

# ISAS Brief

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## The New Great Game in Asia

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### *Abstract*

*The previous great game was played in one part of Asia and the players were from Europe. Britain and Russia worked hard to gain influence over Afghanistan and other Central Asian countries. London wished to install a puppet regime in Kabul to protect the northwest flank of its Indian Empire. Moscow, indulging in its perennial quest to gain access to a body of warm water, saw Afghanistan along with the northwest parts of British India offering one way of achieving this goal. Rudyard Kipling called it a “great game” since the contestants chose not to fight but to manoeuvre in a not very crowded field. Two different contestants are playing the new game. There are some major differences too. This time, the entire Asian continent is in play and one of the contestants is not from within the area. This paper examines how the two new teams of policy makers in Beijing and Washington are entering the contest and outlines some of the problems they face.*

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## **Introduction**

When large powers compete for influence in the same geographic area, it becomes difficult to distinguish between cause and effect. The United States' "strategic pivot" to Asia was seen as a way to counter the growing presence of China in that continent. Beijing saw most of Asia as its backwater, and implied a variant of the Monroe Doctrine in defining its relations with most countries in the region. But the Monroe Doctrine analogy was not entirely accurate. When, under the Monroe Doctrine, the United States let it be known that it would not tolerate the strategic presence of the countries that were not from the Western Hemisphere, it was sending a clear signal to the European powers to stay out of Latin America. However, in defining its relations with the rest of Asia, China has to recognise that the United States has been present in the continent for many decades. It shed a lot of blood and spent a great deal of resources to prevent the countries of the region from overwhelming other Asian states. In the Second World War, it won a decisive victory over Japan. It was less successful in the Vietnam War when it attempted to stop the Indo-China peninsula from opting for communism. It did not succeed in its stated objective and Vietnam and Laos came under the influence of communist political philosophy. In the field of economics, however, it was much more successful. Now, almost half a century after it pulled out of Vietnam in a humiliating way, that country has become one of America's most important trading partners in Asia.

## **The New American Team**

Even when states don't clearly identify their foreign policy preferences, much can be discerned from the inclination and beliefs of the people placed in important policy-making positions. For his second term, President Barack Obama dispensed with the "team of rivals" that he assembled for his first four years in office. In 2009, when he was sworn in for his first term, he was relatively raw in foreign affairs. He turned to those more experienced in this field. He brought in Joe Biden as Vice President and Hillary Clinton as Secretary of State. For the second term, and feeling more secure, he has turned to a team of the "like-minded", a group that is inclined to recognise the US as a diminishing economic power in a relative sense. This team will be prepared to work with the rising economies, in particular those in Asia.

The new Obama team is entering the great Asian game without a strategy. As Michael Gerson who wrote speeches for President George W. Bush put it in a newspaper article, "declining national influence is a choice and America seems to be making it".<sup>2</sup> In democracies elections are supposed to settle the direction of policy the elected leaders are

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<sup>2</sup> Michael Gerson, "Creating a global vacuum", *The Washington Post*, 19 March 2013, p. A13.

supposed to take. That has not happened in the United States. While the election of 6 November 2012 gave Barack Obama another term in office, the defeated Republican Party did not lose all influence. It still controlled the lower house in Congress where decisions about government spending are made. The party is dominated by the leaders who are determined to reduce the size of the government even if it means downsizing the military. The same wing of the party also wants America to remain the dominant player in international affairs. That cannot happen with a weak government supported by a weakening military. As result of what is called “sequestration” – forced reductions in government expenditures in a number of areas – the Pentagon is working on shrinking the Marine Corps by 25 per cent; reducing the size of the Army by 143,000 soldiers; and reducing the pace of modernisation, training and readiness. With only a mild interest in international politics and with his sights set on such domestic issues as health care, education, and innovation, the president has assembled a team that will help him to focus more on the mounting problems at home than protecting it interests abroad.

## **The New Chinese Team**

There is a major change in policy players in China as well. Beijing has completed its decennial political transition by installing a new team to guide it in both domestic and international affairs. Xi Jinping the new president has indicated that he will be active in the making of foreign policy, leaving most of domestic policymaking to Li Keqiang, the new prime minister.

In his first press conference as prime minister, Li focused almost entirely on domestic matters, pledging to curb the power of bureaucrats, rein in government spending and provide a more level field for private enterprise, both domestic and foreign, in the world’s second largest economy. According to the *Financial Times*, “in another hopeful sign for global investors, Mr Li singled out the state-dominated railway, energy and financial sectors as areas where Beijing would allow private capital to ‘enter more smoothly and effectively’”.<sup>3</sup> However, he did not underestimate the task before him. “Reform is about curbing government power. It is a self-imposed revolution. It will require real sacrifice, and it will be painful, like cutting the wrist. But this is necessary for development and demanded by people”. In his own address, President Xi promised to pursue “great renaissance for the Chinese nation”.<sup>4</sup>

Supporting the president will be Yang Jiechi who served as foreign minister under the outgoing President Hu Jintao. He is stepping up as state councillor, making him China’s chief diplomat. In his previous assignment he pushed a hard line in approaching the United States. “Asia-Pacific issues should be discussed and dealt with by countries of the region themselves”, he said at a news conference on the eve of the National People’s Congress that

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<sup>3</sup> Jamil Anderlini, “China PM vows to cut red tape”, *Financial Times*, 18 March, 2013, p. 2.

<sup>4</sup> Quoted in William Wan, “Great renaissance for China”, *The Washington Post*, 18 March 2013, p. A8.

endorsed these personnel changes.<sup>5</sup> The meaning was clear: Beijing would like to see Washington stay out of the region or, at least, not force its point of view and interests on Asian nations. Wang Yi is the new foreign minister who was China's ambassador to Tokyo from 2004 to 2007. He was also the leading Chinese presence in the six-nation talks led by his country in discussions with North Korea about the latter's nuclear weapons programme. Before being elevated to the new position he was in charge of Taiwan affairs in the State Council. Wang has specialised in Asian affairs, another indication that, for China, Asia will become the main focus of policymaking. The new ambassador to the United States will be Cui Tiankai who knows Washington well, having studied at the Johns Hopkins School of Advanced International Studies.

This team is likely to focus on three aspects of China's relations with the rest of Asia. It will like to add substance to the various forums that exist to discuss Asian affairs. In doing so it will build on some of the forums and arrangements it shares with several of its neighbours to cement relations with them while reducing the influence of the United States. Its focus will be on the countries in Central Asia and on Pakistan, Sri Lanka and Myanmar. It will seek to increase its presence in the Association of Southeast Asian Nations (ASEAN) with which it has already negotiated an arrangement.

Beijing will promote trade with other Asian countries. The former foreign minister announced in the press conference held before the National People's Congress that China's trade with Asia had reached US\$ 1.2 trillion in 2012, surpassing its trade with the United States and Europe. But international commerce will also include trade in arms. As the Stockholm International Peace Research Institute noted in its recent report, China now is the fifth largest arms exporter after the United States, Russia, Germany and France. It has earned that place by outranking Britain. Chinese arms exports rose 162 per cent between 2008 and 2012. About 75 per cent of its military sales go to four neighbours and near-neighbours: Pakistan, Myanmar, Bangladesh, and Iran. Venezuela accounts for five per cent of total sales. In other words Beijing has reached out two nations – Iran and Venezuela – Washington has a policy of not helping.

Pressing Beijing's claims on the various islands in the East and South China Seas will be the third plank in China's focus on Asia. The new national security team has experience in East Asian affairs and is likely to focus on relations with Japan. Beijing has noted with interest and also with some apprehension the cordiality that marked the recent visit to the White House by Japan's new Prime Minister Shinzo Abe.

Both China and the United States are playing in the Asian field while steadily losing respect and popularity among the countries in the continent. After seeing a sharp improvement in the world's perception of America when Barack Obama started his first term, the trend has been pointing downwards since then. This is particularly the case for some of the countries in Asia. In Pakistan, for instance, almost three-fourths of the people surveyed by Gallup and Pew

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<sup>5</sup> Jane Perlez, "China names new team to secure its place in Asia and face U.S. competition", *The New York Times*, 17 March, 2013, p. 15.

Research Center have an unfavourable view of the United States. China has not fared much better. According to David Shambaugh, a China expert, “while pockets of positive views regarding China can be found around the world, public surveys from Pew Center’s Global Attitudes Project and the BBC reveal that China’s image ranges between mixed and poor. And the negative view is expanding: for almost a decade, European public opinion toward China has been the most negative in the world, but that is now matched in America and Asia”.<sup>6</sup>

## Conclusion

With two new teams in place in Washington and Beijing and with both countries identifying Asia as the primary area of concern and opportunity, we will see in the years ahead a great deal of great-power activity in Asia. Most of this activity will be in the area of international commerce.<sup>7</sup> Each capital is already attempting to exclude the other from the many arrangements that are being put in place to manage international trade. President Obama is working on two initiatives that don’t include China. In 2012 he launched the Trans-Pacific Partnership Initiative. In early 2013, he proposed a great trans-Atlantic alliance with the aim of creating a free-trade area, with the United States and the European Union as the two partners. Even though both countries will be primarily focused on managing the faltering domestic economies, Asia will loom large when they turn their attention to areas beyond their borders.

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<sup>6</sup> David Shambaugh, “Falling out of love with China”, *The New York Times*, 19 March, 2013, p. A23.

<sup>7</sup> For a discussion of this aspect of Beijing-Washington relations, see Shahid Javed Burki, “Asia and Obama’s New Trade Initiative”, ISAS Brief No. 269, 25 February, 2013.