
Life in China's Asia

What Regional Hegemony Would Look Like

Jennifer Lind

For now, the United States remains the dominant power in East Asia, but China is quickly closing the gap. Although an economic crisis or domestic political turmoil could derail China's rise, if current trends continue, China will before long supplant the United States as the region's economic, military, and political hegemon.

As that day approaches, U.S. allies and partners in the region, such as Australia, Japan, the Philippines, and South Korea, will start to face some difficult questions. Namely, should they step up their individual defense efforts and increase their cooperation with other countries in the region, or can they safely decide to accept Chinese dominance, looking to Beijing as they have looked to Washington for the past half century?

It may be tempting to believe that China will be a relatively benign regional hegemon. Economic interdependence, one argument goes, should restrain Chinese aggression: because the legitimacy of the Chinese Communist Party (CCP) rests on economic growth, which depends on trade, Beijing would maintain peaceful relations with its neighbors. Moreover, China claims to be a different sort of great power. Chinese officials and scholars regularly decry interventionism and reject the notion of "spheres of influence" as a Cold War relic. Chinese President Xi Jinping has said that his country has "never engaged in colonialism or aggression" thanks to its "peace-loving cultural tradition." In this view, life in China's Asia would not be so different from what it is today.

But this is not how regional hegemons behave. Great powers typically dominate their regions in their quest for security. They develop and wield tremendous economic power. They build massive

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militaries, expel external rivals, and use regional institutions and cultural programs to entrench their influence. Because hegemons fear that neighboring countries will allow external rivals to establish a military foothold, they develop a profound interest in the domestic politics of their neighborhood, and even seek to spread their culture to draw other countries closer.

China is already following the strategies of previous regional hegemons. It is using economic coercion to bend other countries to its will. It is building up its military to ward off challengers. It is intervening in other countries' domestic politics to get friendlier policies. And it is investing massively in educational and cultural programs to enhance its soft power. As Chinese power and ambition grow, such efforts will only increase. China's neighbors must start debating how comfortable they are with this future, and what costs they are willing to pay to shape or forestall it.

ECONOMIC CENTRALITY

Over the past few decades, China has become the number one trading partner and principal export destination for most countries in East Asia. Beijing has struck a number of regional economic deals, including free-trade agreements with Australia, Singapore, South Korea, the Association of Southeast Asian Nations, and others. Through such arrangements, which exclude the United States, Beijing seeks to create a Chinese-dominated East Asian community. Beijing is also building an institutional infrastructure to increase its influence at the expense of U.S.-led institutions, such as the International Monetary Fund (IMF) and the World Bank, and Japanese-led ones, such as the Asian Development Bank. In 2014, China, along with Brazil, Russia, and India, set up the \$100 billion New Development Bank, which is headquartered in Shanghai. In 2015, China founded the \$100 billion Asian Infrastructure Investment Bank, which 80 countries have now joined. Furthermore, Xi's much-heralded Belt and Road initiative will promote Chinese trade and financial cooperation throughout the region and provide massive Chinese investment in regional infrastructure and natural resources. The China Development Bank has already committed \$250 billion in loans to the project.

Such policies mimic the economic strategies of previous regional hegemons. China was the predominant economic and military power in East Asia until the nineteenth century. It granted or withheld trade



Changing of the guard: Chinese naval officers in Shanghai, December 2013

privileges according to an elaborate system of tribute, in which other countries had to send diplomatic missions, bestow gifts, and kowtow to the Chinese emperor. The Chinese then determined the prices and quantities of all goods traded. Imperial China consolidated its economic power by investing in agriculture and railroads, extracting minerals, and encouraging close commercial integration throughout the region.

In Latin America, the United States followed the same playbook to establish itself as the region's central economic player. In the nineteenth century, American firms flocked to the region in search of fruit, minerals, sugar, and tobacco. The U.S. company United Fruit managed to gain control of the entire fruit export trade in Central America. Finance was another powerful tool; as the Uruguayan journalist Eduardo Galeano has argued, a U.S. "banking invasion" diverted local capital to U.S. firms. Washington encouraged American banks to assume the debts of European creditors to minimize the influence of European rivals. For almost 100 years, Washington used diplomacy to advance its economic interests through initiatives promoting U.S. regional trade and investment, such as the Big Brother policy in the 1880s, "dollar diplomacy" in the early 1900s, and the Alliance for Progress in the 1960s.

The United States also built a regional institutional architecture to advance its agenda. In 1948, it created the Organization of American

States (headquartered in Washington, D.C.) to promote regional security and cooperation. American influence ensured that the OAS remained silent on, or even legitimized, various U.S. military and political interventions in Latin America. Other development institutions, including the IMF, the World Bank, the Inter-American Development Bank, the U.S. Agency for International Development, and the Export-Import Bank of the United States, also advanced U.S. interests. Through “tied aid,” such organizations required sponsored projects to hire U.S. vendors. The IMF, as Galeano has argued, was “born in the United States, headquartered in the United States, and at the service of the United States.”

Another regional hegemon, Japan, pursued similar strategies in its empire that dominated the region in the early twentieth century. Vowing to eject the Western colonial powers, Tokyo declared itself the head of a “Greater East Asia Co-Prosperity Sphere.” To feed its industrial economy and military, Tokyo extracted raw materials from countries it conquered. To promote Japan’s centrality, and to prevent economic

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Southern Development Bank, which provided financial services and printed currency in occupied territories.

Similarly, in Eastern Europe after World War II, the Soviet Union relied on economic and financial statecraft to dominate the region. Moscow blocked all trade with Western Europe and forbade Eastern European states from accepting aid under the 1948 Marshall Plan. Instead, it created the Council for Mutual Economic Assistance to manage and integrate the regional economy. Soviet investment, trade agreements, and trade credits made Eastern European countries economically dependent on Moscow, both as their primary export market and as their supplier of raw materials and energy. And by selling raw materials at below-market prices, Moscow encouraged local political leaders to become dependent on its subsidies.

Economic dominance lets regional hegemons use economic coercion to advance their agendas. In Latin America, the United States has

long sought to coerce countries through sanctions. In addition to the long-standing (and failed) U.S. embargo of Cuba, Washington used financial pressure to weaken President Salvador Allende in Chile in the 1970s and embargoed Nicaragua to undermine the Sandinista government in 1985. Similarly, in Eastern Europe, Moscow sought to control independent-minded leaders, imposing sanctions against Yugoslavia in 1948, Albania in 1961, and Romania in 1964.

Beijing has already begun to employ such economic coercion. In 2017, China punished South Korea and the Japanese–South Korean business conglomerate Lotte for cooperating with the U.S.-built THAAD missile defense program. (Lotte had sold the land on which THAAD was deployed to the South Korean government.) Beijing banned Chinese tour groups from visiting South Korea, Chinese regulators closed 80 percent of Lotte supermarkets and other Korean-owned businesses (ostensibly for fire-code violations), and state-run media urged boycotts of Korean products. Beijing has also used economic coercion against Japan (banning the export of Chinese rare-earth metals to the country after a 2009 ship collision) and Norway (embargoing Norwegian fish exports after the Chinese dissident Liu Xiaobo won the Nobel Peace Prize in 2010). And in 2016, when Mongolia hosted the Dalai Lama, Beijing imposed extra fees on commodities moving through the country and froze all diplomatic activity—including negotiations about a \$4 billion Chinese loan. “We hope that Mongolia has taken this lesson to heart,” the Chinese foreign ministry said in a statement. Apparently it has: the Mongolian government has announced that the spiritual leader will not be invited back.

Such coercion will be less necessary in the future as leaders preemptively adjust their policies with Beijing in mind. Consider the Philippines: in the past, the country has stood up to China—for example, filing a complaint about Chinese territorial assertiveness with an international tribunal at The Hague in 2013. But more recently, Philippine President Rodrigo Duterte, who has received \$24 billion in investment pledges from Beijing, has warmed relations with China and distanced his country from the United States.

THE PURSUIT OF MILITARY HEGEMONY

Following the example of previous hegemons, China is also expanding its regional military reach. Since the 1990s, Chinese military spending has soared, and the CCP is modernizing weaponry and reforming its

military organizations and doctrine. The People’s Liberation Army (PLA) has adopted the doctrine of “anti-access, area denial” to push the U.S. military away from its shores and airspace. China has also built the region’s largest coast guard and controls a vast militia of civilian fishing vessels. In 2017, the PLA opened its first overseas military base in Djibouti; it will likely build more bases along the African east coast and the Indian Ocean in coming years. Meanwhile, in the South China Sea, China has built six large islands that house air force bases, missile shelters, and radar and communications facilities. Already, the U.S. military finds itself constrained by the expanding bubble of Chinese air defenses, by China’s growing ability to find and strike U.S. naval vessels, and by an increased missile threat to U.S. air bases and ports.

Beijing is using these capabilities to more forcefully assert its territorial claims. By transiting disputed waters and massing ships there, Beijing is pressuring Japan militarily over a cluster of small islands called the Diaoyu by China and the Senkaku by Japan. Elsewhere, to deny access to disputed areas, the PLA swarms fishing and coast guard vessels, and fires water cannons at other countries’ ships. Last summer, after asserting ownership of an oil-rich area in Vietnam’s exclusive economic zone, Beijing threatened to use military force if Vietnam did not stop drilling. Vietnam stopped drilling.

Contemporary China’s quest for regional military dominance follows the behavior of previous regional hegemons, including China itself. As the historian Peter Perdue has argued, modern China is a product of invasions that subdued all of modern Xinjiang and Mongolia, and reached Tibet, as well. Chinese dynasties, he has written, “never shrank from the use of force,” including the “righteous extermination” of rival states and rebels. Throughout Asia, Chinese military garrisons subdued invaders and pirates.

Subsequent hegemons dominated their regions through military force, too. Starting in the late nineteenth century, the United States began to build what would become the Western Hemisphere’s preeminent military. In that period, the United States acquired territory through numerous wars against Mexico and Spain. Over the next few decades (often to advance the United States’ commercial interests), U.S. forces invaded Latin American countries more than 20 times, most often the Dominican Republic, Haiti, Mexico, and Nicaragua. During the Cold War, the United States repeatedly used military

force to counter leftist movements in Latin America: it blockaded Cuba in 1962, sent troops to the Dominican Republic in 1965, mined Nicaraguan harbors in the 1980s, and invaded Grenada in 1983 and Panama in 1989.

Japan also built and maintained its empire through military force. Its nineteenth-century military modernization yielded stunning victories over China and Russia. Through these and other military campaigns, Japan seized territories such as Korea and Taiwan and wrested colonial possessions from France, Germany, the United Kingdom, and the United States. The Japanese military then administered the empire, fighting counterinsurgencies and suppressing independence movements.

In Europe after World War II, the Soviet Union dominated its sphere of influence with the region's most powerful army. It stationed troops in Czechoslovakia, East Germany, Hungary, and Poland. To shape the region to its liking, the Kremlin was willing to use force. It dispatched Soviet troops to quell uprisings in Hungary in 1956 and Czechoslovakia in 1968.

These hegemons did not tolerate the presence of rival great powers in their regions. Likewise, China today is chafing against the U.S. presence in Asia and actively working to undermine it. Chinese officials and defense white papers criticize U.S. alliances as outdated and destabilizing. Xi himself, calling for a new "Asian security architecture," has argued that these relationships fail to address the region's complex security needs. Meanwhile, by cultivating close ties with Seoul and encouraging the Philippines' tilt toward China, Beijing has sought to draw U.S allies away.

NOSY NEIGHBOR

Beijing is also interfering in the domestic politics of other countries. Citing China specifically, Canadian intelligence officials have warned of foreign agents who might be serving as provincial cabinet ministers and government employees. And in 2016, a scandal erupted in Australia after it was revealed that Sam Dastyari, a senator who had defended Chinese territorial claims in the South China Sea, had financial ties to a Chinese firm, prompting new laws banning foreign political donations.

Historically, regional hegemons have intervened extensively in domestic politics to support friendly governments and undermine parties and leaders perceived as hostile. Within China's tribute system, the emperor delegated the administration of subservient states to

local leaders, an approach known as “using barbarians to govern barbarians.” But local independence went only so far. As the sixteenth-century statesman Chang Chu-cheng said of such vassals, “Just like dogs, if they wag their tails, bones will be thrown to them; if they bark wildly, they will be beaten with sticks; after the beating, if they submit again, bones will be thrown to them again; after the bones, if they bark again, then more beating.”

Japan similarly intervened in domestic politics during its imperial heyday. In the Philippines, for example, it abolished all political parties except for the pro-Japanese one. Elsewhere, it delegated control to friendly local leaders and police, and trained such leaders at institutes in Japan. If officials in China, Korea, and Manchuria did not cooperate, Tokyo relied on a Japanese paramilitary organization that intimidated, blackmailed, and assassinated local leaders.

For its part, the United States meddled in Latin American politics countless times. Through the Roosevelt Corollary to the Monroe Doctrine, Washington claimed the right to intervene in its neighbors’ affairs. It relied on covert and overt, violent and nonviolent methods to support anticommunist leaders and to undermine or depose leftist ones. The U.S. diplomat Robert Olds explained the approach in blunt terms in 1927: “Central America has always understood that governments which we recognize and support stay in power, while those which we do not recognize and support fall.” During the Cold War, the U.S. military and the CIA funded, armed, and trained anticommunist forces throughout Latin America at institutions such as the U.S. Army School of the Americas in Panama. U.S.-trained forces sought to depose leftist governments in Cuba, Ecuador, El Salvador, and Nicaragua. Washington also supported coups in Guatemala in 1954 and Chile in 1973.

Moscow was similarly busy in Eastern Europe. After World War II, the Soviet Union installed communist parties in its neighbors’ governments, in which advancement depended on loyalty to Moscow. Under Stalin, Soviet secret police harassed, tortured, and murdered opposition leaders. After Stalin, the Soviets relied on subtler tactics, such as bringing foreign elites to train in communist party schools and to build networks with Soviet and regional politicians. Through the Brezhnev Doctrine, Moscow claimed the authority to intervene in its neighbors’ politics in order to defend socialism from hostile forces.

PLAYING HARDBALL FOR SOFT POWER

China today is seeking to increase its influence in East Asia and beyond through extensive educational and cultural activities. The media is central to this effort. The state-run media organizations Xinhua and the China Global Television Network have bureaus all over the world. Hollywood studios regularly seek Chinese funding for their projects, as well as distribution rights in China's vast market. Wary of offending the CCP, studios have started preemptively censoring their content. Censorship has also begun to infect the publishing industry. To gain access to China's vast market, publishers are increasingly required to censor books and articles containing specific words or phrases (for example, "Taiwan," "Tibet," and "Cultural Revolution"). Prominent publishing houses, including Springer Nature—the world's largest academic book publisher—have succumbed to Beijing's demands and are increasingly self-censoring.

Beijing also promotes Chinese influence in education. China has become the world's third most popular destination for foreign study, welcoming more than 440,000 students from over 200 countries in 2016. Many students receive support from the Chinese government. Overseas, in 142 countries, Beijing has created more than 500 Confucius Institutes to promote Chinese language and culture. A study by the U.S.-based National Association of Scholars argues that Confucius Institutes are decidedly nontransparent about their connections to the CCP. Their teachers must observe CCP restrictions on free speech and are pressured to "avoid sensitive topics," such as human rights, Tibet, and Taiwan.

The CCP also infiltrates college campuses abroad. Beijing enlists members of the 60-million-strong Chinese diaspora: at universities around the world, Chinese Students and Scholars Associations demonstrate in support of visiting Chinese leaders and protest the Dalai Lama and other speakers the CCP deems hostile. Beijing also monitors and silences Chinese critics abroad by mobilizing harassment on social media and by threatening their families back home. In Australia, concerns about Chinese interference and espionage at universities led intelligence officials to issue warnings about an "insidious threat" from foreign governments seeking to shape local public opinion.

Past regional hegemons similarly promoted their influence through culture and education, and by co-opting leaders of civil society. As the China expert Suisheng Zhao writes, "Chinese culture was seen as a

great lasting power to bridge periods of disunity and to infuse new governments . . . with values supportive of the traditional Chinese order.” China spread its language, literature, Confucian philosophy, and bureaucratic traditions to Japan, Korea, Vietnam, and other countries. Chinese emperors also followed the advice of one minister in the Han dynasty who proposed subduing barbarians with “five baits”: silk clothing and carriages, sumptuous food, entertainments and female attendants, mansions with slaves, and imperial favors such as banquets and awards.

U.S. hegemony in Latin America also relied heavily on soft power. In 1953, the U.S. government created the U.S. Information Agency, which, according to President Dwight Eisenhower, would show countries that U.S. objectives “are in harmony with and will advance their legitimate

Past regional hegemons promoted their influence through culture and education.

aspirations for freedom, progress, and peace.” U.S. TV stations started Latin American channels that broadcast American films and programs. The U.S. government built news agencies and radio stations and infiltrated or intimidated opposition media outlets. In Chile and the Dominican Republic,

for example, the CIA and the USIA engaged in an intense propaganda effort against undesirable political candidates, spreading misinformation and silencing opposition media.

Likewise, imperial Japan created the East Asia Development League to shape regional perceptions and guide the activities of Japanese people living in the empire. Tokyo controlled civil society by creating and infiltrating organizations such as youth groups, martial arts clubs, student unions, secret societies, and religious organizations. Its Greater East Asia Cultural Policy sought to eradicate Western culture. For example, Tokyo banned Coca-Cola on the grounds that it had been invented “to bring the people under the soul- and mind-shattering influence of the insidious drug, and so to make them more apt for Anglo-American exploitation.” Tokyo prohibited the use of European languages and established Japanese as the area’s official language, dispatching hundreds of teachers throughout Asia. Japan transmitted its culture through radio programs, newspapers, and comic books, as did cultural institutes that sponsored exhibitions, lectures, and films.

The Soviet Union secured its influence in Eastern Europe through extensive cultural activities. As the writer Anne Applebaum details in her book *Iron Curtain*, Soviet-backed communist parties took over radio stations and newspapers and intimidated or shut down independent media. The Soviets created influential youth organizations and co-opted writers, artists, and other intellectual leaders by offering well-paid jobs, lavish houses with servants, and free education for their children.

Moscow also created a vast organization known as VOKS (a Russian acronym for All-Union Society for Cultural Relations With Foreign Countries) to disseminate Soviet ideas and culture and bring Western intellectuals under communist influence. VOKS brought thousands of visitors to the Soviet Union and sponsored scientific research, film-making, athletics, ballet, music, and publishing. It also spent lavishly at international fairs and expositions—such as the Brussels World's Fair of 1958—to showcase Soviet technology and culture.

CONTEMPLATING LIFE IN CHINA'S ASIA

When examining China's current behavior in the context of previous regional hegemonies, some common themes stand out. First, economic interdependence has a dark side. Although interdependence raises the cost of conflict, it also creates leverage. China's centrality in regional trade and finance increases its coercive power, which Beijing has already begun to exercise. Second, history shows that regional hegemons meddle extensively in their neighbors' domestic politics. Indeed, Beijing has already begun to reverse its much-touted policy of non-intervention. As China grows stronger, its neighbors can expect Beijing to increasingly interfere in their domestic politics.

East Asian countries need to decide whether this is something they are willing to accept. In particular, Japan, the only country with the potential power to balance China, faces an important choice. Since World War II, Japan has adhered to a highly restrained national security policy, spending just one percent of its GDP on defense. For obvious historical reasons, the Japanese people are suspicious of military statecraft, and they worry about a lagging economy and the expense of caring for an aging population. They may decide to continue devoting their wealth to butter rather than guns.

This would be a perfectly valid choice, but before making it, the Japanese people should contemplate their life in China's Asia. Beijing

and Tokyo are already embroiled in a bitter territorial dispute over the Diaoyu/Senkaku Islands. To gain control of the islands, weaken the U.S.-Japanese relationship, and advance other interests, Beijing can be expected to use greater military and economic coercion and to meddle in Japanese politics. Beyond a hegemon's normal reasons to intervene, China harbors deep historical resentment toward Japan. Imagine if the United States had actually hated Cuba.

If Japan decided that Chinese hegemony would be unacceptable, its national security policy would need to change. The United States' global interests and commitments allow Washington to devote only some of its resources to Asia. It would not have the capability, let alone the will, to balance Beijing alone. Japan would need to become more like West Germany: a U.S. ally that, although outgunned and directly threatened by a hostile great power, mobilized substantial military might and was a true partner with the United States in securing its national defense.

Tokyo and Washington could use diplomacy to offer countries an alternative to Chinese regional dominance. To do so, they should look to a core group of maritime countries with similar values and overlapping interests—namely, Australia, India, New Zealand, and the Philippines. Other potentially interested actors, such as Indonesia, Malaysia, Singapore, and Thailand, should be welcomed, too. But the first step on this path is a Japanese—and broader East Asian—debate about the prospect of living in China's Asia.❸

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