

GLOBAL CHINA: EAST ASIA

TARUN CHHABRA, RUSH DOSHI, RYAN HASS, AND EMILIE KIMBALL

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East Asia has emerged as both a key engine of global economic growth and the region where U.S. and Chinese interests most clearly intersect. America's longstanding role as the predominant military, diplomatic, and economic power across East Asia has in recent years come under challenge from a rising China. As Beijing's power and influence have grown, so too have its ambitions. No longer content to merely protect its "core interests" on issues of sovereignty, political stability, and economic development, China now seeks to reshape the region. Beijing's toolkit for incentivizing acquiescence to its aspirations for regional leadership includes both carrots and coercion. The ways China pursues its objectives in East Asia, and the ways the U.S. and regional states respond, will together have an outsized impact on the evolution of global politics and the international system.

The papers in this installment of the Brookings Foreign Policy project "Global China: Assessing China's Growing Role in the World" demonstrate that China's ambitions across East Asia have come into clearer focus and analyze the expanding toolkit China employs in pursuit of them. Our contributors show that China is seeking adjustments to the status quo in each sub-region of Asia. China also appears to be growing less restrained about employing coercive tactics to influence its neighbors as its power expands, though staying at levels generally below the threshold of direct military conflict. In certain respects, China appears to be approaching its immediate periphery as a testing ground for how it wields its growing power and influence on the world stage. Regional countries, for their part, have shown varying levels of dexterity in balancing between economic imperatives with China

and their own security requirements, and in finding common cause among themselves — and with the United States — in responding to Beijing's advances.

Asked to address China's impact in East Asia, each scholar has examined a particular dimension of China's foreign policy in the region and offered corresponding policy implications.

Jonathan Stromseth explores how China is balancing between competing imperatives to pull Southeast Asia closer to it economically via the Belt and Road Initiative (BRI), while at the same time seeking to consolidate control over contested territorial claims in the South China Sea. In the context of China's neighborhood diplomacy, Stromseth describes how economic imperatives may be taking precedence over territorial disputes in the region. He also shows how China is seeking ways to mobilize "overseas Chinese" communities to implement BRI, influence local politics, and advocate for Chinese priorities in their host countries. Stromseth uses Vietnam and Indonesia as case studies to gauge Association of Southeast Asian Nations (ASEAN) responses to China's rise. He concludes that China views Southeast Asia as a testing ground for its development as a great power and for its global expansion in the future. And yet, Stromseth warns, China will face headwinds because regional countries jealously guard their separate identities and protect their own interests, which will continue to diverge from China's in key respects.

Lynn Kuok argues China's actions in the South China Sea have contributed to a weakening of the international law of the sea. This hurts all countries, including China, who have an interest in ensuring

that competition stays within the parameters of international law, which helps promote stability and minimizes the risk of conflict. She identifies actions China has taken to pursue its territorial and maritime claims and control around features, including encroaching on coastal states' exclusive economic zones, increasing its military presence around features, seeking to deny the United States and other countries navigational and other freedoms of the seas, and escalating its militarization of features it occupies. She argues that these actions have allowed China to gain military advantages in the event of conflict and, significantly, non-military advantages in situations short of outright conflict – namely, deterring other claimants from putting up a strong resistance to Chinese incursions and undermining U.S. credibility in the region. To respond to these developments, Kuok offers several recommendations for the United States. These are targeted at both a robust and comprehensive response in the South China Sea and promoting broader development in the region. Such measures are imperative to giving the countries of Southeast Asia greater agency, not least in supporting the rule of law.

Adam Liff focuses on the intensifying competition between China and Japan in the East China Sea since 2012. He argues that China's approach to the contested Senkaku/Diaoyu islands – which both Japan and China claim – provides a useful case for assessing how China wields its growing power and influence to assert its self-defined interests when its neighbors' own definitions of their rights and interests are diametrically opposed. Liff examines Japan's responses to the challenge from China and identifies and assesses key operational dynamics in the East China Sea defining the security competition today. He shows that Beijing has primarily tasked its paramilitary Coast Guard – rather than the People's Liberation Army (PLA) – with asserting China's sovereignty claim as part of an effort to coerce Japan while reducing the risk of a direct confrontation or kinetic escalation involving the Japan Self-Defense Forces and the U.S. military. Tokyo, in response, has also made significant changes to its own force structures and postures to bolster deterrence and, in the event of escalation, to ensure a more rapid and flexible response. Despite Japan's efforts, however, Beijing's continued willingness to operate provocatively in the islands' territorial waters

and contiguous zone, combined with its increasingly heavy investments in both the PLA and its Coast Guard mean that – sans a major political *modus vivendi* between top leaders – the East China Sea is likely to continue to be a major potential security flashpoint and irritant in political relations.

Richard Bush discusses China's cross-Strait policy and how it is colliding with Taiwan's democratic system of governance. Bush presents Beijing's most likely options for pursuing its goal of unification: 1) persuading the Taiwan people to accept "one country, two systems" (1C2S); 2) using force; and 3) pursuing coercion without violence to compel Taiwan to accede to unification. Bush argues that the last of these is optimal for Chinese President Xi Jinping. Xi does not believe the door to unification is closing and war entails high risks, so for now, patience is justified. In the meantime, intimidation, pressure, and cooptation target the waning confidence of Taiwan's civilian population and can exacerbate the divisions within and between political camps on the seriousness of the China challenge. The ultimate test will come if prolonged coercion does not lead Taiwan to accept unification and if Beijing concludes that cross-Strait separation has become permanent, an outcome that, if likely, Beijing cannot countenance.

Kurt W. Tong explains that Hong Kong's economy and its citizenry are facing their most severe set of challenges since 1997, when Hong Kong returned from British to Chinese sovereignty. Tong outlines the series of events that culminated in the imposition of a new national security law by Beijing on June 30, 2020, and offers recommendations on steps that the international community could take to preserve the qualities that have made Hong Kong strong and globally relevant. Tong emphasizes that it is most useful to focus on Hong Kong's autonomy; Hong Kong cannot sustainably maintain a separate political system, economic system, or way of life without it. Tong argues Hong Kong is important to the United States because Hong Kong is a central element of the U.S. commercial footprint in Asia and is a beacon of American values – a culturally and linguistically Chinese society that also has observed personal freedoms and respect for the rule of law and performed well on the economic front. Looking forward, Tong argues the international community should craft a medium-term strategy

with sustained and consistent pressure. He suggests setting up a G-7 Working Group on Hong Kong at the ministerial level to regularly consider Hong Kong's situation. This strategy will likely be reinforced by the international business community, whose presence in Hong Kong is critical to preserving the city's global relevance.

Evans J.R. Revere challenges the conventional wisdom that Washington and Beijing both prioritize the denuclearization of North Korea, and that this shared interest provides a common agenda for cooperation. The combination of Beijing resetting its ties with Pyongyang and the downturn in U.S.-China relations leads Revere to write the United States should no longer expect China to support future efforts to pressure North Korea. Because of this reset, Beijing is showing signs of accommodating a nuclear-armed North Korea. For China, stability and the avoidance of conflict trump denuclearization as long as Beijing can point to a process that offers some hope of achieving an eventual denuclearized North Korea. Current U.S. policy may give Pyongyang reason to believe that the United States, too, will ultimately accept North Korea as a de facto nuclear state. He argues that China and North Korea share similar goals, which include weakening the U.S.-South Korea alliance, removing U.S. forces from the Korean Peninsula, and reducing U.S. influence in Northeast Asia. Revere writes that uncertain times lie ahead as the common goal that once facilitated U.S.-China cooperation on North Korea vanishes.

Jung H. Pak argues that South Korea's role as the linchpin of the U.S. alliance architecture in Northeast Asia is a key target for China, which seeks to drive a wedge between the U.S. and South Korea, demonstrate its regional leadership, and increase its influence on the Korean Peninsula. However, Beijing's use of coercion to shape Seoul's foreign policy choices has undermined those goals. The Chinese government's increasing aggressiveness and willingness to punish

South Korea for taking action which Beijing deemed counter to its interests — as seen in its response to the latter's decision to deploy the Terminal High Altitude Area Defense, an American anti-ballistic missile defense system, after North Korea's fourth nuclear test in 2016 — revealed to Seoul the limits of diplomacy and the risks of economic dependence, and deepened distrust. Nevertheless, Seoul's high priority on rapprochement with Pyongyang, even as the latter continues to threaten the region and advance its nuclear weapons capabilities, will be a key factor shaping its approach with Beijing. Pak concludes that the accelerating strategic competition between the U.S. and China is likely to put more pressure on South Korea to choose sides and warns that Beijing will seek to exploit perceived gaps in the alliance. Thus, Washington must do a better job of recognizing Seoul's desire for regional stability, economic growth, and multilateral cooperation rather than viewing the country solely through the lens of competition with Beijing.

In closing, this batch of papers brings into sharp focus the shifting nature of China's identification of its interests, the expanding toolkit Beijing is employing in pursuit of those interests, and Beijing's seemingly greater comfort with friction with the United States and with its neighbors in pursuit of its interests. Importantly, the papers also offer a composite picture of precisely how China may wield its growing power and influence around the wider world. Together, these papers raise fundamental questions about the kinds of actions or events that could plausibly induce Beijing to exercise restraint in pursuit of external ambitions, and they also offer a diverse range of policy recommendations for how the United States and its allies and partners could respond to China's growing activism.

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ABOUT THE AUTHORS

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