Managing Great Power Politics: Resetting the Tripod of East Asian Security

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Paper for the Five University Conference, Tokyo, December 6-7, 2019

Great power rivalry in East Asia over the past three decades has been managed by a combination of power imbalance/deterrence, economic interdependence, and inclusive regional institutions. How does East Asia stand with respect to this tripod as we head into the second decade of the 21st century? I argue the tripod is under stress as a function of the changing power balance, the scepticism around economic interdependence, and the shakiness of the existing institutional architecture. Constructing a "thick" balance of power, shoring up deterrence with reassurance and CBMs, negotiating a comprehensive deal on technology (more than trade) and cyber issues, and moving towards an Asian OSCE would help stabilize East Asia.

A power imbalance in favour of the US after 1989 helped maintain a stability in East Asia and kept US-China relations within bounds. From a position of hegemony, the US held in check both China and various American allies: it provided extended deterrence in a hub-and-spokes alliance against China; but it also provided China with reassurance that Japanese and South Korean revanchism would not rear its head. Beijing went along with the system and busied itself with engaging the region and the world economically and laying the basis domestically for its economic rise.

The second leg of the tripod was growing economic interdependence between the major powers and in particular between the US, China, Japan, South Korea, and the ASEAN 10. With military and diplomatic stability under hegemony, it was possible for the big powers and region to occupy themselves with economic relations and advancement.

Finally, led by regional states, especially Southeast Asian states and their regional organization, but also Japan, East Asia developed a set of inclusive regional institutions: APEC, ASEAN Regional Forum (ARF), ASEAN Defence Ministers Meeting Plus (ADMM+), CSCAP, a host of ASEAN-related dialogues and trade agreements, and the East

Asia Summit (EAS) that brought together the ASEAN 10 plus the Northeast Asian states (China, Japan, South Korea), the US, Australia, New Zealand, and India. The US and China were not the primary movers or even altogether supportive of burgeoning regional institutions, but they assented and were gradually drawn into them.

This interlocking system has been disturbed by various developments. First, US hegemony is on the wane if it is not over. Despite China's recent economic showdown, it is on course to draw level with the US within the next 20 years in GDP terms. In addition, under Donald Trump, the US seems to have chosen to become more transactional with China and its allies. Hegemony is not just overwhelming power: it is a certain degree of indulgence towards lesser powers. Trump has signalled that that indulgence is to be reduced. As a result, the US-China relationship and the relationship of US allies to China and each other are in transition. At the same time, extended deterrence is under stress as a function of rising Chinese military capabilities and Trump's humiliation of allies (over trade and alliance burden-sharing). US and Chinese naval behaviour in the South China Sea is also putting deterrence under stress, with US FONOPS and aggressive Chinese patrolling risking an incident at sea. Recent Russian and Chinese flights into the South Korean/Japanese ADIZ at Dokdo/Takeshima (with the South Korean air force firing 360 rounds on Russian jets in July 2019) indicate that deterrence is being tested.

Second, the trade-technology war between the US and China and the threat of further de-globalization and decoupling is shaking the system of interdependence between the big two. This could lead to pressures on smaller powers to choose sides in a possibly bifurcating regional economic and technological system.

Third, the stabilizing role of regional institutions is being undermined. In 2017, the US pulled out of the TPP. It has also downgraded its presence at regional meetings: e.g. Trump has skipped all the EAS summits (where Obama only missed one in 8 years). His administration launched the Free and Open Indo-Pacific (FOIP), but Trump himself has scarcely ever referred to FOIP. As the US has retreated, China has pushed its own initiatives in the region: most prominently, AIIB and BRI. It is also a member of the ASEAN-lead RCEP trade pact which was just concluded. ASEAN's unity is in some doubt and its relevance is being questioned by US-Japanese led initiatives (Free and Open Indo Pacific) and Chinese initiatives.

Clearly, the portents are not good. What is to be done?

Balance of power/deterrence

The restoration of an indulgent hegemony is no longer viable. The issue is how to manage the transition to a stable bipolar order in East Asia. This requires first of all a clear acknowledgment that the region is in fact bipolar as was the case during the US-Soviet Cold War. Bipolarity was inscribed symbolically and materially – in regular summits, in the language used at summits, in agreements and understandings, and tacit and explicit bargains. A Kissengerian-Metternichian "thick" balance of power of the type that regulated the second half of the Cold War – with all its fallibilities and frailties – is the kind of ordering mechanism that East Asia requires.

Beyond bipolar order building, the US and China need to deter without tipping over into an arms race spiral. On the one hand, the US needs to clarify to allies that it is committed to their security (even as it insists on better burden-sharing). On the other hand, it has to be mindful of not provoking military misunderstandings with China. As for China, it must develop sufficient capabilities without aggravating relations with the US, Japan, and South Korea (e.g. how much and how quickly does it need to MIRV its nuclear forces or develop/deploy hypersonic missiles?). The US will continue with FONOPS, maintain military forces in the region, and uphold its alliances. China will continue to patrol aggressively intermittently and keep its South China Sea bases. In addition, both sides are going to modernize nuclear and conventional forces. Deterrence is therefore a fine balance and not assured. It has to be constantly assessed and refined, communicated to the other side, and mutually comprehended.

In part this mean that the US and China need to supplement the threat of punishment with reassurance and confidence building. First, a regular and more intense dialogue on military issues is vital. The US and China have not had a really meaningful dialogue since 2008, not even a credible track-two. A dialogue on how they might "trade off" various practices could increase stability (e.g. if the US reduced FONOPS, what would China consider in return?). Second, the two need to resume joint military exercises. They have done disaster relief exercises together (as late as 2018), but little else. The US could also bring

China back to RIMPAC. China used to attend the US's RIMPAC naval drills, but in 2018 Washington "disinvited" PLAN in light of China's militarization of the South China Sea. Third, if these are not politically and diplomatically plausible at this stage, the two sides could at least agree on the following: greater exchange of defence information; observation of each other's military exercises; more regular use of the military-to-military hotline (in existence since 2008); and notification of military exercises and ballistic missile launches. Both countries agreed to an exchange of defence white papers. This was to be accompanied by discussions of the papers – which is not happening. Similarly, observation of military exercises has largely ended. Nor is the 2008 hotline between the militaries in regular use.

Beyond these, in order to avoid incidents at sea or in the air which could spiral out of control, the two could revisit their various CBMs. Both are also signatories to the international Convention on the International Regulations for Preventing Collisions at Sea, 1972, and the related Collision Regulations, as well as the April 2014 Code for Unplanned Encounters at Sea (CUES) signed by 21 Pacific rim countries. In addition, the US and China are parties to a set of CBMs pertaining to military encounters and incidents. These include the 1998 Consultative Mechanism to Strengthen Military Maritime Safety (MMCA) and the 2014 and 2015 Rules of Behaviour for the Safety of Air and Maritime Encounters. The problem is that the agreements are often violated as part of brinksmanship. Or else they employ language that is voluntaristic and depends on each side's judgment of what is acceptable behaviour. As China's power and capabilities rise, the risk of a wider and more dangerous confrontation from a localized encounter is growing. This needs to be recognized by both militaries. The problem is a "stability-instability" mindset: that the existence of strategic stability as a function of nuclear deterrence creates a space for lower level military activity, that confrontation will not escalate beyond a point because nuclear weapons will stop the spiral. This of course may not be the case: conflict may spiral, and deterrence may be put at risk. If so, further agreement on exactly what kinds of behaviours are acceptable, on the reporting systems for incidents, and on follow-on actions (convening joint meetings to discuss the incidents) are crucial.

In sum, as deterrence theorists have long ago noted, threats of punishment need to be balanced by reassurance and confidence building.

Economic interdependence

An agreement on trade between the US and China would help restore a degree of great power collegiality that could help balance the deteriorating diplomatic and military relationship in East Asia. The problem is that while they could come to agree on trade, differences over technology seem intractable and are compounding the larger strategic differences over relative power and security in East Asia. For the US in particular, interdependence has become the problem, not the solution.

As things stand, it would seem that China has made significant concessions in the negotiations even if these do not satisfy the Trump administration. According to Cary Huang of the *South China Morning Post*, China has agreed to "massive purchases of US farm products; intellectual property protections; actions to address technology transfer issues; opening up of financial markets; exchange-rate regime reform; and the establishment of an enforcement mechanism."[1] In return, the US has only agreed to postpone the levy of additional tariffs that were due to kick in on October 15.

The trade issues in the trade war could probably be settled in a Phase I agreement. The real issue though is technology. Hardliners in the US want to use technology embargoes and denials to slow China's technological progress, to trap China's economy in a middle-income trap, and to incite internal disaffection attendant on economic stagnation. Hardliners in China, too, conceive of technology in terms of grand strategy: accessing it, no matter how, is vital for security. The problem for both governments is that they cannot distinguish between a normal bargaining situation and the effort of their hardliners to weaponize/securitize the dispute. In short, they find themselves in a technology dilemma: is the other side seeking to protect legitimate economic interests for largely economic reasons; or is it seeking to advance aggressive strategic interests on the back of technology development?

As with the security dilemma, managing uncertainty and risk here is to engage in dialogue and discussion to clarify intentions as far as possible. If the two governments – as against the hardliners – truly want to cut a bargain, they need a comprehensive dialogue on technology. They also need to demonstrate efforts to hold hardliners in check. Candour and clarity of objectives in negotiations is also vital: masking strategic objectives behind bland, legalistic trade rules/norms and constantly changing negotiating stances only encourage further distrust.

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[1] Cary Huang, "US-China trade war: who wanted a deal the most? Just look at the concessions made by both sides," *South China Morning Post*, 23 October 2019, https://www.scmp.com/comment/opinion/article/3033940/us-china-trade-war-who-wanted-deal-most-just-look-concessions-made.

There is a larger technology agenda related to security, namely, cyber technology in the service of cyberwar and influence operations (fake news, interfering in other's elections and political processes, etc.). The two sides have addressed the issue in the past and come to some agreement. They hold a Law Enforcement and Cyber Security Dialogue (since 2017). There is also the US-China Cybersecurity Agreement of 2015 which pledges the two sides not to engage in economic espionage in cyberspace – clearly, in US perceptions, the agreement did not work. In addition, the two compete in international norm setting. For instance, the UN has two groups on norm-setting in cyberspace: the Group of Governmental Experts (GGE) and the Open-Ended Working Group. The US is more inclined to the former (which is the original group going back to the 1990s, is relatively small, and has already developed a set of norms), China (and Russia) is more inclined to the latter (which is newer, larger being open to any state, and wants to re-examine the norms set by the GGE). In general, the US wants a supposedly universal and open cyber architecture while China wants a more nationally regulated architecture. In practice, the US wants to be able to access data anywhere as long as a US company is involved whereas China wants to be able to access digital data generated by their citizens regardless of the nationality of the service provider. Both sides have to accept that there is no absolute security in cyberspace: no amount of access to data will assure them of security. If so, it must be possible to narrow differences.

The divide on technology is wide and fractious. It has security implications because technology is strategic. It is intimately connected to overall military and economic power. The US and China both want to lead technologically. Competition in the technological sphere is inevitable. Stealing technology is inevitable too. The question is: what limits if any can they accept? The best is usually the enemy of the good: both need to aim for what can reasonably be achieved. Joseph Nye has suggested, a combination of deterrence, defence, entanglement, and shaming to deal with cyberattacks. The US and China need a combination of the four responses but particularly entanglement and shaming: entangling each other in a series of economic and cyber networks means that cyberattacks on one's rival will also be self-harming; and developing taboos and injunctions on cyberwar means that cyberattacks that violate agreed norms will entail reputation costs and loss of international trust/status.

Regional institutions

Regional institutions have three broad functions: a cognitive function; a contractual function; and a constructivist-dialogical function. When intentions and capabilities fuel uncertainty and mistrust, regional institutions have a cognitive role in bringing together rivals and partners and providing them with a setting within which they can share information and ideas on a regular basis. Regional institutions also provide a setting in which members negotiate implicit contracts on what is permissible and hold each other accountable by calling out those who break contractual obligations. Finally, regional institutions in their constructivist-dialogic function provide opportunities for identities and interests to be reset through interaction with others. (The first two functions are more explicit; the reset of identities and interests is probably rather too ontological and therefore political to be made explicitly a function of regionalism.)

The alphabet soup of institutions in East Asia, led by ASEAN and the Japanese, has played all these roles, particularly the first two. However, their utility in managing the great powers is increasingly open to question. As noted above, ASEAN's unity is under stress, its centrality is questioned by the big powers, and rival institutions have sprung up (FOIP, BRI). It may be time to recognize that a larger Asian security organization is necessary, one that is explicitly focused on security, which would not supplant ASEAN but rather would do what ASEAN cannot or will not do which is place great power defence and security issues front and centre.

Europe had the Conference on Security and Cooperation (CSCE) during the Cold War which morphed into the Organization for Security and Cooperation (OSCE) after 1995. The ARF is the kernel of such an organization, but much of its energies seems to be directed towards non-traditional security, and it has never quite delivered on great power conflict as a central concern. An Asian security organization which focuses on stability between the great powers seems increasingly necessary. It would focus on openness and transparency in defence and security policy including CBMs. While the CSCE and OSCE includes sections on human rights and elections, an Asian counterpart would focus most of all on nuclear, maritime, and cyber security. These are quintessentially great power issues since smaller powers do not fundamentally possess capabilities here that matter. Each of the great powers will have reservations about such an organization: the US because it would signal equating it with China and smaller powers such as India and Japan; China because it does not want to discuss nuclear issues with anyone; and Russia because it does not want greater transparency on cyber issues. There are however reasons to participate, primarily, to avoid increasing conflict and, worse, inadvertent war.

Conclusion

As hegemony gives way to bipolarity in East Asia, the US and China as well as US allies need to work out a "thicker" balance of power system of understandings and bargains.

This balance of power needs to be undergirded by a more robust deterrence which is finely tuned to prevent it from degenerating into an arms race and the temptation to exploit strategic stability by manipulating the shared risk of escalation.

Stabilizing deterrence requires shoring up relations with more CBMs and reassurance mechanisms:

- resumption of regular mil to mil dialogue
- resumption of joint military exercises
- restoration of Chinese attendance at RIMPAC
- discussion of defence white papers
- observation of each other's military exercises
- regular use of the hotline
- clarification of the maritime and air encounter protocols and practices

The US and China need to accept economic interdependence and to come to a comprehensive agreement on technology. This includes among other things checking the influence of hardliners. On cybersecurity, they need to deter and dissuade each other from cyberattacks (and influence operations) by threats of punishment, denial, entanglement, and shaming.

Finally, institutionally, it is time to recognize that ASEAN and various existing institutions needs to be supplemented by an Asia-wide organization which is focused primarily on great power issues, in particular nuclear, maritime, and cyber security.