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David Shambaugh. "U.S.-China Rivalry in Southeast Asia: Power Shift or Competitive Coexistence." *International Security* 42:4 (Spring 2018): 85-127.

Eric Heginbotham and Richard J. Samuels. "Active Denial: Redesigning Japan's Response to China's Military Challenge." *International Security* 42:4 (Spring 2018): 128-169.

Jennifer Lind and Daryl G. Press. "Markets or Mercantilism? How China Secures Its Energy Supplies." *International Security* 42:4 (Spring 2018): 170-204.

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The rise of China as a regional and global power, and the implications of this development for the international system, has become *the* great geopolitical story of the early twenty-first century. China's attainment of novel clout and influence on the world stage has been fueled by its phenomenal economic growth of the last four decades, a process that began rather modestly but has taken off dramatically since around 2000. The reactions of political commentators and scholars have ranged across a wide spectrum. Some suggest that China will inexorably replace the United States as the world's greatest power, setting the international agenda and introducing a new political outlook, combining the domestic promotion of prosperity and nationalist pride in tandem with internal authoritarian rule and the comprehensive suppression of dissent, together with the utilization of economic and, where appropriate, military strength to achieve China's external objectives with maximum efficiency. To such observers, who have a penchant for quoting the hallowed wisdom of *The Art of War*, the famed treatise of the Chinese military strategist Sun Tzu (545-470 BCE), the roadmap to Chinese world hegemony appears almost preternaturally well organized, with the

country's leadership apparently proceeding inexorably along a meticulously planned highway to international predominance.¹

The reverse of this coin is a profound skepticism as to just how solid the foundations of China's seemingly formidable economic might and political control are in reality. Adherents to this school of thought suggest that China's economy is exceedingly fragile, overloaded with debt of every kind, with too many resources concentrated in unproductive sectors of the command economy, and state intervention propping up and steering funding to unprofitable enterprises. Other highlighted weaknesses include major population imbalances, with a growing cohort of elderly Chinese, due in large part to the distortions imposed in recent decades by China's one-child policy; environmental degradation; entrenched ethnic insurgencies; the high costs, both direct and in terms of inefficiency, of security measures; the lack of genuine innovation; and the absence of any real faith in China's existing political system and leaders. China is perceived as a highly authoritarian but fundamentally brittle state, too inelastic and unimaginative to employ any but the most draconian of tactics against even moderate critics. Despite its current seemingly impressive economic performance (and some critics argue that even for this the figures are unreliable), stagnation at best or complete political disintegration at worst are the anticipated long-term outcomes.²

The most credible approach to this broad question is probably that of David Shambaugh who, after initially publishing a somewhat sensational article in *The Wall Street Journal* in summer 2015 arguing that the current Chinese government was liable to collapse in the near future, revised his position and published a book suggesting that China's ultimate future will largely depend on decisions that have yet to be made.³ China's current leaders undoubtedly have what might charitably be termed grand ambitions for the future of their country.⁴ Yet the experience not simply of other would-be imperial great powers, including the United States and the Soviet Union, but also of Communist China itself, especially in terms of its utilization of foreign aid to achieve broader international aims, suggests that reliance on economic inducements and even military pressure as means of implementation can become decidedly problematic and backfire. From the late 1950s onward, China itself split with the Soviet Union, by far its greatest economic patron. In the 1960s and 1970s, China likewise discovered that, having poured aid into both North Vietnam and Albania, in both cases in part to persuade these fellow Communist states to align themselves with the People's Republic instead of the

¹ See, e.g., Michael Pillsbury, *The Hundred Year Marathon: China's Secret Strategy to Replace America as the Global Superpower* (New York: St. Martin's Griffin, 2016); Graham Allison, *Destined for War: Can America and China Escape Thucydides' Trap?* (Boston: Houghton Mifflin Harcourt, 2017); Martin Jacques, *When China Rules the World: The End of the Western World and the Birth of a New Global Order* (New York: Penguin, 2009).

² See, for example, Dinny McMahon, *China's Great Wall of Debt: Shadow Banks, Ghost Cities, Massive Loans, and the End of the Chinese Miracle* (Boston: Houghton Mifflin Harcourt, 2018); Carl Minzner, *End of an Era: How China's Authoritarian Revival is Undermining Its Rise* (New York: Oxford University Press, 2018).

³ David Shambaugh, *China's Future* (Cambridge: Polity, 2016); also David Shambaugh, "The Coming Chinese Crack-Up," *Wall Street Journal* (6 March 2015).

⁴ See, for example, Elizabeth Economy, *Xi Jinping and the New Chinese State* (New York: Oxford University Press, 2018).

Soviet Union, its erstwhile clients became bitter opponents once the funding dried up.⁵ The record of the United States in Latin America has been almost equally uninspiring. And current well-publicized political objections in the United States, Australia, and other Western countries to Chinese investments in businesses deemed significant to national security, combined with deep suspicions of China's efforts to promote its own political agenda by pressuring publishers, the media, and academic institutions, suggest that winning friends and influencing people outside China's borders may not prove the simplest of tasks.⁶ As the Beatles so aptly put it, money can't buy you love. Governments, businesses, and other enterprises may indeed be happy to accept Chinese funds, but just how amenable this will make them to Chinese pressure on other issues is liable to prove less than straightforward.

All the articles in this triptych related to the rising power of China and its impact in East and Southeast Asia are largely neutral on the overarching question of the sustainability of China's rise and whether it is likely to end in fiasco. Instead, they focus on the implications for China's neighbors in East and Southeast Asia and China itself of the current major enhancement in its strength. In an era when the average length of articles in many journals seems to be shrinking remorselessly, the editors of *International Security* deserve congratulations for allowing their contributors the space to explore ideas at length.

David Shambaugh provides a perceptive overview of the attitudes of Southeast Asian nations toward the competing claims upon their loyalties by China, their increasingly assertive neighbor, its economic strength and military presence and aspirations all decidedly on the rise, and by the United States, still not simply the world's largest economy, but also the state with the most impressive armed forces by far. He "argue[s] that the overall strategic balance in the region remains in flux and contested. This situation is not going to change; in fact, it will likely intensify. The United States is hardly withdrawing from the region and will remain a powerful and influential actor across Asia indefinitely" (86). Moreover, "China could easily trip up. It is not the global juggernaut many believe it to be" (87). Noting the great diversity among them in terms of closeness to the two great rival powers, Shambaugh compares the range of Chinese and U.S. interactions with the 10 ASEAN (Association of Southeast Asian Nations) states. Interestingly, in his view, even in the age of President Donald Trump, U.S. relationships with its numerous Southeast Asian partners are multidimensional, spanning the entire range of economic, strategic, and cultural enterprises—"traditional and public diplomacy, civilian and military assistance, and commercial business" (113-114)—, with trade tripling since the 1990s, to reach \$273 billion in 2015 (112). Economically, U.S. investment surpasses that of China, amounting to \$13.64 billion in 2015 (112), concentrated especially in services, though some major multinational firms in technologically advanced manufacturing or the extractive industries, such as Boeing, Ford, Dow Chemical, General Electric, Lockheed, and United Technology, are also present in force (112-113). Most expect U.S. trade and investment in ASEAN to expand over the next five years. Chinese firms in the region, by contrast, largely restrict their investment to the extractive industries and infrastructure construction. They are also widely perceived as more corrupt than their U.S. or European counterparts. In addition, Shambaugh argues:

⁵ Shu Guang Zhang, *Beijing's Economic Statecraft during the Cold War, 1949-1991* (Baltimore and Washington, D.C.: Johns Hopkins University Press and Wilson Center Press, 2014).

⁶ See, for example, Perry Link, "Beijing's Bold New Censorship," *New York Review of Books* (5 September 2017); Clive Hamilton, *Silent Invasion: China's Influence in Australia* (Sydney: Hardie Grant, 2018).

Compared with the United States, China's regional presence is more recent and primarily single-dimensional: economic. China possesses little soft power in the region, and its public diplomacy programs are few. Its diplomacy is often heavy-handed, and it offers minimal military assistance (with poor 'after sales service'); and its commercial footprint, though growing rapidly—is not multidimensional. (114)

In Shambaugh's view, Southeast Asian nations are trying to "hedge" their bets between China and the United States, even as China's growing presence is forcing several to move closer to China, and impelling ASEAN to remain silent on issues—notably policies in the South China Sea—that China considers non-negotiable. Yet the pervasive sense among Chinese leaders that all the states in the region should automatically consider themselves tributaries of China and show due obeisance to China's wishes is doing little to enhance the Middle Kingdom's popularity. Few Chinese representatives of any kind wish to recognize the "ambivalence" (115) with which Southeast Asians regard their country. Most of ASEAN's top officials are nonetheless fully conscious that China is a powerful neighbor, and they have no alternative but to deal with it, whereas the United States is not necessarily a reliable ally or partner on whose presence and backing they can depend.

Shambaugh recommends that, in order to overcome the recent "gravitational shift" (125) in China's direction across Southeast Asia, the United States should boost its involvement and ties of every kind—economic, cultural, strategic, and political—in the region, making it a higher priority, yet refrain from aggressive demands that ASEAN nations join in formal containment of China. Shambaugh's article was written before the surprise election victory in May 2018 of an opposition coalition headed by former Prime Minister Mahathir Mohamad, who has been highly critical of what he argues are the disadvantageous terms for his country of much Chinese investment in Malaysia, and has expressed fears that too much of Malaysia's economy is owned by China. A trip by Mahathir to Beijing is scheduled for August 2018, and it seems likely that China will make concessions designed to alleviate at least some of Mahathir's concerns.⁷ Moreover, the link between the provision of finance and political influence is far from straightforward. One may not automatically translate into the other. A recent collection of essays edited by Evelyn Goh of Australian National University has suggested that, even when China has invested substantially in Southeast Asia, those governments do not necessarily become more amenable to Chinese pressure on specific issues.⁸

The steadily expanding trade war between China and the United States is another new wild card in the pack, with long-term effects that are difficult to predict and likely to vary from state to state. Some ASEAN members such as Thailand may benefit, as U.S. buyers turn to other sources to replace Chinese imports that have become too expensive, while those involved in supply chains for Chinese or American manufacturers may suffer.⁹ In July 2018, ASEAN also signed a Cooperation Pact with Iran, ignoring U.S. President Donald Trump's efforts to persuade other nations to impose sanctions on Iran following his refusal in May 2018 to

⁷ Ho Wah Foon, "Dr M-Xi talks to hit beyond troubled projects," *The Star Online*, 8 July 2018, <https://www.thestar.com.my/news/nation/2018/07/08/dr-mxi-talks-to-hit-beyond-troubled-projects-chinas-troubled-mega-projects-in-malaysia-are-unlikely>.

⁸ Evelyn Goh, ed., *Rising China's Influence in Developing Asia* (Oxford: Oxford University Press, 2016).

⁹ "Singapore, Malaysia could be most exposed to US-China trade war: OCBC," 11 July 2018, *The Business Times*, <https://www.businesstimes.com.sg/asean-business/singapore-malaysia-could-be-most-exposed-to-us-china-trade-war-ocbc-0>.

certify Iran's continued compliance with its existing United Nations-brokered agreement on nuclear power.¹⁰ In this case, ASEAN is aligning itself with China, which, since January 2017, has presented itself as a champion of global free trade, in dramatic contrast to Trump's proclaimed policies of "America First." In this context, the most notable feature is perhaps that—notwithstanding Shambaugh's eloquent arguments in favor of greater U.S. sensitivity to ASEAN concerns—the interests of Southeast Asia were nowhere on the radar screen when the Trump administration made these decisions.

The two other articles in this symposium each focus upon one issue. Eric Heginbotham and Richard J. Samuels, both political scientists at the Massachusetts Institute of Technology, consider how Japan might redesign its military strategy to meet the enhanced threat that China now presents. For decades, budget-conscious American officials have urged Japan to boost its military spending and possibly even to acquire its own nuclear deterrent, prospects that the majority of Southeast Asian nations, not to mention Australia, New Zealand, and China, with memories of World War II still by no means forgotten, have found deeply unappealing. Japan has now jettisoned the one percent of GDP limit on defense spending imposed by its post-World War II constitution, and some officials, including Prime Minister, Shinzō Abe, seem not merely willing but eager to upgrade Japan's military budget. Precisely how such defense increases might be utilized is more problematic. Heginbotham and Richards seek to prescribe "a clear strategy, one that maximizes the deterrent value of the force (even in the absence of clear superiority) without exacerbating instability" (128). In the last twenty years, they argue, China has dramatically upgraded its conventional warfare capabilities and inventory, mandating a re-evaluation of Japanese strategy. They recommend implementing an effective denial strategy, one that would enable Japan to endure and survive a pre-emptive attack, preserve at least some defense forces in being, and wait for reinforcements from its great ally, the United States. Putting the required additional assets in place could, they argue, be accomplished within the two percent of GDP that the Liberal Democratic Party recommended in June 2017 as the desirable level of Japanese defense spending. A long-range strike capability against China would, however, be relatively ineffective and might even be counterproductive, if it encouraged a pre-emptive Chinese strike intended to eliminate these weapons. Instead, Heginbotham and Richards advocate "a new strategy . . . based around survivable, mobile forces with the ability to isolate and strike an encroaching adversary" (166). This option calls for "a military strategy that enhances stability by ensuring that an attack on Japan will become a protracted fight, thus enhancing deterrence, and by reducing the incentives for either side to strike first during a crisis." The authors suggest that since military officers might well consider the unglamorous prospect of a war of attrition unappealing, "civilian experts and leaders" may well be required to be its foremost advocates (166).

The unspectacular strategic option suggested here is designed to take advantage of China's weak points. One of these, as the authors point out, is that Chinese political leaders greatly fear any potential cause of domestic instability, with the prospect of a protracted war ranking high among factors that might precipitate this. They quote influential Chinese military strategists as arguing in 2013 that, despite improved technological capabilities, the "warfighting endurance capability" of the People's Liberation Army has actually declined, thanks to the social "contradictions, frictions, and struggles produced in the course of reform" (146). It is quite possible that, President Xi Jinping's emphasis upon national greatness and regeneration notwithstanding, most of those Chinese who dutifully welcome his speeches with the requisite applause have no interest in making the kinds of sacrifices that Chairman Mao Zedong once did not scruple to demand.

¹⁰ "ASEAN To Sign Cooperation Pact With Iran Despite US Sanctions," *Eurasian Times Digital*, 21 July 2018, <https://eurasianimes.com/asean-iran-us/>.

The pursuit of private gain and fulfilment—and, on occasion, political ambition—leaves little room for idealism of any kind. China may not be a democracy, but its rulers still respond assiduously to popular discontent, in many cases by simply checking its emergence in the first place. The Belt and Road Initiative and the Asian Investment Infrastructure Bank have been widely acclaimed within China. Yet one wonders if any real constituency exists for high levels of overseas spending, unless this can be justified as being in some way designed to promote China's own interests, through assuring reliable supplies of scarce resources, for example. Despite progress in recent years, China still has more than enough outstanding domestic problems left to address, many of which will require substantial expenditures. And will enthusiasm for China's expansive foreign policies and acquisition of military bases in the Middle East and beyond prove sufficiently deep-rooted to survive the attacks and combat situations that are bound to occur with Chinese soldiers returning in body bags? Perhaps China's policies and leaders will prove sufficiently resilient to meet these challenges. But in all probability, only when the benefits of the costs incurred through military or economic ventures can be clearly defined.

Defending China's access to essential resources may well be one acceptable justification. Heginbotham and Richards note that more than 60 percent of China's oil is imported, with 75 percent of that travelling through the Strait of Malacca, a choke point which at its narrowest, close to Singapore, is only one and a half miles wide, extremely vulnerable to a U.S. naval blockade (146). The third article in this selection, by Jennifer Lind and Daryl G. Press, professors of government at Dartmouth College, examines the methods China currently employs to ensure itself uninterrupted supplies and a substantial reserve of oil. Free market devotees have assailed these as misguided, irrational, and undesirably mercantilist, arguing that China is paying too much for oil without gaining any extra security or commensurate benefits. Lind and Press disagree, contending that, “[f]ar from being anachronistic or irrational, policies of energy mercantilism are a logical and potentially effective response to vulnerability” (171). Drawing on analogies from the business literature on supply chains, and the measures that businesses take to ensure uninterrupted access to limited supplies in situations characterized by “imperfect contracting,” (171) collusion among suppliers, geographical concentration of resources, and exposure to conflicts, they contend that China is following comparable strategies to safeguard the uninterrupted availability of oil to Chinese consumers. These include being able to exercise control over crucial suppliers; the diversification of suppliers and delivery routes; building up inventories and reserves; and providing military protection and security to safeguard “vulnerable assets” (171). The authors argue that, far from being ineffective, the measures China has adopted help to “insulate” it from outside pressures that might otherwise result from “energy disruptions” and enable it to counter efforts to use China's energy vulnerability as a coercive tool during potential conflicts. China's leaders, highly conscious that their country's dependence on imported oil could be used against it, have developed logical and rational responses to address a threat they would be foolish not to anticipate. Other nations, the authors note, including the United States, use similar methods to safeguard their own oil supplies. More broadly, they suggest that, in the “ongoing struggle between liberalism and mercantilism, . . . if states still have incentives to engage in mercantilist resource struggles even under the prevailing liberal trade order, then the current jousting for resources (particularly oil) may foreshadow economic and political conflict to come” (172-173).

Each of these three articles views China's rapid growth in both economic and military power through a somewhat different lens. In all, though, the competition for power and influence between China and the United States, whether in Southeast Asia or Japan, over access to scarce energy supplies, or more broadly in Asia and beyond, is a palpable presence, its implications framing, underlying, and driving the entire essays. It seems that in the global context it is impossible to discuss China without also bringing in the United States. The relationship is fundamentally asymmetric, since the reverse is not true of the United States. For China,

the constant near inescapable imperative to measure itself against the United States represents something of an existential dilemma. Should Chinese leaders set their country the competitive goal of performing better than the United States in areas where it currently excels, or should they rather change the arena and opt for a different and purportedly better playing field? Equally frustrating is China's inability to operate internationally, most particularly in its own backyard, without in some manner falling under the shadow of the United States. Yet, however infuriating China's leaders may find the constant references back to their sporadic model and great rival, at least for the indefinite future, they will almost certainly have to live with them. As these articles demonstrate, when considering China in any international setting, the United States is an inevitable part of the equation.

Priscilla Roberts received her BA, MA, and Ph.D. degrees from King's College Cambridge. She was the first woman admitted to King's as an undergraduate who successfully completed Ph.D. studies. She recently joined the Faculty of Business at the City University of Macau. She has published numerous articles on twentieth-century diplomatic and international history, with a special interest in Anglo-American and Asian-Western relations. She is the author, editor, or co-editor of twenty-eight books, including *The Cold War* (Stroud: Sutton, 2000); *Window on the Forbidden City: The Chinese Diaries of David Bruce, 1973-1974* (Hong Kong: Centre of Asian Studies, University of Hong Kong, 2001); *Behind the Bamboo Curtain: China, Vietnam, and the World Beyond Asia* (Washington, D.C. and Stanford: Wilson Center Press and Stanford University Press, 2006); *Lord Lothian and Anglo-American Relations, 1900-1940* (Dordrecht: Republic of Letters Press, 2010); *The Power of Culture: Encounters Between China and the United States* (Newcastle: Cambridge Scholars Publishers, 2016); *Hong Kong in the Cold War* (Hong Kong University Press, 2016); and (with Odd Arne Westad) *China, Hong Kong, and the Long 1970s: Global Perspectives* (Palgrave Macmillan, 2017). She is currently completing a study of Anglo-American think tanks and China policy, 1950-1995.

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