

# U.S.-CHINA “DUAL LEADERSHIP”: THE RISE OF A NEW BALANCE OF POWER IN EAST ASIA?

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*China's rising economic clout combined with enduring U.S. military superiority reflects the emergence of a new albeit asymmetric balance of power, argues Quansheng Zhao. Uncertainties notwithstanding, this new order of “dual leadership” in East Asia and the future evolution of U.S.-China relations will have profound implications for the region and beyond.*

As a rising power, China has increasingly assumed a leadership role in the economic and financial sphere, as recently evidenced by the establishment of the China-led Asian Infrastructure Investment Bank (AIIB). At the same time, the United States, as the existing hegemon and in light of its “rebalance to Asia” strategy, continues to play a leadership role in military, security, and political affairs. While it remains to be seen if this situation of “dual leadership” in Asia-Pacific will prove sustainable, its emergence raises important questions regarding the future balance of power in the region and its consequences.

## Emerging Dual Leadership

Recent trends and perceptions regarding China's rise—namely its dramatic and persistent economic growth—has affected the regional (as well as global) power distribution, giving Beijing considerable new leverage relative to that exercised by Washington. For example, China's increasing economic strength helped to maintain economic stability in East Asia when the 2008 financial crisis weakened the U.S. At the same time, however, continued U.S. leadership in the military and political dimensions may prove to play a balancing role vis-à-vis China's rising influence in Asia and thus serve as a hindrance to Beijing's leadership in the region. It has therefore become increasingly evident that a dual leadership structure of sorts is emerging in Asia-Pacific.

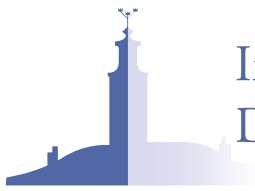
Whereas some realists may observe a bipolar U.S.-China structure, the dual leadership structure is in fact distinct from this concept: the latter reflects fundamental asymmetry rather than parity; that is, China has not moved into a position where it can challenge U.S. leadership. Rather,

China is merely starting to become more influential in the economic sphere. While this trend may eventually enhance Beijing's power militarily and politically, the transition from economic to political influence will occur over a long period of time and is difficult to measure. Therefore, it is unlikely that China will supplant U.S. leadership in political and security dimensions in regional and global affairs any time soon. Indeed, in spite of the origins of the global financial crisis on Wall Street and the U.S. loss of credibility in Afghanistan and Iraq, there have been no real challenges to U.S. hard and soft power in the world.

Furthermore, the dual leadership structure may appear similar to the “G2” and other shared leadership concepts. However, they are conceptually and empirically different. Zbigniew Brzezinski in 2009 argued strongly for the G2 model, suggesting that “the relationship between the U.S. and China has to be truly a comprehensive global partnership, parallel [to] relations with Europe and Japan.” In contrast, however, the dual leadership concept only refers to a newly emerged regional structure in East Asia and emphasizes the distinct strengths of the U.S. and China in separate dimensions, namely economic versus security. Accordingly, the dual leadership concept is double-edged: one that juxtaposes China's economic growth and influence to the persistence of U.S. hard power. It is this co-configuration, and its manifestations, that are becoming increasingly apparent in East Asia, with important implications.

## Reactions and Implications

Looking forward, there are at least two important questions that arise. The first is whether the U.S. would ac-



cept a dual leadership structure in East Asia. Indeed, there is much opposing debate in the U.S. on whether to adopt a containment or engagement policy. Yet it seems to this author that the majority view among U.S. policymakers is that America should do its utmost to bring China into existing international political and economic systems, making China a stakeholder rather than a challenger. In this way, China and the U.S. would not only avoid a most undesirable military confrontation (such as over the disputes in the East China Sea and South China Sea), but also achieve a win-win situation in terms of regional (as well as global) peace and stability. At the same time, however, the reality of zero-sum interests may also see a dual-power structure become more competitive than cooperative in nature.

The second important question concerns the reaction to China's rise, and the emergence of a dual leadership structure, among countries such as Japan, Russia, the two Koreas, Australia, the ASEAN countries, and India. On the one hand, China's Asian neighbors harbor concerns about the rise of China, much of which has to do with lingering conflicts and territorial disputes in the South and East China Seas. Yet on the other hand, China has also made major progress in the past decade in the region, establishing close economic ties with virtually every neighboring country as well as initiating its own financial institutions such as the AIIB. This puts in the spotlight how regional middle powers will handle China's rise.

Furthermore, with the U.S. and China pursuing differing interests in the East Asian region, it may put countries in the undesirable position of choosing between or accommodating both sides. Illustrative of the foreign policy choices facing countries are the different attitudes towards the Beijing-led AIIB initiatives in the spring of 2015. While most Asian countries joined as founding members, Japan remains a notable exception (Taiwan's membership was ruled out). It also raises issues of leadership in existing multilateral institutional arrangements such as ASEAN plus Three, the ASEAN Regional Forum, the East Asia Summit, and most recently, the Trans-Pacific Partnership (TPP). Regarding the latter, it is still unclear whether China will be a part of the U.S.-led TPP process in the foreseeable future. Given the fact, moreover, that the U.S. has not joined the AIIB demonstrates that the U.S. and China are pursuing leadership of their own regional formats, ones which may exclude the other.

In sum, this newly emerged dual leadership structure has already had a considerable impact on the Asia-Pacific region

as well as on the foreign policy choices of the countries of the region, which may need to increasingly hedge between the U.S. and China.

## Conclusion

A number of uncertainties will affect the future balance of power in the Asia-Pacific region. The long-term outlook for China's economic growth, which has been the impetus for the regional power shift, remains uncertain: some predict the coming collapse of the Chinese economic bubble, whereas others believe in the sustainability of Chinese economic growth for decades to come. The U.S. position in Asia also remains uncertain, depending upon its continued economic recovery and a strong commitment to the U.S. rebalance towards Asia. If these factors remain constant, then the likelihood of a dual leadership system is sustainable. However, if either the U.S. or China suffers a future economic downturn, or if the U.S. is unable to follow through on its rebalancing as it had hoped, then it will place in doubt the dual-leadership apparatus. Whatever proves the case, emerging Chinese leadership as well as the uncertain nature of U.S.-China relations will have an enormous impact on the region as well as the globe for years to come.

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