Visions of Order in the Indo-Pacific: Strengthening Alliance-Based Security Cooperation

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Cover: A US Marine Corps F-35B Lightning II embarked aboard the Royal Navy aircraft carrier HMS Queen Elizabeth executes a short takeoff from the USS America during flight operations between the Royal Navy and America in the Philippine Sea, Aug. 20, 2021. The 31st Marine Expeditionary Unit is operating aboard ships of America Expeditionary Strike Group in the 7th fleet area of operations to enhance interoperability with allies and partners and serve as a ready response force to defend peace and stability in the Indo-Pacific region. (US Marine Corps photo by Staff Sgt. John Tetrault)
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Dr. Przystup was presented with the State Department's Meritorious Honor award in 1989 and 1991; the Defense Department's Outstanding Achievement Award in 1992; and cited for his Exceptional Performance by the National Defense University on three separate occasions. In 2019, he received an official commendation from the Foreign Minister of Japan for his contribution in support of the Japan-US relationship and the Japan-US Alliance. Dr. Przystup graduated summa cum laude from the University of Detroit and holds an M.A. in International Relations from the University of Chicago and a Ph.D. in Diplomatic History also from the University of Chicago. He studied Japanese at Columbia University and Keio University in Tokyo and was a Visiting Fellow on the Law Faculty of Keio University.
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1. INTRODUCTION

“ALL FOREIGN POLICY IS A STRUGGLE FOR THE MINDS OF MEN.”

—HANS J. MORGENTHAU

The initial focus of this research project was the Trump administration’s Indo-Pacific Vision as set out by the president in remarks made in November 2017, in Danang, Vietnam. It soon became apparent, however, that focusing solely on the president’s vision and on US policies toward the region would be to overlook the efforts of US allies and partners in the Indo-Pacific to respond to and shape strategic change and sustain the existing, rules-based order across the region. Collectively, their endeavors represent a policy mosaic of efforts designed to support a balance of influence based on a balance of power.

In August 1997, Australia’s Prime Minister John Howard released “In the National Interest,” the first white paper of his government, which, looking toward the 21st century, assessed that Asia’s “rapid economic growth [was] changing strategic realities among regional countries” and in that context, “China’s economic growth, with attendant confidence and enhanced
influence, [would] be the most important strategic development of the next fifteen years.” Twenty years later, in its 2017 Foreign Policy White Paper, the Australian government judged, “Today, the Indo-Pacific is undergoing a strategic transition as profound as the economic transition that preceded it.”

The following study is focused on efforts by governments of the region, primarily the United States, Japan, and Australia to understand strategic change—to respond to the multi-faceted challenges posed by and inextricably tied to the rise of China, to shape and structure the evolving Indo-Pacific order, and, in the process, to define and maintain a rules-based order across the region and beyond.

The study begins with early efforts on the part of the United States to integrate a rising China into the existing international order. Remarks by Robert Zoellick entitled “Whither China: From Membership to Responsibility?” reflect this early vision of order. The study then transitions to a consideration of various “visions of order” set out in the Asia-Pacific region to shape the 21st century order.

Under the leadership of Prime Minister Shinzo Abe, Japan has played a major role in attempting to structure a rules-based order that reflects western values, democracy, the rule of law, and market economics. Key Japanese milestones in this regard have been Foreign Minister Taro Aso’s address, “The Arc of Freedom and Prosperity,” and Prime Minister Abe’s remarks, “The Confluence of Two Seas.”

India and ASEAN have also developed similar “Visions of Order” whose common aim is to maintain the centrality of ASEAN in the region’s security architecture. Their respective visions have been marked by concepts of “inclusion” as well as respect for a rules-based order. In a region increasingly concerned with being forced to choose between prosperity and security, their efforts have been aimed at obviating the need for strategic choice.

China, too, has developed its own vision of order that is reflected in the evolution of China’s Belt and Road Strategy, which has energized China’s economic engagement with the Indo-Pacific region. At the same, President Xi advanced a new multilateral Asian Security Concept that takes aim at the United States’ bilateral alliance structure in the region. Xi has also worked to position China to play a leading role in reforming the existing international order. Xi’s apotheosis came at the World Economic Forum in January 2017.

Since the end of the Cold War, the United States’ vision of order has been alliance based. Beginning with the East Asia Strategy Initiatives of the early 1990s, successive administrations, Republican and Democratic alike, have committed the US to sustaining and enhancing an alliance-based security system that, under US leadership, has underpinned regional stability and served as the foundation of economic prosperity. For the United States, the alliance system has afforded Washington a leading voice in discussions on key Asian issues. The current study tracks United States strategy toward Asia from the end of the Cold War to the Rebalance of the Obama administration and President Trump’s Indo-Pacific vision.

Further, the study explores the Indo-Pacific region’s understanding of strategic change as defined in key foreign and defense policy documents of Japan, Australia, New Zealand, and the United States. Within the same context, also explored are the challenges posed by China to the existing rules-based regional and international order and, in response, the efforts by these governments to push back against Chinese actions in order to protect and advance their respective individual and shared interests. This push back has involved the policies of individual governments, bilateral alliance-based cooperation, and multilateral efforts to deal with the diplomatic, security, and economic challenges posed by China.

The policies adopted by the United States, Japan, and Australia reflect their respective national interests, which, while not identical,
are overwhelmingly congruent and mutually reinforcing with respect to maintaining a rules-based order that sustains western values and supports a balance of influence based on a balance of power. This study focuses on three lines of effort: diplomacy and defense, infrastructure and development, and economics and trade. The cases studied are not intended to be exhaustive but, rather, illustrative of actions taken in Washington, Tokyo, and Canberra to support a shared vision of a Free and Open Indo-Pacific. The study concludes with a number of policy recommendations for the United States and the Biden administration.
2. SHARED VISIONS OF ORDER: GLOBAL NORMS, VALUES, AND THE RULE OF LAW

“THE CONTEMPORARY QUEST FOR WORLD ORDER WILL REQUIRE A COHERENT STRATEGY TO ESTABLISH A CONCEPT OF ORDER ‘WITHIN’ THE VARIOUS REGIONS, AND TO RELATE THE REGIONAL ORDERS TO ONE ANOTHER.”

—HENRY KISSINGER

Early Efforts to Engage a Rising China

By the beginning of the 21st century, China’s opening and reform, launched by Deng Xiaoping, had produced two decades of rapid economic growth and development, leading to its emergence as a major global power.

Photo caption: Chinese Foreign Minister Wang Yi shakes hands with ASEAN foreign ministers during the Special ASEAN-China Foreign Ministers’ Meeting on Coronavirus on February 20, 2020 in Vientiane, Laos. (Asahi Shimbun via Getty Images)
of breathtaking economic growth, expanding China’s standing and influence across the globe. In his September 21, 2005, remarks to the National Committee on US-China Relations entitled “Whither China: From Membership to Responsibility?,” Robert B Zoellick, deputy secretary of state, observed, “China is big, it is growing, and it will influence the world in the years ahead…. The central question is how China will use its influence.”

Zoellick went on to argue that China, having benefited from an “open, rules-based international economic system,” had “a responsibility to strengthen the order that [had] enabled its success.” US policy, he asserted, should “encourage China to become a responsible stakeholder in the international system,” working with the United States “to shape the future international system” and so avoid a destabilizing competition. Recognizing China’s growing power and influence in Asia, Zoellick cautioned Beijing of increased concern “if China seeks to maneuver toward a preponderance of power.”

Three months after his “Whither China?” remarks, Zoellick brought China’s vice foreign minister, Dai Bingguo, to Franklin Roosevelt’s Hyde Park estate in a visit representing an attempt to rekindle the idea “great power cooperation.”

As explored in the strategic forum “Visions of Order: Japan and China in US Strategy,” held by the Institute for National Strategic Studies in 2006, a focus on China as a potential “constructive global actor [was] an enduring thread in US Asia policy.” Central to managing the post-World War II international order, President Franklin Roosevelt recognized China as one of the “Big Five” great powers. The quest for strategic cooperation with China, interrupted by the onset of the Cold War and Mao’s victory in China’s civil war, resumed with the Kissinger and Nixon visits to China in 1971 and 1972 and continued through the end of the Cold War two decades later. The June 1991 Tiananmen massacre complicated the political and strategic evolution of US-China relations for the better part of a decade.

Visions of Order Evolving in the Indo-Pacific

At the same time, other visions of the future order in the Asia-Pacific region were beginning to emerge in Japan, India, and ASEAN, while China too began to think about the nature of a post-Cold War regional order.

Japan

Japan-China relations in the early years of the 21st century were marked by controversies over history. The visit of Prime Minister Junichiro Koizumi to the Yasukuni Shrine resulted in the breakdown of high-level diplomatic and political contacts.

Under Koizumi’s successor, Shinzo Abe, Tokyo and Beijing worked to stabilize relations. During Abe’s October 2006 “ice-breaking” visit to China, the two governments agreed on a framework to manage bilateral ties: “A Mutually Beneficial Relationship Based on Common Strategic Interests.” This construct enabled the restoration of high-level diplomatic and political contacts and increased cooperation on economic issues, the environment, and North Korea, while leaving unresolved fundamental issues related to maritime boundaries and sovereignty over disputed territories—issues that would continue to exacerbate ties in the years ahead.

Meanwhile, China’s dynamic economy and increasingly sophisticated diplomacy began to challenge Japan’s long-held assumptions of regional leadership and international standing based on its post-war economic strength.

In November 2006, Foreign Minister Taro Aso in his remarks, “The Arc of Freedom and Prosperity: Japan’s Expanding Diplomatic Horizons,” delivered to the Japan Institute of International Affairs Seminar, asserted Japanese leadership in the Asia-Pacific region. A forerunner of Indo-Pacific visions, Aso’s Arc of Freedom and Prosperity extended geographically from Northeast Asia to Central Asia and the Middle East, to be governed by “values-oriented diplomacy” with an emphasis on “universal values, such as democracy, freedom, human rights,
rule of law and the market economy.” Aso challenged Japan to lead in bringing “an arc of freedom and prosperity” into being.9

Aso’s vision was widely interpreted as an effort by Japan to set standards for governance in the emerging Asian community—standards that stood in stark contrast to the values and practices of China. The emphasis on universal values, democracy, freedom, human rights, rule of law, and a market economy continued to reappear in Japanese government documents championing a Free and Open Indo-Pacific.

Eight months later in remarks to the Indian Parliament entitled “The Confluence of the Two Seas,” Prime Minister Abe expanded on the Arc of Freedom and Prosperity concept. Specifically, he envisioned a “broader Asia” evolving “into an immense network spanning the Pacific Ocean” to incorporate both the United States and Australia and reflecting a Japan-India Global Strategic Partnership of “shared fundamental values, such as freedom, democracy and the respect for human rights as well as strategic interests.” This envisioned structure, “open and transparent,” would “allow people, goods, capital, and knowledge to flow freely.” Abe asserted that Japan and India, as maritime states, “have vital interests in the security of the sea lanes.” Future security cooperation would be left to Japanese and Indian diplomats and defense officials to “consider jointly.”10

Nine years later in August 2016, Abe returned to “The Confluence of the Two Seas.” Addressing the Opening Session of the Sixth Tokyo International Conference on African Development, Abe told his Nairobi, Kenya, audience “what will give stability and prosperity to the world is none other than the enormous liveliness brought forth from the union of two free and open oceans and continents.” Abe then committed Japan to “fostering the confluence of the Pacific and Indian Oceans and of Asia and Africa into a place that values freedom, rule of law and the market economy, free from force or coercion....” The Free and Open Indo-Pacific subsequently became Japanese policy, with the Abe government playing a leading role in advancing the concept.11

Abe also moved to strengthen the Japan-US Alliance—in 2014, reinterpretng Japan’s constitution to allow the limited exercise of the right of collective self-defense and, in 2015, joining the United States in issuing the new Guidelines for Defense Cooperation—thereby prompting security concerns in Beijing.

In October 2020, Abe’s successor Prime Minister Yoshihide Suga set out his government’s vision of a Peaceful and Prosperous Indo-Pacific during his first official travel outside Japan, to Vietnam and Indonesia. Suga gave the ASEAN Outlook Japan’s full support, noting the many commonalities with Japan’s vision of the Indo-Pacific.

China

In the decade following the end of the Cold War, China reverted to its long-standing opposition to alliances and military blocs.

In his 1997 report to the 15th Party Congress, President Jiang Zemin asserted that “expanding military blocs and strengthening alliances will not be conducive to safeguarding peace and security.”12 China’s New Security Concept called for “an end to Cold War thinking and opposition to alliance politics.”13 In 1998, the People’s Daily observed that, since the end of the Cold War, “military alliances had lost much of their cohesive force as the enemies they were directed at containing no longer existed” but found the United States attempting to “maintain old alliances, hoping to act as their hegemonic leader.”14

Under President Xi Jinping, China too was developing a positive vision. In 2013, in remarks delivered in Kazakhstan and Indonesia, Xi previewed the Belt and Road Initiative, a massive infrastructure project intended to link China to Southeast Asia and the broader Indo-Pacific region and beyond to Africa and Europe. In his address to the parliament of Indonesia, President Xi told his audience:

Southeast Asia has since ancient times been an important hub along the ancient Maritime Silk
Road and China will vigorously develop maritime partnership in an effort to build the Maritime Silk Road of the 21st Century. China is ready to expand its practical cooperation with ASEAN countries across the board.\textsuperscript{15}

In 2014, China established the Silk Road Fund, allocating $40 billion to support infrastructure projects,\textsuperscript{16} and, in 2015, launched the multinational Asia Infrastructure Investment Bank.\textsuperscript{17} The Belt Road Initiative (BRI) was formally adopted at the 19th National Party Congress in 2017.\textsuperscript{18}

As the BRI energized China's economic engagement with the region, President Xi advanced a vision of a new, multilateral Asian Security Concept.

Speaking to the Fourth Conference on Interaction and Confidence Building Measures in Asia, Xi declared, "Asia has come to a crucial stage in security cooperation where we need to build on the past achievements and strive for new progress." He argued that it was time to do away with "the outdated thinking from the age of the Cold War and zero-sum game," and adopt "a new regional security cooperation architecture, and jointly build a road for security in Asia that is shared by and win-win to all." At the same time, he cautioned that strengthening "a military alliance that is targeted at a third country is not conducive to maintaining common security." "In the final analysis," Xi concluded, "it is time for the people of Asia to run the affairs of Asia, solve the problems of Asia and uphold the security of Asia."\textsuperscript{19} An accompanying Xinhua article characterized the United States alliances as "the Achilles heel of and the major impediment to "a peaceful Asia."\textsuperscript{20}

In contrast to his multilateral vision, Xi was also staking out a unilateral line with respect to China's core interests, including maritime rights and interests. In July 2013, Xi informed the Politburo's study group on maritime policy that China would never "give up [its] core national interests" and would "resolutely safeguard [that] country's maritime rights and interests."\textsuperscript{21}

Even as President Xi focused on advancing China's new Asian Security Concept, he was also positioning China to play a leading role in reforming the existing international order. His vision was that of "a new type of international relations," one differing from that of past great-power struggles for "profits and hegemony," instead following "a formula in which countries coordinate their relations and profits through rules and mechanisms." Through BRI, China would fulfill its role as a responsible great power and leader of the developing world in reforming "the unjust and improper arrangement positions in the global governance system."\textsuperscript{22}

Xi's apotheosis occurred at that World Economic Forum in Davos in January 2017. In his remarks, he championed globalization, while also citing the shortcomings of existing development models and calling for reform of global governance to achieve greater fairness and equity through the realization of a Community of Common Destiny. As for China, Xi stated that reform efforts would "enable the market to play a decisive role in resources allocation."\textsuperscript{23} He did not mention that, under his direction, state power over the economy was increasing and remained the driving force in China's growth.

\section*{India}

India, too, was developing a vision of the Indo-Pacific. In a keynote address to the Shangri-La Dialogue on June 1, 2018, Prime Minister Narendra Modi spoke of India's historic ties to the Indo-Pacific region and, against the backdrop of an international environment marked by "shifts in global power," "clashing and competing visions," and "the assertion of power over recourse to international norms," set out his vision of an Indo-Pacific order.

Modi's vision was of a free, open, and inclusive Indo-Pacific region with ASEAN "central to its future." He argued that
the pursuit of “common security and prosperity require us to evolve, through dialogue, a common rules-based order,” one in which “rules and norms should be based on the consent of all” and one marked by the “sovereignty and territorial integrity and equality of all nations, irrespective of size and strength.” Modi emphasized the importance of “equal access as a right under international law to the use of commons on the sea and in the air,” requiring “freedom of navigation, unimpeded commerce and peaceful settlement of disputes in accordance with international law.”

Modi also touched on India’s key bilateral relations with Japan and China, making clear that “India’s economic and strategic ties to Japan are a cornerstone of India’s Act East Policy.” As for China, Modi expressed his hope that India and China could “work together in trust and confidence, sensitive to each other’s interests.” Modi did not mention the Quad in his address.

The prime minister’s statement reflected India’s long-standing commitment to the principle of nonalignment. At a time of increasing tensions in US-China relations, Modi called for a region defined by inclusiveness and committed to the use of dialogue in dispute resolution. While Modi avoided aligning India with the Quad concept (i.e., the United States, Japan, Australia, and India), an instrument some strategists viewed as aimed at constraining China, his references to a rules-based order, freedom of navigation, and respect for international law and peaceful change aligned India with Japanese visions of the Indo-Pacific and tangentially with elements of the evolving US vision of the Trump administration.

Under Modi, India has moved toward more active engagement with the Indo-Pacific, in 2014 transforming the 1991 Look East Policy, whose focus was building cultural and commercial ties with Southeast Asia, into the Act East Policy, whose aim is expanding political and strategic ties across the region. Modi has directed India’s diplomacy toward development of strategic partnerships with ASEAN as well as with Indonesia, Vietnam, Malaysia, Singapore, Australia, New Zealand, and South Korea. In 2015, India aligned with the United States and Japan in key policy documents supporting a rules-based regional order—the US-India Strategic Vision of January 2015 and the India-Japan Vision 2025 of December 2015.

ASEAN

Late to articulate a vision, ASEAN released the “ASEAN Outlook on the Indo-Pacific” in June 2019. This document reflects growing concerns about the effects of an increasingly competitive US-China relationship on regional stability and about ASEAN’s own standing in the regional architecture. The document recognized both the “geopolitical and geostrategic shifts” affecting the region and emphasized the importance of “avoiding the deepening of mistrust, miscalculation, and patterns of behavior based on a zero-sum game.” In this context, the Outlook champions ASEAN’s “central role in evolving the regional architecture in Southeast Asia and its surrounding regions ... to continue being an honest broker within the strategic environment of competing interests.”

The Outlook’s aim is “to promote an enabling environment for peace, stability, and prosperity... in addressing common challenges, upholding the rules-based regional architecture, and promoting closer economic cooperation, ... thus strengthen[ing] confidence and trust, ...enhancing ASEAN’s Community building process, and further strengthening the existing ASEAN-led mechanisms.”

The document also sets out principles to guide implementation of the ASEAN vision: “transparency, inclusivity, a rules-based framework, good governance, respect for sovereignty, non-intervention, complementarity with existing cooperation frameworks, equality, mutual respect, mutual trust, mutual benefit, and respect for international law, such as UN Charter, the 1982 UN Convention on the Law of the Sea, other relevant
UN treaties and conventions, the ASEAN Charter and various ASEAN treaties and agreements.”

In his wide-ranging ISEAS Yusof Institute ASEAN lecture “How to Think about the ASEAN Indo-Pacific Outlook,” Singapore’s ambassador-at-large and former permanent secretary of the ministry of foreign affairs Bilahri Kausikan stated that he found the Outlook significant “in that it preserves ASEAN’s fundamental consensus ... and fulfills ASEAN’s fundamental purpose of maintaining at least minimal level of cohesion.” Considering the different visions of the Indo-Pacific, he found the ASEAN vision to have the “most in common with the Japanese and Australian” visions. The Outlook shares Japan’s “emphasis on economics and connectivity” and Australia’s approach, which is to be “essentially a diplomatic expedient to finesse strategic complexities and buy time.” At the same time, he observed the Outlook represents “an opportunity for ASEAN to regain centrality, but no more than an opportunity.”

At the strategic level, the Outlook’s aim is to position ASEAN as the region’s inclusive convening power. In a region increasingly concerned with having to choose between economic prosperity and national security, ASEAN, with its focus on inclusion and honest brokering, has worked to establish itself as an institution that would obviate the need for its individual members, and the region as a whole, to make a strategic choice between the United States and China. Thus, both the ASEAN Outlook and Modi’s Shangri-La vision attempt to straddle the emerging dynamic of an increasingly competitive US-China relationship.
At the end of the Cold War, US strategy toward the Asia-Pacific focused on preserving the US-bilateral alliance structure. In its 1992 report to Congress "A Strategic Framework for the Asia-Pacific Rim," the US Department of Defense defined the Asian alliance structure as “perhaps our nation’s most significant achievement since the end of the Second World War,” observing that “this system of alliances constitutes a prosperous, largely, democratic, market-oriented zone of peace.” The report further argues, “In the long run preserving and expanding these alliances and friendships will be as important as the successful containment of the former Soviet Union or the Coalition to the defeat of Iraq.”

The report called attention to an evolution in US strategic orientation, noting that “United States regional roles, which had been secondary in our strategic calculus, have now assumed primary importance in our security engagement in the Pacific theater.... [T]he key to our military presence has been and remains a network of largely bilateral security alliances.”

In 1995, the Department of Defense issued “The United States Security Strategy for the East Asia-Pacific Region,” which reiterated the importance of the alliance structure and emphasized the United States’ “stake in maintaining the alliance structure in Asia as a foundation of regional stability and a means of promoting American influence on key Asian issues.” In 1998,
the Department updated the 1995 document, reaffirming “the critical role our alliances play in securing peace and stability in Asia” while also redefining the role of late 20th century alliances as “not directed at any third party” but instead serving “the interests of all who benefit from stability and security.”

The US vision, then, was that of an alliance-based security system that, under US leadership, would provide for regional stability as the foundation of economic prosperity. This vision remained unchanged for almost a decade. Taking office in January 2001, President Bush initially directed foreign policy toward management of great-power relations. However, the terror attacks on 9/11 re-directed the Bush administration’s focus to the Middle East, where it overwhelmingly remained through 2008.

2009-2017

The Obama administration took office on January 20, 2009. In his book, Obama and China’s Rise, Jeffery A. Bader, senior director for East Asian affairs at the National Security Council, wrote of the Bush years: “[W]hatever successes the Bush administration had achieved in the region, they were contaminated by the fallout of problems elsewhere…. The general perception in Asia in 2009 was that the United States was distracted by the war in Iraq and the global war on terrorism and was economically weakened.” Kurt Campbell, assistant secretary of state for East Asian and Pacific affairs, makes a similar point in his book, The Pivot: The Future of American Statecraft in Asia. To address Asian concerns, Secretary of State Hillary Clinton made Asia the destination of her first overseas travel.

Two landmark events underscored the administration’s turn toward Asia: Secretary Clinton’s remarks to the ASEAN Regional Forum in July 2010, and President Obama’s address to the Australian Parliament in November 2011.

Addressing the intensifying South China Sea dispute, Secretary Clinton declared, “The United States has a national interest in freedom of navigation and open access to Asia’s maritime commons and respect for international law in the South China Sea.” Clinton went on to offer US good offices to advance a peaceful resolution of the dispute. Her remarks drew a protest from China’s foreign minister, Yang Jiechi, who abruptly exited the meeting, only to return the following day to remind attendees that “China is a big country and other countries are small countries, and that’s just a fact.” In reviewing the Hanoi meeting, Foreign Policy viewed Yang’s remarks as the “End of the Charm Offensive.”

In his address to the Australian Parliament, President Obama announced that, “after a decade in which we fought two wars… the United States is now turning our attention to the vast potential of the Asia-Pacific region.” This turn, soon identified as the Rebalance, reflected “a deliberate and strategic decision” by the United States to “play a larger role in shaping this region and its future,” working toward “an international order … where international law and norms are enforced. Where commerce and freedom of navigation are not impeded. Where emerging powers contribute to regional security and where disagreements are resolved peacefully. That’s the future we seek.”

Obama informed his audience that the United States’ “presence and mission in the Asia-Pacific” was “a top priority” of his administration. The “enduring interests” of the United States demand an “enduring presence,” he stated, continuing, “The United States is a Pacific power and we are here to stay.” To shape the future, he went on to say, the United States would work to strengthen alliances, engage with the region’s multilateral organizations, and build a cooperative relationship with China, one emphasizing the importance of “upholding international norms and respecting the universal human rights of the Chinese people.”

The United States would also work to promote a rules-based international economy, one that advanced broad and sustainable growth. In the Asia-Pacific region, United States diplomacy would aim “to create a seamless regional economy” and bring into being the Trans-Pacific Partnership (TPP).
The Trans-Pacific Partnership was central to the Rebalance. In the words of TPP negotiator Ambassador Michael Froman, it represented “the most concrete manifestation of the President’s rebalancing strategy toward Asia. It reflect[ed] the fact that we are a Pacific power and that our economic well-being is inextricably linked with the economic well-being of this region….TPP’s significance [was] not just economic, it [was] strategic—as a means of embedding the United States in the region.” TPP, however, fell victim to domestic politics in the 2016 election; on January 23, 2017, President Trump withdrew the United States from it.

Eleven months later, President Trump set out his vision of a “Free and Open Indo-Pacific”—one focused on economic engagement. In remarks to the APEC CEO Summit in Danang, Vietnam, on November 10, 2017, the President promised the region a “renewed partnership with America” based on “trade relationships rooted in the principles of fairness and reciprocity.” The United States, he stated, will expect that “our partners … faithfully follow the rules … that markets will be open to an equal degree on both sides, and that private industry, not government planners, will direct investment.”

The private sector would be the primary engine of United States engagement. President Trump pledged that his administration would “work to find opportunities for our private sector to work with yours.” For this reason, he stated, the United States would refocus its economic development efforts and would call on the World Bank and Asian Development Bank to support “high-quality, infrastructure investment that promotes economic growth.” President Trump committed his administration to reforming America’s “development finance institutions so that they [would] better incentivize private sector investment in [Indo-Pacific countries’] economies and provide strong alternatives to state-directed initiatives that come with many strings attached.”

President Trump’s references to “fair” trade echoed those of President Obama in his remarks to the Australian Parliament. In references to the rule of law and freedom of navigation, he was aligning the United States, to a significant degree, with the Indo-Pacific visions of Prime Minister Abe as well as those of Prime Minister Modi and ASEAN. His call for investment in “high quality” infrastructure projects previewed what would be a key element in an evolving “pushback” strategy to compete with China and the BRI.

Shortly after the Danang meeting, the Trump administration released its National Security Strategy and National Defense Strategy, moving the United States-China relationship from a framework of cooperation to one of competition.

In the summer of 2019, Bilahari Kausikan assessed the various visions of order at play in the region. In his “How to Think about the ASEAN Indo-Pacific Outlook” address, the ambassador observed that the various visions of the Indo-Pacific, including the US Pivot and Rebalance, cannot be considered in isolation from the BRI and are best understood “as slogans” rather than “precise concepts”—attempts to grasp and shape “new geopolitical realities” that are “still fluid and malleable.” He cast the various visions as sharing a “Rashomon-like quality.”

As for China, the ambassador noted that BRI too had its own Rashomon-like characteristics—was it primarily an economic idea? Or military-strategic? Or both? If both, where did the emphasis lie? He cast a jaundiced eye on Chinese claims that the BRI is “win-win, or more grandiosely, intended to benefit all of mankind.” Such assertions, he observed, “are no longer taken at face value, if they ever were, except perhaps by the terminally naïve or the irredeemably corrupt.”
4. SHIFTING VIEWS: PERCEPTIONS OF STRATEGIC CHANGE AND AN ASSERTIVE CHINA

Visions of order in the Indo-Pacific did not develop in a strategic vacuum. Behind the various visions discussed previously was the reality of strategic change, marked across the region by the actions of an increasingly assertive China.

In 2010, the Japan-China “Mutually Beneficial Strategic Partnership” encountered the force of Chinese nationalism. To protest Japan’s seizure of a Chinese fishing boat in the Senkaku Islands, Beijing cut off rare earth exports to Japan, slowed customs procedures, issued tourist guidance against travel to Japan, and cut off high-level political and ministerial contacts. Two years later, in response to Japan’s nationalization of the Senkaku Islands, Beijing allowed anti-Japanese protests to gather strength across the country, resulting in significant damage to Japanese commercial property and injury to Japanese residents.

In Southeast Asia, China likewise flexed its growing economic power. In 2012, Beijing banned the import of Philippine bananas to express its displeasure with a confrontation between a Philippine warship and Chinese fishermen in the Scarborough Shoal area.

Photo caption: Cadets from the China’s People’s Liberation Army (PLA) Navy march in formation before a ceremony to mark Martyr’s Day at Tiananmen Square in Beijing, Sept. 30, 2019. (Mark Schiefelbein/Getty Images)
In 2013, Beijing initiated construction of and later militarized artificial islands in the South China Sea, thereby contravening what US officials had understood to be a commitment President Xi had made to President Obama. And, in 2016, China disregarded the ruling of the Hague Permanent Court of Arbitration in the South Seas Arbitration Case, which denied China’s assertion of historic rights within its claimed nine-dash line. China’s former Deputy Minister for Foreign Affairs and State Councilor Dai Bingguo dismissed the decision as “nothing but a piece of paper.”

In 2014, China’s state-owned China National Offshore Oil Company initiated unilateral exploration in an area south of the Paracel Islands, an area claimed by Vietnam as being within its exclusive economic zone. To protest, Hanoi sent into the area patrol ships and fishing boats, which Chinese coast guard ships water-cannoned and rammed. To date China has continued to engage in confrontations with Vietnam, Malaysia, and Indonesia over natural resources.

In November 2017, Australia’s Department of Foreign Affairs and Trade released its 2017 Foreign Policy White Paper. The study assessed that the United States would remain the “most powerful” international actor but that “its long dominance of the international order [was] being challenged by other powers. A post-Cold War lull in major power rivalry has ended.”

The white paper identified the Indo-Pacific as a region undergoing a “strategic transition” as profound as its earlier economic transformation, which China had also driven. China’s surging economic strength was “accelerating shifts in relative economic and strategic weight,” giving China, in parts of the region, “power and influence … to match, and, in some cases, exceed that of the United States.”

The white paper noted: “Like all great powers, China will seek to influence the region to suit its own interests,” and, as it does so, will present Australia with “an increasingly complex and contested Indo-Pacific.” The document postulated that economic and security interests would continue to anchor the United States to the region and that the United States would continue to play a “significant role” as a “stabilizing influence.”

Looking ahead, the white paper observed, “In this dynamic environment, competition is intensifying, over both power and principles and values on which the regional order should be based.” Future stability would depend “more than ever” on the evolution of US-China relations.

The white paper’s numerous references to norms, values, and respect for international rules define Australia’s interest in supporting the rules-based liberal international order, now under challenge in the region.

Asked a year later to comment on the judgments presented in the white paper, a senior Australian intelligence officer observed, “What has surprised us is the pace of change,” adding that China represented “the greatest security challenge Australia has faced since the Coral Sea.” Of particular strategic concern were China’s actions in the regions east, north, and west of Australia—in Vanuatu in the South Pacific, militarization of artificial islands in the South China Sea, and a growing presence in the Indian Ocean region and Africa, respectively.

Prime Minister Scott Morrison echoed this analysis in remarks introducing the 2020 Defence Strategic Update. “Australia,” Morrison observed, “has not seen the conflation of global, economic and strategic uncertainty … since the existential threat we faced when the global and regional order collapsed in the 1930s and 1940s.” Morrison called attention to the rapid acceleration of trends outlined in the earlier 2016 Defence White Paper—intensifying US-China strategic competition in the Indo-Pacific region; challenges to a rules-based global order; military modernization with increasing capabilities; and the widespread use of coercion and disinformation—presenting Australia with “a never less benign strategic environment.”
At the end of 2020, Australia experienced China’s economic coercion. On November 27, China’s Ministry of Commerce imposed heavy tariffs on Australian wine exports, the stated rationale being an anti-dumping measure. However, as the Sydney Morning Herald’s senior business correspondent, Stephen Bartholomeus, wrote, “Chinese diplomats in Canberra, ... made it very clear that China’s war on Australian exports is due to the Morrison government commentaries on the virus, Hong Kong, Taiwan, and the South China Sea.”

Four months later, Japan experienced a clear Chinese challenge to a rules-based international order. On January 22, 2021, the Standing Committee of China’s National People’s Congress adopted new legislation, effective February 1, that would allow the Chinese Coast Guard to “use all necessary means,” including use of “weapons,” to defend China’s “national sovereignty, security, and maritime rights and interests” in China’s “jurisdictional waters.” The law also empowers the Coast Guard to declare temporary exclusion zones “as needed” to prevent entry of foreign ships.

Chinese Coast Guard ships soon appeared in Japan’s territorial waters in the Senkaku Islands, first on February 6-7 and again on February 15-16, on each occasion approaching Japanese fishing boats. Foreign Ministry Spokesperson Wang Wenbin defended China’s actions as “legitimate measures ...to safeguard sovereignty in accordance with law.” Commenting on China’s new Coast Guard Law, Kyushu University Professor Chisako Masuo observed: “China has begun undermining the international maritime legal order through domestic law.” In 2021, Chinese ships have sustained a presence in waters around the Senkaku islands for close to five months. On July 10, two Chinese coast guard ships entered Japan’s territorial waters in the Senkaku islands, the 23rd incursion of the year.
5. THE PUSH BACK AGAINST CHINA: DEFINING THE CHALLENGE

“CHINA REPRESENTS OUR GREATEST LONG-TERM STRATEGIC CHALLENGE TO A FREE AND OPEN INDO-PACIFIC AND TO THE UNITED STATES...THROUGH FEAR AND COERCION, BEIJING IS WORKING TO EXPAND ITS FORM OF IDEOLOGY IN ORDER TO BEND, BREAK, AND REPLACE THE EXISTING RULES-BASED INTERNATIONAL ORDER.”

—ADMIRAL PHIL DAVIDSON, US INDO-PACIFIC COMMAND

The “Push Back” encompasses policies of individual governments, bilateral alliance-based cooperation, and multilateral efforts directed at dealing with Chinese security, economic, and diplomatic challenges to the existing regional order. The policies adopted by the United States, Japan, and Australia reflect their respective national interests, which, while not identical, are congruent and mutually reinforcing in their efforts to maintain a rules-based order that sustains western values and supports a balance of influence based on a balance of power.

Photo caption: An EA-18G Growler launches from the flight deck of the USS Ronald Reagan. Ronald Reagan, the flagship of Carrier Strike Group 5, provides a combat-ready force that protects and defends the United States, as well as the collective maritime interests of its allies and partners in the Indo-Pacific region. (US Navy photo by Mass Communication Specialist 2nd Class Samantha Jetzer)
Assigning a precise date to the beginning of the “Push Back” is difficult. Arguably, it could be said to have begun as early as 2006 with Foreign Minister Aso’s “Arc of Freedom and Prosperity” address, which outlined the framework for a western-values, rules-based order for what would become the Indo-Pacific region. Prime Minister Abe’s vision of a Free and Open Indo-Pacific followed in 2007.

Other landmarks in its development would include the Obama administration’s Rebalance and Australia’s 2017 Foreign Policy White Paper, which recognized the ongoing strategic transformation of the region and the existence of a contest to define the values, rules, and norms of the Indo-Pacific. Also included would be President Trump’s vision of a Free and Open Indo-Pacific; the Trump administration’s National Security Strategy and National Defense Strategy documents, which mark a clear transition in the US-China relationship—from one of cooperation to one of competition; and, lastly, Secretary of State Pompeo’s July 13, 2020, statement aligning US policy toward the South China Sea with the Permanent Court of Arbitration’s 2016 ruling, which denied China’s claim to historic rights in the South China Sea.

Australia and New Zealand

The 2015 Department of Defence study “China’s Growing Influence in the South-West Pacific: Australian Policies That Could Respond to China’s Intentions and Objectives” reflects Canberra’s growing concern with China and its activities in the South Pacific.

The study analyzed China’s activities in the South-West Pacific within the broader context of China’s increasing assertiveness in the South China Sea and its on-going military modernization, which raised for Australia the question of China’s “intentions.” With respect to China’s intentions, the document sets forth contending interpretations: first, that Beijing’s aim is to prevail in a strategic competition with the United States and establish China’s regional hegemony, and second, that China’s activities are essentially resource driven, intended to support its economy and provide sustenance for its people. The study called for efforts to “better understand China’s interests and objectives.”

However, the study noted that, in the South-West Pacific, “China’s growing influence has come at the expense of Australia” and cautions that Australia’s “decreasing influence will lead to a decreased ability to control Australia’s security.” The document framed the choice for policy makers—whether to accept China’s growing influence as “a benefit” for Pacific Island countries or “whether that influence is coming at the expense of Australia’s influence and supporting outcomes … inimical to Australia’s influence.” The study called for greater efforts to “rebalance China’s influence.”

Australia’s 2016 Defence White Paper identifies a strategic defense line beyond Australia’s own homeland, extending from Papua New Guinea to Timor L’Este and to the Pacific Island countries. It expressed concerns about “a foreign military power seeking influence in ways that could challenge the security of our maritime approaches.” The white paper underscored Australia’s interest in a “stable Indo-Pacific region and a rules-based global order.”

Two years later in 2018, New Zealand’s Strategic Defence Policy Statement described the country as facing “a more challenging and complex strategic environment—one in which the international rules-based order, the foundation of New Zealand’s security and prosperity, is coming under increasing pressure … of a scope and magnitude not previously seen in our neighborhood.” In this environment, the Statement cautioned, “States may be compelled to make choices, small and large, in ways they had previously avoided.”

New Zealand’s Strategic Defence Policy Statement describes China as deeply invested and integrated in the rules-based order, yet “not consistently” acting in accordance with “the rules championed by the order’s traditional leaders.” Citing China’s
construction of artificial islands in the South China Sea, the policy statement notes that Beijing’s “more confident assertion of its interests has at times raised tensions with neighboring states and the United States.” The document judged China to be seeking to “restore claimed historical levels of influence in its periphery as well as an enhanced global leadership role,” yet “some actions in pursuit of these aims challenge the existing order,” including Beijing’s rejection of the Hague Tribunal’s ruling on sovereignty claims in the South China Sea. In this environment, “it will remain in New Zealand’s vital interest to act in support of this order,” starting in concert with Australia.71 In March 2018, the two nations released the “Australia-New Zealand Joint Statement on Closer Defence Relations.”

Japan
Japan’s Diplomatic Blue Book 2019 reiterates long-standing Japanese concerns relating to China—its ongoing military modernization program; lack of transparency; militarization of outposts in the South China Sea; continuing incursions into Japan’s Senkaku islands; and stepped-up PLA Navy activities in the seas around Japan. Striking are numerous references to China’s disregard for the norms, values, and rule of law that have served as a foundation for the region’s stability and prosperity, China’s included.

The Blue Book cites China for “unilateral actions and attempts to change the status quo by force or coercion at sea and in the airspace in the East China Sea and South China Sea based on its own assertions which are incompatible with the existing order of international law of the sea.” It also cites China’s “unique assertions concerning its territorial rights in the South China Sea, including rejecting the legally binding force of the final award rendered by the Arbitral Tribunal which confirmed the lawlessness of China’s land reclamation and other actions.” 72

Beyond the direct security challenges posed by China, Tokyo’s focus has been on the broader challenges posed by China to the norms, values, and rule of law that sustain the existing international order. In 2019, Japan’s National Institute for Defense Studies published the ninth of its NIDS China Security Reports, “China’s Strategy for Reshaping the Asian Order and its Ramifications.” Addressing China’s broader challenges, the study discusses “China’s Quest to Build a New International Order.”73

The United States
The Trump administration’s National Security Strategy characterizes the Indo-Pacific region as one in which a “geopolitical competition between free and repressive visions of world order is taking place.” The document reports China to be using economic inducements, investment strategies, and the militarization of artificial islands in the South China Sea “to reinforce its geopolitical aspirations … and undermine regional stability.” China designed its military modernization “to limit US access to the region and provide China with a free hand there.”74

The National Defense Strategy characterizes the international order as “resilient but weakening,” challenged by revisionist powers. The document describes China as “continuing to pursue a military modernization program that seeks Indo-Pacific regional hegemony in the near term and displacement of the United States to achieve global preeminence in the future.”75 Both documents call for the strengthening of US alliances and renewed US leadership in the face of challenges posed by China to the existing regional and international order.

In remarks to the 2019 Shangri-La Dialogue, then-acting Secretary of Defense Patrick Shanahan expanded on the themes of the National Security Strategy and National Defense Strategy, telling his Singapore audience: “Perhaps, the greatest long-term threat to the vital interest of states across this region comes from actors who seek to undermine, rather than uphold, the rules-based international order.” He continued, “In contrast to the free and open vision broadly shared by the region some seem to want a future where power determines place and debt determines destiny.”76
The Biden administration, in its Interim National Security Guidance recognized that “the distribution of power across the globe is changing, creating new threats” and focused on China. The Guidance found that “China, in particular has rapidly become more assertive” and defined it as “the only competitor potentially capable of combining its economic, diplomatic, military and technological power to mount a sustained challenge to a stable and open international system.”77
6. STRENGTHENING THE RULES-BASED ORDER: RESPONSES FROM THE US, JAPAN, AND AUSTRALIA

“BEIJING CANNOT BULLY ITS WAY TO SUPERPOWER STATUS WITHOUT ENGENDERING A STRONG PUSHBACK FROM OTHER COUNTRIES, WHICH IS EXACTLY WHAT IS HAPPENING.”

—RICHARD MCGREGOR

The following section’s focus is on three areas of effort—diplomacy and defense, finance and infrastructure, and economics and trade—that highlight responses of the United States, Japan, and Australia to the challenges posed by China. Some are individual-country initiatives, whereas others are bilateral and multilateral in nature. The examples given below are not meant to be exhaustive but illustrative of actions taken in Washington, Tokyo, and Canberra to support the shared vision of a Free and Open Indo-Pacific—all aimed at strengthening the

Photo caption: A US Navy ensign looks through a pair of binoculars on the bridge wing as the guided-missile destroyer USS Russell conducts routine underway operations. (US Navy photo by Mass Communication Specialist 3rd Class Wade Costin)
Diplomacy and Defense: Expanding Alliance-based Cooperation

The United States

In his 2011 remarks to the Parliament of Australia, President Obama announced that the United States would, by 2020, deploy 60 percent of its naval forces to the Asia-Pacific region. On July 12, 2018, Seventh Fleet Commander Vice Admiral Joseph Aucoin reported that 60 percent of the Navy’s submarine force was already deployed to the region and that the transfer of an additional 10-15 ships would realize the full 60-percent deployment by 2019. In its Indo-Pacific Strategy Report dated June 1, 2019, the Department of Defense announced that 200 ships and submarines were now under INDOPACOM command.

In the Indo-Pacific Strategy Report, acting Secretary of Defense Patrick Shanahan declared “We will not accept policies or actions that threaten or undermine the rule-based international order.... We are committed to defending and enhancing these shared values.” The conduct of Freedom of Navigation Operations (FONOPs) by the United States Navy in the South China Sea is a case in point. In 2015, the Obama administration authorized two FONOPs and two again in 2016. Under the Trump administration, the Navy conducted six in 2017; five in 2018, and nine in 2019.

In the first quarter of 2020, the US Navy conducted four FONOPS in the South China Sea and combined exercises with Japan and Australia in the Philippine Sea. This joint exercise followed the Nimitz’s earlier exercise with the Indian Navy. Commenting on the South China exercise, Rear Admiral George Wikoff informed the media, “The purpose is to show an unambiguous signal to our partners and allies that we are committed to regional security and stability.”

Nevertheless, as the Indo-Pacific Strategy Report acknowledged, the wide-ranging challenges presented in the region “are beyond what any single country can address alone”; accordingly the United States values “allies and partners as a force multiplier for peace.”

During 2019, the United States moved to strengthen alliance relationships with Australia and Japan.

The newly inaugurated Biden administration has continued to assert US interests in the Indo-Pacific and deployed aircraft carriers USS Theodore Roosevelt and USS Nimitz to the South China Sea for a joint exercise in early February 2021. At the same time, on February 5, the Biden administration ordered the destroyer USS John McCain to conduct a FONOP in the disputed Paracel Islands. This was followed on February 17 by a FONOP in the Spratly Islands conducted by destroyer USS Russell, in addition to a FONOP on May 20 in the Paracel Islands conducted by the USS Curtis Wilbur—all actions in support of a Free and Open Indo-Pacific.

The United States-Australia Ministerial Consultations (AUSMIN) of August 4, 2019, committed the Alliance to building a “secure and prosperous future” in the Indo-Pacific region, specifically to “promote freedom of navigation and overflight … in accordance with international law”; to cooperate and coordinate “in capacity building on maritime issues with Indo-Pacific countries”; to “further deepen trilateral cooperation with Japan and enhance engagement with India, including through the Quad”; and to coordinate “approaches to the Indian Ocean, including enhancing maritime security and ocean governance.”
The Joint Statement issued following AUSMIN 2020 echoed the themes of the 2019 consultations and, at the same time, underscored the growing US-Australia strategic alignment, announcing that “the Indo-Pacific is the focus of the Alliance.” The document committed the two countries to working “side-by-side” with ASEAN, India, Japan, and the Republic of Korea to “strengthen our networked structure of alliances and partnerships to maintain a region that is secure, prosperous, inclusive and rules-based.” Toward the South China Sea, the Joint Statement “affirmed that Beijing’s maritime claims are not valid under international law” and “specifically, … that the PRC cannot assert maritime claims based on the ‘nine-dash line,’ ‘historic rights,’ or entire South China Sea island groups which are incompatible with the United Nations Convention on the Law of the Sea.”

In terms of US-Australia defense cooperation, the secretaries and ministers attending AUSMIN 2020 signed the classified document “Statement of Principles on Alliance Defense Cooperation and Force Posture Priorities” that set up a Force Posture Working Group to advance “cooperation in the Indo-Pacific to promote a secure and stable region, and deter coercive acts and the use of force.”

Earlier, the “Joint Statement of the United States-Japan Security Consultative Committee” on April 19, 2019, welcomed “the alignment of the strategic policy documents of both countries, namely the United States National Security Strategy and National Defense Strategy and Japan’s National Defense Program Guidelines.” This strategic evolution reflected the “stronger, more advanced, more effective” defense cooperation effected following the adoption of the 2015 Guidelines for United States-Japan Defense Cooperation. The Joint Statement expressed the concern that “geopolitical competition and coercive attempts to undermine international rules, norms, and institutions present challenges to the Alliance and the shared vision of a free and open Indo-Pacific.”

In a January 28, 2021 Summit telephone conversation, President Biden reaffirmed the US commitment to strengthening the alliance—that Article V of the US-Japan Treaty of Mutual Cooperation and Security extends to the Senkaku Islands—and to work with Japan to address regional challenges to a Free and Open Indo-Pacific. National Security Advisor Sullivan, Secretary of State Blinken, and Secretary of Defense Austin communicated the same message in conversations with their Japanese counterparts.

Japan

Japan, under the Abe government’s Mid-Term Defense Plan strengthened Japan’s own defense capabilities, including the purchase of 105 US F-35 aircraft; 63 F-35 model A aircraft; and 42 F35 model B aircraft. The government’s defense plans also called for refitting Japan’s helicopter carriers Izumo and Kaga to accommodate the vertical takeoff F-35B, including operational use by US aircraft, and the creation of a multidimensional joint defense force. Total expenditures for the Mid-Term Defense Plan totaled a record 27.47 trillion yen (approximately $243 billion), a 2-trillion yen increase over the previous Mid-Term Defense Plan and an annualized increase of 1.1 percent. Japan’s defense spending under the Abe government had increased for seven consecutive years.

Abe’s defense policy reforms, namely the 2014 decision to reinterpret the constitution to allow for limited exercise of the right of collective self-defense, opened the door to greater security cooperation with the United States. In the following year, the United States and Japan adopted the 2015 Guidelines for Defense Cooperation, which expanded the scope of functional defense collaboration, allowing for greater security collaboration in missile defense, in response to gray zone contingencies, and in defense cooperation with third countries.

Stepped-up bilateral training exercises in the East and South China Seas reflect increasing US-Japan defense cooperation—to the East China Sea with the USS Carl Vinson in March 2017;
again with the USS Carl Vinson in the western Pacific in April; in the Sea of Japan with the USS Carl Vinson and the USS Ronald Reagan in June; in the South China Sea with the USS Carl Vinson and Japan’s helicopter carrier, Ise, in March 2018; and in the South China in June 2019 with the carrier strike groups of the USS Ronald Reagan and Japan’s helicopter carrier Izumo. In 2017, Japan and the United State conducted seventy-four publicized joint exercises, almost four times the nineteen joint exercises conducted in Japan’s fiscal year 2015, prior to the adoption of the Abe government’s new security legislation.93

Japan has also moved to advance bilateral security cooperation beyond the Japan-US alliance, expanding defense engagement across the region and thereby further strengthening the security pillar of regional order.

In 2015, Japan, at the invitation of India, joined the US-India Malabar Exercise as a permanent exercise partner. In August 2018, the Japan Maritime Self-Defense Force (JMSDF) dispatched three ships, including the helicopter carrier Kaga, for an extended three-month deployment through the South China Sea and Indian Ocean that featured port calls and training exercises with the United States and the navies of Indonesia, Singapore, Sri Lanka, and India.94 Meanwhile, based on the December 2013 National Security Strategy, the Abe government revised Japan’s arms export policy to provide for the transfer of defense equipment to allies and strategic partners in the Indo-Pacific region.95

Abe’s successor, Prime Minister Suga Yoshihide, underscored the strategic importance of Southeast Asia by making his first foreign travel to Vietnam on October 19 and Indonesia on October 21, 2020. In Hanoi, he concluded an agreement on the transfer of defense equipment and technology, and, in Jakarta, Suga and Indonesian President Joko Widodo agreed to work toward the conclusion of an agreement on the transfer of defense equipment and technology. On November 2, the Japanese and Indonesian defense ministers followed up on this agreement via teleconference, agreeing to cooperate in working toward an early conclusion of an agreement on the transfer of defense technology and equipment. At the conclusion of the Japan-Indonesia Two-Plus-Two meeting on March 30-31, the two governments reached an agreement on the transfer of defense equipment and technology.

Japan has also initiated maritime capacity-building programs with the Philippines, Malaysia, Indonesia, and Vietnam, thereby enhancing these nations’ capabilities to resist challenges to their sovereignty. And, in 2016, Japan and ASEAN adopted the Vientiane Vision statement, which set out a comprehensive plan for defense cooperation.

In 2009, Japan and Australia launched Nichi Gou Trident, an annual maritime exercise. In 2019, Japan joined, for the first time, the Australia-United States biennial exercise “Talisman Sabre,” sending helicopter carrier Ise along with a component of 500 JMSDF personnel.96 On November 17, 2020, Tokyo and Canberra concluded the Reciprocal Access Agreement aimed at enhancing defense cooperation. The document, the first covering foreign forces in Japan since the 1960 US-Japan Status of Forces Agreement, extends to Japanese SDF activities in Australia and Australian military activities in Japan.97 In a joint announcement of the Agreement with Australia’s Prime Minister Scott Morrison, Prime Minister Suga declared that it is “increasingly important” for countries having both the “will and capacity to contribute to regional peace and stability” to do so. The agreement, he stated, has taken Japan-Australia security and defense cooperation “to a new level;” Prime Minister Morrison defined it as “a landmark defense treaty,” enhancing the two countries’ “special strategic partnership.”98

In a July 26, 2020, interview with the Asahi Shimbun, Ryosei Kokubun, president of Japan’s National Defense University and China scholar, addressed the challenges posed by China in the East China Sea and its stepped-up activities in the Senkaku Islands, where at the end of July Chinese ships had operated for
over 100 consecutive days. Kokubun observed that “it will be difficult for Japan to act alone—to deal effectively with China”; therefore, Tokyo must show that “Japan-US cooperation is strong and it must cooperate with Australia and other Asian nations.”

Of similar importance in the evolution of a Free and Open Indo-Pacific has been the development of the Japan-India strategic relationship. Geographically located on the East-West axis of the region, the two countries share a commitment to democratic values and to the rule of law and a cultural heritage dating back to the arrival of Buddhist monks in Japan from India in the sixth and seventh centuries. The two countries also share a concern about China’s increasing influence and assertiveness across the region. In this context, Japan’s focus is overwhelmingly on the maritime domain whereas India’s is on its northeastern border with China. In recent years, however, India too has become increasingly concerned with China’s growing naval presence in the Indian Ocean and the implications of the BRI for the subcontinent’s security environment. Under President George W. Bush, the United States moved to expand its ties with India, and, in the process, encouraged the development of the Japan-India relationship.

Australia

On the north-south axis of the Indian Ocean, Australia and India have been developing defense and security ties in the framework of a Comprehensive Strategic Partnership. Australia’s 2016 Defense White Paper defines India as a key security and defense partner in support of regional stability and a rules-based order, and its 2017 Foreign Policy White Paper casts India as a “front rank partner.” The AUSINDEX exercises began in 2015 and were most recently conducted in the Bay of Bengal in 2019.

Indicative of these burgeoning ties, Prime Ministers Morrison and Modi conducted a Virtual Summit on June 4, 2020. In a joint statement, the two leaders committed to support “a free, open, inclusive and rules-based order in the Indo-Pacific Region” that encompasses “freedom of navigation, overflight…and adherence of all nations to international law, including the United Nations Convention on the Law of the Sea (UNCLOS) and peaceful resolution of disputes rather than through unilateral or coercive actions.” The joint statement’s reference to “inclusion” left the door open for China while also expressing opposition to China’s actions in the South China Sea.

Also in June, at the conclusion of the annual ASEAN summit, Vietnam, the ASEAN chair for 2020, issued a chairman’s statement on the South China Sea that reads, “We reaffirm that the 1982 UNCLOS is the basis for determining maritime entitlements, sovereign rights, jurisdiction and legitimate interests over maritime zones and the 1982 UNCLOS sets out the legal framework within which all activities in the ocean and seas must be carried out.” The statement again underscores the growing regional pushback against Chinese assertiveness.

Alliance Evolution

The growing alliance-based security cooperation among the United States, Japan, and Australia points to the evolution of a strengthened alliance structure in the Indo-Pacific region.

Cold War in origin, the bilateral “hub and spokes” alliance structure has been evolving towards a comprehensive and networked architecture, one that features increased security cooperation between US alliance partners—most notably between Australia and Japan and between Japan and the Philippines—as well as quadrilateral engagement involving the United States, Japan, Australia, and India. Meanwhile, the United States has developed Comprehensive Partnerships with Indonesia, Malaysia, and Vietnam and a Strategic Partnership with Singapore, while Japan and Australia have developed similar partnerships with Indonesia, Malaysia, Singapore, and Vietnam.

In 2017, the United States, Japan, Australia, and India joined together during the East Asian Summit in Manila to resurrect
“The Quad,” a strategic concept originally proposed by Prime Minister Abe in 2007 but shortly beset thereafter with political and diplomatic inertia and concerns about being perceived as provocative toward China. Since 2017, the Quad has met three times at a senior assistant secretary level; in 2019, the dialogue was raised to the ministerial level.

The ministerial discussion held in Bangkok on November 4, 2019, focused on shared values and interests; respective Indo-Pacific visions; and, in particular, maintenance of a rules-based order, combating terrorism, humanitarian assistance and disaster relief, maritime security, development finance, and cyber security. In a readout of the meeting, senior US diplomats called attention to the role of India in the Quad as reflecting “the many ways that the US and India are now cooperating closely on shared strategic objectives.” The US diplomat pointed to the creation of the US-India Two-Plus Two Ministerial Dialogue, the deepening of defense ties between the two nations, and the development of trilateral relations with Japan, as evidenced by Japan’s participation in the Malabar exercise underscored.

After a summer of growing discontent with China’s internal and external conduct, the Quad ministerial met again in Tokyo on October 6, 2020. In his welcoming remarks, Japan’s Foreign Minister Motegi noted that the rules-based international order is now being challenged in various fields and called on Quad members, as countries sharing basic values, to cooperate in dealing with the coronavirus pandemic, in strengthening maritime security, and in advancing high-quality infrastructure projects toward the realization of a Free and Open Indo-Pacific.

Commenting on the meeting, the vice president of Japan’s National Graduate Institute for Policy Studies, Narushige Michishita, observed that the Quad was becoming “more serious and concrete.” He further noted, “All four Quad members feel threatened by China in one way or another: political-influence activities, cyber-attacks, intellectual property theft, territorial disputes, and, most importantly, China’s increasingly clear intention to challenge and reshape existing international systems and values.”

Over the past decade, Japan and Australia, conscious of the multiple challenges being posed by China, have begun to assume greater roles in supporting a rules-based order by advancing security and defense cooperation with countries across the region. Each country’s alliance with the United States constitutes the foundational element in its respective foreign policy and national security strategy. But both countries, sharing concerns about US leadership and commitment dating at least as far back as President Obama’s “Red Line” retreat in Syria and including the Trump administration’s transactional and idiosyncratic approach to alliance management, have moved proactively to hedge against uncertainty. Collectively, their actions have thus served to reinforce prospects for a Free and Open Indo-Pacific, in turn complementing US strategy.

Europe and the Free and Open Pacific

European countries have likewise voiced increasing concerns about China’s assertiveness. Although this study centers on the United States, Japan, and Australia, failure to acknowledge the growing engagement of the EU, France, the United Kingdom, and the Republic of Korea in activities that support a rules-based order in a Free and Open Indo-Pacific would be remiss.

In 2014, as Chinese artificial island construction in the South China Sea accelerated, the EU issued its maritime security strategy, which emphasized freedom of navigation, the rule of law, and the peaceful resolution of disputes in accordance with the Law of the Sea. As Liselotte Odgaard points out in her study *European Engagement in the Indo-Pacific*, the EU, given internal divisions with respect to China, has been reluctant to criticize...
Beijing and has refrained from acting in support of declaratory statements, leaving individual states to advance policy initiatives toward the South China Sea. France and the United Kingdom have taken the lead in this regard.\footnote{113}

At the 2016 Shangri-La Dialogue, French Minister of Defense Jean-Yves Le Drian defined France as an Indo-Pacific country, with “85% of its EEZ in Asia and Oceania.” For France, “stability in the Asia-Pacific” is “not a theoretical issue.” To support stability and address maritime challenges in the region, he set out three principles: respect for a rules-based order governed by the Law of the Sea; dialogue and peaceful resolution of disputes; and firmness in the face of challenges to the rules-based order. “If the Law of the Sea is not respected in the China Seas, it will be threatened tomorrow…elsewhere,” he stated. The minister proposed that, given the EU’s commitment to a rules-based order, European navies should “coordinate to ensure a presence that is as regular and as visible as possible in the maritime areas of Asia.” Noting that France had deployed its navy to the region for several years in support of the principle of freedom of navigation, Le Drian pledged, “This will continue.”\footnote{114}

French naval deployments began in 2014. French ships transited the Taiwan Straits in 2016 and, in 2017-18, were joined in the South China Sea by ships from the United Kingdom. In 2019, France deployed the aircraft carrier Charles de Gaulle through the Indo-Pacific, accompanied by ships from the United Kingdom, Portugal, Denmark, Italy, Australia, and the United States. In the Bay of Bengal, the Charles de Gaulle was joined by Japan’s helicopter carrier Izumo and destroyer Murasame; Australia’s frigate Toowomba and a Collins submarine; and the USS destroyer William P. Lawrence for the La Perouse exercise.\footnote{115} In April 2019, the French frigate Vendemiaire transited the Taiwan Straits.\footnote{116}

Addressing China’s island construction in the South China Sea, Minister of Defense Florence Parly told the Shangri-La Dialogue, “The fait accompli is not a fait accepted.”\footnote{117} During his 2018 visit to Australia, French President Emmanuel Macron proposed a strategic axis of France, Australia and India. Macron cautioned against one-power domination of the region, emphasized the importance of maintaining a rules-based order, and committed France to playing a larger role in the region. The strategic objective of the “axis” would be not to contain China but rather to ensure “balances” within the region.\footnote{118} To this end, Macron and Abe moved to expand the France-Japan Two-Plus-Two strategic dialogue, agreeing in June 2019, to a five-year road map for the strategic partnership.\footnote{119} Reflecting enhanced defense cooperation, France and Japan, in the spring of 2019, carried out their first joint naval exercise in the Indian Ocean—with Japan’s helicopter carrier Izumo and France’s aircraft carrier Charles de Gaulle participating. In September, the two governments initiated a comprehensive maritime dialogue.\footnote{120}

The United Kingdom’s 2015 National Security Strategy and Strategic Defense and Security Review called for enhanced defense engagement with the Asia-Pacific region.\footnote{121} In 2015 and again in 2016, United Kingdom Minister of Defense Michael Fallon addressed the Shangri-La Dialogue, emphasizing the UK’s commitment to a rules-based international order and a maritime order defined by UNCLOS. In addition, he expressed the UK’s concern with the “the scale and speed of current land reclamation activities and the risk these actions may pose to maritime freedom of navigation and to the stability of the South China Sea.”\footnote{122}

At the 2019 Shangri-La Dialogue, Minister of Defense Penny Mordaunt set out the principles underlying the UK’s engagement with the Indo-Pacific: “support for fundamental global rules, human rights, democracy, and respect for the rules-based international order.” Mordaunt committed the UK to a “persistent” presence in the region to accomplish the following: strengthen alliances and partnerships with Australia, New Zealand, Japan, and India; military exercises with the Five Power Defense Arrangements partners (Singapore, Malaysia,
Australia, and New Zealand); and, within “a couple of years’
time,” deploy to the region the aircraft carrier *HMS Queen
Elizabeth*. The *HMS Queen Elizabeth* carrier strike group
deployed through the Indian Ocean to Japan in 2021.

The Republic of Korea: The New South Policy
In 2017, the Moon government launched its “New South
Policy” toward Southeast Asia and ASEAN, in part in response
to Beijing’s reaction to Seoul’s acceptance of the THAAD
missile defense system. China’s economic boycott of Korean
products highlighted for Seoul the ROK’s growing dependence
on the Chinese market. As one senior Foreign Ministry official
told the author, China’s boycott, after years of dedicated ROK
diplomacy aimed at enhancing ROK-China ties, had come as “a
rude wake-up call.” The New South Policy’s initial focus was
on Indonesia and a reported $1.9 billion light-rail infrastructure
project. Korea is now targeting its Official Development
Assistance to Indonesia, the Philippines, Cambodia, Laos,
Vietnam, and Myanmar, which now number among the top ten
countries in terms of Korea’s ODA disbursements.

Responding to the Infrastructure and Development Challenge

The United States
The United States 2017 National Security Strategy concluded
that “China’s infrastructure investment and trade strategies
reinforce its geopolitical aspirations.” In its study “Examining
the Debt Implications of the Belt and Road Initiative from a Policy
Perspective,” the Center for Global Development estimated
that China, under BRI, had committed as much as $8 trillion to
support projects in Asia, Africa, and Europe.

Belt-Road recipients, however, soon began to experience
financial strains, with debt servicing posing a major burden
for a number of countries. In 2017 in a debt swap, Sri Lanka
granted China Merchant Port Holdings a 99-year lease on
its Hambantota port; Malaysia suspended work on three
major Belt-Road projects worth an estimated $22 billion, with
Prime Minister Mahathir cautioning against “a new version of
colonialism,” and Myanmar scaled back the Kyaukpyu port
project out of debt-servicing concerns.

The Center for Global Development identified Pakistan, Djibouti,
Laos, Mongolia, Montenegro, Tajikistan, and Kyrgyzstan as
facing debt-servicing problems. Its study reported that “China
[had] not signed onto a binding set of rules of the road when it
[came] to avoiding unsustainable lending and addressing debt
problems when they arrive[d].” The Center judged that BRI in
general was “unlikely to cause systemic debt problems” but that
it had “significantly increased the risk of sovereign debt default.”
Of sixty-eight potential borrowers identified in the study, the risk
faced by twenty-three was judged “quite high.”

President Trump’s remarks to the APEC Leaders Meeting in
November 2017, in which he refocused US development efforts
onto “high quality infrastructure investment that promotes
economic growth,” constituted the United States’ response to
the BRI infrastructure challenge. The president committed his
administration to reorganizing US development agencies “to
spur private sector investment in [APEC members’] economies
and provide strong alternatives to state-directed initiatives that
come with many strings attached.”

A year later, in remarks at the APEC CEO meeting in Papua
New Guinea, Vice President Pence took up the infrastructure
challenge, telling his audience:

> We are also making infrastructure in the Indo-
Pacific a top priority…and the United States has a
principled approach that stands in contrast to some
other nations.

Labeling infrastructure loan terms of other governments as
“often opaque at best,” supporting projects “often unsustainable
and of poor quality … too often with strings attached,” and
“resulting in staggering debt,” the vice president contrasted US infrastructure loan terms with those of other governments:

The United States has a better option. We don’t drown our partners in a sea of debt. We don’t coerce or compromise your independence. The United States deals openly, fairly. We do not offer a constricting belt or a one-way road. When you partner with us, we partner with you and we all prosper.132

In November 2018, underscoring alliance-based cooperation in responding to the infrastructure challenge, the United States, Australia, and Japan joined in promoting high quality infrastructure projects across the Indo-Pacific that “will help meet the region’s genuine needs while avoiding unsustainable debt burdens.” A year later in November 2019, the three governments created the Blue Dot Network “to promote transparently financed, high quality infrastructure through private sector led development around the world,” while adding “nearly $1 trillion dollars of United States direct investment in the Indo-Pacific region alone.”134

**Australia**

The trilateral infrastructure initiative is an integral element of Australia’s own Pacific Step Up Program. The 2016 Defence White Paper and the 2017 Foreign Policy White Paper describe Pacific Step Up as a series of initiatives for increasing engagement with the island countries of the South-West Pacific across a wide field of endeavors, addressing climate change and disaster resilience, sustainable economic development, health, infrastructure, defense engagement and joint training, as well as a people-to-people sports initiatives.

Key policy decisions followed. In the summer of 2018, Australia moved to fund undersea cable systems for Papua New Guinea and the Solomon Islands. In the case of the Solomon Islands, Australia’s financing replaced a contract originally awarded to Huawei by the Solomon Islands government. Also in 2018, as part of the Pacific Maritime Security Program, the government committed to transfer nineteen ships to twelve Pacific Island countries during the period 2018-2023, and two ships to Timor L’Este in 2023.135 In 2019, Australia earmarked nearly a quarter of its foreign aid budget to the Pacific—$1.3 billion out of a foreign aid budget totaling $4.2 billion.136 Meanwhile, on August 22, 2018, Canberra banned Huawei and ZTE from Australia’s 5G network out of security concerns and passed legislation aimed at addressing growing concerns about Chinese influence in Australia’s media, academic institutions, and domestic politics. The government’s actions came several months after the *Sydney Morning Herald* reported in April on Chinese efforts to construct a wharf in Vanuatu to advance military access to port facilities.137 Prime Minister Scott Morrison underscored his government’s commitment to the Pacific in remarks entitled “Australia and the Pacific: A New Chapter” on November 8, 2018, and in his Lowy Lecture, “Where We Live,” on October 3, 2019.138

**Japan**

Under Prime Minister Abe, Japan, in support of a Free and Open Indo-Pacific, increased development assistance in infrastructure projects.
In the New Tokyo Strategy of 2015, Japan committed 750 billion yen (approximately $6.7 billion) to enhance connectivity through infrastructure development with its regional Mekong partners—Myanmar, Thailand, Laos, Cambodia, and Vietnam. Also that year, the Abe government announced that Japan, in conjunction with the Asian Development Bank, would provide Asia with $110 billion in innovative infrastructure financing over the coming five years.

At the 2016 G-7 Summit, the prime minister announced Japan’s $200 billion investment in high-quality infrastructure projects over the next five years. Japan and its Mekong partners also adopted the Tokyo Strategy 2018, adding three new policy pillars: vibrant and effective connectivity (industrial infrastructure), hard connectivity (land and maritime infrastructure), and soft connectivity (customs regulations, telecommunication and cyber infrastructure).

Reflecting the Abe government’s focus on the Indo-Pacific, the Foreign Ministry, in its 2020 budget submission, proposed that 70 percent of its $7 billion ODA program be earmarked for the Indo-Pacific region to provide capital for high-quality infrastructure projects in Southeast Asia, the Middle East, and Africa. At the same time, on August 3, 2020, Japan moved to enhance its private sector engagement with Southeast Asia, amending the first Protocol of 2008 ASEAN-Japan Comprehensive Economic Partnership to liberalize trade, investment, and services.

Abe also brought his vision of a Free and Open Indo-Pacific to Europe. In his keynote speech at the European Connectivity Forum on September 27, 2019, Abe spoke to the values of the Japan-Europe Economic and Strategic Partnership Agreements—democracy, rule of law, human rights, and freedom. Within that framework, he pointed to the Japan-EU Connectivity Partnership as a “concrete expression” of the Strategic Partnership. By working together, Abe argued, “The EU and Japan can create sustainable, unbiased, and rule-based connectivity from the Indo-Pacific to the West Balkans and Africa” and advance “connectivity across all domains, from transportation, communications, [and] power to reliable free distribution of data and space.” He cited Burkina Faso as an example of Japan-EU connectivity cooperation.

A Financial Times report on the partnership noted, “While the agreement does not mention China by name, the overriding ideas and the language used to promote the project were clearly crafted with Beijing’s Belt and Road infrastructure-building initiative in mind.” The FT also observed that the EU “has begun to take a tougher approach to China, making a landmark declaration earlier this year that Beijing was a ‘systemic rival’.”

Preserving a Rules-Based Commercial Order

“IN EAST ASIA, TRADE IS STRATEGY.”

—SINGAPORE AMBASSADOR-AT-LARGE
BILAHARI KAUSIKAN

The structuring of a rules-based commercial order in the Indo-Pacific is a story of the United States’ retreat and Japan’s advance as champion of the Comprehensive and Progressive Agreement for Trans-Pacific Partnership.

In his address to the Parliament of Australia, President Obama set out the economic rationale for the Rebalance—America’s economic stake in the region: “Here we see the future ... the world’s fastest growing region ... creating jobs and opportunity for the American people.” The Trans-Pacific Partnership would serve as the economic pillar of the United States strategic engagement with the region. Secretary of State Hillary Clinton initially advanced TPP as the “gold standard in trade agreements to open free, transparent, fair trade—that has the rule of law and a level playing field.”

Despite strong support by the US Chamber of Commerce and the American business community, TPP fell victim to domestic politics, in 2016 disavowed by Democratic presidential
candidate Hillary Clinton and attacked by Republican candidate Donald Trump. On January 23, 2017, President Trump withdrew the United States. The president’s trade policy focused on bilateral trade deals—in Asia, an FTA with the Republic of Korea, a Market Access agreement with Japan, and a Phase One trade agreement with China.

In the vacuum created by President Trump’s decision, the Abe government reassembled the TPP pieces and, through dedicated diplomacy, successfully brought into being, on December 30, 2018, the Comprehensive and Progressive Agreement for Trans-Pacific Partnership, or “TPP11.” The agreement established a free trade zone consisting of eleven countries: Japan, Malaysia, Singapore, Vietnam, Brunei, Australia, New Zealand, Chile, Peru, Mexico, and Canada, a market having a population of approximately 500 million people and an estimated annual GDP of $10 trillion.

In withdrawing from the TPP, President Trump compromised the long-standing American vision of a rules-based order. His decision placed the United States outside the rules setting of the TPP11’s norms at a time when the region’s economic dynamism, despite the US-China trade war and coronavirus-based disruptions, was continuing to move toward integration and a rules-based commercial order. In addition, given the uncertainties arising from the administration’s trade war approach to commerce, allies and strategic partners have moved to consider other trading structures.

On November 15 at the ASEAN Summit in Hanoi, the member states of ASEAN plus China, Japan, the Republic of Korea, Australia, and New Zealand agreed to the Regional Comprehensive Economic Partnership (RCEP), a free trade agreement. RCEP countries make up 30 percent of the world’s gross domestic product and account for 30 percent of the world’s population. Commenting on RCEP, Alexander Capri, professor at the Singapore National University Business School, stated that this agreement “solidifies China’s broader regional geopolitical ambitions around the Belt and Road Initiative.” With the largest market in the region, RCEP allows China to claim a leadership role as a “champion in globalization and multilateral cooperation,” according to Gareth Leather, Senior Asia Economist for Capital Economics at Asian Economics.

Meanwhile, China, Japan, and the Republic of Korea continue discussions aimed at a trilateral FTA, and the Japan-EU FTA went into effect on February 1, 2019.

Notwithstanding withdrawal from the TPP, United States economic engagement in the Indo-Pacific is significant. With two-way trade with the region totaling $1.8 trillion in 2017, the United States is the region’s “largest source of foreign direct investment.” US economic initiatives toward the region are reflected in the Infrastructure Transaction and Assistance Network, which emphasizes the private sector’s role “as the path to sustainable development.” The United States also promotes the development of “human capital” through the Young Southeast Asian Leadership Initiative, which involves over 142,000 young leaders “working with the United States on leadership and regional cooperation.”

These are substantial stakes in a region that is quickly moving forward in structuring a rules-based trading order—without the United States.

As underscored by TPP11 and RCEP, Asia was hedging against the downside risks of the Trump administration’s trade policies and the uncertainties posed by the next administration. This hedging may have long-term, yet unforeseen, political and strategic consequences for the United States. Managing America’s economic ties to the region will be a major challenge for the Biden administration.
7. THE ROAD AHEAD: POLICY RECOMMENDATIONS

“CONTIGUITY AND STRATEGIC WEIGHT WILL ALWAYS GIVE CHINA SIGNIFICANT INFLUENCE IN SOUTHEAST ASIA AND INDEED EAST ASIA AS A WHOLE. BUT SIGNIFICANT INFLUENCE IS NOT EXCLUSIVE INFLUENCE OR EVEN DOMINANT INFLUENCE.”

—SINGAPORE AMBASSADOR-AT-LARGE BILAHARI KAUSIKAN

For over seventy years, the US alliance structure in the Indo-Pacific region has been the foundation of regional stability and security. As recognized by the Department of Defense, the Asian alliance structure represents “perhaps our nation’s most significant achievement since the end of the Second World War,” serving as “a foundation of regional stability and a means of promoting American influence on key Asian issues.”

To build the foundation of a strategic, alliance-based approach toward engaging China, a series of measures should be enacted to expand a balance of power that is grounded in contiguity and strategic weight.

Photo caption: The Royal Australian Navy frigate HMAS Ballarat receives fuel from the forward-deployed amphibious assault ship USS America during a fueling-at-sea in support of flight deck operations during Exercise Talisman Sabre 21. (US Navy photo by Mass Communication Specialist 2nd Class Vincent E. Zline)
historic alliances. This alliance-based construct can, over time, tilt the playing field favorably toward the United States and its allies and strategic partners in the Indo-Pacific region and beyond.

These measures include:

1. **Reaffirm American Alliances:**
The starting point of a comprehensive strategy toward China, particularly for the national security team that took office on January 20, 2021, should be the reaffirmation that our alliances reflect shared values and interests and that US commitment to the common defense is enduring. This would be playing to our residual strengths in a region that continues, in its strategic documents, to look to the US for leadership as the foundation of Indo-Pacific stability and security.

2. **Demonstrate US Leadership:**
The rapidly evolving Quad presents an opportunity to demonstrate US leadership, in conjunction with Indo-Pacific democracies to advance shared values and principles and build support for a rules-based order in the region and beyond. The future success of the Quad will require concerted efforts to address the challenges now facing the region. Today, this means building an effective response to the COVID-19 pandemic. Over the long-term, this will require committed engagement to address the region’s critical needs – connectivity, both high-quality physical and digital infrastructure; climate change, and supply chain resilience. Given the variety and complexity of issues on the Quad’s agenda, Quad partners should consider appointing coordinating officials to oversee and integrate the work of the different departments and ministries among their governments.

At the same time, recognizing that the interests of the United States and its allies are congruent but not identical with respect to China, US alliance policy should aim to address concerns and narrow differences, both at regional and global levels.

3. **Increase Engagement with International Institutions:**
Responding successfully to the multi-faceted challenges posed by China—whether assertiveness in the South China Sea, predatory trade practices, or those within international rules-making bodies—cannot be an America Alone project. Rather, it will require focused US engagement and involve international institutions—among them, the United Nations, the World Health Organization, and the World Trade Organization—through which China-related issues can be addressed and concerted diplomacy marshaled to support western values and interests.

Here, again, our global alliances should be the starting point of our strategy toward engaging China.

4. **Challenge China’s Disregard for International Law:**
US diplomacy should challenge China’s disregard for international law—the ruling of the Hague Tribunal on the South China Sea should be referenced and highlighted in all policy statements, emphasizing, in the words of France’s former minister of defense, Florence Parly, that China’s *fait accompli* in the South China Sea “is not a fait accepted.” Secretary of State Pompeo’s July 13 policy statement should drive US diplomacy toward a re-energized engagement with ASEAN toward the conclusion of an effective Code of Conduct for the South China Sea. Moreover, Senate ratification of UNCLOS would strengthen US advocacy of a rules-based maritime order immeasurably.

5. **Arrange an International Conference on South China Sea Territorial Issues:**
It is noteworthy that 2021 will mark the 101st anniversary of the Washington Conference called by Secretary of State Charles Evan Hughes to address issues related to Asian security following the Versailles settlement. With significant alliance-based preparation, the calling of an international
conference on the South China Sea that involves the EU, European and Asian Allies, and China, for the purpose of addressing territorial issues and international cooperation in resource management and development, could reassert US leadership in the face of China’s continuing disregard for international law.

6. Consider WTO Reform and TPP11 Participation:
At the same time, the United States should actively engage in reform of the WTO and give serious consideration to joining the TPP11. As underscored by the realization of the TPP11 and RCEP, the Indo-Pacific has moved on to structure a rules-based trade order—without the United States, whose absence in these rule-making trade bodies points glaringly to a missing piece in US Indo-Pacific strategy. Re-engaging international as well as regional trade structures stands as a major challenge to the Biden administration. The United States should be inside rather than outside international institutions that develop and support a rules-based international economic order. Only by participating can the United States advance its interests and enhance its standing.

7. Prioritize Strengthening the Domestic Economy:
At the macro-level, although the benefits of globalization are undeniable, significantly, the associated costs have not been evenly distributed. Revitalizing the domestic economy—repairing the losses suffered by American industry due to globalization and political neglect by both parties while also protecting and advancing America’s high-tech industries—should stand as a national priority for the Biden administration. As in the past, and as will be the case in the competitive decades ahead, it will be the strength of the economy that will determine US strategy and sustain US leadership.

This study has focused on the Visions of Order that have continued to evolve since the turn of the century to shape strategic change in the Indo-Pacific region—change inextricably linked to the rise of China—and on the policies adopted in response by the various governments to preserve a rules-based regional and international order.

While the Visions of Order outlined here have varied from country to country, collectively they reflect commitment to the rule of law, democracy, freedom, human rights, and a market economy. Moreover, notwithstanding individual country differences, the diplomatic, security, and economic policies adopted are mutually reinforcing. As much as economic strength, military power, and technology will shape the contours of US-China competition, they are but individual elements in the evolution of a much larger composition—the definition of regional and, ultimately, global order.

So, if the United States is to compete successfully with China for influence in Asia and across the globe, where to begin? In short, the answer is a return to basics—our alliances.

In a departure from a long-standing tradition in Democratic and Republican governments to define our alliances as based on shared values and interests, the Trump administration adopted a transactional and idiosyncratic approach to alliance management that raised concerns about US leadership and commitment across the Indo-Pacific region and beyond.

President Trump was correct in calling for increased support from our allies, but casting requests for greater host-nation support as payment for protection is not conducive to keeping long-standing friends or positively influencing those not so favorably inclined to the United States.

President Trump also failed to pay sufficient attention to the diplomatic doctrine of “No Surprises.” The announcement of the Singapore Summit by South Korean officials at the White House blindsided Tokyo, as did the post-Summit statement canceling US-ROK exercises which surprised Korean allies as well as numerous Pentagon and State Department officials. The President’s repeated threats to withdraw US troop from Asia
and Europe should allies there fail to pay up unsettled alliance proponents across the globe.\textsuperscript{159}

Recognizing the concerns raised by the president’s approach to alliance management, Congress inserted language in the 2018 Defense Authorization Act reaffirming the “unwavering” commitment of the United States to “treaty obligations and assurances including defense and extended deterrence to South, Korea, Japan and Australia.”\textsuperscript{160} Two years later on the website War on the Rocks, Senators Jim Inhofe and Jack Reid wrote, “We hear over and over again from foreign counterparts that they are hedging their bets for the future because they don’t know if they can count on the United States.”\textsuperscript{161}

Notwithstanding the concerns of many, the United States and China are not entering a new Cold War. Unlike the Soviet Union, China cannot be isolated, contained, or excluded from regional and global orders. For the Biden administration, the challenge will not be to contain but rather to engage and compete with China from a position of alliance-based strength.
ENDNOTES

1 Barry Gewen, The Inevitability of Tragedy Henry Kissinger and his World, W.W. Norton and Company, New York, New York, 2020, 205


5 The reference to a rules-based system became the leitmotif of the evolving visions of an Indo-Pacific order.


Prime Minister Narendra Modi (keynote address, IISS Shangri-La Dialogue, June 1, 2018), https://www.mea.gov.in/Speeches-Statements.htm?dtl/29943/Prime+Ministers+keynote+Address+at+Shangri-La+Dialogue+June+01+2018.

The revival of the “Quad” raised concerns within ASEAN of the Quad’s relation to ASEAN and ASEAN Centrality. The 2019 initial Quad’s Ministerial held in New York during the United Nations General Assembly Meeting in September did not touch on the Quad’s relation to ASEAN. However, following the November Ministerial in Bangkok, in separate statements, India and the United States expressed their support for ASEAN Centrality, and the United States, Australia, India, and Japan, in their respective policy documents and statements, have expressed their commitment to ASEAN Centrality. Most recently, the State Department’s June 2019 “Free and Open Indo-Pacific” speaks to the centrality of ASEAN in stating its support for a strong, rules-based architecture in the Indo-Pacific region. For a discussion on ASEAN and the Quad, see Australian Security Policy Institute, “Southeast Asian Perceptions of the Quadrilateral Security Dialogue” (October 2018), https://s3-ap-southeast-2.amazonaws.com/ad-aspi/2018-10/SR%202013%20Quadrilateral%20security%20documents.pdf.


Major ASEAN institutions and mechanisms are the ASEAN Ministerial; the ASEAN Regional Forum; the ASEAN Plus 3 (Japan, China, India); the ASEAN Plus Six (India, Australia, New Zealand, expanded in 2011 to include the United States and Russia); the ASEAN Defense Ministerial Meeting; the ASEAN Defense Ministerial Meeting-Plus; the East Asian Summit (EAS); and the ASEAN-Europe Meeting (ASEM).


At the same time, during the 1990s under the Clinton administration, the United States advanced a universalist foreign policy aimed at the enlargement of democracy and the market economy. In remarks to the Johns Hopkins University School of Advanced International Studies, National Security Advisor Anthony Lake told his audience that, as the world’s “dominant power” and “at the great risk of oversimplification, we might visualize our security mission as promoting the enlargement of the ‘blue areas’ of market democracies.” Lake recognized that “we cannot impose democracy on regimes that appear to be opting for liberalization, but we may be able to help steer some of them down that path, while providing penalties that raise the cost of repression and aggressive behavior.” Turning to China specifically, Lake observed that “these efforts have special meaning for our relations with China…. It is in the interest of both our nations to continue its economic liberalization, while respecting the human rights of its people.” Anthony Lake, Assistant to the President for National Security Affairs, “From Containment to Enlargement,” (remarks at John Hopkins University, School of Advanced International Studies, Washington, D.C., September 21, 1993), https://www.mtholyoke.edu/acad/intrel/lakedoc.html. Lake’s remarks came just two years after Tiananmen, through which CCP leadership made clear its determination to forcefully oppose democratization in order to maintain its authoritarian rule. While China has moved toward marketization, the CCP remains unalterably opposed to any movement toward political liberalization. The CPP’s determination has only intensified under President Xi Jinping.


President Barack Obama, “Remarks Made by President Obama to the Australian Parliament” (White House Office of the Press


46 Kausikan, “How to Think About the ASEAN-Indo-Pacific Out-

47 Kausikan, “How to Think About the ASEAN-Indo-Pacific Out-

48 At the end of a difficult turn-of-the-century period in Japan-China relations marked by China’s breaking off of high-level diplomatic and political contact as a result of disputes over history, Prime Minister Shinzo Abe visited China in October 2006. The visit resulted in a restoration of high-level political and diplomatic contacts and agreement on the framework for the relationship, dubbed “A Mutually Beneficial Relationship based on Common Strategic Interests.”

49 Catherine Wong, “Former Chinese Envoy Dismisses Upcoming Rulings on South China Sea Claims,” South China Morning Post (Hong Kong, July 6, 2016), https://www.scmp.com/news/china/diplomacy-defence/article/1986029/nothing-more-piece-pape-
er-former-chinese-envoy-dismisses.


icy-white-paper/fpwhitepaper/index.html. In his review of the “White Paper,” Rory Medcalf, head of the National Security College at the Australia National University, wrote that the Indo-Pacific is defined by its fundamental quality of multipolarity (which also makes it the natural setting for balancing a rising power),.... China, the United States, Japan and India and more—are now striving to shape the region and to define their Indo-Pacific strategies for doing so. Chinese rejection of the rhetoric of the Indo-Pacific is, well, rhetorical: through the so-called Belt and Road geo-economic initiative and its growing naval footprint in the Indian Ocean, Beijing is already executing its own Indo-Pacific strategy with Chinese characteristics. Rory Medcalf, “Australia’s Foreign Policy White Paper: Navigating Uncertainty in the Indo-Pacific,” https://nsc.crawford.anu.edu.au/sites/default/files/publication/nsc_crawford_anu_edu_au/2018-09/medcalf.pdf. In their “Policy Options Paper,” Australian scholars Mathew Sussex and Michael Clarke write, “The Belt and Road Initiative (BRI) is both a blueprint for a China centric order in the Indo-Pacific and a means to ad-


53 Interviews conducted during author’s research visit to Australia, September 2018.

54 Australia Department of Defence, “2020 Defence Strategic Up-
date & 2020 Force Structure Plan,” July 1, 2020, https://www.de-

au/media/address-launch-2020-defence-strategic-update.

56 Stephen Bartholomew, “Just like Trump’s tariffs, China’s trade attack will backfire,” The Sydney Morning Herald, November


60 "China justifies coast guard's entry into Japan's territorial waters," The Mainichi (Japan, February 9, 2021), https://mainichi.jp/english/articles/20210209/p2g/00m/00n/018000c.


63 At the end of the 20th century, Washington's Asia policy debate revolved around China policy. In 1998, President Clinton defined China as a “strategic partner” and directed US policy toward engagement. Meanwhile, a different view of China was emerging in Republican foreign policy circles, one that postulated China as a “strategic competitor.” In remarks at the Ronald Reagan Library in November 1999, George W. Bush told his audience, “If I am President, China will find itself respected as a great power, but in a region of strong democratic alliances, it will be unthreatened, but not unchecked.” Michael J. Green, By More Than Providence: Grand Strategy and American Power in the Asia Pacific Since 1783 (New York, NY: Columbia University Press, 2017) 484. See also James Mann, Rise of the Vulcans: The History of Bush's War Cabinet (New York, NY: Penguin Group, 2004). Following the Bush years, the Obama administration, while recognizing competition in the US-China relationship, focused on cooperation and returned to an engagement strategy.

64 Secretary of State Michael Pompeo, remarks, July 13, 2020, https://www.state.gov/remarks-secretary-pompeo/.


93 Author’s communication with Japan’s Ministry of Foreign Affairs and Ministry of Defense, September 13, 2018.


95 The “National Security Strategy” reads: “Japan will take … measures to address … threats in [the] sea lanes of communication … to ensure safe maritime transport and promote maritime security cooperation, … [to] provide assistance to those coastal states alongside the sea … and other states in enhancing their maritime law enforcement capabilities, and [to] strengthen cooperation with partners on the sea lanes who share strategic interests with Japan.” Office of Policy Planning and Coordination on Territory and Sovereignty, “National Security Strategy” (Tokyo, Japan, December 17, 2013), http://www.cas.go.jp/jp/siryou/131217anzenhoshou/nse-e.pdf, 16:17.


Shortly before returning to office in December 2012, Abe authored “Asia’s Democratic Strategic Diamond,” in which he argued that “peace, stability and freedom of navigation in the Pacific Ocean are inseparable from peace, stability and freedom of navigation in the Indian Ocean. Developments affecting each are more closely connected than ever.” He was concerned that China was turning the South China Sea into “Lake Beijing.” Alarmed at the pace of “China’s naval and territorial expansion,” Abe reiterated his earlier call for Japan and India “to shoulder more responsibility as guardians of navigational freedom across the Pacific and Indian Oceans.” Abe called for the creation of a strategic diamond in which Japan, Australia, India, and the United States would act “to safeguard the maritime commons stretching from the Indian Ocean to the western Pacific.” Shinzo Abe, “Asia’s Democratic Security Diamond,” The Washington Post, October 6, 2020, A 16, https://www.washingtonpost.com/world/asia_pacific/pompeo-japan-china-quad-alliance/2020/10/06/12ecc48a-079a-11eb-8719-0df159d14794_story.html.


111 Shimbank, Sankei, News, October 6, 2020. In a separate bilateral meeting with Secretary of State Pompeo, Motegi reaffirmed that the Japan-US Alliance remains the “cornerstone” of international stability and security and that the commitment of the Suga government to continue strengthening the Alliance is unchanging.


119 France, with departments and territories in the Indian Ocean and South Pacific, has the world’s largest Exclusive Economic Zone. See https://www.worldatlas.com/articles/countries-with-the-largest-exclusive-economic-zones.html.

120 Celine Pajon, “Macron in Japan: Upgrading the Franco-Japanese Strategic partnership in the Indo-Pacific,” The Diplomat, June 26, 2019, https://thediplomat.com/2019/06/macron-in-japan-upgrading-the-franco-japanese-strategic-partnership-in-the-indo-pacific/. The France-Japan Strategic Partnership was reaffirmed during the visit of Foreign Minister Motegi to Paris on October 1, 2020, as was the commitment to a Free and Open Indo-Pacific, which remains Japanese government policy under Abe successor Prime Minister Yoshihide Suga. The day before, Sankai Shimbun reported that, during a video conference between Motegi and Germany’s Foreign Minister Maas, Germany had announced its alignment with the Free and Open Indo-Pacific reflecting Germany’s growing concerns about China’s aspirations.


129 “Malaysia’s Mahathir Warns Against ‘New Colonialism’ During Visit to China,” Bloomberg News, August 20, 2018, https://www.bloomberg.com/news/articles/2018-08-20/mahathir-warns-against-new-colonialism-during-visit-to-china. Mahathir later amended his remarks, saying “I did not accuse the Chinese…. I was only saying that there were other forms of colonialism and one of them was neocolonialism.” Quoted in Bhavan Jaipragas,
“Is China’s Belt and Road Colonialism? Mahathir: Not At All,” This Week in Asia, October 2, 2018, https://www.scmp.com/week-asia/politics/article/2166693/china-belt-road-colonialism-mahathir-not-all. Mahathir later re-negotiated the deal on terms more favorable to Malaysia.

130 Hurley, Morris, and Portelance, “Examining the Debt Implications of the Belt and Road Initiative from a Policy Perspective,” https://www.cgdev.org/sites/default/files/examining-debt-implications-belt-and-road-initiative-policy-perspective.pdf. On April 30 2020, The Financial Times reported that numerous BRI recipient countries, now experiencing economic distress as a result of the coronavirus, were asking China for debt relief. In April 2019, China hosted a second Belt and Road Conference to address the concerns that had arisen to trouble BRI projects: a lack of transparency, inflated project costs, the need for enhanced monitoring, and issues related to debt sustainability and the environment. In its study, “The Belt and Road Initiative – Six Years On,” Moody’s Analytics reviewed the numerous problems posed by the BRI: easy money, infrastructure financing without conditionality tied to economic reform, recipients’ potentially taking on unsustainable debt, poor project management that undercut economic benefits, favoring of Chinese contractors and Chinese labor, corruption, lack of transparency, and inflated project costs. Nevertheless, Moody’s expressed cautious optimism that the second BRI conference “may mark a turning point for the initiative…. Future projects will likely involve more local input and greater scrutiny, be less expensive and of higher quality, and increasingly [be] sponsored by multiple agencies.” The Moody’s report concluded that these potential changes “if implemented may improve transparency, generate more efficient planning and execution, and include more appropriate risk assessment for future BRI projects.” See Veasna Kong et al., “The Belt and Road Initiative – Six Years On,” Moody’s Analytics, June 2019, https://www.moodysanalytics.com/-/media/forlife/2019/belt-and-road-initiative.pdf.

131 President Donald J. Trump, “Remarks to the APEC CEO Summit” (Da Nang, Viet Nam, November 10, 2017), https://trumpwhitehouse.archives.gov/briefings-statements/remarks-president-trump-apec-ceo-summit-da-nang-vietnam/. On July 30, 2018, President Trump signed the Better Utilization of Investment Lending to Development Act, which authorized $1.5 billion to support, economic, diplomatic, and military engagement and assistance across the Indo-Pacific region.


146 Michael Pell, “Japan and EU Sign Deal in Riposte to China’s Belt and Road,” The Financial Times, September 27, 2019, https://www.ft.com/content/dd14ce1e-e11d-11e9-9743-
db5a370481bc. The EU-China Strategic Outlook, in addition to defining China as a “strategic competitor,” found China to be “an economic competitor in the pursuit of technological leadership, and a systemic rival promoting alternative models of governance.”


151 Considering the Trump administration’s foreign policies, Bilahari Kausikan commented, “The main risks … are in trade. The greatest weakness of the Trump administration’s emerging strategy is the failure to make the connection between security and foreign policies and trade policy. In East Asia, trade is strategy.” Kausikan, “How to Think about Geopolitics in East Asia (remarks at the Royal Australian Air Force 2018 Air Power Conference, Canberra, Australia, March 20, 2018). A hard copy is available from the author on request. A short version of the address is available at Kausikan, “How Not To Think About Geopolitics in East Asia,” The Straits Times, June 2, 2018, https://www.straitstimes.com/opinion/how-not-to-think-about-geopolitics-in-east-asia.


