Book reviews on global economy and geopolitical readings
Asia’s Cauldron: The South China Sea and the End of a Stable Pacific


“Europe is a landscape; East Asia a seascape. Therein lies a crucial difference between the twentieth and twenty-first centuries”

“The South China Sea, whether in peace or in war, allows one to imagine the world as it is, and as it is to become. It is a nervous world, crowded with warships and oil tankers, one of incessant war games without necessarily leading to actual combat.”

Summary

Over the past decade, the centre of world power has quietly moved from Europe to Asia. With several billion barrels of oil reserves, some 900 trillion cubic feet of natural gas, and sovereignty claims dating back centuries, Robert D. Kaplan describes the South China Sea as a simmering hotbed of potential conflict. The undocumented military escalation in the sea where the Western Pacific meets the Indian Ocean means it is likely to be a focus of global war or peace in the near future. In his book Asia’s Cauldron, Kaplan provides a snapshot of the nations surrounding the South China Sea and the regional conflicts that are bubbling under the surface. He discusses the implications for global peace and stability; and, of course, the future of America’s Asian interests when faced by an increasingly confident China.

Kaplan explains how the unique geography of the region encourages the growth of navies while preventing actual aggression. He draws a parallel between China’s search for hegemony in the South China Sea and America’s imperial adventures in the Caribbean over a century ago. To understand the future of conflict in East Asia, Kaplan argues that we must understand the goals of its leaders and peoples. In Asia’s Cauldron, Kaplan uses a narrative that reads like a travel book as well as a geopolitical essay to explain the realities and geostrategic claims of the main countries and their most thriving cities: from Vietnam (where capitalism fuelled by Saigon inspires government manoeuvres in Hanoi) to the Philippines (where a different brand of authoritarianism, under Ferdinand Marcos, led to decades of crime and corruption rather than economic growth).

After analysing the various realities and their relationships with China, Kaplan is probably correct in concluding that it is unlikely that these intractable claims will
inevitably lead to military confrontation between Washington and Beijing in the near future. But to avoid such a confrontation, it will be necessary to recognise the end of American hegemony in the region and a re-balancing of power in line with current realities. Kaplan argues that we may see a ‘Finlandisation’ of Southeast Asia, similar to the pressure applied by the Soviet Union on Finland during the Cold War. That is, the regional nations will preserve their independence, but the main rules of maritime sovereignty will be decided by China.

The author

Robert D. Kaplan is a journalist, political analyst, and writer, having authored bestsellers such as The Revenge of Geography, Monsoon and Balkan Ghosts. He was a correspondent for The Atlantic for over 25 years and in 2012 joined the intelligence firm Stratfor as head of geopolitical analysis. His theories have led him to collaborate in the field of national security with the US government and between 2008 and 2011 he served as an advisor to the Secretary of Defense Robert Gates. In 2008 he was also appointed principal researcher at the Center for a New American Security in Washington. He has appeared in as one of Foreign Policy’s top 100 global thinkers.

Key ideas and opinion

Internationally, multipolarity is already a feature of diplomacy and economics. But to Kaplan, the South China Sea will teach us how multipolarity works in military terms. For that reason, following his book The Revenge of Geography, in which Kaplan argues that the fate of nations is determined largely by their geography, the author now publishes Asia’s Cauldron. News stories about the conflict in the South China Sea seem to appear daily – and in this context, Kaplan attempts to offer a geopolitical guide to a corner of the world that will affect us all in the coming years.

The Chinese Caribbean

The stability of the land borders of East Asian nations, for the first time in centuries, has enabled these countries to focus on sovereignty claims in the sea. Kaplan underlines that modern nationalism is, in fact, new for these nations, leading power politics to dominate the region. Defence spending in the region has moved beyond the stage of ‘non-threatening’ (characterised by building capacity and modernising) and moved into the phase of ‘action-reaction’, in which several coastal countries compete in an increasingly heated arms race.

According to the author, this new arms race in Asia, and the associated dynamics of regional security, will be much more complex than those that characterised the bipolar Cold War. As there are more points of interaction, it more likely that some error of calculation will lead to instability. Kaplan points to the fervour of nations in the region
for buying submarines – because surface warships are too vulnerable to missiles. China already has 60 submarines and will have 75 available in the coming years, thereby overtaking the United States. Meanwhile, India, South Korea and Vietnam have plans to acquire six new submarines before the end of this decade. Singapore, Malaysia and Indonesia will also soon buy two more each. None of this escapes the attention of the United States, which, in the words of Kaplan, technically has its sea and air forces distributed across half of the earth's surface, but its main focus is on counterbalancing China.

In analysing the strategic effects if China were to become the dominant military power in the South China Sea, Kaplan draws a parallel with the American experience in the Caribbean. He recalls that the United States, at an earlier stage of development than China today, sought to dominate the Caribbean, which it saw as within its sphere of geopolitical interest. The key geographic factor was that the Caribbean was close to America but far from the major European powers of the time, in the same way that the South China Sea is near China but far from America and other Western powers. As the Caribbean Sea was seen as a natural maritime extension of the United States, it was also the region most vulnerable to attack from European countries. American military development in the Caribbean was accompanied by economic hegemony, with the granting of loans in what was known as ‘dollar diplomacy’ and the regulation of regional currencies. Countries were pressured into adopting the gold standard and ensuring that their currencies could be easily converted to dollars. Similarly, today the great strategy of China is to weaken American involvement in the South China Sea and ensure regional hegemony.

The differences between the two contexts, however, are obvious. First, the Caribbean countries in the early twentieth century were unstable, volatile, and rickety. This is not the case of the countries bordering the South China Sea, which are strong – with the exception of the Philippines and Indonesia. Moreover, the constant interventions that characterised political life in the Caribbean in the early twentieth century are scarcely a factor in the South China Sea. However, Kaplan emphasises the similarities: both are marginal seas, seen as extensions of the continental United States and China. America became a world power when it won undisputed power over the Caribbean. Similarly, Chinese dominance over the South China Sea would increase the influence of its naval and air power throughout the navigable section of Eurasia. In other words, the South China Sea is a major node of global power politics, and is critical in maintaining the balance of world power.

The map of countries

In the South China Sea arms race, China is widening the gap with its neighbours and may reproduce the dominance achieved by America in the Caribbean. However, this really only describes the general features of the political, economic and cultural map of the South China Sea. To fill the map with more detail, you need to descend some
10,000 metres to ground level and enter the key nations in the region: Vietnam, Malaysia, Singapore, the Philippines and Taiwan.

The first chosen by Kaplan is Vietnam. The author emphasises that the Vietnamese are moving towards the first world economically, for their own good, but also to preserve their independence from an equally dynamic China. Vietnam has been a country of great political importance since ancient times. It now boasts a middle-income economy, with the thirteenth largest population in the world, a long coastline at the crossroads of major shipping routes and near offshore energy reservoirs. With one-third of the population living on the coast, and a maritime sector representing half of its GDP, Vietnam has become the principal actor in South China Sea disputes and has reasserted sovereignty over the Paracel and Spratly islands since at least the seventeenth century. Paraphrasing a senior American official, Kaplan says that if China imposes its will on Vietnam, then China will have won the battle in the South China Sea. Nothing better illustrates the desire for Vietnam to become a major regional player than the recent purchase of six latest-model Russian submarines. After interviews with defence experts in the region, Kaplan says that this purchase represents an attempt to impress and show that Vietnam means business.

In July 2010, a strategic partnership between the US and Vietnam was announced in the Hanoi ASEAN (Association of Southeast Asian Nations) Forum. This agreement, which for the United States symbolised its national interest in the South China Sea and its determination to participate in multilateral efforts to resolve the sovereign disputes in the South China Sea, was described as “virtually an attack on China” by Chinese Foreign Minister Yang Jiechi. However, Kaplan suggests that Vietnam has in no way broken ties with China nor thrown itself into the arms of America. Vietnam is too dependent and interconnected with China for such a move. While the United States is the main export market for Vietnam, most Vietnamese imports come from China: from cotton, machinery, fertilisers, and pesticides, to leather, electronics and various consumer products. The Vietnamese economy would not work without China. In any case, for Kaplan, the fate of Vietnam, and its ability to avoid a ‘Finlandisation’ by China mostly depends on the ability of America to project power in the Pacific in the century ahead.

As for Malaysia, Kaplan notes that the country receives US training, funding for radar equipment, and is implicitly protected against China by 50 annual visits by American warships, compared to six visits in 2003. Nonetheless, the author observes that Malaysia wants to avoid conflict with China. Malaysia tends to explain its peaceful relationship with China by recalling the intimate relations between the Ming Dynasty and the port of Malacca in medieval times and the beginning of the modern era. But the truth, according to Kaplan, is that Malaysia is so immersed in internal contradictions that it cannot focus on an external threat, especially a somewhat vague and intangible threat. A rising China is favoured by ethnic Chinese Malaysians,
while a rising India is favoured by ethnic Indians. Meanwhile, most Malaysians, because of insecurity linked to an emerging China, have been moving towards the Arab-Muslim world. For Kaplan, this diffuse or even scattered sense of national identity is explained by the fact that the country was never unified, not even under the British.

Singapore does have the ability to face China (with only 3.3 million inhabitants, it has an air force the same size as Australia’s, with a population of 23 million). In addition, the country is not afraid to mobilise its capacity. As one defence official in Singapore remarked: “There are only three developed countries in the world that are very serious about national service – South Korea, Israel, and us.” And Singapore, like Israel, has decided to leapfrog its region. Faced with a hostile Malaysia and Indonesia, not to mention the hostility of the communist regimes in China and North Vietnam, Singapore has established ties with the United States, Europe, and Japan by becoming a generous host to multinationals – which in the radical late 60s was condemned as Western colonialism in disguise. However, Singapore, in the author’s opinion, faces a special handicap because of its smallness. Kaplan notes that while China is a geographical concept, the United States is a geopolitical one. For this reason, Kaplan concludes that although the country has military capabilities and motivation, it is too small to deal with China.

The Philippines has few cards to play, despite its inflammatory statements. For Kaplan, there may not be another large nation in the world that has enjoyed such continued political, military, and economic investment over many decades by the United States. And there may be no other nation where that investment has produced so little effect. The author emphasises the huge corruption and the dysfunctional Philippine economy; unlike the standard economic model in Asia, where countries export some 75% of their production, the Philippines only export 25%. In addition, this production is mainly composed of low value electronic products, bananas, and coconuts.

Kaplan adds that the nation also faces a geographical dilemma – the need to protect 35,000 km of coastline. The sea is the main economic resource of the Philippines, from fishing to energy exploration. The Philippines import all its oil by sea, so the potential loss of access to the South China Sea is a national security nightmare for Manila. What’s more, China’s geopolitical influence on the Philippines is increasing, among other reasons because China is its third largest trading partner. Moreover, the internal threats the island nation constantly faces as a result of its religious and ethnic diversity make it especially vulnerable to encroachments upon its sovereignty by China. In the author’s opinion, this means that after 115 years of experience in dealing with the Philippines, the United States continues to face a difficult challenge: how to stabilise and prepare the defence of a large, populous country that can barely take care of itself.
Finally Kaplan analyses Taiwan, straddling the bottleneck at the top of the South China Sea. Taiwan controls access between south-east and north-east Asia, the two conflicting security systems on the Pacific coast. The north-east depends on the south-east because most of its energy comes through the South China Sea. For the author, Taiwan plays a role in Asia similar to that of Berlin during the Cold War. Taiwan represents a bastion of freedom compared with mainland China, as well as being a barometer of the political and military situation throughout the Western Pacific. If Taiwan’s de facto independence were severely threatened by China, American allies (from Japan to Australia – and including all the countries around the South China Sea) would quietly reassess their security positions and might well settle, in the face of Chinese ascendancy. Taiwan, similarly to West Berlin in the Cold War, is combative, as its occupation of the Pratas and Taiping islands shows. However, given the current prosperity of Taiwan, Kaplan asks if the Taiwanese would fight for independence, or accept being absorbed by China if their freedom and living standards were guaranteed. When he put this question to defence officials in Taipei, he was told that they are designing a strategy that would prevent such questions from having to be answered. At the same time, Taiwan is currently strengthening its military capabilities so that mainland China might consider the use of military force as unthinkable.

The natural state

China and the United States are two great powers with conflicting interests in the Western Pacific. While experts in Beijing’s universities and institutes seem reassuringly flexible in their positions, Kaplan reminds us that they are not in power (although they are members of the global elite). Those individuals in power are less flexible, and whether they are supporters of a harder or softer stance, those in power generally agree that “while China only defends, America conquers”. From their point of view, the United States is trying to keep Asia under control by arrogantly projecting its immense power. China sees the United States as an agitator in the South China Sea and believes that China must prevent this agitation. After all, China dominated the system of international relations in East Asia for many centuries with a system based on Confucian values, and these values created more harmony and fewer wars than the balance of power system employed in Europe. The West and the United States therefore have nothing to teach China about preserving the peace. Kaplan notes that there may be no remedy for this divergence of perceptions, based on different geographical realities. As a result, we return to the strategy of containment.

The old order of American multipolarity in the Pacific is slowly fading. For that reason, the United States calls for a new order built on international norms, and enforced by its warships – despite the fact that Washington has not signed the 1982 United Nations Convention on the Law of the Sea (although it adheres to the convention). China, meanwhile, has signed the convention but does not adhere to it, and prefers a regional order, saying it will make every effort to maintain this order. As China’s
naval power grows, the situation continues to evolve. According to Kaplan, it would be healthier for the US-China relationship (the most important relationship in the world, according to the author) if the Asian states themselves helped to balance Chinese rising military power, without relying too heavily on the US. The most obvious mechanism for this is ASEAN. Although the organisation is not like the EU, and China has been exploiting internal divisions in its favour, ASEAN has grown stronger over the years. This strengthening is intended to counterbalance China, but also reflects the evolution of Asian nations, which, boasting improved bureaucratic tools, are now able to project power – for the first time in their histories.

However, given the military capacity of the countries in the region, the idea that the United States could reduce its commitment in the Western Pacific may be feasible in the long term – but not in the short term. Although the author believes the United States must safeguard the maritime system according to international norms, he also notes that such an agreement must be more representative of the forces of power in the region. In fact, although Kaplan says that the loss of American dominance will produce a more complicated and stressful world, he also points out that a militarily stronger China does not necessarily lead to war. Paradoxically, this growing strength means that China can afford to wait and avoid resorting to force. For Kaplan, the goal of Beijing is not war, but an adjustment in the balance of forces that reinforces its geopolitical power and prestige.

For that reason, he says: “the South China Sea, whether in peace or war, allows us to imagine the world as it is, and how it will be. It is an anxious world that is full of warships and tankers, a world of incessant war games that do not necessarily end in actual combat.”