

# Editorial Note

Nicola Casarini

There has been a profound shift eastward in global power. The 2008 US National Intelligence Council study highlighted the unprecedented transfer of wealth from the West to the East which is likely to continue in the foreseeable future. US Secretary of State Hillary Clinton chose East Asia for her first official trip abroad in February 2009. For the first time, the new Secretary of State did not go to Europe for the inaugural tour to meet the traditional transatlantic allies. Clinton's visits to Japan, Indonesia, South Korea and China emphasized not only the growing significance of East Asia for the new American administration, but also the increasing mutual interdependence between the two shores of the Pacific. As the Secretary of State told her Chinese counterpart in Beijing, "We are truly going to rise or fall together." The US-China relationship is bound to set the stage for global politics in the next decades and become the central axis around which the Asia-Pacific era will unfold.

The emergence of the region is a modern phenomenon and still in the process of evolution. The economic growth which began with Japan's postwar economic miracle and then spread to the Asian Tigers of South Korea, Taiwan, Singapore and Hong Kong in the 1980s, and finally to Southeast Asia and China in the 1990s has probably contributed the most to giving these countries a sense of regional identity. Today there is growing interdependence among the region's economies and plans are underway to establish an East Asian trade zone modelled on the European Union. However, the region still includes some of the world's most serious flashpoints, particularly between China, Taiwan, Japan and the divided Korean peninsula, despite their high degree of economic integration. The region also lacks both shared political institutions and a multilateral security architecture. This situation leaves the United States as the guarantor of order, having established its influence through a series of Cold War bilateral alliances. Under the protective US umbrella, the Asia-Pacific has emerged as the epicentre of global economic growth.

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As the focus shifts to this dynamic and complex region, *The International Spectator* is devoting this special issue to examining some of the region's current trends. Two main themes run through the issue. The first is US-China relations and the question of China's growing military expenditure. China's rise has provided the neighbouring countries with great economic opportunities, but also with ominous strategic challenges as Beijing's defence modernisation alters the security perceptions in the region and leads the US and its Asian allies, as well as Russia and India, to reassess their threat perceptions and defence strategies to varying degrees. This leads to the second theme of the issue: the other key players in the region. Attention is centred on the foreign and security policy of those countries in which recent elections have brought new leaders to power (Kevin Rudd in Australia, Lee Myong-bak in South Korea, Ma Ying-jeou in Taiwan, Dmitry Medvedev in Russia), and the strategic thinking of the new leaderships toward the region's changing power balance.

### **US-China relations**

The relationship between Washington and Beijing is going to define the contours of the region's security architecture and the behaviour of other resident countries. The complexity of the Sino-American relationship is reflected in the dichotomy between the economic and political dimensions. China's growth has largely contributed to propping up American consumer spending and GDP. As Huang Ping, Tao Wenzhao, Wang Rongjun, Yuan Zheng, and Zhao Xingshu highlight in their contribution, China overtook Canada as the largest source of US imports in 2007. Since 2008, it is the US' second largest trading partner and third largest export market. Since September 2008, Beijing has also become the most important purchaser of US debt. At the end of that year, China held US\$ 727.4 billion in US Treasury Bonds (23.6 percent of the total). The US is China's second largest trading partner, second largest export market, and one of its biggest sources of foreign direct investment.

This strong economic interdependence is not matched, however, in the political realm, even though, as Ralph Cossa reminds us, the Presidents of the US and China have recently pledged to build mutual trust and cooperative relations. The Taiwan issue continues to loom large. Chinese leaders have time and again stated that they are ready to use force at home to keep China intact, stressing that Taiwan is part of Chinese territory. The US, on the other hand, is committed to assisting the island under the Taiwan Relations Act, the 1979 law that accompanied the US switch of diplomatic recognition from Taipei to Beijing. In his article, Cossa argues that fundamental differences still exist between Washington and Beijing over the ultimate solution and how it should (or should not) be achieved. He stresses that a continued Chinese military build-up opposite Taiwan (which appears to have

continued unabated despite the improved cross-strait atmosphere) will likely prompt continued US arms sales “to help Taiwan defend itself”. It is in this context that the question of China’s growing military expenditure takes on significance. In his contribution, Arthur Ding reflects on the strategic goals of China’s military modernisation, asking whether China will seek a revisionist path challenging the regional order built by the US. Following up on this, Richard Bitzinger ponders whether China’s growing military expenditure and a waning US military presence in the region will drive a new arms race in the Asia-Pacific.

Yet China’s growing military capabilities have not translated into an aggressive foreign policy. Aside from skirmishes with the US like the one between five Chinese vessels and an American surveillance ship that occurred in the South China Sea on 8 March 2009, Beijing’s regional foreign and security diplomacy appears to be dominated by the desire to ensure a peaceful environment in order to be able to promote prosperity at home and to allay neighbouring countries’ fears that China’s rise poses a threat. The accommodation of China’s ascendancy with a regional security order centred around the US system of alliances will be one of the key strategic challenges for the region’s leaders.

### **New leadership**

New leaders have come to power across the Asia-Pacific. They face the task of devising new strategies to cope with the region’s evolving strategic dynamics. In his contribution, Robert Ayson explores Australia’s strategic options towards Asia, a task that after 11 years of Liberal-National governments led by John Howard was handed over to Prime Minister Kevin Rudd’s Australian Labour Party following the federal election in November 2007. Ayson ponders whether reducing the centrality of the US alliance in Australian strategic thinking may be what Asia’s changing strategic balance requires, though he recognises the lack of a replacement on the horizon.

The quandary facing Australia is shared by other US allies. In his article, Seongho Sheen discusses South Korea’s security strategy in Northeast Asia under the current Lee Myong-bak government, voted into power in February 2008. Sheen examines the three pillars of the Lee government’s new strategic thinking: a ‘strategic alliance’ with the US; a ‘strategic cooperative partnership’ with China; and new emphasis on multilateral security mechanisms in Northeast Asia. He argues that each pillar of the strategy reflects a part of the contradictory reality facing South Korea, a country still dependent on the US for its defence, in need of closer cooperation with China (due also to the giant neighbour’s role in dealing with North Korea), and Seoul’s ambitions to help shape new security dynamics in the region.

The search for a security strategy and an autonomous role lying between Beijing and Washington is nowhere more evident than in Taipei. In his contribution, Christopher Hughes examines the new trends in Taiwan's China policy pursued by the government of Ma Ying-jeou, the new Taiwanese President elected in March 2008. With Ma's victory, the Chinese Nationalist Party (KMT) returned to power after eight years of tense cross-strait relations during the presidency of the Democratic Progressive Party's (DPP) Chen Shui-bian. Since Ma's election raised hopes all over the world, Hughes critically assesses whether such optimism is merited by looking at the policy initiatives of the new administration and their early results, and at how the unfolding process is being discussed in the public debate in Taiwan. He argues that, despite the commitment of Taipei, Beijing and Washington to maintain the status quo, the basic challenge of striking a *quid pro quo* between developing cross-strait relations and creating more international space for Taiwan has not changed.

Aspects of both change and continuity also seem to mark Russia's Asia policy following the election of Dmitry Medvedev as new President of Russia in March 2008, after eight years of Vladimir Putin's rule. In his contribution, David Kerr examines Russian strategy towards Eastern Eurasia against the background of China's ascendancy and strategic uncertainty. Kerr describes the dilemma in Russian strategy towards Eastern Eurasia as characterised by a three-way struggle: for its own autonomy as a great power; for resistance to absorption within the US-centred system of common strategic space; and for management of the dynamics between the emerging Asian powers through a combination of partnerships and regionalisms.

## **Wake up**

While countries in the Asia-Pacific are overhauling their strategic thinking in light of China's ascendancy and the region's evolving strategic dynamics, some countries in the West appear to be rather slow in coming to grips with the global power shift. In his article on Italy's foreign policy toward China, Francesco Sisci warns of the perils of marginalisation for a country that still looks at China and Asia through the prism of prejudices, be they positive or negative. Sisci argues that it is time to gain a better understanding of the East, as well as to formulate an effective foreign policy toward this vast and complex part of the world – something that does not seem easy for a country whose foreign policy axes have traditionally been Brussels and Washington. Adding at least Beijing to them may prove a difficult task, but the only one that can prevent marginalisation in world affairs and allow Italy finally to come to terms with the world's new power realities.