

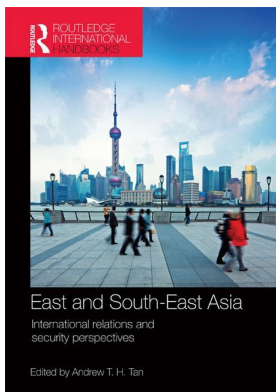
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The USA's relations with East and South-East Asia

Mark Beeson

The USA has been the dominant force in world affairs since at least 1945. This is hardly a controversial statement, but not everyone recognizes that US power has had quite different effects in different parts of the world. Economic, political and strategic developments in East and South-East Asia have been profoundly influenced by the USA, and not always for the better. Even fewer people are aware that the USA has been an 'Asia-Pacific' power since the middle of the 19th century. When US naval ships were instrumental in forcing Japan to open up to the rest of the world in 1853, this not only signalled a major turning point in the history of the region and the world, but it also announced the arrival of the USA as a major international actor. The USA's relationship with the East Asian region remains crucially important and a revealing indicator of its own power and the changing status of the region. Now, however, in a marked departure from the last 50 years or so, the signs are of a superpower in decline in the face of a region on the rise, led by a seemingly unstoppable People's Republic of China.

To understand the USA's changing relationship with the region, we need to place it, however briefly, in some sort of historical and geopolitical context: the world and the region have changed and so have the attitudes of US policy makers, but not always as much as we might expect. Being the world's 'hegemonic' or 'unipolar' power creates possibilities—even a sense of obligation and 'manifest destiny' in the case of the USA (Smith 1994)—that other powers, no matter how 'great', simply do not have in quite the same way. US policy makers still invariably see themselves as what former Secretary of State Madeleine Albright described as an 'indispensable nation' upon which the stability of the region ultimately depends. Not everyone agrees with this characterization of US power or its supposedly benign influence on the region (Cumings 2009), but no one is claiming that US goals and interests would not continue to exert an enormous influence over the region.

Unlike most of the other chapters in this volume, this chapter will pay particular attention to what might be described as the political economy of security, as well as the more conventional strategic consequences of changes in the distribution of power. The reasons for this are two-fold. First, the principal reason the East Asian region is so important to the USA and of such interest to scholars is because of the unprecedented economic development that has occurred there, especially over the last 30 or 40 years. This has dramatically changed the region's place in the global economy and underwritten the growing military capability and spending of Asian

states—especially the People’s Republic of China. Second, the nature of security has changed and so has at least some of the thinking about security issues as a consequence of the complex interdependencies generated by ‘globalization’ (Brooks 2005; Cerny 2000; Rosecrance 1986). For the USA, its various relationships with East and South-East Asia can no longer be understood through the sort of calculus of strategic advantage and military might that informed much grand strategy during the Cold War. On the contrary, at a moment in history when the incidence of inter-state war has declined dramatically, the political economy of security is—or ought to be—a central component of the way even the most powerful states frame their strategic policies.

The USA’s relationship with East Asia in context

‘East Asia’ is a relatively new formulation that conceals as much as it reveals. The USA has many relationships with the countries of North and South-East Asia, and describing them as East Asia is a convenient shorthand, albeit one that implies an underlying identity and coherence that is not self-evident or uncontested (Beeson 2008). Indeed, US policy in the aftermath of the Second World War actually stopped any European-style process of integration from occurring in what we now think of as East Asia (Hemmer and Katzenstein 2002). The principal geopolitical imperative in the postwar period was the intensifying Cold War struggle with the Soviet Union and its allies. The East Asian region was to become a crucial arena in which this contest played itself out.

The USA’s primary foreign policy goal during the Cold War was to ‘contain’ the spread of communism (Gaddis 1982). In East Asia the USA’s grand strategy had two interlocking components: one conventionally strategic, one more far-sighted and complex. The immediate manifestation of the USA’s strategic goals was the establishment of a series of bilateral, ‘hub and spokes’ security treaties with key allies in the region, such as Japan, the Philippines and the Republic of Korea (South Korea), and more distant, but equally crucial states like Australia. This had the effect of dividing the East Asian region along ideological lines, and making trans-regional political and economic integration all but impossible. However, within the allied camp, the USA provided aid and assistance in order to prop up what were effectively client states, be they democratic or authoritarian, something that reinforced the distinctive nexus between security, politics and economics that distinguishes the region to this day (Beeson 2007).

Arguably the most important expression of this policy was the USA’s relationship with Japan. The USA used its occupation of Japan to try and reconstruct its defeated enemy’s political, economic and social structures along liberal-democratic lines. While there is some doubt about how successful this process was, there is no doubt that, first, Japan’s economic renaissance was astoundingly successful and, second, it did become the principal outpost of capitalist democracy as US strategists had hoped. The long-term consequences of Japan’s postwar policy of concentrating on economic development and relying on the USA to underwrite its security continue to be felt in Japan and the region. One of the reasons that Japan has been unable to play an effective regional role in line with its undoubted economic weight is because of its continuing strategic subordination to the USA—something that was an intended outcome of US policy, it is argued (Samuels 2007).

It is not just Japan that was affected by the USA’s postwar policies—or its role in the war itself, for that matter. It is worth remembering that the USA’s defeat of Japan finally freed China of Japanese occupation, allowing it ultimately to reunify under the communists. The ‘loss’ of China was seen as a major blow to the USA’s grand strategy, but intentionally or not, the USA once again played a profoundly important role in shaping the region. Ironically, the

ideological blinkers of the Cold War blinded US strategists to the divisions in the communist camp, a situation that was not rectified until 1973 and President Richard Nixon's celebrated rapprochement with China (Kissinger 2011). In the meantime, of course, the USA had fought (and in the case of Viet Nam, was still fighting), two major wars. Whatever one thinks about the justification for the wars on Korea and Viet Nam in retrospect, they give an indication of just how important US strategists thought East Asia was, and just what sacrifices of blood and treasure they were prepared to make to defend their interests and allies there.

The unresolved legacy of the Korean War is not the only artefact of the Cold War. The most enduring inter-governmental organization to emerge from what was then called the 'Third World' is also a product of the geopolitics of the Cold War. The Association of South-east Asian Nations (ASEAN) was founded as a response to the strategic imperatives of the period and the sense of vulnerability its newly independent members felt (Acharya 2001). It may not have been the direct product of US influence in the way that the European Union (EU) was, but it might well not have emerged in other circumstances. At the very least, the East Asian 'economic miracle', in which the South-East Asian states played a belated supporting role, would simply not have happened in the way, or at the speed, that it did without the USA's strategic role, the economic stimulus of regional war, or the existence of lucrative consumer markets in North America (Stubbs 2005).

The USA's role in facilitating the so-called 'Asian miracle' is not always recognized or appreciated, especially in the USA itself. While there is a general recognition that the USA played a pivotal role in creating the postwar institutional architecture and strategic context within which economic growth occurred, the geopolitical benefits that accrued to the USA are frequently under-acknowledged (Lind 2006). One of the most important roles played by the USA as far as East Asia was concerned, was in providing markets for the goods that the region's accelerating industrialization produced. Although this was a critically important part of the export-led economic strategies of first Japan and subsequently the other 'newly industrializing economies', the most immediate impact on the USA was felt in its growing trade deficit with the region. As a result, the USA's relationship with Japan in particular was punctuated throughout the 1980s by a series of trade disputes. The great irony of the USA's postwar grand strategy was that it had been too successful, at least when judged from the perspective of national economic competitiveness (Beeson 2007). As a consequence, policy toward Japan and the region more generally was then, and is now, complicated by potentially incompatible strategic and economic objectives.

Realizing national interests

US policy toward East Asia has been characterized by contradictory objectives, something that the nature of the region itself and its complex patchwork of potential friends and foes has exacerbated. At particular moments, different aspects of the USA's 'grand strategy' have been emphasized (Dueck 2004), something that reflects shifts in the overall geopolitical context in the region and the world. The trade disputes with Japan notwithstanding, for most of the Cold War period US policy makers were prepared to pay the costs of underwriting an international order they had largely created (Ikenberry 2001). Whether this meant tolerating authoritarian client states in places such as Taiwan, South Korea and the Philippines, and other less immediately allied capitalist regimes in Indonesia, Malaysia and Singapore, or accepting the growing inflows of consumer goods that these economies produced, it was a price that was accepted for geopolitical reasons. The existential struggle with 'communism' generally and the Soviet Union in particular meant that security concerns trumped economic issues. With the ending of the

Cold War, however, things began to change, not least the identity of the USA as an international actor and the purposes to which its power should be put (Huntington 1997).

In the post-Cold War context, many of the ideological—even ontological—certainties and assumptions that had informed policy for generations began to give way (McSweeney 1999). The growing economic interdependence associated with what was coming to be called ‘globalization’ made the definition of exclusively ‘national’ economic interests increasingly hard to define as the activities of ever-larger multinational corporations transcended politically determined geographical borders. While these sorts of theoretical niceties may not have overly troubled US or any other policy makers, they were, nevertheless, increasingly concerned to be seen as supporting national interests. In a world in which the USA was no longer required to defend the ‘free world’ from the apparent threat of global communism, narrower conceptions of ‘US’ interests came to the fore, and trade and security imperatives became increasingly distinct and separated as a consequence (Mastanduno 1998).

The quintessential example of the possible consequences that flowed from this recalibration of US foreign policy priorities came during the Asian Financial Crisis of the late 1990s. For all the USA’s overwhelming military power and its prominent role in shaping the postwar institutional architecture, US policy makers had long been frustrated by their inability to encourage market-oriented policy reform and trade liberalization in East Asia. The economic crisis offered a possibly unique opportunity to impose economic reform on countries that had shown little enthusiasm for the ‘Washington consensus’ and its model of limited government and economic liberalization (Hall 2003). Operating in conjunction with the International Monetary Fund (IMF), the USA was able to compel a degree of reform compliance on the part of some of the most badly affected economies such as Indonesia. Although US policy would eventually trigger a region-wide backlash and a growing interest in developing regional institutions and economic defence mechanisms within East Asia (Grimes 2009), US policy during the crisis was shaped by a new geopolitical environment in which economic goals were no longer hostage to strategic imperatives.

Such perspectives were reinforced by the recognition that with the demise of the Soviet Union, the USA had a unique historical opportunity to impose itself on the international system (Krauthammer 1990–91). The most dramatic manifestation of this possibility, of course, was the presidency of George W. Bush and the increasingly unilateral policy approach that his Administration adopted. The decision to invade Iraq has been subjected to widespread criticism, not least because of the impact it had on the USA’s global standing and the erosion of US ‘soft power’—a key ingredient of its overall ‘hegemonic’ position (Prestowitz 2003; Packer 2005). It is important to remember that at the time, however, many commentators were confidently predicting that the world stood at the beginning of a period of unparalleled US unipolarity and that the USA should use its power to impose order on the world. For allies and adversaries in East Asia the Bush Administration’s so-called ‘war on terror’ presented major challenges. For loyal allies such as Japan, its limited contribution satisfied neither the USA nor a domestic audience that was largely unenthusiastic about overseas military commitments on the part of its armed forces (Mulgan 2006). In South Korea disaffection with the USA was already high as a consequence of the IMF’s handling of the Asian Financial Crisis, and the implications of the Bush Administration’s policies further alienated many Koreans and generally ramped up strategic tensions on the peninsula.

The impact of the Iraq invasion and US unilateralism were arguably even greater on South-East Asia. Many Indonesians were already disenchanted with the USA in the aftermath of the financial crisis, but the USA’s relations with the world’s largest Muslim population were further strained by the perception that US policy was in some way anti-Islamic. Indeed, the USA’s

unilateral policy and the Manichean world view that inspired it produced precisely the sort of counter-productive ‘blow-back’ that had been predicted by some critics (Johnson 2000). In Indonesia and the Philippines, Islamic fundamentalism actually assumed a greater prominence as a result of the ‘war on terror’. Equally importantly in the long run, the USA’s strategic ties within South-East Asia were revitalized. Even the much-criticized TNI, Indonesia’s powerful—but sometimes brutal and unaccountable—armed forces, were able to use the renewed focus on security to rehabilitate themselves with the USA (Beeson 2004).

The advent of the Barack Obama Administration has seen a significant improvement in the USA’s relations with the region generally and with South-East Asia in particular. Not only has Obama repudiated the rhetoric, if not always the reality of Bush-style unilateralism, but his Administration has been able to capitalize on changing circumstances. On the one hand, the disastrous war in Iraq has been brought to an end. On the other, the ‘rise of China’ has focused the region’s attention on the changing strategic environment. China’s rapid (re)emergence as the dominant force in East Asia and as a putative world power is an enormously significant event that has the capacity fundamentally to change the nature of the USA’s relationship with the region and its status as the world’s dominant power. As such, it merits detailed analysis.

The rise of China and its implications

Although other chapters in this volume also address its impact, China’s remarkable economic development in little more than three decades is an unparalleled historic achievement that necessitates discussion in any analysis of US policy toward East Asia. Simply put, China’s growing regional importance is redefining the context within which the USA’s various Asian relations occur. It is important to emphasize what a counter-intuitive change this all is. After all, Chinese policy makers generally and Deng Xiaoping in particular, managed this remarkable feat by integrating China into an existing international economy that was dominated by the USA (Vogel 2011). China’s embrace of global capitalism and its effective renunciation of ‘communism’ ought, therefore, to be an unambiguous triumph for the USA in its long struggle against anti-capitalist political systems. In some ways, of course, it is. After all, China was the last serious alternative to the liberal market order that the USA had so successfully championed in the postwar period. Ironically, however, China’s highly successful integration into the international economy threatens to undermine the USA’s economic dominance and its strategic primacy in East Asia.

China’s rise presents challenges to the USA on a number of levels, all of which flow directly or indirectly from the rapid expansion of the Chinese economy. Most immediately, the nature of the bilateral relationship between the USA and China is a major constraint on the actions of both China and the USA. It has become a commonplace to observe that the entire trajectory of economic development in East Asia over the last 50 or 60 years has been reliant on access to the USA’s lucrative consumer markets (Ozawa 2009). In this regard, China is no different from Japan or the other East Asian economies that have based economic policy on an export-led development strategy. What distinguishes China, however, is that this growing economic interdependence is no longer a one-way street. On the contrary, what former Treasury Secretary Lawrence Summers aptly described as the ‘balance of financial terror’ captures the nature of the symbiotic relationship between the USA and China (Beeson 2009).

Although the nature of the economic interdependence between the USA and China is complex and its ramifications unclear, its essence can be easily described. China has been accumulating vast amounts of US dollars as a consequence of its growing trade surplus with the USA on the one hand, and its efforts to keep the value of its own currency, the yuan,

‘artificially’ low on the other. Thus far China has obligingly recycled its foreign currency reserves into US financial markets generally and into Treasury bonds in particular. In short, China has been lending the US government the money to underwrite its ballooning budget deficits and allowing US consumers to keep buying cheap Chinese manufactured goods.

This remarkable arrangement has suited both countries despite their very different political-economies and the fact that they are widely considered to be potential rivals on a collision course for regional, if not world dominance (Mearsheimer 2001). The great danger, of course, is that something will destabilize the relationship. There is no shortage of possible economic vulnerabilities or strategic flashpoints that could provide such a jolt to both Sino-US ties and to the international system more generally. The potential implications for the global economy and international security are profound, but neither country can easily extricate itself from this relationship even if it wanted to—despite China’s veiled threats to the contrary (Wolf 2011). In the meantime, the USA’s increasing economic reliance on China essentially to pay its bills and—paradoxically enough—underwrite the costs of US hegemony, actually constrain the USA’s freedom of action. As Secretary of State Hillary Clinton was famously heard to observe, ‘How do you deal toughly with your banker?’ (MacAskill 2010).

The contradictory nature of the economic and political relationship between China and the USA merits emphasis because it is often neglected in favour of a more traditional focus on shifts in the balance of military power. While it is true that China’s acquisition of anti-ship missiles does have the potential to alter the strategic balance in East Asia and compromise the USA’s ability to underwrite the defence of key allies such as Japan and Taiwan (Dyer 2012), it is also important to recognize that—short of an outright war that would have unpredictable, quite literally incalculable consequences—this is arguably not where the real action is. The reality is that economic interdependence and rivalry has created an unprecedented symbiosis that is already shaping the foreign policy and determining the influence of both the USA and China. Crucially, it is not just the USA that finds its options constrained by its material reliance on China. On the contrary, as China has become the largest trade partner of nearly every country in the region, its diplomatic influence has also experienced a marked increase, too (Das 2009). US policy makers have begun to recognize—somewhat belatedly, perhaps—that China has been steadily improving its position in East Asia, often at the expense of the USA. It is this recognition that lies behind the so-called ‘pivot’ back to Asia.

Unpacking the ‘pivot’

President Obama’s decision to announce the reordering of US foreign policy priorities in Canberra was highly significant in itself, and illustrated the central themes that underpin the USA’s approach to the region as a whole. Indeed, Obama’s speech served as a powerful reminder that US policy makers see themselves as part of the ‘Asia-Pacific region’ rather than East Asia. While this may be a recognition of geographical reality despite the somewhat arbitrary way in which such regional boundaries are defined, the challenge for the USA is to give substance to the idea of an Asia-Pacific region and Obama’s (2011) assertion that the USA’s ‘enduring interests in the region demand our enduring presence in the region. The United States is a Pacific power, and we are here to stay’. In this regard, Australia is a key ally and Asia-Pacific partner and the decision to base US troops in Australia is not simply a strategic move, but a tangible (re)commitment to maintaining a presence in the region—however it is defined.

While some readers may consider debates about regional identity second order issues of little tangible consequence, there is potentially much at stake in deciding which countries

'belong' to a region and what the basis of their intra-regional relations might be (Beeson 2006). China's preferred vision of the region is one based on East Asia, a region it has dominated for most of human history and from which the USA is conspicuously excluded. The principal institutional vehicle through which Chinese policy makers have tried to realize this vision has been ASEAN Plus Three (APT), which in addition to the South-East Asian members of ASEAN includes Japan, South Korea and China itself (Terada 2012). The USA, by contrast, has been seen as part of the rather more expansive and nebulous Asia-Pacific region, the boundaries and membership of which have been a good deal less clearly defined and informed by history. Indeed, whether something as expansive as the Asia-Pacific can be considered a region at all is an open question (Buzan 2012). In short, the challenge for the USA is to give more tangible expression to its vision of regional co-operation if it is to avoid being excluded from a region dominated by China. It is this recognition of the potential importance of institutionalizing a particular regional order that explains the USA's sudden interest in the East Asia Summit (EAS), an organization that has the principal virtue of including not just the East Asian states, but also the USA and key allies such as Australia (Camroux 2012).

Why has an organization that had previously looked rather purposeless and redundant come to enjoy the enthusiastic support of the USA? On the one hand, EAS is a pre-existing, potentially useful vehicle for giving tangible expression to the USA's avowed commitment to the region in a way that earlier initiatives such as the Asia-Pacific Economic Co-operation (APEC) forum did not (Bisley 2011). Significantly, APEC failed to prosper in large part because it generally lacked serious US support and was never able to overcome intra-regional divisions and doubts about its mission. The EAS, by contrast, is currently favoured not only because its agenda is potentially more broad ranging and inclusive than that of APEC, but because many states in the East Asian part of the Asia-Pacific are increasingly nervous about China's intentions. Indeed, the USA has not only been encouraged actively to re-engage with the region by some of its more traditional allies and supporters, such as Australia, Singapore and the Philippines, but also by former foe Viet Nam (Page 2012).

The reasons for this sudden rapprochement are not difficult to discern. Across the region the smaller states of ASEAN in particular are feeling increasingly nervous about China's long-term intentions. China's celebrated 'charm offensive' has given way to more assertive policies, especially in the energy-rich, territorially disputed South China Sea, where China's increased defence spending and presence are generating growing anxieties about security (Bowring 2011). It is in this shifting geopolitical context that the USA is being actively encouraged to re-establish itself and play the sort of 'off-shore balancing' role that many policy makers and international relations theorists consider has been central to maintaining stability in the region (Walt 2005). It is important to recognize, however, that the claim that US power is vital to maintaining peace and stability in the region is contested and not supported by the historical record: not only has China arguably been the principal historical force in maintaining regional stability (Kang 2003), but the USA has been the major protagonist in the region's two bloodiest wars, in Korea and Viet Nam. Nevertheless, for many analysts and strategic planners the conventional wisdom encourages 'bandwagoning' with the USA and 'balancing' against the novel, more unpredictable consequences of a rising China (Goh 2008). It is this backdrop that explains the reordering of strategic priorities and relations across much of the region. The question is, can the USA's regional ambitions and bilateral relations be reconciled, especially at a time when many think US power and influence are in a process of long-term and possibly irreversible decline?

Reordering regional relations

Even for the USA's staunchest regional allies, relations with the world's sole superpower have been complex, even when the USA was at the height of its powers. Japan's relationship with the USA is unique, of course, given its occupation by the USA and continuing strategic subordination in the postwar period, but it highlights some common difficulties that confront even the USA's closest friends. It is important to remember that US strategic policy toward East Asia has been designed to contain Japan as much as it has China (Samuels 2007), and this has created continuing tensions in the relationship. The US base at Okinawa has been a long-running political problem in Japan and has provided a focus for those who would like to see it assume a more 'normal', independent role that is less reliant on the USA (Hatoyama 2010).

Japan is also the leading example of an ally that is permanently conflicted in its strategic and economic goals: while Japan may have benefited from the assurance of its alliance with the USA, it has left it vulnerable to US pressure, and not just in strategic areas. US pressure to contribute to both Gulf Wars sparked fraught domestic debates, but the USA has also tried to use its dominant position in the bilateral relationship to compel economic concessions, too. The 'Trans Pacific Partnership' (TPP), which may eventually include key US allies such as New Zealand, Australia, South Korea and the Philippines, is placing enormous pressure on Japan to liberalize its domestic economy, especially the politically powerful agricultural sector, to say nothing of closely aligning itself with the USA in an agreement that China sees as an attempt to 'contain' it. Balancing competing domestic and international pressures is proving a difficult challenge for Prime Minister Noda Yoshihiko, the latest in a long line of postwar Japanese prime ministers (Beattie 2011). Reconciling domestic interests and pressure from the USA may be an especially acute challenge in Japan, but it is hardly unique.

Although relations between South Korea and the USA are arguably better than they have been in some time, much of this improvement relies on the personal efforts of, and relationship between, President Obama and his Korean counterpart Lee Myung-Bak (*The Economist* 2012). Not only is South Korea a putative member of the TPP, but South Korea was also the first Asian country with which the USA concluded a free trade agreement (FTA). South Korea has one of the biggest defence budgets in the region, something its fraught, unresolved relationship with an increasingly unpredictable northern neighbour explains. However, none of this has made Lee especially popular because short-term domestic issues have a habit of trumping long-term strategic issues—a possibility vividly illustrated by the widespread protests against the import of potentially tainted US beef. More fundamentally, perhaps, the continuing presence of nearly 30,000 troops on Korean territory provide not just a focus for occasional outbursts of anti-US feeling, but a telling reminder of the unresolved nature of the security situation on the peninsula (Kang 2009).

Like much of the rest of the region, China is now South Korea's largest trade partner and this is inevitably changing the way both countries view their bilateral relationship and the relative importance of the USA. It is also significant that for all their limited impact, it is China rather than the USA that arguably has been the key player in the 'Six-Party Talks', which are intended to resolve the nuclear crisis on the peninsula. At the time of writing the Obama Administration's attempts to re-engage North Korea appear to have failed and it is China rather than the USA that is widely seen as the only country able to exercise any influence over the Stalinist regime and its young, untested leader Kim Jong Un (Wallace 2012). Whether China is able or willing to exert such influence is moot, but it is clear that the USA has limited influence over the peninsula as its material power declines and its domestic political and economic problems appear to multiply.

The USA's economic difficulties—especially its growing reliance on China, noted above—have been extensively documented, as have the political obstacles that make them difficult to address. However, even if China's economic influence over the USA is exaggerated (Drezner 2009), the USA's economic problems are beginning to have an impact on one of the key areas of its continuing dominance—the dominance of its military forces. Given that the USA's military might is all that stands between Taiwan and an increasingly assertive, nationalistic China still bent on unification, this is a potentially important long-term development. Significantly, at least some of Taiwan's most influential policy makers also appear to be shifting geopolitical gears and adjusting to the reality of an increasingly powerful and economically important neighbour. The USA's decision not to sell Taiwan the latest F-16 fighters appeared to suit China, the USA and even Taiwan itself (Page 2011), as rapidly growing economic ties between the mainland and its 'renegade province' appear to make outright conflict increasingly unlikely.

Yet we cannot be entirely sanguine about the prospects for peace and stability in the region. Not only is there always the possibility of miscalculation over an issue which most of China's population seem to regard as a non-negotiable question of national sovereignty (Callahan 2004), but as the situation in the South China Sea reminds us, much of the region remains in a state of high anxiety. Somewhat ironically, the inability of the ASEAN states to come up with a co-ordinated position in response to China's increasingly assertive behaviour may actually assist the USA as it attempts to position itself as a source of stability and constraint on Chinese power. Having said that, it is also important to recognize that the very divisions within ASEAN reflect deep ambivalence about a greater US role in the region on the part of Indonesia and Malaysia, and a growing closeness to China on the part of Cambodia (Murdoch 2012; Valencia 2012).

Conclusion

The USA's relations with East and South-East Asia are becoming increasingly important as the region becomes the world's centre of economic gravity. While this is not historically unparalleled—China was the world's most important economy for most of recorded history—it is unprecedented in the era of US hegemony. Asia's growing economic power is allowing it to increase defence spending to a point where it is collectively outspending Europe for the first time in modern history (Blitz 2012). Unsurprisingly, the potential for an arms race in East Asia generally and China's defence spending in particular, has been a major focus of scholarly and policy making attention. Important as such tangible manifestations of the shifting balance of power undoubtedly are, they are only part of the story, and perhaps not the most fundamental in an era characterized by a declining incidence of interstate conflict and growing economic interdependence (Pinker 2012).

The great paradox for the USA is that all its historically unrivalled military might notwithstanding, it has not been able to impose its will on a recalcitrant North Korea, much less an increasingly assertive China. On the contrary, the USA finds itself increasingly constrained as far as its foreign policy options in East Asia and elsewhere are concerned. Whether this marks a long-term, unstoppable decline in the USA's relative influence is unclear and we should perhaps be careful not to write of US power and influence too quickly—similar debates were heard in the 1980s in relation to the seemingly inexorable rise of Japan. Yet despite this cautionary tale, this time things do look rather different. Not only are the USA's domestic economic and even political problems of a different and more serious order than they were 30 years ago, but the challenge posed by China is of an altogether different type as well. China suffers few of Japan's inhibitions when it comes to (re)asserting itself at the centre of regional, if not world affairs. Managing its complex and varied relations with the countries of East and South-East Asia

will, therefore, provide a major test of US foreign policy and a window onto the shifting international order.

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