

## **Time for a small meeting of big powers**

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All of us who live in and around Asia face big changes in the way our region works, and big choices about what we are going to do about it.

The changes are being driven by the shift in economic weight to Asia, which constitutes the greatest redistribution of world power in two centuries.

This is transforming the Asia that we have all known into something very new, very different, and still quite unknown. This new Asia may be a very good place to live in, or it may be very bad.

The big choices we face are about what we can do as a region to help make sure it turns out well.

None of us in Asia has much idea of how to approach these choices. For as long as any of the countries of Asia have existed as modern states, Asia has been dominated economically, politically and strategically by the West, and for the past 40 years Asia has enjoyed the most peaceful and prosperous era in its history because America's leadership has been essentially uncontested by any of Asia's other major powers.

This has been great for Asia, but it means that we have little experience of dealing with the risks of major-power competition and the realities of international power politics.

Regional institutions like Asean have not been built to deal with these problems because they evolved during an era in which such competition hardly occurred. Now we face new challenges as major-power rivalry becomes again the major factor in regional affairs.

The most urgent of these challenges is the future of the United States-China relationship.

China was weak 40 years ago when the relationship as we know it today was cemented between then US President Richard Nixon and China's Chairman Mao Zedong. China was willing to accept America's regional primacy in return for good relations. Today China is strong, and it is no longer willing to accept America's regional leadership. But America still insists that the old status quo must be maintained.

This means the US and China have quite incompatible ideas about the fundamental nature of their relationship.

It is quite possible for these differences to be resolved amicably, but both sides would need to make big concessions for that to happen. Their intense economic interdependence gives strong incentives to make those concessions, but on both sides, nationalism pushes back the other way.

We cannot assume that economic rationalism will triumph over national pride, on either side of the Pacific.

And if instead of doing a deal with each other, strategic rivalry between them escalates, the risk of war will grow, and with it the risk of a really catastrophic nuclear conflict. The stakes are therefore very high indeed, not just for America and China but for the whole region.

The risk of escalating rivalry between the US and China is perhaps the most serious danger facing Asia today.

So what can we all do - not just the US and China but the rest of us as well - to minimise this risk, and maximise the chances that the next few decades will be peaceful and prosperous?

The first step is to work out what kind of US-China relationship would work best for the rest of us. Most of us would be very happy for the status quo of US primacy to continue, but we have to face the reality that China simply will not accept that, and as China's power grows, its wishes cannot be ignored.

On the other hand, none of us wants to live in China's shadow, and all of us recognise that, for the next few decades at least, only America will have the strength and the standing to balance China's power. That means all of us want America to stay actively engaged in Asia as a major strategic and political actor.

But all of us want good relations with China too, so we desperately want to avoid being forced to choose between Washington and Beijing, and we do not want rivalry between them to escalate. That means we all want America to stay in Asia on terms that China is willing to accept.

Of course, if China is determined to dominate Asia itself, it may not accept any substantial US role. But Beijing often says that it is happy for the US to stay in Asia, so there is at least a chance that China will be open to a deal.

Likewise, President Barack Obama has made it clear that America is determined to retain primacy in Asia if it can, but faced with the reality of China's power, some people in Washington - including even Secretary of State Hillary Clinton - see the need to recast the US-China relationship anew.

So it is possible that the US and China could avoid escalating rivalry by sitting down together and agreeing on a new basis for their relationship - essentially as a relationship between equal "great powers". But they cannot do that alone.

Any new order in Asia must satisfy all the region's great powers, which means all the countries which are strong enough to disrupt the order if they are dissatisfied with it.

In Asia today, that means especially Japan. Its confidence that America will always protect its interests from China will decline if US-China relations improve. So as long as Japan depends on America for its security, it will stand in the way of a US-China understanding. Japan would therefore need to emerge as an independent great power alongside China and the US in the new Asian order.

Likewise, India will eventually have to take its place among the Asian great powers. So a stable future for the region probably requires the negotiation of a "Concert of Asia" among these four great powers.

How could this best be done? To many people in Asia, and especially in South-east Asia, the answer is obvious. The regional institutions nurtured by Asean, like the East Asian Summit (EAS), seem to offer the perfect inclusive forum to negotiate a new regional order. In particular, the EAS would bring together not just all the region's great powers, but middle and small powers too. This would help ensure these powers' interests are not overlooked when the big powers do their deals.

But this great strength is also a fatal weakness. The inclusiveness of the EAS or other large-scale forums means there are too many people at the table for serious great-power negotiations to take place.

All of us know that the toughest talk and the biggest deals are done at the smallest meetings. In a big meeting, the great powers are much more likely to display their differences than resolve them. So

while the Asean way of inclusiveness and consensus-building has worked well in the past when major-power rivalries have been muted, it will not work so well in future.

Now that Asia faces different challenges, it needs different mechanisms which exclude everyone whose presence is not essential to settling the core questions of regional order.

Of course, many people will argue that this would leave many small and middle powers unrepresented. That is quite true.

But this is where we small and middle powers all face a stark choice. Would we rather be in the room when the great powers fail to agree on how best to manage their relationships, or out of the room when they succeed in agreeing? It's a question of which is the lesser of two evils, and I think the answer is plain.

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