Regional End-States and Beyond: Asia-Pacific Views on the China-US Relationship and Regional Stability

Joel Petersson Ivre, Manpreet Sethi, and Frank O'Donnell

September 2024





ASIA PACIFIC LEADERSHIP NETWORK FOR NUCLEAR NON-PROLIFERATION AND DISARMAMENT

ABOUT THE AUTHORS



Joel Petersson lvre APLN Policy Fellow

Joel Petersson Ivre is a Policy Fellow at the Asia-Pacific Leadership Network. His research interest lies in Asia-Pacific security issues, with a focus on Chinese politics and foreign policy and nuclear issues on the Korean Peninsula. He received his Master's degree from Yonsei University's Graduate School of International Studies in East Asian Studies and International Security and Foreign Policy, and his Bachelor's degree in Chinese Language and Culture from Stockholm University. He has held internships at East Asia Institute in Seoul and Stockholm International Peace Research Institute.



Manpreet Sethi APLN Senior Research Adviser

Manpreet Sethi is Distinguished Fellow, Centre for Air Power Studies, New Delhi, and heads its programme on nuclear issues. She is also Senior Research Adviser at the Asia-Pacific Leadership Network. Since receiving her doctorate in 1997, she has worked on nuclear energy, strategy, missile defence, arms control, nuclear risk reduction & disarmament. She is author/co-author/editor of nine books and over 130 papers. Sethi lectures at National Defence College and other establishments of Indian Armed Forces, Police, Foreign Services, and Universities.

She is member of the Science and Security Board, Bulletin of Atomic Scientists; Co-chair, Working Group on Reducing Pathways to Nuclear Use at Belfer Center, Harvard University; and Women in Nuclear–India. She is also Board Member, Missile Dialogue Initiative, IISS.

Recipient of K Subrahmanyam award (2014), Commendation by Chief of Air Staff (2020) and Commendation by Commander-in-Chief, Strategic Forces Command (2022). She is member of International Group of Eminent Persons selected by the Prime Minister of Japan to explore possibilities of nuclear elimination.



Frank O'Donnell APLN Senior Research Adviser

Dr. Frank O'Donnell is a Senior Research Adviser at the Asia-Pacific Leadership Network, for Nuclear Non-Proliferation & Disarmament, and a Nonresident Fellow in the Stimson Center South Asia Program. With a particular specialty on Southern Asia, his areas of expertise include nuclear and conventional military posturing, arms control, nonproliferation, and national security policymaking processes. He was previously Deputy Director and Fellow in the Stimson Center South Asia Program, and has held postdoctoral research roles at the Fletcher School and US Naval War College. He has been a Stanton Junior Faculty Fellow and Associate at the Belfer Center for Science and International Affairs at Harvard University, an Assistant Professor (UK: Lecturer) at the Britannia Royal Naval College, and has held additional research positions at the University of Aberdeen and James Martin Center for Nonproliferation Studies. © 2024 Joel Petersson Ivre, Manpreet Sethi, Frank O'Donnell

This report is published under a 4.0 International Creative Commons License.

This publication was made possible by a grant from Carnegie Corporation of New York.

The authors wish to thank the participants of an APLN conference in Jakarta, May 2024, for providing the comments and perspectives that informed the drafting of this report. The authors are also grateful to Tong Zhao and Elaine Natalie for their comments and feedback. All remaining mistakes are those of the authors. The views represented herein are those of the authors and do not necessarily reflect the views of their affiliated institution(s), nor that of APLN, its members, staff, board, or funders.

Please direct inquiries to:

Asia-Pacific Leadership Network APLN Secretariat 4th floor, 116, Pirundae-ro Jongno-gu, Seoul, ROK, 03035 Tel. +82-2-2135-2170 Fax. +82-70-4015-0708 Email. apln@apln.network

This publication can be downloaded at no cost at **www.apln.network**.



Cover Photo: iStock

@APLNofficial

apln.network

f @APLNofficial

X @APLNofficial

The Asia-Pacific Leadership Network for Nuclear Non-Proliferation and Disarmament (APLN) is a network of political, military, and diplomatic leaders from countries across the Asia-Pacific tackling security and defence challenges with a particular focus on addressing and eliminating nuclear weapon risks.

Executive Summary

This report synthesises the findings of the Asia-Pacific Leadership Network's Asia Dialogue on China-US Relations. Based on interviews, writings, and interactions with policy practitioners and analysts from the Asia-Pacific, China, and the United States, the report analyses the preferences of regional actors as they pertain to regional stability.

The report frames these preferences in terms of what they reveal about the preferred end-states of regional actors; that is, the long-term roles they wish China and the United States would play in the region. While there can never be a definitive end-state in the region, since change is constant in international relations, the report uses the concept to frame discussions about policy goals of regional stakeholders. A key component of the different and often diffuse ways that experts think about end-states flows from their various preferences for major power primacy, defined here as "military, economic, and diplomatic pre-eminence."

The end-state preferences discussed in this report are US-China competition (when both major powers seek primacy); US dominance (when the United States seeks primacy and China is willing to concede it or unable to contest); Chinese dominance (when China seeks primacy and the United States is willing to concede it or unable to contest); and multipolarity or managed détente, where neither seeks primacy, and allows the other or several more states to also exercise strategic autonomy.

| | US seeks primacy | US concedes primacy |
|------------------------|----------------------|-----------------------------------|
| China seeks primacy | US-China competition | Chinese dominance |
| China concedes primacy | US dominance | Multipolarity, Managed détente |

Table 1: Preferred end-states for actors in the Asia-Pacific

Views on US primacy

There is a broad spectrum of regional perspectives on US primacy. Some actors see US primacy as an absolute positive force in the region, either because they hope that US dominance will contain concerning Chinese behaviour in the region, or because they hope to exploit the resulting China-US competition. Others, such as India, see US primacy as a useful means of realising a multipolar region. Conversely, some, such as Indonesia, take issue with US overreach in its pursuit of primacy, as it constrains their ability to choose and pursue their own economic policies. Meanwhile, additional actors, particularly in the Pacific, see the US pursuit of primacy at the expense of China as a dangerous distraction from climate change and other more urgent security goals from their perspectives.

Views on Chinese primacy

While states tend to welcome some degree of Chinese economic outreach, they carefully seek to balance its influence so that China does not dominate their bilateral relationships. China's claims that it seeks a peaceful rise and a multipolar region are met with two types of skepticism. The first type, represented by US allies and partners, is based on the suspicion that China is not acting in good faith, and they view its assertiveness over the Taiwan issue and other territorial disputes as evidence of this. The second type of skepticism is represented by regional actors with weaker security ties to the United States, who believe that China is engaging in good faith, but not necessarily with a firm understanding or consideration of its partners' interests.

Views of non-primacy end-states

Some actors seek a regional order that is not underpinned by the dominance of either China or the United States. However, their ideas of multipolarity differ from one another, as well as from that championed by China. India, for example, prefers to become one of the poles itself, and also supports the emergence of more such states in the Asia-Pacific. Indonesia sees itself as a pole through the strength of ASEAN. A multipolar end-state also holds appeal in other parts of the region, such as among South Korean progressives. Meanwhile, the Pacific Island states do not necessarily reject the notion that China and/or the United States should be dominant in their region, but they do express a preference for a managed, cooperative détente, rather than a competitive relationship that leads to militarisation and distraction from core Pacific interests.

Implications and recommendations

The report finds that there is no common preference for which end-state can best maintain regional stability. Actors often express preference for one end-state, while their actions seem (at least to others) to pursue a different end-state. The report explores the implications of the four end-states conveyed through project dialogues and research, and discusses the regional strategic approaches and trade-offs for avoiding conflict and promoting peace-building in each scenario.

| | US seeks primacy | US concedes primacy |
|------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| China seeks primacy | 2. How to avoid confrontation? | 1. How to accommodate policy preferences of US and allies in a China-led system? |
| China concedes primacy | 1. How to accommodate Chinese policy preferences in a US-led system? | 3. How to advance US and Chinese policy goals in a system organised around multipolar consensus? |

Table 2: Trade-offs for different end-states The discussion of end-states below follows their numbering in this table. This includes framing the outcome of one power conceding primacy to the other as a single end-state, as the recommendations are similar regardless of whether the United States or China is the hegemonic or lesser power respectively.

This report makes three types of recommendations for each end-state. More details are provided on pages 47-48:

Avoiding confrontation in a Unipolar end state where one has conceded primacy to the other

- Provide reassurance to the other major power that this end state will not be detrimental to its interests.
- Encourage regional states to improve security coordination amongst themselves in case of an end state where the state enjoying primacy is not their preferred partner.

Avoiding confrontation in a Competitive end state where neither is ready to concede primacy to the other

- Enhance understanding and empathy for each other's domestic political sensitivities that impinge on foreign policy.
- Accept primacy of different states across different dimensions such as economic, military, and diplomatic.
- Call for renunciation of use of force to change the territorial status quo.
- Enhance regional understanding and articulation of what is meant by "use of force," as guided through ASEAN-led dialogue.

Avoiding confrontation in a Multipolar end state

- **•** Foster trust through unconditional strategic dialogue to clear misperceptions.
- Entrust faith in multilateral dispute resolution mechanisms, and adherence to their outcomes.
- Enhance ties and connectivity across sub-regions of the Asia Pacific.



Joel Petersson Ivre, Manpreet Sethi, and Frank O'Donnell

Introduction

In recent years, relations between China and the United States have deteriorated precipitously. Wedges have been driven into their relationship by many issues, and as a consequence, nearly every bilateral issue has become securitised. Both countries increasingly cast the other as an adversary, as reflected in their national security documents, statements, and media.

Actions by the United States and China to address perceived threats are fostering mutual mistrust. These dynamics are exacerbating security dilemmas, widening a perception gap, and driving an arms race in the Asia-Pacific that threatens to devolve into open conflict with dire consequences for the region and beyond.¹ These conditions generate acute security concerns among regional countries. The deepening polarisation increases the risk of bloc confrontation, exacerbating regional tensions and instability.

No leader publicly supports this outcome. All leaders claim that regional stability is a public good benefiting everyone. When the US and Chinese presidents met in Bali in November 2022, President Biden emphasised that "competition should not veer into conflict", stressing the need for cooperation on transnational challenges because "it is what the international community expects."² Meanwhile, President Xi called for the relationship to get "back to the track of healthy and stable growth to the benefit of the two countries and the world as a whole."³ When the two leaders met again in San Francisco a year later, they reiterated the importance of regional stability, and briefly re-started military-to-military and arms control talks. These statements and initiatives took place even as deep disagreements remained, particularly on whether to characterise the relationship as one of competition.

¹ Tong Zhao, "The Perception Gap and the China-US Relationship", Asia-Pacific Leadership Network, February 6, 2023, <u>https://www.apln.network/analysis/policy-briefs/the-perception-gap-and-the-china-us-relationship</u>

² The White House, "Readout of President Joe Biden's Meeting with President Xi Jinping of the People's Republic of China," November 14, 2022, <u>https://www.whitehouse.gov/briefing-room/statements-releases/2022/11/14/readout-of-president-joe-bidens-meeting-with-president-xi-jinping-of-the-peoples-republic-of-china/</u>

^{3 &}quot;Commentary: Setting the Right Course for China-U.S. Relations," *People's Daily*, November 15, 2022, <u>http://en.people.cn/</u> <u>n3/2022/1115/c90000-10171446.html</u>

Asia-Pacific countries have also emphasised the importance of regional stability. Former Singaporean Prime Minister Lee Hsien Loong has reiterated that a full-on confrontation between China and the United States would have dire consequences for the region.⁴ At the 2022 Bali summit, Indonesian President Joko Widodo urged the assembled leaders not to "fall into another cold war."⁵ G7 leaders affirmed at the May 2023 Hiroshima summit that they were "prepared to build constructive and stable relations with China."⁶ The following month, Australian Prime Minister Anthony Albanese stressed the need for "guardrails" in US-China interactions.⁷

Yet, despite the recognition that regional stability is a public good, the United States, China, and other states in the Asia-Pacific do not think about it in the same way or treat it as such in practice. The sole agreed principle is that open conflict should be avoided. As the future of bilateral China-US relations looks uncertain, is it possible or even desirable to establish a broad consensus on regional stability? How do regional states envision that future, and how do they seek to arrest negative developments? How can the major powers take regional preferences into account in their policymaking? What can regional powers do, individually or collectively, to shape the actions and policies of the two major powers towards enhancing stability?

To address these questions, the Asia-Pacific Leadership Network (APLN) has conducted roundtables, interviews, and commissioned reports from senior regional experts and practitioners to elicit a broad range of views from across the Asia-Pacific region.⁸ The minimum consensus that open military conflict must be prevented still yields a multitude of preferences on how to advance this objective. We frame these preferences in terms of what they reveal about the preferred endstates of regional actors; that is, the settled long-term roles that they wish China and the United States would play in the region.

⁴ Lee Hsien Loong, "The Endangered Asian Century", *Foreign Affairs*, June 4, 2020, <u>https://www.foreignaffairs.com/articles/asia/2020-06-04/lee-hsien-loong-endangered-asian-century</u>

⁵ Yerica Lai, "Jokowi Opens G20 Summit with a Call for Wisdom, End of War." *The Jakarta Post*, November 15, 2022, <u>https://www.</u> thejakartapost.com/indonesia/2022/11/15/jokowi-opens-g20-summit-with-a-call-for-wisdom-end-of-war.html

⁶ The White House, "G7 Hiroshima Leaders' Communiqué", May 20, 2023, <u>https://www.whitehouse.gov/briefing-room/statements-releases/2023/05/20/g7-hiroshima-leaders-communique/</u>

⁷ Magdalene Fung, "Dialogue a Guardrail to Avert Disaster amid US-China Rivalry: Australian PM Anthony Albanese", *The Straits Times*, June 3, 2023, <u>https://www.straitstimes.com/singapore/australia-s-goal-in-boosting-defence-is-to-prevent-war-says-pm-albanese</u>

⁸ For this project, APLN has engaged over 50 experts and practitioners from China, the United States, and the Asia-Pacific region. Their views are quoted anonymously throughout this report.

These preferences are not always clearly articulated, and even where they are, there is often a difference between actions and the rhetoric. Some actors prefer a region where only the United States is dominant. Some – contrary to diplomatic rhetoric – prefer a region where China and the United States compete for their influence, while warily welcome some a degree of Chinese dominance. Many actors reject bipolar competition or unipolar dominance, and seek either a multipolar region where neither major power is dominant, or one where they can manage their competition through a détente. However, they hold widely different views on how to reach these various end-states. From this assessment, we make recommendations for how China, the United States, and regional actors can manage each end-state in order to avoid conflict.



President Joe Biden greets and poses for a photo with Chinese President Xi Jingping ahead of their bilateral meeting, 14 November 2022, at the Mulia Resort in Bali, Indonesia (Adam Schultz).

Overview of the China-US Relationship and Regional Stability in the Asia-Pacific

Before discussing end-states, we briefly survey how the China-US relationship is affecting regional stability in various sub-regions of the Asia-Pacific.



Figure 1: Map showing this project's conceptualisation of the Asia-Pacific and major sub-regions: Northeast Asia (light blue), South Asia (green), Southeast Asia (yellow), and the Pacific (pink).⁹

⁹ The project does not include Russia or Central Asia in its definition of the Asia-Pacific region.

Northeast Asia and **South Asia** suffer from territorial disputes; they also house the region's nuclear-armed powers; and either China and/or the United States are directly involved in flashpoints in both regions. Deterrence relationships around these nuclear-armed countries, often characterised as the most acute loci of future conflict in the region, are not bound by arms control agreements.

At an even more granular level, key countries in Northeast Asia, like Japan and South Korea, are generally accepting of US dominance through its "hub and spoke" alliance and partner network. They perceive extended deterrence as a stabilising force in the absence of an inclusive multilateral regional security architecture. For economic reasons, however, they remain intertwined with China.

By contrast, in South Asia, the US role is more diffused. Pakistan's strategic partnership with the United States has deteriorated, while India's relationship has improved. China has stepped in to provide infrastructure across the region, though its relationship with India is fraught with tension. Skirmishes between China and India have flared up along the Line of Actual Control (LAC) in the Himalayas. The region is home to some multilateral organisations and initiatives, such as the South Asian Association for Regional Cooperation (SAARC), but these remain defunct and have been unable to foster a sense of regionalism in South Asia. Overall, the roles that China and the United States play in South Asia are far less settled than in Northeast Asia, where the United States has acted as a provider of security and China as a provider of economic growth.

In **Southeast Asia** and the **Pacific**, the countries generally seek to stay more neutral amidst major power competition. They attempt to avoid taking sides and seek to balance major power influence through collective bargaining mechanisms. This tendency is more pronounced in the Pacific than in Southeast Asia, with the latter home to another regional flashpoint – the South China Sea – and two US allies, Philippines and Thailand. Nevertheless, the Southeast Asian region overall is characterised by stable relations between the ten states of the Association of Southeast Asian States (ASEAN), and a preference to hedge between China and the United States.

There are no direct emergent flashpoints between China and the United States in the Pacific, but the region feels the militarising effects of China-US major power competition nonetheless. The United States denies self-determination to several Pacific nations owing to colonial legacies. Australia, a core US ally in the region, and New Zealand, an important US partner, act as partners of the smaller Pacific Island nations. China has begun to seek a bigger role in the region and provide economic goods that the United States has been disinterested in providing. However, China has also begun to contribute to the increasing militarisation of the Pacific.¹⁰

¹⁰ See for example: Virginia Harrison and Prianka Srinivasan, "Mapped: The Vast Network of Security Deals Spanning the Pacific, and What It Means", *The Guardian*, July 9, 2024, <u>https://www.theguardian.com/world/article/2024/jul/09/pacific-islands-security-deals-australia-usa-china</u>

Exploring the concept of "end-state" in regional stability

Given the heterogeneous nature of the Asia-Pacific security landscape, points of agreement among security scholars are difficult to establish, beyond the basic observation that the China-US security dynamics affect regional stability negatively. In interviews, papers, and discussions with scholars from China, the United States, and the Asia-Pacific, the idea of a regional "end-state" often appears in various forms. In our discussions, Americans asked themselves and their Chinese colleagues what China's envisioned end-state for the Asia-Pacific is, and they received the same question back in return, from both Chinese and regional practitioners. A former South Korean senior official asked what the US "post-containment vision" for the Asia-Pacific is. When a former Chinese official suggested that disputes around the South China Sea should be resolved through joint maritime enforcement, an expert from a Southeast Asian country retorted, "Whose rules would be enforced?" These exchanges, alongside the analysis in our project research reports, reflect underlying tensions and disagreements regarding the nature of a future regional end-state.

The idea of end-states is not universally accepted; "change is constant," one former Indonesian official contended. Policymaking is an infinite and continuously ongoing process, and even historical moments conventionally accepted to constitute end-states (such as the end of the World Wars or the end of the Cold War) have eventually become moments of transition from one international system to another. However, in our view, "end-states" are useful conceptual tools to *frame* discussions about policy goals, even when they do not necessarily constitute discrete and measurable outcomes in themselves. For example, in her APLN report on the US approach to maintaining regional stability in Southeast Asia, Ambassador (Retd.) Piper Campbell makes the case for striving towards a multipolar end-state in that sub-region. She builds on Malaysian political scientist Cheng- Chwee Kuik's argument that supporting Southeast Asian states' hedging is "good for all powers" because it constitutes a next-best scenario of acceptable compromise.[®] However, "Such a 'next-best scenario", Campbell argues,

is not a fixed end state as Southeast Asia and the Indo-Pacific are dynamic regions and the world continues to change. Rather, it is about asking *how* countries of the region, the United States, and China can identify and work towards a limited set of aligned-or-not-conflicting goals.¹²

¹¹ Cheng-Chwee Kuik, "Southeast Asia Hedges between Feasibility and Desirability", *East Asia Forum*, July 4, 2023, <u>https://eastasiaforum.org/2023/07/04/southeast-asia-hedges-between-feasibility-and-desirability/</u>

¹² Piper Campbell, "The United States: An Increasingly Incidental Provider of Regional Stability in the Asia-Pacific?" Asia-Pacific Leadership Network, June 20, 2024, <u>https://www.apln.network/projects/asia-dialogue-on-china-us-relations/the-united-states-an-increasingly-incidental-provider-of-regional-stability-in-the-asia-pacific-us-and-southeast-asian-responses</u>. The first italicised emphasis is by the authors of this report; the second is from the original.

A key component of the end-state framework, reflected in the views quoted above, is that the different and often diffuse ways that experts tend to think about end-states flow from their various preferences for major power *primacy*.

The concept of primacy has been the subject of intense debate in both China and the United States. The US Strategic Framework for the Indo-Pacific phrases the concept in terms of "military, economic, and diplomatic pre-eminence", which it explicitly lists among "desired end states."¹³ US foreign policy circles have, until very recently, broadly accepted that the United States has held primacy in the Asia-Pacific since at least the end of the Cold War. There is significant debate, though, over whether the United States *should* seek to sustain primacy or not, and if primacy is even a sustainable end-state. The substantial US costs of maintaining pre-eminence across the military, economic, and diplomatic domains are highlighted by the growing school of scholars and policy thinkers calling for foreign and defence policy restraint.¹⁴

China, for its part, believes the United States is fully intent on maintaining primacy in the Asia-Pacific. China's preferred term is "hegemony", which Foreign Minister Wang Yi has defined (in direct reference to the United States) as "crude interference in the internal affairs of other countries", enabled by its military, economic, and diplomatic pre-eminence.¹⁵ China regularly criticises actions that it sees as expressions of US hegemony and claims that in contrast to the United States, it seeks a multipolar region where "each country can find its place."¹⁶ In the United States, however, there is near-consensus that China's avowed support for multipolarity is a veiled attempt at seeking primacy for itself in the Asia-Pacific or even beyond.¹⁷

¹³ The White House Archives, "US Strategic Framework for the Indo-Pacific", January 2021, 3, <u>https://trumpwhitehouse.archives.gov/</u> wp-content/uploads/2021/01/IPS-Final-Declass.pdf

¹⁴ See for example: Michael D. Swaine and Andrew Bacevich, "A Restraint Approach to U.S.–China Relations: Reversing the Slide Toward Crisis and Conflict", Quincy Institute for Responsible Statecraft, April 18, 2023, <u>https://quincyinst.org/research/u-s-relations-with-china-a-strategy-based-on-restraint/</u>

¹⁵ Wang Yi, "The Harmful Effects of the United States' Hegemonic Rule by Force and Bullying 美国的霸权霸道霸凌及其危害", Ministry of Foreign Affairs of the People's Republic of China, February 20, 2023, <u>https://www.mfa.gov.cn/wjbxw_new/202302/</u> <u>t20230220_11027619.shtml</u>

¹⁶ See Xi Jinping, "Xi Jinping's Speech at the 70th Anniversary of the Five Principles of Peaceful Coexistence 习近平在和平共处五项 原则发表70周年纪念大会上的讲话", Government of the People's Republic of China, June 28, 2024, <u>https://www.gov.cn/yaowen/</u> <u>liebiao/202406/content_6959889.htm</u>

¹⁷ See for example: Rush Doshi, *The Long Game: China's Grand Strategy to Displace American Order* (New York: Oxford University Press, 2021); and Michael Pillsbury, *The Hundred-Year Marathon: China's Secret Strategy to Replace America as the Global Superpower* (New York: Henry Holt and Company, 2015).



Guests at the first plenary session of the 16th Shangri-La Dialogue Asia security conference in Singapore, 3 June 2017 (Chairman of the Joint Chiefs of Staff, via Wikimedia Commons).

The objective of this report is not to provide a definitive answer to this debate, but rather explore the preferences expressed by experts, policymakers, and other actors¹⁸ in the Asia-Pacific. Regardless of whether the major powers acknowledge that they are seeking primacy or not, what do regional actors perceive them to be doing, what would they prefer them to do, and why? Moreover, based on their preference, are actors in the region willing to accept the implications that would arise therefrom?

Based on the expressed preferences of experts and officials from the four regions, we observe four preferred end-states in this project. These, as summarised in Table 1, are *US-China competition* (when both major powers seek primacy); *US dominance* (when the United States seeks primacy and China is willing to concede it or unable to contest); *Chinese dominance* (when China seeks primacy and the United States is willing to concede it or unable to contest); and *multipolarity* or *managed détente* (when neither seeks primacy, allowing the other or several more states to also exercise strategic autonomy). These end-states are broad categories and certainly contain a lot of internal variation. Views on multipolarity, for example, range from India's desire to become a third pole in the

¹⁸ Although this report's focus is on states, we use 'actor' as the level of analysis in this report, reflecting Acharya's observation that "the contemporary world is marked by a multiplicity of actors that matter. These are not only major powers, or even states, but also international and regional institutions, corporations, transnational nongovernmental organizations, social movements, transnational criminal and terrorist groups, and so on." See: Amitav Acharya, "After Liberal Hegemony: The Advent of a Multiplex World Order", *Ethics* & International Affairs 31, no. 3 (October 2017): 271–85, https://doi.org/10.1017/S089267941700020X

region, to visions of a region with power distributed among several middle powers, to ASEAN's preference for a region of institutionally managed multipolarity, or the Pacific Islands' preference for a détente-like bipolarity.

In the following sections, we explore how regional states view the relationship between the two main variables (US or Chinese primacy) and their preferred end-states. We then note some implications for US, Chinese, and regional policymakers, and provide tentative recommendations for advocates of each endstate, aimed at reducing the risk of a full-blown conflict in the Asia-Pacific.

| | US seeks primacy | US concedes primacy |
|------------------------|----------------------|-----------------------------------|
| China seeks primacy | US-China competition | Chinese dominance |
| China concedes primacy | US dominance | Multipolarity, Managed détente |

Table 1: Preferred end-states of actors in the Asia-Pacific



Regional Views on US Search for Continued Primacy

Some regional states view the US search for continued primacy positively and seek to align their policies with the United States for that purpose. Others see the US search for primacy as driven by short-sighted domestic political considerations, which in turn leads to a zero-sum logic of foreign policy.

Since the Trump administration, US foreign and defence policy has been organised around balancing against the perceived threat that the rise of China poses to continued US primacy in the Asia-Pacific. Accordingly, US official strategy documents enumerate goals such as opposing Chinese use of force to settle territorial disputes, upholding freedom of navigation, resisting authoritarianism, and strengthening the capacity of Asia-Pacific states to resist Chinese political, military, and economic coercion, including through deepening military partnerships with the United States.

Some regional actors share (and often inform) the US assessment of China as a principal threat. They advance policies that seek to deepen US ties to the region because they view a dominant United States as the only means of constraining China's perceived pursuit of primacy in the Asia-Pacific. Countries from three of the four subregions we study (Australia, Japan, South Korea, and the Philippines) have all taken measures towards this end state, mainly by upgrading or deepening strategic-technological partnerships.

Examples include, but are not limited to: Australia's active pursuit of AUKUS with the United States and the UK; the strengthening of the US-Japan alliance agreement;¹⁹ South Korea's successful attempts at obtaining stronger US reassurance measures through the Washington Declaration;²⁰ the Philippines' opening of additional military bases to the US and the temporary deployment of US medium-range missiles;²¹ and active participation in various complementary multilateral formats. These include deepened trilateral US-Japan-Korea cooperation,²² the re-born Quad between Australia, Japan, India, and the United

¹⁹ The White House, "United States-Japan Joint Leaders' Statement", April 10, 2024, <u>https://www.whitehouse.gov/briefing-room/</u> statements-releases/2024/04/10/united-states-japan-joint-leaders-statement/

²⁰ The White House, "Washington Declaration", April 26, 2023, <u>https://www.whitehouse.gov/briefing-room/statements-releases/2023/04/26/washington-declaration-2/</u>

²¹ Xiaodon Liang, "U.S. Sends Once-Barred Missiles to Philippines Exercise", Arms Control Association, May 2024, <u>https://www.armscontrol.org/act/2024-05/news/us-sends-once-barred-missiles-philippines-exercise</u>

²² The White House, "The Spirit of Camp David: Joint Statement of Japan, the Republic of Korea, and the United States", August 18, 2023, https://www.whitehouse.gov/briefing-room/statements-releases/2023/08/18/the-spirit-of-camp-david-joint-statement-of-japan-therepublic-of-korea-and-the-united-states/

States, and the "Squad" quadrilateral between the United States, Japan, Australia, and the Philippines.²³



The Arleigh Burke-class guided-missile destroyer USS Curtis Wilbur (DDG 54) patrols the Philippine Sea in support of Valiant Shield 2016 (VS16). (Photo: Jeanette Mullinax, US Navy, via Wikimedia Commons)

Although major US allies have taken measures to ensure an end-state of US dominance and some partners have made partial investments to that end, it must nevertheless be mentioned that there are also critics in those countries who express concern over the US push for primacy in the Asia-Pacific. They argue that the establishment of ad-hoc minilateral groupings and partnerships risk dragging regional countries into unwanted conflicts. For example, Kim Joon Hyung, a former foreign policy official in the South Korean Moon Jae-in administration (2017-2022), argues that South Korea should seek strategic autonomy in the same

²³ The White House, "Joint Vision Statement from the Leaders of Japan, the Philippines, and the United States", April 12, 2024, https://www.whitehouse.gov/briefing-room/statements-releases/2024/04/11/joint-vision-statement-from-the-leaders-of-japan-the-philippines-and-the-united-states/

manner as India, and advocates a diplomatic strategy that would bring about a multipolar end-state in East Asia.²⁴ Former Australian Foreign Minister Gareth Evans has stated that "[t]he inability of leaders right across the political spectrum to (at least in public) conceptualize the US's role in terms other than the 'p' words—primacy, predominance, pre-eminence—makes for continuing real, and potentially acute, tensions."²⁵

Pacific Island states' views of US primacy in their region are entangled with colonialism, a history of nuclear testing, and a distaste for militarisation. The United States maintains its only territorial claims in the Asia-Pacific through the Northern Mariana Islands, Guam (a site of a major US military base), and American Samoa, as well as quasi-territorial claims through Compact of Free Association (COFA) arrangements with the Marshall Islands, Palau, and the Federated States of Micronesia. These relationships are not frictionless. The US Congress received fierce criticism for its delay in renewing the COFA arrangements, apparently over Marshallese claims for greater compensation for nuclear testing.²⁶ In 2023, Palau rejected a US proposal for basing Patriot missiles on the island.²⁷ US primacy thus renders some benefits, but also causes considerable anxiety among Pacific Island states.

Economic engagement and derisking dilemmas

The United States sees a mutually constitutive relationship between building economic primacy in the Asia-Pacific region and sustaining military primacy. A military presence allows for reliable access to the region's economic resources, while a robust economic presence funds the sustainment of US military primacy. This logic, however, creates a dilemma for regional actors, even those who are generally supportive of US military primacy: they view the US military presence as a public good but are generally much less keen on accepting the resulting securitisation of Asia-Pacific economic relations.

The relative reluctance to accept US economic primacy in the Asia-Pacific is based on the view that the economic pillar of the US Asia-Pacific strategy is underdeveloped, and unlikely to match China's economic power and commitments to expanding its influence through mechanisms such as the Belt

²⁴ Joon Hyung Kim, "South Korea's Strategic Autonomy: Maintaining Regional Stability Amid US-China Competition" Asia-Pacific Leadership Network, May 2024, <u>https://cms.apln.network/wp-content/uploads/2024/05/Joon-Hyung-Kim_27-May.pdf</u>

²⁵ Gareth Evans, "De-Risking Regional Geopolitics", *Oxford Review of Economic Policy* 40, no. 2 (June 12, 2024): 440, <u>https://doi.org/10.1093/oxrep/grae017</u>

^{26 &}quot;US Delivers 'Crucial' Compact Deal for Freely Associated States", *RNZ*, March 11, 2024, <u>https://www.rnz.co.nz/international/pacific-news/511389/us-delivers-crucial-compact-deal-for-freely-associated-states</u>

²⁷ Ongerung Kesolei, "Amid Heightened Tensions, Palau's Senate Rejects Missile Deployment", *Pacific Island Times*, December 7, 2023, <u>https://www.pacificislandtimes.com/post/amid-heightened-tensions-palau-s-senate-rejects-missile-deployment</u>

and Road Initiative. This is a view that many American experts share as well.²⁸ Given this understanding of the relative economic weight of the United States and China, some regional actors become frustrated when US policies push them to "derisk" their supply chains from China in favour of alternatives that, based on past experience, are unlikely to deliver the same potential benefits. In particular, US disinterest in trade liberalisation makes derisking or decoupling appear particularly out of step with regional preferences. Critics of the Indo-Pacific Economic Framework (IPEF), for example, have lamented the Biden administration's aversion to include tariff reductions and other measures that would improve access to the US market.²⁹ Likewise, South Korea has protested strongly against the US Inflation Reduction Act (IRA), which undercuts its electric vehicle industry's competitiveness in the US market.³⁰ Indonesia has also sought to qualify exports for electric vehicle tax credits under the IRA, but its efforts have so far been in vain. The United States is also reluctant to negotiate even a limited free trade agreement with Indonesia, due to concerns about "Chinese dominance in the Indonesian mining sector."31

In many other areas, the US decision to deny China strategic resources are received poorly because it complicates the situation for regional strategic industries. For example, the United States is pressuring South Korea into restricting the export of manufacturing equipment for semi-conductors below 7nm to China and to limit China-based production of such semi-conductors for South Korean companies.³² The semi-conductor industry holds key strategic value to the South Korean economy and accounts for about twenty percent of its total exports.³³ US restrictions on the industry's main export market have consequently pushed down growth prospects for South Korean semi-conductor companies.

²⁸ See for example a recent testimony to the House Select Committee on Strategic Competition between the United States and the Chinese Communist Party: Daniel F. Runde, "Enabling a Better Offer: How Does the West Counter Belt and Road?", May 16, 2024, https://www.csis.org/analysis/enabling-better-offer-how-does-west-counter-belt-and-road

²⁹ Mae Chow, "IPEF: A Double-Edged Sword?", Lee Kuan Yew School of Public Policy, December 18, 2023, <u>https://lkyspp.nus.edu.sg/</u> <u>cag/publications/center-publications/publication-article/detail/ipef-a-double-edged-sword</u>; Rena Sasaki, "Hollow Supply Chain Pact No Way to Win over IPEF Skeptics," *Nikkei Asia*, June 7, 2023, <u>https://asia.nikkei.com/Opinion/Hollow-supply-chain-pact-no-way-to-win-over-IPEF-skeptics</u>

³⁰ Troy Stangarone, "Inflation Reduction Act Roils South Korea-US Relations", *The Diplomat*, September 20, 2022, <u>https://thediplomat.com/2022/09/inflation-reduction-act-roils-south-korea-us-relations/</u>

³¹ Rocco Cartusciello, "US-Indonesia Critical Minerals Deal Faces Uphill Battle", Asia Matters for America, May 22, 2024, <u>https://</u> asiamattersforamerica.org/articles/us-indonesia-critical-minerals-deal-faces-uphill-battle

³² Wan Lee, "Will Korea get caught in net of US export restrictions aimed at curbing China's chip sector?", *Hankyoreh*, March 18, 2024, https://english.hani.co.kr/arti/english_edition/e_business/1132770

^{33 &}quot;The Semiconductor Industry is One of Korea's Most Important Industries", *Invest Korea*, September 8, 2021, <u>https://www.investkorea.org/ik-en/bbs/i-308/detail.do?ntt_sn=490760</u>

One Japanese expert interviewed for this project reflected the ambivalent Japanese stance towards the United States' securitising measures. On the one hand, they noted, US pressure on China to refrain from weaponising its access to rare earths is clearly in Japan's interest. Japan itself undertook one of the earliest efforts of derisking its supply chain after China halted rare earth exports to Japan following a maritime incident in 2010. More than a decade later, Japan has built up an alternative supply chain, sourcing its rare earths from Australian rare-earth company Lynas instead.³⁴ Together with the United States, Japan filed complaints to the World Trade Organization in 2012 over the Chinese sanctions. In 2021, Lynas received additional support to establish a facility in the United States.³⁵ Yet, the same expert noted, the United States is attempting to use access to advanced technology in the same way it has criticised China for doing with rare earth minerals; this is not entirely congruent with Japanese interests. Like South Korea, Japan has also protested US export control measures on semi-conductors, due to the potential impact those might have on its own semi-conductor industry.

Preference for pick and choose instead of zero-sum

The views of the Japanese expert reflect a broader regional concern about US zero-sum thinking. Regional actors often phrase this concern in terms of a negative preference: they "do not want to choose" between the United States and China. Stated in terms of positive preferences, what they do want is to "pick and choose" when to engage or disengage with China, and they want to do so based on their own interests, not those of the United States. Superficially, wanting the ability to "pick and choose" appears to presume a multipolar end-state where neither major power is powerful enough to pressure a regional actor to take one measure over another. However, some actors seem willing to pursue this strategy in a competitive end-state as well.

Contrasting the strategies of two regional middle powers provides an instructive example. In a feature series, tellingly termed "When Titans Clash", Singapore's state-run *Channel News Asia* explored how India and Indonesia "stand to benefit" from China-US competition.³⁶

India's economic alignment with the United States mirrors that in the security domain: it seeks a soft alignment with the United States, not just to become another link of the supply-chain that the United States seeks to pull out of China,

³⁴ Joseph Rachman, "Japan Might Have an Answer to Chinese Rare-Earth Threats", *Foreign Policy*, June 13, 2024, <u>https://foreignpolicy.</u> com/2023/08/15/japan-rare-earth-minerals-green-transition-china-supply-chains/

³⁵ US Department of Defense, "DOD Announces Rare Earth Element Award to Strengthen "Domestic Industrial Base," January 1, 2021," https://www.defense.gov/News/Releases/Release/Article/2488672/dod-announces-rare-earth-element-award-to-strengthen-domesticindustrial-base/

^{36 &}quot;As Both US, China de-Risk, This Is How India, Indonesia Stand to Gain", CNA, February 18, 2024, <u>https://www.channelnewsasia.</u> com/cna-insider/us-china-derisk-india-indonesia-economic-gain-manufacturing-geopolitics-4128661

but to develop its domestic market as a lodestone for foreign investment, which has been slowly declining in the last decade.³⁷

Indonesia has made concerted efforts to become a part of the global supply chain for electric vehicles. In 2020, it restricted exports of raw nickel to encourage competing foreign investment bids from China, the United States, and the European Union to set up processing facilities. An Indonesian official interviewed for this project noted that when China won the bid, the European Union (EU) then brought a complaint against Indonesia to the World Trade Organisation. Although it was the EU and not the United States that brought the complaint, the official believed that this course of action reflected poorly on all Western states, and that it seemed like punishment for "choosing" China. The official emphasised that Indonesia's preference is "issue-specific side-picking," and challenged what they believed to be commonly held views in the United States that Indonesia prefers a region dominated by China. The sense that the United States is punishing Indonesia for choosing China is also evident in a letter written by Indonesia's Coordinating Minister for Investment Affairs, published in Foreign Policy in June 2024. The minister criticises the IRA and expresses frustration that "some members of the U.S. Congress, working together with Indonesia's foreign competitors, have resolved to stymie the import of refined nickel from my country."38

Downstream of the competition in advanced technology and rare-earth minerals lies technology that is crucial to the development of clean energy. To some actors, especially in the Pacific, US attempts to curtail China's lead in clean energy technology are directly harmful to their main, existential priority: addressing climate change. To them, US securitisation of the climate issue reflects a blatant disregard for their interests. As an APLN project on Pacific Island views of geopolitics has shown, the growing geopolitical contest in the region threatens the Pacific solidarity that has been critical for channelling collective and individual resources toward the climate mitigation agenda.³⁹ For example, Fijian Prime Minister Sitiveni Rabuka has criticised the region's "large economies" for failing to prioritise combating climate change, biodiversity loss, and equitable resource allocation. Instead, they focus on "short-term gain and inter and intra-regional competition."⁴⁰ Consequently, Pacific states fear being used as a buffer zone

³⁷ Mohamed Zeeshan, "India Suffering a Quiet Decline in Foreign Direct Investment," *The Diplomat*, March 18, 2024, <u>https://</u> thediplomat.com/2024/03/india-suffering-a-quiet-decline-in-foreign-direct-investment/

³⁸ Luhut Binsar Pandjaitan, "Without Indonesia's Nickel, EVs Have No Future in America", *Foreign Policy*, June 13, 2024, <u>https://foreignpolicy.com/2024/05/01/indonesia-nickel-green-energy-ev-fta-congress/</u>

³⁹ Tanvi Kulkarni and Elaine Natalie, "Navigating Nuclear Legacies, Climate Change, and Geopolitics in the Pacific Islands", Asia-Pacific Leadership Network, June 12, 2024, <u>https://www.apln.network/projects/voices-from-pacific-island-countries/navigating-nuclear-legacies-climate-change-and-geopolitics-in-the-pacific-islands</u>

⁴⁰ Sitiveni Rabuka, cited in Kulkarni and Natalie, 13.

between the two major powers, and lament their inability to engage within the region on its own terms.⁴¹

There is a broad spectrum of regional perspectives on US primacy. Some actors see US primacy as an absolute positive force in the region, either because they hope that US dominance will contain concerning Chinese behaviour in the region, or because they hope to exploit the resulting China-US competition; while others, such as India, see US primacy as a useful means of realising a multipolar region. Moreover, some states, such as Indonesia, take issue with US overreach in its pursuit of primacy, as it constrains their ability to choose and pursue their own economic policies. And further actors, particularly in the Pacific, see the US pursuit of primacy at the expense of China as a dangerous distraction from climate change and other more urgent security goals from their perspectives.

⁴¹ See: Van Jackson (ed.), "Rethinking Insecurity in the Blue Pacific Region", Security in Context, May 2024, <u>https://www.securityincontext.org/posts/new-sic-report-rethinking-insecurity-in-the-blue-pacific-region</u>

Regional Views on Chinese Primacy

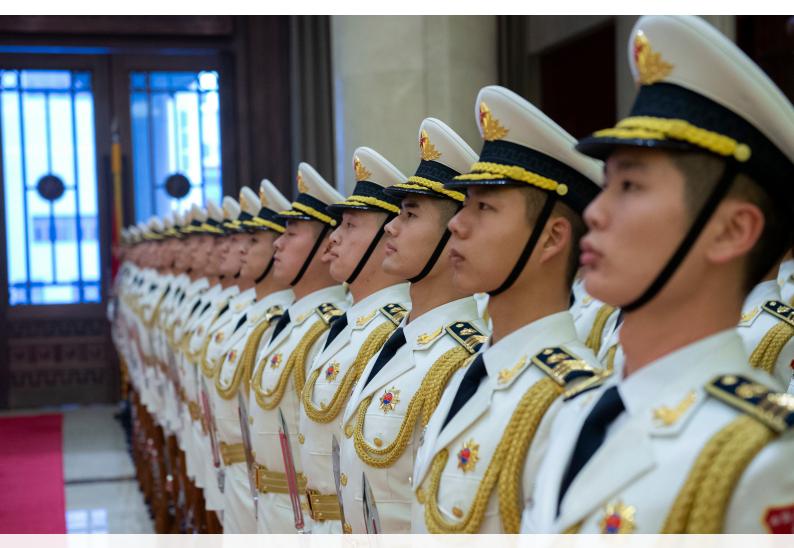
In contrast to the spectrum of regional opinion on US primacy, that for Chinese primacy is distinctly less supportive. In the view of many regional actors, China's "end game" for the region is not clear. China claims that it supports a multipolar region, but some actors reject this claim because they believe that China's words do not match its actions. While there is some understanding in the region that China's military build-up is a response to US attempts at maintaining primacy, some also question whether China is seeking primacy for itself, especially because it refuses to renounce the use of force to change the territorial status quo in parts of the region.

Apprehensions over Chinese primacy

Officially, Beijing rejects the framework of great-power competition that the United States espouses, emphasises the benign nature of its rise, and highlights its support for regional and global multipolarity. Xi Jinping has repeatedly emphasised the idea of "peaceful coexistence" in its relations with the United States, placing it between "mutual respect" and "win-win cooperation" as guiding principles for that relationship.⁴²

A Chinese expert elaborated on this view, arguing that "the Chinese vision about Asia's future is that every country has its own way to develop, not only through choosing between the United States or China; large and small countries alike have their own way to develop their economy and help their people, and China does not force them to choose a specific path, China just provides one way of development. China doesn't want to compete; it just wants peaceful development." This position was received with some scepticism. "If China really wants peaceful coexistence, then why does it not pursue arms control talks with the US?" asked one South Korean expert. The lack of interest in arms control, one Chinese expert responded, is because China does not think that it has sufficient deterrence capability to engage in talks about limiting it. Moreover, given the US approach of strategic competition with China, the People's Liberation Army "must prepare for the worst-case scenario."

⁴² Ministry of Foreign Affairs of the People's Republic of China, "President Xi Jinping Meets with U.S. Secretary of State Antony Blinken," April 26, 2024, <u>https://www.fmprc.gov.cn/eng./wjdt_665385/wshd_665389/202404/t20240426_11289925.html</u>



Chinese sailors stand in formation before a visit by Chief of Naval Operations Adm. John Richardson to the People's Liberation Army Navy headquarters in Beijing Jan. 14, 2019. (U.S. Navy Photo by Chief Mass Communication Specialist Elliott Fabrizio)

From this perspective, China's preferred end-state is a multipolar region, but it is being forced into competing for primacy against its will, and the measures it is taking towards that end are being interpreted as hostile intent. The same expert further expressed frustration that China's support of multipolarity is seen in the United States as a way of concealing its ambition for primacy.⁴³ In the words of one US expert: "China's actions do not match its words." A former Indian diplomat expressed it more bluntly: "China professes to favour multipolarity but really seeks to emerge as the preeminent power."

⁴³ See also US expert Rush Doshi's comments on how 'multipolarity' is used in China's 2019 White Paper "China and the World in a New Era", in: Doshi, "*The Long Game: China's Grand Strategy to Displace American Order*," 273–74.

This exchange reflects a disconnect between how China perceives itself and how it is perceived by the United States as well as some regional actors. This disconnect was on display at the 2024 Shangri-La Dialogue, where the Chinese Defense Minister Dong Jun spoke at length about Taiwan and the South China Sea in a manner that was not well-received among regional audiences. He claimed that Taiwan is seeking incremental independence, which would lead to "self-destruction", and that "separatists" would be "nailed to the pillar of history"⁴⁴ An Australian commentator called it "the most pointed language of intimidation yet heard" at the annual forum.⁴⁵ Indeed, even experts who were generally receptive to a more prominent Chinese role in the region have argued that China must improve how it communicates its intentions to the broader region.⁴⁶

China's potential use of force towards Taiwan and in the South China Sea

The Defence Minister's comments on Taiwan and the South China Sea highlight a core concern for many regional actors: China's apparent unwillingness to renounce the use of force in changing the status quo. These actors find Chinese claims that it is seeking "peaceful coexistence" unpersuasive considering the disconnect between such lofty claims on the one hand, and rhetoric like that of the Defence Minister on the other. In the latter case, these actors believe that China's words and actions do not match, producing intense anxiety about its intentions, not the least in Taiwan itself. When seventeen Taiwanese legislators from the Kuomintang party – generally considered pro-China – visited Beijing in April 2024, they asked Wang Huning, Politburo Standing Committee Member and Chairman of the Chinese People's Political Consultative Conference (CPPCC), why the words "peaceful unification" had been omitted from the annual statement that follows the CPPCC's March session. Wang did not provide a direct explanation but responded that no war is desired from either side and that China has no timetable for unification.⁴⁷

Such assurances are not worth much to other states in the region. Recent work by APLN has shown how experts and officials in Australia, South Korea, and Japan view the opaque intentions that drive the decision-making processes of China's authoritarian leadership as a factor that is driving up the risk of escalation in the

⁴⁴ Simone McCarthy, Brad Lendon, and Eric Cheung, "Those Who Back Taiwan Independence Face 'Self-Destruction,' China's New Defense Minister Warns in Combative Summit Speech', *CNN*, June 2, 2024, <u>https://www.cnn.com/2024/06/01/china/dong-jun-china-defense-minister-shangrila-intl-hnk/index.html</u>

⁴⁵ Rory Medcalf, "Shangri-La Reveals a Region Short on Peace and Harmony", National Security College, The Australian National University, June 4, 2024, <u>https://nsc.crawford.anu.edu.au/department-news/22233/shangri-la-reveals-region-short-peace-and-harmony</u>

⁴⁶ All Pakistani interviewees in this project argued that China must improve its strategic communication.

⁴⁷ Kristy Hsu, "In Defense of the Status Quo: Cross-Strait Relations under the Lai Ching-Te Administration", Asia-Pacific Leadership Network, forthcoming.

Taiwan Strait.⁴⁸ In the Japanese case, several experts expressed that a successful Chinese invasion of Taiwan would cement Chinese dominance in the region and have potentially existential implications for Japan's security.⁴⁹ For this reason, China's refusal to renounce the use of force over the unification issue is taken to mean that China is seeking primacy in the region. The same former Indian diplomat who believed that China is seeking regional and global primacy saw a "discernible pattern" in Chinese behaviour in the South China Sea, Taiwan, and the Line of Actual Control (LAC) between China and India in the Ladakh border region, where China tries to "alter facts on the ground through incremental actions."

Likewise, recent maritime incidents over long-standing territorial disputes with China have caused Philippine perceptions of China to dip sharply. One survey reports that 76 percent of Filipinos see China as a "threat." In a speech to the Australian parliament, Philippine President Marcos clearly expressed his views on Chinese dominance in the South China Sea, saying that his country will not yield "one square inch" of maritime territory to China. Concurrently, the Philippines have also established a closer relationship with Taiwan. In May 2024, Taipei and Manila signed an agreement on disaster management collaboration. The Philippines has enhanced military presence, including the temporary deployment of US Typhoon missiles, on its northernmost islands closest to Taiwan. A Filipino scholar also argued that closer security ties between Philippines and Taiwan is necessary given its new "hard balancing policy" towards China.

The Philippines stand out among ASEAN states in terms of its approach towards China and Taiwan. Following China's missile drills in response to former US Speaker Nancy Pelosi's visit to Taiwan in August 2022, ASEAN foreign ministers issued a statement that "call[ed] for maximum restraint, refrain from provocative action and for upholding the principles enshrined in United Nations Charter and the Treaty of Amity and Cooperation in Southeast Asia (TAC)." The statement also "reiterate[ed] ASEAN Member States' support for their respective One-China policy," but did not mention Taiwan directly, using instead the term "the area adjacent with the ASEAN region."⁵⁰ The statement reflected ASEAN's preference for collective action and facilitation of dialogue, which has also characterised ASEAN's approach to its member states' territorial disputes with China in the South China Sea. An Indonesian official interviewed for this project noted that: "We cannot just ask the United States or China to take measures for the benefit of the region. We have no leverage." Yet they also acknowledged that leveraging collective influence was difficult in the South China Sea, as the "continental"

⁴⁸ Joel Petersson Ivre et al., "Asia Pacific Flashpoints", Asia-Pacific Leadership Network & European Leadership Network, May 2024, 10–11, <u>https://cms.apln.network/wp-content/uploads/2024/05/Asia-Pacific-Flashpoints.pdf</u>

⁴⁹ Petersson Ivre et al., 17.

^{50 &}quot;ASEAN Foreign Ministers' Statement on the Cross-Strait Development", ASEAN, August 3, 2022, <u>https://asean.org/wp-content/uploads/2022/08/final-ASEAN-FMs-Statement-on-Cross-strait-development.pdf</u>

Southeast Asian states were not directly affected by the issue and could be used to "divide the region from outside" – an apparent reference to China's influence over Laos and Cambodia. Another former Indonesian official did not necessarily see US primacy as a better option than Chinese influence; their concern was that ASEAN is becoming "geopolitically shy and lazy" and unwilling to take risks in its interactions with the major powers.

The Taiwan issue also intersects with perceptions of Chinese dominance in other subregions. Most of Taiwan's few remaining diplomatic allies are small states in the Pacific, who have come under increasing pressure to switch their diplomatic recognition to the People's Republic of China, the latest to do so being Nauru in 2024. However, as Fijian expert Sandra Tarte has noted, the political and economic ties that Pacific states who formally recognise the PRC still maintain with Taiwan "have the potential to provoke future instability and external pressure, if not interference, particularly during periods of political transition."⁵¹

An example of such pressure is the frequent name-changes of Taiwan's defacto embassy in Suva.⁵² There is an ongoing debate in Fiji about the extent of Chinese influence in the country. The opposition parties have criticised the Fijian government's "friends to all" foreign policy, an approach to security which has led to close military cooperation with the United States, but also high-level talks between Fijian military officials and members of the Chinese Central Military Commission.⁵³

Chinese economic influence, but only to a point

Although suspicion abounds over Chinese intent to seek primacy in the region, there are also views somewhat sympathetic to China's perception of US-led containment. In his report for this project, Kim Joon Hyung criticised the United States' policy towards China: "Rather than using cooperative security mechanisms to engage with China and address its military build-up, the creation of a US-led containment network exacerbates the security dilemma in the region, perpetuating an arms race."⁵⁴ Kim, who was the main architect of the Moon Jae-in administration's engagement policy with ASEAN, argued that this sentiment was shared among the members of that organisation as well.⁵⁵ However, Southeast

53 Tarte, 17.

55 Kim, 26.

⁵¹ Sandra Tarte, "Advancing Regional Stability in an Era of Geopolitical Competition and Tension: The Role of Fiji", Asia-Pacific Leadership Network, April 12, 2024, 17, <u>https://cms.apln.network/wp-content/uploads/2024/04/Fiji-Paper_Sandra-Tarte_V4.pdf</u>

⁵² In 2018, the Trade Mission of the Republic of China (Taiwan) to the Republic of Fiji changed its name to the Taipei Trade Office in Fiji, then briefly reverted to its previous name after the Fiji elections in 2022, and then back again, in response to Chinese diplomatic pressure. See Keoni Everington, "China Cries Foul over Rectification of Taiwan de Facto Embassy Name in Fiji", *Taiwan News*, March 29, 2023, https://taiwannews.com.tw/en/news/4849819

⁵⁴ Kim, "South Korea's Strategic Autonomy: Maintaining Regional Stability Amid US-China Competition", 19.

Asian opposition to the US containment strategy appears less focused on the arms racing implications, and more on the fact that it offers few tangible benefits for the region.⁵⁶

Many actors in the region do not appreciate the US value-driven discourse and dichotomy of democracies versus autocracies that undergirds its primacy strategy in the region and, to some extent, dictates whom it is prepared to engage with. The countries of ASEAN (who represent a range of regime types) and smaller countries across the Asia-Pacific region are less interested in grand ideological struggles, and more concerned with how to address the impacts of climate change in their countries, investment and improvement in infrastructure, food security, and economic development. In its capacity as a provider of material economic benefits, China is clearly seen as the more reliable partner in the region.

That China is welcomed by regional actors precisely because of its avowed disinterest in promoting political agendas speaks to both the upper and lower limits of Chinese dominance that actors in the Asia-Pacific are willing to accept. China's pragmatic approach to investment in Indonesia's nickel industry (discussed above) has been warmly welcomed by Indonesian officials. Under President Joko Widodo, Chinese foreign investment increased eight-fold, and China has completed several large infrastructure projects in Indonesia, including ports, airports, and the country's first high-speed railroad.⁵⁷

Many actors welcome Chinese economic benefits but are wary of those benefits turning into political leverage for China. Cambodia is the typical example of such a country that welcomes China. "If I don't rely on China, who do I rely on?" asked then-Cambodian Prime Minister Hun Sen rhetorically in 2021.⁵⁸

However, as a potential sign of seeking to reduce its dependence on China, Cambodia signed a free trade agreement with South Korea in 2022. As one Cambodian expert points out, Phnom Penh appears aware that overreliance on Beijing has troubling implications for its sovereign ability to control national infrastructure and combat internal corruption.⁵⁹

Acceptance of Chinese dominance has its limits. Welcoming some Chinese influence should not be seen as a wholesale acceptance of Chinese primacy. While China tends to offer economic engagement to regional states through

⁵⁶ Kishore Mahbubani, "Asia's Third Way", *Foreign Affairs*, February 28, 2023, <u>https://www.foreignaffairs.com/southeast-asia/asias-third-way-asean-amid-great-power-competition</u>

⁵⁷ Philip Heijmans and Chris Anstey, "Indonesia Shows How to Handle the US-China Standoff", *Bloomberg*, March 16, 2024, <u>https://www.bloomberg.com/news/newsletters/2024-03-16/bloomberg-new-economy-indonesia-shows-how-to-handle-the-us-china-standoff</u>

^{58 &}quot;Cambodia's Hun Sen: 'If I Don't Rely on China, Who Will I Rely On?'", *Nikkei Asia*, May 20, 2021, <u>https://asia.nikkei.com/Spotlight/</u> The-Future-of-Asia/The-Future-of-Asia-2021/Cambodia-s-Hun-Sen-If-I-don-t-rely-on-China-who-will-I-rely-on

⁵⁹ Rim Sokvy, "Cambodia's Balancing Act: South Korea's Role and China's Influence", *Novasia*, June 10, 2024, <u>https://novasiagsis.com/</u> cambodias-balancing-act-south-koreas-role-and-chinas-influence/

non-binding, non-alliance, non-interfering instruments (which is welcomed), its aloofness and lack of consideration towards local needs and preferences can be problematic. Some Chinese experts in this project have also acknowledged this deficiency in China's outreach. In the Pacific, there are several examples of such aloofness. In Samoa, China built a hospital without proper ventilation, requiring the installation of expensive cooling systems that exceeded the cost of the building itself.⁶⁰ In 2022, China responded to the December 2021 volcanic eruption in Tonga, where most families live in multigenerational households, by providing ready-made housing built for a typical modern Chinese three-person household.⁶¹ In 2023, Chinese Foreign Minister Wang Yi visited individual Pacific Islands to ask their leaders to sign security agreements with China, overlooking or ignoring the fact that Pacific Island states prefer to engage with major powers collectively through the Pacific Islands Forum.⁶² Such Chinese actions reflect a broader concern among some actors in the Pacific that China's objective for the region is actually to out-compete the United States and its partners (including Australia, New Zealand, Japan, and South Korea) to establish regional dominance, rather than support the local preference for an institutionally managed order built around regional priorities.



Prefabricated shelters donated by China to Tonga sit unused on the wharf in Nuku'alofa more than a year after the Hunga Tonga–Hunga Ha'apai volcanic eruption and tsunami (Henrietta McNeill, 2023).

^{60 &}quot;What Are We Going to Do about the Hospital?", *Samoa Observer*, June 10, 2024, <u>https://www.samoaobserver.ws/category/editorial/109612</u>

⁶¹ Joanne Wallis, Anna Powles, and Henrietta McNeill, "When Disaster Strikes, Australia, New Zealand and the US Should Partner with, Not for, the Pacific." *The Strategist*, March 8, 2023, <u>https://www.aspistrategist.org.au/when-disaster-strikes-australia-new-zealand-and-the-us-should-partner-with-not-for-the-pacific/</u>

⁶² Christian Shepherd, "China Fails on Pacific Pact, but Still Seeks to Boost Regional Influence", *Washington Post*, June 1, 2022, <u>https://www.washingtonpost.com/world/2022/06/01/china-influence-pacific-deal-wang/</u>

alignment is remarkable given that China is an adversary for India and a friend of Pakistan. According to the view of one former Indian diplomat, China has not managed to build "equities" in South Asia. Interviewees from Pakistan noted, with regret, how the United States has almost entirely disengaged with the country. With South Asian regional institutions like SAARC entirely defunct and the country riven with political instability and economic challenges, Pakistan has few options but to welcome economic cooperation with China. However, this relationship is clinically seen as "pragmatic"⁶³ by both China and Pakistan. As one Pakistani expert noted: "One single country becoming too powerful in the region would make Pakistan very uncomfortable." Suggestions by other Pakistani experts to align closer with Middle Eastern nations should be understood in the context of this preference.⁶⁴

While states tend to welcome some level of Chinese economic influence, they carefully seek to balance that influence so that China does not dominate the bilateral relationship. China's claims that it seeks a peaceful rise and a multipolar region are met with two types of skepticism. The first type, represented by US allies and partners, is based on the suspicion that China is not acting in good faith, and they view its assertiveness over the Taiwan issue and other territorial disputes as evidence of this. The second type of skepticism is represented by regional actors with weaker security ties to the United States, who believe that China is engaging in good faith, but not necessarily with a firm understanding or consideration of its partners' interests.

^{63 &}quot;China, Pakistan Pledge to Enhance Pragmatic Cooperation in Various Fields," *Xinhua*, May 15, 2024, <u>https://english.news.</u> <u>cn/20240515/e9db9e44cbd947e988506278fcb0e92c/c.html</u>

⁶⁴ Syed Abdul Ahad Waseem, "Mending Pakistan's Ties With the West – Via the Middle East," *The Diplomat*, January 25, 2024, <u>https://thediplomat.com/2024/01/mending-pakistans-ties-with-the-west-via-the-middle-east/</u>

Regional Views of Non-Primacy End-States: Multipolarity and Managed Détente

Some actors have indicated a clear preference for a regional order that is not underpinned by the dominance of either major power, and that the United States and China should instead create conditions for multipolarity. Other actors indicate their support for a form of continued, but less intense, US-China competition, which can be characterised as "managed détente." India is firmly in the first camp. Owing to its own demographic quotient, economic potential, and political influence, it envisions itself as one of the poles in a multipolar regional order and does not look kindly on the primacy of any single nation. New Delhi has joined both China-led and US-led groupings, such as the SCO and Quad respectively, as a way of demonstrating its own agency and strategic autonomy. This concept and approach also hold appeal in other parts of the region, such as South Korean progressives.

The recent proliferation of minilaterals can be understood in this context. As Indian security expert Raja Mohan argues, "[T]he minilateral format of strategic cooperation is particularly attractive for states with a history of nonalignment, such as India, which carefully guards its strategic sovereignty but is ready to work with the United States to pursue its security interests."⁶⁵ India participates in several minilateral partnerships, including the Quad, IPEF, the India-Middle East-Europe Economic Corridor (IMEC), and I2U2, as a strategic partner, but has drawn a firm line at becoming an official ally of the United States in favour. The position reflects India's preferred end-state of multipolarity: it is happy to make use of the US "latticework" of minilateral constellations to prevent Chinese primacy in the region, but it does not wish to cement US primacy over the region by becoming a full-fledged alliance partner.

⁶⁵ C. Raja Mohan, "The Nimble New Minilaterals", *Foreign Policy*, June 13, 2024, <u>https://foreignpolicy.com/2023/09/11/minilateral-alliances-geopolitics-quad-aukus-i2u2-coalitions-multilateralism-india-japan-us-china/</u>



External Affairs Minister Subrahmanyam Jaishankar delivered India's statement at the Summit of SCO Council of Heads of States in Astana, Kazaksthan, 4 July 2024 (Indian Ministry of External Affairs via Flickr.)

Besides India, the preferred end-state of most ASEAN countries (Indonesia in particular) is also multipolarity, but one which is quite distinct from that envisioned by India. ASEAN states see an institutionally managed multipolarity as most conducive to regional stability. Some ASEAN scholars and former officials interviewed for this project argued that there is a disconnect between the US approach of exclusive, purpose-built minilateral partnerships and that of ASEAN's inclusive and incremental approach to policy change and cooperation. They argued that the "latticework of interlocking relationships" that the United States pursues throughout the region risks supplanting the role of ASEAN in critical policy areas, and therefore reduces the ability of Southeast Asian countries to frame those policy issues around their own concerns.⁶⁶

⁶⁶ Susannah Patton, "Biden's 'Lattice' Asia Policy Not Meshing," *Straits Times*, December 3, 2021, <u>https://www.straitstimes.com/opinion/</u> <u>bidens-lattice-asia-policy-not-meshing</u>

Yet, some ASEAN member states are willing to concede that minilateral partnerships meet a need for driving policy change that ASEAN itself has been unable to address. One former senior official from a Southeast Asian country expressed dissatisfaction with the way the United States has co-opted terminology developed by ASEAN and appropriated it for its own purposes. They noted that the term "Indo-Pacific" has become seen as "anti-China" because of the way it has become associated with maintenance of US primacy in the region since the Trump administration. This association has been widely accepted, even though ASEAN had been using the term since at least 2014, before it was popularised by Japan and the United States. Because ASEAN then left "Indo-Pacific" out of circulation in its diplomatic language, the former official lamented, this term became co-opted by the United States who "weaponised" it. Likewise, China has incorporated ASEAN language as part of its Global Security Initiative, which has driven a perception in the United States that ASEAN is "pro-China."

ASEAN's preference for an institutionally managed multipolarity is shared by states in the Pacific. This shared preference is clearly reflected in the memorandum of understanding signed between ASEAN and the Pacific Islands Forum in September 2023, which "reaffirm[ed] the commitment of ASEAN to maintain close and beneficial cooperation with existing international and regional organisations with similar aims and purposes" and outlined areas for cooperation including maritime cooperation, connectivity, and the United Nations Sustainable Development Goals 2023.⁶⁷

However, the relative power difference between Southeast Asia and the Pacific – as measured in economic output and population – does lead to some different preferences for a multipolar end-state. Some Southeast Asian nations are able to view themselves as potential agenda-setters and influencers of regional politics beyond the immediate geography of Southeast Asia. A former senior Indonesian official asked why their country, the fourth largest country by population (after China, India, and the United States), should be considered a "middle power" – surely Indonesia holds the potential to be at least as influential as other large states in the region, they argued.

By contrast, Pacific Island scholars are keenly aware that their small size imposes considerable limits on their ability to influence and set regional agendas, even as they seek to do that to the extent possible. Their concerns with major power militarisation of their region and the notion of "friends to all, enemies to none" reflect a recognition that they can never become a third pole in the region to balance the major powers. Lacking in traditional measures of hard power, Pacific Island scholars are making an earnest attempt to redefine what power means in

^{67 &}quot;Memorandum of Understanding Between the Association of Southeast Asian Nations and the Pacific Islands Forum," ASEAN, September 4, 2023, <u>https://asean.org/wp-content/uploads/2023/10/Signed-MoU-between-ASEAN-and-PIF-4-Sep-2023.pdf</u>

the Pacific. In a common Pacific view, power stems from a major power's intent and capability to address the major threats that states in that region perceive to their regional stability, such as rising sea-levels, environmental pollution, transnational crime, exhaustion of fisheries, and geopolitical undermining of regional cultural practices.



The ASEAN headquarters in Jakarta, Indonesia (Gunawan Kartapranata, Wikimedia Commons)

The preferred end-state in the Pacific is one based on "relational security."⁶⁸ This concept can be said to be multipolar in the local sense, but bipolar with regards to the major powers. As such, the Pacific Islands can be viewed as the leading regional proponents of the "managed détente" outcome. Primacydriven competition in the Pacific diverts resources and attention away from the major threats as perceived by the Pacific Islands. Their stated preferences for multipolarity function, to some extent, as means to compensate for the perceived failure of the major powers to achieve a managed détente in the Pacific.

Outside the Pacific Islands, it is evident that other actors across the Asia-Pacific maintain similar leanings towards certain forms of US or Chinese competiton to foster stability in the region. Former Singaporean diplomat Kishore Mahbubani, for example, has expressed a desire for regional stability underpinned by a loosely competitive economic relationship between the two, complemented by cooperation in areas pertaining to existential risks, such as climate change and pandemic response.⁶⁹ Such a managed détente outcome would allow other Asia-Pacific countries to pick and choose how they partner with both powers according to their preferences.

Some Asia-Pacific actors seek a regional order that is not underpinned by the dominance of either China or the United States. Some examples include India and Indonesia (alone and through ASEAN), who dedicate significant attention and resources towards creating a multipolar region, although their ideas of multipolarity differ from one another, as well as from that championed by China. A multipolar end-state also holds appeal in other parts of the region, such as among South Korean progressives. Pacific Island states do not necessarily reject the notion that China and/or the United States should be dominant in their region, but they express a preference for a managed, cooperative détente, rather than a competitive end-state that leads to militarisation and distraction from core Pacific interests.

⁶⁸ Maima Koro, "Relational Security: Ethical Dilemmas of Geopolitics in the Blue Pacific Continent" Asia-Pacific Leadership Network, August 2023, <u>https://cms.apln.network/wp-content/uploads/2023/08/Maima-Koro-August-2023.pdf</u>

⁶⁹ Kishore Mahbubani, Has China Won?: The Chinese Challenge to American Primacy, (London: Hachette UK, 2020).

Implications and Recommendations

It appears difficult to arrive at a common preference for a regional stability endstate in the Asia-Pacific. Some actors prefer a region where only the United States is dominant; some – contrary to diplomatic rhetoric – prefer a region where China and the United States compete, thereby making it possible for them to wield their influence; and some warily welcome a measure of Chinese dominance. However, many actors prefer a region where neither major power seeks primacy, though they hold widely different views on how to reach that end-state, and what it would look like in practice.

Actors often express preference for one end-state while their actions seem, at least to others, to be in pursuit of a different end-state. It must also be reiterated that there is no such thing as a perfect end-state that can be expected to last indefinitely. Change is the only constant, but every policy preference, and the actions that flow from that preference, is associated with trade-offs and difficult questions. Rather than advocate in favour of any of the end-states discussed here, we note a few general trade-offs and strategies for avoiding conflict, based on the questions outlined in Table 2.

| | US seeks primacy | US concedes primacy |
|------------------------|-------------------------------------------------------------------------------|--------------------------------------------------------------------------------------------------------------|
| China seeks primacy | 2. How to avoid confrontation? | 1. How to accommodate policy preferences of US and allies in a China-led system? |
| China concedes primacy | 1. How to accommodate Chinese policy preferences in a US-led system? | 3. How to advance US and Chinese policy goals in a system organised around multipolar consensus? |

Table 2: Trade-offs for different end-states. The discussion of end-states below follows their numbering in this table. This includes framing the outcome of one power conceding primacy to the other as a single end-state, regardless of whether the United States or China is the hegemonic or lesser power respectively.

1. Reassuring the non-primary power in a unipolar end-state

How can the **other** major power's preferences (or those of its allies) be accommodated in a unipolar end-state?

At one of this project's roundtable discussions, a Chinese expert asked pointedly: "Is the United States willing to pursue peaceful co-existence only with a weak China?" It is implicit in the way China speaks about its rise that it does not find continued US primacy in the Asia-Pacific acceptable since it would not grant space to China to pursue its own interests. What, then, can the United States, its allies, and other actors who bandwagon with the idea of US primacy do to reassure China that such a state of affairs would not be detrimental to its interests?

The same question could also be posed to China in case it was to become the primary actor in the region. Even though China officially rejects the notion that it is seeking primacy in the Asia-Pacific at the expense of the United States, the perception of many is quite different. In fact, some Chinese scholars argue openly for an end state of Chinese primacy.⁷⁰ Meanwhile, some others have described China's growth of military capability, including nuclear weapons, as moves not for gaining primacy but merely for preparing for "worst-case scenarios." Obviously though, this is not how it appears to others. What reassurances, then, can China provide to the United States and its allies that it would not behave in a way that undermines their interests?

A consistent concern voiced by many participants – Chinese and non-Chinese – throughout this project is that a Taiwanese declaration of independence could lead to an open conflict. In China, such a declaration would be seen as spurred by US attempts to contain China, and the resulting Chinese military response would be viewed by the United States as an assertion of Chinese primacy in the region. This issue, therefore, can serve as an example of how both could provide mutual reassurance to avert conflict.

To address Chinese concerns, for instance, one US expert interviewed for this project suggested that the United States must "categorically spell out" that it does not want Taiwan to declare independence and take measures to that end (such as barring visits by high-level officials and lawmakers).⁷¹ He argued also that such a declaration should be accompanied by expressed support for the peaceful unification of Mainland China and Taiwan. As long as future unification proceeds peacefully and with the clearly expressed consent of Taiwan's people, the United

⁷⁰ See for example Yan Xuetong, "Becoming Strong", *Foreign Affairs*, June 22, 2021, <u>https://www.foreignaffairs.com/articles/united-states/2021-06-22/becoming-strong</u>

⁷¹ Spelling out such an intention does not necessarily exclude US defense technology sales to Taiwan, which are responsive to Taiwan's self-defense needs against a China which frequently conducts provocative exercises and operations simulating the invasion of Taiwan, while organizing its military to conduct such an invasion. The US could convey to China that a change in Chinese policy (suggested below) would reduce the Taiwanese demand for arms for self-defense in the first place.

States should not interfere. This approach would allow the United States to draw a clear redline across its Taiwan policy and abandon strategic ambiguity about its intentions.

Similarly, China too must clearly declare that it would not use force towards any attempt at reunification. China's commitment to renounce the use of force towards Taiwan, coupled with a moratorium on provocative military actions, could go a long way towards easing concerns across the Taiwan Strait.

Meanwhile, what can regional states do to shock-proof themselves against a future end-state of a primacy of one power that is not their preference? A recent report by APLN and the European Leadership Network has outlined how regional states might improve policy coordination in such scenarios. The report analyses this question from the perspective of US allies in the region and recommends that greater security alignment between these countries could strengthen the regional security order even in the absence of US primacy.⁷² The same recommendation could also apply for states that prefer Chinese primacy and want to safeguard themselves in a situation of US primacy.

2. Avoiding confrontation in a competitive end-state: Understanding domestic sensitivities and renouncing the use of force

How can confrontation be avoided if both China and the United States seek primacy?

States in competition tend to assume the worst of the other, and this tendency can be exacerbated by domestic politics. Therefore, one way of conflict prevention could come from a better understanding in both China and the United States, as well as in regional states, of domestic political dynamics and their impact on foreign policy. This understanding is particularly important on sensitive issues and Taiwan can once again be a good example of this. For instance, the US relationship with Taiwan often becomes an issue in US domestic politics. Better understanding of the domestic drivers of US signaling around Taiwan could help avert confrontational Chinese postures.

As a forthcoming project report discusses, the likelihood of Taiwan announcing independence, even under its notably pro-independence leader Lai Ching-te, is slim. The share of Taiwanese who wish to maintain the status quo indefinitely is growing.⁷³ Thus, this risk may have been overblown and should not be driving threat perceptions in either China or the United States.

⁷² Joel Petersson Ivre et al., "Asia-Pacific Flashpoints: Comparing Australian, Japanese, South Korean & UK Perceptions", Asia-Pacific Leadership Network & European Leadership Network, May 29, 2024, <u>https://www.apln.network/projects/asia-pacific-strategic-risks/</u> asia-pacific-flashpoints-comparing-australian-japanese-south-korean-uk-perceptions

⁷³ Hsu, "In Defense of the Status Quo".



Sunrise over Taipei (Chensiyuan, via Wikimedia Commons).

This factor of domestic politics is also applicable to regional states. When governments change in a country, there is a tendency to frame the new government as pro- China, or pro-United States. In reality, such stark articulations or drastic shifts are rare. For instance, after the most recent presidential elections in both South Korea and the Philippines, claims have been made that both countries have moved towards the United States and away from China. This may superficially appear to be true, but the real dynamics are more nuanced. While President Yoon and President Marcos as leaders of their respective countries have placed heavier emphasis on security cooperation with the United States, both continue to seek economic engagement with China, despite strained diplomatic relations.⁷⁴ Therefore, a perception of swings in domestic politics, engendered by "US vs. China" media reports, should be avoided through a better understanding of the situation "on the ground." This approach can help regional states avoid aggravating the confrontation between China and the United States.

⁷⁴ See Yuichi Shiga, "Philippines Wants China Economic Ties despite Tensions: Top Official", *Nikkei Asia*, June 21, 2024, https://asia. nikkei.com/Politics/International-relations/South-China-Sea/Philippines-wants-China-economic-ties-despite-tensions-top-official2; Derek Grossman, "South Korea's Surprisingly Successful China Policy", *RAND*, November 27, 2023, <u>https://www.rand.org/pubs/</u> <u>commentary/2023/11/south-koreas-surprisingly-successful-china-policy.html</u>

Another way of avoiding conflict in a competitive end-state would be by accepting primacy of one or the other in different domains. If one accepts the three-fold categorisation of primacy into military, economic, and diplomatic spheres, then each major power could enjoy primacy that serves their respective interests in one domain while letting the other take the lead in another. This could also align better with the expectations and interests of regional actors. For example, China has had considerable difficulties in building "equities" among regional countries that it can translate into diplomatic or political leverage, but its economic primacy is accepted. Meanwhile, there is a greater tendency, and comfort in some cases, to lean on the United States for security. If China could accept greater US diplomatic and military primacy, while the United States could accept greater Chinese economic primacy, the possibility of confrontation can be avoided.

Renunciation of the use of force to change national borders can be another useful tool for conflict avoidance. While this recommendation certainly has global applicability, it particularly applies to China given its contested territorial and maritime claims in the Asia-Pacific region. Actors in the region should call on China to renounce the use of force to change the territorial status quo over Taiwan or other disputed territories. They could do so by making coordinated use of regional venues such as SCO, ASEAN+3, or other regional groupings of which China is a part. To dispel the notion that this effort is part of a US containment strategy, it would be more palatable if it were led by states which are not US allies. ASEAN, and particularly Indonesia, are well-positioned to lead this effort. Individual Southeast Asian countries already call out aggressive Chinese behaviour, but ASEAN needs to act more assertively in a collective sense. Doing so entails at least a partial recognition that calls on "all parties" to exercise restraint, though politically less controversial, are insufficient in pressuring the primary target of the statement to alter its behaviour. So the calls need to be aimed more clearly at the party being asked to exercise restraint. For example, it would be better to directly call on China to scale down military exercises or on Taiwan not to declare independence.

Hearing such demands from ASEAN as a unified entity, rather than from individual Southeast Asian states, would carry greater weight and potentially influence outcomes more effectively. Towards that end, ASEAN must strengthen internal cohesion so that China cannot buy off individual members, as has happened in some cases, notably Cambodia.

Furthermore, efforts to make China renounce the use of force should be coupled with demands on the United States to make specific concessions in non-security domains, such as making tariff reductions a part of IPEF. Doing so would further reduce the impression that the effort is a US-led containment attempt, while at the same time avoid equating Chinese and US actions in the security and economic domains, which are qualitatively different.



Leaders of ASEAN Countries and East Timor line up at the end of the KTT 2023 ASEAN Summit (Government of Indonesia, via Wikimedia Commons).

This campaign could begin by an ASEAN-led effort to create an acceptable definition of what "use of force" means. The definition should be broad enough to encompass traditional nuclear, conventional air, sea, and land domains. The ASEAN Bali Declaration's stated commitment to "renounce aggression and the threat or use of force or other actions in any manner inconsistent with international law" should be explicitly cited in any remarks that its member states make on regional security matters, and they should seek to obtain from both China and the United States explicit reaffirmations of this commitment. Furthermore, ASEAN's ongoing work on promoting norms of responsible behaviour in cyberspace and maritime domains shows that there is willingness and capacity within the organisation to discuss the use of force in emerging domains.

A final recommendation for avoiding conflict between the major powers would be for the regional states that seek to leverage competition between the two major powers for their own benefit, to consider whether that course of action meets their long-term national interests, and if they have the capacity to manage the consequences. For instance, Indonesia's decision to restrict exports of rare earths to entice the major powers to compete for the rights to set up processing plants within its borders may have been a shrewd business move. However, is the resulting securitisation of access to yet another commodity really aligned with Indonesia's stated goal of alleviating the negative effects of major power competition? A more pointed question can be posed to Japan, which has been an active supporter of the US securitisation of rare earth access, while at the same time criticising the US securitisation of semi-conductors. Japan should consider whether it can successfully manage to remain at both the giving and the receiving end of major power competition.

3. Avoiding confrontation in a multipolar end-state: Fostering trust and stability

How can regional stability be maintained in an end-state where neither the United States nor China seeks primacy, both exercise restraint, and multiple states emerge as poles with different weights? How can one ensure that the other does not take advantage of the other's restraint?

Many actors in the region prefer an end-state where neither major power is dominant. Some see a multipolar Asia-Pacific as inevitable. However, there is disagreement on how to bring the region, or specific sub-regions, to that endstate. For instance, India is supportive of many US actions in the Asia-Pacific, expecting those efforts to lead to a multipolar region. India's envisioned path to multipolarity is clearly distinct from China's, which entails reduced US primacy in the region. If India's alignment with the United States enhances China's sense of encirclement and fuels suspicions that India's goal is a region where the United States is dominant, how can India allay those concerns? At the same time, what measures can China take to ensure that its vision of a multipolar region is acceptable to India? It is unlikely that the two countries would be willing or able to seek out responses to such questions at this time, given the present tense state of diplomatic relations between them. However, it would be best if Indian and Chinese experts and scholars could have iterative dialogues on how they want to seek to "map" the aspects of a multipolar order in Asia that both countries would find acceptable.75

Similarly, if ASEAN prefers a multipolar region and is wary of both Chinese and US primacy, then it must also make efforts to define and promote a multipolar endstate which is acceptable to both China and the United States. The key problem lies in resolving a type of prisoner's dilemma, where either major power might be incentivised to "defect" from a multipolar order. The Chinese sense that it must respond to US containment – and the resulting disconnect between words and actions – implies that it might not be content with seeking multipolarity indefinitely. Likewise, the United States is unlikely to be content with taking policy measures towards a multipolar region, if it suspects that China is seeking primacy

⁷⁵ Piper Campbell has made a similar suggestion for the United States and ASEAN with regards to Southeast Asia. See: Campbell, "The United States: An Increasingly Incidental Provider of Regional Stability in the Asia-Pacific?"

there. The need for ASEAN to become more proactive about the regional order it desires is evidenced by the tense atmosphere at the 2024 Shangri-La Dialogue. ASEAN's traditional approach to this prisoner's dilemma – facilitating trust-building between China and the United States – is encountering obstacles. To quote a former Indonesian official: "We cannot simply be event organisers."

One source of this distrust is China's preference for prioritising bilateral negotiations over multilateral processes in settling territorial disputes. To ASEAN states in particular, this tendency undermines faith in China's claims that it desires a multipolar region, because the ASEAN vision of a multipolar region entails management of differences and disputes through multilateral institutions.. Engaging with regional states on a bilateral basis leverages China's relative power, especially against smaller states, and allows China to take unilateral actions across a range of issues, all while rejecting "interference" from third parties or institutions. An example in this regard is China's non-recognition of the UNCLOS Permanent Court of Arbitration ruling in favour of the Philippines, and its insistence on dealing with the issue with the Philippines only on a bilateral basis. The extremely tentative nature of the agreement struck in July 2024 between China and the Philippines to resupply stranded sailors on the dilapidated Philippine warship Sierra Madre⁷⁶ makes it reasonable to expect that China would not want to agree to a greater settlement, as Beijing would view it as a concession that the United States or its allies could potentially exploit. To move ahead more cooperatively on this issue, the Philippines could offer to not increase existing US troop or missile deployments on their territory in return for Chinese recognition – in word as well as deed - of international settlement mechanisms, including the 2016 Permanent Court of Arbitration ruling on the South China Sea. To make that solution palpable to the United States, regional states would also need to assume greater security provider roles compared to the current strong reliance on the United States for these responsibilities.

Moreover, a true multipolar end-state would also require regional states, particularly middle powers like South Korea, Japan, Indonesia, and Australia, to enhance their strategic autonomy. Asserting strategic autonomy does not only entail greater proactiveness on national security or defence affairs but also taking the lead on strengthening strategic and economic connectivity issues between regional states.⁷⁷ By recognising and exploiting their comparative advantages, regional states can build resilient networks and supply chains which include, but do not rely exclusively on, either major power.

⁷⁶ Sebastian Strangio, "China, Philippines Reach 'Provisional' Deal Over Disputed Shoal", *The Diplomat*, July 22, 2024, <u>https://</u>thediplomat.com/2024/07/china-philippines-reach-provisional-deal-over-disputed-shoal/

⁷⁷ Kim, "South Korea's Strategic Autonomy: Maintaining Regional Stability Amid US-China Competition."

Pacific Island states do not have comparable sources of state power as some others in the region, but they can and should enhance their ties and connectivity to other states across the Asia-Pacific region. As a previous APLN report has recommended: "Closer cooperation, dialogue, and engagement is needed among Pacific and Asian experts, policy practitioners, and civil society groups to future-proof the Asia-Pacific region against geopolitical challenges and to identify collaborative solutions for shared security concerns."⁷⁸ The goal would be to create regional networks that transcend individual sub-regions and enhance the ability of regional states to elevate their concerns on the regional agenda, and hold the major powers to behaviour of restraint. In particular, the potential for such connectivity between Southeast Asia and the Pacific should be explored, given the adjacency of the two sub-regions, their shared preference for collective decision-making, and their shared interest in maintaining non-aligned positions between China and the United States.⁷⁹

⁷⁸ Kulkarni and Natalie, 7.

⁷⁹ Closer alignment with the Pacific is an approach that has gained little attention in ASEAN. The Yusof Ishak Institute's annual survey on regional attitudes to geopolitical alignment and other issues mentions the European Union, Australia, Japan, and South Korea as potential "third parties" with which ASEAN should align but does not mention Pacific Island states at all. See: Sharon Seah et al., "The State of Southeast Asia 2024 - Survey Report", Yusof Ishak Institute, March 2024, <u>https://www.iseas.edu.sg/wp-content/uploads/2024/03/</u>The-State-of-SEA-2024.pdf

Specific Recommendations

1. Maintaining stability in a unipolar end-state – Assurances could be the key

- The United States, and an increasing number of US allies and other actors who favour US primacy, need to consider more carefully how they can reassure China that such an end-state would not be detrimental to its interests.
- Even though **China** officially rejects the notion that it is seeking primacy in the Asia-Pacific at the expense of the United States, those Chinese analysts who argue openly for such an end-state should consider more carefully how they can reassure the United States that such an outcome would not be detrimental to its interests.
- **US allies** should independently deepen their bilateral and multilateral security alignment to reduce their reliance on the United States in case of US retrenchment from the Asia-Pacific.

2. Maintaining stability in a competitive end-state: Restraint and empathy are crucial

- There is a need to enhance understanding in both China and the United States of each other's domestic political dynamics, without viewing this assessment solely through the lens of competition.
- There is a need for greater self-reflection and strategic empathy on the part of both major powers. If China is not seeking confrontation but only preparing for worst-case scenarios, then it should also understand why other countries prepare for their own worst-case scenarios, instead of perceiving it as preparations for an imminent conflict. The United States needs to be prepared to show greater strategic restraint, especially on issues of high sensitivity for China.
- Other regional actors, ideally ASEAN, should spearhead a call on major powers to renounce the use of force to change the territorial status quo.
- ASEAN should also lead an effort to define what "use of force" means in the above context, and incorporate emerging domains of conflict.
- Regional actors who seek to take advantage of China-US competition for their own benefit need to more carefully assess the unintended consequences of doing so.

3. Maintaining stability in a multipolar end-state: Shared concerns and understanding of risks

With multiple poles angling for influence, stability will have to be built around the idea of shared concerns and understanding of risks. Multilateral dialogue mechanisms serve this end, in enhancing understanding and promoting opportunities for more engagement among the various poles.

- ASEAN must better articulate, organise, and leverage the collective power of its member states to shepherd major powers towards acceptance of multipolarity. ASEAN must also go beyond being "event organisers" to effectively address the substantive issues of regional dynamics.
- India should address China's concerns of its growing security alignment with the United States. Engaging China through BRICS, the Shanghai Cooperation Organisation (SCO), and other similar pro-multipolarity fora would grant additional credibility to India's messaging.
- Dialogue between experts in China and India is needed to enhance mutual understanding of each other's claimed vision of multipolarity and how each fits into that vision.
- China's refusal to settle disputes through international mechanisms of which it is a member, and its coercive bilateral engagement with smaller neighbours undermines trust in its multipolar vision. China should recognise international rulings, such as the UNCLOS decision in favour of the Philippines, and peacefully resolve territorial disputes to show commitment to an institutionally managed multipolar region.
- US allies like the **Philippines** could agree not to increase US military presence in exchange for China recognising international settlement institutions. In the interest of promoting and upholding a multipolar system, regional allies should also assume more security provider responsibilities and augment their defense capabilities.
- Similarly, middle powers like South Korea, Japan, Indonesia, and Australia should enhance their strategic autonomy by acting more proactively in regional affairs, strengthening security capabilities and economic ties, and leveraging their comparative supply-chain advantages to reduce dependency on major powers.
- Pacific Island states should increase their connectivity with other Asia-Pacific states to address geopolitical challenges and security concerns collaboratively. They should especially explore connectivity between Southeast Asia and the Pacific due to the proximity of the two regions, and their shared interest in maintaining neutral positions between China and the United States. This effort can help maintain regional multipolar balance and elevate collective concerns.

Conclusion



Sunrise over the Pacific Ocean (Terry Lucas, via Wikimedia Commons).

This report's analysis suggests that there is a difference between China's stated preference for multipolarity and its (arguably) revealed preference for primacy. For the United States, the reverse is true: its stated preference is one of maintaining primacy, but overstretched and distracted by crises in Europe and the Middle East, the United States' revealed preference may in fact be that of a multipolar end-state in the Asia-Pacific. The distinction between intentions and capabilities in each case creates major uncertainties for regional actors and makes attaining a single agreed end-state impractical at this stage. For that reason, this report has sought to provide a non-exhaustive list of recommendations for how to manage various types of end-states in order to maintain regional stability and avoid conflict. It is important to note that some of the recommendations made are mutually exclusive. Actions which could be stabilising in one end-state could be destabilising in others. For example, US allies enhancing self-sufficiency and defensive capabilities to compensate for the United States conceding primacy

could arguably be stabilising in a multipolar end-state or one where China is dominant. However, enhancing defensive capabilities could be destabilising in a competitive end-state without corresponding reassurance measures towards China. This mutual exclusivity underlines the importance for all actors to clarify intent and be open about desired end-states.

Moreover, the framework presented here underlines the importance of analysing end-states as the outcomes of the interaction between Chinese and US approaches to primacy in the Asia-Pacific region. First, it urges policymakers in both Beijing and Washington to consider what they see as an ideal Asia-Pacific regional security system over the next decade and beyond, including the role of the other, and the role of third parties, in that system. Second, it urges both China and the United States to assess the largest disjunctures between regional preferences and their own regional approaches. Third, it highlights the agency of third-party actors, and the expectations and responsibilities these hold in shaping future regional end-states. While considering every possible third-party actor in the Asia-Pacific is beyond the scope of this project, future studies could seek to standardise a survey approach of the general public or political elites throughout the region to map their simultaneously held views of Chinese and US primacy, and prompt them to answer the questions we outline here.

The debate about competing visions for regional end-states requires a more holistic approach from scholars and policy practitioners: one which closely assesses the gap between the end-state that regional actors say they want, and the one that they actively work to construct. The analysis and recommendations of this report are intended to inform these efforts, in minimising, if not obviating, possibility of confrontation, and fostering peacebuilding measures for each principal end-state. The process of operationalising these recommendations could help cultivate a regional political and strategic environment more conducive toward convergence around an agreed set of principles, structures, and roles that can better ensure a stable Asia-Pacific.

About APLN

The Asia-Pacific Leadership Network for Nuclear Non-proliferation and Disarmament (APLN) is a Seoul-based organization and network of political, military, diplomatic leaders, and experts from across the Asia-Pacific region, working to address global security challenges, with a particular focus on reducing and eliminating nuclear weapons risks. The mission of APLN is to inform and stimulate debate, influence action, and propose policy recommendations designed to address regional security threats, with an emphasis on nuclear and other WMD (weapon of mass destruction) threats, and to do everything possible to achieve a world in which nuclear weapons and other WMDs are contained, diminished, and eventually eliminated.

APLN Asia Dialogue on China-US Relations

The Asia Dialogue on China-US Relations brings together senior experts and scholars from China, the United States, and the wider Asia-Pacific region to discuss China-US relations within a regional context. The project is made possible through the generous support of the Carnegie Corporation of New York.



ASIA-PACIFIC LEADERSHIP NETWORK



@APLNofficial



