

**China's Rise in Asia and South Korea:
A test case for the purported China-centered
order marginalizing the
United States in Asia**

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Overview

This article assesses recent developments and the current state of play in China's relations with South Korea in order to test the widely publicized proposition that China's rise in Asia is being accompanied by an emerging China-centered regional order that is marginalizing the influence of the previous regional leader, the United States. A careful analysis of China's relations with its various neighboring countries in recent years shows that China has made the most significant gains in relations with South Korea, and these gains have coincided with a decline in US influence in South Korea brought on by major difficulties in the South Korean-US alliance relationship. Thus, if China's rise is leading to a China-centered order in Asia that marginalizes the influence of the United States, the trends in the South Korean-China relationship in the context of South Korean-US developments should provide important evidence and indicators.

The assessment in this article shows many spikes in popular and elite South Korean infatuation with China, as well as a number of incidents that have dampened enthusiasm for China in South Korea, amid a generally positive array of economic and political interests between South Korea and China. South Korean officials have been more steady in their calculations and actions. As Chinese power and Sino-South Korean relations have continued to grow, they have demonstrated continuing hesitancy to move under China's sway. Seeking to avoid coming under China's dominance has added to their continued interest in preserving the alliance relationship with the United States. South Korean leaders have shown a strong determination to make important sacrifices (e.g. the deployment of thousands of Korean troops to Iraq) in order to sustain an often contentious alliance

relationship with the United States. They have not made similar sacrifices in developing relations with China.

The article shows that such South Korean hedging in the face of rising Chinese power is a common trend in Asia, and that the United States is well positioned to benefit from this broad trend in the region. The United States remains much more powerful than China in Asia. It has the added advantage of being seen by Asian government leaders as Asia's "least distrusted power," as these leaders seek to enhance their nationalistic ambitions and independence of action among other Asian governments with territorial or other ambitions directly at odds with their national interests.

Introduction

China's rising importance in world affairs and especially in neighboring Asian countries, including notably South Korea, represents a major change in the early 21st century. China's impressive economic growth and attentive diplomacy, backed by growing Chinese military power, have generally fit in well with the interests of Asian countries and ongoing Asian efforts to develop multilateral mechanisms to deal with regional and other issues.

Perhaps of most importance, China now is a manufacturing base and central destination in the burgeoning intra-Asia and international trading networks producing goods, notably for export to developed countries. China's over \$1.1 trillion foreign trade in 2004 involved a processing trade value of over \$600 million; about 60 percent of Chinese exports and 50 percent of Chinese imports involved trading in products where components and materials came from overseas and the finished products were sold abroad.¹

There also is large-scale development of Chinese infrastructure. The massive investment in fixed assets-plant, property, and infrastructure increased over 40 percent from early 2003 to early 2004. Capital investment as a share of GDP in 2003 was 43 percent—a level widely seen in both China and abroad as unsustainable but nonetheless continuing for the time being.² In Asia, China is a top trader with such key neighbors as South Korea (2004 trade almost \$80 billion), Japan (2004 trade

including Hong Kong over \$210 billion), and Taiwan (2004 trade over \$60 billion), and a number of Southeast Asian countries. China has emerged among the top ranks in the production steel and other metals, cement, ships, cars, electronic goods and textiles; and in the consumption of international raw materials.³

Based on recent trade growth averaging double the impressive rate of the Chinese economy, Chinese officials have built closer political ties with neighboring countries through effective and often high-level diplomacy that is attentive to the interests of neighboring Asian governments. Putting aside or narrowing differences in the interest of broadening common ground, Chinese diplomacy has been welcomed by most neighbors, especially as it contrasts positively with the sometimes maladroit and disruptive Chinese policies of the past. Chinese leaders notably have put aside past suspicion of Asian multilateral organizations and have strongly embraced burgeoning Asian groupings—some excluding the United States and other non-Asian powers—to the satisfaction of other regional participants.

The Chinese approach to Asia has developed gradually in the post cold war period and most Chinese motives appear clear to outside observers. Chinese leaders want to secure their periphery in Asia and maintain stable relations in order to focus on key Chinese domestic issues involving economic growth and political stability. Needing economic growth at home, Chinese leaders endeavor to maximize effective economic interchange with neighboring countries. Strong Chinese nationalism and Taiwan's moves toward independence prompt Chinese leaders to step up efforts to isolate Taiwan in Asia. Chinese leaders also are eager to reassure neighbors and offset fears and wariness stemming from the rapid rise of China's economic and related military power. While there is broad agreement on the above Chinese motives, there is debate among specialists over how much influence China actually exerts in Asia and what this means for US interests.⁴

Recent Assessments—Chinese strengths, US weaknesses

The majority of commentaries and assessments of China's rise and Asian regionalism tends to highlight China's strengths and US weaknesses.⁵ Commentators often contrast growing Chinese-Asian trade figures, diplomatic activities, and positive public opinion polls with the perceived decline in US influence in Asia on account of US preoccupations elsewhere, military assertiveness, and poor diplomacy. They see US emphasis on geo-strategic issues, notably combating international terrorists and its hard line on North Korea, much less attractive to Asian governments and people than China's accommodating geo-economic emphasis.

There are some specialists who judge that China's rise in Asia relative to the United States is not particularly adverse to US interests.⁶ A more prevalent view in the United States is one of serious concern. Some specialists stress China's interest in becoming the leading power in Asia and its assessment of the United States blocking that path. Thus, they emphasize sometimes subtle, sometimes overt, Chinese competition with the United States as a primary driver of Chinese policies. Others are less certain that competition with the United States is the primary cause of Chinese policy toward Asia. They find it hard to believe that Chinese leaders would devote top priority to marginalizing US influence in Asia at a time of major internal concerns regarding sustaining economic growth and political stability in China. At the same time, it is difficult to see how Chinese leaders who worked for over 50 years to rid their periphery of great power presence would suddenly put aside this drive in the 21st century. Indeed, the Chinese military continues to devote extraordinary efforts to purchase and develop weapons systems to attack Americans if they were to intervene in a Taiwan contingency—China is the only large power in the world engaging in a serious military buildup designed to confront Americans. China also continues to offset and counter US influence in a variety of ways through trade agreements, rhetoric, Asia-only groupings and other means, that amount to a soft balancing against the US superpower.⁷

China's rise amid growing Asian multilateralism adds to a common view in the United States and elsewhere that Asia—

with China at the core—is emerging as a new center of geo-economic and geo-political activity where an “inside-out” model of regional governance is displacing the past half century’s “outside-in” model led by the United States through its regional allies. Contemporary predictions of the displacement of American leadership in Asia by a China-centered Asian order have precedents in the recent past. In the 1980s, projections were common that forecast Japan’s economic prowess displacing the United States as the region’s anchor. Additionally, the rise of so-called “Asian values” in the early 1990s also was seen as an ideological challenge to the democratic principles the US advocated in the region. Japan’s economic fall from prominence and the Asian economic crisis of 1997-1998 dealt a significant set-back to these attempts at a revision of the regional order, with the United States remaining the de facto dominant force and stabilizer.

The developments of the past decade, however, are said to be very different and more seriously challenge US leadership for several significant reasons. First, China is far larger than Japan, and its rise coincides with Japan’s relative decline. Japan was and remains a staunch US ally, whereas China’s current rapid military buildup is considered threatening to important US security interests in the region.

Meanwhile, Asia’s diplomatic system today has more than one single pillar. All the significant states in the region—China, Japan, India, Russia, South Korea, Indonesia, Thailand, and others—are each playing a role in advancing Asian multilateralism as means to pursue regional solutions to regional problems. In this context, whereas the United States in the recent past was seen as the predominant diplomatic power in the region on the basis of its military dominance and economic leverage, its leadership is seen to have been eroded by the region’s growing self-confidence along with the spread of anti-Americanism due to concerns particularly over trends in US foreign policy. Unlike in the past, genuine Asian diplomatic institutions are growing in number and strengthening, often to the exclusion of the United States. These developments may not necessarily prove to be zero-sum for the United States, and the United States continues to benefit for economic opportunities in the region and maintains

strong military ties with numerous Asian states. Nonetheless, “outside-in” regional management of the region’s geo-political and geo-economic issues based on American bilateralism is seen yielding to “inside-out” governance of an Asian international system with rising China at the center.

Western and Asian media commentary by and large have fostered an image of strong success and accomplishment in China’s recent approach to Asia, at a time of perceived US weakness and decline. Some recent accounts in mainstream media present a stark picture of China’s rise amid American decline.⁸ In 2005 Chinese energy, appliance, and information technology firms grew to the point where they began to act like other international enterprises and reached out to acquire holdings abroad, including prominent US firms. This nascent trend in Chinese business behavior was much smaller in scope and scale than the activities of multinational corporations throughout developed countries, but it alarmed many in the West. A wide range of media reports depicted a rising China determining the fate of significant components in the Asian and international economy, including the United States.⁹

Scholarly literature also has tended to highlight Chinese advances and US shortcomings, albeit with less hyperbole and much greater care to sources and evidence. A prominent article “China Engages Asia: Reshaping the Regional Order,” in the prestigious scholarly journal *International Security* by leading China expert David Shambaugh¹⁰ summarized a steady stream of media and other commentaries highlighting China’s “growing economic and military power,” “expanding political influence,” and “increasing involvement in regional multilateral institutions” as key elements changing the order in Asia less influenced by the United States and “with China increasingly at the center.” China’s more proactive and constructive regional policy and behavior were depicted as warmly welcomed by regional states that until recently were wary of Chinese aggressiveness. As China’s influence grows, the article noted, many of these countries are looking to China for “regional leadership.”

The various accounts of Chinese rising influence in Asia rely mainly on evidence provided by burgeoning Chinese trade and effective and adroit Chinese diplomatic activism in bilateral and

multilateral relations. These are backed by references to public opinion polls and comments by regional leaders supportive of the recent direction in Chinese policy and behavior. Some accounts also make reference to growing Chinese military power, though China's approach to neighboring countries for the most part tries to play down any military threat posed by China's rise.

South Korea as a leading example of China's advance relative to the US in Asia

A careful review of the gains China has made in Asia in recent years shows South Korea to be the area of greatest achievement. The Chinese advances have coincided with the most serious friction in US-South Korean relations since the Korean War. Thus, if there is emerging a China-centered order that will marginalize the United States in Asia, trends in China and US relations with South Korea appear to provide valuable evidence and leading indicators.

China's influence relative to the United States has grown on the Korean peninsula. US policy has evolved in dealing with the North Korea, working much more closely with China to facilitate international talks on North Korea's nuclear weapons program. North Korea has preferred to deal directly with the United States on this issue. While such bilateral interchange with North Korea presumably would boost US influence relative to that of China in peninsula affairs, the US government has seen such US-North Korean contacts as counterproductive for US interests in securing a verifiable end of North Korea's nuclear weapons program. China, meanwhile, has seen its influence grow by joining with the United States in the multilateral efforts to deal with the North Korean nuclear weapons issue on the one hand, while sustaining its position as the foreign power having the closest relationship with the reclusive North Korean regime on the other.¹¹

China's relations with South Korea also continue to improve markedly during a period of protracted difficulties in US relations with South Korea.¹² China is South Korea's leading trade partner, the recipient of the largest amount of South Korean foreign investment, the most important foreign destination for

South Korean tourists and students, and a close and like-minded partner in dealing with issues posed by North Korea's nuclear weapons program and related provocations, and the Bush administration's hard line policy toward North Korea. South Korea's trade with China in 2004 was valued at \$79 billion, with a trade surplus for South Korea of \$20 billion. South Korean investment in China in 2004 amounted to \$3.6 billion, almost half of South Korea's investment abroad that year.

Over 20,000 South Korean companies are in operation in China, 380 passenger flights take place each week between China and South Korea, 3 million reciprocal visits occur annually, and 38,000 South Korean students are studying in China.

China's economic importance for South Korea has been accompanied by some trade disputes and concern by South Korean manufacturers about competition from fast advancing Chinese enterprises. Other differences focus on nationalistic concerns over the implications of competing Chinese and Korean claims regarding the scope and importance of the historical Goguryeo kingdom and Chinese treatment of North Korea refugees in China and South Koreans endeavoring to assist them there.

On balance, China enjoys a much more positive image than the United States in South Korean elite and public opinion. South Korean government officials also have welcomed the improved ties with China as a means to diversify South Korean foreign policy options, reduce dependency on the US alliance, secure South Korean interests on the Korean peninsula, and enhance South Korea's economic development. In contrast with South Korean popular and elite opinion, which is volatile and often turns sharply negative against the United States and Japan and shows spikes of infatuation with China, South Korean government officials have remained more steady in seeking an advantageous position for their government in the prevailing fluid international situation surrounding the Korean peninsula.¹³

While Seoul moves closer to China on a variety of economic, political, and other issues, it has few illusions about Chinese objectives. South Korean officials see China using improved relations with South Korea in part to compete with the

United States and Japan, among others, for influence in the Korean peninsula and Northeast Asia, and to preclude the United States and Japan from working closely with South Korea to pressure China. In particular, South Korea wants to avoid a situation where it might have to choose between Washington and Beijing if U.S.-Chinese tensions in Asia were to rise. Reflecting some angst by South Korea government officials to preserve a proper balance in maintaining the alliance with the United States while improving relations with China, South Korean officials emphasize that the US-Republic of Korea alliance should allow for positive US and South Korean relations with China and should avoid friction with China. Against this background, South Korean officials are unwilling to follow the United States in pursuing policies that China opposes, including US efforts to criticize China's human rights practices, US development of ballistic missile defenses, and most importantly, US support for Taiwan. South Korea is reluctant to agree to allow US forces in South Korea to be deployed to other areas in East Asia in part because those forces might be deployed to the Taiwan area in the event of a US-China military confrontation in the Taiwan Strait. Such a deployment would confront China, undermine South Korean-Chinese relations, and therefore likely would meet very strong South Korean opposition, perhaps prompting a major crisis in the US-South Korean alliance.¹⁴

Seeking to preserve an advantageous balance in South Korea's relations with the United States and other powers while pursuing closer ties with China, South Korean leaders undertake important sacrifices, notably sending combat troops to Iraq, to maintain the alliance with the United States; they also try to maintain a cooperative relationship with Japan, and seek advantage through independent approaches to Russia, the European Union, and others. These steps insure, among other things, that South Korea will maintain its nationalistic ambitions for a greater international role and will not come under the dominant and growing sway of its neighbors, and China.

Contrary to much anti-American and pro-China public and media opinion in South Korea, South Korean government officials continue to tell Americans privately that they believe that the United States remains more important for South Korea

than China. In this context, they are concerned to preserve a healthy alliance relationship with the United States despite repeated crises and differences in recent years. As China looms more important in South Korea's calculus, the officials judge that the alliance remains an important reason China continues to treat South Korea in a very friendly manner. Without the alliance, they judge, China would have less incentive to be so accommodating of South Korean interests and concerns. On the other hand, South Korean officials use improved South Korean relations with China as a means to prompt the United States to be more accommodating and forthcoming regarding South Korean issues and concerns.

Implications for China and the United States in Asia

The continuing hesitancy of South Korean officials to move under China's sway and their determination to make important sacrifices in order to sustain an often contentious alliance relationship with the United States are indicative of broader trends in Asia that appear to demonstrate that those predicting a Sino-centric order in Asia that marginalizes America are wrong. US officials and other observers should not be misled by prevailing media and academic assessments that stress China's strengths and US weakness in contemporary Asian affairs, while playing down or ignoring wide ranging Chinese weaknesses and important US strengths in Asia.

China's recent success in Asia rests heavily on a fairly narrow foundation—*intra-Asian* trade that tends to exaggerate its significance because more than half is processing trade in which the value added by China is much less than the stated export value, and generally adroit Chinese diplomacy. Chinese leaders and officials pursuing a “win-win” approach to Asian neighbors usually follow policies that do not require the neighboring countries to do things they do not want to do, and policies that do not require China to do things it does not want to do. Thus, China's Asian approach focuses on “easy” things—the “low hanging fruit”—and avoids costly commitments or major risk.

China's purchases of international commodities and products are important to South Korean producers and others in Asia, but China's widely touted investment in nearby Asia actually

amounts to very little money passing from China abroad, while China's foreign aid effort sees much smaller amounts of money leaving China. Official Chinese figures show Chinese foreign investment amounted to less than \$4 billion, and Chinese foreign aid involved China actually giving less than \$1 billion that year.¹⁵ Such trends coexist with China's acquisition of the lion's share of foreign investment that otherwise might go to other parts of Asia, continued Chinese reception of significant amounts of foreign assistance that could go to other Asian states, and rapidly growing Chinese industrial and economic capabilities that threaten a wide swath of Asian manufacturers, including those in South Korea.

Meanwhile, China is unable or unwilling to take the significant political risks or potentially costly commitments. One example is China's refusal to take the risk to significantly change its Taiwan policy, which in 2003-2004 reached such a point of weakness that Beijing was forced to rely on the Bush administration to curb the Taiwan government's moves toward independence rather than taking effective action on its own to avoid a disastrous military confrontation in the Taiwan Strait. More relevant to Korean affairs, Chinese officials clearly disapprove of US handling of the North Korean nuclear weapons issue, arguably the most important flashpoint in Asia. But Beijing remains cautious in undertaking the likely economic costs and international responsibilities associated with a more prominent Chinese role in dealing with the North Korean issue.

By contrast, the United States is called upon and responds repeatedly with the economic resources, strategic reach, and diplomatic means to promote stability and prosperity essential to most governments in Asia, including South Korea, that are focused on the tasks of economic development and nation-building. The US military presence and the open US market and investment are essential for the well being of Asian governments, notably including both South Korea and China.

Among several key strengths in US-Asian relations, government leaders on both sides of the Pacific continue to put a high value on the US security commitment and military presence in Asia. US resolve to remain actively involved in regional security has been strengthened by US government efforts after

the September 11, 2001, terrorist attack on America. The strong US military presence is generally welcomed by Asian government leaders.¹⁶

The Bush administration maintains open markets despite aberrations such as moves in 2002 to protect US farmers and steel manufacturers. The administration's handling of currency alignment issues with China and Japan underlines a broad commitment to avoid protectionism feared by Asian exporters. US open market policy is welcomed by the South Korean and other Asian governments that view the US economy as more important to Asian economic well-being, especially after the 1997-98 Asian economic crisis and Japan's persisting stagnation. Though China is a new engine of regional growth, US economic prospects remain much more important for Asian development. Notably, the United States in recent years has absorbed an increasing percentage (about 40 percent, according to US government figures) of the exports from China, which is emerging as the export-manufacturing base for investors from South Korea and a wide range of advanced Asian economies. The US market continues to absorb one third of the exports of Japan. The economies of South Korea, Taiwan, and ASEAN rely on the US market to receive around 20 percent of their exports. Meanwhile, US direct foreign investment has grown notably in China, but the cumulative level there is only about a third of the level of US investment in Australia, Hong Kong, or Singapore, and less than 20 percent of the US investment in Japan.¹⁷ As noted above, Chinese investment is miniscule by comparison.

Predictions of an emerging order in Asia led by a rising China that will marginalize the United States undoubtedly will persist in media and academic literature, but they reflect poor understanding of the ambitions of Asian governments, including South Korea, the resilience of US power and leadership, and the state of play in China's influence relative to the United States in Asian states around China's periphery.¹⁸ To some extent, a rising China generally accommodating to its neighbors benefits from the fluid post-cold war Asian order as various Asian governments, notably South Korea, seek to broaden international options with various powers in a continuing round of hedging

and maneuver for advantage. However, as China rises in influence in Asia, these same neighboring governments, again also including South Korea, hedge and maneuver against possible Chinese dominance. In this process, they quietly seek closer ties with one another, and particularly with the region's dominant power, the United States.

America's advantages in this situation are strong. The United States has a proven record of being able and willing to commit significant resources and prestige to protect allies and friends. The United States is very powerful—a superpower; but it is far away from Asia, has none of the territorial and few of the other ambitions that characterize other Asian powers, and thus is less distrusted by Asian governments in comparison with how these governments view one another. As a result, most Asian governments—including South Korea, China and all the major powers in Asia—give priority to relations with the United States than to relations to any power in Asia.

In addition to being Asia's economic partner of choice and acknowledged security guarantor, US leadership in Asia rests on a determined US leadership prepared to confront adversaries and opponents. This gives pause to Asian governments seeking to challenge or displace the United States. Even hard-line Chinese critics of US "hegemony" in Asian and world affairs have been compelled to adopt a low posture in dealings with the United States, choosing to wait as China builds comprehensive national power over the next decades.

US assertive and unilateral foreign policy behavior, especially the war in Iraq, has damaged the US reputation and influence in Asia, though few Asian governments are prepared to make a major issue of events that do not directly affect their interests. The North Korean problem does directly affect many governments in Asia, and especially South Korea. The Asian governments tend to oppose the Bush administration's hard line, but the US government's consultative approach has somewhat mollified Asian government concerns. US government handling of the India-Pakistan dispute over Kashmir and Taiwan Straits tensions—Asia's other major flash points—receives muted appreciation among Asian governments.

China's rise in Asia, focused on burgeoning trade and adroit diplomacy, has little direct bearing on the strength and weakness of US leadership in Asia and the US relationship with South Korea. US leadership is more directly affected by how the United States manages the US security presence in Asia and US open markets, and is complicated by controversial US policies in Iraq, the War on Terrorism, and North Korea, among others. Indeed, Chinese officials are careful to reassure the United States that China's rise is not directed against the United States, and that China seeks to deepen constructive US-China relations in the region.

In conclusion, it seems clear that overt US competition with China for influence in South Korea and elsewhere in Asia is unwelcome by South Korea and other Asian governments loathe to choose between the United States and China, and it is unwarranted by the comparatively minor challenge rising China poses for the United States in South Korea and in Asia more broadly. In the past five years China has gained in influence relative to the United States in South Korea and some parts of Southeast Asia, but not in other neighboring countries. Overall, the United States remains far ahead of China in influence in most Asian areas.

In this context, US efforts to improve US influence in Asia should focus on the areas that make a difference. They include strengthening US open markets and constructive security policies in Asia; and eschewing unilateralism and enhancing openness to consultative and multilateral approaches to Asian and world issues. The latter is particularly important for issues directly related to the concerns of Asian governments, notably the North Korean nuclear weapons problem. A more consultative process should also be followed in developing US policy toward Iraq, Afghanistan, the war on terrorism and the Middle East peace process.

The United States should remain well positioned to take advantage of post-cold war Asian dynamics. The United States should not be alarmed that countries previously closely aligned with the United States such as South Korea, are seeking improved ties with China and others in a process of diversifying efforts to seek advantage and prestige in the fluid Asian regional

dynamics. In this context, Asia governments predictably welcome improved contacts and relations with an accommodating and rising China on the one hand, but as China's power and influence grow, these same Asian governments seek closer ties with one another and the United States in order to avoid falling under undue influence from China. Up to now, US policy has been adroit in following this tendency in dealing with India, Russia, and others. Through attentive diplomacy backed by meaningful security and economic incentives for cooperation, the United States can quietly and effectively grow in influence in South Korea and other parts of Asia without presenting an overt challenge to China that would be counterproductive for US interests in the region.

Endnotes

¹Chinese specialists publicly complain "We need to find out who is making money on this trade. The answer is not China but rather the multinationals." "China Becomes No 3 Trading Nation," *Asia Pulse* January 12, 2005 (accessed January 15, 2005, on www.taiwansecurity.org.)

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⁴David Shambaugh ed., *Power Shift*. Berkeley: University of California Press. 2005. Robert Sutter, *China's Rise in Asia: Promises and Perils*. Lanham MD: Rowman and Littlefield, 2005. David Shambaugh, "China Engages Asia: Reshaping the regional order," *International Security*, vol 29., no. 3 (winter 2004/05) pp. 64-99. Wang Jisi, "China's changing role in Asia," Washington DC: Atlantic Council of the United States, January 2004. Robert Sutter, "China's recent approach to Asia: Seeking long-term gains," *NBR Analysis*, vol. 13, no. 1, March 2002, pp. 20-21. Qin, Zonghe. "Distinguishing Features of the Asia-Pacific Situation in 2003," *Guoji Zhanlüe yanjiu [International Strategic Studies] (English Version)* No. 71. 1, January 2004, pp. 18-24.

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⁵These commentaries are reviewed in David Shambaugh, "China Engages Asia: Reshaping the regional order," *International Security*, vol 29., no. 3 (winter 2004/05) pp. 64-99 and Robert Sutter, *China's Rise in Asia: Promises and Perils*. Lanham MD: Rowman and Littlefield, 2005. See most recently Joshua Kurlantzick, "How China is Changing Global Diplomacy," *The New Republic* June 27, 2005 (internet version). An alternative view is seen in Ian Bremmer, "The Dragon Awakes," *The National Interest* (Summer 2005) (internet version posted June 28, 2005).

⁶See the article by David Michael Lampton in David Shambaugh ed., *Power Shift*.

⁷For varying accounts of this perspective, see Michael McDevitt, "The China Factor in US Defense Planning," in Jonathan Pollack (ed.) *Strategic Surprise?* Newport RI: U.S. Naval War College, 2003 pp.149-158. Bruce Klingner, "'Peaceful rising' seeks to allay 'China threat'" *Asiatimesonline* March 12, 2004. Richard Sokolsky, Angel Rabasa, C.R. Neu, *The Role of Southeast Asia in US Policy Toward China*. Santa Monica CA: Rand Corp. 2000. John Pomfret, "In its own neighborhood, China emerges as a leader," *Washington Post*, October 18, 2001; Jane Parlez, "China races to replace US as economic power in Asia," *New York Times*, June 28, 2002.

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¹⁰David Shambaugh, China Engages Asia: Reshaping the Regional Order," *International Security* 29:3 Winter 2004-2005), pp. 64-99.

¹¹See among others Samuel Kim, "The changing role of China on the Korean peninsula," *International Journal of Korean Studies*, vol viii, no 1,(Fall/Winter 2004) pp. 79-112.

¹²Among useful recent accounts, see Taeho Kim, "Sino-ROK relations at a crossroads: Looming tensions amid growing interdependence," *The Korean Journal of Defense Analysis* vol XVII, no 1, (Spring 2005) pp. 129-149. The trade and other figures in this section are taken from Kim's article. For up to date reviews of Sino-South Korean relations, see the articles by Scott Snyder in the quarterly e-journal *Comparative Connections* available at <http://www.csis.org/pacfor>.

¹³The assessment of South Korean official views is based heavily on interviews and private consultations with South Korean officials and specialists over the past decade. The findings of those consultations are reviewed in Robert Sutter, *China's Rise in Asia: Promises and Perils*. Lanham MD: Rowman and Littlefield, 2005, pp. 155-176.

¹⁴Consultations, Seoul, May-June, 2004, reviewed in Robert Sutter, "China's 'peaceful rise:' implications for US interests in Korea," *International Journal of Korean Studies* vol. III, no. 1, pp. 113-134.

¹⁵Owen Brown, "China's direct investment abroad rises 27%," *Wall Street Journal*, February 8, 2005, p. A 16. These low figures are hard for specialists to explain given the wide publicity of large-scale Chinese investment and foreign assistance. It appears that much of the latter involves loans or other means that do not require the loss of

Chinese funds, while the former involve business deals where the value of Chinese agreements to purchase large amounts of commodities from foreign countries over many year are assessed as Chinese "investments" in those countries.

¹⁶Michael Swaine, "Reverse Course? The Fragile Turnaround in US-China Relations," *Carnegie Endowment for International Peace Policy Brief 22*, February 2003, pp.1-3.

¹⁷Figures from US Department of Commerce, 2002, 2003. Chinese government figures show Chinese exports to the United States as much less than seen in US government figures.

¹⁸Among useful and well balanced assessments of the Asian regional order giving due treatment to US strengths see Michael Yahuda, *The international politics of the Asia-Pacific*. New York: RoutledgeCurzon, 2005; and G. John Ikenberry, "America in East Asia: Power, markets, and grand strategy," in Ellis Krauss and T.J. Pempel, eds., *Beyond bilateralism: US-Japan relations in the new Asia-Pacific*. Stanford CA: Stanford University Press, 2004, p 37-54. See also Robert Sutter, "China's Rise in Asia—promises, prospects, and implications for the United States." Honolulu: Asia-Pacific Center for Security Studies, Occasional Article Series, February 2005. The findings in the remainder of this article are taken from the author's draft monograph *China's Rise—Implications for US Leadership and Policy in Asia* submitted on request to the East West Center for publication in their *Policy Studies* monograph series. This 50 page single spaced draft will be provided on request to sutterr@georgetown.edu.