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IN SEARCH OF ‘SUITABLE POSITIONS’
IN THE ASIA-PACIFIC:
NEGOTIATING THE US-CHINA
RELATIONSHIP AND REGIONAL SECURITY

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ABSTRACT

This paper argues that the crucial determinant of Asia-Pacific security is whether the US and China can negotiate their relationship and their relative positions and roles in such a way as to produce sustainable regional stability. It examines three alternative models to assess some of the possible processes and outcomes in negotiating Sino-American coexistence. (I) Power transition, in which there is a significant structural shift in the regional system as a rising China challenges US dominance, with a range of possible outcomes; (II) The maintenance of the status quo of US strategic dominance over the region, which China does not challenge concentrating instead on internal consolidation and on developing its economic power; and (III) Negotiated change, by which the two powers coordinate to manage a more fundamental structural transformation, either through forming a concert (duet) of power, or by moving towards a regional security community. The paper suggests that Model II is likely for the short- to medium-term; Model III for the medium term; and Model I for the long term.

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IN SEARCH OF ‘SUITABLE POSITIONS’ IN THE ASIA-PACIFIC: NEGOTIATING THE US-CHINA RELATIONSHIP AND REGIONAL SECURITY

Introduction

In spite of rising concerns about terrorism in the last two years, the security of the Asia-Pacific region is still widely believed to rest upon the nature of the US-China relationship. Many who analyse the issue tend to work from the position that it is incumbent upon the US, as the dominant power, to orchestrate regional order, and to decide how much room it should make for a rising China and what type of role the Chinese ought to play. In contrast, this paper argues that the critical question is whether the US and China can negotiate their relationship and their relative positions and roles in such a way as to produce sustainable regional stability.

The process of negotiating order requires first and foremost, a clarification and understanding of each side’s strategy – aims, objectives and policies – towards the region. East Asian strategy has traditionally been a murky area in US foreign policy. The hot wars of the Cold War were fought in the region in part because of the unresolved tensions within US defense strategy. In the post-Cold War era, US strategy consists of the central controlling San Francisco system of alliances, disparate policies and crisis management governing the Korean peninsula and the Taiwan Straits, and sporadic attention to issues like human rights and anti-terrorism. Still, it appears from policy statements that the bottom line for Washington is the retention of US military primacy in the region.

Beijing’s strategy towards the Asia-Pacific is, if anything, even more opaque. In the last five years or so, China’s foreign policy elite has responded to international suspicions and

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*An earlier draft of this paper was presented at the International Studies Association Convention, Portland, Oregon, 25 February-1 March 2003.

† Secretary of State Dean Acheson’s ‘defensive perimeter’ concept which excluded the Korean Peninsula from the areas of vital security interest to the US is seen as having encouraged the North Koreans to embark on their attack on the South in 1950, but the excessive US intervention subsequently prompted China to enter the war; and widespread acceptance of the controversial ‘domino theory’ among the Kennedy and Johnson administrations contributed to US involvement and escalation of the Vietnam War. See William Stueck, *The Korean War: An International History* (Princeton: Princeton University Press, 1995); Frank Ninkovich, *Modernity and Power: A History of the Domino Theory in the Twentieth Century* (Chicago: University of Chicago Press, 1994), chapters 7-9.
concerns about the China threat by trying to articulate the image of a moderate China and the principles that guide Chinese interactions with the international community. However, the Chinese style of stating principles rather than objectives and ideals rather than concrete policy goals offers very little insight into some crucial questions. What role does Beijing envisage China playing in the region? What model of leadership does it expect to follow vis-à-vis its neighbours and on what type of issues? In what issue areas and existing norms does it wish to see changes to the status quo? How do Chinese leaders view US-China relations in the context of regional influence?

In some ways, there appears to be an impasse in Asia-Pacific security studies because of the disjuncture between these disparate currents of American strategy and Chinese foreign policy. Drawing from a range of conceptual perspectives, this paper examines three alternative models to assess some of the possible processes and outcomes in negotiating Sino-American coexistence in the Asia-Pacific. For each model, I examine the impact of power distribution, each side’s perceived regional image and role and their priority national interests and objectives in the region. I suggest different aspects of power and influence that may be negotiable for each side to specific ends. I then assess the likelihood of each model, concluding that we are likely to see tacit coexistence and even some negotiated power share in the short to medium term. Finally, I contend that we must ultimately return to the potentially destabilising scenario of power transition in the long term.

**Relative Power Transformation: Possibilities in Processes and Outcomes**

While still in its early stages, the resurgence of China portends a structural transformation in the Asia-Pacific system in realist terms, in that the relative power matrix in the region is being altered. While it will take China many decades to catch up with the US in economic, technological and military terms, it is sufficient in the interim for China’s rise to be perceived as a systemic disruption if the following factors are present:

- Chinese ambitions for domination (the ‘China threat’);
- The will to challenge the status quo (China as a ‘revisionist’ power);
- The existence of ‘hotspots’ of conflict (Taiwan, the South China Sea);
- A willingness to risk asymmetrical conflict; and
- The ability to destabilise the general strategic climate (growing economic power, nervous neighbours and regional arms acquisitions).

Given the ongoing transformation in the relative power balance in the Asia-Pacific, we can identify three sets of possible scenarios. The first is power transition, in which there is a significant structural shift in the regional system as a rising China challenges US dominance. Within this group, there are three sub-possibilities:

i. China successfully challenges US hegemony in the region and there is a power transition to Chinese dominance. This is unlikely given the power disparity, bar dramatic endogenous changes to US power and its willingness to exert it;

ii. A failed power transition following a crisis and conflict, which sees the reassertion of US hegemony, and/or Chinese implosion; or

iii. Transition to a new bipolar balance of power in which China and the US stake out separate spheres of influence and exercise mutual deterrence and containment, with occasional contained conflicts.

The second scenario is the maintenance of the status quo of US strategic dominance over the region, which China does not challenge. Instead, China concentrates on internal consolidation and on developing its economic power. It can be argued that this is what we are seeing at the moment, and it is a situation that may persist for some time.

The third scenario is negotiated change, by which the two powers coordinate to manage a more fundamental structural transformation. One possibility is that they form a concert (duet) of power with agreed spheres of influence and norms of conduct by which to maintain stability in the region. This will require a sea change in mutual attitudes. The other is that they cultivate multilateral collective security approaches with the other more minor powers in the region, and move towards a regional security community. The latter is problematic, of course, because of the degree of dominance of the two major powers and the underdeveloped precedence for collective security in this region.

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Model I: Power Transition

Scenarios of power transition pit the US as the unilateralist hegemonic power against China as the rising challenger. Such situations with changes in relative power at the structural level are associated with competition over positions within the international hierarchy and with concepts of international order. The incumbent power has the tendency to emphasize system preservation (along with its dominant hierarchical position), while the rising challenger will tend to be revisionist, perhaps focusing on exerting disputed sovereign territorial claims.

Realist and neorealist theorists are pessimistic about prospects for peaceful power transitions. Notably, Robert Gilpin’s ‘hegemonic instability’ theory asserts that the incongruity between a rising power’s capabilities and its continued subordinate position in an international system dominated by an erstwhile hegemonic power triggers a security dilemma that can only be resolved by major war.\(^3\) Regarding states as driven by zero-sum power concerns, Gilpin’s stark neorealist view makes negotiation on hierarchy, rules and values impossible. Empirically, it would seem that neorealists are correct: a large majority of power transitions are accompanied by war, with the modifications to the international order made by the victors of military contestation.

From previous examples of power transition, we may note four important variables.

First, war is usually the necessary determining factor of the transition to the reign of a new hegemonic power. Note, however, that the relationship between the incidence of war and power transitions is not clear-cut. Some wars between rising and declining powers such as the Thirty Year War do not result in power transition. In other cases such as the end of the Cold War, peaceful power transitions are achieved when the contending power acknowledges defeat and gives in to a new international order. In other cases such as the American takeover of British hegemony in the first half of the 20th century, the major war occurs after the challenger has already over-taken the incumbent power has taken place. Thus, it would seem that there are specific conditions under which the incongruity between capabilities and status felt by the rising and declining powers do or do not necessarily lead them to war.

Second, the specific disparity in power between the incumbent power and the challenger is important. The quantitative aspects of power transition, namely the perceived type and potential scope of the competing power, as well as the relative rates of ascendance and decline are critical scales on which the balance of threat is calculated by fading or incumbent powers. For instance, the smaller the disparity of power, the greater the likelihood of conflict as the challenger becomes more confident. However, this variable might be a double-edged sword though, as the incumbent might decide to wipe out the competition before the challenger becomes too strong.

Third, the decline of a dominant power usually parallels the competing power’s rise. In the situation of the US and China currently, this is far from the case: the US enjoys a preponderance of power which is virtually unparalleled in history, and China may need up to fifty years to draw head-to-head with it. In this case, then, a classic overtake scenario is very unlikely, barring a major domestic crisis or an economic collapse in the US.

Fourth, the dynamics of power transition are by no means simple. If one looks at power transitions from Portuguese hegemony in the 16th century onwards, two things become clear: first, the process of power transition often involves more than just the rising and fading powers; there are often multiple rising contenders and simultaneous power challenges, and their involvement in the wars that characterise periods of transition are not clear-cut. Second, it appears that successful new hegemons have tended to rise from the ranks of supporting rather than challenging states. Holland emerged as the new hegemon at the end of the 17th century, rather than Spain who was a direct challenger of Portugal. By fighting Spain, the Dutch took up where the Portuguese left off. In the process, it acquired independence and inherited Portuguese world trade. In the 18th century, it was not the French challengers who achieved hegemony, but rather Britain, which had fought alongside Holland in the Napoleonic wars. Again in the 20th century, Germany failed in both bids for hegemony against Britain, while the United States emerged as the new hegemon after fighting as Britain's ally in both World Wars. It seems that the very high costs of competition between the direct challenger and the old hegemon prohibit success, while the cooperative/competitive relationship between

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the old hegemon and its supporting partner paves the way for a successful power transition. In this regard, we may want to keep an eye on significant third parties in the Asia-Pacific transition, in particular Japan, which is a US ally. This is because given a choice, the US might prefer to cede greater regional power to or construct a concert of sorts with Japan, rather than face-off with China.

The discussion so far demonstrates that power transition is a complicated process and the stark neorealist view is an inadequate predictor of outcomes. In the US-China case, it is my contention that outright confrontation is very unlikely in the short- to medium-term simply because of the existing and potential power differential. Beijing is consciously aware and very wary of their shortcomings vis-à-vis the US, and especially in light of the demonstrations of American military and technological prowess in the 1990s campaigns, and the recent war against Iraq. Although Robert Ross suggests that the region is already bipolar because China is the established dominant continental power in East Asia, the reality remains one in which the sheer power disparity, when weighed up in material rather than simple geographical terms, indicates a highly asymmetrical bipolarity, if it might be called that. Indeed, China’s eventual capacity to develop as a more even counter-weight to the US might be doubted on the grounds that China’s rise will be impeded by the power balancing behaviour of its immediate neighbours – Russia, Japan, possibly the Koreas, and Southeast Asian states.

The bottom line is that scenarios of bipolarity or hegemonic challenge remain a long-term prospect in the Asia-Pacific. While neorealist theories of power transition predict a Sino-American power contest, we are more likely to see limited tensions and managed frictions over specific issues such as the Taiwan question, than outright war. Thomas Christensen has drawn our attention to the possibility of Beijing pursuing asymmetrical warfare against the US in scenarios which would precede power transition. However, this might occur only under a combination of specific circumstances – a weaker China might well

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challenge the United States if the leadership sees itself as incurring greater regime costs from not attacking than from attacking (Taiwan is an issue that could lead to this reasoning); if actual or potential U.S. casualties seem sufficiently high to force an early U.S. withdrawal from any conflict; if the United States is tied down militarily in other parts of the world; and if Chinese leaders believe that regional allies can be encouraged to adopt policies different from America’s own.\(^9\)

**Model II: Status quo**

According to this model, there is no structural power competition. The key change will occur in Chinese national characteristics, in terms of China’s economic growth and emergence and national consolidation. US strategic dominance over the Asia-Pacific will persist, and will not be contested by China. As one Chinese academic put it, the central problem in Sino-American relations is conceptual: Washington harbours a ‘China threat’ mentality and perceives bilateral relations to be between a superpower and a rising challenger. The Chinese, on the other hand, characterize the relationship as one between a developing large country and a developed superpower.\(^10\)

This is in line with Beijing’s current aim of ‘de-securitising’ China’s rise in order to allay regional concerns. The Chinese foreign policy community has made a concerted effort to represent China’s re-emergence as essentially an economic and developmental one, rather than a strategic development. It is not revisionist vis-à-vis the international system but in fact in line with the aims and values well understood by others because this development is modelled along the well-travelled global capitalist path. Thus, instead of shunning or promoting alternatives to the established institutions, China recognizes that “the world will

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not let China have a free-ride, and because it wants to take the ride, China has no choice but to pay the price for the ticket” for entry into institutions such as the WTO.¹¹

At the same time, the Chinese policy community is not loathe in meetings to emphasize the large gap between the US and China in terms of wealth, technology, and military capability. They acknowledge US superiority and China’s inability to be a real competitor for the next few decades at least. This pragmatism is accompanied by Beijing’s strong strategic focus on domestic economic development and national stability. Thus it is often proclaimed that that China is fundamentally preoccupied with domestic development and is not interested in, and cannot afford foreign policy adventurism. By this logic, China is a ‘satisfied power’.

As a result, Beijing identifies cooperation rather than conflict as the main characteristic of current and future Sino-American relations. China’s economic development will act as “the foundation for US-China cooperation”. Analysts foresee new avenues for coordination especially in energy issues. For instance, as Chinese demand grows for oil grows, Beijing will develop more common interests with Washington in Middle East stability.¹² The Chinese also hope for more Sino-American cooperation on technological advancements, and to ensure bilateral and regional stability to allow concentration on domestic development. In other words, as the emphasis of Beijing’s foreign policy is retained upon issues of trade and international economic system membership, Beijing foresees a broadening and deepening of the overlap in Sino-American interests in maintaining regional stability.

This approach reflects Premier Deng Xiaoping’s foreign policy guiding principle of “taoguang yanghui” (keeping a low profile and biding one’s time), emphasizing the need to keep China’s head down, being low key, and finding sufficient breathing space for it to develop. While President Jiang Zemin tried to develop a more activist approach to attempt to accomplish some deeds in the diplomatic arena (“yousuo zuowei”), there has been a concerted return to the low profile approach in the last two years.¹³ Chinese policy elites are anxious to

¹¹ Author interview with Chinese policy analyst, Beijing, 22 July 2002.
¹² Author interview with Chinese academic, Shanghai, 24 July 2002.
maximize what they perceive as the breathing space afforded by the US war on terror to concentrate on economic development and growth.

I suggest that Beijing’s attempts to re-represent its resurgence in developmentalist terms and to sustain a status quo approach to the strategic environment in the Asia-Pacific will prevail for the short- and possibly medium-term. One key determinant of its success will be greater transparency in Chinese defence strategy and policies in order to persuade others of its intentions. More sophisticated articulation of China’s security concepts and strategy would also help to clarify its objectives in the region.

However, there are two key obstacles to the persistence of this model. First, the degree of American acceptance of the Chinese line may be limited by domestic pressures in the form of the Taiwan lobby pressing for closer defence ties with the island; right-wing elements searching for a new enemy in the form of a state; the possible development of a trade deficit with China; and the human rights lobby.

Second, to what extent is the developmentalist strategy a means of buying time for Beijing to build up its national base, from which to project its power once it is strong enough? Some American analysts see China’s building of comprehensive national power as a short-term strategy. It is to be replaced by a second phase (to be implemented in 20 to 50 years’ time) during which Beijing will enhance its major power status by applying its new power base more aggressively with less regard for a stable regional environment.14

Where does this leave us in the task of finding China a ‘suitable’ position in the region? First, the possibilities of a negotiating a short-/medium-term US-China modus vivendi remain strong. As regional observers have pointed out, this window allows us time to try to ‘socialize’ the Chinese policy elite into a longer-term acceptance of international norms and order.15 Also, there remain the possibilities of cognitive change in the strategic outlook of this generation of Chinese leaders as they engage in greater interaction with the international

community. Furthermore, we should note that, time might also be bought for the US to ‘acclimatize’ itself to a changing regional strategic environment that is moving towards bipolarity.

**Model III: Negotiated Change**

The third set of scenarios centres on negotiated change, by which the two powers actively coordinate to manage a structural transformation. This develops from the observation and argument advanced by institutionalists and constructivists against stark realist logic that peaceful power transitions are possible.

Moving beyond Gilpin’s neorealist stance, we may suggest that peaceful power transition is more likely if it is not the hegemonic position per se that comes under contention. Thus the first possibility is a scenario of negotiated power sharing, whereby the US and China might form a duet of power with agreed spheres of influence and norms of conduct by which to maintain stability in the region. For this to come to pass though, a fundamental alteration of mutual perceptions is necessary. Washington must come to recognise China’s significant regional impact and accord it a legitimate regional sphere of influence, while Beijing must accede to not only the superiority but also benignity of American power.

Ross has written persuasively about the extant geographical and geopolitical conditions that make China the incumbent continental power and the US the dominant maritime power in East Asia. For Ross, this existing bipolarity is stable because Russia and

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18 The stakes are much higher if hegemonic power is being contested. In Gilpin’s preferred economic parlance, the marginal benefits to be gained from a move to the primate position are significantly larger than any other upward move within the hierarchy for the challenger, and the marginal losses significantly larger for the incumbent.
19 Other works which have considered the idea of a concert of powers in Asia have tended to include other regional powers, notably Japan and Russia – see, e.g., Amitav Acharya, ‘A Concert of Asia?’, *Survival* 41(3), (Autumn 1999), pp.84-101. My analysis differs in that it refers to a strictly bipolar concert.
Japan are limited by the ability to deploy east and small size respectively in their rise as potential regional powers, and because the US and China each has a defensive advantage in its own theatre sufficient to match each other’s military developments. There are a number of problems with Ross’ argument, including the way in which the proposed American Theatre Missile Defense system will upset the above assumption by critically piercing the Chinese offensive deterrence capacity. Also at issue are questions about the extent to which China can be argued to exercise “hegemony” over the Korean Peninsula and continental Southeast Asia. In addition, China has declared its expansionist ambitions in the South China Sea, and is engaged in upgrading its blue water naval capabilities accordingly.

My contention is that we must rely on more than geography alone to sustain peace: building upon the de facto implicit geopolitical status quo, there is a need to cultivate a bipolar modus vivendi in the form of a negotiated understanding of how power is to be exercised. If the US and China can negotiate and agree upon mutual spheres of influence, modes of conflict management, and shared interest in the resulting status quo, this might act as sociological and psychological cement to the geographical sand.

The conditions for this happening are daunting. First, the presence on both sides of strong leadership and the capacity for tight executive decisions will aid the process of building up a significant level of confidence and trust. Ironically, the Nixon/Kissinger-Mao/Zhou combination may be the ideal model for such a process of re-conceptualising the relationship. While the Chinese leaders relied on their domestic authority, the American leaders relied on secrecy to negotiate a reduction of mutual threat perceptions, and to cultivating benignity and cooperation or coordination on major international issues.

Second, the existence of a significant common interest – a shared external threat is often the best unifying factor – may be crucial to kick-start the process. In the post-Cold

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20 Ross, ‘Geography of the Peace’.
23 Although, note from the Sino-American experience in the 1970s-80s that a common threat alone is not necessarily sufficient to sustain a partnership in the absence of the cultivation of broader common interests and the resolution of fundamental conflicts. See Harry Harding, A Fragile Relationship: The United States and
War era, common Sino-American interests include economic development, peaceful reunification on the Korean peninsula and counter-terrorism. In a move consciously to cultivate common issue areas, Chinese analysts are currently putting forward ‘three ants’ as bases for US-China cooperation: anti-terrorism, anti-recession, and anti-proliferation. As a goal that is shared by almost every state in the world, it is doubtful whether economic progress can act as a gel specific to US-China relations. The Korean peninsula, on the other hand, is a promising arena for Sino-American coordination and perhaps the prime avenue for an exercise of concert over the medium-term. However, it is a limited issue area which does not provide an overarching ideological bonding. In spite of the Bush administration’s rhetoric, whether the ‘war on terror’ might become the next big crusade remains to be seen. Counter-proliferation is unlikely to provide the focus for cooperation, as Washington’s disagreements with Beijing on the latter’s provisions of nuclear technology to Pakistan are well known.

Furthermore, the constraints provided by domestic politics on both sides must be contended with. Negotiated power share would require a sea-change in Chinese attitudes towards US ‘hegemony’ and ‘imperialism’, and the reconciliation of Chinese nationalism with constrained exercise of power. The difficulties of this process for Chinese leaders who have to contend with strong nationalist opinion that the time has come to make up for China’s century of humiliation cannot be underestimated. On the other hand, however, the specific expressed objectives of Chinese nationalist discourse should not be ignored. The top priority is national reunification. Crucially, therefore, the US must cede Taiwan absolutely to the Chinese sphere of influence. If this is achieved, a fundamental obstacle to negotiated change will be removed, and the vital determinant of China as a ‘revisionist’ power negated.

At the same time, the negotiation of a power share will work to China’s advantage in the medium term when it is still unable to challenge US supremacy. This is in line with Beijing’s current posture towards the US in the Asia-Pacific. Chinese leaders have told Washington that China (a) will not challenge US military presence in the Asia-Pacific (which is useful to China because it contains Japanese re-militarization and deters North Korea from invading the south); (b) will not put pressure on neighbouring countries to drop their relations

with the US (with the exception of Taiwan’s military relations); and (c) will actively participate in regional security fora and economic development. These undertakings, if translated into consistent practice, could form the foundation for a negotiated change in the regional power structure.

Furthermore, the Chinese foreign policy community is intensifying its presentation of a peculiarly Chinese style of exercising power. This emphasizes a gradual, incremental, non-blantly assertive ascension to power. In its opposition to what is perceived as the ‘western’ style of assertive external colonization and imperialism, this Chinese style appears refer back to a more traditional model of Chinese power. This reading is Sinocentric and is presumed firstly upon the consolidation of domestic power and governance until the relative force of this political, economic and strategic power exerts a centripetal ‘pull’ effect for those around it, who will then choose to bandwagon with China.

The sea-change required in American attitudes about China, the US role in the Asia-Pacific, and its exercise of power as the unipolar power will arguably be much more difficult to achieve. This is because any power sharing arrangement will necessarily be regarded as compromising US influence in the region. It is a factor that may inhibit progress if the Bush administration’s declared objective of preventing any other power from challenging US global hegemony is taken seriously. In order to begin to negotiate a modus vivendi with China, Washington will have to make room for China at the international and regional tables on issues of importance to China; take seriously and participate in regional fora for cooperation on security issues; and be prepared to cede Taiwan to the Chinese sphere of influence.

China already sits on most of the most important negotiating tables in international diplomatic and economic issues, except perhaps for the G8. On the other hand, at the regional level, China appears to be taking more of an interest in cooperative institutions (such as the ARF, ASEAN+3, Shanghai Cooperation Organisation) than the US, which still uses its

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alliance structure as the basic foundation of Asia-Pacific strategy. It is perhaps odd that while the region believes that China may be socialised into being a responsible great power by its participation in regional institutions, the parallel aim to socialise the US into non-military cooperative security modes of behaviour has not received equal attention. Having said all this, however, prospects for negotiated change may well continue to be hampered in the short and medium term because the Taiwan issue may be insurmountable due to the way in which subsequent administrations have pegged American credibility to its commitment to the island.

Now that Washington has found other enemies in the form of global terrorism and rogue states proliferating in weapons of mass destruction, a start may be made in the current climate to redress the negative images of China as a threatening rising power in the US. One key possibility is that the argument in favour of an ‘offshore balancing’ strategy in the Asia-Pacific may now gain greater currency as the US prepares for more intense engagements in other parts of the world, especially the Middle East. This strategy is fatalistic about China’s ascendance, and specifically builds upon the need to accept a Chinese sphere of influence and to rationalize the US security commitment in the region. If combined with a parallel emphasis on building confidence through sustained dialogue and pursuing greater coordination on issues of shared interest, this argument will provide the key foundation for a negotiated change strategy in the US.

The other possible form of negotiated change is that the US and China might cultivate multilateral collective security approaches with the other more minor powers in the region, and move towards a regional security community. This process is likely to be problematic and the goal probably unattainable in the medium term because of the degree of dominance of the two major powers, and the underdeveloped precedence for collective security in this region. On the other hand, some progress has been made at the initiative of ASEAN to propagate its style of diplomacy throughout the region, and regional security dialogue has

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begun.  China has also demonstrated its willingness to adopt ASEAN-style multilateral approaches, and more importantly appears to be reformulating its security thinking to take greater account of the notion of cooperative security. Beijing’s ‘new security concept’ explicitly seeks the goals of “enhancing trust through dialogue and promoting security through cooperation”. Such developments remain mainly rhetorical. Regional security dialogues still do not impinge upon some of the most crucial security issues like Taiwan and the Korean peninsula, and the US appears to share very little interest in cooperative or collective security approaches. But embarking on the process itself is important, because of the belief that the journey cultivates values and ways of behaving that can moderate behaviour and shape preferences, even if the states concerned never reach the end of an European Union-like community. The most important basic change will be the cultivation of the expectation and belief that structural shifts in power need not be accompanied by war but may instead be negotiated.

Conclusion

The paper began by arguing that in order to obtain security and stability in the Asia-Pacific, the US and China must negotiate their relationship. This entails the clarification of each side’s regional strategy, and a two-way dialogue process aimed at finding areas of common interest and possible cooperation and coordination, and hammering out conflict management procedures. As a first cut, this paper has examined three possible models of how this process might take place: I, classic power transition entailing competition between incumbent and rising powers; II, the preservation of the strategic status quo whereby China concentrates on domestic development and accepts US hegemony; and III, negotiated change by which

perhaps a bipolar power sharing arrangement or a multilateral cooperative security system is worked out.

The conventional argument, especially in the US, is that we are witnessing Model I. Proponents of the ‘engagement’ strategy towards China suggest that some version of Model II is likely to prevail if the US and the international community make good use of the lag time offered by China’s development. Scant attention has been paid to the possibility of Model III. In this initial analysis, I suggest that Model II is likely for the short- to medium-term; Model III for the medium term; and Model I for the long term. It seems increasingly likely that China will play according to the international rules and will concentrate on domestic consolidation for the short- to medium-term if it is allowed to do so. Whether the US and China might make much progress in negotiated change will depend in large part on US strategy and policies over the next 10 to 20 years. If exceeding all expectations, Washington and Beijing manage to negotiate a sustainable *modus vivendi* in this period, then we might see Model II persisting. However, it is more likely that over the long-term, structural power competition will rear its head once China is in a position to pose a more credible threat to US interests in the Asia-Pacific. However, as discussed in the first section, power transitions have rarely been straightforward, and the outcome remains difficult to predict.
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