

Obama caught in the great thrall of China

Hugh White

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In seven weeks America's federal budget will self-destruct and plunge America back into recession unless Barack Obama can persuade the Republicans in Congress to raise taxes, which they have vowed never to do. So what is he doing between now and then? He's heading off to visit south-east Asia and attend the East Asian Summit.

Nothing shows more clearly how important Asia has become to Obama's agenda than his willingness to leave Washington when his government's budget and America's economy hangs in the balance. The reason of course is China.

In his first term, Obama made it absolutely clear that meeting the challenge of China's growing power was his overriding foreign policy priority. He is expanding US military power in Asia, reframing regional trade policies to try to marginalise China, strengthening America's traditional alliances and deepening links with other regional countries. Australia is a big part of this, as we will see again at the bilateral talks with the US this week in Perth. All this is designed to resist and contain China's challenge to American leadership in Asia.

In response, China has pushed back, sparking dangerous confrontations over disputed islands and waters in the South China and East China seas. Clearly the rivalry between the world's two strongest states is set to escalate further. Obama's decision, so soon after his re-election and so close to his budget deadline, to come to Asia again to cultivate support among China's neighbours shows that he is not about to step back from this.

Of course increasing strategic competition between the world's two strongest states is not in anyone's interest, but that doesn't mean it won't keep happening. Indeed it will take a lot to stop, because it is driven by a powerful mainspring. The two countries have fundamentally incompatible views of their respective roles in Asia, reflecting deep issues of national identity in each country.

China sees itself as Asia's natural leader, and as its power grows it no longer accepts America's claims to primacy. America too sees itself as Asia's natural leader, and anxiety about economic and political woes make it all the more determined to preserve its status. So the US is determined that it will remain alone on top of the Asian power pyramid, and China is determined it won't.

Leaders in the US and China urgently need to ask where this is heading, because unless both sides find a way to step back from their growing rivalry, the result is likely to be disastrous for both countries, and for everyone else. We have no idea how this issue has featured in Beijing's opaque leadership process, but we know what weight it carried in America's presidential election. None at all.

Foreign policy hardly featured in the election campaign because there was so little difference between the candidates' policies. Neither Obama nor Romney seriously addressed the implications for America of the growing strategic rivalry with a country which, within a few years, will overtake America to become the richest in the world.

Wealth is the foundation of power, and China is already richer, and therefore more powerful, relative to the US than the Soviet Union ever was during the Cold War. Rivalry with China is therefore a bigger challenge to America's security, its interests and its place in the world than anything else that's happened since the end of the Cold War. And yet America is drifting into this rivalry without any serious discussion about what it is trying to achieve, what the costs and risks might be, and what the alternatives are. This is a failure of democracy.

The failure happens because America's political and foreign policy establishment are in denial about the reality of China's challenge, even while they vigorously push back against it. They pretend that China isn't really intent on challenging US primacy, and the steps they are taking in Asia aren't really intended to contain that challenge.

This is absurd, of course, but you can see why they do it. They know that a policy of containment carries immense costs and risks. By pretending that China is not challenging America in Asia, they can pretend that they are not containing that challenge. The really worrying thing is not that they are trying to fool the rest of us, but that they seem to be succeeding in fooling themselves.

No good can come of this delusion. If America is going to get Asia right, it must face up to both the reality of China's challenge and the costs and risks of its present policy of inflexible resistance to it. That means America must start to explore the alternatives to that policy, such as a cautious and measured policy of accommodating China's ambitions while at the same time balancing China's power and limiting the way it is used.

None of this can happen until a US president is willing to stand up in front of voters and explain to them what China's rise really means to America and to its place in the world. That will take great political courage as well as considerable oratorical skill. We know Obama has the skill, but in his first term he failed to show the courage. But things are different for second-term presidents. They do not have to worry about re-election, so courage comes more easily. We should all hope that it does for Obama.

Hugh White is professor of strategic studies at ANU and a visiting fellow at the Lowy Institute. His latest book is *The China Choice: Why America Should Share Power*.