

The U.S. Rebalance to the Asia-Pacific Region and Its Impact on the Regional Strategic Environment

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It has been more a year and half since the Obama Administration of the United States launched the “pivot” or “rebalance” to the Asia-Pacific region. It has already entered the implementation phase and a number of actual initiatives have been taken, including the rotational deployment of U.S. Marine Corps to Northern Australia and the new deployment of Littoral Combat Ships (LCSs) of U.S. Navy to Singapore. The on-going negotiation of Trans-Pacific Partnership (TPP) free trade agreement represents the economic aspect of this new strategy. But the change, triggered by this new U.S. strategy, in the regional security environment is not limited to these new measures that the United States government has initiated or taken the lead of. This U.S. rebalance strategy is creating much more fundamental and deeper shift in the strategic power structure and balance in this region, especially between China and the United States. And this could, as a result, further deepen the dilemma of the regional states and make the strategic environment more complicated, if not properly handled.

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I. THE CURRENT STATUS OF THE U.S. STRATEGIC REBALANCE

The roots of the U.S. strategic rebalance to the Asia-Pacific predate the inauguration of President Barak Obama. According to some of his close aides, including Tom Donilon, National Security Advisor to the president, Obama directed his national security team to start a new strategic reassessment of the U.S. global presence and priorities before he took office of the president in January, 2009. And Obama's own judgment, which was based on this study, was that the United States was overweighted in the Middle East and underweighted in the Asia-Pacific. The rebalance strategy was ironed out to rectify this geographical imbalance of the U.S. global commitment.

There were some early indications of this shift in the overall foreign policy at the beginning of the administration. The first trip that then-newly-inaugurated Secretary of State Hilary Clinton made was to Asia. And the first foreign leader, who was invited to the White House, was the prime minister of Japan. It was obvious that the main focus was on the Asia-Pacific region.

The world had to wait more than two years, however, until this new strategy took clear shape and became ready for implementation. It was because the Obama Administration was heavily consumed by the wars in Iraq and Afghanistan for this period of time. They did not have much political capitals and resources to invest in correcting this "geographical imbalance."

The term "pivot" first appeared in a policy essay—"America's Pacific Century"—by Clinton in *Foreign Policy* magazine, published in October in 2011.

She listed three goals: "sustain our leadership, secure our interests and advance our values." And the "six key lines of action" for the actual regional strategy were explained as well. They are as follows:

- (1) strengthening bilateral security alliances;
- (2) deepening our working relationships with emerging powers, including with China;
- (3) engaging with regional multilateral institutions;
- (4) expanding trade and investment;
- (5) forging a broad-based military presence; and
- (6) advancing democracy and human rights.

President Obama later summarized the ultimate goals of this rebalance down to three elements: security, prosperity and dignity for all. This explanation was in his remarks to the Australian Parliament in November 2011, a few weeks after the Clinton's essay was published.

Donilon reiterated the essence of this presidential speech in his own remarks at the Asia Society in New York in March, 2013. He said, "The overarching objective of the United States in the region is to sustain a stable security environment and a regional order rooted in economic openness, peaceful resolution of disputes, and respect for universal rights and freedoms."

Donilon went on to explain five "pillars of the U.S. strategy." They were:

- (1) strengthening alliances;
- (2) deepening partnerships with emerging powers;
- (3) building a stable, productive, and constructive relationship with China;
- (4) empowering regional institutions; and
- (5) helping to build a regional economic architecture that can sustain shared prosperity.

He concluded that the rebalancing means devoting the time, effort and resources necessary to get each one right.

If one compares these five "pillars" with Clinton's "six key lines of action" some changes can be found, such as an addition of a clear reference to China and a disappearance of mentioning of "democracy and human rights." These changes indicate that there is still a policy debate going on within the Obama Administration regarding what the actual menu of this rebalance strategy should be.

The other rather small but still significant indication of confusion within the administration is the usage of terms "pivot" and "rebalance" to explain this new strategy. It was originally "pivot." It was first used in Clinton's essay in *Foreign Policy* magazine in the fall of 2011. Then a few months later it was replaced by "rebalance." The explanation was that there were some concerns expressed by European allies to the effect that the term "pivot" sounded as if the United States would totally turn their back to Europe and the Middle East and abandon these regions. There was also a similar

criticism from the Republican Party in the United States. But in the fall of 2012 President Obama himself used “pivot” again and virtually resurrected it in his remarks at the presidential debate during the election campaign. Whatever the reason was, this series of developments shows that there is no consensus with regard to the way to address this new strategy.

The core idea, however, has been solid from the beginning. It is that the United States will shift the strategic focus from the Middle East back to the Asia-Pacific after the decade-long wars on terror both in Iraq and Afghanistan. President Obama himself explained, “After a decade in which we fought two wars, the United States is turning our attention to the vast potential of the Asia-Pacific region.” He also declared, “The United States is a Pacific power, and we are here to stay.”

The shift was not only geographical but also objective-related. In other words it was a shift of strategic focus from the terrorism by a global militant Islamist organization, Al-Qaeda, to the challenges posed by rising China.

One can argue that the United States has finally come back to the fundamental strategic challenge to the U.S. interests after a decade-long strategic distraction. The terror attacks on September 11 in 2001 killed close to three thousand innocent U.S. citizens and presented a totally new form of threat. It was an unprecedented human tragedy and a historical national security disaster for the United States. But the bottom-line goal of Al Qaeda was to keep the United States from intervening in the Middle Eastern issues, especially Israel issue. The challenge from China, on the other hand, is more fundamental and extensive in nature, because it involves the very core issue of the maintenance of the U.S. primacy in the Asia-Pacific region and beyond, hence the future of regional and global power structure, even though China contends that it does not challenge the U.S. primacy.

The challenge from China is more fundamental and extensive in nature, because it involves the very core issue of the maintenance of the U.S. primacy in the Asia-Pacific region and beyond.

Following the September 11 attacks there was a sudden and drastic change of strategic focus in the United States from the challenges from China to the new threats from Islamic militant groups. And there has been a gradual come-back of focus to China in the following years. The launch of the rebalance strategy by the Obama Administration can be characterized as the culmination of this incremental return of the U.S. strategic focus to China. The United States has finally put an end to the “lost decade” in its strategic thinking and planning.

But what the United States actually lost during this period of time was not small in its significance. It was the uncontested supremacy of its military capabilities over all the other regional states, including China. Such was the perception among the regional states, if not the actual change in the military capabilities. The primacy of the United States in this region was mainly substantiated by the credibility of its military power projection capabilities, which can be best symbolized by the extensive operations of the aircraft carrier strike groups. One of the most drastic examples was the dispatch of two aircraft carrier strike groups to the vicinity of Taiwan in 1996 when so-called the Taiwan Strait missile crisis occurred.

This credibility of the U.S. power projection capabilities is now being questioned if not totally lost among the regional states. It is because China’s military capabilities have shown a substantial advance and progress over the last decade, while the United States was focusing on elsewhere.

President Obama himself articulated in his speech in Australia, “We will preserve our unique ability to project power and deter threats to peace.”

The United States pays special attention to the set of military capabilities that China has been developing, which could weaken the U.S. power projection capabilities. One of such weapon systems is anti-ship ballistic missile (ASBM), DF-21D. The United States believes that this ballistic missile is being developed with a purpose of disabling the U.S. aircraft carriers. In December 2010, then-commander of U.S. Pacific Command, Admiral Robert Willard said in an interview with the author that China’s ASBM had already achieved a Western equivalent of “initial operational capability

(IOC).” What he meant was that the missile could be deployed, even though it would continue to undergo testing for several more years.

The United States calls these military capabilities as “anti-access, area denial (A2/AD)” capabilities and regards them as one of the most serious challenges that the U.S. armed forces face as it implements the rebalance.

More recently, the 2013 DOD report to congress on “Military and Security Developments Involving the People's Republic of China,” which was rolled out in May 2013, described that DF21D has been actually deployed. And at the press briefing on this report Deputy Assistant Secretary of Defense, David Helvey said as follows regarding China’s A2/AD capabilities;

“China is investing across the board, and so I think we continue to see improvements in that A2AD regime over time, and we'll continue to see them developing in the future.”

It is clear that the United States has closely following the development of this type of weapon systems with great interest.

What the United States has been trying to do as the military aspect of the rebalance is to restore this once-shaken credibility of its power projection capabilities.

On top of the shifting the strategic focus back to the Asia-Pacific, the other main pillar of the U.S. rebalance is the sustainment of its regional “leadership,” in other words the maintenance of its regional primacy.

According to Donilon, this was the idea of the president himself. Donilon explains, “After a decade defined by 9/11, two wars, and a financial crisis, President Obama took office determined to restore the foundation of the United States’ global leadership.”

It is indispensable for the United States to restore the credibility of its power projection capabilities to achieve this goal, and complete the rebalance. This idea was clearly reflected in the title of the strategic document that President Obama and then-Secretary of Defense Leon Panetta together rolled out in January, 2012 to articulate the military aspect of the rebalance. The title was “Sustaining U.S. Global Leadership: Priorities for 21st Century Defense.” This document lists “project power despite anti-access/

area denial (A2/AD) challenges” as one the “primary missions of the U.S. armed forces.” And it names China and Iran as the states which “will continue to pursue asymmetric means to counter our power projection capabilities.”

One of the operational concepts, which is intended to deal with these A2/AD challenges is called “Air Sea battle.” It is a new concept for U.S. Air Force and Navy to jointly operate to maximize their capabilities to meet the new challenges. Most of the details are classified and yet to be disclosed. But this new operational concept is also now in its implementation phase, just as the entire rebalance strategy itself.

Besides this development and implementation of the new operational concept, new overseas deployment of U.S. armed forces is also being carried out as a part of the rebalance. One of them is the rotational deployment of the U.S. Marine Corps in Northern Australia. This was based on a bilateral agreement between the United States and Australia and was announced when President Obama visited Australia in November, 2011.

This was a symbolic joint initiative that illustrates the U.S. recommitment to the region and the support from its regional ally. The other symbolic move was the deployment of the brand-new Littoral Combat Ships (LCSs) of U.S. Navy to Singapore. This was regarded as a demonstration of the will of the United States to commit itself to the stability and security of the South China Sea, which has been the stage for the territorial disputes between China and the littoral states. This deployment was also seen as a signal from Singapore that it wants to have more robust U.S. naval presence in the South China Sea to counter-balance the growing influence of China.

The rebalance “is not just a matter of our military presence.” This is a message that the United States government constantly and repeatedly transmits. And the centerpiece of the economic rebalancing is the Trans-Pacific Partnership (TPP) free trade agreement. President Obama called it “our most ambitious trade agreement yet, and a potential model for the entire region.” It is also regarded as “a major step toward APEC’s vision of a region-wide Free Trade Area of the Asia-Pacific,” according to Donilon. The

negotiations are being conducted with an aim to complete by the end of 2013.

II. REACTIONS FROM THE REGIONAL STATES

The reactions to the U.S. rebalance to the Asia-Pacific region among the regional states are mixed. While most of them welcome the enhanced U.S. presence and commitment, there are also some skepticism and concerns.

In October 2012, the Asia-Pacific Center for Security Studies (APCSS), a U.S. Department of Defense (DOD) academic institution in Hawaii, which supports the U.S. Pacific Command, held a workshop to review the rebalance from regional perspectives. At the workshop were 25 participants from 14 countries including China. The author was one of them.

The majority of the participants viewed that the U.S. rebalance as a positive development and welcomed it. There were several reasons. One of them was that they wanted to have a proper counter-balance to the growing influence of China, so that they do not have to live under the dominance of either China against their will. Another reason was a perception that the previous U.S. administration, the Bush Administration, did not pay enough attention to the region and as a result lost the competition for influence to China.

There were a number of concerns and doubts expressed as well. The most widely-shared concern was if the rebalance were intended against China. While most of the regional states like to have the U.S. presence in the region as a counter-weight to China, none of them wants to see the tension rise, as a result of this new initiative, between China and the United States. In this regard the U.S. rebalance caused some concerns because it seemed to indicate immediate and drastic changes in U.S. policy which could trigger negative reactions from China. "Choosing between China and the United States is the last thing we want," said one of the participants and this is a consensus view among almost all the participants. The U.S. rebalance once again highlighted the sensitivity of the regional states to any change in the power

balance among major powers.

The U.S. government emphasizes the point that the rebalance is not targeted at China. But it is a fact that the most detailed aspect of rebalance consists of the military strategy and operational concepts. And they list China as one of the few countries which are equipped with military capabilities to degrade the efficacy of U.S. power projection capabilities, if not totally neutralize them.

And also with regard to the center piece of the economic rebalance — the TPP, the United States says that it is intended to be an open forum for additional countries to join, but China does not seem to have any interest in joining it. It could be seen, in fact, as an economic tool to encircle China along with other means, especially from Chinese point of view. As a matter of fact one retired senior diplomat in Vietnam, which has already declared its intention to join TPP, recently told the author that it is a “*de facto* alliance with the United States” to counter the growing influence of China.

In addition, there were two kinds of doubts or skepticism shared by the regional states. First of all, the strategic feasibility: can the United States really shift its focus from the Middle East to the Asia-Pacific region? The United States will soon finish the pull-out of the troops deployed in Afghanistan, but the situation has not been totally contained yet. The issue of Iran’s nuclear development is still on-going. Some of the states in the Middle East, including Syria, are still very unstable to say the least. And now the instability and the militant groups are proliferating into Africa. If the ultimate goal of the U.S. intervention after 9/11 was to prevent the recurrence of terrorist attacks on the United States and its allies, an immediate and total “pivoting” out of the Middle East does not seem to be a feasible option. The reality may be that the United States will be forced to go back to decades-old strategy of “two major theater wars” with some touch of rebalance.

The other source of skepticism is, of course, the budget constraints. President Obama emphasized in his speech in Australia in November 2011 that the reduction in U.S. defense spending will not come at the expense of the Asia-Pacific. Just recently in April, Deputy Secretary of Defense Ashton Carter, when asked about the impact of sequestration on the rebalance in an interview with

the *Asahi Shimbun*, answered as follows: “Sequester has a negative impact on every function of the U.S. government, but it doesn’t affect, in a fundamental way, our ability to carry out any of the activities, investments, deployments, and so forth, associated with the rebalance.”

But some of the recent events still cause some doubts. U.S. Air Force in Japan announced in March that the annual Friendship Festival at Yokota Air Base in the western suburb of Tokyo has been postponed for unlimited period of time due to the defense budget cut. There are a number of cases in which the official trips to the region by DOD personnel have been canceled or cut short for the same reason. Up until now such negative consequences are limited in number and magnitude, but they have strong enough an impact to make some wonder if the U.S. government can really follow through the president’s assurance that the defense spending cut will not affect the rebalance to the Asia-Pacific. As the world is now observing, the defense budget is not under the total control of the White House, and it still remains to be seen as to what kind of actual impact it will have on the rebalance.

III. IMPACT ON THE REGIONAL STRATEGIC ENVIRONMENT

The first and most obvious consequence of the U.S. rebalance is that its friends and allies, such as Japan and Australia, are re-assured of the U.S. commitment to this region.

But there are also concerns expressed among these countries. One of them is that the United States may not be capable of conducting the same kind of power projection operation that it did back in 1996, namely, dispatching aircraft carrier strike groups to Taiwan, due to the growing A2/AD capabilities of China. The alleged range of anti-ship ballistic missiles (ASBMs) covers a good part of the East China Sea and the South China Sea, west of the first island chain. In addition to ASBMs, anti-ship cruise missiles (ASCMs) and China’s submarines would also pose a serious challenge to the operations of the U.S. Navy.

The articulation of a clear intention to maintain such capabilities despite A2/AD challenges in the recent U.S. strategic document —

Sustaining U.S. Global Leadership: Priorities for 21st Century Defense — is certainly a source of reassurance for regional states like Japan, which do not have its own military capabilities to project power, but depend on the United States.

Apart from this manifestation of the intention, however, remains a question if the United States has the capability to implement such intention. The United States would say “yes” to this question, but it is not so clear, because the United States would never publicly explain what kind of counter-measures they actually have against such A2/AD threats. If it were not for such credible counter-measures, the U.S. political leadership would have to run a huge risk of losing its aircraft carriers or avoid a decision to commit them.

There are only two possible scenarios, in which Japan would decide to acquire its own power projection capabilities, independent of the United States. The first scenario is that the United States abandons Japan; a case where the United States decides not to project power for defense of Japanese interests. And the other is that even if the United States maintains that it protects Japan, Japan does not trust them, doubting either their intention or capability or both. Theoretically speaking, China’s growing A2/AD capabilities have a potential of bringing the latter scenario to a reality by damaging the credibility of the U.S. power projection capabilities, even though it is highly unlikely. This set of arguments applies to the credibility of U.S. extended deterrence and the possibility of Japan’s acquiring its own nuclear weapons.

The question extends into the feasibility and credibility of the new operational concept to implement the military aspect of the U.S. rebalance; Air Sea battle concept.

The premise of Air Sea battle is that the U.S. forces would endure and survive the A2/AD attacks from People’s Liberation Army and successfully project power inside or west of the first island chain or even ashore the Chinese territory. But there is an argument even within the U.S. defense community that this may not be operationally feasible, given the current budget restraints and also the capabilities of China’s nuclear arsenal. T.X. Hammes, senior research fellow at the National Defense University in Washington, DC, proposes an alternative military strategy: “Offshore Control.”

It is a strategy to set up a defense perimeter along the first island chain and exercise reverse-A2/AD operations against Chinese military to confine it inside the island chain. It also includes an extensive blockade of major choke points for China. This is still a minority view and will not replace Air Sea battle any time soon, but it illustrates the evolution of strategic thinking on the part of the United States to deal with China's growing military capabilities.

The reality is, however, such a high-intensity military conflict is highly unlikely to happen. More realistic scenario for the regional states is low-intensity conflicts over disputed maritime territories in the East China Sea and the South China Sea. How Air Sea battle concept of the U.S. armed forces can deter and even be applied to such conflicts is not clear. One could perhaps even argue that there is a mismatch between the U.S. military operational concepts and the reality of the regional security environment.

The true significance of this competition between the U.S. power projection and the China's A2/AD goes far beyond the pure military balance. It could have a direct and serious impact on the regional leadership structure, in other words, on the sustainability of the U.S. primacy.

During the Cold War era, the United States dominated this region on both economic and security domain. But with China replacing the United States as the biggest trading partners for the regional states, the U.S. influence on the regional economy dwindled in a relative term. The United States now has only the security pillar to support its primacy. The China's development of A2/AD capabilities could damage this remaining pillar of U.S. primacy. Of course, the U.S. military capabilities themselves will remain far superior to that of China for some time to come. But the perception among the regional states that the U.S. power projection capabilities may not be as credible and dependable as they used to be could deliver a substantial blow to the U.S. primacy or the U.S. status as the regional security guarantor.

Since the United States no longer enjoys the absolute primacy in the economic domain in the region, this potential blow to the security pillar of the U.S. primacy could lead to the end of the U.S. primacy itself, if China will not replace the United States. (See Chart 1)

Chart 1:

Shift of Regional Leadership Structure

| | Cold War Era | Present | Future? |
|----------------------------|---|---|---|
| Major Trading Partner | USA  | China | China  |
| Primary Security Guarantor | USA | USA  | China |
| Leadership Structure | Uncontested U.S. Primacy | Contested U.S. Primacy | Dual Leadership Power Share  China Primacy? |

China may truly believe and explain that its A2/AD capabilities are a military means to prevent possible U.S. interventions and protect its national sovereignty such as in Taiwan. But the reality is China is threatening the sustainability of the U.S. primacy in the region and as a result challenging the current leadership structure in the region. That makes China look like pursuing its hegemony in the region, if not so intended.

The second consequence of the U.S. rebalance is the further deepening of the dilemma among the regional states. Most of the states in the Asia-Pacific region have China as their major trading partner, if not the biggest, while they depend on the United States for the security guarantee. And this dual dependence could cause a dilemma when the tension between China and the United States goes up. In other words, this dual dependence can only be sustained when both major powers have peaceful and stable relationship.

The rebalance strategy of the United States does not directly address this dilemma of the regional states. It intends to overpower China and prevent China from challenging the U.S. primacy. It could bring about the desired end-state only when China decides to give in to this U.S. strategy. But so far there is no indication that China would take such a response.

To the contrary the reality is that there is a widely-shared and

strong view in China that this U.S. new rebalance strategy is intended to prevent China from further growing stronger even though the United States government officially explains otherwise. Wang Jisi of Peking University wrote: the “eastward shift” in the strategic focus of the Obama Administration has been interpreted as a way to defend against Chinese ambitions.

Roughly speaking there are two ways that the regional states react to such a negative development in the Sino-U.S. relations. One is to further enhance its dependence on the United States. And the other is to pursue an alternative regional order, in which the dilemma of dual dependency can be minimized, if not totally solved.

The typical example of the former approach is that of Japan. The government of Japan welcomes the U.S. rebalance and supports its implementation by enhancing its commitment to the alliance relationship. Japan is trying to strengthen the defense cooperation with the United States in such areas as ballistic missile defense, anti-submarine warfare and cyber security. Both governments have recently agreed to start a new round of review of the Guidelines for Japan-U.S. Defense Cooperation, which is now more than 15 years old and obsolete. It is widely interpreted that the main purpose of this review is to change the focus of Japan-U.S. defense cooperation from the contingencies in Korean Peninsula to possible conflicts with China over the East China Sea, even though both governments emphasize their official positions that the alliance is not aimed at China nor is this Guidelines targeted at any specific country.

Japan’s overall approach is to enhance its military capabilities and political influence by strengthening the alliance relations with the United States, and eventually get China integrated into the existing international order both political and economic. Australia and some of the ASEAN member states take the similar approach, if not so obvious as Japan’s case is.

The other approach is to pursue an alternative regional order or leadership structure. The best example is “Power Share” theory, proposed by Hugh White, professor of Australian National University. His idea is that the United States should stop contesting its primacy in the region and instead share power with other major

states including China. He writes in a recently published book, *The China Choice*, that a war between the United States and China is already a clear and significant danger. And then he lays out three options for the United States: (1) resist China's challenge and reserve the status quo, (2) withdraw from Asia and leave China to attempt to establish hegemony, and (3) remain in Asia in a new basis, allowing China a larger role. And he advocates the third option.

He writes, "Asia's alternative futures are not American or Chinese supremacy. America's real choice is not between dominating or withdrawing from Asia: it is between taking China on as a strategic rival, or working with it as a partner."

Not quite the same but similar is the idea of "Pax Pacifica," which another Australian, Kevin Rudd, former prime minister and foreign minister of that country advocates. He proposes this regional power structure as opposed to "Pax Americana" and "Pax Sinica." He believes neither of them, if actually achieved, would bring about a sustainable regional power structure.

These alternative ideas to the sustained U.S. unilateral leadership should be regarded as regional responses which point to what is lacking in the U.S. current regional strategy.

The third and final consequence of the rebalance is that it exacerbated the mutual strategic distrust between the United States and China. This idea of "U.S.-China strategic distrust" was first articulated through a joint work by Wang Jisi of Peking University and Kenneth Lieberthal of the Brookings Institution in March 2012. Their view is that both countries can cooperate on handling the day-to-day bilateral issues without any problem, but when it comes to the long-term strategic intentions, they cannot trust each other. And the situation is getting worse as the gap of national powers narrows.

Wang Jisi explained in an interview by the author in October 2012, "The United States is doing a number of things that worry China. For instance, establishing a U.S. Marines training center in Australia, strengthening its security relationship with Japan, and even trying to multilateralize its strategic arrangements in East Asia." He added that he himself did not think the whole thing is directed against China, but many Chinese commentators believe

that Washington is trying to drive a wedge between China and these countries.

He describes how this strategic distrust theory applies to the U.S. rebalance by pointing out, “The truth is that part of the rebalancing notion is based on the fear that China might challenge the United States in the Asia-Pacific region.”

IV. U.S.-CHINA STRATEGIC CHEMISTRY

As a response to the U.S. rebalance, Wang Jisi published a paper: “‘Marching Westward’: The Rebalancing of China’s Geostrategy” in October, 2012. He points out that “Marching Westward” is a strategic necessity for China’s involvement in great power cooperation, the improvement of the international environment and the strengthening of China’s competitive abilities. Wang further explains, “Sino-U.S. competition in East Asia is already increasingly becoming a ‘zero-sum situation.’ However, if China ‘marches westward,’ the potential for China-U.S. cooperation in the fields of investment, energy, terrorism, non-proliferation and the maintenance of regional stability will increase.”

This proposal is a way to increase China’s competitiveness and at the same time to expand the chance for cooperation with the United States, while avoiding confrontations in East Asia. One can argue this is a harbinger of another new consequence of the U.S. rebalance. It is a strategic diversification on the part of China. How this new trend-line in China’s strategic thinking may develop is, however, too early to judge.

As the United States launched the rebalance strategy, China also put out its new concept of diplomatic strategy: “New type of major power relationship (新型大国关系).”

It was first presented to the United States when Mr. Xi Jinping visited the United States in February 2012. At that time he was still vice president of China. He advocated a new type of cooperative partnership between China, the world’s largest developing country and the United States, the largest developed country, based on mutual respect and mutual benefit in spite of the difference in political systems.

A paper, which was written by Cui Tiankai (崔天凯), then Vice Minister of Foreign Affairs (外交部副部长) and published in July 2012, explains this concept in details and calls for joint efforts with the United States.

According to this paper, the main concept of “new type of major power relationship” consists of the following three pillars:

- (1) cooperation not confrontation;
- (2) win-win results not “zero-sum” game; and
- (3) healthy competition not malicious rivalry.

It also names five “thorny problems” that have to be addressed in order to achieve these goals:

- (1) lack of strategic mutual trust;
- (2) bottleneck of core interests;
- (3) true implementation of the principle of treating each other as equals;
- (4) restructure the trade mix; and
- (5) ensure healthy interactions in the Asia-Pacific.

These listings of principles and problems can be read as the criticism of the U.S. rebalance from China’s point of view.

The crucial question would be whether the U.S. rebalance and China’s “New type of major powers relationship” concept are mutually compatible.

The United States has not responded to this new proposal from China in a concrete way. The crucial question would be whether the U.S. rebalance and China’s “new type of major power relationship” concept are mutually compatible. Mark Lippert, chief of staff to the U.S. Secretary of Defense told the author in a recent interview, “We are still assessing and trying to get a little more detail (of the new concept),” implying that it is still too early to tell.

It has to be pointed out that this new proposal of China solely focuses on managing the relationship with the United States and does not directly address the dilemma of dual dependency of the regional states, just as the U.S. rebalance does not.

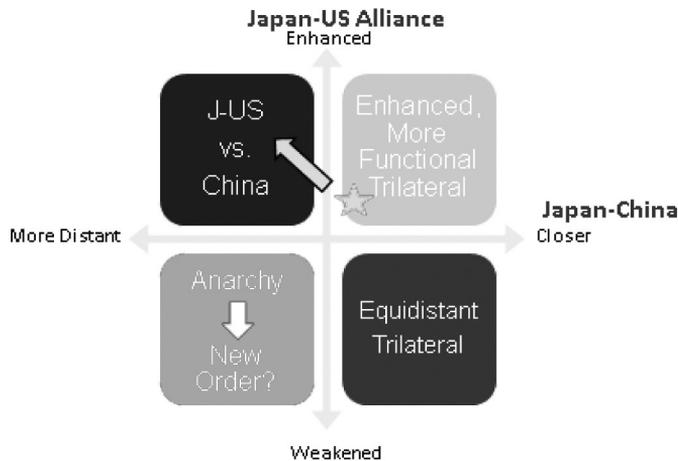
It remains to be seen how the strategic chemistry of the two major powers will play out, but it goes without saying that the

consequence will have a major impact on the overall strategic environment in the region.

Just to analyze the possible impact on the Japan-China relationship, which is now considered to be the most volatile bilateral relationship in the region, if the U.S. rebalance causes the enhancement of the Japan-U.S. alliance and more distance between Japan and China, the region will see an intensified rivalry between Japan-U.S. and China. (See Chart 2)

Chart 2:

Impact of U.S. Rebalance on Japan-China Relations



It is apparent that the implementation of both new strategies could destabilize the region if not appropriately coordinated. Both the United States and China would have to make serious efforts to make sure that its own strategy is compatible with the other's. The adjustment may require some compromise on both sides and cause frustration. But from the regional states' point of view, that is the responsibility of the major powers. And neither the United States nor China has a choice but to follow this path.

The dilemma of dual dependence among the regional states will not disappear anytime soon. It requires that the United States recovers the status of the biggest trading partner for the majority of regional states or that China replaces the United States as the

primary security guarantor for the region. Neither of such change is likely to occur for the foreseeable future. In other words, neither “Pax Americana” or “Pax Sinica” is possible.

If that is the future that the entire region is going to live in together, the only possible and feasible scenario for the regional peace and stability is that the United States and China together figure out a way to peacefully co-exist in the current framework of division of labor.

What distinguishes a truly great state (大国) from just a most powerful state (强国) is the commitment to the interests of other states instead of pursuit of its own national interests. That is what is most crucially required for both the United States and China now. Each of them has to win both respect and admiration from the other regional states.

The most serious obstacle to the bilateral cooperation is the strategic distrust. But what makes the region most seriously concerned about the future of the U.S.-China relations is not just the existence of this mutual distrust but also the fact that both countries, at least for now, seem to give up hope to overcome it. There is no indication from either of them to tackle this issue. A good start may be to work on the coordination between the rebalance of the United States and the “new type of major power relationship” of China, and to show to the region how these two strategies could be mutually compatible.