Balance of Power Politics and the Rise of China: Accommodation and Balancing in East Asia

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Realists agree that great powers balance the military power of rising powers, but there is little agreement regarding secondary-state responses to rising powers. First, there are differences regarding whether secondary states balance or accommodate rising powers. Second, there are differences among realists regarding the distinct roles of economic and military factors in secondary-state alignment policies. Third, some scholars argue that state alignments are not necessarily determined by realist variables, but can reflect preferences shaped by intentions, historical experiences, or cultural influences. This paper addresses these issues in balance-of-power theory. Its empirical focus is the impact of the rise of China on secondary-state alignments in East Asia. After examining the complex mix of China’s military and economic reach in East Asia, it concludes that secondary-state behavior is sensitive to local variation in the great power capabilities and that secondary states tend to accommodate rather than balance rising powers. It further concludes that economic capabilities alone are insufficient to generate accommodation, so that the political-economy literature should reexamine cases of apparent secondary-state accommodation to economic dependency, sensitive to the presence of military vulnerability on the part these secondary states to proximate great powers. These conclusions suggest that there is nothing sui generis or culturally determined in East Asian international politics and that realism can explain alignment behavior among East Asian states as well as it does among European states. Research on East Asia’s response to China’s rise that is sensitive to intra-regional variations in U.S. and Chinese military and economic capabilities also challenges assumptions of an emerging Chinese regional hegemony or of a costly region-wide U.S.-China competition.

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Realists, whether they are traditional realists or structural neorealist scholars, agree that great powers balance the military strength of rising powers. But there is less agreement regarding secondary state responses to rising powers. Neorealist scholars and traditional realist scholars argue that secondary states’ preferences are situationally determined. Their behavior depends on great power responses to a rising power.¹ Other scholars, however, argue that anarchic structures lead even secondary states to balance with a status quo power in opposition to rising power.² An influential body of work also challenges the realist convention that states balance against capabilities. This literature argues that state alignment decisions reflect perceptions of a state’s intentions as well as of its capabilities, so that a superior great power’s capabilities combine with its foreign policy behavior to determine whether states will balance its power. This perspective argues that state alignment can reflect the effect of ideology, multilateral institutions, and common cultural influences on threat perception and balance-of-power politics.³ Some scholars further challenge structural realism’s argument that balance-of-politics is an intrinsic result of anarchy. Rather, they argue that because of the particular characteristics of post-cold war U.S. foreign policy and its impact on other countries’ perception of the U.S. threat, balance-of-power politics has not taken place in the era of U.S. unipolarity, with corresponding arguments regarding secondary state accommodation of American power.⁴

In addition to debates within the balance of power literature on secondary state responses to rising powers, there are also debates among realists regarding the impact of economic and military factors in determining secondary state alignment. On the one hand, the balance-of-power literature universally ignores the role of economic dependence in secondary state alignments, focusing on military power alone. On the other hand, the realist political economy literature universally ignores the role of military capabilities

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in secondary state alignments, focusing simply on the independent ability of economic power to compel alignment.\(^5\)

This paper addresses these debates in the balance-of-power literature by examining East Asian secondary state responses to the rise of China. It distinguishes great powers, those states that can contend in a war with any other state in the system, from secondary states, which cannot independently provide for their security against any other state, including the great powers. They must therefore seek security through their relationship with the great powers. In East Asia, for example, Japan is a secondary state because it cannot provide for its own security in a conflict with the United States; it pursues security within the U.S.-Japan alliance. The other East Asian secondary states that this paper analyzes are South Korea, Taiwan, the Philippines, Singapore, Indonesia, and Malaysia. How these states have responded to the military and economic rise of China tells us a great deal not only about secondary states but also about the impact of rising powers on great power relations and the balance of power.

By using contemporary East Asia as a case study of secondary state responses to rising powers, this paper also addresses an apparent consensus among security specialists that the rise of China will lead to a costly U.S.-China strategic rivalry or to regionwide accommodation of Chinese power. Some scholars have argued that the rise of China will make the cold war Soviet military threat seem routine and offer the region a stark choice of expensive balancing or Chinese hegemony; that it will enable Beijing to coerce U.S. allies and contest U.S. military power throughout East Asia, leading to an “open and intense geopolitical rivalry.” Other observers have warned that the economic rise of China will place China at the “center” of an East Asian “new power arrangement.”\(^6\)

Empirical research presented in this paper on the rise of China will address the interrelated issues of theory and policy. First, this paper examines the nature of China’s military and economic reach in East Asia and the associated development of the East Asian balance of power, which provides the context for examining secondary state responses to a rising power. Following the works of both neorealists and classical realists, this paper argues that secondary state behavior is sensitive to the distribution of great power


capabilities in their immediate vicinity, rather than to change in the wider regional or global balance of power. In this context, it argues that once a rising power can fundamentally affect the security of a secondary state, secondary states will accommodate rather than balance this new dominant power. Second, it examines the independent effect of military power and of economic power on secondary state alignment. It concludes that economic dominance is an insufficient condition to generate accommodation, and that military power is a necessary and sufficient condition to compel secondary state alignment. The political economy literature should thus reexamine cases of apparent secondary state accommodation to economic dependence, sensitive to the possible simultaneous presence of military vulnerability on the part of these secondary states to proximate great powers. Third, these conclusions regarding East Asia reinforce the traditional realist and neorealist arguments that secondary states respond to great power capabilities rather than to a threat assessment that incorporates an assessment of a great power’s intentions. This further suggests that there is nothing *sui generis* or culturally determined in East Asian international politics, and that domestic politics and intention-based threat perceptions are unnecessary variables to explain secondary state alignments. In this respect, balance-of-power realism explains alignment behavior of East Asian states as much as it does that of European states. Fourth, a realist analysis of East Asian great power relations challenges assumptions of an emerging Chinese regional hegemony, or of a costly region-wide U.S.-China competition.

The first section of this paper examines the debates in the realist literature on the balance of power and secondary state alignment preferences. This section also presents working definitions of economic and military power and of alignment to enable analysis of the rise of China and of secondary state alignments. The second and third sections of this article respectively examine the rise of Chinese military and economic power, examining the intraregional variation in China’s expanding relative capabilities. These sections establish that China is a rising power, and that balance-of-power politics is taking place in post-cold war East Asia. The fourth section of this article examines the responses of East Asian secondary states to the rise of China. This section establishes that secondary states accommodate and do not balance rising power in their immediate vicinity. Power drives policy. It also establishes that economic power cannot independently compel alignment. The final section considers the implications of the article’s empirical findings for balance-of-power theory and the realist political economy literature. It also addresses

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the implications of the rise of China for the emerging East Asian balance of power.

**RISING POWERS AND SECONDARY STATE ALIGNMENT**

The first part of this section of the paper reviews the various perspectives in the theoretical literature on great power balancing and secondary state responses to rising powers. It places the argument of this paper regarding East Asian secondary state alignments within this literature. The second part reviews the realist political economy literatures on the impact of economic power on secondary state alignment, and considers the implicit debate between this literature and the realist balance-of-power literature on secondary state response to rising powers. It also places within this debate the argument in this paper regarding the relative influence of economic and military power over secondary states in East Asia. The third part offers measures of military and economic power and of security alignment to determine the effect of rising power on secondary state alignment.

**Balance-of-Power Politics and Secondary State Alignment**

Arguments about the regional consequences of a rising power are primarily predictions concerning the responses of secondary states to changing distributions of power among the great powers. In this respect, regional instability can reflect the consequences of a rising power on great powers’ spheres of influence, access to resources and markets, and control over strategic passages. Thus the discussion about the regional consequences of the rise of China must focus on the regional U.S.-China balance of power and on the corresponding effects on secondary state responses to relative change in U.S.-Chinese capabilities.

The literature regarding great power balancing is voluminous. Traditional realists of all persuasions agree that the balance-of-power system is an intrinsic part of international politics, and that balances of power recur because great powers enhance their capabilities in response to the rising capabilities of another great power. But there is a contemporary challenge to this perspective from scholars who argue that balance-of-power theory needs to accommodate the absence of a global challenger to U.S. military

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power. These scholars argue that there is no military balancing against U.S. unipolarity, and that opposition to the United States is limited to traditional diplomatic behavior in multilateral organizations and regional coalitions to resist U.S. use of force.9 Alternatively, they argue that contemporary strategic opposition to the United States does not reflect balance of power behavior as traditionally understood.10

In response to this literature, other scholars argue that balance-of-power politics is a timeless reflection of anarchy, and that balancing behavior continues to characterize great power behavior in the twenty-first century. There may not be an equal distribution of power, but balancing is a process whereby an equal distribution of power emerges over time. In this respect, these scholars argue, current circumstances are less important than emerging trends.11 Moreover, while there is an absence of formal alliances and intense arms acquisitions to balance U.S. power, formal alliances and arms races are the exception rather than the norm of balance of power politics. The cold war was a particularly polarized and tension-ridden great power relationship. In nineteenth-century Europe, the traditional case study for studying the balance of power, there were neither arms races nor alliances, but rather loose and shifting alignments and moderate military competition. Similarly, the United States did not have an alliance with China during the latter half of the cold war, but the U.S.-China rapprochement was a classic example of balance of power politics.12

From this perspective, traditional balance-of-power politics characterizes contemporary international politics, including responses to U.S. unipolarity. There may not be an emerging global balancer undercutting U.S. unipolarity.

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but this is because balancing is a regional process, not a global process. Just as Great Britain judged Wilhelm Germany to be a rising power even though its global presence was very limited, and the resulting balance-of-power politics occurred in the European theater rather than globally (witness Great Britain’s acquiescence to the emergence of Japan and the United States as great powers prior to World War I), contemporary balance-of-power politics does not require the emergence of a global power, but rather of a regional great power that challenges the vital security interests of a status quo power. This view of the balance-of-power has led some scholars to argue that balance-of-power politics characterizes contemporary international politics.¹³

This debate necessarily involves analysis of the rise of China and its impact on East Asian secondary states and the regional balance-of-power. I argue that traditional balancing behavior is taking place in East Asia. Indeed, any discussion of the rise of China implicitly acknowledges that China is balancing the U.S. If China is growing stronger in East Asia, then there is necessarily a relative decline of U.S. power. This is balancing.¹⁴ Moreover, although there may not be alliances or arms races in East Asia, there are great power military policies and secondary state alignment polices that reflect the influence of balance-of-power politics. Some scholars have called this behavior soft balancing, insofar as it is less polarized and militarized than the balancing of the cold war. Other scholars have argued that such behavior is better characterized as hard balancing, because it entails the use of military and strategic cooperation to balance power, in contrast to mere diplomatic resistance to dominant powers, which should be considered soft balancing.¹⁵ But regardless of the terminology, this paper concurs that balance-of-power politics characterizes contemporary international politics, including the regional politics of East Asia.

This paper is only in part concerned with establishing the existence of balance-of-power politics in East Asia. Research on the impact of the rise of China on the regional order must also focus on East Asian secondary state responses to U.S.-China balance-of-power politics. In so doing, this research must not only engage the debate over balance-of-power politics in twenty-first century international politics, but it must also engage the literature on secondary state responses to rising powers.


¹⁴ On this point, see also Art, “Striking the Balance.”

Realist scholars concur that there is a distinction between the response of great powers and of other states to rising powers. Nonetheless, among realists there are significant differences regarding the alignment preferences of secondary states. Kenneth Waltz has argued that “secondary states, if they are free to choose, flock to the weaker side,” suggesting that the behavior of states that are not great powers is contingent upon the state’s immediate and changing strategic circumstances. Thus situational factors determined the cold war alignment decisions of even Great Britain and Japan, for example. Waltz’s structural realist argument follows the approach of classical realists. Robert Rothstein’s definition of a small power is similar to this paper’s definition and Waltz’s definition of secondary state. He differentiates between a great power that can fight wars against any country, and a “Small Power” that “cannot obtain security primarily by use of its own capabilities.” Rothstein observes that whereas great powers make alignment decisions with regard to threats to systemic balances, small powers align “in terms of a threat to [their] local balance” and “the range of options open to Small Powers will be related to the specific nature of their international settings.” Hans Morgenthau similarly suggests a local power’s alignment is determined by the shifting great power balance in its immediate vicinity. He examines Korea’s periodic adjustment to the shifting fortunes of Chinese and Japanese power in Northeast Asia to illustrate his approach to secondary state alignments. George Liska emphasizes that vulnerability to great power capabilities constrains secondary state ability to balance against a great power unless a local equilibrium is created by the counterpressure of another great power. Summing up the common approach of this literature, Jack Levy observes that only the great powers are expected to balance, while “lesser states,” reflecting their “vulnerability,” will sometimes balance and sometimes accommodate, “depending on the context.”

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17 Schweller characterizes these states as “lesser great powers” insofar as they cannot fend for themselves against the great powers and must therefore depend on a great power for security. So defined, it is not clear how the strategic behavior of “lesser great powers” toward a rising power is any different from that of all states other than the great powers. Randall L. Schweller, *Deadly Imbalances: Tripolarity and Hitler’s Strategy of World Conquest* (New York: Columbia University Press, 1998), 16–18.
More recently, even scholars who tend to be critical of structural realism’s focus on power and security as the critical determinants of state behavior argue that accommodation characterizes secondary state responses to dominant powers. Randall Schweller has argued from a neoclassical realist perspective that during interwar Europe, nongreat power significant states, such as France, Austria, and Rumania, were compelled to respond to strategic pressures by accommodation.23 Historian Paul Schroeder’s survey of European diplomacy from the Napoleonic Wars through World War II similarly suggests that all but the most powerful European states accommodated rather than balanced the region’s most powerful states.24

In contrast to realist authors who stress the indeterminacy of secondary state alignment decisions, Stephen Walt has argued that the behavior of only “weak states” is situationally determined. All other states, not just the great powers, participate in balance-of-power politics and balance against rising powers, reflecting the enduring and consistent systemic effect of anarchy.25 Walt’s analysis of the behavior of such secondary states as Egypt and Iraq suggests that the expectation of balancing not only encompasses the behavior of larger secondary states, such as France and Japan, but also smaller states traditionally assumed to be the subjects of great-power balancing, rather than agents of balancing. Thus the concept of “weak states” and the expectation of accommodation applies only to a limited subset of states, such as Mongolia or Bhutan, that have traditionally submitted to their larger neighbors.

Walt further argues that the traditional realist and neorealist arguments that states balance power (that is, capabilities) are incorrect. He argues that states balance threat rather than simply power, and that threat perception reflects assessment of another state’s intentions rather than simply its capabilities.26 Walt’s focus on intentions and “balance of threat” allows incorporation

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25 Walt, The Origins of Alliances, 29–31. This article uses the term accommodation to capture the process of secondary state alignment with rising powers. Bandwagoning is often the preferred term for this process, but it can be misleading. First, the term is most commonly associated with domestic politics, in which political actors voluntarily flock to the stronger side for gain rather than out of strategic imperative for security. As Schweller has observed, bandwagoning in international politics is best characterized as “bandwagoning for profit.” Second, as Kaufman has argued, bandwagoning suggests an either/all alignment, in which cooperation with a threatening great power precludes any cooperation with its great power rival. Yet such “submission” or “capitulation” is the behavior of the truly “weak state.” Third, bandwagoning suggests a short-term process, yet alignment can be gradual, in response to gradual unequal rates of change among the great powers. During transition periods, alignments may exhibit considerable ambiguity. Schweller, “Bandwagoning for Profit,” 80–81; Robert G. Kaufman, “To Balance or Bandwagon: Alignment Decisions in 1930s Europe,” Security Studies, 1, no. 3 (spring 1992): 417–47.
26 Walt, The Origins of Alliances.
of a wide range of nonrealist variables into balance-of-power analysis. For example, some scholars have argued that the United States, through judicious use of its military superiority and its construction of and participation in multilateral institutions, can give other nations confidence that it will be restrained in the use of its power, thus reducing threat perception and the post-cold war emergence of a balance-of-power. From this perspective, the United States can be a "benign hegemon." Other scholars have argued that culture can affect threat perception. They argue that shared Confucian values among the East Asian countries encourages collaboration and participation in a hierarchic order, thus undercutting capability-based balancing of the rise of China. From this perspective, Japan has been expected to accommodate the rise of China, rather than cooperate with the United States to balance China.

Arguments about China’s emerging hegemonic capability throughout East Asia are necessarily arguments about secondary state responses to rising powers. They assume that China’s rise will lead to region-wide accommodation of Chinese power. Yet if the arguments of structural realism and classical realism are correct, the effect of the rise of China will reflect the implications of Chinese balancing of U.S. capabilities in the immediate environment of secondary states and the corresponding effect on their alignments and thus on great powers’ spheres of influence. More generally, improved relative capabilities that suggest rising power and great-power balancing are capabilities that affect the immediate security of a third party and the changing likelihood and cost of war with the rising power, rather than capabilities that alter the great power global or even regional balance or that can alter outcomes of a system-wide great-power war.

This paper thus focuses on relative change in Chinese and U.S. capabilities vis-à-vis secondary East Asian states as the independent variable determining the latter’s alignment in regional balance-of-power politics, and as the ultimate factor determining the emerging East Asian regional order. It argues that both the neorealist structural approach and the classical realist approach to secondary state behavior best explain secondary state responses to the rise of China. Where the rise of China has led to greater relative Chinese capabilities to undermine U.S. ability to defend secondary states, on the one hand, secondary states have accommodated Chinese power; they have not balanced against Chinese power by enhancing cooperation with the United States. On the other hand, East Asian secondary states have enhanced cooperation with the United States in those theaters where the United States has maintained the status quo of U.S. military dominance; that is, where there has not been a rise of relative Chinese power. These findings also establish that

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27 Ikenberry, *After Victory*; Pape, “Soft Balancing Against the United States.”
neither culture nor history is an important factor affecting balance-of-power politics in anarchic systems.29

Realism and the Economic Rise of China

There is another realist tradition that argues that secondary-state alignment with a great power may reflect merely the economic capabilities of a great power and that secondary states accommodate rising economic powers. This is the view of the realist political economy literature, principally associated with the work of Albert Hirschman. This literature argues that an economic great power develops political power from the secondary state’s dependence on its market for exports, which promotes economic growth, employment, and political stability. Ultimately, as Hirschman observed, “the power to interrupt commercial or financial relations . . . is the root cause of the . . . power position which a country acquires in countries, just as it is the root cause of dependence.”30 An economic power’s leverage over a secondary state develops in proportion to the difference in relative dependence between the two trading states and thus the relative costs of trade disruption. As in security relations, dependence is maximized to the extent that the secondary state cannot redirect trade to another economic partner, that it cannot find a “balancing” economic relationship. The realist political economy literature argues that such economic dependence is a sufficient explanation of secondary state alignment.

Large economies also can develop political power when they are targets of a secondary state’s economic investments. Although disruption of economic relations will hurt the economies of both the investing state and the target state, the relatively lesser importance of the production from the foreign investment for the prosperity of the larger economy means the latter can better endure the costs of economic conflict. As in trade, secondary state dependence on nondiversified foreign investment enables a larger economy to threaten appropriation of the secondary state’s investments, and thus yields it influence over the latter’s alignment policy. Dependence from both trade and investment also can reflect the role of a dependent influential sector of a secondary state’s economy on decision making. As Hirschman observes, “vested interests” can become an influential “commercial fifth column” that can affect security policy.31

Although there is a consensus in the realist political economy literature regarding the importance of economic dependence in secondary state alignment,

30 Hirschman, National Power and the Structure of Foreign Trade, 16.
alignment decisions, economic factors are uniformly overlooked by the traditional and structural realist literature in discussions of state-alignment preferences. Similarly, the realist political economy literature uniformly overlooks the role of military power, suggesting that an economic great power possessing only secondary-level military capabilities can exercise sufficient influence to determine the alignment preferences of a dependent secondary state. Yet sensitivity to the two potential sources of secondary state alignment decisions necessarily draws attention to various kinds of great powers—great powers that have great-power military capacities, great powers that have great-power economic capacities, and great powers that have both. Thus understanding the impact of a rising power on a regional security order requires attention to the multiple sources of a great power's influence and to the spatial variation of its influence; that is, attention to the “domain” and “scope” of a great power's capabilities.

This paper argues that economic power and the development of secondary-state dependence are insufficient to compel alignment. The economic rise of China, in the absence of an accompanying rise in relative Chinese military power, has not generated strategic accommodation by East Asia's dependent secondary states. In this respect, the East Asian response to the rise of China suggests that the realist political economy literature mistakenly stresses the independent effect of economic power on alignment. On the other hand, the East Asian response does suggest that the realist balance-of-power literature is correct, in that shifting great-power military capabilities is a necessary and sufficient condition to compel secondary-state realignment.

Determining Changing Distributions of Power and Alignment

To assess the impact of the rise of China and great-power balancing behavior on East Asian secondary-state alignments, working measures of both power and alignment are required. Rather than using potentially misleading formal and quantitative measures of power, such as gross domestic product or steel production, this paper considers as a rising power one that possesses an improving ability to wage war and inflict greater costs on a secondary state.

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35 As this paper shows, because China's economic rise is a region-wide phenomenon, it is not possible to isolate the impact of military power on contemporary East Asian secondary state behavior to determine decisively whether military power is a sufficient condition to compel alignment. The conclusion briefly considers what additional research needs to be done to establish this conclusively.
aligned with a status quo great power. This work considers international political power as the inability to inflict significant cost on another country’s high-value interests, including territorial integrity and political survival, lives of its citizenry, and economic prosperity. Thus, as regards a secondary state, a rising military power is a country that develops greater war-fighting capability to inflict costs on the secondary state’s interests, reflecting its erosion of the status quo great power’s ability to defend a secondary state from the cost of war. The argument is not that a rising power needs to develop region-wide power equal to that of the established power for great-power balancing to occur. Rather, balancing is a process, not an outcome. Balancing necessarily takes place before an equilibrium is established, and it is an uneven process. During a prolonged and uneven process of great-power balancing, a rising power can compel a secondary state to accommodate even in the absence of a global or even regional great-power equilibrium of power.

Militarily, rising power can reflect improvement in different capabilities, depending on the particular requirements of military operations in any given theater, so that neither gross economic and demographic indicators of power nor a focus on a specific military capability (for example, ground forces, air power, naval power, nuclear weaponry, or information technologies) can capture a rising power’s capabilities in a particular theater and in relation to any particular secondary state. This paper thus adopts different measures of military capability to evaluate improved Chinese military capability and its impact on the U.S.-China balance and secondary-state alignments on the Korean Peninsula, in the Taiwan Strait, and in maritime East Asia. There is no all-purpose measure of power that enables predictions of interstate behavior in varied historical and distinct geographic settings.

Consideration of the independent effect of economic power on secondary-state alignments similarly requires a measure of rising economic power. The key measure of this is secondary-state export and foreign investment dependence. This reflects two conditions. First, a rising economic power challenges the status quo economic power by replacing the status quo power as the primary target of a secondary state’s exports and direct foreign investment. Second, the rising economic power must attract sufficient secondary-state investment and exports so as to enable it to control the economic fate of the secondary state. A rising economic power must possess both attributes of economic power.

Determining the effect of rising power on secondary-state alignment also requires a measure of alignment. A traditional measure of alignment is alliance policy. Only in highly polarized systems, however, do secondary states formally ally with one great power while engaging in heightened belligerent conflict with another great power. More typically, secondary states have

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36 Walt, in *Origins of Alliance*, uses formal and informal alliances as indicators of secondary-state alignment to analyze the polarized Middle East during the cold war.
cooperative relations with multiple great powers even as they take sides in great-power competition. Such was the case during much of the nineteenth century in Europe, and is the case in international politics in the early twenty-first century. A more sensitive indicator of alignment during periods of "normal" politics is a secondary state's position on issues of war and peace. A secondary state's defiance of a great power on such an issue reflects alignment with another great power, whereas an emerging compromise on such an issue with a rising power reflects accommodation. Traditional measures of alignment thus include a secondary state's policy toward such issues as a great power's strategic interests vis-à-vis third parties, arms imports, defense planning, and provision of military facilities to a great power.37

Another indicator of long-term alignment trends can be a secondary state's societal developments. Insofar as societal trends follow power, a great power's development of "soft power" can reflect its emerging dominant influence over a secondary state and the latter's corresponding emerging accommodation.38 On the other hand, the erosion of soft power and the development of societal opposition toward a great power can reflect a secondary state's tendency to resist alignment with that great power by balancing with a status quo power that remains the most powerful state in the immediate vicinity of the secondary state.39 This paper examines the trends in soft power in East Asian secondary states to assess responses to the rise of China.

In contrast to much of the analysis of post-cold war responses to U.S. global unipolarity, which focus on perceptions of the U.S. capacity to be a "benign" hegemon, this paper consciously excludes intentions from the discussion of its analysis of the sources of great-power balancing and of secondary-state decisions to balance or accommodate rising powers. Its analysis adheres to the neorealist argument that the security dilemma induces states to respond to other states' capabilities, rather than to their intentions. Thus, following Waltz's discussion of recurring equilibriums of power as a system effect and of the "tyranny of small decisions," and reinforcing the more recent work by Robert Art and Barry Posen on post-cold war European responses to U.S. power,40 this paper examines changes in the great power distribution of power in East Asia as the sufficient independent variable affecting secondary-state behavior, regardless of the intent of the rising power or of secondary-state perceptions of the rising power intentions, reflecting

38 This argument is similar to Schweller's argument that great power penetration of a secondary state's society can encourage alignment. See Schweller, "Bandwagoning for Profit."
history, culture, or domestic politics. In so doing, it argues that states, large
and small, align in response to power, understood as the capability to inflict
significant cost on high-value interests. It thus explains patterns of behavior
in the East Asian response to the rise of China that cut across membership in
international organizations, common ideologies and cultures, and domestic
political systems, thus offering a powerful realist explanation of the response
of secondary states to rising powers and of the emerging East Asian balance
of power.

CHINA'S MILITARY RISE: EMERGING TRENDS IN RELATIVE POWER
BETWEEN THE UNITED STATES AND CHINA

The military rise of China in East Asia and the corresponding decline of U.S.
military power in relation to third countries is not uniform throughout the
region. China is balancing U.S. power, but only in the Korean and Taiwan the-
aters, regions abutting improved Chinese mainland-based capabilities. Else-
where in East Asia, China is not a rising power and it is not balancing U.S.
power. In the region’s maritime theaters the distribution of power is stable,
as China has yet to challenge U.S. military supremacy.

Chinese Military Modernization and Relative Change
in Mainland Theaters

The most important growth in relative Chinese capabilities has occurred on
mainland Asia. Once the Soviet Union withdrew from Indochina, China
emerged as the sole great power in that region. Since then, as China’s
economic and military reforms have developed, Chinese superiority over
its immediate neighbors has widened. Similarly, over the last fifteen years
as Russian capabilities have declined and China’s capabilities have grown,
Chinese power relative to the Soviet successor states on China’s border in
Central Asia has expanded.41 An outlier in this trend had been Chinese ca-
pabilities compared to South Korea, reflecting the development of Seoul’s
economy and independent military power, Seoul’s alliance with the United
States, and the presence of the North Korean buffer between China and
South Korea. Yet because of the rise of Chinese power, China has recently
been able to exert influence over the entire Korean Peninsula. This rise in
Chinese power reflects improvements in Chinese ground forces, political
change in China, and the expectation of political change on the Korean
Peninsula.

41 For a discussion of Sino-Russian strategic balance in Central Asia, see Stephen J. Blank, “Who’s
Minding the Store?: The Failure of Russian Security Policy,” Problems of Post-Communism, 45, no. 2
The modernization of Chinese ground forces has not required extensive budget allocations for advanced weaponry. First, because of the demobilization of soldiers engaged in business activities and the transfer of soldiers to either the militia or to the Chinese domestic security force, the PLA Army is now a relatively more professional and effective war-fighting force. Modest increases in the ground force’s budget have had a great impact on resources for training and acquisitions and on war-fighting capability.\(^4\) Second, during the 1990s Beijing created units with advanced capabilities. Rapid Reaction Units (RRU) are combined-arms units that train to mobilize and respond to a crisis within 24 to 48 hours. Altogether, there may be 100,000 soldiers in the RRUs. Beijing has created special units for emergency border defense. These units are estimated to have 300,000 soldiers. China also has modernized its Special Operations Forces, which focus on destruction of enemy C4I capabilities, airfields, and air defense capabilities.\(^5\) Third, elite forces receive priority funding for training and are the first units to receive advanced weapons, including imports from Russia and advanced tanks, artillery, ground-transport vehicles, and heavy-lift helicopters. They also have benefited from the modernization of China’s C4ISR infrastructure. PLA use of communication satellites, military-dedicated fiber optic cables, and microwave technologies have resulted in a “dramatic improvement of transmission capacity, as well as communications and operation security.”\(^4\)4

The PLA has not fought a war since 1979, so the effect of these reforms on China’s war-fighting capability remains untested. Nevertheless, the improved capabilities of the Chinese military have enabled the PLA Army to better contend with U.S. forces anywhere on the East Asian mainland, including the Korean Peninsula, than was the case fifteen years ago following the 1991 Gulf War. The PLA can now wage a high-intensity and modern high-tech conflict near its territory, even against U.S. forces.\(^4\)5 As one expert has observed,


its capability will continue to improve and “adds great risks and costs for potential opponents in China’s near periphery.”

Reinforcing these trends in Chinese ground-force capabilities is the prospect of continued Chinese economic and political stability and thus continued military growth. South Korea assumes that China’s current economic and military trajectory is an enduring trend that will continue to transform its security environment. Furthermore, in recent years Seoul has increasingly focused on the likelihood of Korean unification. Unification would geopolitically transform strategic relations on mainland Northeast Asia by removing the North Korean buffer separating South Korea from China and expose Seoul to the direct threat of Chinese military power. As Taeho Kim has observed, contemporary South Korean foreign policy is fundamentally shaped by the long-term growth in Chinese military power, by the geographic proximity of China, and by the need to chart a post-unification Sino-Korean relationship.

Through the combination of military modernization, domestic political change, and the prospect of geopolitical change on the Korean Peninsula, China has become a rising power on the Korean Peninsula. Its improved capabilities now challenge U.S. ability to protect Seoul from the costs of war.

PLA Modernization and the Changing Military Balance in the Taiwan Strait

Chinese relative military power is also improving in the immediate vicinity of the Taiwan Strait. Rather than rely on its ground forces in the Taiwan theater, Beijing relies on air power to alter the military balance and challenge U.S. ability to provide for Taiwan’s security.

Since Taiwan’s leader Lee Teng-hui visited Cornell University in 1995 and escalated Taiwan’s independence activities, China has deployed between 50 and 100 short-range M-9 ballistic missiles per year across from Taiwan. By 2000 it had deployed approximately 300 of these missiles. These are relatively low-technology missiles, yet they provide China with an effective and credible capability to inflict high costs on Taiwan society in a war over Taiwan independence. Moreover, since 1995 the accuracy of these missiles has steadily improved. They are secure from preemptive strikes because of their mobility, and thus threaten assured retaliation. By 2005 Beijing had


deployed as many as 750 of these missiles.\(^4^9\) Equally significant, Beijing is making progress in the development of cruise missiles.

Complementing China’s development of missile power is its acquisition of modern Russian military aircraft, including Su-27s and Su-30s. Thus far, it has agreed to purchase at least 200 of these aircraft. As early as 2003, the Pentagon reported that the mainland will “eventually” possess more fourth generation aircraft than Taiwan and that in “several years,” as the PLA acquires and operationalizes more Russian aircraft and continues to deploy missiles and other capabilities, it will be able “to cause significant damage to all of Taiwan’s airfields and quickly degrade its ground based air defenses and associated command and control” facilities and aim to “cripple” the Taiwan Air Force.\(^5^0\) Although the PLA Air Force will not be able to challenge U.S. air superiority over the Taiwan Strait nor challenge U.S. naval supremacy in Chinese coastal waters, it complements Chinese missile capability by contributing to Chinese capabilities in the first stages of a cross-strait war.

Beijing’s growing land-based missile and air capability in the Taiwan Strait provides an assured capability to inflict high costs on Taiwan in a cross-strait war. Neither U.S. missile defense systems nor rapid deployment of U.S. forces could protect Taiwan from a devastating Chinese military strike.\(^5^1\) Although China cannot contend with U.S. naval power throughout the western Pacific, the PLA can now reach across the Taiwan strait and target Taiwan’s civilian and military centers. For the first time since the first U.S. commitment to defend Taiwan in 1950, China’s military can critically undermine the Taiwan economy and its democracy, regardless of the level of U.S. military intervention.

The Limits to China’s Rise: The Enduring Balance of Power in Maritime Theaters

Although China has developed greater relative military power on the Korean Peninsula and in the Taiwan Strait in the past five years, in the maritime regions of East Asia, outside the range of its land-based capabilities, China has yet to enhance its relative military presence. The result is stability in the post-cold war East Asian maritime balance-of-power.


Maritime power depends on force protection; the Chinese Navy has no aircraft carriers and has not begun construction of one. The U.S. Navy possesses eleven aircraft carriers, two of which can be based simultaneously in the region: one at the naval base in Japan and one at the carrier facility in Singapore. The 2006 U.S. Department of Defense Quadrennial Defense Review (QDR) calls for the United States to deploy six of its eleven aircraft carriers in the Pacific theater. It also continues to modernize its carrier force, with the launching of the Harry S. Truman and the Ronald Reagan. Moreover, U.S. interceptor aircraft based at Kadena in Japan and growing U.S. aircraft deployment in Guam provide significant coverage of the Western Pacific. The 2006 QDR also calls for the United States to deploy 60 percent of its submarine force in Asia. Thus, whereas U.S. naval force projection capabilities in East Asia are secure from a Chinese air attack, Chinese surface vessels both at sea and in port are increasingly vulnerable to U.S. air and naval power. Indeed, once PRC surface vessels leave the range of Chinese land-based aircraft, they are vulnerable to the air power of even the smaller regional states, such as Singapore, Malaysia, and Thailand.

The only element of Chinese modernization that might eventually affect this situation is PRC access-denial capability. PRC acquisition of Russian Kilo-class submarines could serve this purpose, compelling U.S. surface vessels to maintain greater distance from the region during crises and war. However, access denial offers neither war-winning capability nor even coercive capability against a much superior power-projection navy. Moreover, until China develops situational awareness capability and can degrade U.S. countersurveillance technologies, possession of advanced submarines will be insufficient to provide it with a credible access-denial capability, even if it should eventually master the skills necessary for maintenance and operation of the Kilo submarines.

As in the past, the United States possesses absolute military superiority in maritime East Asia. The modernization of the Chinese military has not affected the immediate U.S.-China force-on-force balance in the vicinity of the insular countries of East Asia. Japan, the Philippines, Indonesia, Singapore, and Malaysia all remain within a stable U.S. military region.

CHINA'S ECONOMIC RISE: EMERGING TRENDS IN RELATIVE POWER BETWEEN THE UNITED STATES AND CHINA

The growth of the Chinese economy has had a major impact on the global economy. As an “engine of growth,” it has contributed to the prosperity of many countries. But coinciding with the absolute economic gains China has contributed to other countries’ economies has been China’s development of greater relative economic power in relation to the United States. As in the development of Chinese military gains, Chinese economic gains have occurred at U.S. expense, because increased third-party dependence on the Chinese economy has caused a relative reduction in their dependence on the U.S. economy. The fact that the scope of Chinese economic power does not coincide with the scope of its military power creates regional political complexities that result in secondary-state alignment decisions that are not amenable to easy region-wide generalizations.

China as the Dominant Economic Power: South Korea and Taiwan

During the past four years, China has become the dominant source of economic growth for both South Korea and Taiwan. As a result, their dependence on the Chinese economy is increasingly greater than their dependence on the U.S. economy.

In 2002 the combined China-Hong Kong market became South Korea’s largest export market. For the first time since World War II, Seoul was not primarily dependent on the United States for economic growth. Moreover, South Korean annual exports to China have increased nearly 50 percent from 2001 to 2003. On the other hand, between 2002 and 2003 South Korean exports to the United States increased by less than 1 percent. In 2003, more than 31 percent of South Korean exports went to China. In contrast, Chinese exports to Korea amounted to only 5 percent of Chinese exports.

Beijing underscored South Korean dependence on the Chinese market during the China-South Korea “Garlic War” in 2000. While ostensibly a dispute over a minor Chinese export product, it was an exercise in Chinese economic coercion. In retaliation against South Korean tariffs on Chinese garlic, Beijing imposed massive tariffs on South Korean polyethylene and mobile phone equipment, causing losses of nearly $100 million to South Korean companies. Faced with intense pressure from its domestic industries, South Korean leaders compromised, agreeing to an increased market share.

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for Chinese garlic. Faced with credible threats of a costly trade war it would surely lose, Seoul compromised.56

South Korea also has increased its investments in China. By 2001 China had become South Korea’s primary target of foreign direct investment (FDI).57 By early 2004 there were more than 22,000 South Korean companies with production facilities in China, with an average of twelve new investments daily. Similarly, in 2003 nearly 50 percent of all South Korean foreign direct investment was destined for China. In contrast, whereas the United States was once South Korea’s primary target for foreign investment, in 2003 it comprised only 15 percent of total FDI. South Korea plans to increase its investment in China by more than 50 percent by 2006.58

The Chinese market has just as rapidly been absorbing the Taiwan economy. In 2001 the combined Chinese-Hong Kong market surpassed the U.S. market as Taiwan’s most important export market. In 2002 and in 2003, Taiwan’s exports to the mainland increased by more than 25 percent, while Taiwan’s exports to the United States declined. In 2003 more than 35 percent of Taiwan’s exports went to the China/Hong Kong market, while Chinese exports to Taiwan amounted to only 6.4 percent of total Chinese exports.59 Moreover, Taiwan has not been able to develop alternative economic partners to diversify its economic relationships. Even if Taiwan is able to reach a free trade agreement with the United States, for example, the impact on Taiwan’s exports and its economy would be negligible.60

Cross-strait investment trends are equally significant for Taiwan dependence on the mainland. In 2001 the mainland became the leading target

of Taiwan foreign investment, and in 2002 it became the leading production center of overseas Taiwan investors. By 2006 70 percent of Taiwan’s foreign investment was located on the mainland. Taiwan’s largest and most advanced industries, including high-technology semiconductors manufacturers, are moving production to the mainland. By 2004 Taiwan firms had invested up to 160 billion dollars in more than 70,000 investment projects. More than 30,000 Taiwan companies have manufacturing facilities on the mainland. The Taiwan government has tried to restrict high-technology investment on the mainland and encourage Taiwan businesses to invest in Southeast Asia but, as in trade relations, the lure of the China market has been irresistible.

South Korea and Taiwan are now dependent on China for prosperity, they are highly vulnerable to the disruption of trade, and they do not have the option of diversifying their economic relations with other economic powers. These are the characteristics Hirschman identified as critical to the development of politically important economic dependence. Moreover, these trends will likely endure for at least the next few decades. Given the small size of the South Korean and Taiwan economies relative to the Chinese economy, their full integration into the larger Chinese economy is all but inevitable.

China and the Japanese Economy

Since the onset of China’s reforms in December 1978, the Chinese economy has grown more than 9 percent per year. In contrast, during the 1990s Japan’s economy grew less than 1.5 percent per year. These developments have affected relative Chinese and Japanese GDP. By 1995 the Chinese economy was already larger than the Japanese economy, measured in terms of the World Bank’s purchasing power parity methodology. Measured in constant U.S. dollars, in 2002 Japan’s GDP was still three times larger than China’s GDP. Nonetheless, China’s faster rate of economic growth had halved the difference since Chinese reforms began in 1978. Economic size does equal

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63 World Bank Group, World Development Indicators.
military potential, but China’s prolonged success and Japan’s difficulties have contributed to each side’s assessment of relative capabilities.64

The growth of the Chinese economy has also affected Japan’s foreign economic relationships. Between 2000 and 2002, Japanese exports to China increased by more than 50 percent, and they increased by another 25 percent in 2003. During this same period, Japanese exports to the United States declined by approximately 1.5 percent. In 2002 there would have been no growth in the Japanese economy had it not been for exports to China. By 2003, the value of Japanese exports to China and Hong Kong combined was more than 75 percent of the value of its exports to the United States. By 2006 the Chinese market will be larger and more important to long-term Japanese economic growth than the American market.65

After Beijing waged the “garlic war” with Seoul in 2000, it waged the “Tatami mat war” with Tokyo. In June 2001, Tokyo imposed temporary import safeguards on Chinese leeks, shiitake mushrooms, and reeds used in tatami mats. Beijing retaliated with 100 percent duties on Japanese automobiles, cell phones, and air conditioners. The value of the Chinese sanctions on the Japanese goods was seven times the value of the Japanese sanctions on the Chinese goods and could have cost the Japanese automobile industry 420 billion yen in lost sales. Japan thus agreed to lift the tariffs on Chinese goods and to put off consideration of tariffs on other Chinese imports.66 Since then, Japanese economic interest groups have become increasingly vocal in opposition to government policy that challenges Sino-Japanese cooperation. In 2004 leaders of Japan’s major business associations, including the Keidanren, emerged as vocal critics of Japan’s resistance to Beijing’s pressure regarding Japanese military activities in China during World War II.67

Trends in Japanese direct foreign investment are also important. From 2000 to 2002, annual Japanese investment in the United States declined by 35 percent, but during this same period Japanese investment in China increased by nearly 35 percent per year. In 2002 there were more cases of new Japanese investment in China than in the United States for the first time; this trend continued in 2003.68 Even as the U.S. economy has recovered from two and half years of recession and has experienced 3–4 percent growth, these trade and investment trends have continued. Because of

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64 For an early Chinese assessment of Japan’s economic and societal problems, see Liu Xiaofeng and Zhang Yulin, *Riben de Weiji* (Japan’s crisis) (Beijing: Renmin Chubanshe, 2001).
68 The figures are from the Japanese Ministry of Finance, http://www.mof.go.jp/english/.
China’s proximity to Japan, its nearly inexhaustible supply of inexpensive labor, and its large domestic market, it will continue to present Japan with more attractive investment opportunities than the United States.

China’s economic rise will not eliminate the importance of the U.S. economy to Japan. The large size of Japan’s domestic market will also limit Japanese dependence on the Chinese economy. Thus, unlike its economic relationship with South Korea and Taiwan, China will not quickly become a dominant economic power vis-à-vis Japan. Nonetheless, the importance of the U.S. economy to Japan will continue to decline, as China increasingly overtakes the United States as the international market most important to Japanese economic growth and prosperity.

The Chinese Economy and the ASEAN Countries

Significant changes also are underway in China’s economic relationship with the major ASEAN countries aligned with the United States. The November 2002 ASEAN-China free trade agreement was an important development in China’s transition to a global economic power. The agreement is reminiscent of the 1947 General Agreement on Tariffs and Trade (GATT), in which Western Europe enjoyed preferential access to the U.S. market for certain commodities. The result was the development of the post-World War II liberal trade order. Equally significant, the GATT contributed to the expansion of relative U.S. global market power. The ASEAN-China free trade agreement reflects a similar economic expansion strategy for China. Beijing has agreed to preferential access to its economy by the ASEAN countries, thus promoting their exports to the Chinese market. As these countries expand their exports to China, their economies will become more dependent on the Chinese economy. China also is negotiating more expansive bilateral trade agreements with the ASEAN countries, such as with Singapore.

The redirection of ASEAN exports from the United States to China is underway. From 1998 to 2001, Malaysian and Indonesian exports to China more than doubled. Philippine exports to China nearly doubled from 2003 to 2004, while its exports to the United States declined by over 10 percent. From 2002 to 2003, combined exports from all of the ASEAN states to China grew by 51.7 percent and by mid-2004 China had become the region’s leading trade partner, surpassing the United States. Singapore is the lead state in this trend. By the end of 2003 Singapore’s exports to China were nearly one-third larger than the value of its exports to the United States. Moreover, over the next few years the China-ASEAN Free Trade Agreement will use complementarity

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in China-ASEAN agricultural products to encourage further trade expansion. Its “Early Harvest” program allows ASEAN agricultural products initial preferential access to the Chinese market.70

Despite Washington’s free-trade agreement with Singapore and its effort to reach agreements with other Southeast Asian states, the ASEAN countries will become increasingly vulnerable to Chinese economic power. Region-wide, China’s market may well become the anchor of an East Asian free trade area, just as the U.S. market anchors the free trade arrangements of the North American Free Trade Agreement. Since 2001 the proportion of exports by East Asian nations that stayed within the region has been steadily increasing, reaching a high of 44 percent, implying that a regional trade system may be emerging. Much of this increase reflects the growth of exports to the Chinese market. The 2004 China-ASEAN agreement aims for a region-wide free-trade area by 2010, suggesting that China wants to use its growing market to become the anchor of an “East Asian Free Trade Association.”71

ACCOMMODATING AND BALANCING IN EAST ASIA

The complexity of the military and economic rise of China is matched by the complexity of state alignment decisions. There is no uniform East Asian response to Chinese power. The key factor explaining variation in alignment policies is variation in the rise of Chinese military power. Actors that are becoming more vulnerable to Chinese military power are accommodating the rise of China. Where the rise of China is limited to the development of economic dependency on the Chinese economy, however, East Asia’s secondary states have not accommodated China. Rather, they have consolidated their prior alignment with the United States.

Accommodating Chinese Power: South Korea and Taiwan

South Korea and Taiwan, the two East Asian actors most vulnerable to the rise of Chinese military power, are accommodating China by resolving conflicts with Beijing and adjusting their defense ties with the United States.

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Simultaneously, Beijing is penetrating South Korean and Taiwan societies by developing soft power, reflecting trends in Chinese hard power.

**SOUTH KOREAN ACCOMMODATION OF CHINESE POWER**

The most notable impact of the rise of China on South Korea has been on Seoul’s response to the North Korean threat. Whereas during the 1994 nuclear crisis Seoul supported U.S. policies that threatened war, in 2003 it publicly and dramatically distanced itself from U.S. policy. Following North Korea’s admission in October 2002 that it had resumed work on a proscribed nuclear reactor, the United States carried out coercive diplomacy supported by escalating military deployments and the implicit threat of war. In February 2003 it placed B-1 and B-52 bombers on alert for deployment to Guam, and positioned equipment near North Korea that enabled launches of precision-guided missiles. In March it deployed its bombers to Guam, immediately following President Bush’s warning that he was prepared to use force to end North Korea’s nuclear program. In addition, U.S. and South Korean forces carried out large-scale war military exercises, using F-117 Stealth fighters for the first time in exercises in seven years. These fighters then remained deployed in South Korea. During the exercises, U.S. forces also increased aerial and naval reconnaissance of North Korea. According to North Korean sources, in March the United States carried out more than 220 surveillance flights against North Korea. Then, in the aftermath of the initial phase of the war in Iraq, Washington transited three aircraft carriers from the Iraq theater to the Pacific theater, resulting in four carriers deployed in range of the Korean Peninsula by April 2003. Two of the carriers returned to the United States, but two remained within range of North Korea. In May, Washington deployed a Stryker Brigade Combat Team to South Korea, facilitating rapid and flexible application of U.S. medium and heavy weaponry. It also announced that it would deploy Apache military helicopters and PAC-3 missiles in South Korea.

As Washington moved closer to war with North Korea, Seoul held senior-level meetings with the North Korean leadership and continued to offer North Korea food shipments in return for minor quid pro quos. When President Bush threatened economic sanctions against North Korea, South

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74 Agence France Press, 31 May 2003, in FBIS, JPP20030531000047; Yonhap, 31 May 2003, in FBIS, AFS KPP20030531000068; Yonhap, 7 August 2003, in FBIS, KPP20030807000014; Yonhap, 31 May 2003, in FBIS, AFS KPP20030531000020.
Korea’s president publicly opposed sanctions. Indeed, South Korea’s policy toward North Korea was closer to China’s policy than to U.S. policy. Frequent high-level consultations between Beijing and Seoul revealed that at the height of the crisis the South Korean leadership was far more comfortable working with Chinese leaders than with U.S. leaders.

Seoul’s strategic alignment reflected its fear that Washington would ignite a second Korean war, in which South Korea would bear the disproportionate share of the costs. But Seoul’s changing alignment predates the 2003 nuclear crisis; it reflects China’s emerging authority over the entire Korean peninsula. In March 2001, when South Korean President Kim Dae-jung met with President Bush in Washington, D.C., Kim resisted considerable U.S. pressure to close ranks with the United States. He insisted that despite U.S. opposition, South Korea would maintain its “sunshine policy,” whereby Seoul would manage the North Korean threat through greater emphasis on dialogue and economic cooperation. Since then, despite continued U.S. efforts to isolate North Korea, South Korea has replaced China as North Korea’s most important source of aid and most important trade partner.

South Korean accommodation of the rise of China is also reflected in Seoul’s resistance to post-cold war defense cooperation with the United States. The United States is adjusting its defense planning to stress “strategic flexibility,” in which U.S. forces abroad are deployed not for a single contingency but for deployment to whatever contingency arises. In this context, the Pentagon envisions that U.S. forces in South Korea can be deployed anywhere in East Asia, which suggests planning for conflict with China. Seoul has resisted cooperating with U.S. defense policy, insofar as it implies that South Korean territory could be used by the United States in a war against China. Thus in 2005, President Roh Moo-hyun declared that South Korea facilities could not be used by U.S. forces in a Taiwan conflict, and the United States has been unable to reach agreement with Seoul to enable U.S. use of its South Korean bases for regional contingencies.

These trends in South Korean defense policy also explain Seoul’s increasingly sanguine response to U.S. plans to withdraw its troops from between Seoul and the demilitarized zone, and to reduce the overall number of U.S. troops in South Korea. In 1977 Seoul resisted President Jimmy Carter’s plan to reduce U.S. troops in Korea. The origin of “Koreagate,” in which South Korea bribed members of the U.S. Congress, was Seoul’s anxiety over fears of

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abandonment by the United States. In contrast, when Secretary of Defense Donald Rumsfeld, at the height of U.S. preparations for war against North Korea, proposed removal of U.S. troops from the demilitarized zone and a reduction of U.S. military presence on the peninsula, Seoul merely questioned the timing of the proposal and then entered into negotiations regarding the schedule for U.S. redeployments. In 2004, when the U.S. announced that it would transfer 4,000 troops from South Korea to Iraq and it would reduce its forces in South Korea by one-third in 2005, Seoul was not alarmed. In the context of South Korean accommodation of the rise of China, U.S. military presence was becoming less relevant to South Korean security. South Korean Defense Minister Yoon Kwang-ung explained that South Korea planned to be less dependent on its alliance with the United States and that it would increasingly cooperate with Russia and China as it developed a balancer role in Northeast Asia. Although President Roh criticized the North Korean ballistic missile tests in June 2006, he criticized Japan’s response to the tests as the more dangerous threat to regional stability.

In a case of soft power following hard power, the rise of China has led to socioeconomic changes in South Korea’s relationship with China. There are now direct flights between 7 South Korean cities and 24 Chinese cities, and more than 200,000 South Koreans have residencies in China. More than 30,000 South Koreans are studying Chinese in China, the largest group of foreign students in China. By mid-2003 there were approximately 300,000 South Koreans studying Chinese in South Korea. There is a shortage of South Koreans who can teach Chinese in South Korean junior and high schools, and a Chinese university has agreed to send 600 Chinese language teachers to South Korea. Since 1997 South Korean attitudes toward China have been steadily improving, at the expense of America’s standing in South Korea. In 2001, 73 percent of South Koreans had a favorable attitude

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Balance of Power Politics and the Rise of China

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toward China, while only 66 percent held a favorable attitude toward the United States.83

TAIWAN ACCOMMODATION OF RISING CHINESE POWER

The rise of Chinese economic and military power also explains recent developments in Taiwan's defense and foreign policies. One reflection of this trend is Taiwan's increasing disinterest in purchasing advanced U.S. weapons. From the early 1970s to the late 1990s, Taiwan made annual requests for American advanced weaponry, only to be disappointed by U.S. restraint. Then, in early 2001, the Bush administration agreed to sell Taiwan diesel submarines, Kidd-class destroyers, and anti-submarine reconnaissance aircraft. It also has licensed for export to Taiwan the Patriot III missile, a key ingredient in a Taiwan missile defense system. Taiwan then became the reluctant party. More than two years elapsed before Taiwan purchased four 1970s-generation Kidd-class destroyers and, despite considerable U.S. pressure, it has yet to allocate funding for other major U.S. weapons. Through 2006 the Taiwan's legislature had refused to consider a supplementary budget for acquisition of these weapons.84

Taiwan's defense policy in part reflects Taiwan's democratic politics and the resultant demands for increased social spending. But Taiwan's reluctance to purchase U.S. weapons also reflects its increasing vulnerability to Chinese power. In a recent public opinion poll, approximately 55 percent of the respondents believed that advanced U.S. weaponry could not make Taiwan secure. Only 37 percent of the respondents supported the acquisition plan. Another poll reported that nearly 60 percent of the public believed that Taiwan could not defend itself in a war with the mainland.85 Taiwan's ministry of defense concurs. In 2004 it concluded that the mainland would gain military superiority over Taiwan in 2006. Because it would require up to a decade to complete the acquisition of the U.S. weaponry, during which time the mainland would continue to upgrade its capabilities, U.S. weapons would not make Taiwan more secure.86 Moreover, Taiwan's 2003 regular defense budget was the lowest since 1996, and the 2004 defense budget was 20 percent lower than the 2003 defense

85 FBIS 26 September 2004, in FBIS, CPP20040926000026; Lilian Wu, “63% Favor Cross-strait Peace Agreement,” Central News Agency, 22 July 2004, retrieved from Lexis-Nexis at http://web.lexis-nexis.com.ezp2.harvard.edu/universe/document?_m=c1bc872511b58baa4015b41d5eed9d00&docnum=1&wchp=dGljbVtz-z5kVA&md5=41bd41e5c8a65bf7d 2c1d41d774b76.
86 Taiwan News, 23 September 2004, in FBIS, CPP20040923000195.
budget, despite a growing Taiwan economy and increased government revenues.87

Until the late 1990s the combination of Taiwan capabilities and U.S. intervention provided effective defense against the mainland military, but by 2000 Taiwan had become vulnerable to assured PRC economic and military punishment. Taiwan’s economic dependence on the mainland means that Beijing will not need to contend with the U.S. Navy to deploy an effective blockade to devastate the Taiwan economy. The mere loss of the mainland market or mainland “nationalization” of Taiwan investments would undermine economic, political, and social stability on Taiwan. Moreover, during mainland-Taiwan hostilities, Taiwan’s other major trading partners, including U.S. businesses, would likely suspend trade with Taiwan as they would prefer to maintain economic cooperation with Beijing. In early 1996, when China amassed its troops from across Taiwan and carried out military exercises in the vicinity of Taiwan, the Taiwan stock market fell by 25 percent. Loss of confidence in the Taiwan dollar and panic buying of the U.S. dollar required the Taiwan government to intervene in capital markets.88 The continued rise of Chinese economic power guarantees that Taiwan will suffer far greater and unacceptable costs in a future war.

Taiwan accommodation of mainland power is also reflected in internal political trends suggesting accommodation to Chinese interests regarding a declaration of de jure independence for Taiwan. Taiwan voters and politicians increasingly accept the “one-China principle,” the principle that the island of Taiwan is part of Chinese sovereignty, regardless of the government of China. Taiwan polling consistently reveals that less than 10 percent of the population support an immediate declaration of independence. Eighty percent of the people oppose changing the name of the island from “Republic of China.” Moreover, nearly 65 percent would favor a fifty-year “peace treaty” with the mainland, in which the mainland would not use force against Taiwan and Taiwan would not declare independence.89 Similar prudence is reflected in attitudes toward Chen Shui-bian’s March 2004 initiative for a “defensive referendum” regarding Taiwan’s mainland policy. Numerous public opinion polls revealed that a majority of the people believed that the referendum was at best unnecessary, and at worst provocative. Despite his ultimate electoral

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89 See the Taiwan Mainland Affairs Council’s line graph of public opinion trends at http://www.mac.gov.tw/english/english/pos/9211/9211e_1.gif; Taipei Times, 10 February 2004, FBIS, CPP20040210000187; Lilian Wu, “63% Favor Cross-strait Peace Agreement.”
victory, Chen’s political advisors acknowledged that the referendum initiative had reduced voter support for his candidacy. Even Chen’s party colleagues have publicly advised him to rethink his plans to seek a new constitution and possibly alter Taiwan’s legal relationship with the mainland; the DPP has become increasingly divided over mainland policy.90

The majority vote for Chen Shui-bian in the March 2004 presidential election was not a vote for independence. It reflected the effect of an alleged assassination attempt against Chen the day before the election. Prior to the shooting, despite a lackluster campaign led by Lien Chan, the KMT was well ahead of the DPP in almost all opinion polls.91 Indeed, despite his many advantages, Chen secured only 50.02 percent of the vote.92 Then, in the December 2004 legislative elections, the DPP failed to gain control of the Taiwan legislature. In March 2005 Beijing issued its “Anti-Secession Law” and inflamed Taiwan public opinion. Nonetheless, in April KMT Chairman Lien Chan traveled to Beijing. Lien met with Chinese Communist Party leader Hu Jintao, declared KMT’s opposition to Taiwan independence, and gave an emotional speech at Peking University that advocated cross-strait cooperation. Fifty-six percent of the people supported his visit. A poll conducted shortly after his visit reported that 46 percent of the voters believed that the KMT was most capable of handling cross-strait relations, while only 9.4 percent believed that the DPP was most capable. Taiwan’s “accommodationist” trend continued through the December 2005 election for city mayors and county-level magistrates. The DPP suffered a major defeat, securing only six of the twenty-three open posts. Following the election, Chen’s popularity rating fell to 10 percent. Meanwhile, Ma Ying-jeou, the KMT’s candidate for the 2008 Presidential election, mayor of Taipei, and the new KMT chairman, received an 80-percent approval rating. In a clear sign of accommodation, Ma publicly opposes independence and supports opening of the “three-links” across the Taiwan Strait, which would eliminate the requirement that shipping and flights pass through Hong Kong before entering the mainland. The Taiwan electorate has spoken and rejected independence; the risk is simply too high. This trend of accommodation to Chinese power is irreversible, insofar as the mainland’s military power will continue to grow and its stranglehold over the Taiwan economy will deepen.


91 See the postelection poll results in CNA, 7 May 2004, in FBIS, CPP20040507000051.

These trends also have affected the policy preferences of the Taiwan business community. Reflecting Taiwan’s economic dependence on the mainland, support from large businesses for the pro-independence DPP has declined in recent years, and during the 2004 presidential election many refused to support Chen Shui-bian. Their political migration to the KMT has increasingly reflected opposition to Chen’s focus on independence, as well as their preference for pragmatic policies that will promote cross-strait stability and economic opportunities. These businesses also pressure the government to open direct air and sea transportation links to expand trade with the mainland, despite the implications for Taiwan’s security. Seventy-five percent of the business community support liberalized trade relations with the mainland, despite the implications for Taiwan’s dependence on the mainland economy. In May 2006 pro-DPP business leaders, frustrated by Chen’s mainland policy, traveled to Beijing with an opposition party delegation and made a appeal to Hu Jintao to smooth cross-strait business relations. In apparent response to such pressure, Chen Shui-bian took the first step in June 2006 toward direct trade with the mainland by allowing cross-strait cargo flights on a case-by-case basis.

As in Chinese-South Korean relations, China’s soft power vis-à-vis Taiwanese now have residencies on the mainland, where they have established separate Taiwan communities with elementary schools. More than 500,000 Taiwanese live in the Shanghai area alone. Taiwan tourism on the mainland continues to expand. In 1988 approximately 450,000 Taiwan tourists visited mainland China; in 2003 the number was nearly 3 million. According to Taiwan’s statistics, by the end of 2004 there were more than 250,000 “cross-strait marriages” in Taiwan, accounting for over 20 percent of all Taiwan marriages. In early 2004, there were 5,000 students from Taiwan studying for degrees in Chinese universities, even though Chinese degrees are not recognized by Taiwan. Change in cross-strait relations is also reflected in subtle shifts in “self-identity” among the Taiwan electorate. The younger the generation, the less likely it is that voters consider themselves “Taiwanese” and the more likely that they consider themselves “Taiwanese and Chinese.” Taiwan voters who did not experience the harsh rule of the mainland KMT government

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93 Interview with DPP legislators and government officials, January 2004 and January 2005; South China Morning Post, 10 February 2004; Jacky Hsu, “Taiwan’s Tycoons Stay Clear of Politics,” South China Morning Post, 27 May 2004; report on Taiwan media reports in FBIS, CPP20060531326001.
94 The Straits Times, 15 June 2006, at http://web.lexis-nexis.com.ezp2.harvard.edu/universe/document?2..m=e72c8c6eb86c78f568e64a9a93a20ef&docnum=14&camp=dGLhVtzz5kVA&md5=088cb117dedf6910e6727bd5d9ea74d.
The Balancers: Japan and the ASEAN States

Elsewhere in East Asia, China is a rising economic power but not a rising military power; as stated earlier, the military balance in maritime East Asia is stable, insofar as the United States remains the sole military power. Thus, despite the maritime states’ growing economic dependence on China and the development of domestic economic interest groups promoting accommodation policies, stability in the U.S.-China military balance enables these states the opportunity to balance with the United States.

Japanese Balancing and Consolidation of the U.S.-Japan Alliance

Japan began balancing the rise of Chinese power in the mid 1990s, just as China was experiencing its second post-Mao economic boom. In 1995 Tokyo agreed to revised guidelines for the U.S.-Japan alliance. The guidelines called for closer wartime coordination between the Japanese and U.S. militaries, including U.S. use of Japanese territory and logistical services in case of war with a third country. Since then, Japan has become the most active U.S. partner in the development of missile defense technologies. In 2004 it agreed to a five-year plan for U.S.-Japan joint production of a missile defense system and committed one billion dollars for construction of missile defense hardware; it plans to spend ten billion dollars by the end of the decade. In late 2005 Japan formally agreed for the first time to base a U.S. nuclear-powered aircraft carrier at the U.S. naval base at Yokosuka; later that year Japan and the United States announced that they would hold the first joint military exercise simulating defense of a small Japanese island, with China the implicit adversary. Moreover, after many years of U.S. encouragement, in 2005 Tokyo

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agreed to a U.S.-Japan joint statement on Taiwan expressing mutual interest in the “peaceful resolution” of the Taiwan conflict. Defense cooperation with the United States has also eroded Japan’s reluctance to deploy forces overseas. In the 1990s Japanese participation in UN peacekeeping operations in Cambodia was a major development. In 2001 it passed legislation allowing the Japanese military to provide noncombat support to U.S. antiterrorist operations, and then sent its navy to join in the search for Al Qaeda forces in the waters off Pakistan and Iran. That same year Japan passed legislation allowing Japan to deploy ground troops in support of U.S. operations in Iraq.\(^\text{102}\) Japanese forces have participated in the war in Iraq since 2003.

Japanese national defense policy also is changing to reflect the possibility of war with China. In 2004 the Japanese Defense Agency publicly referred to a potential Chinese challenge to Japanese security for the first time. The next year the Japanese Foreign Minister Taro Aso followed up with the assertion that growing Chinese military power and increased defense spending posed a “threat” to Japan.\(^\text{103}\) Moreover, Tokyo has adopted a more assertive posture on islands and territorial waters claimed by both China and Japan. In late 2005 officials said that Tokyo would increase the number of boats and planes patrolling gas and oil fields claimed by both Japan and China. Tokyo has decided to develop a surface-to-surface missile, reportedly to defend disputed islands from other claimants. It will build a radar facility on the islands, and has begun allocating gas exploration in the disputed waters.\(^\text{104}\)

Japanese balancing of Chinese power also is reflected in changes in Japanese public opinion regarding use of force. Leaders of the ruling Liberal Democratic Party have called for revision of article 9 of the Japanese constitution; a 2003 poll found that 42 percent of the public supported its revision. In late 2005 the Liberal Democratic Party issued a draft revision of the Japanese constitution that would permit Japanese military participation in


collective defense. There is also a growing debate in Japan over possession of nuclear weapons. Senior government officials have argued that possession of nuclear weapons would not violate the Japanese constitution. Japan is leaving behind its “pacifist” past and is on its way to becoming a “normal” country. It took the rise of China to start this process.

Coinciding with the rise of China and Japanese balancing has been changing socio-economic changes in Japan and the erosion of Chinese soft power. The percentage of Japanese claiming a positive attitude toward China has steadily declined since the 1989 Tiananmen incident, China's nuclear tests, and its 1996 show of force against Taiwan. According to Japanese government surveys, 2001 was the first time that the number of Japanese who held no affinity for China exceeded the number of Japanese who held affinity for China. In this domestic context, Japanese politicians no longer anguish over whether to pay tribute to World War II soldiers at the Yasukuni Shrine. Rather, they warn that Chinese opposition to the visits could inflame anti-Chinese attitudes in Japan. One public opinion poll reported that nearly 50 percent of the Japanese people supported the prime minister's visit to the shrine. There also is declining support for economic assistance to China. Japanese had long considered aid to China as an obligation, tantamount to reparations for World War II. According to a December 2004 poll, however, less than one-third of the public supports continued aid for China. Since fiscal year 2000, Tokyo has reduced its aid by over half, and in 2004 China ranked third as a recipient of Japanese aid, behind India and Indonesia.

MARITIME SOUTHEAST ASIA AND DEFENSE COOPERATION WITH THE UNITED STATES

Similar to Japan, the rise of China has not diminished U.S. dominance in the South China Sea and U.S. ability to determine the security of Southeast Asia's
maritime states. Thus in this theater the rise of China is limited to this region’s growing economic dependence on the Chinese economy. In these strategic circumstances, the secondary states are consolidating defense cooperation with the United States.

Since 1995 countries throughout maritime Southeast Asia have conducted annual Cooperation Afloat Readiness and Training (CARAT) bilateral military exercises with the U.S. Navy. Indonesia’s accommodation of U.S. superior capabilities was especially pronounced in 1999, when it acquiesced to the secession of East Timor from Indonesia. When the United States and its allies deployed significant military forces in the South China Sea in support of East Timor independence, and in the absence of a countervailing great-power capabilities, Indonesia cooperated with U.S. power.\footnote{Although Indonesian acquiescence to U.S. interests is not an example of “balancing,” it underscores the impact of superior great power capabilities on secondary state alignment. For coverage of U.S. and allied deployments, see Associated Press, 20 September 1999, \textit{http://web.lexis-nexis.com.ep1.harvard.edu/universe/document?m=57a25bc92b49f0c74dd9007ca6a6c&docnum=368&wchp=dGLbVtz-zSkVbh&md5=affecc438e43dc3d7f915049d9bab33 Associated Press, 22 September 1999, \textit{http://web.lexis-nexis.com.ep1.harvard.edu/universe/document?m=b9183f66009e74a9a289e5e6bce6c&docnum=325&wchp=dGLbVtz-zSkVbh&md5=9ce6e08c28c1e0b978ca88; Northern Territory News, 29 September (1999) \textit{http://web.lexis-nexis.com.ep1.harvard.edu/universe/document?m=9798c778702e3f0ba3c7049fcaafa7a60&docnum=264&wchp=dGLbVtz-zSkVbh&md5=bace06b8e039ea71ac949659c504251999; Sunday Telegraph, 1 August 1999, \textit{http://web.lexis-nexis.com.ep1.harvard.edu/universe/document?m=ef60a11229e6f8044afed11d3cd2e2966&docnum=722&wchp=dGLbVtz-zSkVbh&md5=80e6f70d2075ebc0f129320bd671194; Agence France Presse, 29 September 1999, \textit{http://web.lexis-nexis.com.ep1.harvard.edu/universe/document?m=9798c778702e3f0ba3c7049fcaafa7a60&docnum=255&wchp=dGLbVtz-zSkVbh&md5=e2825362018d51455203ae17c43.}}

Indonesia continued to participate in the CARAT exercises despite the U.S. military embargo imposed on Indonesia following the East Timor issue. Since then, it has been increasingly active in these exercises. In 2002 it resumed security cooperation talks with Washington, and it has become more active in purchasing military equipment from the United States. Malaysia is improving defense ties with Washington. About fifteen to twenty U.S. Navy vessels visit Malaysian ports each year. U.S. Army and Navy Seals conduct training in Malaysia each year, and Malaysia provides jungle warfare training for U.S. military personnel. U.S. aircraft carriers often berth at Port Klang in the Malacca Strait.\footnote{Ian Storey, \textit{Malaysia and the United States 2004–2005: The Best of Times?} (Honolulu: Asia-Pacific Center for Security Studies, 2005), 5; \textit{Malaysiakini}, 5 June 2006, \textit{FBS}, document number 200606051477; c11b005f528d30b4.}

Singapore and the Philippines have been particularly active in cooperation with the United States, including basing, defense planning, and arms acquisitions. In 2000 Singapore began annual participation in the U.S. Cobra Gold military exercises. In 2001 it completed construction of its Changi

port facility, designed to accommodate a U.S. aircraft carrier, and in March 2001 it hosted the first visit of the USS Kitty Hawk. As Singapore Defense Minister Tony Tan explained, “It is no secret that Singapore believes that the presence of the U.S. military... contributes to the peace and stability of the region. To that extent, we have facilitated the presence of U.S. military forces.” There are approximately 100 U.S. naval ship visits to Singapore each year. In 2005 Singapore and the United States signed the Singapore-U.S. Strategic Framework Agreement, which will consolidate defense and security ties and enable greater cooperation in joint exercises. Singapore also relies on the United States for acquisition of advanced weaponry. It has joined in the U.S. program for development of the Lockheed Martin Joint Strike Fighter.

In 1999 the Philippines reached a Visiting Forces Agreement with the United States, permitting U.S. forces to hold exercises with Philippine forces in the Philippines. Since then the size of U.S. participation in joint exercises has steadily expanded, doubling from 2003 to 2004. In addition, the focus of the exercises has expanded beyond antiterrorist activities to include U.S. Navy participation in amphibious exercises in the vicinity of the Spratly Islands, which both Beijing and Manila claim as their territory, suggesting that the exercises possess a regional focus. In late 2004 the U.S. and Philippine air forces conducted joint air exercises using the former U.S. base at the Clark Airfield. Since 2001 annual U.S. military assistance to the Philippines has increased from $1.9 million to a projected $126 million in 2005, and the Philippines is now the largest recipient of U.S. military assistance in East Asia. Manila is also planning to purchase U.S. fighter planes. Whereas for most of the 1990s the Philippines was hostile to the U.S. military, it is now a “major non-NATO ally” with an expanding U.S. presence on its territory.

The rise of China is an uneven development. The region is becoming increasingly more economically dependent on China than on the United States. But the rise of Chinese military power is less uniform; China is balancing U.S. power, but in distinct theaters, rather than throughout the region. Where the relative rise of Chinese economic and military power correspond and China is altering the U.S.-China balance-of-power, secondary states are accommodating Chinese interests. This is the case on the Korean Peninsula, where there has been a gradual yet fundamental repositioning of South Korean foreign and defense policies toward alignment with China. This also has been the case regarding Taiwan’s mainland policy. Remnant Taiwan resistance to Chinese pressure regarding sovereignty reflects the countervailing influence of a risk-acceptant leader seeking a nationalistic objective rather than a concerted strategic effort to balance Chinese power.  

These findings support the dominant approach in the theoretical literature on the balance-of-power, including the traditional realist and neorealist literature. As a great power, China is balancing U.S. power, but the responses of East Asian secondary states to increased vulnerability to Chinese power establish the fact that secondary states accommodate rather than balance improved relative military capability of a rising great power to undermine their security. In the presence of shifting relative great-power capabilities, only the great powers balance. The East Asian experience also supports the traditional understanding of the role of geography in threat perception and secondary-state behavior. Geographic proximity contributes to threat perception and alignment decisions. The result of great-power proximity and heightened threat perception is not secondary-state balancing, however, but rather accommodation of great power capabilities. Indeed, throughout history great powers have been most successful in establishing spheres of influence over their immediate neighbors.  

The realist argument that perception of great-power intentions matter little in secondary-state alignment decisions is corroborated by post-cold war East Asia. Taiwan and South Korea have very different understandings of Chinese intentions, yet they have adopted convergent responses to the impact of Chinese power on their security. This pattern is replicated around China’s periphery. Whereas Vietnam remains distrustful of Chinese intentions and Burma perceives China as a benign neighbor, both Vietnam and Burma have accommodated China’s interest in a periphery free from the strategic presence of a rival great power. States that have balanced China similarly hold disparate

117 For a full development of this argument, see Robert S. Ross, “Explaining Taiwan’s Revisionist Foreign Policy,” *Journal of Contemporary China*, 15, no. 48 (August 2006), 443–58.  
perspectives on Chinese intentions. Japan and Singapore have balanced the rise of China through strategic cooperation with the United States, yet Japan is increasingly suspicious of Chinese intentions and Singapore maintains a positive view of China’s role in the region.

The East Asian response to the rise of China also establishes that realism and traditional balance-of-power theory are as appropriate for understanding alignment policies in East Asia as they are for understanding alignment policies in any other region of international politics. Predictions of region-wide East Asian accommodation of the rise of China premised on assumptions of pan-Asian cultural predispositions are not supported by empirical research. Even within the “Confucian world” there is considerable variation. The pattern of accommodation and balancing strategies in East Asia suggest that secondary-state alignment choices reflect cross-cultural and timeless determinants of foreign policy choices. Similarly, there is no apparent correlation between political systems and responses to rising powers. Japan is a democracy and it is the state most active in consolidating defense cooperation with the United States. South Korea and Taiwan are also democracies, yet they are both accommodating Chinese power. In maritime Southeast Asia, democracies and authoritarian states have adopted similar policies toward the United States; they are consolidating defense ties with the United States as the United States enhances its regional capabilities in response to the rise of China.

Whereas strategic realism captures the emerging trends in the East Asian balance-of-power, these same trends raise questions about the realist political economy literature. Where the rise of China has been limited to the development of economic power, secondary-state alignment patterns are very different from those where there is also the rise of Chinese military power. Where the United States has retained its military dominance, secondary states, despite their growing dependence on the Chinese economy, are strengthening security cooperation with the United States. This trend is clear not only in Japanese defense policy, but also in the defense policies of Singapore and the Philippines. The trend is also evident, if less pronounced, in Malaysian and Indonesian defense policies.

This paper thus concludes from the alignment patterns in East Asia that dominant economic power alone is insufficient to compel accommodation by secondary states, and that military power trumps economic power in determining secondary-state alignment.¹¹⁹ This finding suggests the need to reevaluate case studies in the realist political economy literature. Hirschman’s observation of secondary-state alignment with Germany in the 1930s may have reflected the growth of German military power in southeast Europe at

the expense of relative French military power, rather than simply the development of German economic power. Kirshner’s and Abdelal’s observation of Austria’s alignment with France in the 1920s may have reflected French military dominance in the immediate aftermath of World War I more than it reflected the political influence of Austrian economic interest groups possessing a stake in trade with France. Growth of U.S. naval power in the 1880s, rather than simply the attraction of the U.S. sugar market, may have contributed to Hawaii’s 1887 decision to grant the United States basing rights at Pearl Harbor. The presence of Russian military forces on the Russian-Ukraine border, the presence of many ethnic Russians in Ukraine, and Moscow’s challenge to Ukrainian possession of the Crimea in the aftermath of the dissolution of the Soviet Union may have been more decisive in Ukrainian accommodation of Russian interests than simply Ukrainian dependence on Russian energy resources.

East Asian secondary-state response to the rise of China also suggests that military capability is both a necessary and a sufficient factor to compel alignment. Nonetheless, because China’s economic rise is a region-wide phenomenon and it is not possible to isolate the impact of military power on contemporary East Asian secondary-state behavior, it cannot be conclusively established from East Asia’s response to the rise of China that military power is a sufficient condition to compel alignment. This only can be established by research on the impact on secondary states of rising military powers that have been unable to develop dominant economic power. The classic example of accommodation to such great powers is Finland’s accommodation of the Soviet Union. Although the Soviet Union dominated Finland’s security environment, Finish prosperity and economic growth never depended on exports to the Warsaw Pact countries. On the contrary, Finland depended on exports to the NATO countries. Each year from 1970 to 1980, for example, Finland’s exports to the NATO countries constituted at least 56 percent of its total exports, and for most these years it was over 60 percent of its total exports. Despite Finland’s dependence on NATO for economic growth and prosperity, it accommodated Soviet military power on its borders by resisting military cooperation with NATO, essentially becoming a Soviet buffer state.120 Finland’s policy toward the Soviet Union likely reflects a pattern in international politics, that military power is a sufficient and necessary factor to compel secondary-state accommodation of a great power.

Variation in East Asian alignment policies in response to the rise of China further reveals that predictions by security specialists of region-wide accommodation to Chinese power and costly U.S.-China great-power competition is as misleading as theoretical propositions of uniform secondary-state tendency toward balancing or accommodation. Even in the absence of a costly

120 Based on calculations from trade statistics provided by United Nations Department of Economic and Social Affairs, at http://unstats.un.org/ezp1.harvard.edu/unsd/comtrade/default.aspx.
U.S. response to the rise of China and of intensified U.S.-China strategic competition, East Asia is experiencing not Chinese hegemony but the consolidation of regional bipolarity, as some secondary states increasingly align with China and others remain aligned with the United States.\(^{121}\)

The United States’ role in East Asia will increasingly coincide with Secretary of State Dean Acheson’s 1950 definition of the U.S. “defense perimeter” in East Asia, which excluded mainland East Asia. By 1948 the United States had withdrawn its forces from Korea. In 1949 the National Security Council, based on the findings of the Joint Chiefs of Staff, concluded that Taiwan was not a U.S. vital security interest. Acheson later observed to members of Congress that even if the mainland should occupy Taiwan, it would only add forty miles to Chinese power projection toward Guam.\(^{122}\) Credibility to resist Communist armed expansion, not material interests, drove American intervention in the Korean conflict and the Chinese civil war. Since then, U.S. policy has sought peaceful resolution of these conflicts, reflecting its interest in the process of change, rather than the outcome. Well into the twenty-first century, China will lack the advanced technologies and the funds to develop the power projection capability necessary to challenge U.S. military dominance in maritime East Asia.\(^{123}\) If the United States remains committed to maintaining its forward presence in East Asia, it can be assured of maritime supremacy, the ability to handle the rise of China at manageable costs, and a stable East Asian balance-of-power.

\(^{121}\) Ross, “Bipolarity and Balancing in East Asia.”
