11. The United States and East Asia: the decline of long-distance leadership?

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1. INTRODUCTION

One of the most influential sources of leadership in East Asia over the last 50 years or so has come from outside the region itself. Although there is some debate about the extent, basis, durability and nature of American leadership, few would dispute that the United States has exerted a powerful influence over East Asia, particularly in the period since the Second World War. While the region may not be unique in this regard – the US as the world’s sole remaining superpower has been a major factor in the development of every other region, too – East Asia’s post-war trajectory has been especially marked by American influence. Indeed, for better or worse, East Asia’s recent development history, its intraregional relations and its place in the overall international system might have been profoundly different were it not for its engagement with the United States. Whether the US will continue to exert such a powerful influence in the future is less clear, however.

To understand why the US might loom so large in East Asia’s recent past and how its influence might be changing, we need to historicize its relationship with the region. This involves saying something about the nature of American power and the way it has been understood theoretically. Consequently, the chapter begins with a brief consideration of the nature of ‘American leadership’, making the point that this can be very different from the sort of institutionalized ‘structural’ power that has been such an enduring part of American influence. The key point that emerges from this discussion is that the effectiveness and coherence of American leadership in East Asia has fluctuated, and has not simply been a function of its underlying structural dominance. Indeed, I argue that despite the contemporary international system frequently being characterized as ‘unipolar’ and unparalleled, there are substantial grounds for thinking that the US’s
capacity for exercising leadership is actually in decline. The rest of the chapter explains how this situation has come about. After first sketching the US’s historical influence over East Asia, I explain how its capacity for leadership has been steadily eroded. This has come about, I suggest, partly as a consequence of the rise of China and a growing interest in an exclusive form of East Asian regionalism that excludes the US, but primarily because of America’s own political, economic and strategic problems.

2. BOUND TO LEAD? STRUCTURE, AGENCY AND AMERICAN POWER

Writing nearly 20 years ago, Joseph Nye (1990) argued that the US was ‘bound to lead’ the international system as a consequence of its overwhelming material and ideological dominance. In part, Nye was responding to Paul Kennedy’s (1989) highly influential thesis, which claimed that American power was entering a period of inevitable and unstoppable decline brought about by ‘imperial overstretch’. Such debates are not just historical curiosities, however. Precisely the same sorts of debates continue between those who think that American power is unparalleled and enduring, and those who argue that its authority and even its material dominance have been eroded, especially by the ill-advised, highly unpopular conflict in Iraq. Before considering the merits of such ideas and their possible impact on US relations with East Asia, it is worth making some initial observations about the sources of American power.

One way of understanding how American influence operates, I suggest, is to make a distinction between the ‘structural’ and ‘agential’ aspects of American power. Although structure and agency are deeply connected, mutually constitutive forces (see Wendt, 1987), it is useful to isolate the different properties associated with each to gain a clearer understanding of the nature of American power and influence. Only those countries that have enjoyed economic pre-eminence have been able to assert a concomitant influence over the international system, so it is worth spelling out how these forces have worked and why they have had such an impact on East Asia.

After the Second World War it was clear that the US had the world’s largest and most dynamic economy and would play a major role in determining the shape of the emerging international economic order. One of the reasons that the US was able to exert such a profound influence on not only East Asia, but also on the rest of the non-communist world for that matter, was simply as a consequence of this economic dominance. In 1953, the US alone accounted for 44.7 per cent of the world’s manufacturing output (Bairoch, 1982), a situation that stands in marked contrast with its current
position. The rapid rise of China (and India) as a global economic power is steadily undermining the importance of the American economy, something that has potentially major implications for its concomitant political influence. Initially, however, US dominance was entrenched in the Bretton Woods institutions (for example United Nations, International Monetary Fund), and was deeply reflective of American values and preferences. When thinking about the sources of American power it is important to recognize the pervasive, enduring nature of its influence. This owes a great deal to the US’s ability to institutionalize an international order that reflected and enhanced its dominance (Ikenberry, 2001), or to turn structural potential into political agency. The possible unravelling of this multilateral order and the shift to a more unilateral foreign policy stance on the part of the US is, as we shall see, one source of its declining leadership influence.

The links – and possible contradictions – between structural or material power on the one hand, and agential influence on the other, are also evident in the US’s strategic dominance. Fifty years ago the US not only had the largest economy, it also had the world’s dominant military force. Of course, this is still the case, as those who emphasize the material elements of American primacy are quick to highlight (Wohlforth, 2002). But the world was a very different place in the late 1940s and 1950s; the rapidly escalating military standoff with the Soviet Union gave the military a prominence and importance it no longer enjoys. One of the most widely noted features of the contemporary international order is the decline of inter-state warfare (Väyrynen, 2006), something that potentially robs the US of a good deal of influence and leverage. The diminution of strategic leverage has been further undermined by the current conflict in Iraq and the maladroit conduct of the ‘war on terror’. This situation stands in marked contrast with the febrile atmosphere of the Cold War, when America’s capacity to actively ‘lead’ and the willingness of other countries to follow – in the capitalist world, at least – was considerably enhanced. As Gaddis (2004: 64) points out, much of the willingness of America’s allies to go along with its leadership flowed from the perceived legitimacy of the cause compared to the Soviet alternative.

The importance of this ideational or ideological aspect of the Cold War in particular and of American foreign policy more generally is also worth emphasizing. While there is clearly an important structural aspect of US’s recent dominance of the international system, it is equally apparent that it has made an enormous difference to the constitution of the inter-state system that it has been America rather than some other potential hegemon that has been in the ascendant (Reus-Smit, 1999). This has been manifest in an ideological commitment to the promotion of liberalism and (to a significantly lesser extent) democracy, and to a particular view of itself as
a force for enlightenment and good in world affairs (McDougall, 1997). Not only have such domestically rooted views about the unique historical role of the US given a distinctive cast to the nature of American foreign policy and influenced the way such policies have been pursued, but they have made many American policy-makers remarkably oblivious to the way America is perceived in the world. As Barry Buzan (2004a: 164) notes, the ‘combination of a benign self-image as the carrier of universal values and domestically driven foreign policy insulates the US from the idea that peoples abroad oppose it, or even hate it, because of its foreign policies rather than because they oppose or hate its values’. This matters more now because of the declining legitimacy and thus authority of American policy. The potential importance of this point becomes clearer if the contemporary situation is contrasted with earlier phases of American dominance.

Historicizing American hegemony reminds us that debates about the nature, impact and importance of American power are not new. Charles Kindleberger (1973) famously argued that the Great Depression was largely a consequence of a failure of American leadership to provide public goods, a stabilizing influence, and an open economic system, sparking a major debate about the nature and impact of American hegemony that continues to this day (Beeson, 2006). The fact that Kindleberger operated from a broadly realist position explains his state-centrism and his emphasis on leadership rather than the more encompassing, multi-dimensional notion of hegemony. The key point to emphasize here is that American leadership matters, but that its impact and content are powerfully mediated by contingent circumstances. At one level, as we have seen, this may reflect the bipolar structure of the post-war intentional order, and the size and importance of the US economy, especially for its capitalist allies. At another level, the content of American leadership – its agential component, if you will – is shaped by a combination of ideas, interests and institutional variables at both the international and national levels.

‘The extent to which the domestic political system frustrates or constrains US leadership has’, according to Michael Mastanduno (2005: 257), ‘been significantly exaggerated.’ This is an especially important claim when we remember that the American political system is famously characterized by inbuilt checks and balances, especially between Congress and the Executive, that are intended to constrain government. In addition, the historical tensions between isolationists and internationalists, multilateralists and unilateralists (Lake, 1999), might lead us to expect major changes in policy direction and content. In reality, however, American foreign policy has shown remarkable continuity. The structurally imposed constraints of the Cold War may have made such an outcome in recent history entirely predictable, but Andrew Bacevich has persuasively argued that a consistency of
purpose has been a continuing characteristic of American foreign policy even in the post-Cold War period. Bacevich (2002: 88) suggests that a commitment to ‘openness’ has been the continuing ‘Big Idea’ underlying recent American policy: ‘the removal of barriers to the movement of goods, capital, people and ideas, thereby fostering an integrated international order conducive to American interests, governed by American norms, regulated by American power, and, above all, satisfying expectations of the American people for ever-greater abundance.’

While it is possible to quibble about both the extent of America’s support for the universal liberalization of population flows, and its commitment to reducing its own barriers to trade, nevertheless Bacevich highlights some important continuities in American policy. But it is one thing to have some consistency of purpose, it is quite another to see this supported and realized. For that to occur, policy – especially that of another country – must enjoy a degree of authority, legitimacy, or the promise of some instrumental pay-off that makes support or at least acquiescence worthwhile. The rest of this chapter looks at the evolution of American foreign policy in East Asia and argues that the fortunate and sustaining confluence of structural and agential factors that sustained American hegemony for so long are beginning to unravel.

3. HISTORY, HEGEMONY AND EAST ASIA

Hegemony is different from leadership, and both aspects of American power are evident in its relations with East Asia. America’s military primacy was demonstrated vividly in its defeat and subsequent occupation of Japan, and meant that the US would inevitably play a role in leading the construction of East Asia’s post-war international order. But hegemony means more than simply imposing foreign policy preferences on weaker or subordinate powers. For hegemony to be enduring it requires a degree of consent and support from less powerful states – something both radical and liberal theorists of hegemony have highlighted. What was striking about American hegemony in the post-war period was that for many of its allies it offered a number of potential long-term advantages, which generally outweighed any possible disadvantages that came with American dominance. It is worth spelling out what these were, as the calculus of advantage has started to shift, despite the persistence of the earlier structures of dependency and domination.

Two inter-connected, but distinct and differentially realized aspects of America’s post-war relations with East Asia were vital in underpinning its overall dominance. On the one hand, the multilateral institutional order
associated with the Bretton Woods’ regime held out the prospect of integration into what would eventually prove to be a highly effective and expansionary economic order. On the other hand, a series of bilateral, ‘hub and spokes’ relationships in East Asia constituted an America-centric security architecture that profoundly influenced the trajectory of regional development. Indeed, it effectively foreclosed the very possibility of meaningful regional integration until the end of the Cold War (Beeson, 2007). Some observers suggest that the historical animosities that are such a prominent and endlessly-invoked part of East Asian history ‘virtually bid the United States to play the “hub”’ (Joffe, 1995: 114 [emphasis in original]). The reality is more complex: not only did the US treat post-war East Asia very differently from Western Europe, but from the start the Americans were determined to play a more immediately interventionist role in directly shaping East Asia’s post-war order (Beeson, 2005). The logic and impact of American bilateralism was most obvious in the reconstitution of Japan as a pivotal, subordinate part of the region’s strategic architecture (Schaller, 1997). That Japan has remained in a dependent and subordinate position and is consequently unable to exercise effective regional leadership despite its economic renaissance is testimony to the durability and importance of the relationships established in this period.

It might be objected that Japan is not a ‘normal’ country and its historical ties to the US are atypical. While there is something in this, it is still the case that the US has effectively determined the shape of the region’s security institutions and its intraregional relations – even for those countries that are not allies. The most obvious manifestation of this possibility, of course, was the US’s involvement in the region’s two most recent major wars in Korea and Vietnam. Somewhat surprisingly, America’s participation in these bloody conflicts did little to undermine the idea that regional stability was dependent on the continuing strategic presence of the US in East Asia. Whatever the merit of this idea – and it is not as widely or uncritically supported as it once was (see Alagappa, 2003) – it is plain that it has influenced the evolution of the region’s institutional architecture. The most enduring multilateral institution in the developing world – the Association of Southeast Asian Nations (ASEAN) – owes its existence, in large part, to the Cold War divisions American grand strategy helped entrench, and to the prospect of America’s strategic withdrawal from the region under the rubric of the Nixon Doctrine. Similarly, two of ASEAN’s most significant claims to fame – the resolution of the conflict in Cambodia and the establishment of the ASEAN Regional Forum – have been dependent on an absence of American opposition. Even what has arguably proved to be the most pivotal moment in East Asia’s post-war history – the rapprochement between the US and China which ultimately opened the way for the latter’s
rise via its reintegration into the international system – occurred as a consequence of shifts in American rather than East Asian policy (Cumings, 1999).

The potential paradoxes of American policy were evident in the differences between, and impact of, America’s economic and strategic goals as they became increasingly separate and disconnected over time (Mastanduno, 1998). The most obvious expression of American influence was strategic: its policies reinforced ideological divisions across the region and help explain the limited amount of regional political integration that occurred there as a result. At the economic level, however, the consequences of American policy have been less obvious and immediate, but may have greater long-term ramifications in an era where inter-state war is less common. Indeed, it is hard to overstate the importance of much of East Asia being revitalized within the framework of an America-centric, capitalist hegemony, especially given China’s recent incorporation into the global economy. In the shorter term, however, the preoccupation with military confrontation and grand strategy meant the Americans were willing to turn a blind eye to the authoritarian politics and/or mercantilist economic practices that were such a distinctive part of the East Asian developmental experience (Beeson, 2007; Stubbs, 2005).

One of the key consequences of this period generally and the priority the US attached to capitalist consolidation in particular was, America’s declaratory rhetoric notwithstanding, frequently anti-democratic. The exigencies of the Cold War era actually helped consolidate the ‘strong’ states of Japan, South Korea and Taiwan and the patterns of interventionism that were their hallmark (Woo-Cumings, 2005). As far as America’s possible hegemonic influence and its capacity to exercise decisive leadership were concerned, this period highlighted the limits and contradictions of its overall position. To be sure, the US was able to shape the overall structural configuration of the international system, especially during the Cold War, but it is equally clear that enthusiasm about, and support for, American economic practices was less than fulsome or universal. Indeed, the persistence of a degree of antipathy, if not outright hostility, toward the more doctrinaire aspects of the ‘Washington consensus’ is a surprisingly common feature of East Asia’s integration into the international economic order the US did so much to constitute (Beeson and Islam, 2005).

This was especially galling for the Americans given the otherwise unambiguous success of their overall engagement with the region. The ‘East Asian miracle’ may have owed much more to prosaic forms of state-led development than that label implies, but the net result, at least, was unambiguous: American aid and markets in combination with the efforts of East Asia’s developmental states underpinned an historically unprecedented
economic expansion across much of Northeast Asia (Stubbs, 2005). The nurturing of successful capitalist economies may have fulfilled a crucial strategic objective in the struggle with communism, but it also created sources of relentless competition that would steadily undercut America’s economic strength at home and abroad (Brenner, 1998; Arrighi, 2005). The emergence of first Japan and latterly China as formidable economic competitors owes much to the creation of an ‘open’ international economic order generally and existence of seemingly insatiable American consumers in particular. Attempting to reconcile the different objectives of strategic and economic policy would become a major problem for the US as it also found itself having to rapidly adjust to the new post-Cold War international order that it had done so much to bring about.

4. LIFE AS A NORMAL NATION

The 1990s may come to be thought of as something of an aberration, sandwiched as they are between the Cold War and the so-called ‘war on terror’. But for a moment, at least, it looked as if geo-economics was permanently set to eclipse geopolitics in the minds of policy-makers around the world. For the US, too, this meant giving further emphasis to the sorts of things ‘normal’ nations did: that is, promoting domestic development and the pursuit of the ‘national interest’. If one relationship highlighted the priorities and approach of the US in the new era, it was the relationship with Japan.

In the aftermath of Japan’s decade-long recession, during which it became synonymous with policy inertia and economic under-achievement, it is easy to forget just how concerned American policy-makers were with the possibility that Japan might overtake it economically. Throughout much of the 1980s in particular, there was an influential literature that described a seemingly inexorable process of American decline and which depicted an international order ‘after hegemony’ (Keohane, 1984; Kennedy, 1989). We now know, of course, that such prognoses were at least premature. But before considering the current situation, and what I suggest is the continuing erosion of American leadership, it is worth reminding ourselves of why the US seemed to be in decline.

Two points emerge from this period generally and from America’s relationship with Japan in particular. First, despite the relentless application of bilateral pressure by the US on Japan’s policy-makers, it is debateable how much was achieved. Despite the seemingly interminable trade talks that were such a feature of the 1980s and early 1990s, the extent of trade liberalization was modest, and most likely only where there was a domestic
constituency in Japan that added additional leverage (Schoppa, 1997). As far as wider structural reforms that we might have expected to see as a consequence of American leadership and the adoption of American norms and practices are concerned, the record has been even more ambiguous: market-oriented reform has again been partial and perhaps inadvertent (Lincoln, 2001). This leads to the second point: where the greatest change has occurred as a consequence of American ‘leadership’, it has often come about as a consequence of the longer-term, unintended consequences of very different initiatives. The greatest consequence of American leadership in this context was arguably the Plaza Accord which, while failing to do much about its ostensible target – America’s trade deficit with Japan – had the effect of creating Japan’s ‘bubble economy’, which would ultimately have far-reaching impacts on Japan’s domestic political economy in general and the governance of its financial sector in particular (Calder, 1997).

The point to emphasize again is the disjuncture between, and differential impact of, elements of American power. The fact that the US economy had been, and remained, of critical importance to Japan and its distinctive, politically embedded export-dependent economy, meant that it had potential leverage over Japanese policy-makers who were compelled to cooperate with the Americans and, indeed, to make concessions with tangible outcomes, at times (George, 1997). However, there were plainly limits to what American pressure could achieve. While some observers consider America’s ‘penetrated hegemony’ a source of strength that allows legitimacy-enhancing access by subordinate powers (Deudney and Ikenberry, 1999), others fret about the way that American policy has been defined by the actions of powerful foreign and domestic lobbies (Mearsheimer and Walt, 2006). But whatever the confluence of forces that shaped the discursively realized and protean content of American foreign policy it was plain that it was not always motivated by Kindlebergian concerns about systemic stability. Increasingly, American policy has been dedicated to the pursuit of a narrowly conceived, bilaterally pursued ‘national interest’.

The expectation that the direct application of bilateral leverage might yield greater dividends than collective, multilateral approaches when dealing with recalcitrant trade partners helps explain American attitudes toward an institution that might otherwise have been expected to further American interests and promote American values: the Asia Pacific Economic Cooperation forum (APEC). In many ways APEC highlights the contradictions, limits and underlying continuity of American policy. The very fact that it was Japan and Australia that played the initial leadership role in promoting an institution which – given its trade liberalization agenda – we might have expected the US to champion, tells us something important about both the absence of consistent US leadership (as opposed
to broader, structurally embedded dominance) in the region, and about America’s overall ambivalence about the value of institutionalization in the Asia Pacific. In retrospect the Americans may have been correct in thinking that an institution that relied on the ‘ASEAN way’ of consensus and voluntarism, and which lacked enforcement mechanisms and binding agreements was unlikely to achieve much (Ravenhill, 2001). What is clear is that a lack of continuing support for and leadership within APEC by the Americans has undermined, perhaps fatally, APEC’s long-term prospects. Revealingly, when presented with an opportunity to intervene more directly in East Asian affairs by the East Asian crisis, American policy-makers chose to act through the International Monetary Fund rather than APEC (Beeson, 1999). This episode marked both a high point in American intervention or leadership in East Asia, and the beginning of a decline in the extent of its influence on the region.

5. THE DECLINE OF LONG-DISTANCE LEADERSHIP

The East Asian financial crisis and its aftermath proved to be something of a turning point for both intra- and inter-regional relations, and it is worth spelling out why, as this period had major implications for American leadership in the region. The first point to emphasize is that American actions in the aftermath of the crisis were frequently seen to be opportunistic, insensitive and unhelpful. Consequently, they were widely resented across much of the region. While it may have been the IMF that made much of the running in attempting to impose neo-liberal reforms, (of a sort that had been resisted before the crisis), America’s dominance of the international financial institutions made it easy for East Asian leaders to connect the dots (Stiglitz, 2002). The fact that the policies proposed by the IMF were seen as inappropriate and counterproductive added to the generally negative perceptions of American conduct in the immediate post-crisis atmosphere. In the longer term, the most enduring impact of the crisis may have been to transform much of the received wisdom in East Asia about the region itself, its relationship to the wider world, and what many continued to see as the inescapable necessity of American primacy.

Three factors were especially important in catalysing this change. First, the crisis made it painfully obvious to East Asian policy-makers that there were potential costs as well as benefits from integration into a global economy, especially one characterized by rapid, massive movements of mobile capital. Second, it was clear that, in the event of such a crisis, the region was highly reliant on external assistance and very vulnerable to the
intrusive reform agendas of actors from outside the region. Finally, it was equally apparent that the region had little indigenous capacity to deal with such crises, and hardly any effective leadership within the region itself. Paradoxically enough, therefore, East Asia’s much discussed leadership failures (see, for example, Lincoln, 2004) may yet provide the most important challenge to, and erosion of, America’s long-distance, de facto, sometimes inadvertent, leadership of the region. Indeed, some believe that ‘the American approach in Asia has created a leadership vacuum into which China can and has adroitly stepped’ (Heginbotham and Twomey, 2005: 246).

China was arguably the only country to emerge from the East Asian crisis with its position unambiguously improved. The details of this transformation are covered elsewhere (see Chapter 7) and need not be rehearsed here in any detail. Suffice to say that China’s ‘responsible’ attitude, especially its willingness to maintain the value of its currency and not add to the region’s downward economic spiral, was greatly appreciated in the region. More than that, China’s constructive role contrasted with that of the US and of its key ally Japan: not only were Japan’s own leadership aspirations initially snuffed out by the US, but it was seen by some observers as having been responsible for the genesis of the crisis itself (see, respectively, Katada, 2002; King, 2001). In such circumstances, China’s position was significantly enhanced, especially as its increasingly deft and sensitive diplomacy reinforced its emerging structural power. It is worth briefly indicating just how much China’s position in the region has changed, because it has direct implications for the US and helps to explain the erosion of American influence.

Two aspects of the ‘rise of China’ are especially germane. First, and most tangibly, the remarkable expansion of China’s economy – ironically enough, a consequence of its incorporation into a capitalist international order shaped by American hegemony – has transformed its relationship with its neighbours (Ziegler, 2007). One of the key reasons that East Asia recovered so rapidly from the effects of the crisis has been because China has provided a major catalyst for regional growth. Not only has China become of central importance to the countries of East Asia, but America’s position is not as vital as it once was either (The Economist, 2007). Indeed, the US’s dependence on China and Japan for continuing inflows of capital to fund its budget deficit and consumption patterns marks a major shift on the balance of power between East Asia and North America, and a significant erosion of America’s material dominance (Murphy, 2006). Even if this latent leverage is too risky for any other state to utilize without triggering a major economic and political crisis, it still marks a potentially major turning point in the relative standing of the US and China (Arrighi, 2005). This profound, continuing reconfiguration of the underlying patterns of economic integration in the region is significant enough in itself
but, in China’s case, it is being reinforced by a surprisingly sophisticated and effective ‘charm offensive’ that is winning over formerly nervous, if not hostile neighbours (Kurlantzick, 2007). Such realignments are bound to have an impact on the relative standing of the US, especially when its own actions stand in such sharp contrast.

Thus, while China has become an enthusiastic participant in a range on multilateral forums (Lampton, 2007), American foreign policy has become increasingly unilateral and confrontational (Daadler and Lindsay, 2003). Throwing off the constraining influence of multilateral obligations has always had its attractions as far as the US is concerned, but under the leadership of George W. Bush in particular, succumbing to the ‘hegemonic temptation’ and embracing unilateralism has become the Administration’s defining characteristic. Given the influence of so-called neo-conservative thinking within the Administration, and the long-standing desire to exploit the strategic leverage that unipolarity seemed to confer, such an outcome was all too predictable, perhaps. What was less obvious was how this possibility would be reinforced by the increasing emphasis on security in the wake of 9/11. US foreign policy was significantly reconfigured, undermining the foundations of the most distinctive and enduring aspects of American hegemony and leadership: its legitimacy-conferring, confidence-inducing, multilateral institutionalization (Beeson and Higgott, 2005). In this regard, it is striking how rapidly and extensively attitudes toward the US have turned negative, and not just in the Middle East where its policies have had the greatest, most deleterious impact (Pew, 2006). While the ‘war on terror’ may not have been solely responsible for this transformation in attitudes, the relentless American emphasis on security has made life awkward for some of the states of Southeast Asia in particular, where governments must walk a fine line between support of the US and often hostile national sentiment (Glassman, 2006). In this context, the development of a less intrusive, more ‘pragmatic’ and development-oriented ‘Beijing consensus’ has begun to assume a greater attraction for those primarily concerned with national rather than international security (Ramo, 2004).

It is no small irony, therefore, that one of the most tangible manifestations of America’s diminished influence and centrality in East Asian affairs has come in the construction of new regional institutions that self-consciously exclude the US. A number of points are worth emphasizing about this development. First, for a region that is stereotypically seen as being ‘ripe for rivalry’ (Friedberg, 1993/94), eternally on the point of conflagration, and wracked by barely contained instability and animosity, the fact that any form of indigenous regionalization is taking place is worthy of note. In reality, there is possibly an excess of regional initiatives and suggestions for institutional development (Pempel, 2006), which
threaten to become too much of a good thing and suggest that a process of institutional shakeout may occur in the future. Second, it is highly significant that the development of ASEAN Plus Three, which at this stage looks like becoming the most important regional grouping, is coalescing around China (de Santis, 2005). While it remains to be seen quite how important this grouping will become, it is significant that it has emerged at all, given that a similar Malaysian-sponsored initiative was effectively derailed in the mid-1990s by a combination of American opposition and a concomitant Japanese leadership failure.

For some observers, the re-emergence of China at the centre of East Asian affairs is something of a return to ‘normal’, and not something that the American policy-makers should necessarily become too exercised about (Kang, 2003). Predictably, enough, however, it is something that many American observers are concerned about. The fact that ‘the United States’ finds it so difficult to react to China’s rise with any consistency tells us much about the constraints on and counterproductive nature of American leadership in the contemporary era. As Christensen (2006: 83) points out, one of the paradoxical consequences of America’s East Asia policy has been ‘to improve [China’s] relations with its neighbours diplomatically and economically at least in part as a hedge against US power and the fear of encirclement by a coalition led by the United States.’ Equally importantly, the dynamics embedded within the political economy of the US–China relationship mean that there are limits to what the US can now do: on the one hand, America is highly reliant on continuing inflows of capital, on the other, China’s position in the international division of labour makes it a pivotal cog in global production (and consumption) processes, and one that many American business elites have a vested interest in preserving (Gaulier et al., 2006).

There is, of course, nothing inevitable about the course of international relations, and it is possible that the US could possibly reverse the recent pattern of declining influence. Indeed, it is important to recognize first, that the US retains powerful, structurally-embedded relationships in the region – particularly its bilateral alliances with the likes of Japan – that give it enduring influence and present a formidable obstacle to genuine, region-wide integration and cooperation in East Asia. It is also clear that there is a widespread recognition within the US of the costs of unilateralism and the need to revitalize American leadership and to reinvigorate the multilateral architecture of the Asia Pacific (Obama, 2007). However, even if US leadership proves more effective in the future, it seems likely that in the longer term, the relative position of the US will continue to decline if East Asia continues to expand economically and becomes more integrated politically as a consequence. Importantly, it is not simply the shift in the balance
of economic power that is crucial, but the apparent acceptance by China’s neighbours of its rise to regional prominence. As Barry Buzan (2004b: 156) points out,

The contemporary record in Asia suggests that there is not much propensity to balance against China, even when its behaviour is provocative. If this behaviour persists, then it becomes difficult to avoid the conclusion that, if China can maintain its growth and modernization, the prospects for it being able to establish some form of hegemony in Asia look strong.

6. CONCLUDING REMARKS

When attempting to gauge the extent of American influence or leadership in East Asia, therefore, much depends on the time frame we adopt. When seen in the long sweep of history, the fact that there is no longer an ideological rival in the region, and that China is a capitalist country in all but name, are clearly developments of the utmost significance. They are largely a product of America’s hegemonic influence and plainly of overall benefit to America’s strategic position. Significantly, US policy during the Cold War – the period in which this transformation was incubating – was characterized by a high degree of integration in the agential and structural components of American power. Not only was the unambiguous ascendancy of the American economy of crucial importance to the rest of the world, but American policy-makers were able to reinforce this material dominance in an institutional order that reflected its norms and furthered its broadly conceived national and strategic interests.

The contrast with the present period is stark and instructive. Despite a rhetorical preoccupation with, and continuing determination to pursue, the ‘national interest’, this has proved more difficult in the present era. Ironically this has happened – in part, at least – because of the determination of the current Bush Administration to exploit its apparent primacy to pursue foreign policy goals. Even the neo-conservatives themselves now concede that this was hubristic and ill-conceived (Rose, 2006). Nevertheless, it was a policy that highlighted a shift from the benign or consensual elements of American hegemony, to a more coercive application of US power. While the impact of such policies may have been more tangential in East Asia than it was in other parts of the world, the overall consequences for the Bush Administration may prove universal and lead to a further erosion of American prestige, authority and – perhaps most tellingly in the long run – structural power.

This is hardly uncharted territory. It is worth remembering that the demise of the original Bretton Woods system occurred as a consequence of
an ill-advised conflict in Vietnam, and the longer-term consequences of
growing economic competition in Europe and Japan. True, America’s eco-
nomic and strategic position recovered and much of the declinist literature
subsequently looked premature at best. There are, however, grounds for
supposing that America’s long-term economic position is more precarious
than it was during this earlier period, and that its long-term importance to
the rest of the global economy is being slowly but steadily eroded as a con-
sequence (Ferguson and Kotlikoff, 2003; Frankel, 2006). The key point as
far as East Asia in particular is concerned is that the US confronts an eco-
nomic and strategic rival that, unlike Japan in an earlier period, is unlikely
to accept its subordinate status indefinitely. Equally importantly, and all
other things being equal, it is widely predicted that China will overtake the
US as the world’s largest economy in the next few decades, a development
that we might expect to confirm America’s declining strategic and eco-
nomic significance to the region.

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