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# Power and Peril in the Asian Century: Prospects for Stability

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*“The whole world accepts that the twenty-first century will belong to Asia. But I have a question. How should the twenty-first century be? We have to decide if we want to have ‘vikas vaad’ (development) or ‘vistar vaad’ (expansionism) which leads to disintegration. Those who follow the path of Buddha and have faith on ‘vikas vaad’, they develop. But we see those having ideas of the eighteenth century engage in encroachments and enter seas (of others).”<sup>1</sup>*

— NARENDRA MODI, Prime Minister of India

*“Today, the lion has woken up. But it is peaceful, pleasant and civilised. Chinese people treasure peace and hope to seek, maintain and enjoy peace together with other nations in the world.”<sup>2</sup>*

— XI JINPING, President of China

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*“This year marks the centenary of World War I. Britain and Germany were highly interdependent economically. They were the largest trade partners to each other, but the war did break out. I think we are in the similar situation. The essential thing is to keep the situation under control.”*<sup>3</sup>

— **SHINZO ABE**, Prime Minister of Japan

Whenever one talks of power transferring from one nation-state to the other in the twenty-first century, the popular notion is that the United States is in relative decline and will be overtaken by China. The fight is understood to be primarily between these two gigantic and ambitious countries,<sup>4</sup> as if we are entering another lengthy age of bipolarity. Yet, if one were to look at the phenomenon in depth, power is also changing hands *within* the most dynamic continent of the world—Asia. Asia is becoming home to a number of new potent actors that are contesting China’s apparent hegemonic position and also relating to the United States through a variety of strategies for the sake of equilibrium on the continent. A long-term strategic view of the next two decades requires us to take a multipolar rather than a bipolar view, and to thereby reimagine the world order as comprising numerous other agents—especially from within fast-growing and modernising Asia—besides China and the United States.

If Europe was the most contested zone for influence during the bipolar Cold War period, Asia today has all the makings of a geopolitical potboiler, with regional and extra-regional players having high stakes in determining a multipolar configuration of power and prestige. It is no exaggeration to claim that Asia, particularly the Asia-Pacific or Indo-Pacific sub-region, is the fulcrum of the world.

This article develops a nuanced and full-horizon picture of the power shift from the United States to China by juxtaposing it with intra-Asian power shifts that are already underway and have to be taken into account. It makes the case for conflict management by means of a leadership role to be played by India and Indonesia—two of the big gainers in the churning that is occurring in the reconfiguration of the international system. The article begins with a historical evolutionary analysis of how much Asia has morphed in the last few decades through dispersed power distribution and the rise of new actors with enhanced capabilities. It then decodes the ‘China problem’ in Asia in conjunction with a retrenchment of U.S. interference in the Barack Obama era. By examining key flashpoints in different sub-regions of Asia, it argues that there is an indispensable role

for Asia's rising stars—namely India and Indonesia, which are neutral and unaligned with either China or the United States in saving the continent from a destructive spiral.

### NEW POWERS AND A MULTIPOLAR ASIA

In 1975, at a time when the Cold War temporarily thawed under diplomatic *détente* and Mao Zedong's China pirouetted towards the United States, the eminent U.S. historian Harold C. Hinton authored a book with the intriguing title *Three and a Half Powers*.<sup>5</sup> His contention was that Asia then had three major regional powers—the United States, the USSR, and China—while Japan was just a “half power” or an “upper-level middle power” with “no chance to ever equal” the big three.<sup>6</sup> At that time, he casually dismissed India and Indonesia as inconsequential minnows with no foreseeable role in the ordering of Asia's political or economic affairs.

The regional composition has significantly changed since Hinton's days. In the twenty-first century, Russia (which inherited the rump state after the USSR's collapse) is no longer a principal power influencing key outcomes on the Asian continent.<sup>7</sup> The United States insists that it has never relinquished the role of a “resident Pacific power” and “intends to stay that way,” but doubts prevail across Asia about U.S. abilities to continue as the decisive top gun owing to its domestic economic and political paralyses and its military distractions in the Middle East.<sup>8</sup>

Japan may have been displaced from the rank of second largest economy in the world to the third largest, but it is now steadily on the path to remilitarization and investing heavily in its defensive and offensive security interests.<sup>9</sup> To label Japan a ‘half power’ in the context of a nationalistic and assertive resurgence under Prime Minister Shinzo Abe would be a misnomer.

India, which barely registered in Hinton's consciousness when it struggled in the 1970s, is today a rising power with strong and sustained economic growth and a military that is slowly modernising. While it is not yet a great global power, the assumption that India—with its demographic advantages and an upward mobility in its step—will have a “profound impact on Asia and the rest of the world” is taken for granted universally by all commentators.<sup>10</sup> Under the leadership of Prime Minister Narendra Modi, India is reaching for influence in Asia and beyond with a sense of purpose, diplomatic drive, and proactiveness in pursuit of the clear-cut goal of becoming a ‘leading power.’ Such a push has been rarely seen in the past.<sup>11</sup>

Among the lesser powers of Asia, Indonesia is recognised as a “pivotal

state in the global and regional strategic discourses” that is moving with “new-found confidence as a rising power.”<sup>12</sup> Dubbed by some as “Asia’s third giant” (besides India and China) and a “new star to watch,”<sup>13</sup> its demography, military modernisation, rapid economic growth, and leadership profile within the powerful Association of Southeast Asian Nations (ASEAN) bloc of countries make it one more essential element in the emerging new balance of power in Asia. Just after ridding itself of military dictatorship in the late 1990s, Indonesia seemed to be on the verge of implosion under duress of ethnic separatism. It is no mean achievement of resurgence that it presently figures as a formidable player in several Asian and global power ranking projections. It ranked tenth among the twenty most powerful countries by the year 2030, and seventh in the same list by the year 2040 in the National Power Index calculated by the International Futures computer model.<sup>14</sup>

One methodologically holistic system for measuring the relative weight of nation-states, which was originally devised by Chinese military strategists, is the Comprehensive National Power (CNP) index. It is calculated through combining traditional hard power (military, economic, and technological capabilities), soft power (efficiency of foreign policy and cultural influence), and “transformational power” (national will and political stability).<sup>15</sup> The CNP index can give a rough indicator of the relative power of different states and offer a baseline from which to deduce the nature of the multipolar configuration in Asia.

India’s United Service Institution (USI) has produced the most updated and thorough rankings of countries using the CNP concept. The table below shows that the notion of an “Asian Century” is not inaccurate, as four out of nine top powers (Japan, China, India, and Indonesia) in the world are Asian as of the year 2013. With all but Japan notching up GDP growth of roughly five or more percent in the last three years, the trend line suggests their prominence will keep heading north. In fact, the “Next Eleven” set identified by economist Jim O’Neill as nations with high potential of becoming the largest economies in the twenty-first century include six Asian countries.<sup>16</sup>

The much-touted perception of a global power shift from West to East and from Global North to Global South is reflected in the following table. This ranking reconfirms that no continent has as many representatives in the elite league of most powerful countries as does Asia.

**FINAL CNP SCORE AND RANK BASED ON  
WEIGHTED RESULTS OF SIX MASTER DETERMINANTS<sup>17</sup>**

<i>Country</i>	<i>CNP Number</i>	<i>Rank</i>
United States	0.146	1
Germany	0.144	2
Japan	0.142	3
China	0.131	4
Russia	0.112	5
India	0.089	6
South Africa	0.087	7
Brazil	0.086	8
Indonesia	0.062	9

**CHINA: LODESTONE IN ASIA'S BALANCE OF POWER**

Although USI's CNP ranking places China below two Western powers and Japan, China's spectacular rise is the single most important factor driving the discussion of the balance of power in Asia and the prospects for peace and conflict. The entire discourse and planning from intellectual circles to foreign policy implementers across Asia is about China's rise, its possible repercussions, and how it can be managed to avoid a breakdown of regional order. In the words of David Lai, "China is at the centre of changing relations" in Asia, and peace and stability in Asia are predicated on whether or not "China can peacefully come to terms with the other great powers."<sup>18</sup>

Much of the obsession with China as the main engine for a transformed Asia comes from the West, where academics and practitioners are anxious about predictions of China overtaking the United States as a leader in regional and global hard and soft power. Western conservative opinion is unanimous that China is a serious threat not just to U.S. interests and standing in the world, but for the entire liberal edifice of norms and institutions that have underpinned the international system since the end of the Cold War. For subscribers to this school of thought, China's coming domination of the world and subversion of democracy and human rights will render the world a brutal and terrible place.<sup>19</sup>

Realist scholars of international relations such as John Mearsheimer have raised alarms that a more powerful China will "come up with its own version of the Monroe Doctrine, as Imperial Japan did in the 1930s, and push the United States out of the Asia-Pacific region."<sup>20</sup> Chinese government

denunciations of the United States' "outside interference" as a "major destabilising factor" in intra-Asian disputes lends credence to the realist reading of Beijing's grand strategy of displacing the United States and re-establishing China's historic hegemony in Asia.<sup>21</sup> President Xi Jinping's "Asian security concept" rehashes the "Asia for Asians" idea of imperial Japan and advocates that "security problems in Asia should be solved by Asians themselves

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 .....

through cooperation."<sup>22</sup> It is a not-so-subtle call for the United States to be excommunicated and for China to prevail by virtue of its lead in material power capabilities over the rest of Asia.

There are Western leftist<sup>23</sup> and liberal<sup>24</sup> rebuttals of the "China threat" theory, some of which dovetail with a sustained narrative from mainland Chinese scholars and government spokespersons that China's re-emergence as an Asian and global great

power is actually nonviolent and has positive externalities. State-supported and patriotic Chinese academics have mounted an intense counter-propaganda campaign over the last decade to emphasise that China "will neither pursue a hegemonic foreign policy nor impose its own will on others."<sup>25</sup>

Yet, there are more hawkish voices within the Chinese establishment and among the ultra-nationalistic Chinese netizens who believe that China must act more forcefully and aggressively to reverse the tables on its regional adversaries (mainly Japan) and on its former Western colonial masters.<sup>26</sup> The U.S. historian Warren Cohen has examined the foreign policies of imperial Chinese dynasties and argued that "there is no reason, cultural or genetic, to expect China as a great power to act any less ruthlessly than have other great powers over the millennia."<sup>27</sup> Countries within Asia that have historically fraught relations with China echo similar concerns that China is a revisionist power whose foreign policy is being run by aggrandisers and imperialists thirsty for regional supremacy.<sup>28</sup>

The debate on whether a powerful China will upset stability in Asia and the world or enrich norms of peace and cooperation is organised not just around past memories or familiar theoretical divides of international relations literature, but also on China's actual contemporary deeds on the ground and in the waters of Asia and beyond. Paradigms are always slow in catching up with empirical realities and adjusting to speedier real world events. Assessments of China's foreign policy behaviour have been shifting

in Asia over the last few years owing to a more hardline and pushy face of the state, forcing fresh reassessments of the need to control or confront China's lengthening shadow.

In 2007, Professor David Kang of the University of Southern California published a widely cited book arguing that China's growing strength was seen favourably by Asian countries because it offered them more advantages than dangers.<sup>29</sup> Then, China did appear to be following Deng Xiaoping's maxim of "hide your strength and bide your time" and behaving with great sensitivity to the interests of weaker neighbours in Asia. Kang's claim that China will be a stabilising force that works through multilateral channels and avoids confrontations sounded true at that time, but rings hollow today. His depiction of an East Asia which is accommodating towards China rather than counterbalancing against it, thanks to the "absence of fear" and owing to a preference for a "strong China" to stabilise the region,<sup>30</sup> sounds outdated in the present moment.

Threat perceptions towards China have evolved lately in Asia along classic realist lines, with relatively weaker states warily eyeing the growing imbalance of power in China's favour and experiencing its consequences in the form of hectoring, bullying, and threatening demonstrations of its superior military capabilities. Elsewhere, I have explained how China shed its prior "non-confrontational regional diplomacy" around 2008 by deploying economic warfare and relishing showpiece naval incidents and skirmishes with smaller neighbours in Asia.<sup>31</sup> This 'reprogrammed DNA' of the Chinese civilian and military leadership is part of what I call a "post-Deng confidence that the time has come for China to throw its weight around and for smaller countries to fall in line."<sup>32</sup>

Why did China abandon the softer multilateralism that had served its ballyhooed slogan of 'peaceful rise' so well in Asia? There are two reasons for the troubling recent shift in Chinese foreign policy, which have crucial implications for strategic stability in Asia in the twenty-first century. The first cause is the enormous widening of the power gap between China and its Asian counterparts in the former's favour, creating an asymmetry and imbalance that feeds into a discernible swagger and condescension in the way China looks at weaker countries. As noted in my earlier analysis, "The infamous remark of China's Foreign Minister Yang Jiechi to his Southeast Asian counterparts in 2010, that 'China is a big country, and other countries are small countries, and that's just a fact,' captured the mood in Beijing: discard the niceties and bring out the knives."<sup>33</sup>

China's disregard for the sensitivities of smaller Asian states is a direct function of its arrogance and chutzpah, derived from knowledge that it

has far superior material capabilities with no countervailing continental match. In 2012, China showcased its gunboats to the Philippines, forcibly absorbed the disputed Scarborough Shoal in the South China Sea, and erected a barrier to entering it. This naval cordoning operation aggrieved the Philippines and worried the United States, but China did not budge and never relinquished the occupied territory. The ease with which China absorbed Scarborough<sup>34</sup> despite U.S. mediation efforts revealed how the absence of an intra-Asian balance of power is pushing Beijing to become more intransigent, truculent, and expansive on its notions of “core interests” and “national priorities,”<sup>35</sup> thus impinging upon the sovereignty and strategic space of smaller Asian powers. Following its bloodless victory in Scarborough, China uninterruptedly performed controversial land reclamation in the South China Sea by dredging artificial islands spanning 3,200 acres and militarising these *fait accompli* with airstrips and defence paraphernalia.<sup>36</sup> These provocative deeds were spurred by the dearth of a credible regional challenger within Asia and concomitant Chinese beliefs that power trumps morality and international law.

Bowing to Chinese power is a stark reality already emerging in the Pacific. The Philippines has lost the will to resist the marauding Chinese behemoth. Its current President Rodrigo Duterte has acquiesced to China’s domineering status and called for direct bilateral negotiations with Beijing on the South China Sea dispute. This is an abandonment of the old Philippine strategy of using U.S. alliance guarantees to resolutely stand up to China. President Duterte appears to have estimated that the United States no longer has the will and the means to defend the Philippines in any hostilities with China, and it would hence be prudent for him to accept Beijing as the arbiter of the Pacific and possibly get some minor concessions from it.

The calculation that the United States, an extra-regional power, is in decline and incapable of stopping the Chinese military from achieving its browbeating goals in Asia is not just spreading among U.S. allies in the Pacific, but is gaining ground in China itself. Chinese Communist Party confidante, Wang Jisi, has described the current strategic mindset of the Beijing establishment as follows: “The United States is no longer seen as that awesome, nor is it trustworthy, and its example to the world and admonitions to China should therefore be much discounted.”<sup>37</sup>

The reluctance of the Obama administration to resort to military force after Russia occupied Crimea in 2014 and to enforce the “red line” over usage of chemical weapons in Syria in 2013 are likely to have reconfirmed the assessment of Chinese elites that Washington is no longer ready



or willing to openly deter Beijing in Asia. During the U.S. presidential election campaign period, there was speculation that China preferred Trump to win over Clinton, as the latter emphasised human rights and had a hawkish and militaristic outlook.<sup>38</sup> However, nationalistic Chinese strategists seem to believe that time is on China's side. They see no way for the United States to claw its way back to being the sole global superpower.

China's much-touted "anti-access area denial" (A2/AD) strategy has reached advanced levels with "a formidable capability to deter and potentially defeat any intervention by U.S. forces in its near abroad,"<sup>39</sup> adding to the belligerence and determination in Beijing to railroad through Asia without incurring prohibitive military costs. It is also igniting a worrisome security dilemma and a destabilising arms race in the region, further weakening the prospects of cooperative regional institutional arrangements keeping conflicts in check.

Political scientists Guoguang Wu and Helen Lansdowne from the University of Victoria argued in 2007 that China had at that time joined the "mainstream of international mentality of post-Cold War world politics" through "active participation in multilaterally oriented regional security regimes."<sup>40</sup> The motivation, however, for taking the cooperative route of 'multilateralism with Chinese characteristics' was evident even then. It had nothing to do with "scholars' idealistic concept of international coordination," but with a "double-track strategy to deal with the United States," as "China is not yet powerful enough to replace the United States in the region."<sup>41</sup> A decade since Wu and Lansdowne wrote these prescient words, China is relatively stronger vis-à-vis a United States

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that has wobbled through a long economic recession and remains weighed down by massive security entanglements in the Middle East.<sup>42</sup> Present day China, which has already overtaken the United States in GDP size per one estimate<sup>43</sup> and is narrowing the military gap with the United States within the Asian theatre, is far less reliant on multilateral means to ward off Western hegemony. China today feels it is ready to dictate and rampage owing to the imbalance of power in Asia, posing a singular problem for stability.

## MORE MEANS TROUBLE IN ASIA

The omens of increased strategic instability and conflicts in Asia are not just a result of the present imbalance of power but also the atmosphere of flux on the continent underscored by the multipolarity elaborated earlier in this article. While China feels emboldened in Asia by virtue of its decreasing power disparity with the United States,<sup>44</sup> it is also cognizant of the fact that India and Indonesia are hot on China's heels and trying to constrict China's lead in material capabilities. China looks like the rising force vis-à-vis a relatively falling United States, but India, Japan, Indonesia, and Vietnam are the next rung of rising challengers to China's preeminence in Asia.

This dichotomy of power races—which produces incompatible strategic blueprints in Washington, Beijing, New Delhi, and Tokyo—is articulated by Professor Brahma Chellaney as follows: “the United States wants a unipolar world but a multipolar Asia; China seeks a multipolar world but a unipolar Asia; and India and Japan desire a multipolar Asia and multipolar world.”<sup>45</sup>

In the context of the rapid change in material power of stakeholders in Asia over the last decade and the absence of a fixed international system such as the one that prevailed during the Cold War and the early post-Cold War period (1990-2005), it is instructive to revisit the insights provided by power transition theory of the academic discipline of International Relations. It foresees greater instability and chances of wars when capabilities of rising powers approach those of incumbent leading states or hegemons, and when there is uncertainty about which state has a clear and unbeatable edge over the other in the event of confrontation.

In Asia, power transition theory has been applied to the United States-China empirical dyad as the only unit of observation.<sup>46</sup> But in the context of intensifying rivalries among states that are geographically located within Asia,<sup>47</sup> the theory could be extended to intra-Asian security dynamics with or without the United States as a player. For example, the violent standoffs that nuclear-armed India and Pakistan revisit from time to time have less to do with an American hand and more with a Chinese design to keep India—which began overtaking China in GDP growth rate from 2015—tied down and bottled up in South Asia, and out of China's spheres of influence. Professor John Garver of the Sam Nunn School of International Affairs has elucidated how Chinese strategy towards South Asia has been historically crafted, with the belief that “Indian-Pakistani enmity is India's albatross in its struggle for global eminence and equivalence with China.”<sup>48</sup>

U.S. foreign aid to Pakistan—although sizeable in its own right—is tied to contingencies such as the war on terrorism in Afghanistan.<sup>49</sup> Since the September 11, 2001 terrorist attacks, India has bristled at the unintended effect of U.S. military and economic assistance to Pakistan endangering India's own territorial integrity and security.<sup>50</sup> In the medium to long term, as the United States looks to withdraw from the war in Afghanistan, there is little reason to suspect that Washington will continue doing New Delhi a disservice by coddling Islamabad. On the other hand, by virtue of shared geopolitical space and competitive instincts between China and India, the former is sure to keep on supporting its “all weather friend” Pakistan in the future.<sup>51</sup> The massive \$46 billion China-Pakistan Economic Corridor agreement signed in 2015 is an indicator of how strategically central Islamabad remains for Beijing to keep New Delhi in balance within South Asia. If the U.S. grand strategy since the end of the Cold War has been to preempt China from becoming its equal or overtaking it,<sup>52</sup> China will be forced to do the same vis-à-vis India in the coming decades so as to retain its present overwhelming superiority in Asia and to forestall India from competing with it further afield in Africa and Latin America.

Like South Asia, the other flashpoints in Asia portending conflict—the South China Sea, the Senkaku/Diaoyu Islands, and the Korean Peninsula—have momentums and rationales that intersect with the U.S. military presence in the Asia-Pacific, but they also have an endogenous, intra-Asian logic based on history and games of one-upmanship. One of the most cantankerous foes standing in the way of China's dilated territorial claims in the South China Sea is Vietnam, which harbours long memories of Chinese imperialism dating back millennia.<sup>53</sup> Vietnam is not an American treaty ally and is only gradually becoming a beneficiary of significant American military aid and technology. Hanoi is to this day more dependent on Russia for its security. Chinese allegations that the United States is “stoking tensions” in the South China Sea<sup>54</sup> had some basis when earlier pro-Western regimes in the Philippines used to provoke China, but the same is not true for Vietnam's steady policy of resisting Chinese encroachment. With Vietnam's power on the upswing in the last fifteen years,<sup>55</sup> its time-tested habit of pushing back against Chinese expansion has a new vitality and vigour.

Sino-Japanese animosity and perpetual friction has flared up in recent years around territorial and aerial disputes in the East China Sea, not simply because the United States is egging on the fight but because Japan is normalizing and shedding its U.S.-imposed pacifism.<sup>56</sup> When Russia rode roughshod over Ukraine in 2014 and Washington stood by without

detering Moscow, anxious Japanese officials were reported to have asked their American peers: “Are you going to do the same thing to us when something happens?”<sup>57</sup> Under the conservative nationalist Prime Minister Shinzo Abe, Japan is reverting to the realist mantra that self-help through military modernisation and doctrinal shifts is a better option than banking on a plodding United States to rescue it from China’s imminent threat.

One rare public retort by a special adviser to Abe in the aftermath of American criticism of the Prime Minister’s controversial visit to the Yasukuni Shrine reveals a different Japan, one looking to free itself from a U.S.-guided meek national identity and security posture. Seiichi Eto blurted as follows: “Why doesn’t the United States take better care of its ally Japan? The United States is on the verge of becoming a nation that cannot say anything to China.”<sup>58</sup> The maturation of Japan from being a ward of the United States into an autonomous security actor has disquieting implications for stability in East Asia, as Beijing can no longer count on Washington acting to restrain Tokyo’s behaviour. Professor Jing-dong Yuan argues that a less constrained and “expanded role for Japan” in the U.S.-Japan security alliance “is viewed as a security threat” in China, which is “increasingly worried” about “a more assertive Japan actively involved in the region’s security affairs.”<sup>59</sup>

Perennial tensions on the Korean peninsula have the greatest potential to severely endanger Asian security. Here, a nuclear-armed and unpredictable China-dependent North Korea faces off against a U.S. nuclear umbrella-protected South Korea and Japan. Writing in 2007, Professor Liselotte Odgaard of the Royal Danish Defense College noted a propensity on the part of Japan and the United States to prefer hardline militarist solutions to counter North Korea’s adventurism and belligerence, while South Korea wanted a more conciliatory approach to the North. Sounding hopeful, she added: “South Korea’s partially independent policy thus helps to sustain dialogue rather than confrontation as the principal method of conflict resolution.”<sup>60</sup> Fast forwarding to today, however, one notices a new “fluidity in the geopolitical ambience” with one overarching “big picture causal factor” of “Japan and South Korea finding new strategic partners within the Asia-Pacific region as they cannot forever rely on American security guarantees.”<sup>61</sup>

If South Korea advances further in its already robust partnership with China, and if North Korea moves forward on rapprochement with Japan, will the overall outcome be greater stability and conflict mitigation? Much will depend on whether or not the United States will stand by and allow these intra-Asian readjustments and manifestations of local agency to

pan out, or if it will try to restore its predominance in the Asia Pacific even at the expense of peace. China is especially prone to seeing the U.S. 'pivot' policy as a template to destabilize and militarise Asia. If a post-Obama United States doubles down on a containment strategy vis-à-vis China, the latter is only going to retort with even more bullying of smaller Asian neighbours out of anxiety. In the absence of an endogenous formation within Asia that excludes the United States, there will be no strategic stability whatsoever. The parable of the grass getting trampled when two elephants collide holds true for Asia today, unless the grass coalesces and grows into an invulnerable forest.

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This section has shown how reductionist and obsolete it is to claim that everything of consequence in Asian security is related to U.S. designs or actions. But as power gets distributed more broadly in Asia with China as the strongest pillar, and the United States in danger of being relegated to a backseat, realist international relations theories would infer that the declining hegemon will not go down without constructing a major counterbalancing coalition against China<sup>62</sup> or, even worse, unleashing preventive wars to maintain slipping American domination.<sup>63</sup>

Transcending realist theories, there are also chances of political upheavals *within* countries having a large impact on regional stability in the continent. Persistent democracy in Indonesia and Pakistan, or authoritarianism in Central Asia, North Korea, and China, cannot be taken for granted. Internal political churning in these countries will certainly have significant externalities for the region. Mass revolutions and regime vulnerability do add an additional layer of worries for stability in Asia, but they are difficult to anticipate and measure. Nor can their ill-effects be smothered through intergovernmental institutional means, because they are principally domestic developments beyond the control of foreign policies of outside actors.

#### **PATHWAYS TO STABILISE AN EMPOWERED ASIA**

Given the manifold perils that lurk in a multipolar Asia and world, there is merit in revisiting the theoretical debates of international relations literature on whether or not wider distribution of power in one region or

the entire international system is a curse or a boon. Realist scholars treat unipolarity as the least stable of all structures, because excessive concentration of power in one centre repels and threatens all other states and causes them to resort to retaliatory actions to try and restore a balance.<sup>64</sup>

Around the turn of the twenty-first century, contrarians like William Wohlforth could say with confidence that unipolarity with a preponderance of American power is “prone to peace,” “minimizes security competition,” and will be durable to the point that it “may last as long as bipolarity” (i.e. half a century).<sup>65</sup> But the relative decline of the United States in hard and soft power dimensions due to the combined effects of the global war on terrorism<sup>66</sup> and the global economic crisis<sup>67</sup> have ushered the United States and Asia into a world closer to realist expectations. Chinese President Xi Jinping’s abandonment of Deng Xiaoping’s caution and Xi’s bold vision to implement “big country diplomacy with Chinese characteristics” in “the new era”<sup>68</sup> send unmistakable signs that the American-led order in Asia is under a cloud.

Henry Kissinger, an old friend of China and a practitioner of realist theories, has outlined how we are heading away from an international order of U.S. hegemony and toward a pluralistic balance of power that is less idealistic and morally neutral (i.e. liberal democracy and human rights take a backseat), but which permits multiple great powers to rebalance and manage conflicts.<sup>69</sup> Professor Charles Kupchan has likewise suggested that neo-imperialist American dreams of sustaining unipolarity—or at least the U.S.-designed liberal world order—is “wishful thinking,” because “the Chinese ship of state will not dock in the Western harbour, obediently taking the berth assigned it.”<sup>70</sup> As explained earlier in this article, this titanic Chinese ship and its gunboat diplomacy is also a cause for angst within Asia, and is triggering intra-Asian security dilemmas and exhortations for counterbalancing alliances.

How can we overcome the imbalance in power in Asia while factoring in the context of uncertainty about the U.S. staying power and will in this region? Given increasing Chinese strategic assertiveness in the ‘Indo-Pacific,’ as India labels the Asia-Pacific,<sup>71</sup> and fears among smaller players in Asia that traditional security guarantees from America are unreliable, a new intra-Asian formation for stability could be on the anvil. The Lowy Institute for International Policy in Australia recommends a model of “minilateral cooperation” among Asia’s middle powers—India, Japan, South Korea, Australia, Indonesia, Vietnam, and other ASEAN countries—so as to “build regional resilience against the vagaries of the U.S.-China relationship.”<sup>72</sup>

Flexible coalitions of Asian middle powers cannot strictly counter China in the event of an armed conflict involving the latter and a smaller Asian power because “the material capacities of a combination of regional powers minus the United States—say Japan and India plus several others—would not be a match for China.”<sup>73</sup> Moreover, China wields an advantage in Asia by virtue of internal divisions between Japan and South Korea, courtesy of historical bad blood,<sup>74</sup> and Beijing’s skill in sowing divisions within ASEAN into sub-blocs of pro-China and anti-China groupings.<sup>75</sup> Even in South Asia, where India hopes to unify the entire sub-region under its leadership as a counterweight to China, Beijing has made crucial inroads and forged a set of nations who support enlarged Chinese presence and participation in multilateral forums like the South Asian Association for Regional Cooperation (SAARC).<sup>76</sup>

Nonetheless, the idea of security coordination and maneuvers among Asia’s smaller players that do not include China or the United States is a signal to Beijing and Washington that the era of dependence on either of them is *passé* in the Asian century. Relatively weaker but upwardly mobile Asian states have to be proactive in their geostrategic approach in keeping with their rising power profiles, or suffer the fate of becoming vassals or tribute-paying territories to an imperial Beijing, as was the case in East Asia before the advent of the Europeans and the Americans.<sup>77</sup> In the case of the Philippines, for instance, President Duterte has called for a drastic policy shift of ‘separation’ from the United States and a new alliance with China and Russia. But it remains to be seen whether there can be a partnership of equals between a weak Philippines and mighty China. It would be wiser for the Philippines to partake in a non-Chinese, non-American constellation to protect its interests and have sufficient bargaining power.

Here, it is imperative for ‘bridges’ or ‘swing states’ like India and Indonesia—which abhor being subordinated either under Chinese or American hegemony—to assay central roles in strengthening the bonds among countries falling in the sub-regions of South, Central, Southeast, and Northeast Asia. New Delhi and Jakarta could come up with a novel diplomatic forum for ‘Asian Alternative Security’ that explicitly keeps out the United States and China, promotes intra-Asian conflict mitigation solutions, and builds strategic trust in the entire continent. Neutrality from the United States and China could be the cornerstone of this alternative institution, earning respect from both Washington and Beijing and hence providing safety from sabotage by either state.

The former Chairman of India’s National Security Advisory Board, Shyam Saran, has emphasised the common strategic visions of India and

Indonesia as follows: “Just as they have an instinctive preference for a multi-polar world, so do they wish to ensure a multi-polar Asia, or what Indonesians describe as a dynamic equilibrium.”<sup>78</sup> Yet, despite this intersection of interests, Saran rings out warning bells of “Indonesia being co-opted into China’s maritime strategy and becoming a platform for an extensive Chinese maritime presence in our (Indian) sensitive ocean space.”<sup>79</sup> The fact that Indian Prime Minister Narendra Modi did not hold a full bilateral meeting with Indonesian President Joko Widodo in the two years both leaders have been in power also indicates that both sides are still subject to mutual strategic inattention.

Admittedly, there cannot be security in Asia without China’s consent and willingness, but in the absence of a pan-Asian institution like the pan-European Organization for Security and Cooperation in Europe (OSCE), it would make sense for multipolar Asia to evolve new non-universal security coordination mechanisms that disallow China or the United States to trample over or curtail the interests of rising powers. More Asian countries are individually empowered today than they were at the turn of the twenty-first century. But for this individual growth and success to translate into collective security manned by a network of multiple power centres, institutional innovation is paramount.

#### AN ECONOMIC SILVER BULLET FOR ASIAN STABILITY?

For analytical clarity, this article has not yet broached the parallel universe of economic interdependence within Asia that is proceeding *pari-passu* with the security competition and unrest. Economic relationships are a powerful means through which political rivalries and tensions can be mitigated, especially in the era of economic globalization, where states often promote business gains even with nations considered to be security threats. Professor Min Gyo Koo has demonstrated that in spite of sparks flying in the politics of Northeast Asia, “economic interdependence has repeatedly fostered the de-escalation of Sino-Japanese conflict over territorial and maritime rights.”<sup>80</sup> He posits a system



of control and restraint, driven by profitable economic exchange, as a basis to stabilise the Sino-Japanese strategic rivalry.

A similar liberal commercial peace argument of bilateral economic complementarity and conflict mitigation has been propounded as a solution to Sino-Indian competition for influence and power in Asia.<sup>81</sup> One popularly bandied notion reiterated by former Chinese premier Wen Jiabao is that “India has the advantage in software and China in hardware and if India and China cooperate we will be able to lead the world.”<sup>82</sup> These “Ricardian expectations,” predicated on comparative advantages of the two Asian giants and the liberal International Relations concept of “absolute gains” from trade and commerce, have fostered “numerous new interest groups” in both China and India to deepen cooperation and keep a lid on territorial disputes and strategic rivalry.<sup>83</sup>

Yet, the chill in Sino-Japanese economic relations in the last few years—owing to escalating political tensions<sup>84</sup> and the heartburn in Indian strategic circles on account of a ballooning trade deficit with China<sup>85</sup>—show that the optimism of liberals needs to be tempered. Professor Dale Copeland has shown that it is not high volumes of bilateral trade *per se* that keep peace between countries, but rather “positive expectations of the future trade environment.”<sup>86</sup> I have extrapolated this line of reasoning as follows: “If Copeland got it right, the direction of Sino-Indian strategic ties will be determined by whether or not both parties believe that future bilateral trade is on a rosy path.”<sup>87</sup> The wider the trade deficit and accompanying concerns about Chinese investments in sensitive sectors of the Indian economy, the greater the chances that economics will not salvage the political mistrust. Similarly, if China repeats actions like the economic blackmail of 2010 by banning exports of rare earth minerals to Japan,<sup>88</sup> the future expectations of beneficial economic *quid pro quos* will compound the security dilemmas between the two prickly neighbours.

Since most established and emerging powers in Asia have statist and patrimonial economies where the government still plays a dominant role in steering and guiding the private sector,<sup>89</sup> liberal interdependence theory is not a strong source of hope to maintain strategic stability. The absence of an independent capitalist class, which can define and redefine national interests in Asian countries, leaves business lobbies subservient to state elites and hence sidelined if territorial or geopolitical temperatures rise. Asia is also home to economic nationalism that has been a bane since the global economic crisis began in 2008. The fierce rivalry between the U.S.-led Trans Pacific Partnership and the China-spearheaded Regional Comprehensive Economic Partnership<sup>90</sup>—as well as the explicitness with

which the Americans actively canvassed to stymie China's ambitious Asian Infrastructure Investment Bank<sup>91</sup>—presage a future clouded by preferential trading clubs in Asia whose leaders wish to carve out spheres of influence and exclude their archrivals.

“Nuclear peace” has not prevented destabilising sub-threshold conventional and proxy warfare between India and Pakistan, two states armed with atomic weapons.<sup>92</sup> Likewise, healthy mutual trade and investment relations are not an insurance against needling, poking, and jostling among Asia's empowered and ambitious nations that share the same geographical space but want to become global power centres. The major Asian dyad of China and India may be characterised by booming economic exchanges, but it is ultimately governed by tit-for-tat moves and counter-moves. Hence, the “realistic scenario is that the two countries may just about manage their problems without fully overcoming them.”<sup>93</sup>

#### MANAGING COMPETITION IN ASIA

Given the insurmountable obstacles to peaceful coexistence in an Asia humming with newfound power and adrenalin, the best one can posit is for management of the competition without allowing it to escalate to

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 .....

open inter-state war or debilitating intra-state wars of proxy nature that are sponsored by external foes. We can congratulate ourselves if Asia avoids another Afghanistan or Syria, and settles down to a competitive but relatively less violent future in which the vast multitudes of the continent can continue chasing their material uplift.

Professor Amitav Acharya's theoretically eclectic model for managing crises in Asia through a 'consociational security order' marked by multipolarity and national diversity—and where conflicts do happen without reaching the stage of a major breakdown of the entire system<sup>94</sup>—is a worthwhile idea. His maxim that regional multilateral institutions will be vital to maintain order in Asia echoes the earlier argument in this article that only institutional innovation and leadership can hold the peace in Asia. Unless India and Indonesia realise their centrality to the situation, step up to the plate, and offer creative and agenda-shaping

leadership to balance Chinese hegemonic aspirations and fill in the void left by a vacillating United States, Asia is in for a rough ride.

The signing of a Code for Unplanned Encounters at Sea (CUES) in April 2014 by twenty-one Asia-Pacific nations—including China, Japan, India, Vietnam, Philippines, and the United States—was a step in the right direction to reduce naval frictions. But it was essentially an American initiative, which China joined after initial misgivings and with caveats. The benign impact on stability in East Asia from non-binding guiding principles like CUES is far from assured, especially as China wants it to apply only to its competition with the United States and not in the South China Sea or the East China Sea, where it has a clear advantage over fellow Asian contenders.<sup>95</sup>

The ideation and conceptualisation of cohabitation mechanisms must come from Asia's ascendant and independent power centres—like India and Indonesia—for wider acceptance and credibility. India and Indonesia once found common cause as the guiding stars of the Nonaligned Movement during the Cold War era. Then, they were decolonised, poor, and weak nations struggling to build viable nation-states and driven by anti-imperial ideals. Today, they are en route to the club of great powers in a newly multipolar ambience. If they fail to grasp the historical window of opportunity to act as leaders and anchors of multipolarity in Asia, they would be the ultimate losers of the deteriorating strategic milieu around them. Should they miss their chance, the age-old China versus United States fault line—interspersed with other nationalistic intra-Asian cleavages—will keep stoking instability on the continent until it may reach the catastrophic century-old historical redux moment, about which Prime Minister Abe has expressed dark forebodings.*f*

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