Power Structure and Its Stability in North-East Asia

(Yuzhu Wang is an associate professor of Institute of Asia-Pacific Studies, Chinese Academy of Social Sciences, and a visiting scholar to University of Chicago till the coming August) It's my pleasure to share viewpoints on the peace of North-East Asia with you here. But first, I would like to say thanks to the organizer for arranging the talk for me. The peace of northeast Asia, in my opinion, is decided and will be decided by the stability of Sino-America relationship, this is the center of this issue, while cross Taiwan straits relationship and North Korea nuclear issue are the two emphases, which are high relevant to the Sino-America relation and need both sides to treat strategically.

As for the relationship between China and the United States, the most important aspect should be the rapid growth of Chinese economy since its opening-up and reform, which is labeled "the rising of china". It's apparent that the high GDP growth rates have caused fear in Western world since middle of 1990s, and this should be the reason why "china threat" theory has been rampant since then before the real threat is coming.

But what I will say here today, maybe contrary to most of you here, is that even though the rising of china is leading to some kind of power restructure in Northeast Asia, the regional order still has the high opportunity to keep stability and the peace in this region still can be hoped in the near and middle future.

I. The pessimistic picture of Northeast Asia future

The end of Cold War changed the power structure of the world dramatically, and of course that of the northeast Asia. Though the transition from bipolar world to unipolar world was beneficial to the United States, it means different thing to China:

Under the bipolar competition, the United States was more defensive, and some times Washington need Beijing to help him confront The USSR, at least the united states didn't like an allied China and USSR, this left opportunity for Beijing get some better offers from Washington. Personally, I think that was one of the motives that the Nixon administration resumed its diplomatic relations with China.

As the United States became the only hegemony of the world, it changed to be more offensive, which means it wants to keep it status quo hegemonic position on one hand, and be more sensitive to the rising of potential power which may challenge it on the other. Without peer great power to check, the world saw a more offensive America which launched military attacks on Yugoslavia and Iraq, both were thought to be the challenger to its hegemonic interests either in Europe or in Middle East.

And under this kind of perspective, the rising of china is a threat to the hegemony of the United States because economic power is a decisive element of power, and the prosperity and advancement will naturally strengthen China's military power. In this perspective, the lasting rapid growth of china is making it a regional power, which is and will change the power distribution of North-East Asia. The offensive theory predict further that with its power growing, China will act just like the United States which means it may practice "Monroe Doctrine" and challenge America's interest in East Asia. So, there will be a military conflict between China and the United States.

Is this inevitable? Maybe it's in the long-run because even to China the U.S. hegemonic position will decline and world multipolarized in the long-term (Wang Jisi, 2005). But in the short and middle future, I think direct military conflict between China and U.S. is totally avoidable, and even in the long-term it's more likely that both sides want to keep peace.

II. Does the rising of China matter?

To my above argument, people may ask whether the rising of China still matter, my answer is yes, because it will cause the power structure reshape in the long-run definitely. But this never means a direct conflict either theoretically or historically, it can be manageable.

1. The rising of China as a fact

After nearly 30 years growth, China is emerging as a regional power according to the traditional definition of power, which focuses on the population, territory, economic and other capabilities a state hold. After a 10.4% growth in 2005, china GDP experienced 10.7% growth last year, which led to a total GDP of \$2685 billion (1U.S. dollar=7.8RMB). Additionally, china's trade with the world was \$1761 billion and its foreign exchange reserve exceeded \$1000 billion last year. This economic development does increase china's power dramatically, and no one will deny this fact, although China's long-run growth is limited by many domestic problems, such as the distribution of its development benefits among different groups, the pollution and wastes, the bottleneck of infrastructure and so on. Chinese government tends to argue that its per capita GDP is still very low, and China is still developing country. This is also true, but this argument can change nothing because when we think about power, it's the comprehensive power in our mind, and it can make the issue even worse if the listener is offensive-minded.

2. What theories predict?

Every policy maker made the decisions on their own perception, but just as Waltz argued persuasively, the perception can only made under a certain structure—which determined by the distribution of power among states at a certain time. The post cold war world and so Northeast Asia is unipolar, with the United States the only hegemony. "Hegemonic stability" theory argued that this is stable system because the hegemony will have the motive to keep the international regime going forwards, because the regime was usually set up by the hegemonic power based on their interests concern. But the hegemonic stability is unstable from the beginning, and the basic problem is that states experience different growth rates under this structure, which eventually cause the hegemonic war—emerging potential power(s) try to challenge the status guo power.

But this theory doesn't predict direct conflict between china and the United States, because whether the potential power chose to challenge the status quo hegemony depends on the benefit and cost calculation of the former, the potential power take action only when he believe there will positive gains. To the china's rising case, this means the ball is at the Beijing side. Personally, I believe china will not challenge the U.S. power in the near to middle future, just as Wang Jisi put it, "Indeed, a cooperative partnership with Washington is of primary importance to Beijing, where economic prosperity and social stability are now top concerns." and "It would be foolhardy for Beijing to challenge directly the international order and the institutions favored by the Western world."

While even this is true, the story is far from stop, structure realism emphasis the system restriction of states' actions, for example, states behave differently under a unipolar, bipolar or multipolar world. While any decision can only be made by some decision makers, based on their own perception to the structure. So the perceptions are still vital element in the process of decision making. While those VIPs of states policy may prefer defensive to offensive, or prefer offensive to defensive, they also vary in the believing whether others' intention of defensive or offensive can be distinct. When they prefer defensive to offensive, and believe they can separate other states' offensive intentions from those defensive ones, the structure will be more stable, while the world will be in danger when they believed the other side.

Offensive realists are those prefer offensive and believe that you can never know exactly what the other states will do, and even you know it now, you will make mistake if you hold the same believe for long-term because it can be changed with the transferring of the situation. So they think you never need troubled to know what others will do, what you need is take action based on your own judgment, and the rational choice for the hegemony is put down any potential challenger before it's full-fledged.

According to this point, china's threat is impending and the American government should react to the rising of china seriously. This solution to international relations is simple, and it will be welcomed by any relevant policy maker if it's always feasible. But the real world has never been so simple, rational policy-makers will not take this kind of rush decision, especially when they faced with a big power like china. The logic is clear, you surely can weaken the challenger by practicing military attack and usually you will win, but that may also cause a rapid decline of your-self, which means opportunity to other potential power. And the history of the United States has shown that it not always behave offensively.

3. What the history tells us?

The Unties States, just like other hegemonies, do have the propensity of offensive, but it also shows defensive sometimes, and this is decided by its domestic politics. The invested groups of the America can be offensive or defensive to an issue, concerning their different interests and characters, and the final policy to some issue may be offensive or defensive depends on which group(s) is(are) dominant. I myself think that American policy is more offensive when the challenger is relatively weak and the cost of the offensive action is low, while when the cost of offensive practice seems high, the U.S. government tends to chose defensive.

During the world war II, facing a rising and offensive Germany, the U.S. government rational chose buck-passing policy when German try to conquer Europe, and show no offensive to Japan's aggressive action in Pacific region. John Mearheimer failed to provide any evidence to show that the United States had decided to attack Japan before the later assaulted the Pearl Harbor. Some scholars do argue that the U.S. government had compelled Japan to attack the Pearl Harbor, so that they can declare war with Japan, because the government faced strong opposition to practice war with Japan at that time. Be this argument true, it's only show that the government is limited by the domestic politics and it's difficult to be offensive.

While after the World War II when the America became hegemonic power, the world saw the Korean War, the Viet Nam War, while it kept peace with the USSR though it was only cold peace. The other punishments the U.S. government put during the post cold war are all on weak countries which are believed to be hostile-intentioned.

So, I argue here, even in the long-run, both sides of the Pacific Ocean will control themselves, and can keep cold peace at least.

III. The North Korean issue and the cross Taiwan straits relationship

Many people think that these two issues are the source of the instability of North East Asia, I agree with it. But to me, attention concentrates on these issues just because the rising of china. And if the Sino-American relationship can keep stable, these issues should have most opportunity to be settled down properly. But there are differences between these two cases, Taiwan issues is the Sino-American issues itself in some extent, and the bottom line of Beijing to it is clear. If only the U.S. behaved rationally, they have the motivation to keep the status quo there. Because independent or reunited with mainland china of Taiwan will lead to lose of America's control of Taiwan, and also lose a measure to check mainland china in the long-run. While Beijing is also want to keep the situation unchanged at least in the middle future, because Beijing know Washington's action if he launched any aggressive action, at the same time, Beijing want to keep the status quo while waiting the opportunity of peaceful solve of this issue.

The North Korean issue is more complicated; corner by the poor domestic situation, Pyongyang may be more and more aggressive as its leader feel more threatened by the America. But different with Taiwan issue, no one can influence Kim Jong II effectively, although china is and will be behave actively in the six-party talk because any worse situation happened on this neighbor will cause heavy security challenge to Beijing. Maybe the America should not push it too hard while seek to solve it through diplomatic method. Al though the nuclear test North Korea launched can be seen as a challenge to the authority of the United States, it is far from a real threaten to America, and even its threaten to South Korea and Japan have been exaggerated.

You may think I am too optimistic, but my argument also based on two other aspects of facts: the exaggerated economic power of China and the rationality of the United States.

IV. The other side of the coin: constraints on China's long-run growth

Even for those offensive realists, their judgment of the conflict between China and the America is based on a long-run continuous growth of china economy. But it's obvious that they overlooked the constraints to china's GDP growth, and then exaggerated China's threat. Just as I mentioned above, behind the rapid GDP growth rates, it's the worsening of the cumulated problems companied the slow advancement of productivity, and the central government call for slow down the growth rate this year with the concern of bubble economy, which many economists have warned were emerging in the real estates industry since last year.

At the same time, under the pressure from western world, especially America, China began to appreciate its exchange rate to the U.S. dollars also since last year. Borne in mind the lessons of Japan, China refuse to appreciate Renminbi too fast, the exchange rate of U.S. dollar to RMB is now 1:7.8, and the pressure has far from alleviated. This will slow china's economic growth because it still depends heavily on exports and FDI, while the appreciated RMB will erode its comparative advantage in labor. So, the future of China's growth is uncertain.

V. The world needs a more generous hegemony

The last but very important point to my argument is I believe that the U.S. government will behave rationally at most situations. Realists argue that great powers consider more about relative gains when dealing with international relations, because in a self-help world this is the rational choice. But I argue here, if they make choice rationally, they will not be offensive, instead, they should be defensive and more generous.

First, America is the only hegemony in a globalized world, and there is an international regime led by America, through which America can take some relative gains. Second, bilaterally, realists argue the relative gains concerns make cooperation impossible, but in fact, when one side would like to make concession, cooperation is available. And I think the rising china is one case: although china knows that the U.S. dominant world order is far from justice, it still works positively within this system, because Beijing learned that the only way to get justice treatment is accepting the injustice of the world order and cooperate with the leaders. And this is the real relationship between china and America. Some argues that by engaging china, the united states lose the relative gains, because china's GDP growth rates is higher than those of America, but only simple calculation can prove this argument is misleading. China should keep a 4-time higher GDP growth rate than America to maintain its GDP gap with America from being widened.

Third, though offensive is seemed to be a foolproof method to maintain hegemonic status, its cost may be forbiddingly high, especially when you try to put down a big country like china. Yes, America may win a war on china easily, but how about India, which is also experienced rapid growth, and how about Russia? After all, all countries are growth and become more powerful. America can never have enough power to conquer all these "potential" challengers, and if it really tries to do so, it may decline even quicker. So, the best way should be using the soft power, focus more on the international regime and be a generous hegemony. That means the hegemony should try best to solve international conflicts peacefully, and avoiding push too hard for those offenders. For example, after being labeled "evil", North Korea bombed its nuclear weapons and Iran

began to seek nuclear weapons openly. Kissinger recommended recently that the Bush Administration should to try more diplomatic measures to solve the Iran issue and prepared to sit down to talk with enemy, that shows some people had realized be generous maybe helpful.

The United States caught the only hegemony position after the end of the Cold War. It need time to get rid of the cold war thought and learn to be the leader of the world. And I believe they can learn quickly, the frustrating experience in Iraq maybe helpful in this aspect. So, I'm optimistic on the future of Northeast Asia. Yes I can be wrong, but that's too bad, not for myself, but for the world.