

## **The “Power Transition”: A Spot Check by Denny Roy**

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Since the early 1990s, analysts have widely recognized that China’s rapid economic growth rate put the PRC on a course to challenge the United States for the position of the region’s strongest power. This realization raised the specter of a “power transition” with a collection of momentous consequences for Asia-Pacific states, not the least of which is the possibility of armed conflict between the United States and China. Even if the end result is still unclear, we can say that this transition has been underway for about two decades because during that period both countries have made policy under the assumptions that China’s total annual GDP will become the world’s highest in a few years, that China’s economic importance and military capabilities will greatly increase, and that the days of unquestioned US strategic supremacy in the region are over.

Power transitions can go relatively well or relatively badly. What about the US-China case?

What international relations scholars call “hegemonic transition” or “power transition” occurs periodically. The root cause is that states grow (and shrink) at different rates, resulting in particular countries rising or falling relative to the others. Thus the handful of great powers at the top of the global hierarchy gets reshuffled over the very long term. A power transition scenario emerges when the strongest power begins to decline and a fast-growing challenger is positioned to take its place.

The top spot in a regional or global system of states is desirable because the occupant gets to write the rules of international interaction to suit its own interests. History demonstrates that near the point where the strength of the rising challenger surpasses that of the tiring dominant state, tensions between them will be extraordinarily high. The old champion, wishing to hang onto its accustomed influence and privileges, is tempted to undercut the challenger’s rise. The challenger becomes impatient and wants the benefits of pre-eminence immediately. In particular the challenger wants its own preferences reflected in a revised set of international rules and arrangements.

There are moderating factors that can help cushion a power transition, reducing the chances that the inevitable tensions will lead to military hostilities. In the current case, one of these factors may be the possession of nuclear weapons by both the United States and China. At their best, nukes induce caution even over the contemplated use of conventional military force. Another moderating factor is that both China and the United States are part of a global system of trade and institutions that creates powerful incentives for

peaceful and lawful behavior and disincentives for acting disruptively.

Finally, China and the United States do not pose direct, existential threats to each other. On one hand, China is prospering despite US influence in the Asia-Pacific region and alleged encirclement of China. On the other hand, even if China managed to ease itself into the current US role of the Asia-Pacific’s strongest strategic power and pushed out US bases and alliances, America would still dominate the Western Hemisphere and the eastern half of the Pacific Ocean and would continue to trade heavily with Asia. The costs of “losing” peacefully would not be catastrophic for either country. From this standpoint, the current power transition should be a manageable one.

As one of these historically important global re-adjustments, the US-China case started off fairly well. Admittedly, China and America have lacked the convergence of culture and values that the US and Britain shared at the outset of the 20<sup>th</sup> century. But China and the US have deep and varied cooperative relationships; they are as much potential partners as potential adversaries.

Through several presidential administrations, Washington has proclaimed that the United States welcomes the rise of a strong and prosperous China as long as Beijing is also “responsible.” Absent Chinese bullying and coercion, the US has done little if anything to stop China’s rise beyond routine economic and diplomatic competition. In terms of the power transition, this signaled willingness by the dominant power to make room for the challenger within the extant rules – albeit these rules are largely US-made and China does not agree to some of them.

For its part, China initially signaled willingness to hold its nose and abide by the US-sponsored system of institutions and norms despite areas of disagreement. The PRC government evinced great awareness of the great historical danger of being a rising power, which is causing alarmed neighbors to form a countervailing coalition – in other words, hostile encirclement. In 2006, the state-owned China Central Television network aired a documentary on lessons learned from “The Rise of the Great Powers” throughout history. Since the early 1990s Chinese leaders have continuously assured the outside world that China’s rise will not be a threat to other countries. In 2004 top CCP leaders stopped using the slogan “peaceful rise” partly because they thought the word “rise” would alarm foreigners. Instead they shifted to the term “peaceful development.” Deng bequeathed to his country a succinct 24-character foreign policy memo for the power transition period. The main points are that China should not flaunt its capabilities, should remain calm, and should avoid taking the lead in international affairs. It is difficult to think

of better advice to give the leaders of a rising challenger if the objective is a peaceful power transition.

Recently, however, the trajectory of a smooth power transition seemed to shift unfavorably. Washington announced the “rebalance” to Asia. Although this was not simply and wholly a response to the rise of China, arguably it was a consistent and predictable extension of the basic US policy of maintaining a commitment to defend friendly governments in the Asia-Pacific against what many observers saw as PRC attempts at coercion. The Chinese, of course, have seen re-balancing as interference in regional affairs and further evidence of a US strategy of “containment.” Setting this difference in interpretation aside, in terms of the power transition scenario, the US re-balance to Asia suggests that the dominant power sees its interests threatened rather than protected by the rising challenger, and feels the need to devote increasingly scarce resources to hang onto its dominant position and to uphold the old order as long as possible rather than accept a relative diminution of its influence.

PRC leaders seem to have relocated Deng’s memo to a bottom desk drawer. Chinese officials drew much international criticism for their influence over the 2009 climate change conference in Copenhagen. In 2010 Chinese military and Ministry of Foreign Affairs officials said China opposed US and ROK naval exercises in the Yellow Sea, despite the facts that South Korea is a US ally and shares the Yellow Sea with China and that the planned exercises followed a lethal provocation by North Korea. That same year, China imposed sanctions against Japan AFTER the Japanese caved in to Chinese pressure and handed over the detained captain of a fishing boat that had rammed two Japanese Coast Guard vessels near the disputed Senkaku/Diaoyutai Islands.

China has employed a noticeably tougher approach to its South China Sea claims. One example is the blockade that Chinese vessels imposed on Filipino fishermen entering the lagoon of Scarborough Shoal, which although disputed lies within the Philippines’ 200 nm exclusive economic zone. The Chinese government reacted to a transfer of ownership of the disputed Senkaku/Diaoyutai Islands from private Japanese citizens to the Japanese government, politically insignificant except as an attempt by Tokyo to prevent a new crisis, by establishing permanent Chinese patrols into territorial waters of the islands. While Japan has long administered the islands, China now demands recognition as co-administrator, using the constant risk of an incident at sea to try to force Japan to concede. Many experts see increased assertiveness by China in border disputes with India.

One could argue that each of these Chinese actions was a reaction to policies of other governments that the Chinese perceived as attempts to change the status quo, and that the Chinese were acting defensively rather than aggressively, at least in their own minds. At the same time, however, changes in the political atmosphere within China are visible.

New President Xi Jinping pushes nationalist buttons. The leadership has experimented with lengthening the list of “core interests.” After two decades of following Deng’s advice, the PRC in recent years has seen Chinese elites and commentators

openly debate whether Deng’s guidelines remain useful or should be abandoned. This has created openings and political cover for groups that want to immediately impose Chinese preferences in specific disputes and upon the system as a whole. The recent leadership change in China and the Xi regime’s ongoing consolidation as it undertakes economic reforms have likely distorted Chinese foreign policy toward taking the lead, not remaining calm, and boasting about China’s new strengths. If this raises hopes that China might settle back into a more Deng-like groove in the near future, we should recognize that the sense of triumphalism inculcated among the public by the legitimacy-hungry CCP, increased public awareness of and interest in foreign affairs, and the bravado evident among younger generations of PLA officers (who lack combat experience) are long-term phenomena.

In sum, the outlook for a peaceful power transition at present looks middling-poor, with trends moving in a negative direction. The Chinese show signs of premature overreach, the classic mistake of rising challengers. The Americans show a determination to keep their guard up, with the accompanying risk of being too inflexible and thereby pushing the Chinese to the conclusion that fighting is better than cooperating. If it’s any consolation, this wouldn’t be the first ugly transition in history.

*PacNet commentaries and responses represent the views of the respective authors. Alternative viewpoints are welcomed.*