



East Asia And A Strategy Of Restraint

Ted Galen Carpenter and Eric Gomez

August 10, 2016

Editor's Note: Welcome to the second installment in our new series, "Course Correction," which features adapted articles from the Cato Institute's recently released book, Our Foreign Policy Choices: Rethinking America's Global Role. The articles in this series challenge the existing bipartisan foreign policy consensus and offer a different path.

America's greatest strategic challenges in the coming years will be in Asia. China's growing military power and diplomatic influence make it a more assertive actor and North Korea's frequent missile tests have heightened tensions on the Korean peninsula. America's network of alliances — the foundation of American military dominance in the region since the end of World War II — faces serious strain as a result.

The Obama administration's response to these challenges has been the "pivot" or rebalance to Asia. This is an attempt to shift security and diplomatic resources from a Middle East-centric policy toward Asia with the aim of preserving Washington's traditional regional dominance. However, placing more military assets in the region and increasing American participation in regional institutions served to increase Chinese perceptions that the United States was seeking to contain China's growing power. Beijing has pushed back against this perceived containment effort by increasing its own military power, which encourages Washington to demonstrate its resolve in turn, creating a dangerous spiral of tension. Instead of continuing the "pivot" or "rebalance" and bolstering American primacy, U.S. policymakers should focus on deterring armed conflict with China, encourage burden shifting and greater initiative by U.S. allies, and reform those alliances to keep pace with the changing security environment.

There are a variety of potential flashpoints for conflict in the western Pacific that could bring China and the United States into military conflict. They include Taiwan, as well as territorial disputes in the South and East China Seas. The Chinese military has fielded increasingly capable weapons systems designed to prevent U.S. forces from operating in these disputed areas, posing a major challenge to the dominant position of the U.S. military in the region. At the same time, the Chinese approach to these territorial disputes, particularly its island building in the South China Sea, has antagonized many Asian states, including nominally unaligned states like Vietnam as well as the Philippines and Japan, both of which are U.S. treaty allies. These disputes thus raise the potential for U.S. entanglement in military conflict with a well-armed and highly motivated adversary. Demonstrations of American resolve, such as the U.S. Navy's freedom of

navigation operations (FONOPs) in the South China Sea, have not caused China to cease its confrontational activities.

States in the region have taken some unilateral steps to improve their positions vis-à-vis China. Last month, a tribunal convened at the Permanent Court of Arbitration issued a ruling in a case brought against China by the Philippines. The ruling was overwhelmingly positive for the Philippines. The tribunal declared China's claims to sovereignty and historic rights within its infamous "nine-dash line" (which would encompass some 85 percent of the South China Sea) to be unlawful and admonished China for the ecological damage caused by its island building campaign.

Beijing has repeatedly declared the ruling illegitimate and refuses to abide by it. The Philippine government has invited American warships back to Subic Bay, formerly the site of a large U.S. naval base, and American military aircraft have a rotational presence at several Philippine air bases. Vietnam purchased six Kilo-class submarines from Russia in 2009 and has expanded its coast guard with indigenously-built vessels. The Obama administration's decision to lift the U.S. arms embargo on Vietnam puts Hanoi in a position to further strengthen its military capabilities.

Yet U.S. allies have little incentive to continue more assertive policies if the United States increases its security commitments to the region. American policymakers should not continue increasing America's military presence in East Asia. Rather, they should begin planning for long-term reductions in forward-deployed forces. This will provide allies with the necessary time to expand their defenses to provide a more sustainable deterrent. This restrained posture will be less costly and less dangerous than attempting to maintain U.S. military dominance in the region indefinitely.

The risk of conflict with China over territories in the South and East China Seas should not be taken lightly. China's growing military power has significantly increased the potential costs of such conflict for the United States. The risk of conflict is compounded by China's slowing economy, which could tempt Beijing into demonstrations of national strength to distract the public from economic woes.

U.S. policymakers might provide material and financial assistance to states like Vietnam and the Philippines to improve their self-defense capabilities, as well as encourage increased regional cooperation with nations like Japan and India. Moreover, Washington should critically evaluate the effectiveness of FONOPs before these continue given China's penchant for using the operations as a rationale for increasing its military presence in the South China Sea. This does not mean FONOPs should completely cease, as they are useful for demonstrating U.S. interests in the rule of law and the intrinsic importance of keeping the sea lanes open but regular FONOPs would likely encourage a dangerous escalation of tensions.

America's presence in East Asia encourages its allies to cheap-ride on the United States, spending relatively little for their own defense and relying on the American military to make up the difference. Japan and Taiwan are two notable examples of wealthy states that cheap-ride off American security commitments. Both spend very little on defense given the size of their economies. According to data from the Stockholm International Peace Research Institute, in

2015, Japan, the third-largest economy in the world, spent only 1 percent of its GDP on defense. Taiwan's figure for the same year was 2 percent of GDP.

Japan hosts just over 52,000 military personnel, more than any other ally in the world. The United States also sells some of its best equipment to the Japan Self-Defense Forces, such as the F-35 fighter aircraft. Yet Japan may be the East Asian ally most capable of defending itself without U.S. assistance, given its large economy and well-developed defense industry. There are two major sources of Japan's cheap-riding: strong domestic political and legal barriers to increasing the size and role of the Japan Self-Defense Forces, and U.S. willingness to increase its level of support as Japan's security environment becomes more dangerous.

Recent events show that Tokyo can overcome domestic opposition to expanding its military forces under certain conditions. Defense reforms championed by Prime Minister Shinzo Abe were driven in part by a fear that the United States was unwilling to respond to aggressive Chinese behavior in the East China Sea. In a recent Cato Policy Analysis, Jennifer Lind of Dartmouth writes:

Despite [U.S.] assurances [to protect the Senkakus], many in Japan question whether the United States would risk an unwanted and potentially devastating war with China...over an issue in which the United States has no direct interest.

When Japan has to do more for its own defense, it does. Examples include passing legislation permitting Japan's defense forces to come to the aid of allies under attack, slow but steady increases in defense spending, and expanding cooperation with other Asian states.

U.S. policymakers should encourage Japan's continued defense transformation. The best way to encourage meaningful reforms and greater burden sharing is to slowly reduce the U.S. military presence in Japan, place greater emphasis on naval and air power, and transfer primary responsibility for Japan's defense to its own forces.

America's commitment to defend Taiwan is set forth in the 1979 Taiwan Relations Act. This law requires the president and Congress to determine "appropriate action" in response to "any threat to the security or the social or economic system of the people on Taiwan," leaving it open to interpretation. Its vague nature has deterred Chinese aggression and restrained Taiwanese politicians in the past, but China's growing military power is chipping away at the credibility of Washington's ambiguous commitment. And preserving the credibility of the U.S. pledge to come to Taiwan's aid will become even more costly and difficult over time.

Trends in Taiwanese domestic politics are of particular concern. The landslide victory of the Democratic Progressive Party in the presidential and legislative elections of 2016 was driven in part by dissatisfaction over the cross-strait rapprochement policies of the Ma Ying-jeou administration.. Taiwanese identity is also on the rise, with more and more people on the island seeing themselves as completely distinct from the people of mainland China. These are threatening trends for Beijing, as the chance of peaceful reunification becomes ever more remote of a possibility. Cross-strait tensions are therefore likely to increase.

Taiwan's new president, Tsai Ing-wen, wants to create a "self-reliant national defense force", but a sluggish economy will take up much of her time and resources. U.S. policymakers should push the Taiwanese government to implement these reforms and communicate that the likelihood of American military intervention on Taiwan's behalf is diminishing as China's military capabilities increase. The United States should continue to sell arms to Taiwan, but it should not sell expensive weapons that will be easily countered by the Chinese military such as fighter aircraft. Instead, arms sales should emphasize asymmetric capabilities that can deny China control of the sea and air space around the island. Eventually, the United States should end any commitment, implicit or otherwise, to use military force to defend Taiwan, though this should be done carefully to give Taiwan time to prepare its own military deterrent.

The United States should avoid other new military commitments in the Asia-Pacific, especially over disputed territory of limited security significance to Americans. Washington could assist certain nations in improving their own defense capabilities, but should not allow limited ties to lead to new formal or informal security guarantees.

In the coming years, American commitments will have difficulty keeping pace with developing threats, and in many ways will impede or delay our allies' ability and inclination to provide for their own defense. As a result, policymakers should encourage burden shifting by gradually reducing our high levels of military support for allied states while assisting with the development of their defense capabilities. Competition between the United States and China for power and influence is likely to increase, but by undertaking an orderly policy of retrenchment, America can effectively manage relations with a rising China and contribute to peace in the region.

Eric Gomez is a policy analyst for defense and foreign policy studies. Ted Galen Carpenter is a senior fellow for defense and foreign policy studies, at the Cato Institute.