Whose Rules, What Rules? A Contest for Order in the Asia-Pacific

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Introduction

What will govern predictable and peaceable interaction among states in the Asia-Pacific? The answer depends on the character of the region’s increasingly contested order. China’s rise has led to what some call a “dual-hierarchical” order: an uneasy pattern whereby China became central to the region’s economic prosperity while the United States remained central to the region’s security. For decades, US policy has implicitly encouraged this bifurcated order. So too did Asia’s secondary states. It allowed them to engage China with minimal fear of domination while simultaneously avoiding overdependence on the United States.

But Asia’s “dual hierarchy” is coming under strain, and no single process of order building is following it. To the contrary, the regional landscape is now cluttered with competing visions and blocs of influence. China and the United States remain the region’s leading powers—but these days neither is beloved—and Asia’s secondary states have the potential to be a third concentration of power if a sufficient number of them act collectively. China seeks an expanded sphere of influence that goes well beyond influencing economic affairs only, and it has already partially succeeded. The United States has undergone an unprecedented pluralization of its foreign policy landscape that makes it less reliable. And although Asia’s secondary states have pursued a variety of strategies to cooperatively hedge between China and the United States, they are an increasingly fractured group, between those who see little alternative to bandwagoning with China and those who refuse to abandon a rules-based liberal order.

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1 This term has been around in Asian security studies for years, but one of its first formal articulations was G. John Ikenberry, “Between the Eagle and the Dragon: America, China, and Middle State Strategies in East Asia,” Political Science Quarterly Vol. 131, no. 1 (2016), 9-43.

This paper argues that none of these visions for regional order are likely to be fully realized. Every serious attempt to get beyond international anarchy and forge generally accepted rules and norms is heavily contested within the region. States are pursuing multiple incompatible futures simultaneously—and none are satisfactory to China, the United States, and Asia’s secondary states all at once. This all but assures that political friction, mistrust, and security competition will become a more prominent feature of regional relations.

The remainder of this paper outlines plausible alternative models of regional order and why they are just as unworkable as trying to sustain Asia’s dual hierarchy amid countervailing geopolitical trends. Instead, I argue that the Asia-Pacific is heading toward a competitive, pluralistic order. Consistent rules and norms will exist, but only within particular sub-sets of relationships—not at a pan-regional level. Parts of Asia will continue to support and enforce a rules-based liberal order. Other parts will fall unquestionably within a Chinese sphere of influence. Still others will continue trying to hedge between China and the United States even as the foreign policies of each undergo major changes. The great risk is that opposing visions of order cannot stay forever autonomous from one another, and may instead become a basis for future fault lines.

**A Chinese Sphere of Influence**

Following the typical profile of rising great powers, China’s international interests and ambitions are expanding in tandem with its economic and military power, and are manifesting as an expanding sphere of influence. An order premised on a Chinese sphere of influence is one in which China exploits its economic centrality to make political and security gains at the expense of others. It is a decidedly unequalitarian arrangement that circumscribes the sovereignty of smaller powers in practice, if not formally.⁵

Any territory that falls within a Chinese sphere of influence is strategically dependent on Chinese economic ties, and lacks full control over its national security and foreign policy decision-making. This is already the case along much of China’s geographic periphery,⁴ achieved through a series of what China calls bilateral “strategic comprehensive partnerships”. In exchange for seemingly favorable trade, investment, and infrastructure assistance terms, the smaller power is required to grant China certain exclusionary privileges ranging from extrajudicial rights for ethnic Chinese to exclusive rights for gas pipeline projects and port accesses.⁵ As part of these “harmonious” relationships, China also makes a unique set of demands—that the smaller power foresees allying with other countries, that it promises not to host

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foreign military forces who might be hostile to Chinese interests, and that it does not
grant airspace or port accesses to potentially hostile forces.⁶

Why It Can’t Happen

A Chinese sphere of influence now exists in select places, but despite China’s
ambitions, it cannot span the entire region, or even most of it. Some of the smaller
powers along China’s periphery have been co-opted, but many others are wary of
such a fate, and would be unlikely to acquiesce to Chinese dominance under any
foreseeable circumstance. India and Japan—which flank the southwestern and
northeastern boundaries of China’s periphery—have emerged as the most certain
bulwarks against Chinese expansion, deepening their security cooperation with one
another bilaterally and in conjunction with third parties like the United States and
Australia. In Southeast Asia, ASEAN’s identity gives pride of place to avoiding
domination by an outside power—a shared norm that evolved out of the anti-
imperialist sentiment at the time of its founding. This most basic value defining the
sub-region conflicts with the notion that China should be allowed to exercise
exclusion and control prerogatives. And while the pluralization of US foreign policy
means that the United States could ultimately accept a Chinese sphere influence in
some form, it runs counter to America’s liberal internationalist tradition. Most
importantly, the closer the Asia-Pacific gets to being a Sino-centric order the closer
the region gets to a conflict with China over its ambitions.

G-2 between the US and China

For decades, Asia analysts have pondered the prospects of a “G-2 condominium”—a
type of order whereby the rules of the region are set by its great powers, the United
States and China.⁷ A G-2 order would rest on an implicit grand bargain between
China and the United States wherein each agrees to respect some to-be-determined
strategic interests of the other. Recurring objects of exchange in such a bargain
include Taiwan, the South China Sea, the Korean Peninsula, China’s territorial dispute
with Japan over the Senkaku/Diaoyu Islands, and ballistic missile defense, among
others. China has long sought a G-2 with the United States, which it prefers to
describe as a “New Type of Great Power Relations” (NTGPR). Although a contentious
concept, some scholars have seemingly endorsed it in the past.⁸

For China, a G-2 order would simplify how dispute resolution occurs, and reduce the
number of relevant voices in the region to only the United States. Most importantly, a
G-2 requires US recognition—whether implicit or formal—of a Chinese sphere of
influence, and that the two are co-equals. The Trump administration has at times
indulged in the construction of a G-2 form of order-building. When US Secretary of

⁶ Feng Zhongping and Huang Jing, “China’s Strategic Partnership Diplomacy: Engaging with a
⁷ For a review, see Van Jackson, “The Myth of a US-China Grand Bargain,” The Diplomat
(August 6, 2015).
⁸ See, for example, Charles Glaser, “A US-China Grand Bargain? The Hard Choice between
49-90.
State Rex Tillerson visited Beijing in March 2017, he came out of his meeting with Foreign Minister Wang Yi with a statement that aligned closely with how China expresses NTGPR: “non-conflict, non-confrontation, mutual respect, and win-win solutions.” Trump, moreover, has proven willing to stay silent about claims of Chinese currency manipulation and on Chinese assertiveness in the South China Sea, as long as China can manage the North Korean threat on behalf of the United States.

**Why It Can’t Happen**

But a G-2 construct is consensual, and the Trump administration has proven too jocular and combative with China to make a G-2 reliable. When the Trump administration felt China was failing to manage North Korea as hoped, Trump resorted to threats of steep tariff impositions on Chinese imports, complaints to the World Trade Organization, and “secondary sanctions” on North Korea that penalize Chinese banks and corporations doing business with North Korea. These steps are more aggressive than past US administrations, but they share in common the historical continuity of rejecting a Chinese sphere of influence as not in the US interest. India also has no interest in allowing the United States and China to set the rules for the region; it refuses to be an ally of the former and it is a strategic competitor of the latter. Asia’s smaller powers have similarly rejected a G-2 in the past. Southeast Asian states see a G-2 as dominance by two outside powers instead of one. US allies Japan and South Korea have been especially concerned because their interests risk becoming a bargaining item between the great powers. Other than China and a handful of scholars, then, a G-2 remains a widely unpopular construct that fits poorly with the relationship realities of the region.

**US Strategic Primacy**

A regional order based on US strategic primacy derives its rules from US dominance of the region’s military, economic, and political life. The United States has never actually pursued a strategy of primacy in such a comprehensive sense because it entails a kind of endless and ruthless competition between states that puts it at odds with American values, and because of the unending hostilities and resource commitments it would necessitate.

But the pursuit of primacy is more possible in America’s pluralist foreign policy environment. Trump has embraced a nativist political ideology that views the world in zero-sum terms. It is a worldview that sees the prospect of Chinese economic dominance as something to fear, and therefore something to prevent. Former White House strategist Stephen Bannon, whose alt-right Breitbart News helped define nativist populism in the United States, argued shortly before being fired that Chinese

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hegemony was not in America's interest: “the economic war with China is everything...If we continue to lose it...we'll never be able to recover.”

Bannon, some of Trump’s White House advisers, and Trump himself instinctively favor a competitive economic approach to China even at the expense of a trade war. Rightly or wrongly, Bannon believes such a war can be contained to the economic realm because US military superiority and the logic of nuclear mutually assured destruction prevents China from escalating to military force.

**Why It Can’t Happen**

US primacy in Asia is not achievable, and for many within the US foreign policy community, neither would it be desirable. The nativists are a minority among foreign policy elites, which makes it unlikely they could implement an extreme approach like primacy for an extended period of time without being coopted, contested, or subverted. The nativists also believe that the United States could enter a trade war with China without it spiraling into an actual war. But this belief has no historical basis, and there is no theory that supports it. Moreover, most states in the Asia-Pacific—especially those not already allied with the United States—would resist US attempts at strategic overreach. This is evident in the pattern of interaction that produced Asia’s dual-hierarchy in the first place; Asia’s smaller powers could have aligned strategically with the United States over the past two decades and avoided being drawn into China’s economic web, but they did not.

And even at the height of US power during the late 1990s and early 2000s, Asian states opted to “soft balance” against, rather than align with, the United States, especially after its invasion of Iraq.

**Rules-Based Liberalism**

Many policymakers in the United States and the region rhetorically aspire to a liberally oriented, rules-based regional order. Its emphasis on liberalism does not refer to the domestic political character of states so much as how governments interact with one another, relying on institutions and shared norms among states to sustain predictable and more or less open regional relations. The United States has long sought to construct a rules-based order in Asia, and it was an explicit goal of the US rebalance to Asia under President Obama. Even in the Trump administration, which has been skeptical about international institutions and treaty commitments, senior cabinet officials continue to declare to their Asian counterparts that the United States wishes for a stable regional order premised on the rule of law. Beyond the United States, Australia and New Zealand routinely stress rules-based regionalism as a guiding aspiration of their foreign policies. India and Japan too have come to vocalize supporter for a rules-based order, though their advocacy is largely

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13 Ibid.
14 Jackson, “Power, Trust, and Network Complexity.”
viewed as a strategic response aimed at checking China’s attempts to forge a sphere of influence.\textsuperscript{17}

**Why It Can’t Happen**

Yet three major problems prevent realizing a rules-based order. First, regional states understand Asia-Pacific institutions as a form of community, which should not be conflated with a form of governance.\textsuperscript{18} This different understanding of what institutions are limits what they can do; although the region is full of multilateral institutions that serve various economic and political purposes, all lack rule enforcement capacity, which is crucial to sustaining a system of predictable rules. Second, Asian states—especially ASEAN states—have internalized a strong sovereignty norm and resist any attempts to allow regional institutions to establish the binding rules of the community. Institutions are a site that facilitate peaceful interaction among states, but do not guarantee it, and neither do they set the terms of interaction for states. Third, China’s nascent sphere of influence stands as a rejection of rules issued by anyone other than China.\textsuperscript{19} And if the region’s only other great power refuses to grant it legitimacy or be bound by such an order in its own conduct, then there will always be a China alternative to entice (or coerce) states into non-conformity with a rules-based system.

**One Region, Many Orders**

The states of the Asia-Pacific have in mind multiple schemes for how a regional order ought to be constructed, yet none are fully realizable in the current environment. India and Japan are leading opponents of a Chinese sphere of influence. The United States lacks the wherewithal to pursue strategic primacy, and would at any rate generate balancing coalitions if it tried. Virtually everyone but China and Henry Kissinger rejects a G-2 order. And Asia’s institutions lack the character, cohesion, and enforcement capacity to sustain a rules-based liberal order. The prevailing pattern of “dual hierarchy” that emerged over the past decade and a half is not sustainable, and these different visions of order all represent a move away from it. China will not be both geopolitically restrained and an economic powerhouse. The United States will remain a crucial part of the region, but its traditional role as a regional balancer and security guarantor for smaller states cannot be relied upon amid shifting constellations of domestic politics in the age of Trump. And smaller states appear to lack the capacity and the will to act in a coherent, collective manner, which would be the only hope for sustaining a dual hierarchy.

In the Asia-Pacific’s more competitive, pluralistic order, nobody can dominate, and no fixed rules will obtain across the region. Asia’s strategic challenge is not how to preserve an order where one great power sits atop an economic hierarchy while

\textsuperscript{17} See, for example, Dan Twining, “Rivalry and Illusion Shape Asia’s Connectivity Contest,” Nikkei Asia Review (August 31, 2017).

\textsuperscript{18} See, for instance, ASEAN Statement. ASEAN Community Vision 2025 (2015).

\textsuperscript{19} Twining, “Rivalry and Illusion Shape Asia’s Connectivity Contest.”
another sits atop a security hierarchy. It is how—and where—to find stability as the old arrangement wanes and geopolitics reasserts itself.

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