

# BROOKINGS

On the Record

## **Conference on the risks to the Asian peace: Avoiding paths to great power war**

Richard C. Bush Tuesday, June 25, 2019

### **Editor's Note:**

*The following is the text of framing remarks delivered at a joint Brookings-National Chengchi University conference in Taipei on June 17, 2019. A Chinese translation of this speech, published by the Financial Times, is also available [here](#).*

**T**hank you all for coming today for our conference on “The Risks to the Asian Peace: Avoiding Paths to Great Power War.” The Brookings Institution is honored to sponsor this conference in partnership with the College of International Affairs (CIA) at National Chengchi University. Let me say at the outset that I personally plus all of my Brookings colleagues are deeply grateful to Professor Huang Kwei-Bo of CIA for his tireless efforts to make all the arrangements here in Taipei and ensure the success of our conference. Brookings put a big burden on his shoulders and he bore it well and with good humor.

Regarding the title of the conference, the first part of the title—“the risks to the Asian peace”—implies that there has been a peace and that it is significant. My colleagues and I sometimes use the term “the long East Asian peace.” The purpose of my remarks is to provide you with a brief analysis of that long peace and why it is now at risk.

There is no doubt that the last four decades were the most peaceful time in East Asia in the last 125 years. There were geopolitical tensions from time to time, mainly on the Korean peninsula and between Taiwan and China. But there was never a major war. These 40 years were a time of exceptional economic growth that brought prosperity and improvements in human welfare to every country except North Korea.

How did this come about? My short answer is the two words “hegemonic stability.” This is a fancy concept from the study of international relations, but I need to make sure you understand how I am using this term. Hegemony can be neither positive nor stabilizing. As I am using the term, it refers generally to a dominant power that

supplies public goods such as a secure, peaceful environment for all, open markets, freedom of navigation, and willingness to step up as lender of last resort in financial crises.

With specific reference to hegemonic stability in East Asia, the dominant military presence of the United States *and* its benign, rules-based policies in the economic and other spheres created an environment in which the countries of the region, including China, could pursue economic, social, and political modernization. Taiwan is a key example here. It and most other countries in the region *did* pursue modernization, which only reinforced the peace. Now, hegemonic stability can be either benign or malign. In my view, the leadership of the United States for East Asia over the last forty years has been benign.

Let me tick off very quickly the events and developments that helped create this favorable environment. I am sure you can fill in the details. Here they are:

- The United States decided after the Vietnam War to remain actively involved in East Asia, which, among other things, deterred hostile action by both North Korea and the Soviet Union.
- China decided to focus on economic growth and defer the modernization of the PLA.
- China decided to end support to communist insurgencies in Southeast Asia.
- Vietnam decided in 1986 to pursue domestic economic reform and then to end its occupation of Cambodia in 1989, which in turn led to a peace settlement of that conflict in 1991.
- ASEAN's role in regional affairs expanded, particularly institutionalized mechanisms like the ASEAN Regional Forum and East Asian Summit.
- From 1986 on, key countries in the region, including Taiwan, made the transition to democracy, which gave the people of those places a say in external policies.
- China and the Soviet Union moved in 1989 to end their long confrontation. Two years later, the USSR collapsed, which transformed global politics.
- North Korea and the United States decided to address the DPRK's nuclear program through negotiations instead of brinkmanship. These efforts, which so far have failed, became multi-lateralized with the Six Party Talks and bought time for everyone.

- Deng Xiaoping decided in 1992 to re-invigorate reform and opening up and so expand the role of outside firms in China's economy. China's entry into the World Trade Organization in 2002 gave a new boost to reform and openness, and gave China a new stake in peace.
- In cross-Strait relations, China preferred—*most of the time*—to pursue unification peacefully, while Taiwan leaders became increasingly cautious about playing up Taiwanese nationalism for political purposes.
- The Trans-Pacific Partnership created hope for high-quality multilateral agreements appropriate for the global economy of the 21st century.

There are probably other important milestones, but you get the idea. America's grand strategy of hegemonic stability in East Asia, of maintaining relative American dominance in the security realm and its leading role in economic globalization, created an environment in which many countries of East Asia had both the opportunity and freedom to pursue economic, social, and political modernization. Moreover, the United States has been comfortable with our friends and allies relying primarily on China for their prosperity and on America for their security.

So, what has changed to foster fear that the East Asian peace may be ending and that major-power war is more likely? Several secondary factors are involved. For example, it has become apparent that North Korea has no intention of giving up its nuclear weapons programs at a "price" that is acceptable to the other countries concerned.

But the primary factors are changes in the respective roles of the United States and China. Concerning the United States:

- Beginning in 2001, the U.S. armed forces engaged in more than a decade of expeditionary warfare in Iraq and Afghanistan. Those conflicts may have been unavoidable, but they sapped resources that could be used for other purposes.
- Several American administrations have prioritized tax cuts for the wealthy and defense spending, which has created a growing debt burden and reduced resources available for infrastructure, education, social welfare, and other tasks.
- Loose regulation of the financial industry was an important cause of the global financial crisis, which in turn called into question American economic leadership.
- Democrats in Congress have lost faith in free trade agreements, and neither party has the political will to invest in social mobility and human capital.

- Our political system lost the ability to formulate compromises to meet serious policy challenges.

Finally, it is clear that the current U.S. president does not share the view of the U.S. national security establishment that it is in *America's* national interest to be actively engaged in East Asia in both the security and economic domains. Many in his administration *do* understand the value of our long-term grand strategy, but he does not. Withdrawal from TPP was a serious mistake. Questioning the value of alliances and conducting an economic war with China have caused our friends and allies in the region to question the leadership the United States. All these events and trends have undermined hegemonic stability.

But China has also contributed to fears for the future:

- For the last two decades, it has conducted a systematic build-up of its military capabilities. The Taiwan issue was one reason for this build-up but there are broader, regional motivations as well.
- For most of the last two decades, Beijing tolerated North Korea's nuclear build-up, despite the threat it posed to regional stability.
- For the last decade, it has deployed new capabilities to challenge Japan's administration of the Diaoyutai.
- Over the last decade, it has gradually built a security presence in the South China Sea, particularly by creating artificial islands to serve as military bases, which in turn has fostered the possibility of serious military conflict.
- For the last three years, it has conducted a concerted campaign of intimidation and cooptation towards Taiwan.
- Increasingly, it argues that Asians only should be responsible for East Asian security, excluding the United States

And so on and so on.

There is a strategic logic to much of what China has done in the last two decades. It has sought in various ways to push out its defensive perimeter, from the coast of East and South China towards the first island chain. We should not be surprised at this. If I were a PLA defense planner, I would want to do exactly the same thing, in order to create strategic depth for my country.

The question is *how* China chooses to project its power and to what ends? Will it follow the path of previous rising powers and aggressively seek to advance revisions to the existing regional order to promote its own narrow interests? Or will it ultimately decide to be more restrained?

So far, China's power projection has encroached on the presence and positions of U.S. and Japanese forces, creating the danger that the resulting frictions will lead accidentally or intentionally to serious conflict. Beijing's "great push outward" also undermines the security and sense of security of U.S. friends and allies up and down the first island chain, including Taiwan—especially Taiwan. The infrastructure development done under BRI and through AIIB may meet real needs but at what long-term cost to the receiving countries? In short, there is the suspicion that China wishes to establish what we might call hegemonic stability with Chinese characteristics, at the expense of the United States.

I do not share Graham Allison's view that American and China are in danger of falling into a trap that leads to war, and that "two tigers can't live together on the same mountain." (*yishan burong erhu*). Other scenarios are possible. The United States might choose to no longer guarantee the peace in East Asia, pursue some kind of off-shore balancing, and accept China's dominance of this region. The two great powers might engage in a long-term struggle of attrition on a range of issues. Nor can we rule out the possibility that Beijing and Washington can work out an arrangement of peaceful coexistence, where two tigers *can* live on the same mountain.

We could have an entire conference on what such an arrangement would look like, but it probably includes an economic order led by China, the U.S., and Japan together. It probably includes a variety of risk-reduction and conflict-avoidance regimes to help manage frictions. The arrangement certainly would allow the countries of the region do not have to make a choice between China and the United States.

But I cannot be completely confident that war will not happen. Preserving East Asia's long peace will require Beijing and Washington to each accurately assess the capabilities and intentions of the other, to avoid the assumption that this is a zero-sum contest, and to understand that when it comes to a great-power war, no one wins.