

# What Asia Understands of U.S. Grand Strategy

by  
**Dr. Wang Gungwu**

**Wang Gungwu:** Thank you very much. Let me say how privileged I am to be here to speak at the Sasakawa Peace Foundation USA's Asian Voices Seminar. I, of course, don't speak for my institute, or any government, or anything like that, and I don't speak for the United States on the question of U.S. grand strategy. What I simply suggest is that from outside of the United States, what the U.S. grand strategy might look like, and what I understand it to look like.

At any one time, what constitutes U.S. grand strategy is not always clear, but we assume it has been evolving, in one form or another, for a couple hundred years, at least. And in the course of evolution, we usually hear about it through rather pithy phrases – at least in the history books I've read words like Monroe Doctrine, "manifest destiny I," which was about the Alamo, and "manifest destiny II," which was about the Caribbean and the Philippines.

And then there was the Open Door, which concerns the part of the world that I work on, in China, and there were aspects of self-determination under President Woodrow Wilson and, of course, President Roosevelt, probably once and for all taking the United States out of its more isolationist tendencies of the past – at least that's my understanding.

Now, since the end of the Second World War, there have been other phrases, among them one might mention "containment" after 1947, and in the 1980s, at least for

those of us who thought it had something to do with grand strategy, the question of fighting the "evil empire."

And more recently, and I assume very controversial after 9/11 in particular, there have been arguments for homeland security, "interventionism," especially against the "axis of evil," and even a new kind of American empire. And there are a lot of articles now about what sort of empire you've got, whether you know it or not, and so on.

## **Entry of American Empire in the Pacific**

But for us in Asia, the earliest one, certainly in my part of the world, that was noticed, was when you started your American empire in the Pacific with the colonization of the Philippines. But at the time, because it simply replaced another colonial power, the Spanish, and seemed to be terribly peripheral to the European empires, I think most people in Asia didn't think much of it, certainly not as a grand strategy.

Perhaps those in China and Japan felt differently. The Japanese, certainly, had a foretaste of American's manifest destiny when the "black ships" arrived in Tokyo Bay in 1853. But in the eyes of Asian leaders and scholars, this was mainly associated with trading arrangements, and rarely thought of in terms of any kind of grand strategy.

A little earlier, the Chinese might have had a glimpse of at least keen U.S. interest in our region when the U.S. followed the

British in getting its share of the spoils of the Opium War by signing the Treaty of Wanghsia in 1844 – pretty early, you must admit. But the U.S. kept a low profile, and for the most part the Chinese simply blamed the British for everything that went wrong, and they never blamed the Americans for any kind of strategic planning there.

Now all this I think began to change, for China anyway, when the United States joined the eight-nation intervention to free the besieged legations in Beijing in 1900. And it received even more attention by all those interested in China when the U.S. formulated the Open Door policy that I mentioned earlier on. In so far as this did not allow any one power to make gains in power by excluding any other power, this was seen actually, by most Chinese, as a positive contribution to China's development.

As a policy to support free trade for all, it enabled a host of smaller countries also to benefit. Foreign loans, investments, flowed more easily into China—not as much as the last twenty years or so, but at the time, it was significant.

The dying regime of the Ching Dynasty and the unstable republic that succeeded it were in no position to assess what kind of strategy this represented. But compared to the British and the French, and with more aggressive newcomers like the Germans and the Japanese at the time, the United States seemed obviously far less greedy. In particular, its willingness to return part of the Boxer indemnity funds to support the education of Chinese students in America, in major colleges and universities, was greatly appreciated. In fact, for decades that was regarded as one of the most generous things that the West ever did in China. In any case, China was too weak, too divided

to think much about U.S. grand strategy, or even to think of the U.S. as having such a strategy toward China.

If anything, China seemed more to have been the object of U.S. sympathy and care under those circumstances. Certainly, many intellectuals of the 1920s and 1930s saw the United States in that light. In short, whatever strategy it had was directed against China's enemies rather than China itself.

### **Japanese First Felt the Sharp Point of U.S. Strategy**

The first Asians to feel the sharp point of U.S. strategy were the Japanese. The Open Door had limited Japan's gains after its defeat of the Russians in 1905; this, of course, did not stop the Japanese from colonizing Korea and pushing into China's Manchurian provinces. And Japan's emergence as the great naval power in the Far East during the First World War period led to the Washington conference of 1922. And I think this was certainly the first—you might call it the first great leap forward of Americans in Asia.

Thereafter, the United States was divided between those who wanted to befriend the powerful Japan, and those who feared a long-term threat by the Japanese to U.S. economic interests. The Japanese strategists gambled on their ability to win other Asians against the West in a kind of new co-prosperity arrangement that Japan would lead. And the Japanese leaders gained many admirers in Asia, especially among the Chinese, and this laid the foundation for two opposing grand strategies to evolve against each other, a kind of Japanese grand strategy – which, if you can call it that, was certainly disastrous and ended in 1945, disastrous for Japan and others. In that context, it was probably inevitable that Japan

would attack the U.S. sometime, and that the U.S. would intensify its strategic planning for a future Asia that would meet its interests. And I think that began the global spread of U.S. power that would necessarily demand a more comprehensive grand strategy than anything previously.

Where Southeast Asia is concerned, the United States grand strategy surfaced really only after the end of the Second World War, and did so in three phases: the post-1945 phase of anti-colonialism, giving way gradually to anti-communism. Now, this phase had its ups and downs for Southeast Asia, down to about 1990 – and then followed the uncertain post-Cold War decade of the 1990s, during which some kind of new grand strategy, we assume, was being mapped.

And this was the time when the world learned how to live with a single superpower that was prepared to be interventionist in unpredictable ways. Happily, Southeast Asia hardly featured in that scenario, except when the region was seen as a future bulwark against a rising China.

### **SE Asia Given Role to Play in Global Response Against Terrorism**

Now the third phase: since September 11, 2001, we are in the phase that promises a global response against terrorism – one that is confident, muscular, and in defense of American interests everywhere. And for better or worse, parts of Southeast Asia have been given roles to play, we believe, in this new phase.

Now in order to evaluate the implications of this grand strategy during the third phase, we will need to take into account some of the changes that have occurred. For example, Southeast Asian elites today under-

stand U.S. policies in Asia better than ever before. They also know much more about their Asia Pacific neighbors, including Australia and the South Pacific.

And not least, Southeast Asia experimented with several types of regional cooperation; SEATO, ASEAN, APEC, and various enlargements of the region have, I think, sharpened all of us to a greater awareness of the kind of zone where small- and medium-size states have to take some initiative in order to survive. They can no longer afford to wait for help from the United States, Japan, or any other great power.

Now that self-discovery has stimulated some fresh thinking about what they have to do for the region – especially during the years since the financial crisis of 1997 – the new grand strategy, as we see it, has come at a time when Southeast Asian leaders are more ready to face the dangers and opportunities of globalization.

Now they, too, have become sensitive to the operations of non-state actors and other transnational groups, and Southeast Asia is beginning to experience what that means. How the ten-nation states of ASEAN adapted to this half century of changes gives some clue as to how they will respond to the new grand strategy as they see it today.

### **American Activity in SE Asia Went Mostly Un-noticed Before 1945**

For that reason, I offer a brief summary of the main features of the first two phases, because I think it helps us understand the third. For Southeast Asia before 1945, of course, American activity mostly went unnoticed. Most colonization was under various European empires anyway, and European masters imposed their grand strategies on us. So it was only after the Americans

went to the Philippines that the Filipino people were the first to bear the brunt in major shifts in U.S. thinking about our part of the world and the beginnings of the American empire.

Thousands of Filipino patriots paid the price of trying to resist America's unexpected change of mind. But the idea of such an empire did not register with Southeast Asian elites. American ambitions were seen either as peripheral or ambiguous. It was peripheral, because it removed a decadent Spanish empire on the very edge of Asia and did not seem to be hungry for any more action elsewhere.

But there was ambiguity, because the United States protested vigorously about not really wanting an empire, and proclaimed that its mission was to teach the Filipino people how to build a national Filipino state for themselves. So, whether it was an empire or not, there are some people who would argue they were much more altruistic than they looked.

### **Benign Image of U.S. Remained Until the 1950s**

So there was a relatively benign image of the United States established at that time, and this remained so, until the 1950s. There's no evidence that Southeast Asian political leaders thought much about whether or not the Americans had any grand strategy behind their actions.

Awareness of the United States wealth and power, of course, had been growing, especially after the end of the First World War, particularly among the Chinese and the Japanese. The Filipinos, of course, experienced this directly, and it impinged on their lives. But for most others, the first time they really paid attention was when the

United States obviously made great efforts and sacrifices in the Pacific War of 1941 to '45 to defeat the Japanese and present itself in support of anti-colonialism and self-determination.

For at least a decade after the war, that image was widely accepted. Certainly, the independence of the Philippines confirmed America's intentions; the support for the Indonesian struggle against the return of the Dutch underlined the picture of Americans as anti-empire, very clearly anti-empire.

So the first picture of U.S. grand strategy in Asia emerged with this magnanimous America reshaping Japan without a regime change, and making great efforts to turn that country into an ally. Now, consistent with this were also its efforts to save the nationalists in China from the Soviet communism that had penetrated the Chinese Communist Party.

From the start this grand strategy across the Pacific was centered on Japan and China, and Southeast Asian leaders recognized that their countries were minor parts in this broad sweep. What changed that perspective was when the United States thought they lost China in 1949, and then saw forces hostile to U.S. interests moving south into French Indochina, and it led to a reversal of its anti-empire stance when they encouraged the French to stay on in Vietnam.

Now this decision was strikingly discordant with earlier protestations of being anti-colonial, and thus doubt began to creep in about the ultimate intentions of U.S. power in Asia. In Southeast Asia these doubts led to the division among the elites in the region into largely two groups: those for whom the U.S. commitment against a new threat of international communism was in

their interest, and those who argued that the U.S. was showing an appetite for neo-colonialism, and seeking to dominate the new nation-states.

The historic expression of this division can be seen in the successful creation in 1967 of the Association of Southeast Asian Nations (ASEAN), the five members which stood together with the United States against the four mainland states, those in Indochina, plus the much more difficult to figure out Burma that leaned toward the People's Republic of China and the Soviet Union.

This first phase had a dramatic midpoint—the late 1970s, when America's failures in Indochina led the U.S. to retreat from the region and to re-examine its place in Asia. The change was welcome for those who felt the U.S. had returned to their earlier benign – if not necessarily benevolent – position of respect for the developing new nation-states. But it was also welcome among those who were pleased to see that a superpower was not omnipotent. A major shift in American strategy in Asia had led to diplomatic relations with China, and the making of a Sino-American alliance – however temporary – against the Soviet Union.

To this, the ASEAN half of Southeast Asia responded warmly. The normalization of relations between the PRC and three members of the group, Thailand, Malaysia, and the Philippines, came very quickly, and ASEAN proceeded to play an active role – together with the U.S., Australia, and the PRC – in sorting out the conflicts between Vietnam and Cambodia. And what that success did to enhance Southeast Asian concerns in American grand strategy certainly helped all the Southeast Asian leaders to better understand the parts of that strategy that applied to Asia.

## **U.S. Presence Key to Region's Security**

How do we assess the region's perspective on this first phase? Clearly, for the ASEAN five who stood on the same side the active presence of the United States was the key to the region's security. Now, with that security recognized, it is possible for intra-ASEAN mechanisms to evolve to deal with interstate problems, which they did peacefully. This proved to be a great advantage for the development of the ASEAN states. Most of their development could ride on the economic growth in the United States and its allies, notably Japan, South Korea, and Taiwan, and also the British colony of Hong Kong. In this way, whatever the grand strategy was, ASEAN peoples were assured that they would stand to benefit from it.

At one level, the optimism that this generated among new generations of ASEAN leaders was unprecedented. At another level, the direct experience of American soft power influenced many in the region's cities to absorb American ideals and hopes. The opportunities to study in America and about the United States were significant. Although these did not always win devoted fans for American culture, they did bring forth new generations of elites who had a deeper appreciation of America's place as a superpower.

However, this also, at the same time, deepened the gap between the new elites and more traditional and nationalistic elites in each of these countries. Also significant, the elites of the other four Southeast Asian nations, on the mainland of Southeast Asia, had become much poorer, materially, and had suffered from decades of isolation. So it was inevitable that the gap between two sets of elites within ASEAN itself would also grow.

Coming to the second phase, no one predicted the rapid disintegration of the Soviet Union and the end of the Cold War. All the same, some 15 years after defeat in Vietnam, this was clearly a victory for U.S. grand strategy, at least so it appears to us. Following this global triumph, and the clear emergence now of a single superpower in the world, there was nothing to suggest that Southeast Asia should expect new strategies from the Americans, nor could they have predicted what kind of changes might be likely.

With the ASEAN states, the United States was now truly powerful, but in an unthreatening way. They were content for it to stay that way in the region, and press home with what had proved to be a triumphant, old strategy. Accordingly, ASEAN could now persuade the remaining four states in the region to join the organization and thus complete the regionalization of Southeast Asia.

There had been assessments within the region as to how American grand strategy might change, now that it was the sole superpower. But nothing really new or coherent had been agreed to by the elites in the region - that we know of. Debates within the United States, however, have been followed very closely, followed with great interest. But these debates have very little to do with what Southeast Asian nations were seeking to achieve - for example, what the Southeast Asians did with the ASEAN Regional Forum, the ARF, the active support for the Asian Pacific Economic cooperation (APEC). All that seemed to be quite different from what the Americans were thinking about as grand strategy.

Nor did the new American thinking help directly towards the accelerated growth in

the early 1990s for several Southeast Asian economies. There was only one unexpected discordant note, if I may call it that, that made most ASEAN countries uncomfortable. This was when angry voices were raised in the West, in response to the tragic events of Tiananmen in Beijing in 1989, which turned into calls for Southeast Asian elites to practice and promote democracy, to offer more freedom to their people, and pay attention to their human rights record.

Now these voices began to replace the earlier, reassuring pats on the back to which some Asian elites had grown accustomed. Was this part of a new grand strategy? Nobody really knew. But instead of being told how well they had been learning from the West, some of these leaders were now being reminded that they had not learned enough to gain American respect.

And several of the leaders, notably in Malaysia and Singapore, responded robustly against these calls. They felt they were doing well during the first seven years of the 1990s. They were confident that their use of American and other western values and methods to deal with their own needs had, so far, been effective.

### **U.S. Grand Strategy Was Difficult to Read for SE Asians**

Southeast Asian leaders soon learned that this grand strategy, without a communist threat, was something more difficult to read. The ASEAN states had benefited greatly from the tensions of the old central balance, and all had been accustomed for decades to make the right anti-communist noises whenever required. Now that the United States did not have an obvious enemy, everything was harder to fathom, perhaps even for the Americans themselves. But one thing was obvious: the victory of liberal

capitalism in a globalized market economy made clear that U.S. grand strategy was the one strategy to keep a sharp eye on.

Thus it would appear that all Southeast Asian leaders had to do was be alert to America's every move and adjust accordingly, in order to maximize the benefits to themselves. How far they actually distinguished between moves by the American government that were merely reactive and expedient, and the application of some kind of grand strategy, is not easy to discern. What was unmistakable, however, was the increasing attention being given to the United States' relations with the PRC, with China, now that America no longer needed China to balance the ambitions of the Soviet Union.

As a result, even as ASEAN expanded to incorporate all ten nations of the region, the ambivalent, even incongruent attitude towards the PRC, towards China, among its old and new members, became obvious, both to American strategic thinkers as well as to ASEAN leaders themselves. The prominence of China in American grand strategy, as well as in the calculations of Southeast Asian leaders, was heightened for the next ten years, particularly by the low growth in the Japanese economy, and even more so by the so-called miracles of development on the Chinese mainland.

No one could fail to notice that the reforms introduced by Deng Xiaoping had led to breathtaking changes. The fact that he looked favorably towards Southeast Asia, and especially towards the economic contributions of those nationals of Chinese descent in each of the Southeast Asian economies, was duly noted. It was inevitable that China's successes in the 1990s would lead to concerns among some of the region's leaders. ASEAN's American, Australian,

and Japanese allies were equally attentive towards the implications of China's new wealth and power.

As Southeast Asia looked more northward, it had to face increasing tensions between the U.S. and the People's Republic. They could see how the active efforts by Taiwan to seek more international space for itself would intensify those tensions further. But there was still great confidence that economic growth within ASEAN itself would keep the region's own problems to a minimum, and that American strategy concerning Asia would support that growth.

In a paradoxical way, American assumptions that a potential China threat in the future would need to be contained, may have created a virtual balance that led many to believe that Cold War strategies might still be valid in the region. Indeed, the hope placed in an East Asian growth model that could help transform the Third World blinded everyone in Asia to the fact that American grand strategy had to change, when it was now the world's only superpower.

### **U.S. Faced Heavy Duty to Be World's Policeman**

The loss of a balancing power in Eastern Europe and the Balkans, as well as in the Middle East, destabilized those regions. And the U.S. was drawn in to play its part as the only power that could become a credible international policeman. That heavy duty had to be faced by the first President Bush and his successor, President Clinton, but there was still uncertainty in Asia about how far this grand strategy would actually have to change. While no other U.S. armed interventions during this period were as successful as the Gulf War on behalf of Kuwait, they all demonstrated the decisive,

global reach of American power. In Southeast Asia, to this could be added the region's own achievements, its economic boom, the expansion of ASEAN, the relative stability of its major members – so everybody was feeling quite good. These successes gave its leaders reason to be confident that U.S. strategic thinking about the region would remain steadfast and as reassuring as ever before.

But the region's optimism was premature. In 1997, Thailand devalued its currency, a spiral of banking debt defaults and business failures that the U.S. and its allies could do little to help with. Of course, it could be argued that the dramatic events in Southeast Asia, including the fall of the Suharto regime in Indonesia, the paralysis of leadership in Thailand at the time, and the weakening of this newly enlarged ASEAN were not directly relevant to American strategy. What was emerging was focused on something special to the United States, on issues of absolute national security within the United States.

### **Revamp of Strategic Thinking in Asia**

When that was established, it would enable the U.S. to exercise maximum flexibility abroad whenever and wherever its help was needed. Now this revamp of strategic thinking was taking place with the China threat serving as a point of departure. There was much talk about shifting the balance of U.S. power toward the Pacific, and recognizing the centrality of the United States in global affairs—in other words, not just based, leaning to one side in the Atlantic, but equally weighted to the Pacific.

Now, insofar as China, with its fixation with Taiwan, was increasingly in American sights, U.S. strategy in eastern Asia would have to be judged fresh. From that perspec-

tive, the eventual economic recovery of Japan and Korea, and of ASEAN as well: the viability of ASEAN's diplomatic and security networks, the role that these could play in a new kind of regional integration – all these gained significance.

Not all of the ASEAN states were comfortable to accept the underlying premise of a China threat. The Chinese themselves had been, after all, making friends and offering their brand of reassurance, and all the states in the region were doing their own calculations about the potential benefits and challenges that the Chinese economy would provide.

However, as long as this was uncertain, and predictions about China are not always reliable, as we all know, most ASEAN countries were content to ride on any American attention they could get. After all, they all noted the glaring fact that China's success itself was directly linked to the great American market. And this was the major factor in U.S. grand strategy that went beyond matters of defense and national security. What is increasingly obvious was that from the perspective of U.S. strategy, ASEAN could make itself more important than its many parts.

### **Asia Not Prepared for September 11**

We come to the third phase now. Nothing prepared the nation-states of the world for what happened on September 11, 2001, and Asia was no exception. Only the friends of the al Qaeda network were aware of what this meant, I guess. Other groups, of course, had been turning to what people call “asymmetric war” over the past few decades, and they could probably understand that this goes back a long way to earlier wars of liberation, desperate acts of fanaticism,

hatred and revenge – all of these were there before.

But for Asia, the elites were awakened to the many dimensions of the disaster that could impinge on their future, but most immediately, the impact on U.S. grand strategy had to be, somehow, understood.

### **U.S. Government's Response to 9/11 Provoked Different Reactions in SE Asia**

The way 9/11 galvanized the American people into action was impressive. Most Southeast Asian elites shared the shock and empathized with those who lost relatives and friends. But the U.S. government's response provoked a range of quite different reactions. All those states that faced terrorism themselves were quick to move alongside, notably the Philippines and Singapore. But states where the majority of the population is of the Muslim faith – Indonesia, Malaysia, and Brunei – have been careful how much they needed to say or do. Malaysia has been a bit exceptional, in that the now former Prime Minister Dr. Mahathir found resonance in the American exhortations to act against fanaticism, and he lost no time in acting against his political opponents. Thailand, too, joined the new networks of active international surveillance, and has reaped benefits by containing the extremists among the Muslim separatists in their own country.

It is not yet clear how much 9/11, the Bali bombing and all the others that followed, have given new life to the Indonesian military, for example, in its operations against the separatists in Aceh. However, the mutant response around the world to the latest campaign in Aceh suggest that the Indonesian government has so far calculated the consequences of American strategy quite correctly. Some of you will recall the Aceh

movement had received a lot of sympathy before this.

None of these early responses tell us much about what Asian elites really think about the new grand strategy that was used to justify the war in Iraq. The overwhelming power of the U.S. meant that, from the start, the air and ground war would be won quickly. The display of sophisticated firepower simply confirmed that the United States was so overwhelmingly powerful that no state in the world would be so foolish that it would seek to challenge the United States in any kind of conventional war.

For the very weak states of the area, Southeast Asia in particular, they fully understand that there is no future in any sort of alliance to check a superpower, especially when it is the sole superpower that has steadily widened the military gap between itself and the rest of the powers put together.

### **Sensitivity of Countries with Large Muslim Populations**

But two other factors that highlight this understanding need further attention. I mentioned the first earlier, the sensitivity of countries with large Muslim populations. At least five countries in the region could be said to have large Muslim populations, although Muslims are in the majority in only three of them. Unlike Muslims in the Middle East, Muslims in Southeast Asia have preserved their local cultures in a Malay world framework. They're not Arabs or the Taliban. Their Malay-ness allows most of them to adapt to the secular standards of modern society in their own distinctive ways. And this needs to be better appreciated.

The second is the China factor, in the larger Asian region. This has loomed large since the end of the Cold War. How will the sources of its economic power be featured in the new grand strategy when set beside that of an Islamic faith that increasingly contains diffuse but simmering anti-Americanism?

### **Islam and China Are Not Unknown Variables in SE Asia**

For the region as a whole, Islam and China are not unknown variables. China has always been seen as a major power, and Islam had penetrated deeply into many parts of the Malay world for over 700 years. About a decade ago, Stephen Huntington identified the two civilizational contenders for power that required the United States to strengthen its alliance with the Western world in Europe and elsewhere. He was quite wrong in describing Islam and Confucianism as civilizations that could go to war against the West, and his critics seized upon that to decry his paradigm.

But this was not, I think, the central point of what he was predicting. What he really was talking about was a new great power politics being structured in terms of historic civilizations rather than modern, secular ideologies. And he thought that the great powers would use their differences to challenge the dominance of what was a Judeo-Christian West led by the United States.

Now as Asians see it, American grand strategy is not couched in these broad generalizations about other civilizations. American strategists, too, are aware that the last thing they want is to provide reasons for any kind of large groupings to organize themselves against the United States. Nevertheless, the new grand strategy reaffirms the mission of

the United States as both the beacon of liberal capitalism and “the city on the hill,” destined to bring light to God’s children everywhere.

Some would understand the affirmations as distillations of the best in Judeo-Christian values, especially those that could be secularized to be modern and progressive, and thus also universal. Now, these values would serve, on the one hand, as a measure for keeping American power honest in the eyes of the more idealistic elements of the American population, as well as among its Western and some of its Westernized allies in Asia.

On the other hand, the same values will provide political guidance for identifying those countries that are recalcitrant and unwilling to accept the given standards of progress. Once these countries are so marked, they would be seen as potential enemies of humanity. Now, with that guidance, the United States could better justify interventions in their internal affairs, if necessary, by the use of overwhelming force.

Now, where Southeast Asia is concerned, what its dissatisfied Muslim extremists may do is unlikely to lead to anything like the massive U.S. interventions – for example, the Vietnam War. American interests are too peripheral to the region for them to be so threatened. Also, ASEAN has succeeded in minimizing local and intra-regional conflicts for some 35 years. However, the new strategy would allow the American government to pressure the national elite of each country to crack down on groups that support enemies of the United States.

For the ASEAN nations that have benefited from American aid for decades, this is nothing new. But for them to single out their own Muslim nationals, or to dis-

courage cross-border linkages that might foster rebellion, subversion, or terrorist attacks, they will have to respond with great care. As for the four new ASEAN members, relations with the United States would not be affected at all.

Unlike Islam, a global religion, China is still struggling with its own structures of a latent but presumably still viable tradition. That struggle provides a different dimension about which both the United States and China's neighbors may well be concerned. The heritage of values drawn from Confucianism and Daoism, as well as Buddhism, does not match Islam in its capacity to offer alternatives to other faiths that have universalist claims.

The wide range of Chinese values has all been essentially agrarian and land-locked, and limited by bureaucratic institutions that have never traveled well. But the fact that China's territorial and population size is backed by an ancient lineage with strong ideals of unity and cultural superiority has given it considerable capacity to resist the Western universalist claims that have been offered to its people.

Thus, although the Chinese seem unable now to mount any challenge to modern values, they can, as long as they can stay united, always provide a critical mass to absorb and digest whatever they wish to take from other cultures. And as long as China is not so foolish as to embark on an arms race with the United States, which it cannot hope to win, nor to follow on the aggressive empires of the 19<sup>th</sup> and 20<sup>th</sup> centuries—people use these analogies far too often, it seems to me, of Nazi Germany and militarist Japan, very doubtful analogies in my mind—but as long as China doesn't do that, there's no reason why American grand

strategy need go beyond acting as a long-term deterrent where China is concerned.

### **China Is Close to Home for SE Asian Countries**

For Southeast Asian states, however, the PRC, China, is close to home. It is the northern neighbor of three of the states of the Southeast Asian mainland: Vietnam, Laos, and Burma. And it is very close to two others, also on the mainland, Thailand and Cambodia. Historically, it had been relatively easy for China to exert pressure across the land borders, in times of disorder, whether they were rebellions or local rivalries. Although the preference had always been for trade and peace, relations were, in the past, personal and feudal, and always bilateral. Will future relations remain bilateral, but now, of course, based on ideals of state equality? Is this part of a new Chinese strategy?

And in response, to what extent will American grand strategy continue to encourage multilateral relations through ASEAN regionalism? China has been conscious of this strategy for decades, and has sought to transform its potentially hostile nature by engaging ASEAN more and more as an economic entity. It is even prepared to use ASEAN to help overcome the barriers to a larger East Asian regionalism that includes Japan and South Korea. Would this be contrary to American long-term interests, and therefore have to be countered by this new, grand strategy?

The Southeast Asian nations may wish to have inputs into future dialogues to ensure that both bilateral and multilateral efforts with China are not seen as mutually exclusive, and that progress in the larger regionalism does not become some kind of a trip wire in American strategy.

At another level, China is a fast-growing economy that competes with Southeast Asia for foreign investments and markets, and this could become a severe test of regional cooperation in the decades to come. Furthermore, most of the descendants of Chinese immigrants have settled in Southeast Asia and still maintain links with the greater China of China, Taiwan, Hong Kong, and Macau. Their entrepreneurial skills, family networks and language networks could serve both their adopted countries, and whatever parts of China they choose to work with. It is expected that these local citizens of Chinese descent will provide some of the bridges that ASEAN and greater China might want to have in the future.

But if closer relations fail to ameliorate the economic discrepancies that may arise, what economic levers will the government in Beijing use? Southeast Asian leaders may want assurances that multilateral linkages prevail, not only between ASEAN and China in the larger region, but also that these links will be extended to the larger Asia-Pacific and other major economic groupings. Then it may be easier to achieve this freedom of action, if American grand strategy takes these Southeast Asian interests into account.

I began by noting that current debates about grand strategy include arguments for homeland security, justification for interventionism, and even defense for a new kind of Anglo-American empire, or what I call a virtual empire that had learnt from Britain's old mistakes. But none of these are directly helpful to Southeast Asia.

### **SE Asia's Greatest Dilemma**

In any case, Southeast Asia does not have strong cards to play with. As long as ASEAN is perceived as ineffectual, and

possibly vulnerable to Muslim extremists and blandishments from China, the United States is likely itself to rely more on bilateral links to support its interests in the region. Here is the region's greatest dilemma: If it is to depend on a distant but overwhelmingly powerful presence as provided by the United States, it risks internal divisions between those who prefer Asian compromises, and those who want American guarantees. With grand strategy focused on China and an unstable Muslim world, the fact that both targets impinge on different parts of Southeast Asian society and politics would render any dependence on America increasingly uncertain, if not precarious.

Southeast Asian leaders do realize that American strategy must place American national interests ahead of all others. But the new strategy looks and feels different, at least to us. In the past, the U.S. could always be favorably compared with the European empires. Most Southeast Asian leaders thought that the United States believed in what they said. They saw the United States policies as firmly grounded in multiple global alliances that supported one another to maintain a peaceful world together. Many Southeast Asian leaders admired American ideals. For decades, they trusted American intentions better than they did those of other powers, whether these were European or Asian. But not having these old empires to kick around any more, how are they to assess their future in the new strategy?

The region now sees that there has been a shift in major emphasis to a strategy that would provide absolute security for the world's sole superpower, one that would ensure that the superpower would remain the sole superpower as long as possible, hopefully supporting a virtual empire that would last forever. To that end, the United

States will reserve the right to act unilaterally to preserve its supremacy.

America, then, is seen as less inclined to hide its iron fist in the velvet glove of “the city on the hill.” It is more open about its civilizing mission being one where its approach to peace—now more strident and aggressive—prevails, at the expense of all other approaches.

If that is firmed up as the new grand strategy, the choices of Southeast Asia and other countries in Asia—with or without the ASEAN structure, their choices are limited. Should the region dare not to accept a vision that appears so self-serving, its only alternative, at least for Southeast Asia, is to join with other interested groups to try and persuade the United States not to depend on military might, but to return to a world where peace is won by showing respect for every country’s right to live by its own values. Thank you.

**David Shambaugh:** Well, thank you, Gungwu, very, very much for a most thoughtful and thought-provoking lecture this evening. And a most eloquent one, too, I must say, you speak as well as you write.

I think you’ve demonstrated tonight in your comments a lifetime, really, of cross-disciplinary work that ranges far beyond history into the social sciences, theology, sociology, and other areas. You’ve also demonstrated, I think, your residence in many different Asian countries, and in the West. Few people could have given the lecture you just did. So I think it’s been a lot of food for thought.

**Richard Solomon:** Thank you David, and the Sasakawa Peace Foundation USA. I was attracted to accept your invitation because of my great admiration for Professor Wang

and his elegant presentation today has amply indicated the value of this event.

I initially thought it would be easy to take five minutes or so and comment on Professor Wang’s remarks, because the notion of grand strategy doesn’t easily appeal or sit well with American perceptions of itself in the world. However, the longer I thought about it and got into this subject, the more I could see it was going to be difficult to limit my remarks. But I will try to do so, and pick up on many of the themes that were commented on, and then Dr. Xiang will have his turn.

### **Grand Strategy Evolves Largely in Response to Security Concerns**

Let me begin by saying that Professor Wang’s presentation seems to slide between the notion of grand strategy and the search for empire. I would separate those ideas. Grand strategy, in my experience, seems to evolve largely in response to security concerns. In the case of the United States, I think our national culture begins with George Washington’s statement that we shouldn’t entangle ourselves in alliances, and should avoid involvements in the machinations of other powers – initially the European powers – as they maneuver against one another.

A desire to hold back from involvement in the world has been a constant element in American thinking about foreign relations, from our founding era to the isolationism of the 1930s, to the rapid reduction in defense spending after the end of the Cold War, to the Clinton administration’s adjustment of our foreign policy, and even to the thinking of our current president before 9/11.

A reluctance to see ourselves as having some grand scheme to control the world is,

I think, a consistent factor in American foreign policy. On the other hand, if we look back to the turn of the century and the example of Admiral Mahan, we see evidence of a certain structure to American foreign and security policy, and we've heard in Professor Wang's presentation much of that. What I would like to do is talk a little bit about end strategy, or the process of developing a strategy, and then comment a little bit about recent developments, where one can see some elements of grand strategy. I would just make two overview comments, and I'll give you my punch line at the end.

### **Development of a National Strategy Requires a Major Thinker**

The first point I'd like to make is that the development of a national strategy requires a major thinker, like a Mahan, and a leader willing to pick up on the conceptual ideas and really apply them. The world environment, especially in regard to security threats, has a major effect on the degree to which a sense of strategy evolves. Also, the question arises whether a strategy, when it's converted into policy, is ultimately sustainable.

A strategy may prove to be unsustainable because it doesn't have political support. I recall National Security Advisor Tony Lake's articulation during the Clinton period of a national strategy to replace our Cold War doctrines of containment and deterrence with democratization and the encouragement of open market systems as the elements of U.S. strategy. That approach fell like the proverbial lead balloon; it was never picked up by anybody, and didn't get anywhere.

Economic issues, quite apart from political factors, also play a major role in strategy. For example, we are going to see whether

the elements of the Bush administration's approach to the post-9/11 world are economically sustainable. Will the costs of trying to turn Iraq into a market-oriented democracy be more than the American public is prepared to bear? Will U.S. and allied casualty rates echoing the traumatic losses in Vietnam limit the conversion of the current policies of the administration into a long-term strategy?

### **Current U.S. Policy and Strategy Are Evolving**

The second overall point I would make is that current U.S. policy and U.S. strategy are still very much evolving. To my discomfort, I keep hearing the phrases "single superpower" and "pre-eminent military power." What we are now discovering, of course, are the limits of that power; I think that we will find that being a "single superpower" often just acts to attract opposition that is not easily countered by military means. Elements of a strategy that are very much under consideration right now are the role that alliances and coalitions play, and the role that the United Nations or other international organizations might play in an American grand strategy. Those issues are very much up for grabs.

If those are my two key punch lines, let me quickly provide some examples. Generally, it takes a dominant leader to articulate a nation's grand strategy. I'm thinking of Mao Tse-tung specifically, who formulated an approach of alliance with the Soviet Union in 1950, and then decided a decade later that fighting revisionism and confronting the Soviet Union – eventually forming an alliance of convenience with the United States – was the better course of action for China. Mao had the authority to push through those policies, even with the rever-

sal of the approach to the United States in the late 60s.

### **Leaders Who Played a Role in Conceptualizing Grand Strategies**

To Americans of more recent vintage, there are similar leaders and individuals who played a major role in conceptualizing grand strategies. Here, I would point out the roles that President Nixon and Henry Kissinger played. Nixon formulated the policy of approaching and trying to normalize relations with China as one component of a greater containment and deterrence policy towards the Soviet Union, as evidenced by Henry Kissinger's famous, world-shattering secret trip to China in the summer of 1971. Was that a grand strategy? If so, the China opening was certainly a part of it.

The Reagan administration, in its own interesting way, showed at least elements of a grand strategy also. The president's articulation of the "evil empire," combined with the publicity of human rights violations, put pressure on the Soviet Union. Then the policy in the mid-80s shifted to very decidedly trying to out-compete the Soviets in an attempt to bankrupt them.

I'm thinking here of John Lehman's 650-ship Navy, of the Star Wars missile defense system, designed very consciously during the Reagan period to convince the Soviet Union that they could not compete, and indeed, to hopefully bankrupt them, something that ultimately did occur. Those were elements of an approach to dealing with primary security threats of the time that really had some effect.

I've already commented on the difficulty faced by the Clinton administration in coming up with a grand strategy in the absence

of a major security threat after the collapse of the Soviet Union. For example, the Tony Lake effort I've already mentioned, and the drop in defense spending. But let's talk about the current administration and what its policies may say about the American effort to develop a more coherent foreign policy and national security strategy.

First, you have to remember that this administration, much like the first Clinton administration, with its "It's the economy, stupid," bumper stickers, came in with an overt aversion to the notion of a grand international strategy – the derision of nation-building, and the negative approach to various international commitments and to working with the United Nations – signaling a very clear effort on the part of the American people to avoid involvement. The commitment of the administration during the 2000 campaign to missile defense was a very defensive posture; the view that we would work to see that there was no major strategic competitor, and the generally hostile approach to China were, it seems to me, notable as a kind of inward-looking and defensive point of view.

If there were elements of a more offensive policy, it was the commitment to bring about regime change in Iraq, something that, of course, the Clinton administration had articulated after the bombing of our embassies in East Africa. And it was part of a latent policy that has really only emerged in the last year or so, to break the pattern of failure in the Middle East to come to some resolution of the Israeli-Palestinian conflict, and to deal with the other sources of growing concern about proliferation and stagnant states in that region. Those were the latent elements around which the Iraq policy, prior to 9/11, were part of the second Bush administration's strategic worldview.

## **9/11 Changed America's Domestic Political Environment**

As has been pointed out – and as we're all highly conscious of, of course – 9/11 changed everything, and we now hear from the Clinton people that they were handcuffed in their ability to make a more aggressive, robust response to the acts of terrorism that escalated during the 1990s, because of a lack of political will. And 9/11, of course, was the catalyzing event that totally changed the domestic political environment, the sense of threat, and put into high gear a whole series of measures that had been talked about in the late 1990s, but never really implemented.

There had been talk in a number of think tank studies about the need for heightened homeland security. Now post-9/11, we have a Department of Homeland Security, and a whole series of measures designed to implement a strategy of homeland security quite apart from the foreign policy and foreign affairs dimensions.

The fight against terrorism, again, we had seen coming, but it was never part of our national debate. The proliferation problem? We were aware of it, but it was nothing like our current awareness of Pakistan, North Korea, Iran and other countries. Countering proliferation as well as counter-terrorism have now become essential components of our national grand strategy for dealing with these security threats.

I've already mentioned Iraq. Of course, in our public debate, we are now starting to flagnellate ourselves about the intersection, if there is one, between Iraq, proliferation, and terrorism. Yet we are now in the middle of, above all things, nation building, even though it's not called that anymore. And we are now testing the element of a national

strategy: that is, to transform the Middle East by finding a way to break the impasse, the terrorism, and all the factors that were immobilizing or led to the failure of Camp David II, the Oslo process, and produced this ongoing stalemate in terms of the Middle East, and the failure of many of our friendly governments there to get on the road to modernization and to promote domestic reforms.

### **Final Element of a National Strategy: How to Deal with Issues of the Muslim World**

And the final element of a national strategy, that is again very much at play now, is how we and other non-Muslim countries deal with the issues of the Muslim world; a world that is very complex, a world that stretches—as we say in our work at the Institute—from Mali to Mindanao, incorporating, of course, the Middle East, South Asia, Pakistan, Afghanistan, Central Asia, and all that is going on in Southeast Asia, as Professor Wang commented.

We are aware of our inability to effect in a positive way the hearts and minds, the cultural and attitudinal gap with the Muslim world. We have not figured out a way of dealing with that gap. And so our national strategy, our grand strategy, catalyzed substantially by 9/11, by a major security threat, is still incomplete, still forming. If we go back to our Cold War experience, it's quite consistent with what happened in the late '40s, into the 1950s, when George Cannon and those who formulated the policy of containing the Soviet Union and NSC Document 68 (formulated in 1948)—it really took well over a decade for the policy and the institutions that gave reality to our approach of the Cold War era of containment and deterrence, to really fall into place,

to acquire that institutional reality and political support.

And I think we're in a similar period now, even though it's two years after 9/11, I think it's going to take us probably the better part of a decade to come up with what I think will be a long-term strategy for dealing with this nexus of issues: terrorism, proliferation, and the turmoil in the Muslim world that drives much of today's instability. I hope that the Sasakawa Peace Foundation USA will invite Professor Wang back a decade from now, to do a reprise and see what's happened after a decade.

### **Chinese Strategic Thinking**

My prediction of what we'll be talking about then is China and its grand strategy, because I think the Chinese, unlike the Americans, do think strategically. I think they've shown a brilliance in their commitment, since Deng Xiaoping initiated the reforms of the Third Plenum in 1978, to understand what their long-term interests were and are. Despite Tiananmen and all the provocations that have come from a number of directions, the Chinese have stuck to a policy of stressing economic development, and it's really beginning to pay off to convert China into a major regional – and before long, world – power. So a decade from now, we're going to be talking about China's grand strategy. Thank you.

**Lanxin Xiang:** Thank you very much. I think it's a great opportunity for me to be here in Washington again.

I think professor Wang's speech was very stimulating, an excellent historic survey of what Asians have been perceiving—or misperceiving sometimes—what the American grand strategy is.

With limited time, I would rather prefer to look at the China side, because we know enough about Southeast Asia—Professor Wang already discussed in detail the different countries' reactions to U.S. strategy.

### **China Is Formulating a Grand Strategy to Respond to American Predominance**

Now I think, again, I was also stimulated by Dr. Solomon's saying probably ten years from now we will be discussing China's grand strategy. My sense is that we probably don't need to wait that long. My sense is China, at this particular moment, is in the transition period, is formulating a grand strategy as a part of Asian response to American predominance.

Now here's what I thought about this. The first point I want to say is that as Professor Wang mentioned: throughout the Cold War, the United States was fighting an evil empire; now it's fighting an evil without an empire. Therefore, what's happening here is that the United States is effectively turning East Asia, in particular, from a strategic theater—that used to be a concept of the Cold War—into a front. A theater is multi-lateral, probably more manageable, but when you turn it into a front, especially against an enemy where you don't know exactly who they are, it becomes quite unmanageable.

And in this case I think, as indicated in Iraq, the United States is more often in a solitary position in fighting this anti-terrorist war. So I think this actually provides an opportunity for China to formulate a grand strategy. That is to say, the first point would be whether or not we still define China as regional power. Or is China already on the road to becoming a global player in international affairs?

I think the Cold War habit, as I mentioned, to consider Asia as a fixed strategic theater is no longer adequate as a foundation to explain China's foreign policy orientations. And the very fact that China is not in the physical position to challenge American hard power, primarily military power, does not necessarily prevent China from thinking globally. And this is, I think, exactly what China seems to be doing, at least since the start of the Iraq war.

I think the anti-Iraq War clique, what I call entente active, which is not real entente—and that means entente activated by a particular event—the so-called “gang of four,” that is, France, Germany, Russia, and China, is changing, in my judgment, in the long-term, our global, strategic landscape. Now, how much I exaggerate this—maybe I've lived in Europe for too long, but I just want to explain what I've been thinking about this. I think for a long time since the end of the Cold War, there was already the beginnings of this ground-shifting moment for at least ten or twelve years—that is, a three-way development. One set of relationships is between the European Union and Russia. Now remember, when the Soviet Union collapsed, the Russians rediscovered Russia; they lost the Soviet Union, but at the same time, the Russians spent more than ten years trying to redefine themselves, because all of a sudden everything had changed. Who is Russian, what is foreign, what is our policy—all these questions they could not answer.

The European Union took about ten years to make a decision to finally integrate Russia—not to integrate them in an EU way, but to actively integrate Russia back into the European system. This was reflected in 1999 in a common strategy which had already been formulated by the EU through the Treaty of Amsterdam, but they never

really applied it until 1999, and the first target, of course, was Russia. So the EU made a strategic decision to integrate Russia before Russians could stabilize themselves. And that has been very significant.

At the same time, we all know the China-Russia relationship has improved a great deal, and of some 7,000 border disputes, there are now probably four or five left. And that is quite a remarkable achievement, plus many other bilateral relationships. But more importantly, of course, is this organic link also being established, initiated by China, but also accepted by Russia: the Shanghai Cooperation Organization—so, another organic link was made.

### **EU-China Relations Progressed**

The only one that was lacking in the past ten years is the EU-China organic link, and that is also somehow being established this year—as we witnessed the EU common statement on China for the first time, the EU used language about treating China as a global, strategic partner—especially if you compare it with the previous four EU statements. It's quite fundamental, in my judgment.

And, of course, the Chinese also responded this time; the Chinese never responded in the past, because the previous documents, when the EU issued them concerning China, somehow they were found to be condescending in quite a typical western style, patronizing: we are willing to engage China, we are willing to help China, we are willing to help China improve human rights. But now the EU is adopting quite a different approach.

So we are seeing what is emerging in the Euro-Asian continent, the heartland, so to

speaking, a new strategic landscape. De Gaulle's dream was to have a Eurasia stretching from the Atlantic to the Urals; now apparently that has been expanded from the Atlantic to Beijing.

Now does this mean this is an anti-American alliance? Certainly not. Nobody wants to portray that anti-Iraq war, entente active, as particularly anti-American. But what's important here, I think, is that the Chinese realized that—I think they realized several things through recent experiences. The first is that the *zhoubian zhengce* model does not work.

I'm talking about unilateralism. You always need to remember that China was, perhaps, the most unilateral country in the world for many decades. China knows everything about unilateralism, *zhoubian zhengce*, or the so-called periphery policy. That means they overemphasize on this rather narrowly defined sovereignty; China does whatever it wants to do: no alliances, no multilateral framework, because they realize that's not going to work anymore.

The second thing I think is even more important is China's dealings with the EU. Now they begin to realize that muddling through is a much better model for conducting international or great power relations, better than a clear-cut approach: good and evil, you're with me or against me. That kind of approach I think China now realizes isn't good. Who is the best model for muddling through? Of course the European Union.

Now I must emphasize that only two years ago, China was still hesitating: what is the EU all about? I remember *Le Figaro*, the French newspaper, used to say, I think about two years ago, that the Chinese consider EU as a political unit; non-existent.

China always preferred bilateral negotiations: German, French, and so on and so forth. But now they begin to realize that this is not just a good model, but an important model for the 21<sup>st</sup> century.

### **China Realized Value of Multilateral Organizations**

Therefore, the third point would be, in my judgment, that China began to emphasize more of the multilateral organizations. That is to say, multilateral or regional organizations are crucially important, simply for the purpose of lessening the predictable, U.S. strategic pressure on China. This is the reason they go into all these organizations: ASEAN Regional Forum, Shanghai, and so on and so forth; I think they will be more active in there.

Now, having said that China returned to the Euro-Asian mainland, so to speak, the continental commitment, in my judgment, has become more important in the future. Now, does it mean China is going to neglect Asia or Southeast Asia? I think probably they are going to exercise, if this current trend continues, a certain benign neglect.

Now, this is what my judgment would be of the neighborhood. Now remember, China never had a serious role in so-called periphery policies, because they always lived under illusions. During the Cold War, the Nixon/Kissinger period, as you all know, China was discovered by the Americans as being a very useful card; China was known in those days as a card, the China card.

That gave China the illusion that it was a greater power than China deserved. But the reality began to dawn upon them when the Cold War ended, and then China really had to look at whether or not the economic and many other factors of power really qualified

China as a global player. Because in those days, of course, there was the grand triangle, Moscow, Beijing, and Washington, that had unrealistically promoted China into a premature position. But now I think they are really into this debate about what is great power?

Now, if you noticed last week, the Politburo, under Hu Jintao, for the first time to my knowledge, invited two historians to discuss the rise and the fall. This is not Paul Kennedy's thesis, of course, to discuss the rise and fall since the fifteenth century.

### **China Must Grasp the Meaning of Great Power**

So there is very intense debate, not only within the leadership, but also among the think tank people, about what is great power. So that itself has become an issue now. My worry is that at this stage of formulating a continental policy, my worry is China may fall into the old trap of not really grasping the meaning of great power, because judging from the recent debate of the Politburo's meeting on that issue, what they tried to do is to not model after the bad ones—the Germans and Japanese—but to learn some good lessons from the good ones, presumably the British Empire.

I think that's a fundamental misunderstanding of China's role in the world; China would never be able to follow that, if Chinese history is any mirror for China. So this is an important moment for China. Thank you very much.

### **Q&A**

**Shambaugh:** Well, thank you Mr. Xiang, for your comments and contributions. I particularly appreciate you bringing the EU-China dimension into the discussion

tonight, because I, too, have followed this for a long time. The October summit in Beijing between the Chinese and the EU is of significance, and the two documents that emerged on the eve of the summit, one by the commission in Brussels and the other by the Chinese foreign ministry, were the first time the Chinese foreign ministry issued a white paper on its relations with any foreign country, and I think it should be read by all.

Anyway, we've got about 20 minutes. I'm going to forego my prerogative to ask the first question as the chair because of the time, and we'll simply throw it open to the audience. There are microphones which will be brought to you, and then if you can simply identify yourself and then direct your question.

**Questioner:** Professor Wang, the historical overview of this evolving American grand strategy—I'm curious that because communism is gone today, now you talk about anti-terrorism. But terrorism is not against any particular region or country.

North Korea is challenging the United States—in a way, confronting—so that the only country in the world that may be challenging the U.S.' supreme power or military power looks like North Korea. How, in the region—of course the U.S. has a multilateral approach to resolve the issue, but in Singapore and Malaysia, how do these people know the American strategy, whether it's going to be unilateralist or maybe a multilateral approach to resolve the issues? How do Singapore and other countries, as you see, in your area, participate or contribute to the resolution of the particular issues in that region? But I still think that American strategy no longer works, because it's no longer nation-to-nation or region-to-region, it's all over the world. That's just my concern.

## **Chinese Do Not Understand War Against Terrorism**

**Wang:** Thank you. I'm not sure that the Chinese actually buy this strategy about terrorism. I think they are just going along to support the U.S. for specific reasons of their own; I don't think they understand what this war against terrorism is about. Or if they do, they don't want to have any part of it, but as long as Americans want it that badly, they're willing to offer their support for their own reasons.

I think much more difficult would be a question like North Korea. I don't see that North Korea is threatening the United States in any way, or wanting to give the United States much of a problem. In my part of the world, anyway, the question of North Korea is how can the present regime in North Korea survive? And they're playing this game in order to survive, because they really fear a decision by the United States to "take it out," as it were.

Whether the U.S. will do it or not is a separate matter, but that's how the North Koreans see it, and they're playing to the limit the only card they have—not much of a card, in our view, but presumably something that has to be sorted out. And I think the Americans' method of bringing in as many countries as possible, like China, Japan, Russia, and so on, is very, very sensible—it's absolutely correct. Certainly there shouldn't be any attempt to do an Iraq on North Korea, and North Koreans need to be assured that this won't happen.

So to that extent, I think that makes sense. But I don't think the Chinese have any feeling about this war against terrorism at all.

## **Chinese Are Worried About Terrorism**

**Solomon:** Let me give some contrasting views. I think while they probably have not thought it fully through, as we have not, the Chinese are much more worried about terrorism, for the following two reasons. The word "terrorism" masks critical issues: one is that the Chinese have now dramatically shifted their position on proliferation issues. Back in the '60s and '70s, the Chinese helped the Pakistanis develop their nuclear capability, because they wanted a counter-weight to India.

In recent years, the Chinese have seen that that support has hurt them badly, because the Pakistanis helped the North Koreans, and the North Koreans are now a major source of proliferation, as is Pakistan. The Chinese are desperate to avoid a nuclear war on the subcontinent, so much so that they have played a major role in the last year or two in brokering what is now a very interesting cease-fire agreement between India and Pakistan. I think the issue of how China will deal with the global, non-proliferation regime is critical to changes in their policy.

## **China Desires Good Relations with Oil Producing Countries**

Secondly, terrorism masks this issue of turmoil in the Muslim world. Why is this turmoil important for China? To some degree, because of their own Muslim minority, and fears of separatism and unrest in other parts of the country where there are Muslim minorities. But in some ways, the big issue is access to oil. The Chinese maintain a population growth rate of 7 or 8 percent a year, and that's going to require a heck of a lot of energy, which means petroleum. The Chinese have been working for quite a few years to develop good relations with Saudi

Arabia, Iran, Iraq, and other countries that are major oil producers. They are as deeply affected by turmoil in the Islamic world as anyone else, and maybe in many ways more so.

They are extremely worried about what is going on in Indonesia, in Southeast Asia. And they will be trying to figure out how to work with us and others to stabilize the Muslim world, because it is also a source of the energy that they require to keep their economy growing.

**Questioner:** Is it fair to conclude, after your remarks, that at least in one respect, Asian states, including Russia and the EU, have support for the U.S. grand strategy of unilateralism, focusing on terrorism and the evil states of Iran, North Korea and Iraq? And for three reasons: one, it allows them a great deal of freedom, a great, long leash. Because as long as they cooperate with the United States—and with the United States having such a very narrow focus—they can pursue their own policies, whether it's enlargement of their markets, or contacts, or more independence.

And secondly, because it bleeds the United States; it's a very expensive grand strategy that's unsustainable. And that's a third reason: because it's unsustainable, unilateralism is just a passing fancy, and eventually the United States will have to adopt a more cooperative, multilateral policy. I talk to Russians and Chinese about this, and there is that underlying notion that if you let the United States go off on their own, we will operate on our interests, and what they're doing will eventually be unsustainable.

**Shambaugh:** Anyone want to pick up on that?

**Xiang:** Just quickly to say I'm inclined to that understanding, although I'm very interested to hear what Dick just said about China's deeper concerns with proliferation; I think that is also true. I hadn't mentioned it, only because I didn't associate those fears about proliferation directly with the terrorism. You now point out that there's a connection, and I certainly want to think about that. But I actually go along with what I previously said; that was my understanding of what the Chinese would think about the American focus on terrorism.

**Questioner:** I'm not sure I understood, perhaps my note-taking was disturbed. Did you say that the U.S. is peripheral to ASEAN and the reverse? My note says: "The U.S. is peripheral to ASEAN and the same is true for the United States?"

**Wang:** I think what I mean is that ASEAN is peripheral to U.S. interests, but I'm not sure how I gave that impression.

**Questioner:** In any case, I think that's true. Our interest has really been episodic, and that being the case, I think a part of what has happened since 1997 has been a kind of ASEAN self-discovery. That it had interests that were broader—obviously the Chinese were very helpful in maintaining the stability of their currency, but it's also after '97 that the APT really takes off.

And I'll make my question short. It seems to me with China interacting as broadly and in as many directions as deeply as it is with ASEAN now, and with APT there seems to have been a decision on the part of China, notwithstanding long-term neglect, that for the time being and into the future it is to China's advantage to help countries in ASEAN develop themselves to become more stable. And as a consequence, China

has an interest in stamping down terrorism in the area as well.

In short, China has rediscovered its south, and I would just end by saying China is practicing the diplomacy that Americans used to practice much better than we are today.

### **China's Status as the Middle Kingdom**

**Wang:** Let me say that I actually share Professor Xiang's view—he didn't say it, but let me say it for him. China is actually central, the middle kingdom in a very different way from what people think. It's not just self-centered alone, but it is a middle kingdom in so far as it sees itself as needing to defend all around it. It's got potential enemies in trouble areas all around it. And if you look right around, they've got east, west, south—problems everywhere if you look around. So I think the Chinese must conclude that Southeast Asia is the nicest area in the neighborhood, and probably the easiest to befriend. And it won't cost a great deal to make friends in Southeast Asia, as compared with Northeast Asia. And the kind of really serious difficulties in Northeast Asia, with Japan and so on, and Russia in Central Asia, with energy, of course, very much on their minds, are much more important than anything to do with Southeast Asia, in my view.

So the centrality of China—I said this just now about the centrality of the United States, discovering that they are in the middle of both oceans—but the centrality of China has been a 2,000-year old obsession. And this centrality is the most vulnerable part, not the other side, not Southeast Asia. Southeast Asia only became vulnerable in the 19<sup>th</sup> century when the British came through, but it had never been vulnerable before.

There was always peace in Southeast Asia, so when they rediscovered Southeast Asia, they discovered that this is actually the most peaceful area, if they could just handle it right. And the really dangerous areas are still the old areas, and then Northeast Asia with Japan as a new factor, and North Korea, and so on. But those are the really difficult and unpleasant areas that they've got to concentrate on. So in the meantime, if they can get Southeast Asia right, at least that's one problem solved.

**Questioner:** I wonder if either speaker would care to comment on possible precipitous tendencies in China coming either from minorities or, more likely, from within the Chinese body politic itself? It seems to me that much of the discussion on China more or less assumes that China has been a great power and is about to assume its rightful status.

But it seems to me that China is headed in a vastly bigger direction, that it has never had the kind of wealth it has today, its people have never been as numerous as they are, there has never been a proportion as well educated and well off as now, and at the same time, you have poor people at the bottom. And all of those sort of domestic concerns, it seems to me, could engender some kind of going off in new directions, which China has not done up until now. I'm interested in the speculation on this.

**Questioner:** For more than four decades, the United States had a grand strategy, which is John Kennedy's strategy for peace, and *pax Americana*, and multilateralism, and the space industries. These days China's grand strategy is exactly like John Kennedy's.

I traveled in many, many countries before I came to the United States, and I realized the

mistake of this administration is the lack of understanding of Asia. This administration must understand the different religions and cultures. So the grand strategy must include all kinds of ideas, including Asian ones.

**Shambaugh:** I'm going to invite the last two questions.

**Questioner:** Most people think that really grand strategies require great powers, and great powers have three parts: they're great economic powers, great military powers, and then, in the sense that there's an ideology or a motivating idea. I was especially struck by Professor Xiang's identifying muddling: we're going to have a China in ten years that's going to be a great economic power, great military power, and they'll imitate the Europeans and muddle through on the intellectual side.

I'd really like to ask all of you: How is China going to develop? Will they develop in the sense that there's a positive idea, that they get involved with proliferation, that they send troops off to Liberia, as they did in Cambodia? Is there a positive drive that the Chinese are going to have an intellectual construct that makes them engage in the world in a positive way and act like a big power? Or is it perhaps more likely that they'll engage in the world in a negative way, in identifying their own security and the threat of the United States as the intellectual construct that's going to make them a great power in ten years?

**Questioner:** Professor Wang, early on in your presentation, I believe you said that Southeast Asians had a sophisticated understanding of the United States, which leads me to the question: To what extent do Southeast Asians, in particular, really see the United States as having a grand strategy, and to what extent do Southeast Asian

leaders look at the United States and figure out what sorts of policies they can take that are in their own self interest?

If you look at modern Southeast Asian history, you see numerous examples of Southeast Asian leaders listening, in a sense, to what the latest obsession of the United States is, and then, in a sense, catering to that. One example is that recently, Prime Minister Thaksin came to Washington, D.C., and right before he came here was when an al Qaeda operative was arrested in Thailand. At the same time, that was when Thaksin's government was killing perhaps 2,000 supposed drug dealers within Thailand. So what he did, in essence, is he placated the Americans by arresting this al Qaeda person, which gave him the space to just carry out his own domestic policies that he wanted to do anyhow. This kind of action seems to have happened repeatedly in Southeast Asian history, showing a sophistication, and perhaps an understanding, that there isn't always a grand strategy on the part of Americans.

**Shambaugh:** Okay, quite a full plate. Why don't we start in reverse with Professor Xiang and move down.

### **U.S. Grand Strategy Is Anti-Terrorism Through Regime Change**

**Xiang:** Just a quick answer about domestic policy: I think it is, of course, very important. I think primarily the Chinese are thinking continentally, in my judgment, because of domestic reasons. If I understand U.S. grand strategy now as anti-terrorism, essentially through regime change, perhaps even nation-building, then this for China will always be a constant factor: the regime change vis-à-vis China. Now, this is what the neoconservatives think — that's their obsession, anyway.

Now, we should refrain from the conception that with China's economic rise, the so-called democratization of China, the globalization of China, that with China's economic rise it will remain at the receiving end of that democratization. China will dictate some terms, in my judgment, before it fully is integrated into an international system. The EU happens to be one channel where they can integrate more peacefully and easily, so the Russians think the same way.

This is where the national strategies on the Eurasian continent converge, and the EU happened to be willing to accommodate part of China's tradition. The most important thing happening in China is that they're rediscovering their own history, their own traditions. It used to be that traditions were against modernity; that notion is at least partially gone now.

### **Religion and Politics**

**Solomon:** Well, just three very quick comments. The point that was made about religion and politics is something that will resonate with our president who, as you know, puts a lot of emphasis on religion. Whether being a Christian will constrain his approach to building international coalitions or understanding cultures that have very different religious traditions presents a very interesting question.

Secondly, in regard to Professor Wang's point about being in the center of things: We tend to think, if you're in the center, you're the big guy, but remember that the Chinese character for "center" is the target that people are shooting at. We have now discovered that being the bull's eye puts you in a very vulnerable position, and I think we all remember that image very vividly.

**Wang:** I'll just try to finish up very quickly. I think the point about possible precipitous questions for China is certainly a real one; I don't think the Chinese leaders have any illusions about how easy it's going to be. In fact, all this concentration of effort on economic development is to try and deal with what is potentially a very dangerous thing for China.

So as I understand it, the question of the moment, the only way they can face this problem is through good management. Because they have no intention of giving up the monopoly of power of the Chinese communist party, by whatever name you call it, that system, they want to keep it as long as possible. But in order to keep that, they have to manage the complexities and the precipitous tendencies of China well enough to survive, and that's engaging them as fully as possible.

Whether they can go on indefinitely, whether any single one party power can ever stay in power for long, and however well they manage is a different question. But I think that's the only way they can do it, and the last thing they want is to open themselves up to the kind of democratic choices that the United States and European models offer.

About Southeast Asians and religion, too, that's an interesting thing for me. One of the things that's always struck me is how the Chinese showed no interest whatsoever in the new religions offered them either by Islam or by Christianity. The last religion they took seriously was Buddhism; it was a long, long time ago, and they swallowed and digested it and spit it out in a different way.

But the thing is that they've never accepted religion from anybody else, but all the time

they were very tolerant of religion. They didn't think it was important, nor was it particularly worrisome to them.

### **China Has Become Anti-Religion**

But the last few decades have seen China do something which I find extremely interesting. They have been absolutely antireligion. Now, that is something new for China, and that's probably a mistake, and they will try to remedy that. Because it's one thing to show benign neglect and a sort of tolerance; it's another thing to be actually hostile. And this really only started in the 1920s or so, when they decided that science was everything, and science meant that everything that had to do with religion was superstition.

And once they did it as a kind of black-and-white thing between science and superstition, they created a kind of tension in China, which actually, maybe in the long run, was quite destructive. And among the things you have to bear in mind is that the spiritual needs of the people have to find some response from the state or the nation as a whole, and I think they are starting to realize that. They talk about spiritual socialism, but I'm not sure that will satisfy the people. So that is something I think the Chinese leaders will have to take up seriously if they want to avoid the kind of spiritual frustration and demoralization that is bound to take place.

About Southeast Asians' sophistication, I didn't actually mean that they were that sophisticated, but simply that they're more sophisticated than they used to be. What I said was that they knew nothing about the United States, cared nothing about the United States before the Second World War; they paid no attention whatsoever. But since then they've begun to learn, and they actually know much more about the

United States than they did in 1945 when they first started. And they do know – and you're quite right, they respond, as I said, they listen very alertly to what the U.S. says, does, and so on, and they try to respond.

### **SE Asians Showing A More Sophisticated Foreign Policy**

But the subtler point you are making is correct, that they then go and do their own thing, and once they appease the Americans they are free to do what they want to do anyway. The best example is probably the Indonesian military, even better than Thaksin. The Indonesian military has been actually trained by the Americans for a long, long, time – under Suharto, anyway. They went for training; they were trained to do exactly what the Americans trained them to do, at West Point and so on.

But they went back and did their own thing in exactly their own way, and they got away with it; the Americans put up with it for a long time, never said a word. It's only in recent years, after the fall of Suharto, that Congress has been paying attention to the military being a nasty bunch of people. But actually they'd been doing that right through that whole period, while they were trained by Americans, and learned to say all the right things. But that is a kind of sophistication – I think you must admit, it's an understanding of the peripheral nature of Southeast Asia in U.S. grand strategy, so to speak.

Finally, I do want to say something about the question of Europe. Maybe this is part of Chinese grand strategy, it is all about the multi-polar world – they have been saying this for a long time. I don't know exactly what they have as a goal, whether the multi-polar world is simply a means to put a check on the United States and to include

China's position. But as a multi-polar world ideal, I think that is part of the Chinese grand strategy. They want to produce that, but I think partly because, at least it's my understanding, they don't want to run the world. They don't want to be a soldier on par with the United States – you're welcome to it, take the target. I think China doesn't want to be that.

**China Does Not Want to Be Subordinate to the U.S. in Asia**

But what China wants to be is not to be subordinate to the United States in Asia itself. In Asia itself, it wants to be treated as the big boy. And if they can create a multi-polar world in which the U.S. will leave Asia alone for China to operate fairly freely,

and for the neighboring parts of China to be friendly to U.S., I think they'd be content with that. And that is what the multi-polar world can do for China. I don't think they'd be so stupid as to get into a big race with the United States. I think they're not that stupid.

**Shambaugh:** Well on that note, we've run a bit over time, but I think it's been well worth it. Join me in thanking our speakers and discussants. Thank you very much, and we look forward to seeing you at the next Sasakawa Peace Foundation USA's Asian Voices seminar.

[End]

## About the Panelists

### Main Speaker

**Dr. Gungwu Wang** is Director of the East Asian Institute and Professor in the Faculty of Arts and Sciences, National University of Singapore. Previously he was Vice-Chancellor (President) of the University of Hong Kong and a professor at Australian National University and the University of Malaya, Singapore. He has also been a distinguished professorial fellow at the Institute of Southeast Asian Studies, Singapore. Professor Wang is a fellow of the Australian Academy of the Humanities and member of the board of governors of the Institute of Defence and Strategic Studies, Singapore. He received a Ph.D. from the University of London and an M.A. and B.A. from the University of Malaya. Professor Wang has published many books and articles, including *The Iraq War and its Consequences* (co-editor, 2003), *Damage Control: the Chinese Communist Party in the Era of Jiang Zemin* (co-editor, 2003), and *China: Two Decades of Reform and Change* (co-editor, 1999).

### Discussants

**Dr. Richard H. Solomon** is President of the United States Institute of Peace. Previously, he was assistant secretary of state for East Asian and Pacific affairs in 1989-92, where he negotiated the Cambodia peace treaty, had a leading role in the dialogue on nuclear issues among the United States and South and North Korea, and helped establish the Asia-Pacific Economic Cooperation (APEC) initiative. In 1992-93, Dr. Solomon served as United States ambassador to the Philippines. He also has served as director of policy planning at the Department of State and senior staff member of the National Security Council, where he was involved in the process of normalizing relations with the People's Republic of China. Dr. Solomon holds a Ph.D. from MIT. He is the author of *Exiting Indochina: U.S. Leadership of the Cambodia Settlement and Normalization with Vietnam* (2000) and *Chinese Negotiating Behavior: Pursuing Interests Through "Old Friends"* (1999).

**Dr. Lanxin Xiang** is the current holder of the Henry Alfred Kissinger Chair of Foreign Policy and International Relations at the Library of Congress. He is professor of international history and politics at the Graduate Institute of International Studies, Geneva, Switzerland. He also holds a Zijiang Chair in Shanghai's East China Normal University where he co-directs the Euro-Asian Center. Professor Xiang earned a B.A. from Fudan University and a Ph.D. from the Paul Nitze School of Advanced International Studies of Johns Hopkins University in 1990. He is the author of numerous articles and books on both 20th-century and contemporary Chinese history and on Chinese domestic and international affairs in the Cold War and post-Cold War periods. His publications include *The Origins of the Boxer War* (2003), *Mao's Generals* (1998) and *Recasting the Imperial Far East* (1995).

### Moderator

**Dr. David Shambaugh** is Director of the China Policy Program and Professor of International Affairs in the Elliott School of International Affairs at The George Washington University. He previously taught at the University of London School of Oriental & African Studies, and was editor of *The China Quarterly* from 1991-1996. Professor Shambaugh has been a visiting scholar and fellow at many institution in Asia, Europe, and the U.S.-most recently at the Woodrow Wilson International Center for Scholars. He is a consultant to various U.S. Government agencies, private sector institutions, foundations, and serves on a number of editorial boards. He was educated at George Washington University, Johns Hopkins and the University of Michigan. Professor Shambaugh is a leading authority on Chinese and Asian affairs, and author or editor of fifteen books and numerous articles. His most recent study is *Modernizing China's Military: Progress, Problems, and Prospects* (2003).