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## **Indo-Pacific or Asia-Pacific: Forging a New Power Balance?**

*By Barry Desker*

### **SYNOPSIS**

*The US, Japan, India and the EU need to work with China to manage the challenges posed by a rising power while recognising China's different perspectives. Together, the major powers need to foster a new great power equilibrium in the Asia-Pacific.*

### **COMMENTARY**

THE THREAT of war in the Ukraine is a distraction. While Russian President Vladimir Putin has sought 'serious long-term security guarantees' from the West, including a binding commitment that Ukraine would not join NATO, Russia appears to be building up its force capabilities to possibly invade the Ukraine.

President Biden and European leaders are responding to this challenge, which has its roots in the West brushing aside its earlier commitment to Soviet leader Mikhail Gorbachev that NATO would not expand into Eastern Europe. As a consequence, the United States has had to concentrate on the rapidly developing situation in the Ukraine instead of focusing on emerging challenges in the Asia-Pacific where the geostrategic architecture is changing.



*Europe or Asia: Searching for a New Power Equilibrium – Image from Creative Commons*

## **The Coming Decade**

The coming decade will see increasing competition between a rising China and the US, the global superpower. This competition will have a different dimension compared to US-Soviet rivalry during the Cold War; the Soviet Union posed a strategic and political challenge but was an economic pygmy.

By contrast, China's prowess as a global exporter, centre for engineering innovation and manufacturing hub is enabling it to develop a significant edge in emerging and disruptive technologies such as the development of artificial intelligence and autonomous systems, hypersonic missiles, and the use of dual use technologies in biotechnology, robotics and quantum technology.

Foreigners are awed by the command-and-control capabilities of the Chinese state and often fail to recognise that this achievement is a result of the cooperation between its private and public sectors. Whereas US-Soviet competition was between two fundamentally incompatible systems, the US and China are competing within a single global system.

US-China competition will occur in the Asia-Pacific, reflecting the shift from a world dominated by the Atlantic Ocean in the 20th century to one shaped by the Pacific Ocean. While regional states hope for a modus vivendi between these two powers, the parameters for competition are still unclear and there are major risks ahead.

They seek good relations with both the US and China and hope that the two powers can cooperate in areas of common global interest such as climate change, freer trade and sustainable development. The management of relations with the US and China will be a critical test for ASEAN, Japan, South Korea and other regional states.

## **ASEAN-China Summit vs ASEAN-US Summit**

China and the ASEAN states held a virtual special summit on 23 November 2021 which Chinese President Xi Jinping attended for the first time since taking office. Xi said that China would never seek hegemony nor take advantage of its size to “bully” smaller countries, and would work with ASEAN to eliminate “interference”.

The summit closely followed a US-ASEAN virtual summit on 26 October. While President Biden’s presence marked a return to engagement with Southeast Asia after a four-year American absence, the focus was on security concerns, including ‘maintaining a free and open Indo-Pacific’ and addressing common challenges on maritime issues.

The lack of attention to trade and economic issues underlined the difference in China’s approach. In reaching out to its neighbourhood, China’s Belt and Road Initiative (BRI) has emphasised infrastructure development assisted by Chinese loans, even though China’s critics highlight the unsustainable debt burden and the use of Chinese state-owned corporations in development projects.

China shares land boundaries with 14 states and historically was focused on its western borders, the source of recurrent threats to Chinese dynasties. Even today, Uyghur and Tibetan separatism are a major worry, although the unfinished civil war problem of Taiwan ranks first in China’s priorities.

While China is wary of the Turkic linguistic and Muslim religious links of the former Soviet republics on its border with its Uyghur minority, it has cultivated them through the establishment of the Shanghai Cooperation Organisation (SCO) and participation in the BRI.

China’s de facto alliance relationship with Pakistan continues while ties with Iran have been nurtured. China’s foreign minister hosted the Taliban’s head of its Political Commission Mullah Abdul Ghani Baradar in China in July 2021, even before the Taliban seized power.

### **Growing Maritime Focus: Four Challenges**

Despite the American defeat in Afghanistan, China remains concerned about the threat of encirclement. US naval and air superiority highlights the importance of the maritime domain in current US-China global strategy. Without much fanfare, China’s navy has expanded rapidly.

China’s extensive claims in the South China Sea are contested both by other claimant states in the region as well as external powers like the US, Australia and the United Kingdom, which are exercising freedom of navigation and overflight through these waters. If it succeeds in these territorial claims, for the first time in its history, China will be a maritime as well as continental power.

Recent American moves to increase the visibility of the US Navy in the western Pacific reflect American wariness of Chinese ambitions. From a Chinese perspective, four challenges are particularly significant.

First, the emergence of new alignments in response to China’s rise: India’s closer

relationship with the US; the new AUKUS security pact involving Australia, the UK and the US; Japan's growing security role and strengthening of the US-Japan alliance relationship; and the emergence of the Quad linking Australia, India, Japan and the US.

These alignments reinforce Beijing's concerns with the maritime challenges affecting its interests.

### *The South China Sea Bugbear*

Second, the South China Sea as a major area of political contestation: In Southeast Asia, China's political relationship is closest with the mainland states of Myanmar, Cambodia, Laos and Thailand, which share borders with China or are geographically close to China. By contrast, the maritime states of Indonesia, Malaysia and Singapore have excellent trade and economic relationships but are wary of being too closely tied to China.

This is a sentiment shared by Vietnam and the Philippines, which contest Chinese claims in the South China Sea. Under the Biden administration, the US has moved to strengthen relations with these states and is perceived as balancing a rising China.

Third, the Straits of Malacca and Singapore as a potential choke point for Chinese naval and commercial vessels: Interdiction by its adversaries could adversely impact Chinese trade with the Middle East and Europe, especially oil and LNG imports. China has attempted to overcome this potential obstacle by building ports facing the Indian Ocean in Pakistan, Myanmar and Thailand, and connecting them to China through an ambitious road and railway network.

Fourth, miscalculation on the handling of Taiwan: This remains the critical challenge in the Asia-Pacific. While China insists on its 'One China' policy, including Taiwan as part of China, it has acted with restraint, even with the coming to power of the pro-independence Democratic Progressive Party in Taiwan. US and Japanese policy makers need to recognise that pursuing independence for Taiwan is a 'red line' for China.

### **Managing China's Rise: Fluid Coalitions and Shifting Allegiances**

Unlike the Cold War, where alignments were clearly drawn, this competition will result in fluid coalitions and shifting allegiances. While Americans, Indians, Japanese and Europeans talk about developing an Indo-Pacific policy or countering Chinese strategies in Asia, greater attention should be given to China's growing global role.

There has been a lack of recognition that China is now the world's second largest economy, the largest exporter by value and a growing hub of technological innovation. China will increasingly seek to shape global developments, build relationships with possible allies and neutralise hostile parties. Chinese views on diverse issues such as climate change, sustainable development, human rights and international trade need to be addressed.

The dominant liberal internationalist perspective since the end of the Second World

War will be increasingly challenged by China's statist and communitarian outlook, which highlights the interest of the community rather than the Western focus on the rights of the individual.

The US, India, Japan and the EU need to work with China, managing the challenges posed by a rising power while recognising China's different perspectives. Together, the major powers need to foster a new great power equilibrium in the Asia-Pacific.

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