

# China trades its way to power

By Jason T Shaplen and James Laney

*Previously, South Korea or Japan could not leave Washington's side on a significant security issue. But the situation has changed now*

**N**ORTH Korea was high on the agenda for the national security adviser, Condoleezza Rice, during her trip to China, South Korea and Japan last week. But while the North's nuclear weapons programme presents a difficult test, it masks a broader and far greater challenge for the Bush administration, one with significant implications for the United States, the region and the world.

At its heart, the challenge reflects China's emergence as a power broker in the region. The Bush administration can couch Beijing's new role in whatever politically advantageous language it wishes, but, ultimately, it comes down to this: China's influence is rapidly rising and America's is rapidly declining. While this realisation may be unpleasant for Washington, the sooner administration officials accept this reality the faster they can deal with it. Unfortunately, they have virtually ignored East Asia, preoccupied as they are with Afghanistan and Iraq.

Trade numbers help explain the transformation in Asia. Within six years, China's economy will be double that of Germany's, now the world's third largest. By 2020, it is expected to surpass Japan as the world's second-largest economy. Japan already imports more from China than it does from the United States. And China has become the largest trading partner of South Korea, the world's 12th-largest economy. Clearly, the juggernaut has already begun.

Why are these statistics important? Because while Mao once claimed that power grows out of the barrel of a gun, today's leaders in China know it also grows from trade. Tokyo and Seoul know this, too. Aware that China is now vital to their economic well-being, they are no longer as willing as they once were to position themselves opposite Beijing, even if this means going against Washington. Put another way, while the Bush administration still thinks of the United States as the sole superpower in a unipolar world, Tokyo and Seoul do not share this view. To them, the United States and China are both powers to be reckoned with in a bipolar Asia.

Proof of this fundamental transformation can be found in Beijing's rapid rise as a critical player in resolving the North Korean nuclear crisis. Less than five years ago, it would have been inconceivable to

think that South Korea or Japan would leave Washington's side on a significant security issue. Today, in large part because of trade with China, both have done just that, publicly adopting pro-engagement policies that Washington rejected. Tokyo has even gone so far as to talk about normalising relations with Pyongyang next year, while Seoul has increased trade and military-to-military contacts.

Left standing by itself is the United States, wondering how to cope with its diminished status in a region that it has dominated for almost 60 years. (Aware that it has no means to enforce its hard-line policy towards the North without the backing of its allies, the Bush administration last month beat a hasty retreat, offering greater engagement in the latest round of six-party

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talks. Sadly, it may be too late.)

China's economic ascent has brought with it geopolitical influence, which has been significantly enhanced by Washington's inexplicable passivity. Spin out this reality a little further and you get the corollary: China's newfound political power and economic might mean that it is no longer so costly for South Korea and Japan to leave the side of the United States. We've already seen this happen with North Korea. We should expect it again. America's influence will only decline further as India's economy grows to the point where it passes that of Japan and China.

How should the United States react? Curiously, North Korea, the Bush administration's *bête noire*, could be of help, by serving as the catalyst for a yet-to-be-formed regional security organisation. A northeast Asia security forum would initially consist of the players involved in resolving the North Korea crisis, including

the United States, China, Japan, Russia and South Korea. Over time other countries — including perhaps even North Korea — could also join.

The forum would deal with security-related issues, including arms control, crisis management, conflict prevention, conflict resolution and confidence-building measures. Its focus on northeast Asia would allow it to address issues that the broader ASEAN Regional Forum has been unable to tackle. Most important, if structured properly, it could allow the United States to reassert its leadership (provided it listens to other members), mitigating China's influence. Fortunately, Beijing, which once despised multilateral organisations, has recently begun to embrace them.

The foundation for this new organisation may be close at hand. The six-party talks on North Korea are moving in the direction of a security guarantee in exchange for the North agreeing to abandon its nuclear ambitions. In addition to resolving the nuclear issue, a written guarantee signed by Beijing, Tokyo, Moscow, Seoul and Washington would formally pull together a group that might eventually evolve into the security forum.

After decades of passivity, the nations of northeast Asia are once again coming into their own. Nations with fiercely nationalistic histories, they are tired of taking direction, or worse yet, dictation from the United States. If we do not recognise this reality and embrace a regional forum that ties together the interests of the area's major players, we could force our allies to choose between placing their interests with us or closer to home. That would not be to our advantage in a region that has been home to almost 100,000 United States troops and that has three of the world's 12 largest economies.

As a nation, the United States would be well positioned for several years to serve as a counterbalance to the historic rivalries among these Asian countries. But we should not take these tensions as a sign that these countries will never work together. While the outcome of a choice between joining with us or working together might not seem in jeopardy today, the future — as our failure to win their support for our policy on North Korea recently demonstrated — might well be very different. COURTESY NEW YORK TIMES

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