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US Imperialism's pivot to Asia

- Features -

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In his second inaugural address, President Obama announced that after he withdraws combat troops from Afghanistan, the United States will be “ending a decade of wars.” On the very same day, the United States conducted three drone strikes in Yemen. In reality, Washington is now in a permanent state of “low-intensity” drone wars all around the world and is preparing, through what has been called the Pivot to Asia, to contain China. Obama is no pacifist. In his second term, he intends not to retreat from American imperial assertion but to strengthen it.

Obama is just as committed as his predecessor George W. Bush to the grand strategy of global domination that has aimed to incorporate all the world's states into a US-managed unipolar world order. Bush had hoped to lock in US supremacy by using 9/11 as an alibi to invade Afghanistan and Iraq on the way to further regime changes in Syria and Iran. His goal was to control what foreign policy wonks call the Greater Middle East, its energy reserves, and shipping and pipeline routes. The United States could thereby control potential peer competitors, like China, which rely heavily on fuel imports from that region. Bush also intended to establish permanent bases throughout Central Asia in order to encircle both China and Russia. The insurgencies in Iraq and Afghanistan wrecked these plans. Instead of securing US hegemony, the occupations backfired and in turn precipitated an imperial crisis. The Great Recession further accelerated the decline of US power.

In the wake of these strategic and economic disasters, the unipolar world order is being replaced by an asymmetric, multipolar world order. The United States stands out as the world's only superpower, but it now faces a major imperial rival in China and a host of regional ones including Russia, India, and Brazil among others. [\[1\]](#)

To address this predicament, Obama issued a new Defense Strategic Guidance in January 2012 entitled “Sustaining US Leadership: Priorities for the 21st Century Defense” that announced his “Pivot to Asia.” With this new policy, he is dramatically reorienting American imperialism on the region most experts predict will be the hub of twentyfirst century capitalism—the Asia Pacific. Obama continues to promise engagement with China to lure it into an international order under American hegemony, but his actual policies demonstrate an unmistakable shift toward containment of China as its principal imperial rival.

The rise of China

In the late 1970s, Deng Xiaoping led the Chinese Communist Party (CCP) to abandon autarkic state capitalism and instead adopt state-led capitalist development to produce for the world market. The CCP offered their state capitalist monopolies as well as foreign and domestic private capital boundless supplies of cheap Chinese labor. The success of this new development strategy has transformed China from an economic backwater into the new workshop of the world. On that basis, it has built itself into a new imperialist power. Thirty years ago, China's economy was smaller than the Netherlands. Now it has surpassed Japan as the second largest in the world, and is projected to eclipse the United States in the next couple of decades. It has now supplanted Germany as the largest exporter in the world system. While many multinational corporations use China as an export-processing platform, China has maintained and expanded its state monopolies, particularly its energy companies like Sinopec, to compete on an international scale. It has also required multinationals to share their technology with Chinese state and private corporations. As Jeffrey Bader argues, China has “provided a range of subsidies to domestic companies in order to build them into national champions. At the same time, it forced foreign investors to transfer technology, thereby reducing or eliminating their competitive advantage.” [\[2\]](#)

The CCP has thus developed Chinese capitalism into an exporting powerhouse. It now runs a trade surplus with most of the advanced capitalist world. It sustains, for example, an annual \$200 billion trade surplus with the United States. In the process, it has acquired an astonishing \$3 trillion in foreign currency reserves, including \$1 trillion in US Treasury holdings. In short, China has become the banker for the US government.

China has also become an economic hub for the world economy that now rivals the United States and the European Union. As the center of the Asian economy it is the principal trading partner for most of the region from Japan to South Korea and even its mortal enemy Taiwan. Its massive industrial expansion has driven it abroad in search of raw materials, oil, and natural gas to fuel its economy, as well as diversified markets for its products. It has thus created what it calls its "Go Out" strategy to increase its economic interconnections with nearly every corner of the world system. "

All over the world," writes Jack Chang, "from Latin America to the South Pacific, a cash-flush China is funding projects that others won't, seemingly less concerned by the conventional wisdom of credit rating and institutions such as the World Bank." [3] It has become the main trading partner of Latin America, as well as a principal source of capital investment in infrastructure to transport raw materials back to China.

Dambisa Moyo notes that China has also "become Africa's single largest trading partner, unseating the United States, which did US\$86 billion in Africa in 2009. According to Chris Alden, author of *China in Africa*, two-way trade between China and Africa grew from US\$10 billion in 2000, to US\$55 billion in 2006, to US\$90 billion in 2009." [4]

China has built a military to back up its newfound political and economic power. It has transformed the People's Liberation Army (PLA), which had suffered an ignominious defeat at the hands of Vietnam in 1979, into an increasingly modern army, air force, and navy capable of policing Asia.

Edward Luttwak estimates that Chinese defense spending has been increasing at more than 9 percent a year for over a decade—"a phenomenal rate of growth," he notes, "when military expenditures worldwide, including that of the United States, but for immediate war costs, have been mostly stagnating or declining." [5] In a study commissioned by the US Department of Defense, the Center for Strategic and International Studies (CSIS) predicts that "China's defense spending is projected to be on par with the United States at some point over the next 15 to 20 years." [6]

China's economic expansion and growing militarism serve an important ideological function to win consent from a restive working class and peasantry. China averages around 180,000 mass "incidents," a term that includes meetings, protests, and strikes each year over sundry grievances against employers and the state. To contain and divert this growing class anger and resistance, the CCP promises, like Ronald Reagan did, that economic growth will trickle down to the benefit of the masses. It also has turned to nationalism to deflect popular grievances on to rivals like the United States and Japan. "

The Chinese government pursued a two-prong strategy of economic growth and patriotism, argues Stratfor's Rodger Baker. "Economic growth required Beijing to expand its sourcing of commodities, moving China naturally onto the sea. Meanwhile patriotism tinged with anti-Japanese teaching, has come to pervade the education system and society." [7]

The competitive drive of capitalist development has forced the Chinese ruling class to become increasingly assertive in Asia and internationally. This is not the result of ideology but of the economic compulsion for the state to secure resources, develop markets, and open sites for investment for Chinese capital. China's new imperial assertiveness is a significant departure from its traditional strategy of pursuing a "peaceful rise."

Just like the rise of the United States, Japan, and Germany at the end of the nineteenth century produced conflicts with established imperial powers like Britain and France, China's rise has set it on a collision course with the United States and with regional powers in Asia. Despite their economic integration, the United States and China are at loggerheads over everything from the strength of the Chinese currency, the yuan, to violations of intellectual property rights, cyber security, and climate change, as well as over policies in Asia, the Middle East, and Africa.

Contradictions of the United States's China policy

US strategy toward China has undergone dramatic shifts from the Cold War to today. After Nixon's famous engagement with China in the early 1970s, Washington treated it as an ally against Russia. Once the Cold War ended and US-China relations resumed after the Tiananmen Square massacre, the United States celebrated a neoliberal honeymoon with China, using it as an export-processing platform for American multinationals. But that very policy has ironically helped turn China into a competitive rival.

US strategy has thus become plagued by a fundamental contradiction—it is economically integrated with its main international competitor, relying on Chinese credit to sustain the deficit and cheap labor to boost the bottom lines of US corporations. The American state has facilitated US corporations like Apple offshoring production to China, for example. On the other hand, the United States and its corporations are now increasingly coming into conflict with the Chinese state and capital. Expressing this conundrum, Hillary Clinton famously asked, “How can you get tough with your banker?” [\[8\]](#)

For a while the United States managed this contradiction with a policy of engagement, which it still verbally declares, but always paired it with a subordinate policy of containment. Aaron Friedberg has coined the neologism “congagement” to capture the contradictory nature of US strategy toward China. [\[9\]](#)

During the Clinton administration, when American engagement with China was at its height and his state department called it a “strategic partner,” the United States still sustained its military power throughout Asia as a deterrent to Beijing. It also staged the single largest military action since the Vietnam War in 1996 to block China's threat against Taiwan.

In reaction to China's increasing power, the Bush administration re-termed China a “strategic competitor.” It also found itself locked in a harsh standoff with Beijing over a collision between a Chinese fighter jet and an American spy plane over China. But after 9/11, Bush backed off his confrontational approach to seek China's support in the “war on terror.” He also advocated its entry into the WTO as a means to incorporate it into the world system.

China takes advantage of US decline

“Congagement” was viable as long as the United States was able to dominate a unipolar world order. Once the imperial and economic crisis led to the relative decline of American power, space opened up for China and other powers to become increasingly assertive throughout the world system. This development threw US-China policy into crisis. Sensing this moment, China has become increasingly assertive in Asia and around the world. The Washington Post's John Pomfret described China's leaders as expressing a “new triumphalist attitude.” [\[10\]](#)

While the US and European economies found themselves mired in a long slump, China's enormous stimulus

package sustained its ongoing double-digit annual growth rates. Its continuing boom also propped the tributary economies that export raw materials to China like Brazil, Argentina, Australia, and other Asian economies. With it seemingly becoming an alternative hub for the world economy, China escalated its "Go Out" campaign. It struck all sorts of trade and investment deals in Africa and even in the United States's own "backyard," Latin America.

China positioned itself as the self-proclaimed leader of the developing world in the Doha Round trade talks that began in 2001, and in various climate summits. This was always quite cynical, since China by this point was a major power in its own right, and in fact was already involved in numerous conflicts with other rising powers like Brazil, whose manufacturing base has been increasingly undermined by Chinese exports. Nevertheless, China hoped to expand alliances beyond those with nations outside the US orbit like Russia, Venezuela, Iran, Syria, and Sudan to include those with which it was economically integrated, like Japan among many others.

Japan for one flirted with shifting from its primary alliance with the United States to a balanced alliance with both the United States and China. In 2009, after the Democratic Party of Japan supplanted the country's main party of power, the Liberal Democratic Party, the new prime minister Yukio Hatoyama suggested this new balanced alliance. He broke with the ruling-class consensus to demand that the United States close its base on Okinawa and end its long-standing policy of using nuclear weapons in response to any attack on Japan. He even proposed a formation called the East Asian Community that specifically excluded the United States. [\[11\]](#)

The Obama administration did everything it could in response to prevent Hatoyama from implementing this drift into China's orbit. It blocked with the Japanese establishment against Hatoyama and used North Korea's submarine attack on the South Korean naval frigate Cheonan to pressure Japan to block with the United States and South Korea against China and North Korea. Hatoyama then resigned amidst a catastrophic drop in approval ratings, and his successor Naoto Kan returned Japanese policy to its traditional allegiance to Washington.

China's conflict with Asian states

In reaction to this failure of Chinese soft power in Asia, the CCP turned to hard power confrontations with various Asian states to assert China's control over strategic islands in the South China and East China Seas. Edward Luttwak identifies a

"veritable behavioral shift that became manifest in 2009–2010. There was a sudden change in tone and content of the Chinese declarations, which became sharply assertive on many different issues from monetary policy to the relevance of Western democracy. More strikingly, mostly dormant territorial disputes were loudly revived with India, Japan, the Philippines, and Vietnam" and all more or less at the same time, amplifying the effect. Actual incidents duly followed with the vessels or island outposts of Japan, the Philippines, and Vietnam, with successive episodes that have continued till the present." [\[12\]](#)

China asserted its territorial right to the Diaoyou islands against the Japanese claim to the islands, which they call the Senkakus. Driven by resource hunger and security concerns, China has asserted sovereignty over the islands and the surrounding waters. It wants to control shipping lanes, expand fishing territory to make up for the destruction of their coastal fisheries by overfishing and pollution, and claim rights to deep-sea drilling for oil and natural gas in waters around the islands. Japan for the very same reasons claims ownership over the islands.

Identical motives have driven China into conflict with Vietnam, the Philippines, and other nations over the Spratly and Paracel Islands as well as the Scarborough Shoal. In each case there have been semi-military clashes between China and the other nations. The logic behind the Chinese aggressiveness was to drive Asia's lesser powers into bilateral negotiations in which China would have the upper hand and be able to resolve the disputes on its terms.

Instead, most of these Asian states have tried to link with others states like Lilliputians to build a counterhegemonic alliance against the Chinese Gulliver. They have then appealed to their historic ally, the United States, to intercede on their behalf. Australia and Japan have played the vanguard role in this effort. Despite their economic integration with China, they fear that China is parlaying its economic power to assert its control over the region economically, politically, and militarily.

Australia, for example, issued a White Paper in 2009, *Defending Australia in the Asia Pacific Century: Force 2030*, that set out a strategy of increased military spending and alliance building in the region. It also called for the United States to counterbalance China's imperial assertiveness. It reached out to Japan to join it in this initiative. As a result, not only China but nations throughout the region are increasing their defense spending. As Bloomberg News points out, "Defense spending by China, India, Japan, South Korea, and Taiwan accelerated sharply in the second half of the last decade, and at \$225 billion in 2012 was almost double the amount of a decade earlier." [13]

The various Asian states and their capitalists are also beginning to organize what Edward Luttwak calls geo-economic resistance to China. Since they are dwarfed by China's military, especially its nuclear weaponry, these smaller states are beginning to resist China economically. For example, Japanese capital is becoming more nationalistic and beginning to rethink its integration with China. As Luttwak notes, "of all the Japanese, those most active in doing business in China are the least likely to support Japan's national subordination to the CCP." [14]

Japan's new prime minister Shinzo Abe has threatened to encourage Japanese capital to shift its investments out of China. Already, as Rodger Baker documents, in 2012 "total trade between China and Japan fell 3.9 per cent year on year, the first drop since the major financial crisis of 2009, with exports falling more than 10 per cent. Japanese foreign direct investment, although rising slightly for the year, saw a major falloff in the summer when tensions between the countries ran high." [15]

In another stunning example, Foxconn, which is owned by Taiwanese magnate Terry Gou, is reconsidering the wisdom of basing most of its factories in China. As Forbes reports,

"The big factor today" and the one no one thought about three years ago "is political. Beijing wants territory controlled by its neighbors and, as a result, China is getting itself into nasty scrapes, especially with Japan. Moreover, the Chinese have designs on the sovereign state of Taiwan, which they consider their province. For IT companies, China's friction with these two countries is a problem because many of their products rely on Japanese and Taiwanese components. [16]

What's at stake in the pivot?

The rise of China as an imperial power is thus becoming a threat to US dominion in Asia and globally, stoking conflicts between China and various Asian states, and even beginning to disrupt the economic integration of the region. Though the United States is by no means abandoning its efforts to secure its dominance in the Middle East, Africa, Latin America, and elsewhere, it is shifting the balance of its strategy toward the containment of China.

The stakes for US imperialism are high. One study argues the Asia-Pacific

"stands poised to become the centerpiece of the 21st-century global economy. In 2010, 61 percent of US goods exports and 72 percent of US agricultural exports worldwide went to the Asia-Pacific. By 2015, East Asian countries are expected to surpass NAFTA and the euro zone to become the world's largest trading bloc. Market opportunities

will only increase as the region swells by an additional 175 million people by 2030. With their economies maturing and populations expanding, the countries of the Asia-Pacific will thirst for more oil and natural resources—most transported by sea. Today, about 15 percent of oil traded worldwide and more than half of the globe's merchant fleet tonnage flow through the Straits of Malacca, Sunda, and Lombok, which funnel the raw materials of the Middle East and Africa into the booming East Asian economies. [17]

It is also becoming the center of growing military conflict. As the CSIS documents,

“The region is home to five of the eight states recognized as being in possession of nuclear weapons, three of the world's top six defense budgets, six of the world's largest militaries (i.e., United States, China, Vietnam, North Korea, South Korea, India), two conflict areas from the Cold War era (i.e., Taiwan Strait, Korea), continuing tensions between India and Pakistan, and territorial disputes stretching from the Northern Territories of Japan through the East and South China Seas and into South Asia. For four centuries, Asia has been the object of Western influence; now events in Asia are defining the security and prosperity of the world as a whole.” [18]

Imperial strength begins at home

There are several components to Obama's new strategy to restore American power against China. One key realization is that the United States can no longer allow its manufacturing base to dwindle. That has weakened the United States and strengthened China. Therefore Obama is attempting to “onshore” production (that is, entice manufacturing facilities back onto US soil) to restore America's competitive position in the world economy in general and specifically against China.

Obama is finding allies among American capitalists who are increasingly frustrated with China's restive labor movement, spiraling wage increases, persistent violations of intellectual property rights, and increasing cyber piracy. As the New York Times reports, “America's biggest global firms have been ballast in the relationship' with China, said Kurt M. Campbell, who recently resigned as Assistant Secretary of State for East Asia to start a consulting firm, the Asia Group, to manage commercial relationships. “And now they are the ones telling the Chinese that these pernicious attacks are undermining what has been built up over decades.” [19]

Obama is offering cheap, unorganized, and skilled American labor as a pivotal incentive for American reindustrialization. After three decades of class war on the US working class, wages and benefits are now the lowest in the advanced capitalist world. Obama's bailouts and austerity measures have further driven down the cost of labor. As a result, the Economist reports, “real wages in American manufacturing have declined by 2.2 percent since 2005.” [20]

By contrast, China's militant working class has driven up wages. Chinese workers are making five times what they were in 2000 and their wages are rising at 18 percent a year. American workers' wages, adjusted for productivity, are now only 2.3 times Chinese levels, down from 4.6 times in 2005. [21] As a result, America's workers are now actually competitive with workers in China when the cost of transporting goods across the Pacific is subtracted.

Obama has bent over backwards to offer further incentives for capital. Global warming be damned, he is implementing what the Brookings Institution calls a “Black, Gold and Green” energy policy [22] It argues for Obama to increase the extreme extraction of natural gas and oil, permit the construction of the Keystone XL and other pipelines, tax this new energy industry, and invest in developing green technologies so that US capital in that area can defeat their competitors in China and Germany. American capital will benefit with cheap and plentiful energy for new manufacturing plants.

Obama's onshoring policy is beginning to bear fruit. Surprisingly GE has led the way. Its former CEO Jack Welch had famously dreamed about putting factories on barges to escape any and all countries' unions and regulations. Now GE has opted to return much of its appliance manufacturing to the United States, investing nearly \$1 billion dollars in its Appliance Park facilities in Louisville, Kentucky.

GE CEO Jeff Immelt told the Financial Times that "three factors persuaded [GE] to bring production back to the US—the adoption of 'lean' manufacturing and design techniques that made the plant more efficient and took labor content out of production; the move to a two-tier workforce that means new employees are paid \$13 per hour compared to \$22 per hour for those employed before 2005; and \$17 million of government incentives." He also noted that by leaving China, GE could better protect its intellectual property rights on design and engineering, which Chinese capital has violated for decades. [23]

"GE is not alone in moving the manufacture of many of its products back to the US," writes Charles Fishman in the Atlantic Monthly. "The transformation under way at Appliance Park is mirrored in dozens of other places, with Whirlpool bringing mixer-making back from China to Ohio, Otis bringing elevator production back from Mexico to South Carolina, even Whamo-O bringing Frisbee-molding back from China to California." [24]

Ford, the Economist reports, "has brought back production from China and Mexico to Ohio and Michigan thanks to a new agreement with the UAW" for a two-tier wage structure. [25] Even Apple, perhaps the most outsourced company in the United States, has promised to onshore production of a line of its Mac Mini computers. Although in its earliest stages, Obama is intent on rebuilding America's industrial base. Combined with a weak dollar policy, Obama hopes to use this new manufacturing to increase US exports, cut into its trade deficit and debt, and thereby reassert its competitive economic position.

US builds an alliance against China

As it refurbishes its industrial base, Obama is welding several Asian powers together in a political bloc to contain China. America's key allies remain Australia, Japan, and South Korea, despite their economic integration with China. Since issuing its 2009 White Paper, Australia has worked hand in glove with Washington. Similarly, especially since the 2012 election that returned the Liberal Democratic Party to power and installed its leader Shinzo Abe as prime minister, Japan has struck a bellicose tone against China, and has called for the United States to back up its claims to the Senkaku/Diaoyou islands.

South Korea had until recently adopted a more balanced posture, drawn to China economically but dependent on the US militarily in its conflict with North Korea. After several North Korean nuclear and ballistic missile tests, however, South Korea has shifted decisively back to the United States. This new posture was solidified when right-wing nationalist Park Geun-hye, daughter of South Korea's last dictator, narrowly won the recent 2012 presidential election. She promises to be a loyal ally of the United States in its confrontation with China.

Beyond these states the United States possesses other traditional supporters. Thailand remains a steadfast ally as well as the Philippines. The United States has expanded its relations with Indonesia under the cover of the war on terror. It has also managed to pull India into its orbit. For much of the Cold War, India was nonaligned and if anything leaned toward the Soviet Union. With India's rising economic power, the United States has tilted away from its historic relationship with Pakistan, which it shares with China, to embrace India as its key political ally in South Asia.

Most surprising of all the new alliances Obama has forged is the one with Vietnam. The country had successfully liberated itself from the United States, went on to defeat China in 1979, and was an ally of Russia during the Cold

War. It only normalized relations with the United States in 1996, and has warmly received Obama's overtures because it needs a great power ally in its ongoing confrontation with China over the Spratly and Paracel islands.

The United States also wants to weaken China's hold on its own camp. For example, the United States dramatically ended its policy of isolating Myanmar (Burma) for decades. It established diplomatic relations and has encouraged the country to shift its economic and political allegiance to the United States and away from China. In response, Myanmar has already suspended its contract with Beijing to build a \$3.6 billion hydroelectric project on the Irrawaddy River that would have supplied power to China. [26]

Similarly, Washington is attempting to woo Cambodia into the US camp. China has bought Cambodia's loyalty with \$2.1 billion in aid over the last three decades. To disrupt this bond, the United States has begun to funnel money into Cambodia. In 2012, it distributed \$70 million in aid to improve health, education, governance, and economic growth. [27] In a sign of the importance of winning over the regimes in Burma and Cambodia, Obama visited them along with Thailand immediately after his victory in the 2012 presidential elections.

The United States also hopes to manipulate political schisms between various Asian states to further disrupt China's attempt to dominate Asia. In the conflicts between China and various Asian states over disputed islands, the United States wants to interpose itself as a mediator in the situation, establish itself as an ally of the lesser powers, and subject China to multilateral negotiations.

It is not doing this for any benevolent reason. As Robert Kaplan writes, "Nationalism in the South China Sea countries such as Vietnam and Indonesia" as well as countries further afield like India, Japan and Korea "may be the best basis for stitching together common interests in a loose, almost invisible network of like-minded and increasingly capable maritime states that are willing to deflect Chinese hegemony." [28]

The United States wants to manipulate the ongoing conflict with North Korea over its nuclear program, ballistic missile tests, and military skirmishes to retain allies like South Korea, which might drift out of the American camp given its primary economic relationship with China.

Finally, the United States aims to participate in all the multilateral bodies in the region like the Association of South East Nations (ASEAN), the Asia Pacific Economic Cooperation (APEC), and the East Asia Summit to build a multilateral system. The Chinese prefer to deal with each nation separately in bilateral negotiations; the United States aims to push in the opposite direction and tie China down in complex multilateral negotiations.

As a result of all these political overtures, the CSIS argues, "US alliance relations with Japan, South Korea, and Australia are at historic highs in terms of public opinion and government support; Singapore, Vietnam, and the Republic of the Philippines are all expanding defense cooperation and access arrangements with the United States; defense cooperation with India is increasing, though not in terms of access or presence. All of this is in part a response to recent Chinese assertiveness." [29]

An Asian NAFTA

Washington, however, knows that it cannot just use political alliances to disrupt the Chinese economic integration of Asia. It must also flex its own economic muscle to make its economy an alternative hub. It has already struck the US Korea Free Trade Agreement (KORUS) finally ratified in 2011. The Office of the Trade Representative of the United States declared that this trade deal "is a model for trade agreements for the rest of the region, and underscores the US commitment to, and engagement in, the Asia-Pacific region." [30]

The United States has been hard at work to expand on this precedent with a region-wide trade deal—the Trans-Pacific Partnership Agreement (TPP). Right now the TPP includes eleven countries—the United States, Australia, Peru, Brunei, Chile, Malaysia, New Zealand, Singapore, Vietnam, Mexico, and Canada. The TPP excludes China. Japan's newly elected prime minister Shinzo Abe is expected to announce that his country will soon join negotiations for the TPP.

The United States has of course pushed for traditional neoliberal terms in the pact that are designed to benefit American capital and shred all sorts of social welfare protections among its Asian signatories. A new study of TPP negotiations by Doctors Without Borders/Médecins Sans Frontières reports the United States is pushing to “enhance patent and data protections for pharmaceutical companies, dismantle public health safeguards enshrined in international law and obstruct price-lowering generic competition for medicines.” The result could be restrictions on access to affordable generic medicines for millions of people. [\[31\]](#)

The CSIS underscores the imperialist nature of these negotiations when it declares that the TPP “could form a sustainable trans-Pacific trade architecture that sustains US access and influence in the region. The US hopes eventually to transform this into its own trade block, the Asia Pacific Free Trade Agreement. If it secures this, it would be the biggest trade deal since NAFTA.” [\[32\]](#)

Military encirclement of China

To buttress American political and economic initiatives, the Obama administration is engaged in a dramatic increase in the US military presence in Asia and the Pacific. Until recently, the US Pacific Command (PACOM) had based its force deployment on templates left over from the Cold War. The United States now wants to disperse these forces throughout the region, establish bases and military relationships with as many countries as possible, increase arms sales to allies, and increase its naval presence in the strategic shipping lanes that connect Asia to the rest of the world economy. The United States thus intends nothing less than the military encirclement of China.

There are already 320,000 US military personnel stationed on bases throughout Asia from its “unsinkable aircraft carrier,” Japan, to Korea and Guam, among others. In the Philippines, the United States has deployed thousands of trainers (a.k.a., soldiers) from the Joint Special Operation Task Force as part of the war on terror against Abu Sayyaf. It has also sent two new cutter ships to the country to aid it in patrolling the islands it contests with China.

And Washington wants to increase the number of bases in the region. It plans to relocate significant numbers of troops now based in Okinawa, Japan, to Guam, Hawaii, and Australia. The proposed redeployment of eight thousand marines to Guam is particularly significant. It will add a major new base that is only three hours' flight time from the Asian coastline.

The United States has also established new military rights in Singapore. This city-state is strategically situated in the Strait of Malacca, through which 90 percent of China's seaborne energy is shipped. “Singapore has emerged as the fulcrum for US defense engagement in Southeast Asia,” notes a CSIS report. “In early 2012, Singapore agreed to host four US littoral combat ships at Changhi Naval Base where naval facilities already are in place to berth a US aircraft carrier. . . . The US Navy has come to rely heavily on Singapore as a logistics hub in Southeast Asia, particularly for fuel.” [\[33\]](#)

The United States has also opened a new base in Darwin, Australia, that will eventually host twenty-five hundred marines. “This is all about the rise of China, the modernization of the People's Liberation Army and, particularly, it's about the increased vulnerability of US forces in Japan and Guam to the new generation of Chinese missiles,”

argues Alan DuPont, the Michael Hintze Professor of International Security at Sydney University." The new Chinese missiles could threaten them in a way they've never been able to before, so the US is starting to reposition them to make them less vulnerable. Australia's 'tyranny of distance' is now a distinct strategic advantage." [34]

The United States will now deploy 60 percent of its naval ships in the region. As Michael Klare argues,

"For China, all this spells potential strategic impairment. Although some of China's imported oil will travel overland through pipelines from Kazakhstan and Russia, the great majority of it will still come by tanker from the Middle East, Africa, and Latin America over sea lanes policed by the US Navy. Indeed, almost every tanker bringing oil to China travels across the South China Sea, a body of water the Obama administration is now seeking to place under effective naval control." [35]

The United States is also increasing weapons sales to its allies in the region. Various Asian states alarmed by China's assertiveness and North Korea's nuclear missile capacity have sought to purchase weapon systems from the United States, which is happy for the business, and which fits neatly in its plans to encircle China. In just one example in 2012, Washington approved the \$421 million upgrade of Japan's Aegis missile defense system, which is nominally designed to neutralize any launches from North Korea, but it can also do the same toward any Chinese missiles. [36]

In 2012 alone, Reuters reports, "sales agreements with countries in the US Pacific Command's area of activity rose to \$13.7 billion in fiscal 2012, up 5.4 percent from a year before." They predict "US sales of warplanes, anti-missile systems and other costly weapons to China's and North Korea's neighbors appear set for significant growth amid regional security jitters." [37]

The United States intends these recipients of US arms to take up more responsibility in containing China. Thus the United States is encouraging Japan under Abe to end its constitutional ban on collective self-defense. The American military is also dramatically increasing its military-to-military relationships throughout the region. Obama terminated the ban on US forces engaging with the dreaded Indonesian special operations forces (Kopassus), which was responsible for sundry crimes against the people of East Timor. Washington has also established relations with the Vietnamese military, including engaging in joint naval exercises in the South China Sea. [38]

These exercises with Vietnam are only the tip of the iceberg. In 2012, the United States conducted the massive Cobra Gold military exercise with Thailand, Korea, Japan, Singapore, Indonesia, Malaysia, and observers from more than twenty other nations, including Myanmar. The exercise included more than twenty thousand soldiers. [39] It conducted similar naval exercises with Japan and South Korea. And now, astonishingly, India conducts more exercises with the United States than any other nation. [40] These exercises effectively integrate the region's militaries with the United States, ensure interoperability, and bring them into America's military encirclement of China.

China resists containment

Unsurprisingly, Obama's pivot has triggered a hostile reaction from China. "If you are a strategic thinker in China," states Simon Tay of the Singapore Institute of International Affairs, "you do not have to be a paranoid conspiracy theorist to think that the US is trying to bandwagon Asia against China." [41] In response, as the CSIS documents, China has developed "counter-containment strategies aimed at weakening US alignments with other states in the region and involve instruments that range from trade agreements and diplomacy to bribery and individual coercion." [42]

China's incoming president, Xi Jinping, is particularly close to the nationalist wing of the Chinese military. As Michael Klare reports, "Xi has made several publicized visits to assorted Chinese military units, all clearly intended to demonstrate the Communist Party's determination, under his leadership, to boost the capabilities and prestige of the country's army, navy, and air force. He has already linked this drive to his belief that his country should play a more vigorous and assertive role in the region and the world." [43]

China is working hard to solidify its allies and attempt to draw others into its camp. It hosted the Shanghai Cooperation Summit in 2012 to consolidate relations with existing members of the group that include Russia, Kazakhstan, Kyrgyzstan, Tajikistan, and Uzbekistan. While it is oriented on consolidating relationships among China, Russia, and Central Asia, China went out of its way to invite Iran as well as India and representatives from ASEAN. Obviously China continues to deny the United States either membership or observer status.

China also wants to stop the United States from using North Korea as an alibi to justify its pivot. Thus China joined the United States to support new sanctions against Kim Jung-un's regime in the United Nations. Far from signaling some new spirit of political cooperation, this move is intended to undercut one of the key justifications for the military encirclement of China.

China has countered Obama's pursuit of TPP with various bilateral trade and multilateral trade deals to ensure that it and not the United States continues to be the economic axis of the Asia-Pacific. It is currently pressuring South Korea and Japan to enter into bilateral and potentially trilateral trade negotiations. [44] It has also proposed the Regional Comprehensive Economic Partnership (RCEP) as an alternative to Obama's TPP. It includes China, Australia, Japan, India, South Korea, New Zealand, and the ten ASEAN member countries. Not by accident, the RCEP excludes the United States. [45]

In response to Obama's military escalation, China has expanded its military budget and increased its capacities, and has announced that it will be continuing its doubledigit annual increases in its defense budget, promising a 10.7 percent rise in 2013. [46] China has also acquired its first aircraft carrier, the Liaoning, and further expanded its stealth fighter program as well its anti-satellite capabilities.

According to the CSIS, China's military strategy and investment focuses "on capabilities that now pose potential threat to the United States and its allies and partners: submarines and anti-ship cruise or ballistic missiles to deter US aircraft carriers, modern fighter aircraft and surface-to-air missiles to counter US air superiority, electronic warfare to weaken US information superiority, and theater-range weapons (medium-range ballistic missiles and land attack cruise missiles), all in response to US bases and alliances in the region." [47]

The scramble for Asia

China's increasing imperial assertiveness has triggered growing conflicts throughout Asia that Obama's pivot has in turn exacerbated. Three conflicts in the region could precipitate military confrontations in the region. First, the United States continues to use its standoff with North Korea over its nuclear and ballistic missile program as an alibi for its aggression in the region. But its sanctions and belligerence has only served to provoke Kim Jung-un's regime to conduct more tests. This has enabled the United States to pressure China to endorse UN sanctions on the North's banks, a mortal economic threat to an already destitute regime.

In response, Kim Jung-un has threatened nuclear strikes on the American forces on the peninsula and has suspended its non-aggression pact with South Korea, whose officials in turn threatened, that "If Pyongyang attacks the South with a nuclear weapon, the regime of the North Korean leader Kim Jong-un, will be erased from the

earth.” [48]

The disputes between China and various powers over islands in the South and East China Seas could similarly provoke escalating hostilities. Despite their almost complete economic interpenetration, China and Taiwan continue their hostile relations. China claims the island as a renegade province. In turn, Taiwan has flirted with declarations of independence. The United States meanwhile continues to arm its ally Taiwan. The Taipei Times warns that the conflict between China and Taiwan “could throw US-China relations into a tailspin this year.” [49]

The scramble between the United States and China over Asia is thus bringing a growing number of conflicts to a fever pitch. The danger is that even a small military skirmish could detonate larger clashes with states invoking mutual self-defense treaties that require their allies, including the United States, to join the fray. As former Australian prime minister Kevin Rudd contends, “The region increasingly resembles a 21st-century maritime redux of the Balkans a century ago—a tinderbox on water. Nationalist sentiment is surging across the region, reducing the domestic political space for less confrontational approaches. . . . In security terms, the region is more brittle than at any time since the fall of Saigon in 1975.” [50]

Interimperial rivalry in the twenty-first century

Contrary to neoliberal fantasies, globalization has not brought an end to conflicts between nation-states. While the United States remains the world's preeminent power, it is in relative decline against its rising and potential peer competitor, China. Thus, capitalism continues to stoke interimperial rivalries over dominance in the world system. But this growing rivalry is unlikely to produce any large-scale war for two key reasons. First, the extreme degree of economic integration among the United States, China, and the entire Asia-Pacific tends to pull the powers back from confrontation. Second, because many of the powers involved in the scramble for Asia have nuclear weapons it deters conflicts from degenerating into shooting wars. Nuclear warfare threatens the respective countries in war with annihilation.

This nuclear deterrent will tend to lead states to avoid military confrontation and instead engage in geo-economic struggle. They will punish each other through political and economic means, thereby pulling apart the economic integration globalization has wrought. Despite these two countervailing forces, it is easy to imagine the sharp tensions exacerbated by Obama's pivot producing at least small-scale clashes. The extreme nationalism being fostered by ruling classes from one end of the region to the other, including the United States, where China-bashing has become de rigueur in the political establishment, will exacerbate the drift toward such increasing conflict. The hope amidst this horror is the potential for the working classes and peasantry already in struggle across the region to develop the organization and consciousness to build international solidarity in the fight against imperialism and the capitalist system that breeds it.

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