Towards Hegemony?
Assessing China’s Asian Ambitions

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After four years of distraction spent almost exclusively on waging the so-called ‘Global War on Terror’, Washington’s focus is well and truly shifting back to China. Much of this renewed attention has emanated from business groups and a United States Congress disgruntled by a host of economic issues, including America’s ballooning trade deficit with China, Beijing’s continued reticence toward undertaking a meaningful revaluation of the Yuan, the impact on US labour of cheap Chinese imports and attempts by a Chinese state-controlled corporation to purchase the relatively small, but still symbolically significant US oil company Unocal.¹

The resultant growth of anti-China sentiment in the US has also been driven by deeper strategic concerns. The Pentagon’s recent Annual Report on the Military Power of the People’s Republic of China, for instance, suggests that ‘if current trends persist, PLA capabilities could pose a credible threat to other modern militaries operating in the region’.² Likewise, media speculation is rife that the forthcoming Quadrennial Defence Review will contain sentiments not unlike those expressed in the 2001 version, which suggested that ‘a military competitor with a formidable resource base will emerge in the region’.³ These renewed strategic concerns were accompanied by a controversial statement issued by a PLA General during a July press conference, which threatened Chinese first nuclear strikes on the US in the event of American intervention in a Taiwan Straits contingency.⁴

The realist scholar John Mearsheimer would almost certainly argue that such developments are symptomatic of an inevitable security competition (with considerable potential for war) that is looming between the US and China. According to his theory of international politics ‘the mightiest states attempt to establish hegemony in their own region while making sure that no rival great power dominates the region. The ultimate goal of every power is

¹ For a useful summary see ‘The Dragon Comes Calling’, The Economist, 3-9 September 2005, pp. 24-6.
to maximize its share of world power and eventually dominate the system.\textsuperscript{5} Yet little, if anything is truly inevitable in international politics. As even the \textit{Annual Report on the Military Power of the People's Republic of China} is forced to concede, 'We see China facing a strategic crossroads. Questions remain about the basic choices China's leaders will make as China's power and influence grow, particularly its military power'.\textsuperscript{6}

Can China really achieve hegemony – defined as the ability to exercise leadership, influence and perhaps even dominance over foreign relations\textsuperscript{7} - in the Asian region and does the Chinese leadership even envision doing so at this given point in time? These are difficult, yet important questions which demand careful reflection. Regarding the first, it is important to bear in mind that Asia is a region where the interests of each of the so-called ‘Great Powers’ intersect. Achieving hegemony is certainly no easy feat in such an environment.

Notwithstanding the considerable difficulties that the Bush Administration is currently grappling with – stemming from ongoing difficulties in Iraq, its inept response to Hurricane Katrina and the events surrounding the recent indictment of senior Vice-Presidential aide Lewis ‘Scooter’ Libby – the US remains the dominant power in the region by all material indicators. This dominance is most apparent in terms of the military assets at its disposal. Contemplate the fact, for instance, that the US possesses not only the most powerful Air Force in the world, but also the second most powerful Air Force in the form of the US Navy’s air wing.\textsuperscript{8} The Bush Administration has certainly made no secret of its ambitions to cement and possibly even extend this dominance, with a view to dissuading potential adversaries from pursuing military build-ups aimed at equalling or surpassing the US. Institutionally, despite the astounding growth in regional security cooperation that has occurred over the past decade and a half, America’s network of bilateral alliance relationships – often collectively referred to as the San Francisco system – would also appear to remain the most advanced and robust security relationships in the Asian region.

Japanese resistance to China’s increasing hegemonic capacity is also on the rise. This has become manifest in a number of areas, such as in the case of the November 2004 encroachment of a Chinese submarine into Japanese waters which resulted in the pursuit of this vessel by Japanese

\textsuperscript{7} See S Harris, ‘China’s Regional Policies: How Much Hegemony?’, Paper presented to the workshop on China’s International Engagement in Transition, Australian National University, Canberra, 3-4 May 2005, p. 11.
destroyers; Japan’s December 2004 National Defence Program Outline which for the first time explicitly identified China as a significant threat; and in Japan’s January 2005 granting of a visa to former Taiwanese President Lee-Teng Hui. This resistance has also appeared at a number of levels, most clearly in continuing debates regarding the notion of East Asian community.9

Even in the case of a number of smaller and middle powers in the region – such as South Korea, Singapore and even Australia – that appear to be gradually edging closer to China, it is easy to exaggerate Beijing’s influence over these countries and their acquiescence to it. To be sure, China’s diplomacy has without question become more adroit in recent times. Since the time of the 1997-98 Asian financial crisis, Beijing has come to be perceived as a more ‘responsible’ regional actor, it has appeared more willing to engage in multilateral activities – such as the ASEAN Regional Forum and the ASEAN-Plus-Three process - and it has also initiated some of its own institutions and activities, such as the Boao Forum for Asia, which Australian Prime Minister Howard attended earlier this year.

But have these developments really had the effect of diminishing regional perceptions of a looming ‘China threat’ which appeared so deep-seated up until the mid-1990s? Or is this apparent turnaround more the product of other variables – such as the fact that the US is not travelling particularly well in parts of Asia at the moment as a result of the radial strategic reorientation which has taken place in American foreign policy during the period since the September 11 attacks (a position which could, over time and through adroit diplomacy, conceivably be turned around once again). Are these countries merely ‘hedging’ against the possibility that China may eventually replace the US as the dominant power in this part of the world? – an outcome which, for reasons outlined in this essay, remains an unlikely prospect. Or has this apparent turnaround in regional perceptions of China been driven purely by commercial interest that is still underlaid by a deep sense of suspicion regarding China’s strategic intent?

Finally, in contemplating the question of whether the middle kingdom can in fact achieve hegemony, it is important not to underestimate the plethora of domestic challenges China currently faces, such as coping with rapid urbanisation, the growing gap between rich and poor, maintaining public order, and negotiating many of the difficulties created by an aging population. To be sure, analyses pointing to the ‘Coming collapse of China’ are nowhere near as fashionable today as was the case only a few years ago.10 However, these gargantuan challenges remain.

This in turn raises the question, however, of whether China actually wants to achieve hegemony? Writing in the *Australian Financial Review* earlier this year, Brian Toohey quoted a PRC official who maintained that China does not in fact want to become a hegemon simply because ‘it’s too tiring’.11 While the story is undoubtedly more complicated than this statement implies, there remains strong evidence to support the view that China is not willing to make a play to become the region’s dominant power, at least within the next 10-20 year timeframe.

First, the PRC leadership has been quite explicit about the fact that its central focus over the next two decades is going to be negotiating the domestic political, social and economic difficulties created by the transition China is currently undergoing. This is a period, after all, which has been designated by China’s leaders as one of ‘strategic opportunity’ for national development.\(^\text{12}\) This strong domestic focus, in turn, logically points toward continued moderation in Chinese foreign policy.

Second, although it is expedient to dismiss such statements as mere rhetoric, it is also easy to attribute hegemonic ambitions (potentially incorrectly) to developments associated directly with this focus upon national development. China’s growing appetite for industrial raw materials and its drive to secure access to other natural resources serves as a case in point. On Australia’s very doorstep in the South Pacific, for instance, some analysts have suggested that China’s increasing interest and involvement is essentially part of a hegemonic drive designed to undercut US influence in this part of the world.\(^\text{13}\) But is this really the case or does Beijing’s interest have more to do with undercutting Taiwanese influence – which it regards as a domestic issue – as well as securing access to natural resources, such as fish stocks, to feed its population?

Third, China appears to accept a continuing US presence in Asia and, to some extent, begrudgingly even welcomes it as a necessary evil, particularly in Northeast Asia. While it is once again easy to dismiss statements which have been made to this effect as mere rhetoric, it is important to recognise the substantial American encroachment into Central Asia and parts of Southeast Asia which has occurred in the period since the September 11 attacks which Beijing (at least until recently in the case of the former)\(^\text{14}\) has

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12 E S Medeiros and M T Fravel, ‘China’s New Diplomacy’, *Foreign Affairs*, vol. 82, no. 6, November/December 2003, pp. 22-35.
14 In July 2005 the Shanghai Cooperation Organization (comprising China, Russia and four Central Asian states) urged the US-led coalition in Afghanistan to set a timeline for withdrawing troops from SCO member states.
largely acquiesced to. Similarly, notwithstanding continuing tensions over the lifting of the European Union arms embargo against the PRC and the designation of Taiwan by the US and Japan as a ‘common strategic objective’, it is also important not to lose sight of the fact that the cooperative elements of the US-Sino relationship currently remain as broad and as deep as they have been at any time since normalisation. In a major policy speech delivered in September 2005, Deputy Secretary of State Robert Zoellick advocated a persistence of this cooperation

If it isn’t clear why the United States should suggest a cooperative relationship with China, consider the alternatives. Picture the wide range of global challenges we face in the years ahead – terrorists and extremists exploiting Islam, the proliferation of weapons of mass destruction, poverty, disease – and ask whether it would be easier or harder to handle those problems if the United States and China were cooperating or at odds.16

Finally, China’s capabilities for force projection currently remain limited and are likely to continue to be so into the foreseeable future. As the Annual Report on the Military Power of the People’s Republic of China concedes, the central preoccupation of the PLA at the present time is not the significant improvement of China’s capacity to project significant force beyond its borders but, rather, the development of military options to deter moves by Taiwan toward formal independence, to compel by force (if required) the reunification of Taiwan with the mainland, or to prevent third-party intervention in a Taiwan Straits contingency.17 In the final analysis, this central preoccupation is hardly the trademark – to borrow from Denny Roy’s oft-cited International Security article of the mid-1990s – of a ‘hegemon on the horizon’.18
