

The United States and China

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*Competing Discourses
of Regionalism in East Asia*

By

Narayani Basu

Cambridge
Scholars
Publishing



The United States and China:
Competing Discourses of Regionalism in East Asia

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This book first published 2015

Cambridge Scholars Publishing

Lady Stephenson Library, Newcastle upon Tyne, NE6 2PA, UK

British Library Cataloguing in Publication Data
A catalogue record for this book is available from the British Library

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ISBN (10): 1-4438-7273-3

ISBN (13): 978-1-4438-7273-7

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ACKNOWLEDGEMENTS

Much has been written about the dynamics between the United States and China in East Asia. The two countries are major players in the region, with the former being an older and more formidable presence than the latter. However, the twentieth and twenty-first centuries have seen a dramatic change in the geopolitical scenario. The United States is no longer the imposing power in the region that it used to be, even though the Obama administration is doing its best to breathe new life into Cold War alliances. All across East Asia, China is probing at the bilateral ties that the United States has maintained in the region for the last five decades. ‘Great Power Politics’ is the name of this particular game, and it is not a new one. Nevertheless, that is not the point of this book.

When I began research on the subject three years ago, I found that it would be easy to dismiss the current geopolitical scenario as ‘Great Power Politics’. Perception plays a major role in foreign policy formulation. At a time when East Asia is at its most fluid, it is equally important to look at how the United States and China view a region that both consider so key to their national interests. How have their perspectives on the region evolved, and what impact have those evolving discourses had on their respective regional policies towards East Asia? Regional discourse is the driver behind the foreign policy moves of the United States and China in East Asia. Understanding it enables an insight into two differing (and sometimes overlapping) regional perspectives and how they play out in East Asian regional institutions and contribute to (or impede) the building of cohesive regional security architecture in the twenty-first century. This is especially significant given the fact that the United States is still (despite its declining power) a global hegemon, and China is, within East Asia, a regional one.

My ideas, however, would not be on paper without my professor and former supervisor, Dr. Abanti Bhattacharya. She was a wonderful guide – patient, helpful, supportive and always pushing me to read, investigate and think beyond my own limitations. For this, I offer her my grateful thanks. I would also like to thank the faculty at the Department of East Asian Studies, Delhi University, New Delhi, India. In particular, Dr. Madhu Bhalla and Dr. Madhavi Thampi for making China Studies an immensely fascinating academic field; Mr. Kailash Chand Mathur for his support and

encouragement in Chinese Language; and Professor Anita Sharma for being such a friendly, sympathetic and approachable Head of Department. I would also like to thank Mr. Prem Pal Singh Jadaun, the librarian at the East Asian Studies Department Library for his wonderful work in assisting a harassed researcher to find her material. The wonderful team at Cambridge Scholars Publishing, especially Amanda Millar, cannot be thanked enough for their accessibility, approachability and helpfulness.

To Durgadas, who made me believe in myself at a time when I needed it the most – thank you. My friends are too many to name, but they all provided a lot of joy and encouragement throughout the process of writing this book. I cannot be more grateful for their presence.

Last, and perhaps most importantly, I would not have come this far without the unwavering support of my mother, Nalini Menon. She has always been my rock – pragmatic, direct and ever ready with solutions to my problems. To her, I offer the hope of being able to live up to her expectations and, perhaps someday, exceed them.

This book is dedicated to her.

Narayani Basu
New Delhi
October 16, 2014

CHAPTER ONE

INTRODUCTION

Regionalism in East Asia: The Idea that Would Not Go Away

As a concept, regionalism is far from new. Even a cursory glance at historical records will show that regions, in terms of empires or spheres of influence, have existed across the globe and over the centuries. Throughout the nineteenth century, different leagues, associations and unions were concerned with the maintenance of security. For instance, in the United States, it was the Monroe Doctrine, while in Europe, the term ‘concert’ was used to highlight the existence of a regional order, based on a balance of political power. During the early years of the twentieth century, the League of Nations was established as the first global security institution, in the aftermath of the First World War.¹

Only in the run up to, and the actual duration of, the Second World War was regionalism placed on the backburner. The aftermath of the Second World War left a dire need for new international institutions, leading to the birth of organisations like the United Nations and the General Agreement on Tariffs and Trade (GATT) and the Bretton Woods system. The primary reasons behind their establishment remained precisely the same, namely to ensure global security. Cross-regional groupings, such as the Southeast Asia Treaty Organisation (SEATO), the Central Treaty Organisation (CENTO), the North Atlantic Treaty Organisation (NATO), and the Australia, New Zealand, United States Treaty (ANZUS) also began to emerge during these years, one of many baby steps that regionalism was to take, and is still taking, following the end of the Cold War in 1989.

¹ Louise Fawcett, “Regionalism in World Politics: Past and Present,” Garnett Seminar, PhD School, Brussels, 2008.

The idea here, however, is not to trace the steps as and when they happened. Instead, regionalism will be used as a connecting thread, linking one chapter to the other.

Regionalism in Perspective

It is necessary to first put the many debates surrounding regionalism in context. As a concept, the term 'regional', with all its connotations of 'region' and 'regionalism', is beset by many competing views and very little consensus. Much of the debate is generally focused exclusively on the 'new' variety² of regionalism, the propagation of which gathered pace in the aftermath of the Cold War, and is primarily associated with increased economic integration.

However, across these schools of thought, there is a subtly hidden common denominator which postulates that all forms of regionalism must include some kind of interaction, formal or informal. Although much of the impetus for regional initiatives comes unsurprisingly from regional actors, it is noteworthy how influential extra-regional geopolitical forces have been in shaping regional processes, even where they were not intended to be so. In the case of East Asia for example, where the origins of regionalism have been complex and their ultimate outcomes unpredictable, much depends on the dynamic interplay of regional and extra-regional influences such as the United States. In other words, regionalism is not simply a contingent, functional response to the 'needs' of international capital, but an essentially political process based on multi-dimensional economic and strategic factors.³ In today's context, this would imply an association with a programme or strategy and the resultant building of formal institutions linked to it.

² Alex Warleigh-Lack, "Towards a Conceptual Framework for Regionalisation: Bridging 'New Regionalism' and 'Integration Theory'," *Review of International Economy*, Vol. 13, No. 5, December 2006, pp. 750-771.

³ Mark Beeson, "Rethinking Regionalism: Europe and Asia in Comparative Historical Perspective," *Journal of European Public Policy*, Vol. 12, No. 6, December 2005, pp. 969-985.

Regionalism in the Context of 'Region': Theoretical Perspectives

Louise Fawcett has rightly asked, 'What is the regional level?'⁴ After all, even if not used directly, the term is often variously inferred. Another leading question that arises is: 'What is a region?' Fawcett believes the answer to this question lies in the degree of what she calls 'definitional flexibility'.⁵ However, for some like Joseph Nye, a region is a group of states linked both by a geographic relationship as well as a degree of mutual interdependence.⁶ Peter Katzenstein offers three approaches to defining a 'region': (a) material– classical theories of geopolitics; (b) ideational– critical theories of geography; and (c) behavioural theories. Each approach, he argues, contributes to the definition of 'region' and that there is no single approach. Katzenstein points to the existence of geographic 'umbrella philosophies', illustrating the central point that regions are politically made.⁷ This theory has different strands. Its political strand views regions as spatial manifestations of capitalist production processes that separate the core from their peripheries, while its cultural strand focuses on regions as collective symbols chosen by groups to dominate specific places in the world. This view is echoed by Fawcett, who has emphasised the importance of an inclusive typology, which includes state-based as well as non-state-based regions, and also those of varying size and composition.⁸ Certainly, size and membership are important and sometimes become the engine behind the formation of a regional bloc. An example of this is the Malaysian-inspired East Asian Economic Grouping (EAEG), formed with the initial purpose of excluding the United States as a major regional player. In short, defining a region depends on the interpretation of its meaning and the form of its existence. Seeking a definition of 'region' allows it to be interpreted as a reference to regionalism. As globalisation spreads across the world, and as security landscapes change, there is today a flourishing body of literature on both the subject and the concept. Depending on the school of thought, a wide variety of perspectives emerge on regionalism. For example, in the

⁴ Louise Fawcett, "Exploring Regional Domains: A Comparative History of Regionalism," *International Affairs*, Vol. 80, No. 3, 2004, pp. 429-446.

⁵ *Ibid.*

⁶ Joseph Nye, *International Regionalism* (Boston: Little & Brown, 1968), p. vii.

⁷ Peter J. Katzenstein, *A World of Regions: Asia & Europe in the Age of American Imperium* (Ithaca: Cornell University Press, 2005), p. 9.

⁸ Louise Fawcett, "Exploring Regional Domains: A Comparative History of Regionalism," *International Affairs*, Vol. 80, No. 3, 2004, pp. 429-446.

aftermath of the first wave of Western European regionalism during the 1950s and 1960s, the concept of 'region' took on a decidedly 'functionalist' tenor⁹ at a general theoretical level. As Mark Beeson has explained, "in terms of theoretical orientation, functionalist explanations have always been preoccupied with explaining how regional processes work and the benefits that flow from their capacity to generate 'spillovers'. They are less good, however, at explaining the creation of regional orders in the first place."¹⁰ More importantly, the 1950s and 1960s experienced what Fawcett calls the 'first wave'¹¹ of regionalism, characterised by the establishment of regional institutions which represented the Cold War balance of power – such as NATO, SEATO, CENTO and ANZUS. These were driven by calculations of interest during the Cold War. Power and security played major roles in their existence. Economic alliances mostly failed by the late 1960s, further cementing the theory that these regional alliances functioned within a more global context rather than a regional pecking order.

The height of the Cold War, from the late 1960s through to the 1980s, saw more familiar examples of emerging regional alliances, such as the Association of Southeast Asian Nations (ASEAN), the South Asia Association for Regional Cooperation (SAARC) and the Arab Maghreb Union (AMU). The Cold War was the umbrella under which these institutions were set up; though for the first time, more localised interests had begun to emerge, such as with ASEAN, where the local threat at the time was Vietnam.¹²

The late 1980s and the onset of the 1990s saw the end of the Cold War and a resulting change in the international order that the world had been accustomed to for the previous three decades. This era saw the birth of the term 'new regionalism', an era which this book is primarily concerned with, being a time when new hope propelled the ideas of universal institutions and world peace. Indeed, the mood of these decades was succinctly encapsulated in President George Bush's speech after the 1991

⁹ See Ernst B. Haas, "The Challenge of Regionalism," *International Organisation*, Vol. 12, No. 4, Autumn 1958, pp. 440-458.

¹⁰ Mark Beeson, "Rethinking Regionalism: Europe and Asia in Comparative Historical Perspective," *Journal of European Public Policy*, Vol. 12, No. 6, December 2005, pp. 969-985.

¹¹ Louise Fawcett, "Exploring Regional Domains: A Comparative History of Regionalism," *International Affairs*, Vol. 80, No. 3, 2004, pp. 429-446.

¹² *Ibid.*

Gulf War, when he spoke about the creation of a 'new world order'. As a result, there was a distinct change in how 'regionalism' was viewed as a process. Muthiah Alagappa, for example, chose to view regionalism as an instrument for cooperation, formal or informal, between governments and non-governmental organisations (NGOs) for mutual gain in various fields.¹³ As ever, the need for a global context in which to position this outlook is important. In this case, it was a fact that the world and the international order had changed. The United Nations' member states lacked the commitment to take the position of a global security provider that the world needed. Inevitably, this created a vacuum that regional powers and institutions sought to fill. Regional alliances became tagged with the continent of their origin, such as Africa, Asia and the Americas. As can be expected, there was a mushrooming of acronyms during this decade. The common denominator of cooperation continued to exist, but the concept itself began to assume a more multi-dimensional shape. Regional alliances were no longer just about security cooperation, but economic cooperation as well. These not only required the participation of many countries, but also widespread bilateral networking, not just between governments, but between businesses and NGOs.¹⁴ The central aim of this new wave of regionalism was slowly emerging – to pursue and promote common goals in one or more shared fields of interest.

In the twenty-first century, despite the existence of common denominators and nascent central aims, regionalism is still a layered concept. For example, much of the recent study of regional processes makes a basic distinction between hard and soft regionalism. Soft regionalism alludes to the promotion of a sense of regional awareness or community by consolidating regional groups and networks. Hard regionalism implies the existence of pan- or sub-regional groups, formalised by interstate organisations and networks.¹⁵

¹³ Muthiah Alagappa, "Regionalism and Conflict Management: A Framework for Analysis," *Review of International Studies*, Vol. 21, pp. 359-387.

¹⁴ Paul Taylor, *International Organisation in the Modern World: The Regional and the Global Process*(London: Pinter, 1993); J.H. Mittelman, "Resisting Globalisation: Environmental Politics in Eastern Asia," in Kris Olds et al (ed.); *Globalisation and the Asia-Pacific: Contested Territories*(London: Routledge, 1999); Peter Katzenstein, "Regionalism and Asia," *New Political Economy*, Vol. 5, No. 3, 2000, pp. 353-368.

¹⁵ Louise Fawcett, "Exploring Regional Domains: A Comparative History of Regionalism," *International Affairs*, Vol. 80, No. 3, 2004, pp. 429-446.

Another vital distinction is the difference between regionalism and regionalisation. This distinction is particularly important in this book as well. **Regionalism** refers to the political process in which states drive cooperative initiatives. **Regionalisation**, by contrast, refers to those processes of economic integration which, even if influenced by state policies, are essentially the uncoordinated consequences of private sector activities.¹⁶ Put simply, regionalisation is a process that flows from regionalism. At its most basic, it is no more than a concentration of activity at a regional level that could shape regions and subsequently give rise to regional groups and organisations. In this way, regionalisation may either precede or flow from regionalism.¹⁷

Hettne and Soderbaum have clarified both concepts as being the following: “In the analytical, operational sense...the current ideology of regionalism, is the urge for a regionalist order, either in a particular geographical area or as a type of world order.” Regionalism in this sense is usually associated with a programme and strategy, and may lead to formal institution building. “‘Regionalisation’ denotes the process that leads to patterns of cooperation, integration, complementarity and convergence within a particular cross-national geographical space.”¹⁸

Definitive binaries aside, many scholars speak of regionalism and economic integration in the same breath.¹⁹ Indeed, there is still a belief that the global integration of production processes means that firms will increasingly demand— and that states will be more willing to supply— regional trade agreements.²⁰ Based on this, some observers have gone further to suggest that regionalisation is, in fact, a response to globalisation.²¹ In this formulation, globalisation refers primarily to the

¹⁶ S. Breslin and R. Higgott, “Studying Regions: Learning from the Old, Constructing from the New,” *New Political Economy*, Vol. 5, No. 3, 2000, pp. 333-352.

¹⁷ Louise Fawcett, “Exploring Regional Domains: A Comparative History of Regionalism,” *International Affairs*, Vol. 80, No. 3, 2004, pp. 429-446.

¹⁸ Bjorn Hettne and Frederik Soderbaum, “Theorising the Rise of Regionness,” *New Political Economy*, Vol. 5, No. 3, 2000, pp. 457-472.

¹⁹ Raimo Vayrynen, “Regionalism: Old and New,” *International Studies Review*, Vol. 5, 2003, pp. 25-52.

²⁰ Mark Beeson, “Rethinking Regionalism: Europe and Asia in Comparative Historical Perspective,” *Journal of European Public Policy*, Vol. 12, No. 6, December 2005, pp. 969-985.

²¹ Charles Oman, *Globalisation and Regionalisation: The Challenge for Developing Countries* (Paris: OECD, 1994), p.10.

growth of the financial sector, money markets and the transnational restructuring of production, while regionalisation refers to those political initiatives that respond by providing competitive advantage to entire regions. The general claim is that competitive economic pressure is best mediated through regional mechanisms.²²

While this may account for some of the economic dynamics that underpinned the second wave of regional integration, it neglects other factors that have influenced regionalism. As Breslin and Higgott have pointed out, one of the glaring omissions of the first wave of theorisation about regions was its failure to take the 'idea of region' seriously. In other words, they argue, inadequate attention was paid to the way in which regional identity was conceived and promoted, either internally or in opposition to some notional 'other'.²³ This is potentially significant because one of the features that has distinguished the European Union (EU), particularly when compared to East Asia, is a more sharply developed sense of regional identity. The ability to translate a nascent regional identity into a more developed 'regionness'²⁴ is a critical measure of regional development. This has been clarified by Hettne and Soderbaum's comprehensive study in which they argue that while all regions are subjectively defined to a certain extent, the question of 'regional identity' implies judgements about the degree to which a particular area, in various respects, constitutes a distinct entity that may be distinguished as a relatively coherent territorial subsystem from the rest of the global system.²⁵

Thus, depending on the definitions used, a regional frontier may very well cut through a particular state's territory. It could, for instance, be argued that some parts of China, mainly the coastal areas, form part of an East Asian regionalisation process while the rest of mainland China does not.²⁶ Nevertheless, what of East Asia itself? Did it, in the Cold War era,

²² Ibid.

²³ S. Breslin and R. Higgott, "Studying Regions: Learning from the Old, Constructing from the New," *New Political Economy*, Vol. 5, No. 3, 2000, pp. 333-352.

²⁴ Bjorn Hettne and Frederik Soderbaum, "Theorising the Rise of Regionness," *New Political Economy*, Vol. 5, No. 3, 2000, pp. 457-472.

²⁵ Ibid.

²⁶ Michael Schulz, Frederik Soderbaum & Joakim Ojendal, "Key Issues in the New Regionalism: Comparisons from Asia, Africa and the Middle East." Available at: https://www.academia.edu/6106976/Key_Issues_in_the_New_Regionalism._Comparisons_from_Asia_Africa_and_the_Middle_East

have a sense of regional identity that allowed academic discourse to give it a shape, a form and a place in the debate on regionalism?

An old saying about East Asia during the Cold War called it a 'region without regionalism.'²⁷ This could be disputed, depending on the lens used to study the region. One example is Mark Selden, who argues for the existence of an East Asian regional order, based on trade and the tributary systems, spanning the period as far back as the sixteenth century, reaching its height in the eighteenth century, only to meet its downfall in the mid-nineteenth century.²⁸ As East Asia entered the twentieth century, Selden argues, the regional order became fractured under the weight of "system disintegration, colonial rule, world wars and revolutions. With the collapse of the regional order, bilateral relations, both colonial and post-colonial, predominated."²⁹

This viewpoint underlines the trend in the region as the Cold War reached its height during the 1960s and 1970s. That was an epoch when the planet was spatially and ideologically bifurcated into two opposing camps, auguring ill for the progress of regionalism and regional cooperation.³⁰ The Second World War was the catalyst leading to this global bifurcation. It marked the defeat and dismantling of the Japanese empire and the rise of the United States as the dominant superpower, both in the Asia-Pacific region, as well as globally. It also sparked waves of nationalist-inspired revolutionary and independence movements that transformed the political landscape of the Asian continent. Despite these localised intra-regional conflicts, the East Asian region was located at a critical geostrategic junction for the conduct of the Cold War, as the political interests of the superpowers intersected here, along with those of the resident regional powers, namely China and Japan, together with those of the smaller

²⁷ Zhongqi Pan, "Dilemmas of Regionalism in East Asia," *Korea Review of International Studies*, November 2007, pp.17-29.

²⁸ Mark Selden, "East Asian Regionalism and its Enemies in Three Epochs: Political Economy and Geopolitics: 16th to 21st Centuries," *The Asia-Pacific Journal*, Vol. 9, No. 4, 2009. Available at: <http://www.japanfocus.org/-Mark-Selden/3061>

²⁹ Ibid.

³⁰ John Agnew, *Hegemony: The New Shape of Global Power* (London: Routledge, 2003); John Agnew, "Emerging China & Critical Geopolitics: Between World Politics and Chinese Particularity," *Eurasian Geography and Economics*, Vol. 51, No. 5, 2010, pp. 569-582. Also see Mark Beeson, "Geopolitics and the Making of Regions: The Rise and Fall of East Asia," *Political Studies*, Vol. 57, 2009, pp. 498-516.

countries in the region. Of this, the United States' occupation of Japan and Korea, on the one hand, and the Chinese, Korean and Vietnamese wars and revolutions on the other, are clear examples of Cold War power politics, playing out as they did within the purview of the US-USSR confrontation. Newly established nations, such as China, forged relationships underlined by realpolitik intentions, by playing one superpower against the other, or allying with just the one. In short, post-colonial Asia was characterised by decisive bilateral ties with at least one great power, as well as by the absence of intra-Asian multilateral linkages. Countries on the eastern edge of the Eurasian continent were fighting each other or engaged in civil wars. Amidst this disorder, as in the preceding century, there was scant room for horizontal linkages among Asian nations or Asian societies like China.³¹ No meaningful regions could exist in modern day 'East Asia'.

What was more, the decline of the wider concept of the 'Asia-Pacific', and the emergence of a more specifically defined 'East Asia' was long in the making. At the end of the 1980s when the Asia Pacific Economic Cooperation (APEC) forum was inaugurated, it seemed ideally placed to benefit from and facilitate the post-Cold War preoccupation with economic development and integration. Moreover, as Mark Beeson says, "it held out the prospect of institutionalising and coordinating relations between the 'miraculous' economies of East Asia and the 'Anglo-American' nations of North America and Australasia."³² The current formulation of 'East Asia' has its foundation in the changing pattern of production, trade and investment that occurred toward the end of the Cold War. Specifically, the 1970s marked a watershed for the emergence of East Asia as a region. Economic regionalisation, rather than regionalism, was the predominant pattern set in the 1970s by the post-war economic rejuvenation of Japan. Of regionalism and all its connotations, there was no clear sign, even though the global stage was set in the wake of the China-Soviet rift in the 1960s, the US-China entente of 1971 and the start of the reform era –*gaige kaifang*– in China under Deng Xiaoping in 1978. These developments opened the way to re-knitting economic and political bonds across Asia and strengthening Asian linkages with the global economy. However, deepening ties across a nascent region, especially

³¹ Mark Selden, "East Asian Regionalism and its Enemies in Three Epochs: Political Economy and Geopolitics: 16th to 21st Centuries," *The Asia-Pacific Journal*, Vol. 9, No. 4, 2009. Also see Michael Yahuda, *The International Politics of the Asia-Pacific* (London: Routledge, 2011), pp. 23-45.

³² Ibid.

with the establishment of ASEAN, did not automatically imply the birth of East Asian regionalism. As a process, the next milestone in its evolution was the aftermath of the financial crisis of 1997-1998 that affected nearly all of the major East and Southeast Asian countries. As East Asia began to unite in a common goal to protect its financial and economic interests after the crisis, member countries found themselves being protected by China, a neighbour that had hitherto been a suspicious threat on the geopolitical front. With China's aid, the region began to get back on its feet, and to include Beijing as a lead player in regional economic and geopolitical cooperation. However, China's establishment as a regional leader led to the creation of a bilaterally-based security architecture which directly conflicted with the United States' creation of its 'hub-and-spoke' security alliances in the region.

Arguments such as these are, however, entirely subjective and depend on how the region is viewed. This brings into play the factor of 'perception' which has had, especially in East Asia, a role in defining security regionalism. This has been the role of the United States – providing a comparison in its capacity to influence the course of regional integration and identity building in East Asia. Similarly in the case of China, while the aftermath of the Second World War ensured that there was scant room for horizontal linkages among Asian nations or Asian societies, the scenario changed only in the 1970s, with inter-twining processes of regionalisation in the economic sphere and regionalism in the security sphere. In the twenty-first century, the United States and China are two of the biggest players in East Asia. The actions and perceptions of these two countries are, not unnaturally, crucial for global geopolitics, even when they are manoeuvring within a definitive region. From a lay point of view, it is quite clear that in the post-Cold War era, international relations experienced a jolt with the collapse of the Soviet Union. The world now became dominated by the United States, secure in a position of pre-eminent power. However, the 1990s and the 2000s saw a rising China, growing faster and more aggressively than anyone could have expected. Today, the world looks set to be polarised once again. Already, China is the second largest economy in the world, and the largest Asian economy. Its military power may still be far behind that of the United States, but economically and politically, there is no doubt that China wields considerable influence.

For Beijing, its immediate vicinity is vital to its power. Scholars like David Kang have linked this to a historical precedent. China was once known as the 'Middle Kingdom', and commanded the homage of its

neighbouring 'tributary' states, which included South Korea and Japan. The much-needed help that it provided to its smaller Southeast Asian neighbours during their times of crisis is a position that China has never shown any hesitation in leveraging in order to be noticed as a dominant power. With the South China Sea dispute, and the dispute over territorial sovereignty raging over the Diaoyu/Senkaku Islands, Beijing has been totally unapologetic about flexing its military and diplomatic muscles in its own backyard.

The United States, meanwhile, has been struggling to project its image of power in a region in which it has been embedded since the Second World War. Materially speaking, the United States' power is on the wane, even though its military power is streets ahead of any other country on the planet. Bugged down by the fallout of wars in Iraq and Afghanistan, the United States is mired in a moral quandary, and is fast losing its prestige in the eyes of the world. Nevertheless, the fact is that it is still a security umbrella for East and Southeast Asia. With Vice President Joe Biden undertaking a tour of Southeast Asia in 2013, and President Obama following up on Biden's tour in April 2014, the United States shows no signs of backing away from East Asia.

To put it simply, this is a case of two great powers playing tug of war within one region. The result is a series of questions: How do the two countries look at a region that is so important for them? How does that perception influence their foreign policy moves in the same arena? More importantly, how do they define East Asia? The natural balance of power politics between an established power and a rising one, and its subsequent effects on security regionalism in East Asia is the main focus of this book.

CHAPTER TWO

US REGIONALISM IN EAST ASIA: PAST AND PRESENT

The United States emerged from the Second World War as an unrivalled superpower, and grew faster than Europe and Japan in the decade that followed. Its subsequent role in fashioning an open and loosely legalistic international order – built with the cooperation of European and East Asian partners and organised around a system of open markets and security alliances – has provided the foundation for today’s international geopolitics.

This being said, there was a marked difference in how the United States went about constructing the new geopolitical order in both the Atlantic and the Pacific regions. In Europe, it chose to establish a multilateral economic and political order, while in Asia it preferred a bilateral security order with loose multilateral relations. This variance in the geopolitical order in the Atlantic and Pacific regions raises several questions that this chapter aims to answer: Why was bilateralism preferred to multilateralism as a regional order in East Asia? How has the American discourse on regionalism shaped up in the post-Cold War era? Has the bilateral model of the ‘hub-and-spoke’ endured as part of American regionalism in East Asia? What are its implications for the East Asian regional order?

United States Regionalism in East Asia during the Cold War: Bilateralism versus Multilateralism

In his comprehensive work on the subject, Victor Cha argues that the reason for the emergence of bilateralism rather than multilateralism in Asia as the dominant security structure had to do with the “power-play” rationale behind the United States’ alliance formation in East Asia.¹ In other words, the United States created alliances in Asia and Europe to

¹ Victor D. Cha, “Power Play: The Origins of the American Alliance System in Asia,” *International Security*, Vol. 34, No. 3, 2009-10, pp. 158-196.

contain the Soviet threat, but a congruent rationale for the alliances in Asia was to prevent the allies' aggressive behaviour that could entrap the United States in a larger war. East Asia's security bilateralism today is therefore a historical artefact of the American rationale for constructing alliance networks in Asia at the end of the Second World War. The United States sought relationships with these distant Asian countries not just for defence and deterrence but also to exercise decisive power over their political and military actions. This "power-play" rationale had an implicit yet powerful formative impact on the evolution of the America-centred post-War alliance pattern in Asia. Since restraining the ally was best exercised bilaterally, there was no compelling need to expand the American alliances in Asia into a larger multilateral framework.²

The system of bilateral alliances that was subsequently put in place is known today as the San Francisco System – or more popularly, the 'hub-and-spoke' framework. Here, the United States acts as the centre (hub) of each bilateral partnership (spoke) with little or no interference. Most of these partnerships emerged at the onset of the Cold War, including those with the Philippines (1951), South Korea (1953), Japan (1954), Thailand (1954), and the Republic of China (1954).³

In the words of G. John Ikenberry, during the Cold War, the United States created a new international order built around "the American provision of security and economic public goods, mutually agreeable rules and institutions, and interactive political processes that give states a voice in the running of the system."⁴ This, according to Ikenberry, made the likelihood of an American "empire" being put into place a "structural impossibility."⁵

Employing two distinct strands of international relations theory – realist and liberal – Ikenberry explained the making of the United States' grand strategy during the Cold War era. The realpolitik orientation in American grand strategy at this time was organised around containment, deterrence, and the maintenance of the global balance of power. Facing a threatening

² Ibid.

³ Ibid. Also see Kevin Placek, "The San Francisco System: Declining Relevance or Renewed Importance?" *Quarterly Access*, Vol.4, No. 1, 2012, p. 15-20.

⁴ G.J. Ikenberry, "Power and Liberal Order: America's Postwar World in Transition," *International Relations of the Asia-Pacific*, Vol. 5, No. 2, 2005, pp. 133–152.

⁵ Ibid.

and expansive Soviet Union after 1945, the United States stepped forward to fill the vacuum left by a waning British empire and a collapsing European order to provide a counterweight to Soviet power. The touchstone of this strategy was containment, which sought to deny the Soviet Union the ability to expand its sphere of influence outside its region. America's balance of power grand strategy yielded a bounty of institutions and partnerships in the decades after 1947. The most important have been the NATO (in Europe) and the United States–Japan alliances in East Asia. This global system of United States-led security partnerships has survived the end of the Cold War, providing a bulwark for stability through the commitments and reassurances they manifest. Indeed, the National Security Strategy released by the Pentagon in 2010 stated that these alliances formed “the bedrock of security in Asia and a foundation of prosperity in the Asia-Pacific region.”⁶

The liberal trend sought to build order around institutionalised political relations among integrated market democracies evidenced in several post-war initiatives such as the Bretton Woods agreements, GATT and World Trade Organisation (WTO), APEC, North American Free Trade Agreement (NAFTA), Organisation of Economic Cooperation and Development (OECD) and the promotion of democracy in Latin America, Eastern Europe and East Asia.⁷

Underpinning this strategy is the view that a rule-based international order – especially one where the United States uses its political weight to derive congenial rules – is an order that most fully protects American interests, conserves its power, and extends its influence into the future. This liberal grand strategy has been pursued through an array of policy engagements, which Ikenberry summed up as “open up”, “tie down” and “bind together.”⁸

⁶ “National Security Strategy,” US Department of Defense, The White House, May 27, 2010. Available at: http://www.whitehouse.gov/sites/default/files/rss_viewer/national_security_strategy.pdf

⁷ Ibid.

⁸ G. John Ikenberry, “America and East Asia,” *Aziya Kenkyu*, Vol. 50, No. 2, 2004.

Opening up essentially meant directing the forces of trade and investment, cultural exchange and transnational rule into the politics of strong state rule, creating “strategic interdependence.”⁹

Tying down referred to inviting other governments to get involved in regional and international institutions, such as APEC or WTO. The purpose here is to create expectations and obligations from member governments in conflict resolution and matters of regional identity.¹⁰

Binding together meant establishing formal institutional links between countries that are potential adversaries, thereby reducing the chance for each country to balance against the other. This comprised the security component of a liberal grand strategy, argues Ikenberry, which allowed states to participate in joint alliances rather than forming balancing coalitions against a potential threat or rival.¹¹

Analysed as a whole, Ikenberry’s model represents a liberal economic regional ‘order’. This does not, however, amount to ‘regionalism’.

During the Cold War, the cornerstone of America’s economic regional order was its ties with Japan. The US-Japan alliance provided and still provides, according to Ikenberry,¹² the hidden support beams for the wider region.

The United States facilitated Japanese economic reconstruction after the war and created markets for Japanese exports. Also, the American security guarantee to its partners in East Asia provided a national security rationale for Japan to open its markets. Free trade helped cement the alliance and, in turn, the alliance helped settle economic disputes.¹³ The export-oriented development strategies of Japan and the other Asian ‘tigers’ were dependent on America’s willingness to accept imports and huge trade deficits, which the alliance ties made politically tolerable.¹⁴ As the Cold

⁹ Ibid.

¹⁰ Ibid.

¹¹ Ibid.

¹² G. John Ikenberry, “Asian Regionalism and the Future of US Engagement with China,” *Policy Report*, September 2009.

¹³ Ibid.

¹⁴ Ibid. Also see G. John Ikenberry, “The Political Foundations of America’s Relations with East Asia,” in Ikenberry and Chung-un Moon (ed.), *The United States and Northeast Asia: Debates, Issues and New Order* (New York: Rowman & Littlefield, 2008), pp. 25.

War drew to a close, Japan's enormous benefit from this quid pro quo alliance provided the basis for what came to be termed as the 'flying geese' model of economic integration, which formed the pattern of economic East Asian regionalism from the 1970s.

However, a significant point is that despite the formation of a regional security order, attempts at forming regional security institutions in East and Southeast Asia never really took off during this period. A few examples are President Roosevelt's proposed post-war Pacific collective security system, and the Truman and Eisenhower administrations' ideas about a Pacific security organisation, especially the efforts by Secretary of State, John Foster Dulles to create a Pacific Ocean Pact in 1950 and 1951.¹⁵ It was the success of NATO, in the aftermath of the Second World War that has today prompted the question: "What prevented the replication of NATO in Asia?"

In order to answer this question, a little hindsight is necessary. The roots of the narrative behind the prevention of a NATO-type body in Asia lay in the formation of SEATO, as part of America's Truman Doctrine in containing the communist threat. For most countries in the bloc, the threat in question was Communist China. The proof of this lay in the varied membership of the bloc: only two of SEATO's members, Thailand and the Philippines, were geographically part of Southeast Asia. The other six members – Australia, France, Great Britain, New Zealand, Pakistan, and the United States – came from outside the region. The motive for forming the bloc, nevertheless, was the common denominator for this motley crew of nations, namely containment of the communist threat as part of Cold War politics.

Northeast Asia, meanwhile, was the pivot of the particularly complex territorial and geo-political intersection of the People's Republic of China, Japan, the USSR and the United States, while the Cold War divisions between North and South Korea and between the Chinese mainland and Taiwan had also solidified by the 1950s and remains in place to this day. The geopolitical and geo-economic imperatives of the Cold War had a profound influence on the shape and limits of regionalism in Northeast Asia, where the United States developed major bilateral relationships with Japan, South Korea and Taiwan, at the same time as relations even

¹⁵David Capie, "Power, Identity and Multilateralism: Rethinking Institutional Dynamics in the Pacific, 1945-2000," PhD Dissertation, Department of Political Science, York University, Toronto, Canada, 2003, p. 36.

between these three ostensibly Cold War allies – but erstwhile coloniser and colonised – remained relatively limited during the early period. By the end of the 1940s, meanwhile, the United States had embarked on a full-scale effort to facilitate the industrial rebirth of Japan, and turn as much of Northeast Asia as possible into a capitalist bulwark against the USSR and Mao's China.

With the onset of the Korean War (1950-1953), the governmental and military institutions and the bureaucratic structures of the United States' national security apparatus were increasingly consolidated as instruments of regional and global power. In terms of institutionalising and amplifying the United States' commitment to the Cold War generally, and in Northeast Asia more specifically, the Korean War was an unequivocal turning point. At the same time, a major result of the United States' strategic engagement with the Northeast Asian region during the Cold War was a network of primarily bilateral security alliances, which in the long term served to inhibit intra-regional cooperation.¹⁶

Though the Secretary of State, John Foster Dulles, considered SEATO to be an essential element in American foreign policy in Asia, it is usually described as a “zoo of paper tigers” and “a fig leaf for the nakedness of American policy.”¹⁷ As the Cold War began to peter out in the late 1970s, internal rifts and question marks surrounding its existence began to make their presence felt. In 1977, SEATO was formally dissolved.

The example of SEATO as a failure of multilateralism in East Asia has raised a debate among scholars of various schools of thought. From a realist perspective, Crone blames it on the huge power differentials between the United States and its Asian allies (that he calls a condition of “extreme hegemony”¹⁸) in the post-war period. Power differentials between the United States and its Asian allies were so huge that there would be no point in a regional security organisation, since the Asian states had little to offer either individually or collectively to such a security grouping. Such a

¹⁶ Mark T. Berger and Mark Beeson, “APEC, ASEAN+3 and American Power: The History and the Limits of the New Regionalism in the Asia-Pacific.” Available at: http://espace.library.uq.edu.au/eserv.php?pid=UQ:10795&dsID=mb_mb.pdf

¹⁷ John K. Franklin, “The Hollow Pact: Pacific Security and the Southeast Asian Treaty Organisation,” PhD thesis submitted to the Graduate Faculty of Addran College of Humanities and Social Sciences, Texas Christian University, 1996, p. 1.

¹⁸ Donald Crone, “Does Hegemony Matter? The Reorganisation of the Pacific Political Economy,” *World Politics*, Vol. 45, No. 4, July 1993, pp. 501-525.

calculation by the United States would have been all the more likely because its policymakers expected their putative Asian allies to remain permanently weak, in contrast to Europe, where its allies were expected to recover sooner or later. Seeing multilateralism as a superficial aid and a needless constraint, the United States preferred bilateralism in its approach to Asian security. Its Asian allies also shunned multilateralism, calculating that it would have lessened their opportunities for “free-riding.”¹⁹

However, views such as this are problematic on three grounds. First, as pointed out by Hemmer and Katzenstein, if alliances between great powers and weak states were of little value in early post-war Asia, when the United States’ allies were doomed to remain permanently weak unlike Europe, where the allies were expected to recover, then why did the United States not bring Japan (once a great power) into SEATO?²⁰ Second, evidence does not show the United States or its allies like South Korea and the Philippines to have been predisposed to a primarily bilateral mode of security cooperation in early post-war Asia, that is the latter half of the 1940s and the first half of the 1950s.²¹

Third, there is the problem concerning the assumption that the fear of being contained often leads a great power to avoid multilateralism with less powerful states.²² If so, the United States should have had a greater fear of being contained in dealing multilaterally with its European allies since the power gap between them and the United States was smaller, as compared to that between the United States and its Asian allies. It is doubtful that being involved in a regional multilateral institution in Asia would have constrained independent decision-making in the United States, any more than it did in Europe.²³

¹⁹ Ibid.

²⁰ Christopher Hemmer and Peter J. Katzenstein, “Why is there no NATO in Asia: Collective Identity, Regionalism, and the Origins of Multilateralism,” *International Organisation*, Vol. 56, No. 3, Summer 2002, pp. 575-607.

²¹ Amitav Acharya, “Why is there no NATO in Asia: The Normative Origins of Asian Multilateralism,” Working Paper 05, Weatherhead Center for International Affairs, Harvard University, July 2005.

²² G. John Ikenberry, “American Hegemony and East Asia,” *Australian Journal of International Affairs*, Vol.58, No.3, 2004, pp. 353-367.

²³ Amitav Acharya, “Why is there no NATO in Asia: The Normative Origins of Asian Multilateralism,” Working Paper 05, Weatherhead Center for International Affairs, Harvard University, July 2005.

These issues aside, it is generally agreed (Hemmer and Katzenstein, 2005; Acharya, 2005) that the failure of SEATO as an example of multilateralism in Asia stemmed from what Hemmer and Katzenstein have identified as the “malleability of identity.”²⁴ This malleability was based on civilizational, ethnic, racial, and religious ties as well as shared historical memories and was an important cause of the different institutional forms that the United States favoured for its alliances in Europe and Asia during the early years of the Cold War. If race, religion, and shared political institutions helped to put the United States’ European allies in a class ahead of its Asian allies, shared historical experiences similarly helped put certain Asian allies, such as Japan and the Philippines, ahead of the others.²⁵

To this foundation of identity politics was added a layer of constructivism in Acharya’s critique, arguing that in addition to the central role played by perception and identity, the rejection of the pact by four of the five members of the Colombo Powers group (India, Ceylon, Indonesia and Burma) was an important factor behind SEATO’s failure, making it appear irrelevant. In broader terms, the limits of United States’ hegemony and the weakness of multilateralism in the region was reflected in the fact that SEATO was disabled from the outset by internal differences and an absence of any underlying strategic interest around which its members could unite.²⁶ The government of Pakistan began to drift away at an early stage because of a lack of support in its conflict with India and eventually withdrew from SEATO in November 1972.

India’s rejection of the proposal of SEATO as an “Asian NATO”²⁷ – with Nehru arguing that it was not so much a collective security mechanism as

²⁴ Christopher Hemmer and Peter J. Katzenstein, “Why is there no NATO in Asia: Collective Identity, Regionalism, and the Origins of Multilateralism,” *International Organisation*, Vol. 56, No. 3, Summer 2002, pp.575-607.

²⁵ Ibid.

²⁶ Mark T. Berger and Mark Beeson, “APEC, ASEAN+3 and American Power: The History and the Limits of the New Regionalism in the Asia-Pacific.” Available at: http://espace.library.uq.edu.au/eserv.php?pid=UQ:10795&dsID=mb_mb.pdf

²⁷ “Message to Anthony Eden,” August 1, 1954. In *Selected Works of Jawaharlal Nehru*, Vol. 26, Nehru Memorial Trust, New Delhi, pp. 419-423, cited in Amitav Acharya, “Why is there no NATO in Asia: The Normative Origins of Asian Multilateralism,” Working Paper 05, Weatherhead Centre for International Affairs, Harvard University, July 2005.

a “military alliance”²⁸ that would not give equal representation to all Asian countries – made the organisation flounder further.²⁹

With the US-China rapprochement in 1971 and the waning of the Vietnam War (one of the main reasons for SEATO being formed), the redundancy of the organisation was made clear. It was finally abandoned in 1977. Nevertheless, the idea of equal representation for all Asian countries in a regional institution provided the essence of what would, a decade later, become ASEAN. This was the seed of a nascent Asian regional identity that would soon come into direct conflict with the United States’ greater realpolitik agenda in the region. That is, however, the subject for another discussion.

Viewed through hindsight, the objectives of the United States in the region during the Cold War can be narrowed down to three:

- To prevent any potentially hostile state from becoming regionally hegemonic;
- To maintain a high degree of influence and power-projection in the region; and
- To promote democratic principles and stability.

The most significant consequence of the Cold War period in general, and the United States’ strategic objectives with regard to East Asia in particular, was that American policy effectively divided the region along ideological lines and established a ‘hub and spoke’ series of bilateral alliances that made closer ties and cooperation within the region more problematic.

In other words, as far as East Asia was concerned, not only was there a distinct bias towards bilateralism, but also major constraints to multilateral processes, and formidable potential obstacles to any sort of regional integration. Consequently, the United States’ strategic engagement with East Asia in general, and the continuing importance of its bilateral alliances across the region in particular, has led to widespread scepticism

²⁸ Ibid.

²⁹ Amitav Acharya, “Why is there no NATO in Asia: The Normative Origins of Asian Multilateralism,” Working Paper 05, Weatherhead Center for International Affairs, Harvard University, July 2005.

about the prospects for greater East Asian security cooperation in the future.³⁰

United States' Regionalism in East Asia: Post-Cold War Period

The end of the Cold War presented the United States with several options for pursuing order in East Asia. For this reason, 1989 is the starting point in this book since not only did it mark the end of the Cold War, but it also provides the context in which the importance of multilateralism as a supplement to the bilateral 'hub-and-spoke' regional strategy began to be gradually perceived by the early 1990s.

The options confronting the United States at that time have been discussed by American scholars, with Christopher Layne putting forth the alternative of "offshore balancer" by withdrawing its forward presence in the region and encouraging a multi-polar balance of power.³¹ Robert Ross suggested that the United States needed to face the fact that though the Soviet Union had crumbled, China had already emerged as a regional hegemonic power, thus making the East Asian region bipolar.³²

However, the United States pursued a hegemonic strategy – one that ensured that the United States remained the "principal guarantor of regional order."³³ The central institutional feature of this strategy was the cultivation of a set of special relationships with key states in the region. In the minds of policymakers, the rationale behind this was quite simple. The United States' commitment to Asia, in terms of security and maintenance of the bilateral 'hub and spoke' system, would serve as a deterrent to potential aggressors, besides providing a backdrop against which peaceful cooperation could take place. The ASEAN would serve as the focus of this security system, as well as a free trade regime, under which the United States would be the primary market for goods manufactured in Asia. It is

³⁰ Mark Beeson, "American Hegemony and Regionalism: The Rise of East Asia and the End of the Asia-Pacific," *Geopolitics*, Vol. 11, No. 4, 2006, pp. 541-560.

³¹ Christopher Layne, "The Unipolar Illusion: Why New Great Powers will Rise," *International Security*, Vol. 17, No. 4, Spring 1993, pp. 5-51.

³² Robert Ross, "The Geography of the Peace: East Asia in the Twenty-First Century," *International Security*, Vol. 23, No. 4, 1999, pp. 81-117

³³ Michael Mastanduno, "Incomplete Hegemony: The United States and Security Order in Asia," in Muttiah Alagappa (ed.), *Asian Security Order: Instrumental and Normative Features* (CA: Stanford University Press, 2003), p. 151.