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China's Rise, East Asian Regionalism and the U.S. Reaction

Summary of ICA Institute Study Group
held on August 27, 2005

Discussion leader:
Dr. Fei-Ling Wang, Associate Professor
Sam Nunn School of International Affairs
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The Current Perception of China

As China's economy continues its rapid expansion, it is fueling some misplaced views of the country around the world. This is especially true in the United States where the enormous deficit with China is a major factor in shaping public opinion. This, as well as concerns about outsourcing and security, has led U.S. leaders, journalists and other members of the elite to see the need to learn more about China. Unfortunately, this has led to an exaggerated view of China's challenge to America's lead position in areas such as trade, education and security.

Some examples that illustrate this point are:

- **Education:** There is a sense that Chinese education is emerging as a rival to its U.S. counterpart. There have been widespread reports of China conferring more degrees than the U.S., but no one seems to consider the quality of the education being received in China. Chinese institutions have issues with intellectual rigor, which affects the quality of faculty and students being produced.
- **Health:** While PPP figures show a disparity in health costs that seem to favor China, the quality of healthcare is usually not factored in.
- **Upward mobility:** While the ease of upward mobility in the U.S. is declining, it is still much better than the overall situation in China.

- **Efficiency of economy:** Although a lot of attention has been paid to China's economic growth, the efficiency of its economy is still low.

The Prevailing Relationships in Asia

In many ways World War Two and the Cold War still dominate relationships in Asia. China's relationship with Japan has at best been cool because of questions that still surround Japan's role in Asia during the Second World War. Today, the relationship has deteriorated remarkably due to China's claim that Japan is not truly remorseful for its wartime atrocities against the Chinese people. This question also permeates Japan's interaction with other Asian nations. Likewise, the Cold War divisions are still present, especially with respect to China's relationships with the Koreans, the United States and Japan.

Today, Asian nations have sought to cooperate in spite of these obstacles. Economic integration has been pursued despite each country's misgivings about its neighbors. Currently, there is an ongoing, thriving trade relationship among the East Asian countries and the U.S. In this arrangement, the U.S. is mostly the consumer nation, which explains why it has trade deficits with China and other countries in the area.

China has been active in the creation of a free trade zone and multilateral frameworks in East Asia. An example is the Shanghai Group. Also, China is pushing for an East Asia summit to discuss various issues. Ultimately, the goal is to reduce American political and economic influence in the region.

Future Developments

- **Taiwan's shrinking power.** Taiwan is losing political influence with the U.S. as China's clout expands. More importantly, China has subtly changed its dealings with Taiwan by focusing on trade and also by offering friendship. This has made U.S.-China relations much easier because China's effort to make the Taiwan issue a "domestic" issue has reduced its impact on Sino-American relations.
- **U.S. influence in East Asia.** U.S. influence in the region is expected to wane in the coming years. As China focuses on trade and cooperation with its neighbors, American presence in the region is increasingly being questioned. South Koreans are now more likely to view the U.S. as a negative force as they forge a closer relationship with China. Also, Japan, which is a close ally of the U.S., is now watched with more apprehension about China. This only weakens America's political influence in the region.
- **Japan-India relationship.** The two oldest democracies in Asia are beginning to warm up to each other. Economic and trade links are blossoming and are expected to continue into the near future.

- **Regional integration.** The U.S. should allow Asians to seek full integration and cooperation. This will be beneficial to the U.S. in the long run. Current efforts by the U.S. to build military links with India are not helpful, because it perpetuates the perception that America is out to protect its interests at the expense of other nations.