

## **The Challenge of Pursuing International Governance in a Changing Indo-Pacific Region<sup>1</sup>**

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### **Abstract**

This paper examines the challenge of pursuing international governance in a changing Indo-Pacific region generated by the U.S.-China competition. International governance refers to the sum of state-related activities, rules, and norms existing and operating in specific regional system. It involves a wide-array of states' cooperative problem-solving arrangements to manage their relationship in a dynamic, conflict-prone and anarchic system. It involves cooperation and coordination by states in the absence of world government. The challenge of international governance is to prevent a systemic conflict in the light of the changes and tension generated by the U.S.-China competition in the Indo-Pacific region. This competition is a result of the Trump Administration's adoption of a balancing strategy on China that involves challenging its assertive behavior as an emergent power and preserving the regional balance of power that tilts towards the United States. In conclusion, the paper will argue that international governance will involve managing the process of peaceful change as the Indo-Pacific region that evolves from a balance of power system that tilts towards American preponderance to either a concert of powers system or a Sino-centric order.

**Keywords:** International governance, balance of power in the Indo-Pacific, U.S.-China strategic competition, strategic constraintment, peaceful change in the Indo-Pacific, and systemic change

The Trump Administration's current strategy on Asia reflects continuity rather than discontinuity with the Obama Administration's rebalancing policy. This stance stems from an appreciation and understanding of the U.S. role and function to strengthen American alliances, partnerships, and regional institutions that are committed to a rules-based international order as the foundation of peace and

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stability in East Asia.<sup>2</sup> It is also based on the realization that China continues to challenge American leadership in the Indo-Pacific. Two American analysts shared this observation: “Asia remains a high priority region; administrations may change but national interests do not.”<sup>3</sup>

The Trump Administration, however, has reworked the Obama Administration’s *constraintment* policy by treating China as a strategic competitor rather than a potential responsible stakeholder. Constraintment is a balanced policy of engagement with a modified form of containment. Conceptually developed by Canadian academic, Gerald Segal, the term refers to the collective action of states that coalesce to pressure China to moderate its stance on certain issues. Segal recognized the advantages of deepening the economic, social, and political relations with China. However, he cautioned Western countries and ASEAN member-states that such interactions would be optimized only if China could be prevented from using force to realize its irredentist claims and/to tilt the balance of power in East Asia in its favor. According to Segal, there is a need to engage an emerging power like China, yet the international community should not hesitate to constrain it when necessary. Segal warned about some states’ tendency to indulge or pander to its whims so as not to offend the sensibilities of the Chinese people especially in what is perceived as an attempt to contain China. He noted, nevertheless, that China fears a concert of countervailing forces. Thus, it has softened or modified its positions on contentious issues in the ASEAN Regional Forum (ARF) and even signed the Non-nuclear Proliferation Treaty (NPT) and the Comprehensive Ban Treaty (CBT). Constraintment should never be a confrontational or a balancing policy against China. Instead, it must aim to integrate China into the international system.

According to Segal “a policy to constrain China...is intended to tell China that the outside world has interest that will be defended by means of incentives for good behavior, deterrence for bad behavior, and punishment when deterrence fails.” Therefore, Segal’s constraintment approach is a “carrot-and-stick” policy in which engagement is matched by a tough-minded readiness to deter China from committing any aggressive act.<sup>4</sup>

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<sup>2</sup> James J. Przystup and Phillip C. Saunders, *Asia and the Trump Administration: Challenges, Opportunities, and a Road Ahead* (Washington D.C.: National Defense University Press, June 2017), 30.

<sup>3</sup> Ralph A. Cossa and Brad Glosserman, “The Pivot is Dead, Long Live the Pivot,” *Comparative Connections: A Triannual E-Journal on East Asian Bilateral Relations* 19, 1 (May 2017): 6.

<sup>4</sup> See Gerald Segal, “East Asia and the Constraintment of China,” in *East Asia Security* (Eds) Michael E. Brown, Sean M. Lynn-Jones and Steven E. Miller (London; Cambridge: The MIT Press, 1996): 159-187 and Michael Yahuda, “Gerald Segal’s Contribution,” in *A Regional Military Power, Does China Matter? A Reassessment* (Eds) Barry Buzan and Rosemary Foot (London; New York: Routledge, 2004): 6.

The Trump administration abandoned any delusion of power sharing with China. This is because it saw China's expanding comprehensive capabilities in terms of: a) undermining America's role as the off-shore strategic balancer in the Asia-Pacific region; b) exacerbating old territorial disputes, and contested historical issues; and c) flaunting to Washington that unchallenged U.S. military dominance in the region is about to end because of China's emergence as a great power in East Asia.

### **The Challenge of International Governance and Peaceful Change**

Many scholars have predicted this geopolitical competition between these two great powers. In 2001, Harvard Professor John J. Mearsheimer argued that if China's economy would continue to grow at its robust rate of more than 10%, it would become a potential hegemon that would eventually become the United States' peer competition in East Asia.<sup>5</sup> Accordingly, if the Chinese economy continues its expansion, then it would not only become a leading producer of cutting-edge technologies but the world's wealthiest economy that would eventually build a powerful military machine.<sup>6</sup> Moreover, for strategic purposes, China would also pursue regional hegemony, the same way as the United States did in the Western hemisphere at the end of the 19<sup>th</sup> century and early 20<sup>th</sup> century.<sup>7</sup> Professor Mearsheimer warned his fellow Americans that the future China threat might be far more dangerous than any of the aspiring hegemons that challenged the United States in the 20<sup>th</sup> century such as Wilhelmine Germany, Imperial Japan, Nazi Germany, and the communist Soviet Union.<sup>8</sup>

In 2014, Professor Mearsheimer repeated his warning about China as it observed that the rapid growth of the Chinese economy is transforming the country into a superpower that would build its power-projection capability enabling it to compete with the United States on a global scale.<sup>9</sup> He foresaw China's building of military (especially naval) forces that would allow it to project its capabilities to distant regions, such as the Western Hemisphere and the Persian Gulf.<sup>10</sup> He predicted that the United States would adopt a policy of strategic containment against China that will involve:<sup>11</sup> a) launching a preventive war against it; b) thwarting its economic growth; and c) rollback which will involve

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<sup>5</sup> John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York, London: W.W. Norton and Company, 2001), 397.

<sup>6</sup> *Ibid.*, 399.

<sup>7</sup> *Ibid.*, 400.

<sup>8</sup> *Ibid.*, 400.

<sup>9</sup> John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York, New York: W.W. Norton and Company, 2014). 370.

<sup>10</sup> *Ibid.*, 371.

<sup>11</sup> *Ibid.*, 384-388.

weakening regimes that are friendly to Beijing and fomenting political and social unrest and trouble in China.

Three years later, another American academic would talk about the prospect of a great power competition in the 21<sup>st</sup> century. Renowned Harvard academic, Professor Graham Allison, claimed that the United States and China are locked in what he called the “Thucydides Trap.”<sup>12</sup> He explained this situation as the natural and inevitable discomobulation that occurs when a rising power threatens and challenges a status quo power.<sup>13</sup> He argued that because of the ongoing restoration of Chinese power and influence in East Asia, China believes that the U.S. strategic dominance in the Western Pacific is waning.<sup>14</sup> As a result, China’s efforts are directed at hastening America’s strategic retreat from East Asia. Based on the current trajectory of the two great powers’ competition, he warned that war between the United States and China in the decades ahead is not only possible, but also more likely to erupt than currently recognized.<sup>15</sup>

As a major feature of the contemporary global society, international anarchy refers to the state system where there is no higher ruling authority above the territorial nation-states. International anarchy has nothing to do with chaos, conflicts, and war. Rather, it is about a system of providing independent and sovereign states an order without a higher level of government. However, forms of international governance could exist among a group of states, depending on cohesion of their social/political structures generated by their interactions, which could override the dynamics of balance of power, strategic competition, and even intense inter-state rivalries.

International governance does not require the presence of mature and developed institutions of governance, bureaucracy and organized violence associated with the sovereign state. In the light of the current U.S.-China strategic competition, international governance entails effecting the necessary and desirable changes within the global society without triggering a destructive systemic war between these two great powers.

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<sup>12</sup> Graham Allison, *Destined for War: Can America and China Escape Thucydides Trap?* (Boston; New York: Houghton Mifflin Harcourt, 2017).

<sup>13</sup> *Ibid.*, xvi.

<sup>14</sup> *Ibid.*, xvii.

<sup>15</sup> *Ibid.*, xvii.

## **The U.S.-China Strategic Competition**

As China joined the ranks of the great powers with comprehensive capabilities in the first decade of the 21<sup>st</sup> century, the Chinese leadership assumed that their country now has the preponderance of power to alter the rules, norms, and institutions that governed the global society to suit their country's expansive interests. At the onset of the second decade of the 21<sup>st</sup> century, China began to initiate crucial changes from a great power that accepts the existing rules and norms of the international order to one that seeks to reshape the status quo according to its image and national interests. This effort has become apparent in the South China Sea as China is developing its anti-access, area-denial (A2/D2) capabilities against the U.S. 7<sup>th</sup> Fleet. China is now relying on asymmetrical tactics (or gray zone tactics) below the threshold of actual conflict.

China's continuing naval build-up bolsters its A2/D2 capabilities that can prevent foreign navies from occupying or crossing vast stretches of maritime territories and make the Western Pacific off limits to the U.S. Navy.<sup>16</sup> To achieve this objective, the People's Liberation Army's Navy (PLAN—Chinese Navy) undertakes the following:<sup>17</sup> a) setting up of anti-satellite missiles, lasers, and a sophisticated cyber-attack mechanism to target the U.S. military's command and control systems that rely operationally and logistically on satellites and the Internet; b) deployment of conventional ballistic and cruise missiles and stealth combat aircraft to cripple major U.S. military installations in the region and to limit the U.S. Navy's ability to maneuver in international waters; and c) purchase of submarines armed with advanced torpedoes and high-speed cruise missiles to counter U.S. aircraft carriers and the surface vessels that protect them.

Strong economically and militarily, China has taken provocative actions in the South and East China Seas. These include the unilateral declaration of an Air Defense Identification Zone (ADIZ) in the East China Sea; the active conduct of several live-fire naval exercises by the PLAN and the People's Liberation Army's Air Force (PLAAF) in the Western Pacific/South China Sea; and the hardline responses by the PLAN in coordination with Chinese maritime law-enforcement agencies on territorial rows with the Philippines and Vietnam in the contested sea.<sup>18</sup> These moves worry the other littoral states about China's maritime design in the region.<sup>19</sup> From their viewpoint, these bullying tactics smack of

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<sup>16</sup> Andrew F. Krepinevich, Jr., "How to Deter China: The Case for Archipelagic Defense," *Foreign Affairs* 94, 2 (March/April 2015): 79.

<sup>17</sup> *Ibid.*, 79-80.

<sup>18</sup> National Institute for Defense Studies, *NIDS China Security Report 2014* (Tokyo: National Institute for Defense Studies, 2015). 3.

<sup>19</sup> *Ibid.*, 3.

Chinese territorial expansionism and adventurism.<sup>20</sup> However, from China's perspective, it is a case of the country outgrowing its subordinate status in the past and feeling confident enough to stand its ground in the western Pacific—to resolutely manage its territorial and sovereignty issues in the East and South China Seas.<sup>21</sup>

Indisputably, China's vigorous pursuit of its territorial claim over the South China Sea has increased in tandem with its aggressive naval maneuvers.<sup>22</sup> Its regular sea exercises utilize modern surface combatants and even submarines.<sup>23</sup> These actions concretize China's intention to unilaterally and militarily resolve the maritime issue, flaunt its naval capabilities, and impress upon the other claimant states its *de facto* ownership of the disputed territories.<sup>24</sup> In the end, China's naval capabilities will enable it to expand its maritime domain and deny foreign navies passage to the South and East China Seas. In time, it can deprive the U.S. Seventh Fleet access to the Western Pacific inside of the so-called first island chain.<sup>25</sup> Hence, China's long-term goal to project its naval prowess not only to the near seas but also to the far seas—the sea adjacent to the outer rim of the first island chain and those of the north Pacific—is not a remote possibility.<sup>26</sup>

In 2015, China fortified its expansive maritime claim in the South China Sea by constructing artificial islands over the six reefs it occupied in the Spratlys. Based on the satellite images provided by the *IHS Janes Defense Weekly*, China has created new artificial islands at Cuarteron Reef, Hughes, Johnson, Gaven, Fiery Cross, and Mischief Reefs.<sup>27</sup> On 9 April 2015, the Chinese foreign ministry acknowledged China's massive artificial island constructions in the Spratlys. It justified this effort as a means of “satisfying necessary military defense requirements. However, these facilities would also provide “civilian facilities such as typhoon shelters, fishing services, and civil administration offices” for

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<sup>20</sup> David Scott, *China Stands Up: The PRC and the International System* (Oxon; New York: Routledge, 2007), 104.

<sup>21</sup> Michael D. Swaine, “The Real Challenge in the Pacific: A Response to “How to Deter China,” *Foreign Affairs* 94, 3 (May/June 2015): 146-147.

<sup>22</sup> Peter Dutton, “Three Disputes and Three Objectives: China and the South China Sea,” *Naval War College Review* 54, 4 (autumn 2011): 6.

<sup>23</sup> For details on China's Training Exercises in its surrounding waters, see National Institute for Defense Studies, *NIDS China Security Report* (Tokyo: National Institute for Defense Studies, 2011). 14-21.

<sup>24</sup> See International Institute for Strategic Studies, *The Military Balance 2011: The Annual Assessment of Global Military Capabilities and Defence Economics* (London: The International Institute for Strategic Studies, 2011). 196.

<sup>25</sup> Yoichi Kato, “China's Naval Expansion in the Western Pacific,” *Global Asia* 5, 4 (Winter 2010): 19.

<sup>26</sup> Christopher H. Sharman, *China Moves Out: Stepping Stones toward a New Maritime Strategy* (Washington D.C.: National Defense University Press, April 2015). 6.

<sup>27</sup> Bonnie Glaser and Jacqueline Vitello, “China Makes Strides with AIIB and A Great Wall of Sand,” *Comparative Connections: A Triannual E-Journal on East Asian Bilateral Relations* 17, 2, May 2015: 5.

China, its neighbors, and international vessels sailing in the South China Sea.”<sup>28</sup> Despite President Xi Jinping’s statement to then President Barack Obama that China “does not intend to pursue militarization” of the Spratly Islands, China continued its construction of airstrips and other facilities for military requirements in the disputed land features.

More significantly, as the world’s traditional and leading practitioner of economic statecraft or geo-economics, China used its massive wealth to advance its geopolitical goal of blunting the Obama Administration rebalancing strategy to Asia.<sup>29</sup> China’s rapid economic growth and massive foreign exchange reserve have enabled it to reshape regional trade and investment patterns and to influence geo-strategic developments in East Asia. China has not only relied on its economic power as assurance measures and inducements to neighboring states to cooperate with it, but also used coercive economic measures like trade sanctions to punish countries opposing its policies.<sup>30</sup> Confronted by growing American naval presence in the Western Pacific, China pursues its maritime expansion by outflanking and blunting the U.S. rebalancing policy in the Asia-Pacific region through its huge foreign aid and several infrastructure projects under the umbrella of Belt and Road Initiative (BRI).

The BRI involved the building of comprehensive connectivity with countries and regions through infrastructures such as roads, railways, and ports as well as communications and energy projects.<sup>31</sup> It plans to connect the following regions and countries: (1) a route stretching from Central Asia west through Russia to the Baltic; (2) a historical route starting from Central Asia turning towards Western Asia, passing through the Persian Gulf on its way to the Mediterranean Ocean; and (3) a route that passes through Southern China into Southeast Asia then leads through South Asia into the Indian Ocean.<sup>32</sup>

The BRI is a two-edged geo-political sword. On the one hand, it expands China’s influence into Eurasian sub-continent away from the Pacific. On the other hand, it also projects Chinese influence into the east and thus, becoming China’s 21<sup>st</sup> century Marshall Plan to blunt the U.S. strategic rebalancing to the Western Pacific.<sup>33</sup> This is because it provides China an effective tool to drive wedge

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<sup>28</sup> Ibid., 7.

<sup>29</sup> See Robert D. Blackwell and Jennifer M. Harris, *War by Other Means: Geoeconomics and Statecraft* (Massachusetts: Belknap Press, 2016), 128.

<sup>30</sup> Ibid., 129-151.

<sup>31</sup> National Institute for Defense Studies, *East Asian Strategic Review 2017* (Tokyo, Japan: The Japan Times Press, 2017), 79.

<sup>32</sup> National Institute for Defense Studies, *East Asian Strategic Review 2016* (Tokyo, Japan: The Japan Times Press, 2016), 119-120.

<sup>33</sup> Ibid., 18.

between countries and within countries that it sees as having impact on its core interests such as Taiwan, Tibet, and the South China Sea. Chinese balancing is against individual states or any coalition of states that is challenging its expansionist agenda in East Asia. Furthermore, the BRI also strengthens China's hand in undermining the existing military alliances and the current regional order while empowering China to create new power relationships and arrangements that exclude the United States.

In the first months of the Trump Administration, White House officials examined in depth America's strategic interests and involvement in East Asia—including some policies it inherited from the Obama Administration. Conscious that certain strategic developments in the region could threaten U.S. security interests, the Trump Administration found it prudent not only to continue but also to strengthen U.S. strategic engagement in the region. Key administration officials assessed the Obama Administration's calculation that the Asia-Pacific has become "a key driver of global politics" and "the rebalancing is a means for a sustained and coherent U.S. long-term strategy toward the region."<sup>34</sup> This assessment demands asserting America's leadership role in Asia and projecting its naval power to counter-balance China's pervasive regional influence.<sup>35</sup>

The Trump Administration observed that Asia's economic dynamism generated by China's emergence as a great power in East Asia co-exists with a number of specific security challenges. These include flashpoints such as Northeast Asia and the Korean Peninsula, the thorny China-Taiwan relationship, and the tense South China Sea imbroglio that involves unresolved territorial disputes, competition to secure marine resources, and freedom of navigation issues.<sup>36</sup> It became aware that the prudent conduct of U.S. foreign policy in Asia must consider the broad trends of the region's economic dynamism, China's rising power, and its predecessor's rebalancing strategy.

Consequently, the Trump Administration reworked the Obama Administration's *constraintment* policy by treating China as a strategic competitor rather than a potential responsible stakeholder. It eventually abandoned any delusion of power sharing with China. This is because it saw China's expanding comprehensive capabilities in terms of: a) undermining America's role as the off-shore strategic balancer in the Asia-Pacific region; b) exacerbating old territorial disputes and contested

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<sup>34</sup> Julianne Smith, Erik Brattberg, and Rachel Rizzo, *Transatlantic Security Cooperation in the Asia-Pacific: Recommendations for the Next Administration* (Washington, D.C.: Center for New American Security, October 2016), 2.

<sup>35</sup> Martin S. Indyk, Kenneth G. Lieberthal, and Michael E. O' Hanlon, "Scoring Obama's Foreign Policy: A Progressive Pragmatist Tries to Bend History," *Foreign Affairs* 91, 3, (May/June 2012): 33.

<sup>36</sup> James J. Przystup and Phillip C. Saunders, *Asia and the Trump Administration: Challenges, Opportunities, and a Road Ahead* (Washington D.C.: National Defense University Press, June 2017), 12-13.



historical issues; and c) flaunting to Washington that unchallenged U.S. military dominance in the region is about to end because of China's emergence as a great power in East Asia.

The Trump Administration sees China's actions and goals as the major destabilizing element in the Indo-Pacific region. From this administration's perspective, ensuring American primacy in the Indo-Pacific region requires doing away with any delusion of integrating China into the liberal world order. For several American national security and foreign policy experts, the old strategy of accommodation and engagement with China had simply failed.<sup>37</sup> From their point of view, U.S. engagement with China has not stopped Beijing from persistently bending the rules of international trade in service to China's voracious mercantilism, erecting steep tariffs, and forcing U.S. corporations to surrender intellectual property through cyber espionage. Instead, the Chinese Communist Party (CCP) has used this rapidly growing comprehensive power to crack down on domestic dissent, bully its neighbors, and challenge American leadership in Asia and other parts of the world.<sup>38</sup>

The failure of the engagement policy with China leaves "the U.S. no choice but to compete, deter, and win in this competitive environment."<sup>39</sup> Prominent American Sinologist Professor Robert Sutter described the Trump Administration's emerging strategy as a shift away from America's longstanding China "strategy of engagement plus hedging" to a more forceful whole of (U.S.) government pushback versus China.<sup>40</sup> The Trump Administration replaced the Obama Administration's carrot and stick approach with an outright balancing strategy that involves: a) challenging China's assertive behavior as an emergent power in the Indo-Pacific region; b) maintaining the regional balance of power in favor of the United States; c) supporting countries that have competing territorial claims with Beijing as a means of confronting the geostrategic challenges poised by a more assertive and powerful China; and d) preparing a strategic response to defeat China's growing anti-access and area-denial (A2/A2) capabilities. Consequently, it has put the United States in a head-on and protracted competition with China for power and influence in the Indo-Pacific region.<sup>41</sup> These developments, in turn, have created the prospect of a systemic or a great powers' war in the second decade of the 21<sup>st</sup> century.

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<sup>37</sup> James Kitfield, "The U.S. and China: A Colder Peace or Thucydides Trap?" *Air Intel and Cyber, Sea, Strategy and Policy*, December 12, 2018: 2.

<sup>38</sup> *Ibid.*, 3.

<sup>39</sup> Department of Defense, *Summary of the 2018 National Defense Strategy of the United States of America* (Washington, D.C.: Department of Defense, 2017), 1.

<sup>40</sup> John S. Van Oudenaren, "What Does Growing U.S.-China Rivalry Mean for America's Allies in Asia? Could They End Up Having to Choose Sides?" *National Interests*, December 13, 2018: 1.

<sup>41</sup> Shambaugh, "U.S. Relations with Southeast Asia," 4.

## The Regional Security Architecture

A regional security architecture refers to the overarching and comprehensive institutional structure within a geographic region that facilitates the coordination, governance, and resolution of a range of policy objectives, primarily on security matters, to states in a given region. Compared to Western Europe, Asia's security architecture lags behind in every area in the construction and institutionalization of explicit and cooperative multilateral security arrangements.<sup>42</sup> Prior to the 1990s, the region was regarded as too diverse and too distrustful to accommodate multilateral security institutions. The prospect for multilateral security cooperation remained bleak until at the least in the early 1990s.<sup>43</sup>

Consequently, throughout much of the Cold War, bilateralism remained the dominant mode of security cooperation in Asia. In this respect, the U.S. system of bilateral security alliances became the region's primary and only security architecture.<sup>44</sup> Its main manifestation took the form of the U.S.-led network of bilateral security alliances, which is referred to as the San Francisco system of alliances.<sup>45</sup> The most prominent and durable of America's bilateral security alliances in Asia are the U.S.-Japan security alliance, the U.S.-South Korea alliance, and the U.S.-Philippines alliance.<sup>46</sup> These three bilateral alliances assigned the United States the role of East Asia's primary security guarantor as Washington dominated the conditions of these security arrangements.<sup>47</sup> These alliances have then an enduring effect on the U.S. and its allies' security and foreign policies way into the 21<sup>st</sup> century. These bilateral alliances enabled the United States to exercise greater ability to restrain and diffuse tensions over three regional flashpoints: the Korean Peninsula, the East and South China Seas; and the Taiwan Straits. Most significantly, they gave the United States the strategic initiative to directly persuade China not to move toward predominance of power in East Asia.

The only successful Cold War multilateral security institution that evolved way into the 21<sup>st</sup> century is the Association of Southeast Asian Nations (ASEAN). Prior to the early 1990s, the ASEAN's influence, however, was limited to Southeast Asia. The ASEAN, however, would have an impact on the regional security architecture in the mid-1990s with the formation of the ASEAN Regional Forum

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<sup>42</sup> Brendon Taylor, "Conceptualizing the bilateral-multilateral security nexus," *Bilateralism, Multilateralism and Asia-Pacific Security: Contending Cooperation* (Eds.) William T. Tow and Brendon Taylor (London and New York: Routledge, 2013), 8.

<sup>43</sup> *Ibid.*, 8.

<sup>44</sup> *Ibid.*, 8.

<sup>45</sup> Andrew Yeo, *Asia's Regional Architecture: Alliances and Institutions in the Pacific Century* (Stanford, California: Stanford University Press, 2019), 28.

<sup>46</sup> *Ibid.*, 28.

<sup>47</sup> *Ibid.*, 28.

(ARF) and other ASEAN-related multilateral arrangements such as the ASEAN Plus Three (APT), the East Asian Summit (EAS), and the ASEAN Defense Ministers Forum (ADMM).<sup>48</sup> The ASEAN approach to security is reflected in the formation of the ASEAN Regional Forum (ARF) in 1995 and its subsequent foray into regional security affairs. The ARF was formed during a three-hour, low-key gathering in July 1994 immediately after the Association of Southeast Asian Nations (ASEAN) Foreign Ministers' Meeting. It is ASEAN's first and tentative venture into the field of regional security. The ARF is not an institution for collective defense, nor is it a concert for the management of regional security. It is based from the ASEAN-derived approach of cooperative security which involved the building of trust on a multilateral basis with the goal of mitigating existing disputes, and eventually finding means of resolving them.

The ARF's end goal is to create a regional order based on 1) transparency in strategic intent and threat perceptions; 2) mutual trust and confidence with regard to the member-states' military capabilities and deployment; and 3) habit of cooperation which will facilitate the peaceful resolution of existing and future conflicts. The late Michael Leifer observed that "the ARF aims to contribute to the promotion of a predictable and constructive pattern of relationship in the Asia-Pacific."<sup>49</sup> As such, the ARF is similar to other forms of behavior and mechanism that regulate relations among states. Such patterns of managing interstate relations include the Concert of Europe, alliance systems, crisis management, bipolar alliance structures, spheres of influence, and systems with features resembling the more traditional balance of power. However, what differentiates the ARF from these examples is its objective to foster an international (or regional) order that deviates from the use of force in settling interstate disputes. Like in collective security, arms control, and the development of international law, the ARF wants a certain degree of institutional or cultural constraint on the use of force in effecting change in the system.<sup>50</sup> As a result, since the mid-1990s, the ASEAN has the initiative on multilateral security formation. The regional organization has reconstructed the norm of common and cooperative security in the Asia-Pacific region so that its institutional expression mirrors the ASEAN Way as the main platform for developing a wider and more inclusive Asia-Pacific regional security architecture.<sup>51</sup>

In recent years, several middle powers have formed multilateral security arrangements that have evolved along different lines in terms of scope and accessibility. With respect to the size of their

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<sup>48</sup> Taylor, "Conceptualizing the bilateral-multilateral security nexus," 9.

<sup>49</sup> Michael Leifer, *The ASEAN Regional Forum: Extending ASEAN's Model of Regional Security*, (London: New York Oxford University Press, 1996), 45.

<sup>50</sup> Michael Yahuda, *The International Politics of the Asia-Pacific* (New York; Oxon: Routledge, 2013), 199.

<sup>51</sup> Yeo, "Asia's Regional Architecture," 53-54.

memberships, middle powers like Australia, Japan, and South Korea have formed small or minilateral rather than multilateral security groups.<sup>52</sup> They remain plurilateral rather than multilateral because their memberships remain exclusive in nature—available to established middle powers only.<sup>53</sup> Minilateral and plurilateral arrangements provide stronger defense and security ties between middle powers that are linked by common security interests and political values.<sup>54</sup> This is the case of Japan and Australia, two middle powers that have developed their respective geographic strategic complementarity and forged their own special bilateral security partnership.

### **International Governance amidst Strategic Competition**

The primary challenge for effecting international governance in the Indo-Pacific region is to manage the current U.S.-China strategic competition. This requires countries in the region to convince both major powers to develop and foster mutual expectation of the peaceful transition of power in the region. This necessitates that regional structures assist the two competitors in changing their perceptions of their vital national interests wherein both sides should consider war as a destructive and illegitimate instrument of pursuing their strategic and political objectives. However, this is easier said than done given the fact that the United States and China are locked in managing four major flashpoints in the region that could trigger a major or a systemic war.

These flashpoints are: a) the South China Sea; b) the Senkaku Islands in the East China Sea; c) the Korean Peninsula; and d) the Taiwan Straits. The four flashpoints manifest frozen inter-state contentions that have the potential to escalate into militarized conflicts between China and the United States. These flashpoints are projections of interacting states' mutual animosity, suspicions, and contention. They trigger a major conflict if the conditions are right, because these flashpoints are occurring amidst a major systemic change in the 21<sup>st</sup> century when the U.S. unipolar moment is strategically being challenged by China, and in a certain degree, also Russia.

Looking at the possibility of a direct-armed conflict between China and the United States (and its allies) originating in any one of these flashpoints, an American academic notes:

Should Beijing and Washington find themselves in a conflict, the huge U.S. advantage in conventional forces would increase the temptation for

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<sup>52</sup> Ajin Choi and William T. Tow, "Bridging Alliances and Asia-Pacific Multilateralism," in *Bilateralism, Multilateralism and Asia-Pacific Security: Contending Cooperation* (Eds.) William Tow and Brendan Taylor (London and New York: Routledge, 2013), 27.

<sup>53</sup> *Ibid.*, 27.

<sup>54</sup> *Ibid.*, 27.

Washington to threaten to or actually use force. Recognizing the temptation facing Washington, Beijing might in turn feel pressure to use its conventional forces before they are destroyed. Although China could not reverse the military imbalance, it might believe that quickly imposing high costs on the United States would be the best way to get it to back off.

...Under such circumstances, both Beijing and Washington would have incentives to initiate an attack.<sup>55</sup>

It is imperative, therefore, to look into the prospect of resolving, not simply managing, the U.S.-China strategic competition at the most opportune time. This goal must be pursued amidst the emerging power reconfiguration in East Asia. This requires transforming the U.S.-China relationship into a schema of stable peace. Stable peace can be realized in a state system where the probability of war, especially among the major states, is minimized.<sup>56</sup> From an interactive perspective, it means a greatly reduced probability of political units (states) resorting to violence to achieve their political and strategic ends.

American Academic Charles Kupchan provides an interesting and bold account of how states can free themselves from geo-strategic rivalry via rapprochement or even reconciliation.<sup>57</sup> He studied cases of how stable peace was achieved in the following cases: U.S.-UK relations; Norway-Sweden relations; Brazil-Argentina relations; the Concert of Europe; the European Union; and the ASEAN. In these cases, a zone of stable peace emerged when strategically proximate states started considering war among themselves as unthinkable, effected demilitarization policies, and denounced the use of force as an instrument of statecraft.<sup>58</sup> According to him, the path to a stable peace is a sequential process consisting of four distinct phases:<sup>59</sup>

- A) *Unilateral accommodation of one party*—In a dispute, one party must make an initial concession to the other states as an opening gesture of goodwill and trust. It is then up to the targeted states to reciprocate with their own acts of accommodation. During this stage of extending concessions, the parties to the dispute seek to discern the intent behind such moves and begin to entertain hope that they are dealing with a potential partner rather than an implacable adversary.
- B) *Reciprocal restraint*—Expectations of reciprocity promote successive rounds of accommodation among the parties. Then they evaluate one another's broader motivation, not just their narrow

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<sup>55</sup> Avery Goldstein, "China's Real and Present Danger: Now is the Time for Washington to Worry," *Foreign Affairs* 95, 5 (September/October 2013): 138-139.

<sup>56</sup> John Vasquez, *The War Puzzle* (Cambridge, UK: Cambridge University Press, 1993), 264.

<sup>57</sup> See Charles A. Kupchan, *How Enemies Become Friends: The Sources of Stable Peace* (Princeton, New Jersey: Princeton University, 2010), 1-15.

<sup>58</sup> *Ibid.*, 29-30.

<sup>59</sup> *Ibid.*, 35-36.

intentions with respect to specific concessions. Eventually, hope leads to mutual confidence and understanding that their competition and rivalry can lead to peace, and possibly, long-term cooperation.

- C) *Societal integration*—Parties in the dispute begin interacting with increasing frequency and intensity, as they attribute benign qualities to one another's political or diplomatic character.
- D) *Generation of New Political or Diplomatic Narratives*—Using the discourse of a newly- formed community, the former disputing parties embrace a compatible, shared, or common identity and expectations of peaceful relations that will have a “taken-for-granted” characteristic, generating a sense of social solidarity.

When applied to the U.S.-China strategic competition, the process involves these stages: The first stage necessitates one party in the dispute to initiate a unilateral accommodation by sending a message of benign intent to the other parties and offering an unambiguous concession on a matter of common interest or concern to them. In this case, the party that should initiate a unilateral accommodation is China. This unilateral accommodation requires the following set of actions on the part of China.

- 1) China, as the emergent power, to make the initial diplomatic and strategic concessions to the U.S., its allies, and other regional stake holders as an opening gesture of good will. This will require China abandoning its expansive maritime claims in the first island chain and moderating its behavior against the littoral states.
- 2) China must seek to discern its benign intention behind such moves and to foster expectations in other states that it is a potential partner in maintaining regional stability rather than an implacable adversary and a revisionist power bent on unravelling the regional order.
- 3) China must convince the United States, its allies, and other regional countries to exercise mutual restraints to promote successive series of mutual accommodation by both sides. These efforts are aimed to moderate the competition, avert any possible rivalry, foster durable peace and stability, and generate programmatic cooperation.
- 4) China, jointly with the United States, its allies, and ASEAN, must stride for integrative ventures such as preferential or free trade agreements, customs union, and common markets, complemented by multilateral and cooperative security arrangements such as confidence-building measures and preventive diplomacy.

With its size and location in East Asia, a robust economy, and growing military might, China is the most able to initiate a unilateral accommodation and diffuse the current geostrategic competition. Such course of action will confirm that China does not want a geo-strategic competition in the Indo-Pacific region. It will also discourage other states from joining a counter-balancing coalition led by the United States and supported by Japan and Australia. If China pursues such policy, the geostrategic competition between the United States and China would either lead to: a) a U.S.-Sino (G2) Condominium where the United

States will accept compromises that will accommodate China's core interests in the region leading to a *de facto* Chinese sphere of influence in the Indo-Pacific, or b) a Sino-centric order where the Chinese economy becomes the center of the regional economy, China assuming the role of the primary guarantor in regional security matters, and Asians resolving Asian security and diplomatic issues with limited or without interference from external powers. This development will eventually ease the U.S. out of the region without any major conflict. If China effects a peaceful change, it will eventually be able to ease the U.S. out of the region without a systemic war. This will be a case of what Sun Tzu prescribed in the Art of War, "to win, without actually fighting." China's failure to take a unilateral accommodation will only prolong the current regional balance of power system, which is marked by constant but relatively stable competition between two great powers and their allies. The worst-case scenario, that will mean the failure of international governance to manage the U.S.-China competition, will be the culmination of the Thucydides Trap through the consequent outbreak of a systemic war between a status quo superpower and its allies versus an emergent power in the Indo-Pacific region.

## Conclusion

At stake in ongoing U.S.-China strategic competition is not simply the control of a huge and strategic region. More importantly, it is the future of the Indo-Pacific region. Will the region avoid the various competitions, conflicts, and wars that Europe experienced prior to 1945? Alternatively, will Europe's past be East Asia's future? China's delaying tactic inevitably directs the region towards the second scenario where "Asia's uncertain future will be Europe's bellicose and violent past."<sup>60</sup> However, this worst-case scenario is avoidable if China changes its approach as an emerging power in the region. The long-term resolution of the current strategic competition will start by China's unilateral accommodation of the interests of most East Asian states and the United States. Taking this first step entails enormous constraints as well as diplomatic flexibility and more importantly humility on the part of an emergent power. China, the United States, and other countries in the Indo-Pacific region should reflect on E. H. Carr's aphorism on international change: "Everyone, will however, agree that war and revolution are undesirable in themselves. The problem of peaceful change is, in national politics, how to effect necessary changes without revolution and, in international politics, how to effect such changes without war."<sup>61</sup>

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<sup>60</sup> Aaron L. Friedberg, "Ripe for Rivalry: Prospects for Peace in a Multipolar Asia," East Asian Security (eds) Michael E. Brown, Sean M. Lynn-Jones, and Steven E. Miller (Cambridge, Massachusetts; London, England: The MIT Press, 1996), 5.

<sup>61</sup> E.H. Carr, *The Twenty Years' Crisis* (New York, New York: Palgrave, 2001), 191-192.

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