Regional Developments
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I consider my task to be twofold: (1) to identify recent developments that affect the security environment in Northeast Asia, and (2) to comment briefly on the policy issues these developments raise from an American perspective.

Regional Developments

The most significant development has been the continued growth in China’s relative power. The contours of China’s “rise” are so familiar to all of us, that I will foreswear any effort to review the details.

- When we met here last year, there was great anxiety that China had set aside Deng Xiaoping’s admonitions to bide time, conceal capabilities, and avoid a high international profile. Instead it appeared that China was determined to translate its nascent strength into greater strategic assertiveness; to abandon a “weak state strategy,” because it was no longer a weak state.

- Now it appears Chinese authorities recognize that they seriously overplayed their hand, jeopardized the credibility of their proclaimed “peaceful rise,” alarmed their neighbors, and prompted them to urge the United States to sustain, indeed expand, its engagement in Asia as a hedge against Chinese assertiveness— an anchor to windward, so to speak, and a counterweight to the PRC.

- Whether Beijing’s current moderation is more than a temporary tactic to let the dust settle, I cannot say. But it is welcome nonetheless. The Chinese have resumed discussions with Southeast Asian nations about a code of conduct in the South China Sea; they have hinted that they are encouraging restraint on their North Korean allies (while pushing more and more economic resources across the border and blessing Kim Jong-il’s dynastic succession plan); and the PRC responded to recent U.S. arms sales to Taipei without histrionics or a suspension of military to military contacts. For these reasons I believe Beijing poses fewer immediate security concerns today than it did a year ago.

With respect to North Korea, clashes in the area close to the Northern Limit Line are down, and there are reasons to hope that such incidents will not recur during the coming year. Last year’s provocative conduct solidified public sentiment in the ROK against the North, and left its regime even more isolated—uncomfortably dependent on China, as its single source of serious outside assistance. The incentives for restraint are several:

- Seoul’s pronouncement that future provocations will not go unpunished.
- China’s interest in avoiding conflict on its borders.
• Pyongyang’s hope it can diversify its dependence on Beijing by drawing the United States and/or Russia into a more active relationship, accompanied by Washington’s willingness to talk.

• Above all, the progressives in South Korea are showing signs of political life as parliamentary and presidential elections loom, and the DPRK regime presumably does not want to undercut its chances.

All these factors encourage the North to avoid militarily aggressive moves, while trolling for new economic concessions. Of course, they may attempt new tests of missiles or nuclear devices, as a means of demonstrating their power to a domestic audience, when they have precious little evidence to display that they have become a prosperous nation.

These encouraging developments notwithstanding, I have seen nothing to suggest that the North has any interest in relinquishing its nuclear capabilities, or that China is prepared to lean hard on Pyongyang to persuade them to do so. Nor for that matter is there evidence that Pyongyang has changed its long established modus operandi, of using negotiations or talk about them to buy time, and to use the time to augment its nuclear capabilities. Having developed a uranium enrichment production capability, moreover, the DPRK can more readily expand its supply of fissionable materials in facilities that are less militarily vulnerable, while retaining its ability surreptitiously to engage in proliferation activities with the likes of Iran.

Tensions in the U.S.-Japan alliance have been perceptibly eased, largely through the force of events. Public support for the alliance has been bolstered in Japan by China’s growing naval power and expansive maritime claims, and the generous help supplied by American forces in ameliorating the effects of the tsunami and nuclear disaster last March. The base issues in Okinawa are no nearer resolution, but Washington and Tokyo have had the good sense to keep them on the back burner, albeit at the risk of another serious accident at Futenma. While Japan’s security establishment has observed China’s growing power projection capabilities with disquiet, the trajectory of its own defense budget continues to decline, and hopes for closer GOJ/ROKG security cooperation have not materialized.

In South Korea, the Yeonpyeong Island shelling last year revealed very serious shortcomings in deterrence and preparedness to deal with limited conventional threats. These deficiencies—which included command arrangements, rules of engagement, and training and equipment for troops deployed in the Northwest Islands—demanded urgent fixes. I presume these have been accomplished. I certainly hope so, since ROKG declaratory policy for responding to new provocations is more robust and unequivocal. U.S.-ROK relations remain in excellent shape—a reflection in part of the strong personal rapport between our respective leaders. South Korea’s military capabilities are meanwhile expanding, though at a pace that reflects stronger demographic and fiscal constraints than were anticipated when the 2025 plans were formulated. Expectations for the redeployment of U.S. forces southward remain valid, but the timetable seems destined to slip.
Security conditions in the Taiwan Straits are as tranquil as at any time in my adult life, and that goes back a half century. This is a byproduct of bilateral agreements that are facilitating more rapid economic integration between the island and mainland. Though the benefits have been substantial and mutual, the negotiations have not addressed the central political issues, and they have not removed the uncertainty surrounding the upcoming presidential elections.

Finally, President Obama has recently emphasized a U.S. “pivot” toward Asia. This shift has actually been underway for several years, but has gradually taken on more substance. The principal components are clear:

- The United States has ceased to be a “bystander” in regional institutions. It has sought to revitalize APEC, joined the East Asia Summit, and actively used its participation in the ASEAN Regional Forum to join Southeast Asian nations and others in pressing Beijing on maritime issues and defending the freedom of navigation.

- It has bolstered its regional security role by expanding naval exercises with maritime powers in the area, announcing the deployment of a small Marine detachment to Australia, promoting plans to base littoral combat ships in Singapore, and arguing that expected defense budget cuts will not come at the expense of America’s current position in the Asia-Pacific region.

- It recently got around to ratifying the KORUS FTA, and is promoting the Trans-Pacific Partnership as a vehicle for forging closer economic ties in the region—particularly with countries with solid democratic credentials.

- And it has embarked on a more active diplomatic engagement with Myanmar, which, like North Korea, seems eager to circumscribe its dependence on Beijing.

These efforts are heartening to Americans interested in Asia, and seem to be welcome by our friends in the region. I suspect that some here might consider this assessment of security conditions in Asia as excessively sanguine, even hopelessly optimistic. I am encouraged by these developments, but hardly complacent. Why? Because we are on the threshold of major leadership changes in Northeast Asia. The United States, South Korea, Taiwan, and Russia all have presidential elections in 2012; North Korea is in the midst of a dynastic succession; a new generation is poised to take power in China; and in Japan a change of prime ministers has become almost an annual affair. It would be foolish to be complacent when one does not even know who will be in charge a year from now.

In particular, victories by opposition party candidates in South Korean and/or Taiwanese presidential elections would expose us to delicate security challenges that are no less worrisome for being familiar.
Let me then turn my attention to several basic features of the security environment in Asia that are new, and in time will doubtless fuel policy debates and perhaps strategic adjustments in America’s approach to Asia.

First, China’s push to construct a “blue water navy” is increasing its capacity to project power over distance, and pushing strategic competition offshore. This plus Beijing’s expanding missile deployments and its growing capabilities in outer space and cyber space, mean that Chinese power impinges more directly on the consciousness and interests of the United States, and its allies.

Second, as the integration of the East Asian economy evolves, China is supplanting the United States as the leading trade partner with virtually all East Asian countries. Yet China’s neighbors continue to look primarily to the United States for help on the security front. American allies will presumably be anxious to avoid situations in which they have to choose between their economic interests and their security concerns.

Third, while China is not at present a major national security concern for the United States, it is for many countries in East Asia. And, I might add, Asian regional institutions possess little capacity to bolster the security of member states—with or without American participation.

Fourth, alliances in Asia, as elsewhere, are not immune from change in the more fluid balance of forces. Some are turning into ententes, offering, as Chas Freeman has noted: “limited cooperation for limited purposes rather than comprehensive commitments to concerted action.” Simultaneously, “special relationships are yielding to strategic partnerships—limited cooperation within relationships that are mainly competitive.” The immediacy of the North Korean threat may leave U.S.-ROK defense cooperation an exception to this tendency.

And fifth, though America is certainly not in decline, the “unipolar moment” that commenced when the USSR disintegrated, is surely over. New powers are on the rise, and the United States faces major structural challenges at home. In the effort to curb our fiscal excesses, the Pentagon budget will not be exempt.

These features of the Asian security environment raise several issues worthy of discussion. But I doubt, that they will be seriously debated, let alone resolved, in the context of our current election. Economic issues are front and center at home, and our campaigns generally encourage candidates to offer bumper sticker-sized slogans rather than carefully considered strategic views. Nonetheless, several key challenges are out there.

One is the future size and composition of American forward deployed forces in Asia. Budget pressures have already inspired the so-called Air/Sea Battle Concept. I am no expert on this, but regard it as a bid by the Air Force and Navy for a greater share of what is destined to be a somewhat smaller defense budget. I would not bet against their prospects, given America’s fatigue with nation/state building activities, which tend to
throw more money at the Army and Marines. Some in our congress already question the future need for forward deployed U.S. ground forces in Asia, and their questions will not go away. Any future reductions of ground troops from South Korea, would, I assume, be accompanied by augmented cooperation between our respective navies and air forces.

A second major challenge will be avoiding, if possible, any inadvertent drift toward intense strategic rivalry with China. At present, America’s China policy involves engagement plus hedging. A delicate balance is required between these elements. If we lean too hard toward “hedging,” we could make strategic rivalry a self-fulfilling prophecy—an outcome that some “realists” in the United States consider more or less inevitable. I do not, at least for the next decade or so. Why?

- While China’s power has grown impressively, it remains a relatively poor country, and its military budget is but a fifth or sixth the size of ours.

- It confronts extraordinary domestic challenges that would seem to require the bulk of their leaders’ attention. The predicate for that kind of single-minded focus is peace in the neighborhood.

- Fourteen countries share a border with China. Some are quite formidable; few are patsies or pushovers. Thus, if China encroaches cavalierly on the interests of its neighbors, they are likely to coalesce among themselves and urge the United States to step up its own contributions to an effective Asian balance. That is what began to occur last year, and it did not escape Beijing’s notice.

Finally, I would note that in recent years American foreign policy commitments have outpaced the resources we have available to support them. Our public finances are such that we cannot find a more solvent balance between ends and means by increasing our national security budget. The default option is clear: a more modest definition of our national interests, and the need to apportion scarce resources more carefully among our most critical interests. President Obama has already affirmed the singular importance of Asia among our geographic priorities. Within the framework of our policy toward Asia, there will be other choices. American leaders understand our responsibility to play an active role as an offshore balancer in Asia.

But how we play that role remains to be seen. The trick for the United States will be to avoid either doing too much, thereby relieving allies of their own responsibilities, or doing too little, which might prompt some countries to doubt the reliability of the United States, and possibly to bandwagon with China. Managing this balance will surely require robust forward deployed air and naval forces, a keen eye on changing security conditions in the area, and skilled management of a wider, more fluid, less formal, and occasionally fractious coalition of Asian partners.