

East

Asia

In Focus

Changing Times, Changing Ties for the US, China, Japan and Korea

100

Mark Beeson

The extensive US alliance system in East Asia looks ever more targeted at Beijing. Could that risk miscalculations and even conflict?

107

Thomas Fingar

China's rise and Japan's efforts to become a more 'normal' nation are an opportunity for greater multilateral co-operation.

110

Alain Guidetti

There are complex dynamics and lessons for the US in the quietly growing strategic partnership between China and South Korea.

Asian ianances



China's Rise, Japan's Quest and South Korea-US Co-operation

By Thomas Fingar

Perceptions of security risks in Northeast Asia are increasingly being shaped by the rise of China and Japan's more recent efforts to become a more "normal" nation. The momentum behind both developments is being felt acutely in the relationship between the US and South Korea. While many argue that the stage is being set for an inevitable conflict, Thomas Fingar argues that what is happening in China and Japan provides an opportunity for greater multilateral co-operation.

Developments in Northeast Asia, as in all regions of the world, are increasingly interdependent and interactive. In such an environment, perceptions and expectations sometimes influence foreign policy decisions as much as pressures from domestic constituencies and the actions of other countries. Stated another way, perceived reality and imputed intentions sometimes carry greater weight in policy debates than does what actually transpires. In this short essay, I discuss China's rise, Japan's quest to become a more "normal" nation and the impact of both on co-operation between South Korea and the US. The lens through which I view developments is that of an American academic who has served in the United States government.

China's Rise

China's people and leaders deserve much credit for what they have accomplished in the last three decades, but it is important to remember that what they have achieved has been done through participation in the US-led global order, in a conscious effort to follow the path pioneered by Japan, Taiwan and South Korea. The US has

welcomed and facilitated China's participation, and so have its allies and partners, including Japan and South Korea. In other words, China's rise has occurred because of — not in spite of — the policies and actions of the countries discussed here and of their European partners in the Organization for Economic Co-operation and Development (OECD). China's rise was neither an accident nor a mistake and deserves to be scored a policy success for the US and its allies.

One consequence is that China has become both more prosperous and more powerful. Some worry, with reason, that it has also become more assertive and more dangerous. Indeed, China may have become more confident and influential, but it does not appear to have become more stable or secure, at least not yet.

But China has also become deeply enmeshed in, and dependent on, the global system that made its rise possible. It cannot act in ways that disregard the rules and norms of that system without endangering its own prosperity and the legitimacy of the regime. Moreover, it is constrained from pressing for dramatic changes to the global system by the roughly 175

countries that, like China, benefit from participation and are reluctant to jeopardize their own futures by tinkering with institutions that are working for them. A rising China that continues to “play by the rules” is an asset and an engine of growth; a China that acts contrary to existing norms is a threat to all who benefit from the liberal international order.

Many who use the term “China’s rise” implicitly or explicitly link it to the concept of US or “Western” decline. I call this a “seesaw” theory of international relations, because it posits that the rise of one state must be accompanied by the decline of another. The facts do not support such a view in the 21st century. China’s economy has grown, but so have the economies of most other nations. The global economy is many times larger than it was when China entered the system; globalization has made more people in more places more prosperous than ever, and the US share of the much bigger global economy is almost exactly the same as it was in 1979 — roughly 25 percent. The exception to this general pattern is Japan. In terms of its economic performance, Japan has not been a “normal” country for more than 25 years, when economic stagnation set in at the beginning of the 1990s. What is true of economic performance is even truer with regard to other indicators of national power.

Facts are important, but in the world of politics, perceptions can trump reality, even if perception is based on misinformation and mythology. The point I wish to make here is that it would be a grave mistake for decision makers in China, elsewhere in Asia or in the US to address imagined or exaggerated problems by taking actions that make the situation worse.

Japan’s Quest

Pressures and actions in Japan that are described as part of a desire to become a more normal nation are misinterpreted or misconstrued as frequently and unhelpfully as are characterizations of China’s rise. I will focus on two strands of the debate germane to the topic of this essay — namely, collective security and economic reform.

In terms of security, let me begin with an assertion: what may be happening in Japan is not “remilitarization” or an effort to “reverse the verdict of the Second World War,” as some Chinese have

I do not believe South Korea-US co-operation should be enhanced in order to “contain” China or Japan. Nor do I believe that China’s rise has diminished the will or ability of the US to honor its security commitments to South Korea and Japan, or that South Korea’s increasing economic “dependence” on China will force it to choose between its leading economic partner and its most important security partner.

claimed. I have nothing to say about the “sincerity” of official Japanese apologies for its aggressive behavior during the war or the wisdom of visits by senior government officials to the Yasukuni Shrine, except to note that they complicate and impede necessary efforts to address the implications of China’s rise. Japan is currently considering whether to alter security-related policies and practices pegged to a long-standing interpretation of its constitution. The Japanese have a right, and I would say an obligation, to do so. I say obligation because the military component of China’s rise has changed the strategic situation in the Asia-Pacific region in ways that cannot be ignored.

Chinese officials have asserted their right to determine what is necessary to meet the country’s security requirements, but have not explained why it is necessary to act on this right by adding substantially to its own military capabilities at a

time when other major powers are freezing or reducing their military forces. China's buildup has been going on for two decades. During most of that time, Japanese defense spending declined. When it did increase, in 2013, it went up by less than 1 percent. More important than what Japan spends, however, is whether and how it is able to participate in regional collective defense efforts. As of now, it cannot do much. For many reasons, it needs the capacity to do more. One reason is the prudent need to hedge against uncertainties about China's intentions. Another, and more important, reason is to facilitate movement toward a regional collective security architecture that includes China. For both hedging and future architecture reasons, Japan must do more to contribute to and facilitate collaboration with the US and South Korea.

The second strand is economic. Japan's atypical economic performance during the "lost decades" since 1989 is, in part, a function of its reluctance to open the economy by making reforms such as those required to reach agreement in the current Trans-Pacific Partnership (TPP) negotiations. The TPP is desirable for many reasons, but mostly because it will result in necessary structural adjustments and prolong the period of global prosperity. China should be brought into the new regional trade grouping as quickly as possible, because that would be good for China, for others in the region and for alleviating existing imbalances and dependencies that endanger confidence and security.

Implications for South Korea-US Co-operation

What is happening in China and Japan makes it both possible and necessary for the US and South Korea to maintain and deepen the many ways in which they already co-operate, and to use existing co-operative mechanisms as a base for more inclusive regional arrangements. I do not believe South Korea-US co-operation should be enhanced in order to "contain" China or Japan. Nor do I believe that China's rise has diminished the will or ability of the US to honor its security commitments to South Korea and Japan, or that South Korea's increasing economic "dependence" on China will force it to choose between its leading economic partner and its most important security partner. What I do

believe is that we need continued bilateral — and increased multilateral — co-operation to manage the challenges of a nuclear-armed North Korea. North Korean actions contribute to and should shape Japan's efforts to participate more effectively in collective security arrangements. They should also reinforce efforts to enhance US-South Korea-Japan security co-operation.

China's rise has made it more dependent on South Korea than on North Korea and increased the potential cost to Beijing of provocations by Pyongyang. That does not mean that China will "abandon" North Korea or work for regime change there; it will not. But it offers opportunities to build on commercial relationships that include — or could include — the US, South Korea, Japan and China. The US-South Korea Free Trade Agreement is one of the foundations for the TPP, and Seoul and the US should work together to bring Tokyo and Beijing into a higher-quality trade agreement. We should also work together to build a new security architecture in the region.

My bottom line is simple. Developments in China and Japan should be viewed as creating new opportunities and imperatives to deepen multilateral co-operation. It would be a mistake to view them only as the cause of eroding confidence in the co-operative mechanisms that remain critical to peace and prosperity in the region.

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