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**RENEWING STRATEGIC TRANSFORMATION  
IN ASIA PACIFIC**

**Introduction**

The year 2005 began with a series of attempts for a strategic new modelling in East Asia. The US President George Bush has been well into his second term and started to shape up a new regional strategic environment. In the light of the incessant Iraqi as well as the North Korean issue, at this moment the US obviously need to make a more diplomatic effort rather than rely purely on the military superiority in international affairs. This was clearly highlighted by the new Secretary of State, Condoleezza Rice, at her confirmation hearing at the Senate on 18 January, 2005. She indicated: "we must use American diplomacy to help create a balance of power in the world that favors freedom. And the time for diplomacy is now"<sup>1</sup>.

Even if the US have since July 2005 realized that the campaign in Iraq may drag on further and may last even longer than many have expected, the US began to refocus their strategy on coping with the rise of China. While the US has been preoccupied with Iraq, it has discovered the way China has quickly filled out the strategic vacuum all over the places around China's neighbouring countries. Leaving aside the Iraqi scenario, the US are now facing two daunting strategic challenges in their national security strategy: the war against terrorism and the rising and powerful China.

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<sup>1</sup> "Opening Remarks by Secretary of State-Designate Dr. Condoleezza Rice", Secretary Condoleezza Rice at the Senate Foreign Relations Committee, Washington, D.C., January 18, 2005, [http://www.state.gov/secretary/rm/2005/40991 .htm](http://www.state.gov/secretary/rm/2005/40991.htm).

Based upon a new idea of diplomacy, the new trend comes with a reconciliatory approach to the Atlantic relations, the regeneration of the US-Japan security alliance, the appeal to India for a strategic partnership, and the building of a constructive partnership with China. At the tactic (sub-regional) level, the two major security challenges in East Asia lying ahead of the regional agenda are the North Korean nuclear issue and the Taiwan Strait with which the new strategic layout is mainly to cope. Among all else, China's continuous military build-up and the obsession with military power remain the greatest warning sign to the US and Japan as well as the regional countries. With an increasing security concern, the US and Japan have plunged into the action of strengthening the nature of mutual security alliance. Following the so-called US-Japan "two plus two" ministerial meeting in Washington, D.C. in February 2005<sup>2</sup>, in September the US and Japan met again trying to consolidate their differences and find a way to materialize the security linkage<sup>3</sup>.

The focus of the US strategy is critical to East Asia security. Nevertheless, at the strategic level, the recent strategic evolution implies that apart from counter-terrorism, the rise of China has become an important factor of a strategic transformation in Asia, which may dominate the direction of a long term regional strategic development for decades ahead. Accordingly, China's recent all-out diplomatic advancement and achievement have been seen as an attempt to elbow off the leading roles of the US and Japan in the regional security and economic affairs. US analysts have expressed concern about the development of this growing trend, as the Chinese-driven development of Asian regionalism is potentially shifting toward a new Asian-centric architecture<sup>4</sup>. It makes many in the region ponder if the current trend would prevail without the US' involvement and this new Asian-centric regional mechanism would shape a true nature of Asian regionalism.

What are the real intents of the strategic competition between the US and China? What exactly does the US strategy aim at? Are the US developing a new round of containment over China? Needless to say, the move of the US strategy in the region has certainly propelled a similar momentum from the region for balancing the American strategic effort at least from a diplomatic front. Recently, China, India and Japan have been on the move catching up the least strategic transformation and tried very hard to add strategic weight over the new picture. The East Asian region has come to a stage of a dynamic strategic transformation.

On account of the strategic calculation, there is a clear rivalry between strategic intents of the US and China. The rise of Chinese nationalism against Japan indicates that different strategic interests and security deliberation may have hastened their historical animosity. As of now, Japan clearly takes the side of the US, while the Chinese have successfully wooed many regional countries with eco-

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<sup>2</sup> "Remarks With Defense Secretary Rumsfeld and Japan's Foreign Minister Machimura and Defense Minister Ohno", Secretary Condoleezza Rice, Loy Henderson Auditorium, Washington, D.C., February 19, 2005.

<sup>3</sup> "U.S.-Japan Strategic Development Alliance", Joint Statement, Office of the Spokesman, Washington, DC, September 17, 2005.

<sup>4</sup> B. Vaughn, "China-Southeast Asia Relations: Trends, Issues, and Implications for the United States", CRS Report for Congress, 8 February 2005.

conomic incentives and peaceful image. However, worrying about the potential threat of China's growing military strength, Japan has blatantly pinpointed China and the North Korea as her current key security concern. Under this pressure, Japan and the US have committed to reinforce their mutual security alliance and together laid down common strategic objectives. Japan is also facing a transformation of her international role and demands for a normal state from within the society.

Recently, Chinese top leaders have conducted high profile foreign visits to four countries in South Asia (in April by Premier Weng Jiabao) and to three states in Southeast Asia (in late April by President Hu Jintao) seeking for formulating a strategic partnership network around China's neighbouring countries. China shows her determination to stabilize her external environment and a strategic intention to build a sphere of influence. Are we envisioning an era of forming a cooperative and contending security matrix in Asia? Would a concurrent course of these strategic shifts lead to a US-China competition and a future potential conflict between China and the US-Japan?

## **On the Macro-Level of Strategic Development**

### **The US-China Complex Relations: from a "Competitor" to a "Stakeholder"?**

The pivotal bilateral relation in the region is the one between the US and China. Since the US President George Bush began his first tenure, China had been described by the US policy makers as a strategic competitor. When the terrorist attack occurred on 11 September, 2001, the US national security strategy was suddenly plunged into a temporary chaos and forced to adjust to a new direction of fighting against non-traditional enemies. The terrorist strike on the twin towers in New York and the Pentagon awoke many policy thinkers inside the Beltway and thus the focus of its national security strategy was shifted towards a pre-emptive orientation. The priority of the policy was then readjusted. The counter-terrorist campaign became the top priority.

Under such a strategic structure, the US moved to another era of diplomatic cosy relationships with some countries which support counter-terrorism. While the US have been concentrated on fighting terrorism and the Iraq issues, the US especially need China to help out with the North Korea issues. On the six-party talk and Taiwan Strait issues, the US need to work with China closely. Around 2003-2004, the US began promoting a clear relationship with China. The US-China relationship was described as "candid, cooperative, and constructive". Many former officials, including Richard Armitage, the deputy Secretary of State, and James Kelly, the Assistant Secretary of State reminded many that the US shared best relations with China ever. It was contentious as while the US, China, and Taiwan once all claimed the best stage of their bilateral relations with each other, the crisis in the Strait arose.

In 2005 Secretary of State Condoleezza Rice suggested that the US-China relations were entering into a complex situation, which implies both a cooperative and a conflict scenario. On 21 September Robert Zoellick, the deputy Secretary of State, said that "We now need to encourage China to become a responsible 'stakeholder' in the international system"<sup>5</sup>. The US are now facing a stronger and tougher China, which with certain military strength cannot be ignored in a traditional way. In October 2005, China successfully launched and landed a space shuttle and implied that its military technology was fast catching up with the level of the US and Russia.

### **The Peaceful Rise and Emergence of China's Sphere of Influence**

The rise of China has become an existing reality. Since China became a UN member in 1971, China has begun the catching-up process of learning in the international community. In the past few decades, China made many mistakes but also learned enormous lessons. The Chinese perspective of the world in the past followed the traditional line of scolding imperialist suppression, which was fraught with humiliation and a negative picture of colonial sentiment. Today, as China's comprehensive national power increases, the world has seen a powerful, richer, more confident and smarter China emerging on the horizon.

Entering the fourth generation of leadership, President Hu Jintao has to combine the powerful rise with a peace image in order to prevent the frightening of neighbouring countries. In order to ease away the international concerns, the internal discussion on the "peaceful rise" was concluded by suggesting a new terminology of "peace and development", as if the rise of China would bring about peace and help promote economic development. Thus, it couples with its good neighbours diplomacy as a part of its "charm offensive" to advance into the neighbouring regions. For example, China advances in Southeast Asia with a peace image by getting involved in several critical areas: the acceleration of bilateral trade, the increase of its investment in the region, the growth of bilateral assistance, and the provision of regional assistance to the ASEAN region. While China has been working very hard to re-invent its new relationships with Southeast Asian countries, it has also tried to reduce any possible territorial disputes with its neighbours. Even if sovereign issues have so far gone nowhere, the charming appeal of pending disputes and encouraging joint exploitation easily wins trust and friends.

In the most updated China's national proposal for the 2006-2010 the national program for economic and social development issued by the Communist Party of China, China promises to "stick to its independent foreign policy of peace, keep to the road of peaceful development, strengthen relations with foreign countries, and promote international cooperation"<sup>6</sup>. The main purpose of the Eleventh

<sup>5</sup> R. Zoellick, *Whither China: from membership to responsibility?*, Remarks to National Committee on US-China relations, New York, 21 September 2005, <http://www.state.gov/s/d/rem/53682.litm>.

<sup>6</sup> *CPC calls on whole country to work hard towards 2010*, "Xinhua Online", 19 October 2005,

Five-Year Program reflects that China cannot sustain the domestic social disparity and the growing internal dissatisfaction at her current economic course. She has to come to terms with her domestic problems before China can go any further. Thus, it needs a peaceful external environment that could allow China to expand without being disturbed.

Having realized the fundamental concern of China, Chinese have successfully encroached into all sectors, including the economic, political, diplomatic, and military ones in her external relations. Now, China is not only a regional political and military power, but also a leading economy in Asia. With her substantial market potential and manufacturing capacity, China is sucking most of foreign direct investment in the region and leading a new pattern of economic development in Asia. None of the countries in the region can spare any sort of relationship with China. Therefore, to assess the effect of the rise of China nowadays becomes most desirable and perhaps fashionable among the region's countries.

With the rise of a powerful China, President Hu Jintao has proved to be more confident and perhaps assertive in managing foreign and security policy. Unlike his predecessor, Jian Zemin, he encourages the formation of a strategic partnership network with the important countries around. In a way, this development looks as if China is building an anti-American alliance. There are the Shanghai Cooperation Organization to the west and north, the ASEAN plus China to the southeast front, and the strategic and cooperative partnership with India and the strategic partnership with Pakistan to the southern front. On the annual SCO summit in July 2005, the concluding joint statement formally requested that the US troops deployed in Central Asia should be withdrawn<sup>7</sup>. In less than two months (December 2005), a China-centred East Asian Summit will take place in K.L. The likely anti-American alliance will be further reinforced. There may be more effect developing from there. It deserves further observation.

### The List of China's Strategic Partners

China-ASEAN Strategic Partnership for Peace and Prosperity (8 October 2003)

China-Russia Strategic and Coordinative Partnership

China-India Strategic and Cooperative Partnership (12 April 2005)

China-Pakistan Strategic Partnership

China-Kazakhstan Strategic Partnership (04 July 2005)

#### *Friendly partnership*

China-Uzbekistan Friendly and Cooperative Partnership

China-Mongolia Good-Neighbourly Partnership with Mutual Trust

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[http://news.xinhuanet.com/english/2005-10/19/content\\_3644141.htm](http://news.xinhuanet.com/english/2005-10/19/content_3644141.htm). Proposed by the Communist Party of China Central Committee on the Eleventh Five-Year Program on National Economy and Social Development, the document was adopted at the Fifth Session of the 16th CPC Central Committee which ended 11 October, 2005.

<sup>7</sup> A. de Nesnera, *Shanghai Cooperation Organization Flexes Political Muscle*, "Voice of America", 18 July 2005, <http://voanews.com/english/archive/2005-07/2005-07-18-voa58.cfm?CFIEN30121736> &CFOKEN=12122199.

## **On the Micro-Level of Strategic Development**

On the micro-level, there are six recent developments to be emphasized:

### **1. The Refocus of the US-Japan common strategic objectives**

Japan's strategic shift was more of a response to China's advancement toward the Pacific. Driven by the Chinese blunt intrusion, Japanese are frustrated and feel the mounting pressure on security. A number of recent incidents include the frequent excursion of Chinese scientific research vessels and military ships into Japan's exclusive economic zone. However, the most astonishing move came as a Chinese nuclear submarine entered Japan's territorial water and was found on 10 November, 2004. It reminded of the fact that China had recently increased her battling for marine resources in the East China Sea, including the natural gas drilling. The incident immediately sent a strong shocking wave through the public in Japan and China's growing challenges to Japan loom larger.

On 10 December, 2004, the Japanese Government approved the "National Defense Program Guidelines, FY 2005" (the new NDPG) and the "Mid-Term Defense Program, FY 2005-FY 2009", in which two particular countries were singled out as key security concerns, North Korea and China. For the first time in Japan's post-World War II history, Japan openly put China as one of the key security concerns.

On the US-Japan "two plus two" Security Consultative committee in Washington in February 2005, the maintenance of peace and security in the Taiwan Strait and encouraging China to improve the transparency of her military affairs were made a common strategic objective. It is obvious that Japan's concerns with the Chinese continuing to modernize their nuclear forces and missile capabilities as well as their naval and air forces were reflected in the joint statement. As China is expanding her area of operation at sea, the maritime security has touched the nerve of the US and Japan's vital interest. The sea-lane of communication right across the west Pacific is at the centre of the strategic matrix on the US-Japan side.

### **2. Regenerating the Six-Party Talks and a Possible Security Framework**

The Six-party Talks have stagnated since late last year, when North Korea unilaterally announced her dissatisfaction with the US policy and would indefinitely walk away from the talks. Even if the talks did not resume before September 2005, a multilateral shuttle diplomacy has taken place among all participants. The US repeatedly urge China to take more responsibility for resuming the talks. As long as the Six-Party Talks process is undergoing re-consultation, North Korea will be confined within the existing framework, notwithstanding the fact it does not wish to come forward. Although each country's participation in the process is based on

a different account of a national interest, no one would deny the region's need to be nuclear-free. With regard to the North Korean nuclear issue, the US and China can come up with a common interest of their diplomatic efforts.

The fourth Six-Party Talk restarted in September 2005. To many analysts' great surprise, the talk concluded with a first ever joint statement among all the participants. It started in a normal fashion. Since the talks had been continued for some time and the critical issues between the US and North Korea remained so obvious, nobody seemed to believe that the breakthrough of the talk would come any time soon. However, for the sake of forging a successful conclusion the US decided to alter their long argued position: they promised not to deploy nuclear weapons in the Peninsula and not to use nuclear weapons against North Korea. The US maintained their position in terms of requesting North Korea to give up the nuclear program, but they would allow a peaceful use of nuclear. For the first time, the US felt the pressure from the rest of the parties to sort it out sooner, though there remained differences between the US and North Korea. North Korea is still suspicious about the US and calculates that before the US light water nuclear reactor can be built, the country would be reluctant to give up nuclear weapons as yet. What the US have viewed differently in the Talk this time was the uniformity of North and South Korea. It implies that the US traditional alliance with South Korea may have come to a juncture where their policy focus has split and their interests do not overlap.

The progress concerning the security mechanism of the Six-Party Talks has stimulated further discussion on whether it would become a region-wide multilateral security framework. Despite the stagnation of the process, the spirit of regular security talks and dialogues does bring about optimism. If the next few rounds of the six-party talk can deliver something substantial to peace and stability, the framework will definitely grow.

### 3. The Impact of China's Military Build-up

What would be the immediate impact of China's fast military build-up? Would China's growing military capability change the regional strategic environment? Who would become the victims of China's military build-up? Since China's military build-up does not make itself transparent to the outside world, China's military intention is not predictable. Nor does her strategic layout convey sufficiently open and accountable information. Recently, China's military modernization process has gone a fast pace through the increasing defence budget, arms procurement, joint development program with other countries, technology transfer, and upgrading military industry. The intention of a military modernization is said to deter the US military attack, to discourage American support to Taiwan, to coerce and threaten Taiwan to accept China's political condition, and to strengthen the PLA navy's power projection in the South China Sea. At present, China is heading for building a blue water navy and challenging head-on the dominance of Japan and the US in

the western Pacific. It will not only change the current strategic landscape of the region, but also jeopardize the international sea lane of communication. China's growing military clout in the region has intensified the competition against Japan and the US. The regional military analyses, including the annual US-China military assessment report, suggest that as a result of China's modernization, the military balance in the Taiwan Strait is tilting toward China. It further heightens the risk of a conflict in the Strait.

It increases the rationale that the EU should not lift arms embargo to China, as any compromise to that end will only intensify the regional instability and after all send a misleading signal to China and the region. We often forget to ask how the EU's arm sales to China will affect the regional military balance? The Asia Pacific is at the brink of a strategic structure shifting and does not need any extra factor to accelerate the change.

#### 4. India and East Asia Security

Along with the US-China strategic competition, India's growing national power and its geo-political significance have made the country indispensable to power competition. China has tried to improve her bilateral relations with India by opening up border negotiation and broadening economic contacts. Since early 2005 the US and China have respectively made a cooperative progress with India. The US and India even signed a security framework agreement in which the US promises to help India with nuclear technology. This move has highlighted the US strategic focus of strengthening a geo-political cooperation with India in South Asia.

It shows that India's significance in East Asia security is growing. In addition, India is preparing to further involvement in the regional activities. Her Look East policy has developed further beyond the Southeast Asia region and led to bilateral relationships with Taiwan, China, Japan and South Korea. India is expanding her military role and lately has conducted joint military exercises with China, the US, and Russia. India's military projection increases her responsibility in protecting the sea lane of communication right from the Persian Gulf to the Malacca Strait in the Indian Ocean. India will have more to contribute to maritime security, which is in accordance with the US global interest.

#### 5. The Impact of the Anti-Secession Law on Security in the Taiwan Strait

Chinese People's Congress promulgated the "Anti-Secession Law" on 14 March 2005. It contains "non-peaceful measures" to deal with the Taiwan issues. It obviously sends a direct threatening message to Taiwan, even though the law also proposes a flexible room for the cross-strait relations. Immediately, the US, Japan, and the EU issued a strong statement saying that the law was unproductive and un-



helpful to the peace. It is absolutely unpopular in Taiwan. Most Taiwanese see it as threatening.

Issuing the Law was a part of Beijing's strategy against Taiwan. The Law has clearly set the tone and framework in which Beijing's leaders need from now on to follow through the tougher policy guideline. Namely, Beijing's "soft softer, and hard harder" strategy can be freely played out, after the hardest line is set. Logically, Beijing will thereafter try to open out more flexibility to woo Taiwan. Right after the Law was issued, the Chinese leaders warmly received the opposition leaders' visit to China. Indeed, there is a Taiwan fever in Mainland China. It did dramatically soothe the criticism on the Law. But, the critical challenge now is that Beijing's policy is complicated by Taiwan's domestic inter-party struggle. The opposition, the Pan-blue camp, and the ruling coalition, the pan-green camp, do not for the time being meet any consensus on any issue. The Law may echo what the hardliners in China desire for. However, it also maintains the possibility of a potential crisis in the Strait. While Taiwan cannot yet reach a consensus on what to do with China, this uncertainty may send a wrong signal to China.

## 6. Problematic Japan-China Relations

When the Chinese burst up to burn Japanese cars right after losing a football game to the Japanese team in Beijing in spring 2005, anti-Japan riots erupted in a number of cities in China. The rise of Chinese nationalism becomes an issue in the regional security. In 2004, Japan's government made a decisive move to name China as one of Japan's security concerns. In February 2005, the US-Japan security meeting brought forward a strategic cooperation targeting China. On the diplomatic level, the natural-gas-field rights in the East China Sea continues to cause rage between them. The military and economic competition between China and Japan has been intensified lately. Looking beyond the military competition, China moves into the economic arena and challenges Japan's leadership in the region. East Asia Summit would show how to claim the top seat in the region. Lately, the Chinese successful five-day spacecraft journey circling the Earth lights up a new space race in Asia, especially between China and Japan<sup>8</sup>. The space ambition implies more than economic capacity. It represents superiority of the technological advancement, including the scientific research level and military technology.

Japan-China relations have reached an unstable era. Japan's Prime Minister Koizumi won a landslide victory during the latest general election. Koizumi's victory may have given him a much larger legitimate power no one has had in Japan's recent history in politics. His political legend is going to last much longer and the political reform will go through with him. A conservative and independent line of foreign policy may be more likely. His insistence on the regular visits to Yakusuni Shrine touches the most sensitive nerve of Japan-China relations. Japan

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<sup>8</sup> J. Frederick, *Asia's space race*, "Time", 17 October 2005, p. 20-24.

and China's competition will permeate all the aspects of the bilateral relationships. Confident leaders of both countries may feel it easier to manage the situation than being out of control, but they are more likely to stem firm on their position from which their constituencies gain support. This uncertain relation between Japan and China will determine the major development of Asia's strategic transformation.

### **Concluding Remarks**

Asia has come to a new era where the US-China strategic competition is speeding up. The impacts on the macro-level of the regional security are: firstly, the China-driven new shift of Asian regional architecture is taking place, the China-Japan's regional competition is heightened, the US-China geo-political strategic advancement is getting more obvious.

The currently developing trend of a strategic transformation in Asia could gradually shape up a new cooperative structure for the future. The main questions are: whether Asia could sustain its regional cooperation or even integration without the US involvement? To what extent could the US tolerate this Asia-centric architecture to dominate the future strategic landscape?

The US is currently undergoing their Chinese policy readjustment. Under the new strategic thinking framework, China will be the major target of the US Asian strategy. It may deserve a closer look whether it will lead to the US-China reconciliation or competition. The scope of the regional security will be fraught with the traditional layout of strategic competition and cooperation on the format of two camps, and the untraditional security challenges to the region.