

**Shaping the Power Balance in the Asia-Pacific**  
Evan Medeiros Presentation to the U.S.-Australia Crawford Dialogue  
September 21, 2010  
State Department  
Washington, D.C.

## **I. Introduction**

- Thanks to all for coming. This is an important dialogue with a key partner in Asia who can help us shaping the regional environment at a critical time.
- I'd like to make some statements about how we see China's rise in Asia and then pose some questions for discussion.

## **II. China' Rise in Asia: What's Happening<sup>1</sup>**

- Asian states positioning themselves to benefit from both China and the U.S.
  - None want to choose between U.S. and China
  - China generates some leverage with U.S.
  - More generally, security and economic diversification characterizes much of the bilateral and multilateral interactions in Asia. This is normal and to be expected.
- Engagement with China mainly driven by an economic logic, but the regional consensus favoring engagement with China has a tentative quality
  - Uncertainty about China's future: weak or a strong China
  - Fears of China's economy as a competitive threat
  - Nagging concern about PLA modernization
- No Chinese hegemony: Regional states are not climbing on a Chinese bandwagon in expectation of its eventual hegemony
- No regional arms race: no regional rush to expand military budgets or force modernization in expectation in reaction to China.
- U.S. remains the security partner of choice: the United States is the only nation with ability and resolve to balance China
  - China is not seen as a viable strategic partner by anyone.
  - U.S. key to preventing Chinese domination; allies/partners favor U.S. doing "heavy lifting."

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<sup>1</sup> See Evan S. Medeiros, Keith Crane, Eric Heginbotham, Norman D. Levin, Julia F. Lowell, Angel Rabasa, and Somi Seong, *Pacific Currents: The Responses of U.S. Allies and Security Partners in East Asia to China's Rise*, (Santa Monica, CA: The RAND Corporation, 2008).

### **III. China's Rise in Asia: What Does it Mean for the United States and Australia?**

- China's growing "power and influence" is getting a lot of attention these days. I'm struck by the debate in Australia. I'm told that High White's recent article on Power Shift about how the U.S. needs to just give up the fact that China will dominate East Asia.
- What does it mean to say China's power and influence is rising? These terms are being thrown around far too easily and it's important not to let the rhetoric get ahead of reality.
- In my view, there is no question that China's presence in regional economic, diplomatic and security life is growing. That's an empirical reality.
- It's equally accurate to say that China's material capabilities are growing: second largest economy in the world; a rapidly modernizing military; increasingly capable diplomats; globally active enterprises involved in aid, trade and investment.
- But presence is not necessarily influence and capabilities are not necessarily power. These terms are being thrown around too easily.
- Beijing is coming to realize that given China's size, location, growth model, history (as a regional power) and the fact that it resides in a world of complex global interdependence that it's difficult to translate material capabilities into actual power and influence – especially when that defined as getting states to make costly decisions that are inconsistent with their interests or values.
  - The gap between China's expectations of what it should be able to do and what it can actually do are growing. That's a problem for us all that needs to be managed.
- Consider the following: China has become the top trading partner for a variety of developed Asian nations including Japan, South Korea and Australia. Yet, this has not led to their gradual accommodation of China. The opposite, in fact. All of them in the past five years have been using a mix of internal and external balancing in reaction to China's regional policies.
  - More recently, on issues related to the South China Sea, a number of regional nations – both claimants and non-claimants- were willing to voice their concerns.
- That is not to say China hasn't accumulated influence. Some research indicates that China has done well accumulating defensive influence: this involves getting countries not to take action; reassuring states and preventing them from ganging up on China.
  - China has been effective at making states more sensitive to China's needs, especially on Taiwan and Tibet. But how costly is this for states? How indicative is it of future trends?

- My concluding point is that there is not some immutable law of international politics that a country with a growing economy, military and diplomatic presence will lead to power and influence in a manner inimical to other major powers in the region. This is not an autonomous process that we don't have any influence over.
  - Our diplomacy has to be focused on shaping the region in a manner that shapes China's choices? What does that mean? In one sense it means de-limiting China's choices. It means precluding options from being available to China or making available choices too costly as it thinks about how to define its growing interests and how it can and will protect and promote them.