naval ship visits to Singapore each year. In 2005 Singapore and the United States signed the Singapore-U.S.

Strategic Framework Agreement, which will consolidate defense and security ties and enable greater cooperation in joint exercises. Singapore also relies on the United States for acquisition of advanced weaponry. It has joined in the U.S. program for development of the Lockheed Martin Joint Strike Fighter.⁹⁷

In 1999 the Philippines reached a Visiting Forces Agreement with the United States, permitting U.S. forces to hold exercises with Philippine forces in the Philippines. Since then the size of U.S. participation in joint exercises has steadily expanded, doubling from 2003 to 2004. In addition, the focus has expanded beyond antiterrorist activities to include U.S. Navy participation in amphibious exercises in the vicinity of the Spratly Islands, which both Beijing and Manila claim as their territory, suggesting that the exercises possess a regional focus. In late 2004 the U.S. and Philippine air forces conducted joint air exercises using the former U.S. base at the Clark Airfield.⁹⁸ Since 2001 annual U.S. military assistance to the Philippines has increased from \$1.9 million to a projected \$126 million in 2005, and the Philippines is now the largest recipient of U.S. military assistance in East Asia. Manila is also planning to purchase U.S. fighter planes. Whereas for most of the 1990s the Philippines was hostile to the U.S. military, it is now a “major non-NATO ally” with an expanding U.S. presence on its territory.⁹⁹

THE RISE OF AND THE EMERGING EAST ASIAN BALANCE OF POWER

The changing scope and domain of the rise of China is an uneven development. The region is becoming increasingly more economically dependent on China than on the United States. But the rise of Chinese military power is less uniform; China is balancing U.S. power, but in distinct theaters, rather than throughout the region. Where the relative rise of Chinese

economic and military power correspond and China is altering the U.S.-China balance of power, secondary states are accommodating Chinese interests. This is the case on the Korean Peninsula, where there has been a gradual yet fundamental repositioning of South Korean foreign and defense policies toward alignment with China. This has also been the case regarding Taiwan's mainland policy. Remnant Taiwan resistance to Chinese pressure regarding sovereignty reflects the countervailing influence of a risk-acceptant leader seeking a nationalistic objective rather than a concerted strategic effort to balance Chinese power.¹⁰⁰

Where the scope and domain of the rise of Chinese power is less consistent, secondary state alignment patterns are very different. This is the case in the rest of East Asia, where the United States has retained its military dominance and the rise of Chinese power is limited to relative gains in economic capabilities. In this region, the secondary states, despite their growing and in some cases significant dependence on the Chinese economy, are balancing Chinese power by strengthening security cooperation with the United States. This trend is clear not only in Japan, but also in Singapore and the Philippines. The trend is less pronounced but nonetheless also evident in Malaysian and Indonesian defense policies.

Alignment patterns in East Asia indicate that economic dependence is insufficient to alter strategic alignments and compel accommodation by secondary states. Moreover, as suggested by the dominant approach in the realist balance of power literature, including the works of Waltz, Morgenthau and other traditional realists, the East Asian response to the rise of China indicates that secondary states accommodate rather than balance improved relative military capabilities of rising great powers, in contrast to the expected balancing behavior of the great powers. In the presence of shifting relative great power capabilities in their immediate vicinity,

accommodation is not just the policy of the very weakest states in international politics, but is the policy of all but the handful of the most powerful states – the great powers.

The East Asian response to the rise of China further establishes that realism and traditional balance of power theory are as appropriate for understanding alignment policies in East Asia as in any other region of international politics, including Europe. Predictions of counter-realist region-wide East Asian accommodation of the rise of China premised on assumptions of pan-Asian cultural predispositions are not supported by empirical research. Even within the “Confucian world” there is considerable variation, as South Korea and Taiwan are accommodating Chinese power and Japan and Singapore have consolidated security cooperation with the United States. More generally, the pattern of accommodation and balancing strategies in East Asia suggest that secondary state alignment choices are not the result of particular historical experiences or of shared cultural traits, but reflect cross-cultural and timeless determinants of foreign policy choices.

Equally important, variation in East Asian alignment policies in response to the rise of China reveals that predictions of region-wide accommodation to Chinese power are as misleading as theoretical propositions of uniform secondary state tendency toward balancing or accommodation. Even in the absence of costly U.S. balancing efforts and intensified U.S.-China strategic competition, East Asia is experiencing not Chinese hegemony but the consolidation of bipolarity, as some secondary states increasingly align with China and others remain aligned with the United States.

The United States role in East Asia will increasingly coincide with Secretary of State Dean Acheson's 1950 definition of the U.S. "defense perimeter" in East Asia, which excluded mainland East Asia. By 1950 the United States had withdrawn its forces from Korea, reflecting

its understanding that the peninsula was not a strategic priority. And in 1949 the National Security Council, based on the findings of the Joint Chiefs of Staff, concluded that Taiwan was not a U.S. vital security interest. Acheson later observed to members of Congress that even should the mainland occupy Taiwan, it would only add 40 miles to Chinese power projection toward Guam.¹⁰¹ Credibility to resist communist armed expansion, not material interests, drove American intervention in the Korea conflict and the Chinese civil war. Since then, U.S. policy has sought peaceful resolution of these conflicts, reflecting its interest in the process of change, rather than the outcome. Well into the twenty-first century China will lack the advanced technologies and the funds to develop the power projection capability necessary to challenge U.S. military dominance in maritime East Asia.¹⁰² If the United States remains committed to maintaining its forward presence in East Asia, it can be assured of maritime supremacy, the ability to manage the rise of China at manageable costs, and a stable East Asian balance of power.

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1. Kenneth N. Waltz, *Theory of International Relations* (Reading, MA: Addison-Wesley, 1979), chapter 6; Robert L. Rothstein, *Alliances and Small Powers* (New York: Columbia University Press, 1968), p. 29; Hans J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, fifth ed., rev. (New York: Alfred A. Knopf, 1978), chap. 12.
 2. Stephen M. Walt, *The Origins of Alliances* (Ithaca, NY: Cornell University Press, 1987), pp. 29-31.
 3. Albert O. Hirschman, *National Power and the Structure of Foreign Trade* (Berkeley: University of California Press, 1980); Jonathan Kirshner and Rawi Abdelal, "Strategy, Economic Relations, and the Definition of National Interests," *Security Studies*, vol. 9, nos. 1/2 (Autumn 1999–Winter 2000): 119–56; Klaus Knorr, *The Power of Nations: The Political Economy of International Relations* (New York: Basic Books, 1975), chapter 6.
 4. Samuel P. Huntington, *The Clash of Civilizations and the Remaking of World Order* (New York: Simon & Schuster, 1996).
 5. David C. Kang, "Getting Asia Wrong: The Need for New Analytical Frameworks," David C. Kang, *International Security*, vol. 27 no. 4 (Spring 2003), pp. 57-85.
 6. Richard K. Betts, "Wealth, Power and Instability: East Asian and the United States after the Cold War," *International Security*, vol. 18, no. 3 (Winter, 1993-1994), pp. 53-54; Aaron L. Friedberg, "The Struggle for Mastery in Asia," *Commentary*, vol. 110, no. 4 (November 2000), pp. 17-26; James. F. Hoge, Jr., "A Global Power Shift in the Making," *Foreign Affairs*, vol. 83, no. 4 (July-August 2004), p. 5.

7. Kenneth N. Waltz, *Theory of International Relations* (Reading, MA: Addison-Wesley, 1979), chapter 6. On the relevance of balance of power theory to contemporary international politics, see T.V. Paul, James J. Wirtz, and Michael Fortmann, *Balance of Power: Theory and Practice in the 21st Century* (Stanford, CA: Stanford University Press, 2004). There is little work on appeasement in great power relations. But see Daniel Treisman, “Rational Appeasement,” *International Organization*, vol. 58, no. 2 (Spring 2004), pp. 345-375; Stephen R. Rock, *Appeasement in International Politics* (Lexington: University Press of Kentucky, 2000). There is some discussion of the tendency of competitive domestic political processes to undermine balancing. See Randall L. Schweller, *Unanswered Threats: Political Constraints on the Balance of Power* (Princeton, NJ: Princeton University Press).

8. Waltz, *Theory of International Politics*, p. 127. Author’s emphasis.

9. This chapter uses the term accommodation to capture the process of secondary state alignment with rising powers. Although bandwagoning is often the preferred term for this process, it can be misleading. First, the term is most commonly associated with domestic politics, in which political actors voluntarily flock to the stronger side for gain, rather than out of strategic imperative to maintain security. In this respect, as Randall Schweller has observed, bandwagoning in international politics is best characterized as “bandwagoning for profit,” the preferred behavior of revisionist secondary powers. Second, as Robert Kaufman has argued, bandwagoning suggests an either/all alignment, in which cooperation with a threatening great power precludes all cooperation with its great power rival. Yet, such “submission” or “capitulation” is the behavior of the truly “weak state.” Third, bandwagoning suggests an immediate or short-term process. Yet, alignment can take place over decades, in response to

gradual unequal rates of change among the great powers. During the transition period, a state's alignment policy may exhibit considerable ambiguity. Randall L. Schweller, "Bandwagoning for Profit: Bringing the Revisionist State Back In," *International Security*, vol. 19, no. 1 (Summer 1994), pp. 80-81; Robert G. Kaufman, "To Balance or Bandwagon: Alignment Decisions in 1930s Europe," *Security Studies*, vol. 1, no. 3 (Spring 1992), pp. 417-447.

10. Robert L. Rothstein, *Alliances and Small Powers* (New York: Columbia University Press, 1968), p. 29. Also see, for example, Edward Hallett Carr, *The Twenty Years Crisis, 1919-1939* (New York: Harper & Row, 1964), pp. 103-105.

11. Rothstein, *Alliances and Small Powers*, pp. 59, 62.

12. Hans J. Morgenthau, *Politics Among Nations: The Struggle for Power and Peace*, fifth ed., rev. (New York: Alfred A. Knopf, 1978), chap. 12, pp. 181-184.

13. George Liska, *Nations in Alliance: The Limits of Interdependence* (Baltimore, MD: Johns Hopkins University Press, 1968), p. 27.

14. Stephen M. Walt, *The Origins of Alliances* (Ithaca, NY: Cornell University Press, 1987), pp. 29-31

15. Hirschman, *National Power and the Structure of Foreign Trade*, (Berkeley: University of California Press, 1980) p. 16.

16. Hirschman, *National Power and the Structure of Foreign Trade*, pp. 26-29. Also see Kirshner and Abdelal, "Strategy, Economic Relations, and the Definition of National Interests."

17. For a study of how economic interdependence among the great powers undermines timely balancing strategies, see Paul A. Papayaoanou, "Economic Interdependence and the Balance of Power," *International Studies Quarterly*, vol. 41, no., 1 (March 1997).

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18. Albert O. Hirschman, *National Power and the Structure of Foreign Trade*; Jonathan Kirshner and Rawi Abdelal, "Strategy, Economic Relations, and the Definition of National Interests," *Security Studies*, vol. 9, nos. 1/2 (Autumn 1999–Winter 2000): 119–56; Klaus Knorr, *The Power of Nations: The Political Economy of International Relations* (New York: Basic Books, 1975), chapter 6.
19. David Baldwin, "Power Analysis and World Politics: New Trends versus Old Tendencies," *World Politics*, vol. 31, No. 2 (January 1979), 161-194.
20. Walt, in *Origins of Alliance*, uses alliances, formal and informal, as indicators of secondary state alignment. Given his empirical focus, the polarized Middle East during the Cold War, this is an effective measure.
21. Such indicators of secondary state alignment parallel Robert L. Jervis's discussions of the "indices" of great power commitment to defend secondary states. See *Logic of Images in International Relations* (New York: Columbia University Press, 1989).
22. On the sources of soft power, see Joseph S. Nye, *Soft Power: The Means to Success in World Politics* (New York: Public Affairs, 2004), chapter 1.
23. For a discussion of Sino-Russian strategic balance in Central Asia, see Stephen J. Blank, "Who's Minding the Store?: The Failure of Russian Security Policy," *Problems of Post-Communism*, Vol. 45, No. 2 (March-April 1998), pp. 3-11.
24. For a comprehensive discussion of Chinese ground force modernization, see Dennis J. Blasko, *The Chinese Army Today* (New York: Routledge, 2004). Also see Dennis J. Blasko, "The New PLA Force Structure," in James C. Mulvenon and Richard H. Yang, eds., *The People's Liberation Army in the Information Age* (Santa Monica, CA: RAND, 1999), pp. 263-

270; Dennis J. Blasko, "PLA Ground Forces: Moving Toward a Smaller, More Rapidly Deployable, Modern Combined Arms Force," in James C. Mulvenon and Andrew N. D. Yang, eds., *The People's Liberation Army as Organization* (Santa Monica, CA: RAND, 2002), pp. 315-322.

25. C⁴I refers to command, control, computers, communication, and intelligence. See U.S. Department of Defense, *Annual Report on the Military Power of the People's Republic of China* (Washington, D.C. U.S. Department of Defense, 2003); Andrew N.D. Yang and Col. Milton Wen-Chung Liao (ret.), "PLA Rapid Reaction Forces: Concept, Training, and Preliminary Assessment," in James C. Mulvenon and Richard H. Yang, eds., *The People's Liberation Army in the Information Age* (Santa Monica, CA: RAND, 1999), pp. 48-57, James Mulvenon, "The PLA Army's Struggle for Identity," in Stephen J. Flanagan and Michael E. Marti, eds., *The People's Liberation Army and China in Transition* (Washington, D.C.: Institute for National Strategic Studies, National Defense University, 2003), p. 116; Dennis J. Blasko, "PLA Ground Forces," pp. 322-325.

26. Andrew N.D. Yang and Col. Milton Wen-Chung Liao (ret.), "PLA Rapid Reaction Forces: Concept, Training, and Preliminary Assessment;" Mulvenon, "The PLA Army's Struggle for Identity," 1999, pp. 116-117.

27. Lonnie Henley, "PLA Logistics and Doctrine Reform, 199-2009," in Susan M. Puska, ed., *The People's Liberation Army After Next* (Carlisle, PA: Strategic Studies Instituted, U.S. Army War College, 2000), pp. 72-73.

28. Susan M. Puska, "Rough but Ready Force Projection: An Assessment of Recent PLA Training," in Andrew J. Scobel and Larry M. Wortzel, eds., *China's Growing Military Power:*

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