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美中於東南亞的競逐戰略：權力轉移重現或反轉
Strategizing US-China Competition in Southeast
Asia: Power Transition Revisited or Reversed?

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Abstract

For the past three decades, the world is dominated by a stable hierarchy with only one superpower, i.e., the US. However, the relative decline of the US and the rise of China as America's leading competitor, however, appear to shadow globe with the concern of another cold war. The trade war given rise to by the Trump government against China is now going on like a raging fire. As the Khmer proverb goes, "When elephants fight, the ants perish." The whole world is unrestful with the two major powers "communicating" violently. At the beginning of year 2018, The Economist published a cover story titled, "The Next War: The Growing Danger of Great Power Conflict", which detailed how shifts in technology and geopolitics are bringing the threat of great-power conflict back. In this view, "conflict on a scale and intensity not seen since the Second World War is once again plausible."

Of the scope of Balance of Power, the international system leans to peace when the power of major players converges to equivalence. While borrowing the lens of Power Transition Theory to look into the competition between the two great powers, China and the US, when one state's power approaches that of another state and dissatisfaction level is high, the risk of initiating a war soars. As the confrontation between is escalating, the paper is to look into primary official documents as well as secondary data supplemented with the study of the practice of both sides in Southeast Asia and analyze whether power transition has revisited this era or the current dominant power can reverse the shift of power.

Key words: power transition, pivot to Asia, Indo-Pacific Strategy, OBI

摘要

冷戰結束以來，世界形成單一起強的穩定階層體系。然而美國的相對衰退以及中國崛起成為其主要挑戰者，帶來另一個冷戰的隱憂。隨著川普上任後對中貿易戰如火如荼的開展，全球不再平靜，二戰後未見的衝突規模隱然若現。就權力平衡的觀點，強權間的均勢帶來國際體系的穩定，然而權力轉移論卻認為此刻若一國對另一國或現狀不滿意，發動戰爭的可能性便會遽增。於此美中對立節節升高之際，本文分析二國於東南亞的戰略、實際作為、與各國的反應，研究權力轉移是否已然重現，或是原有霸權得以反轉該趨勢。

關鍵詞：權力轉移、重返亞洲、印太戰略、一帶一路



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Chapter 1

Introduction

1.1 Research Questions

To explain and predict wars between countries, particularly the conflicts of great powers, has always been the pivotal concern of theories of international relations. From the mainstream perspective of Realism, the occurrence of wars is inevitable due to the influence of structure. What kind of international structure leads to wars between great powers, nevertheless, has not come to unanimity. Morgenthau (1948) and Waltz (1954) deem the state of balance of power, military power especially, the crux to avoid the outbreak of wars which explained the extended peace since the Concert of Europe.

On the other hand, Organski (1958) and Kugler (1980), challenged Balance of Power and proposed the opposite. Power Transition Theory they advocated was originated in 1958 and thriving in late 20th century. The core argument is that instead of balance of power, it is the unbalance of power in the hierarchies of the international system that facilitate maintenance of peace. When two factors are met, i.e., an emerging power is driving closer to a dominant power and is discontent with the existing international order, the possibility that conflicts and wars between the two powers would be surging. The theory well-explained the cause of The First and Second World War as well as most hegemonic wars.

Lemke (2002) further elaborated the application of power transition to account for regional wars and reaffirmed shrunk power gap and discontent between powers are powerful explications.

It is not rare that following researches on power transition theory direct the spot light upon the power struggle between the US and China. The competition of power and whether power is shifting between the two players greatly influence the stability of Asia-Pacific region as well as the world. Can Power Transition Theory which majorly based on the past wars of the western world unanimously suit all cases? Does the contest between President Trump and Xi fit in the hypothesis of the theory?

The study is to firstly look into and compare the contrasts of mainstream Power Transition Theories and relevant arguments. By means of evaluating the power competition of the US and China, specifically through the strategic layouts of great powers in the arena of (SEA) Southeast Asia as well as highlighting the postures and responses of SEA countries and their implications, the author is to probe whether power transition which scholars ventilated enthusiastically at the beginning of the 21st century, i.e., China's replacing US power, has revisited; or, the current dominant power can actually reverse the shift of power, namely the US is on the path to come off holding the whip hand again.

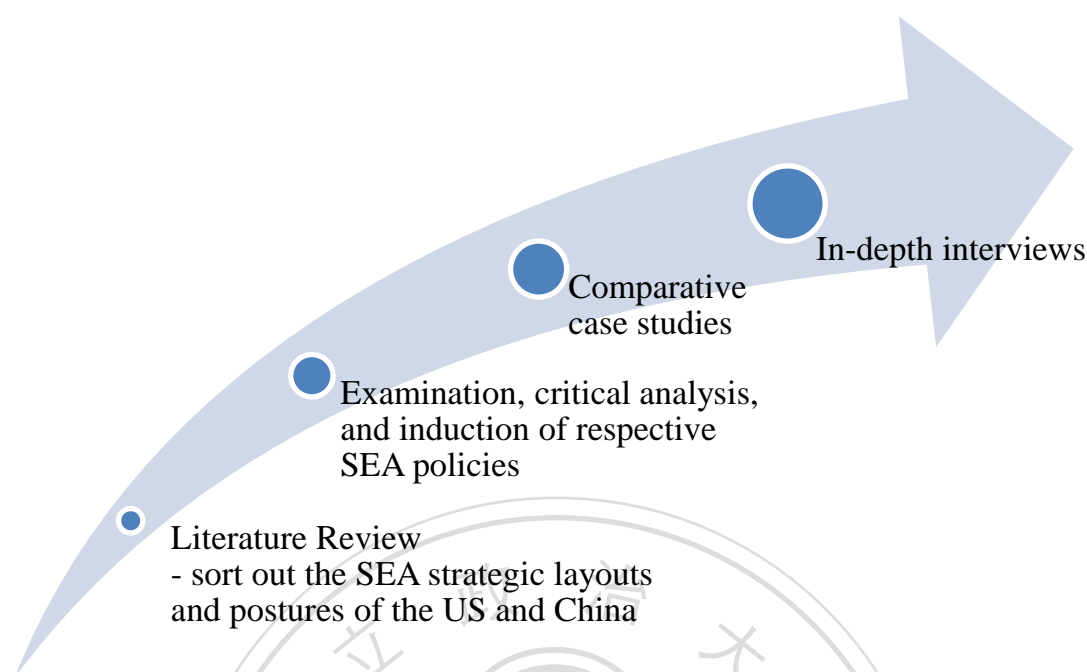
1.2 Methodology and Data Analysis

This research offers a comprehensive policy analysis on China's political economy policy in Southeast Asian and China-US relations. It studies

comparatively Chinese economy-driven and US security driven regional strategy and examines how these two relate to each other and how a policy discord impacts regional and international peace. In carrying out this policy investigation, this research utilizes critical approach. Critical analysis is a process by which certain intellectual standards are imposed upon the data at hand (Paul and Elder, 2004).

In this research, the policies of China and the US in Southeast Asia are analyzed comparatively. For this purpose, both qualitative and quantitative methods are used. Qualitatively, comprehensive policy investigation, historical narrative and in-depth interviews assist the research. Quantitatively, extensive data on energy and energy related economic and military activity are analyzed. To look into the research questions, case studies will be carried out. In these case studies, various aspects of China-US relations within the context of their respective policies in Southeast Asia will be examined with the latest political and economic developments in mind.

Chart 1: Research Methods and Steps



Theoretical Framework

This study identifies three dimensions of economic and security policy, with each dimension involving a number of policy tools utilized by the state. Each of these tools can be used to enhance security as a whole or in different combinations. Diplomatic dimension involves government, institutions and the civil society.

As an auxiliary to the larger state policy, people- to-people exchanges may facilitate bilateral relations the same way inter-governmental interaction does although the impact may be much weaker. Defined as “the process by which direct relations with people in a country are pursued to advance the interests and extend the values of those being represented” (Melissen, ed. 2007), public diplomacy could be instrumental to indirectly inform and influence foreign

public, creating a favorable environment for long term investment and cooperation. It follows that diplomatic dimension may function as a complementary to economic diplomacy (Ma, 2010).

Economic dimension involves a variety of instruments such as large scale infrastructure projects in the natural resources rich but poor/sanctioned countries, and loans and grants to the governments in need of liquidity injections into their monetary systems. As noted above, economic diplomacy makes wide use of public/cultural diplomacy to create a favorable opinion of the investor/lender government in the receiving country. Chinese investment and assistance in countries sidelined and sanctioned by the US-led international community (e.g. Venezuela, Iran, Iraq, and Sudan) could be considered an example of such economic diplomacy (Lyon et al., 2010).

Finally, military dimension includes various instruments such as defense cooperation, export of otherwise unavailable military hardware (such as advanced missile defense systems, radars and reconnaissance drones), base and port agreements, and the transfer of vital military software and know-how. China, in this respect, albeit cautiously and in a much limited way, makes effort to utilize military diplomacy effectively, to secure access to resource rich areas, provide the safe transport of oil and natural gas, and facilitate friendly relations with oil producing nations. China's arms deals or the construction and operation of the Gwadar deep sea port in Pakistan are examples of such vibrant military diplomacy (Blumenthal, 2005).

This study draws on power shift models to examine US-China policy discord and strategic competition in Southeast Asia. Although transition is a complex process that involves political, cultural and military aspects as well as economic ones, this research focuses on the particular issue of political economy and security policy. The power transition theory provides a set of conceptual tools to analyze the US-China strategic competition in Southeast Asia. This competition is explained by (a) China's rising capabilities, (b) differences in their respective approaches to Southeast Asia, which leads to a policy discord, and (c) US' relative decline in strength. Hence, this research proposes the notion of political economy and security as one of the primary indicators of China-US great power relations.

This study acknowledges a continuing process of power shift between the US and China, which results in an ever growing strategic competition. The question whether this competition will stay in its course and never lead to a hot war is less clear. This premise relies on the three indicators which seem to be present in the case of China's national development: Economic growth that outpaces the growth of the dominant power, population that is available for large scale industrialization and national defense, and an ever growing, innovative and competitive military (Tammen, et al, 2000). A comparative study of these three hard power indicators would reveal that the PRC has already overtaken the US or is poised to do so in the near future.

It needs to be stressed that a challenger could remain a status quo state so long as it benefits from the international system. Nevertheless, satisfaction does

not preclude a power shift. As in the example of the transition between the UK and the US from the early to mid-1900s, a transition between the US and China could be peaceful, as well. However, if the interests of the leading state clash with those of the major power, tension emerges. This means that the dominant state is unwilling or unable to accommodate the challenging power (Zhu, 2006). Consequently, China's expansion in Southeast Asia where the US has extensive military and political preponderance, offers a workable case to understand US-China strategic relationship. To that effect, this study looked into the correlation among the economic influence China exert over Southeast Asia, the security influence the US exerts over the region, and Southeast Asian countries' economic and trade cooperation with China¹ as well as security cooperation with the US² in the game of power competition between the US and China.

Research Perspective

This research offers a 'quantitative first, qualitative primary' perspective. Since this research involves policy analysis, it identifies the Chinese economy-led and the US security-led policy as its independent variables. For this end, it starts with quantitative analysis to provide a comprehensive evaluation of Beijing's territory and military expansion in Southeast Asia. Hence, a detailed and vast collection of data on China military activities in the area is provided. Additionally, Beijing's policy initiatives, economic transactions, diplomatic statements, energy cooperation with resources rich or strategic location

¹ Concrete indicators include trade amount, economic investment, infrastructure construction plans, and the bilateral institutional arrangements of Belt and Road cooperation.

² Concrete indicators include security, national defence, nontraditional security, Obama's Pivot to Asia strategy, and Trump's Indo-Pacific strategy

possessing nations in Southeast Asia and its level of participation in the international regime are examined. Then it looks at the nature of the US engagement in the region from military, political and economic aspects, thus offering a historical perspective. Having set up its framework, this study goes on to discuss comparatively the China-US relationship in Southeast Asia. It draws on power transition theories, borrowing from them such concepts as national power and parity and overtaking.

Research Type

Primarily, this study proposes comparative policy analysis through an in-depth and critical examination of developments in relation to Chinese and US strategies in Southeast Asia. It runs a comparative investigation into China's economy-driven and US security-driven Southeast Asia policy. For this purpose, certain economy and security-related cases such the construction of the Belt and Road and China's naval modernization efforts, and certain policy-related cases such as China's maritime development will be analyzed in detail and within the larger context of China-US relations. The findings will help to map out the Beijing-Washington strategic competition or cooperation (or a particular combination of the two) in Southeast Asia and to offer policy recommendations on how to maintain regional peace and prevent a destructive great power struggle with wider implications.

Research Methods

This study will utilize e-mail, telephone and/or face-to-face (video) interviews. Firstly, scholars and experts in the field of China's foreign policy,

China- Southeast Asia and China-US relations will be contacted and interviewed to assist the empirical basis set up by means of case studies and the analysis of relevant historical data. The interview questions directed at the experts will be centered on three main themes as analyzed in this study: The first is China's political economy and security policies in Southeast Asia, the scope and objectives of these policies their compatibility with and implications for the international regime. The second theme is the US engagement in Southeast Asia and how decreasing dependency impacts on its approach toward the region. The final theme is related to the US-China strategic relationship which involves, but not limited to, a clash of interest as to the geo strategy and political economy of Southeast Asia within the context of a major power shift between China and the US.

Data Collection, Data Analysis and Data Sources

This study utilizes two methods of quantitative data collection. The first is content analysis which involves gathering and analyzing the context of a text. For this purpose, official texts related to China's political economy policy are collected and analyzed. The second method of data collection is existing statistics, documents, and secondary analysis (academic papers and reports) and data. To this end, this study searches through collections of information with research question and variables in mind and then reassembles the gathered information in new ways to address the research question. Existing statistics and data on energy security are referred to in order to test the hypotheses involving variables as valuable tools to understand phenomena over time and across nations.

As for qualitative data collection, survey research interview and policy analysis (case studies) are utilized. These methods, which also constitute the primary methods of data collection and analysis in this research, involve proposing questions to experts and scholars and critically and comparatively analyzing these two countries policies as they relate to each other. For this purpose, this study attempts to conduct intensive in-depth interviews. When interviews are not materialized or deemed unsatisfactory, this research relies on critical policy analysis of the secondary data as its primary method.

Data analysis is defined as “a search for patterns in data – recurrent behaviors, objects, plans, or ideas. Once a pattern is identified, it is interpreted in terms of a social theory or the setting in which it occurred. This allows the qualitative researcher to move from the description of an historical event or social setting to a more general interpretation. Data analysis involves examining, sorting, categorizing, evaluating, comparing, synthesizing, and contemplating the coded data as well as reviewing the raw and the recorded data”³. This research offers a number of methods to analyze qualitative data -- such as coding, outcropping, diagrams, and maps.

1.3 Plan of the Dissertation

Ever since former president Deng Xiaoping’s Open Door Policy announced in December 1978, China has initiated the process casting its gigantic territory,

³ Neuman, W. Lawrence. “Social Research Methods: Qualitative and Quantitative Approaches”, Fifth edition. Boston: Allyn and Bacon, 2003. p.469.

population, and resources into the capital for modern power completion and challenging the dominance of the US in the Asia Pacific. Due to limited time and resources of the research on top of the intention to be more focused, nonetheless, the suggested timeframe for this study spans a decade from 2009 to 2021. 2012 is the year in which the new administration assumed office in China under the presidency of Xi Jinping and China's Southeast Asia policy expanded considerably in scope. Under President Xi, China accelerated its naval modernization. Furthermore, the Belt and Road initiative proposed in 2013 to echo and substantiate Xi's Chinese Dream more and more clearly brought power competition between the top two powers to light.

On the other hand, following Obama's Pivot to Asia and Trump's Indo-Pacific strategy, the US's deeper military and political involvement in Southeast Asia brought Washington and Beijing on wider policy disagreements vis-à-vis their approaches to the region. The train of countries elated signing up to and resentful backing away from China's Belt and Road global investment and trade network, the containment coalition of western world against Huawei, the biggest telecom network-gear maker worldwide, and the raging trade-war fire between the top two economies are indicative cases to the study of power transition reverse.

Chapter 2

Literature Review

This chapter examines the contemporary scholarship on Balance of Power theory and Power Transition theory. In this section, a detailed narrative of the scholarship on is given. The analysis begins with a general introduction and proceeds with the explanation of basic concepts argued by the theories. Then it moves to the literature on the US-China relations within the context of power transition.

Balance of Power and Power Transition

Realist theory offers two divergent approaches to explain the distribution of power among states and its consequences. Whereas balance of power theory insists that (near) equality in power leads to peace, power shift school argues that balance in aggregate power is conducive to war. Classical realists such as Hans Morgenthau and Kenneth Waltz have dominated the international relations (IR) theory for decades and claimed that balance of power would create peaceful structural conditions (Morgenthau, 1993). This theory was later challenged by power shift theorists such as Kenneth Organsky and Jacek Kugler, hegemonic decline theorists such as Gilpin and Kennedy, and global cycles theorists such as George Modelski and William Thompson, all of whom attempted to prove that history and logic of power run contrary to what the classical realists have come to believe.

Power transition theory is a structural and dynamic approach to world politics. Overall, the theory was first enumerated in Organski 1968, tested in Organski and Kugler 1980, expanded in Kugler and Lemke 1996 and Tammen, et al. 2000, and summarized in Tammen 2008 and Kugler 2011. Although due to its focus on power relationships it is sometimes associated with the realist school, it differs in terms of its dynamic description of the international system as well as its focus on the importance of status quo evaluations. According to Danilovic (2003), unlike realism's emphasis on anarchy, the power transition perspective envisions politics as a hierarchy of nations with varying degrees of cooperation and competition. Additionally, the theory views world politics as integrated horizontally and vertically. The static picture of structure and rules is complemented by dynamic factors that demonstrate how and why change occurs in the international system.

Power transition focuses on differential growth rates and their effect on altering relative power between nations, resulting in new relationships among nations or competing groups and the formation of new political and economic entities. One by-product of differential growth is the high potential for conflict when a challenger and a preeminent or dominant nation reach the stage of relative equivalence of power, and specifically when the challenger is dissatisfied with the status quo. Finally power transition provides a general perspective that does not differentiate between domestic and international politics but proposes that such differences depend on the level of commitment to the status quo under changing structural conditions.

Table 2-1: Contrast of Balance of Power theory and Power Transition theory

Theory	International Order	Large Power Gap	Intrinsic Quality
Balance of Power	anarchy	source of instability	static
Power Transition	hierarchy	source of stability	dynamic

Source: adopted from Danilovi, 2003

Hegemonic decline theorist, Robert Gilpin, argues that although the international system is anarchical, it nevertheless maintains a level of control over the behavior of the state actors. To him, the system is stable as long as power is unevenly distributed and dominant state provides public goods. Hence, as long as both the system and its hegemon benefit from the uneven power distribution, stability is maintained. However, after a while, the cost of maintaining the order may become too big for the systemic leader. In this case, smaller powers that are not encumbered by such cost of maintenance may be able to rise relative to the hegemon and eventually challenge it (Gilpin, 1981).

According to global cycles theory, international system evolves through cycles. Each period is composed of four phases: In macro-decision period, severe violence occurs but also the question of leadership is settled. Alternatively, leadership transition may also take place peacefully. In implementation phase the leader lays out the rules and expects others to comply. In agenda setting phase, the legitimacy of the status quo is questioned by the unsatisfied states. Finally, in the colitioning (decentralization) phase the field is once again open to the challengers which, if successful, set out new rules (Modelski, 1987).

The World-System argues that major wars are the periodic phases in the expansionary patterns of world capitalism. The modern world is divided between core and periphery states [OBJ] and the strong core exploits the weak periphery. However, as the cost of hegemon's rise begins to exceed the gains (such as excessive spending on military), it begins to decline relative to other core states. As each core strives to restructure the world economy to its advantage, war might ensue. Also, the theory argues that an uneven growth between a hegemon and the rising power might eventually lead to a war – often a war of preemption by the declining super power to maintain leadership (Wallerstein, 1980).

In this study, frequent reference is made to power transition and hegemonic decline theories as they are related to the contemporary China-US relations. Of the two theories, power transition model seems to be more relevant to the study at hand, so greater emphasis is put on it. Power transition provides an alternative reading of the world system. It challenges the assumptions of liberal institutionalism and realist balance of power as briefly introduced above. It sees that the post-World War II order has not deterred nations from turning to military build-up in spite of the existence of various international organizations and of power parity between the US and the USSR. In fact, balance of power encouraged an arms race between the Eastern and Western blocs, bringing them closer to a nuclear catastrophe. Consequently, it is understood that power tends to create imbalances and resultant crises (Organski, 1968).

Although under-researched, one of the most crucial concepts utilized by

power transition is satisfaction. Satisfaction influences the behavior of a contending country and the nature of its relationship with the international status quo regime and its leader (Kugler and Lemke, 1996). Although without much elaboration, Organski states that whereas some great powers are satisfied with the existing global order because it is perceived as offering the best opportunity to achieve certain national goals, others are not satisfied because they “have grown to full power after the existing international order was fully established and the benefits are already allocated” (Organski, 1958: 366).

Accordingly, even though great powers grow within the existing global regime by utilizing the instruments such as open sea lanes for trade, international arbitration for disputes, or benefits from membership in elite institutions, they may not implicitly endorse it, first, because of the lack of a sense of full utilization (e.g., the US and EU ban on the export of sensitive technologies to China or China’s worries about its energy security due to lack of control on the source and the transportation routes) and, second, because of some inherent inequalities within the system toward the late comers.

A distinction is made between states being dissatisfied with each other and with the international system (Bueno de Mesquita, 1990). The former case may lead to competition and conflict more often but its scale remains small whereas, in the latter case, the competition may result in a deeper crisis such as a large scale armed confrontation although its occurrence is less frequent. However, distinction between these two types of dissatisfaction gets blurred in a great power-dominant power dyad. Given that the dominant power assumes a key role

in establishing and protecting the international system, dissatisfaction leveled at the systemic leader is by default leveled at the system itself, as well. However, not all cases of dissatisfaction may lead into a conflict (Kugler and Lemke, 1996). There may be numerous reasons to persuade the challenger to tone down its rhetoric against the leader and the leader to seek compromise with the challenger. As it has been found elsewhere, the strength of power transition depends to a great extent on the measures applied and cases selected (De Soysa, et al., 1997).

Related to the theory of power transition is parity and overtaking. Parity in a dyad is achieved when one of the powers registers a sustained and faster growth rate, higher population and greater political capacity than the system leader (Kugler and Lemke, 1996). In that stage, the leader's hegemonic position within the hierarchy suffers a decline because the challenger manages to continue to increase its national power and the risk of conflict increases. Parity is reached when the challenger state achieves 80% of the dominant state's national power and ends when its power exceeds 20% or more that of the leader. "Defined as the passing of one major power by the other," overtaking may happen at both regional and global levels. There may also be transitions between the levels. However, the most destabilizing transition is when a rising regional power attempts to overtake a declining global power (Kugler and Lemke, 2006).

Parity and overtaking by themselves may not be a direct cause for conflict. For systemic transitions to become conflictual, the rising state must be willing to challenge and attempt to revise the status quo. If the dominant power is suspicious of the challenger's behavior, then it may choose to defend the status

quo by preempting the challenger's rise. An overtaking may be peaceful if both the challenger and defender are satisfied with the status quo (Tammen, et al., 2000). This is the case in which the system leader shares certain traits (e.g., political and economic ideology, culture, and language) with the rising state and the dyad maintain a strong alliance after the overtaking, thereby retaining for the declining dominant power most of the benefits that it derived globally by virtue of being the leader. In this case, the new emerging power continues from where the former dominant power has left off.

China's status as a rising power is little disputed. The question whether Chinese overtaking of the existing dominant power will be peaceful or conflictual less agreed upon (Legro, 2007; Waldron, 2005; Glaser and Medeiros, 2007). Studies interpret the post- WWII resurgence of China from different perspectives. Liberal school, more specifically, the liberal institutionalists, argue that economic interdependence coupled with Beijing's increased participation in the international institutions will socialize it into the global norms, decreasing a likelihood of a challenge that is potentially destabilizing (Goldstein, 2007; Olimat, 2008). Classical liberals place full faith in the market processes and hold that as the Chinese middle class grows, the potential for a democratic transformation will become inevitable. Democratic peace theory within the liberal tradition further maintains that, when the Chinese institutions adopt democratic values, the prospects for conflict with the US will be extremely reduced. Hence, they believe that the current liberal international order might accommodate China's rise successfully as China suits itself into it (Choo, 2009).

On a similar vein with the liberals, skeptics hold that China's rise is not absolute in terms of the decline in US power because, some serious structural problems notwithstanding, the US is not in the course of a decline reminiscent of the Soviet Russia. In fact, it still retains leadership in many fields of international economy and has a clear advantage over China with respect to influence on international politics, economics and culture. Constructivists, on the other hand, argue that "a shared identity will determine whether two states view each other as threats" (Wendt, 1999: 1). They maintain that China has in fact moved from an aggressive revolutionary model of governance to a market-oriented global citizenship and become interconnected with the international community, increasingly abiding by the established rules and regulations (Wendt, 1994). Constructivists, consequently, argue that China's increasing international participation at various levels will cause a change in its "strategic culture, in the norms of international behavior accepted by its leaders, and ultimately in their conceptions of national identity" (Friedberg, 2005: 35).

Most realists do not hold a similar optimism; rather, they perceive China's continuous growth in national power as a potential catalyzer of a destructive power struggle (Mearshimer, 2001 and 2006; Walt, 2010). They maintain that if a bipolar world emerges as a result of a US- China competition, a security dilemma might arise. In this case, as China increases its influence, the US, together with its allies, may be forced to balance these moves, which in turn may lead to an arms race. This concern stems from the belief that China's growing strength will enable it to pursue its interests more assertively and less respective of international rules and norms (Glaser, 2011). Consequently, whereas

offensive realists call for preemptive policies to stave off China's growing might before it is too late, defensive realists consider precautionary policies (such as strengthening regional alliances and containment) to be sufficient to prevent China from being over-ambitious.

The power transition theory holds a mostly pessimistic view of great power relations although it agrees that there may be certain conditions under which a transition proceeds smoothly. It asserts that parity between two great powers is a potentially dangerous phenomenon and only when power is asymmetrically distributed that is peace assured (Kugler and Organski, 1989). Thus, the theory offers the concept of power preponderance to replace hegemony. A great power remains dominant but does not become a hegemon; it maintains the power preponderance by managing the international system under rules that are beneficial to its allies and satisfy their aspirations (Lemke, 1997).

Power transition's approach to the rise of China stems from two major concerns: The first arises from the conviction that, despite of its relative opening-up since the late 1970s, China has yet to become a full pledged member of international community. Indeed, China carried out a number of market reforms and liberalized its economy to some extent; however, its political system remains unchanged notwithstanding some internal reforms, which is the result of an extreme incrementalism the Chinese government has been practicing. Furthermore, contrary to the expectations, Chinese political model showed strength and durability, as exemplified by the last successful leadership transition.

The second concern is related to China's great power behavior, namely, the question of compliance with the rules of international status quo regime. China is poised to overtake the US in terms of the size of its economy. According to the OECD projections, China will surpass the US to become the world's largest economy as early as 2016. Furthermore, using a new model for projecting growth in 34 OECD member states and eight major non-OECD G20 economies over the next 50 years, the report, *Looking to 2060*, states that China will surpass the EU in one or two years and, by 2025, the combined GDP of China and India will surpass that of the major seven (G7) OECD economies. Hence, it is "the differential rate of change between the international distribution of power and the other components of the system that produces a disjuncture or disequilibrium" (Gilpin, 1981: 41). An overtaking of the US by China may create conflict in the China-US dyad and deep fluctuations in the international system if there is no change in China's evaluation of the status quo or in the behavior of the US toward China's rise.

The power transition sees China's high-speed ascension to great power status as potentially disruptive of the existing great power peace. According to Organski, the speed of the rise of a state to great power status might have a "stunning effect" on the dominant country, thereby reducing its capability to make adjustments in the system to accommodate the upstart and protect the status quo (Organski, 1968: 335). The result of such a systemic crisis might lead to a Cold War-like confrontation or an outright war as was witnessed during the rise of the German state in 1930s and the response to it by then dominant, albeit declining, power, the UK (Lemke, 1997).

There is a growing conviction among some scholars and policy-makers in the West that China is "trying to turn the tables and redefine the powerful concept of the international community" (Ching, 2012). This idea is directly linked to the question whether China is status quo-oriented power or not (Chang, 2012). Some see China's rise as problematic since the CCP has no intention to democratize itself, let alone integrating with the norms of developed democracies. Furthermore, as they argue, China is working against the global governance by creating its own set of alliances clustered around a different set of norms. It is for this reason that the Chinese government prefers the ASEAN+3 over the APEC. In short, they claim that China's participation in international organizations is not genuine; it is not to transform itself but to transform those organizations or at least prevent them from turning against itself (Friedman, 2011). In the similar vein, John Mearsheimer argues that "a wealthy China would not be a status quo power but an aggressive state determined to achieve regional hegemony" (Mearsheimer, 2001: 4012). Mearsheimer's views reflect a major strand in the US strategy circles. According to them China cannot be expected to adopt the US-led model because, in proportion to its economic, political and military capabilities, Beijing will demand more and when the international system is unable to meet its demands, China will attempt to remold it. The competition and conflict are inescapable because states are self-interested, power maximizing, and fearful of other states. Moreover, it is argued that states are obliged to behave this way because doing so favors survival in the international system.

By far, the preferences of the Chinese government are not free from external influences. Some argue that, in fact, structural conditions may lead to integration (Efird et al., 2003). In their empirical study, Brian Efird et al. show that although sometimes domestic constituency and policy makers influence relations between states, it is international structure that really impacts the international behavior of a state. Hence, the choice between China as a “strategic partner” and China as a “strategic competitor” will determine China-US transitional relations to a large extent (Efird et al., 2003, 21).

The discussion on China’s international behavior as it ascends to great power status comes down to the important distinction made between satisfied and dissatisfied nations, a concept that is central to the power transition discourse. Satisfaction is related to a “distribution of power and allocation of benefits” (Chan, 2004). Consequently, it is not simply an issue of material prosperity (benefits) but also of sharing the responsibility of international governance (power). If a great power that is capable of exerting influence on the international system is only allowed to participate in but not to modify the existing status quo as it deems fit, this may create dissatisfaction.

Great powers are not always revisionist by default, but the greater the differences between the challenger and the leader’s vision of international system, the greater the chance for the start-up to adopt revisionism. It is argued that China’s structural differences from the US make it a non-status quo candidate. In fact, it is already one according to many. China’s energy policies in North Africa and the Middle East, its relationship with nations such as Iran

and Venezuela, or its arms sales are oft cited examples of China's global attitude (Kent, 2007; Friedman, 2008; Hanre, 2008; Legro, 2007; Medeiros, 2007). This is due to the fact that, for many, China is considered "the least-likely case of compliance by virtue of its history, cultural traditions, and power" (Kent, 2007: 2). Graham T. Allison argues that "China and the US are currently on a collision course for war" as the emerging power threatens to displace an existing great power as a regional or international hegemon.⁴

Obviously, the Chinese policy making does not function in a vacuum; any action that Beijing takes with respect to participation in international regime occurs within the larger context of external and internal forces. Like any other state actors, Chinese behavior influences others and is influenced by them. It needs to be stressed that non-cooperation does not necessarily mean defection; rather, it may suggest an attempt to modify and change the system from inside, hence the difference between system change and systemic change. How the keepers of the existing regime respond to this desire will determine whether this great power relationship is poised to be conflictual or peaceful (Xia, 2001). This calls for another distinction between compliance and cooperation.

Comparatively speaking, compliance is easier to achieve; however, as long as there is dissatisfaction, cooperation may not be that easy to materialize. Compliance designates "the need to move beyond sole consideration of formal

⁴ Allison, Graham. *"Destined for War: Can America and China Escape Thucydides's Trap?"*. New York: Houghton Mifflin Harcourt. 2017.

compliance (and non-compliance) in evaluating the integration of a state into the international system;" hence, it is a broader concept than cooperation and actually suggests willing and active participation (Kent, 2007: 16). Most of the discussion on China's participation is in fact centered on the degree of cooperation, rather than compliance, because, in a sense, the international regime leaves few options but participate. Cooperation is more qualitative and harder to measure. One may take Iran and Israel's non-proliferation regimes as an example. Whereas the former is signatory to the Non- Proliferation Treaty (NPT), hence participates in it, the latter is not, hence, does not participate. However, the quality of Iran's compliance (political implementation) does not convince most of the international community of its level of cooperation (political internalization), whereas Israel, which does not participate, is nevertheless considered compliant and cooperative.

In the same vein, Anne Kent argues that while China complies with international rules and norms, "it has not often cooperated with them." Rather, China demonstrated an "uneven pattern of compliance." However, on a positive note, even though China has thus far lacked a genuine participation, it has had a positive "impact on the international system and on the development of international law" (Kent, 2007: 5). Communication with international pressures has led China to put more effort to align its domestic (or, national) interests with those of the international community. Yet, China's participation is still not seen as fully cooperative and thus not fully meaningful. Hence, it has been claimed that China has often neglected US security concerns in its economic relations with the countries on the US blacklist especially when it has felt that its interests

and security are compromised.

Power transition's premises have been scrutinized and criticized by international relations specialists over the past decade (Lebow and Valentino, 2009; Zhu, 2006: 16; Chan, 2008). Having gone through a period of stagnation in the 80s and early 90s due to apparent preponderance of the US in almost every aspect of national power, the power transition reemerged as a relatively oft-visited theory since the late 90s and throughout the 2000s. As may be expected, the uninterrupted rise of China for the past three decades led many scholars to think once again (as they did in the 70s and 80s when Japan seemed a legitimate contender) about a possible power shift and its implications for the regional and international peace. Obviously, China's rise has been further emphasized with the relative stagnation and decline the developed West and Japan have experienced recently. As China successfully weathered certain systemic challenges that have been presented as question marks to the viability and sustainability of China's ascension (such as the Asian Financial Crisis of 1997, the global financial crisis of 2007-8, and the CPC leadership change of 2012), more scholarly attention has been diverted to the strategic competition within the US-China dyad. Not surprisingly, power shift has once again emerged as a strong analytical tool, joining in the ranks of liberal institutionalists, balance of power theorists and constructivists.

Power transition theory offers an alternative reading of great powers functioning within a hierarchical framework (Organski and Kugler, 1980). Certain national capabilities push nations up or down the ladder of global

primacy. Although little consensus exists as to exactly which dynamics national power includes, it is commonly believed that relations between nations are not static and empires rise and fall. Even though post WWII system is a regulated and industrialized one, competition is still inherent in it. Although those rules and norms offer nations venue to interact peacefully, they do not prevent them from overtaking each other and potentially disturbing the existing order and leading to a destructive struggle for dominance. Power transition studies the conditions of conflict and peace that these structural shifts in international standings bring about.

As the transitional relationship between the world's first and second greatest powers become more apparent, attempts to explain this phenomenon increase. Power shift theories, in this respect, emerges as useful frameworks with distinctive outlook into the nature of interstate relations. In a nutshell, they suggest that world system is hierarchical and interstate relations are transitional. These transitions could be conflictual if the dominant state fails to accommodate and/or attempts to preempt the rising state, or the challenger has a fundamentally different idea from the systemic leader as to how international relations should be structured.

Consequently, power transition stands as a relevant and viable model to be re-introduced in the studies of China-US relations as a major shift between them becomes more likely. Obviously, China has grown in national capabilities ever since and along with a growing power, its thirst for resources increased. To fulfill its needs economic and military expansion through grant initiative and projects

are being exercised worldwide. As both sides are putting great emphasis in the west Pacific region, the study is to look into the practices of China and the US in Southeast Asia and dig out the application and direction of Power Transition theory in the new round of escalating power competition.



Chapter 3

Evolution of the Schemes and Strategies of the US

During the Cold War, Southeast Asia was deemed a buffer zone in the bipolar system and was never a strategic pivot either to the US or the Soviet Union (Benvenuti, 2015). However, the scenario is changing with the end of the Cold War and the significance of this region is increasing. Southeast Asia has been since playing an increasingly important role in the shifting geopolitical landscape of Asia Pacific mainly due to two factors.

To begin with, the wave of democratization keeps impacting countries in the region and facilitate political reforms in certain socialism polities⁵, leading to the acceleration of economic development and market integration with the improvement of domestic governance (Severino, 2015). As the locomotive, platform for dialogue, and community framework of regional integration, the influence of ASEAN is indispensable as well. ASEAN Vision, in particular, envisioned the scheme “to moving towards closer cohesion and economic integration, narrowing the gap in the level of development among Member Countries, ensuring that the multilateral trading system remains fair and open,

⁵ William Case, *Politics in Southeast Asia: Democracy or Less* (Richmond: Cruzon Press, 2002); Hsin-Huang Michael Hsiao, eds., *Democracy or Alternative Political Systems in Asia: After the Strongmen* (London: Routledge, 2014).

and achieving global competitiveness”⁶. On top of that, single market and single production base initiated by ASEAN alongside the post-Cold War economic network and the evolution of free trade agenda together consolidated the ground of ASEAN on which Asia-Pacific regional integration and strategic framework are built on (Cook, 2015).

One after another, accordingly, major Asia Pacific countries having been leveling up attention and the resources devoted the ASEAN and its key members. The policy of strategic rebalancing to Asia pursued by US President Barack Obama from 2011 to 2016 was a Southeast and East Asia focused regional strategy meaning to deepen the cooperation with ASEAN countries based on the dual polar of economics (Trans-Pacific Partnership for example) and security (Castro, 2017). Vietnam, Myanmar, and other mainland ASEAN countries, despite their historical antagonism, are now the hot targets of the US to engage via business networks, political influences, and economic incentives. The emphasis on the region continued unabatedly when Donald Trump subsequently took place and upheld his Indo-Pacific Strategy⁷.

3.1 Obama’s Pivot to Asia Strategy

US president Barack Obama upheld the policy of strategic rebalancing to Asia from 2011 to 2016 and passing the message to the world that “America is

⁶ "ASEAN Vision 2020." ASEAN. https://asean.org/?static_post=asean-vision-2020.

⁷ Amy Searight and Murray Hiebert, “Engaging Southeast Asia: Economic Recommendations for the New Administration,” CSIS, January 17, 2017, <https://www.csis.org/analysis/engaging-southeast-asia-economic-recommendations-new-administration>

going to play a leadership role in Asia for decades to come” after the sudden death of North Korean leader Kim Jong Il awoke the Obama administration that working with China, other than simply with the US’s Asian allies would be essential in managing Asia’s key threats⁸. Integrated economic, military, and diplomatic strategy, the policy had gone through stages of significantly evolution during the years and influenced a massive region from Northeast Asia to India subcontinent. Far more complicated than simply confronting China in Asia, the strategy shaped the U.S.-China relationship and left legacy to the following US presidents.

Interestingly, “strategic rebalancing to Asia” is better known as “pivot to Asia” as Hillary Clinton, then Secretary of State, repeatedly uttered the term while though Obama never publicly expressed the policy this way. Being the sole superpower, the US attaches its interest to other areas around the world, though Asia had become the top priority under the strategy⁹, which was affirmed in Clinton’s “America's Pacific Century” (2011) as she stated “The future of politics will be decided in Asia, not Afghanistan or Iraq, and the United States will be right at the center of the action.” Keeping peace and security across the region is gaining significance to global progress as well as the US’s interest. Critical issues include freedom of navigation in the South China Sea, nuclear proliferation of North Korea, and transparency in the military activities of the region's key players. Building partnership had long been the focus of Obama’s

⁸ "The American Pivot to Asia - Brookings." Accessed June 24, 2021.

<https://www.brookings.edu/articles/the-american-pivot-to-asia/>.

⁹ "Barack Obama Says Asia-Pacific Is 'top US Priority'." BBC News. November 17, 2011.

<https://www.bbc.com/news/world-asia-15715446>.

oversea strategy in the hope of tuning world order in favor of the US, while on the other hand, China leaned on a more confrontational approach, seeking tactical victories which may lead to its competitive advantage. Overall, there are six main aspects which Obama's strategy covers:

1. Strengthening bilateral security alliances

The Obama administration has expanded bilateral partnership in the region through increasing US military ties with Vietnam, Australia, and the Philippines, raised aid to Laos, and contributed to a warming of relations between South Korea and Japan¹⁰. In addition, the US actively supported India's Look East efforts, including through a new trilateral dialogue with India and Japan; and outlined a new vision for a more economically integrated and politically stable South and Central Asia, with India as a linchpin. Obama also worked on forging a new partnership with Indonesia, the world's third-largest democracy, the world's most populous Muslim nation, and a member of the G-20. Joint training of Indonesian special forces units was resumed, and a number of agreements on health, educational exchanges, science and technology, and defense were signed.

2. Deepening working relationships with emerging powers

China's continued emergence as a major power was a major issue during Obama's presidency, thus one of his top priorities had been to identify and expand areas of common interest, to work with China to build mutual trust,

¹⁰ Nakamura, David. "An incomplete victory lap for Obama on his final presidential trip to Asia". *The Washington Post*. September 8, 2016.

and to encourage China's active efforts in global problem-solving. Through the Strategic and Economic Dialogue, dozens of agencies from both sides were brought together to discuss the most pressing bilateral issues, from security to energy to human rights to climate change. On the other hand, regarding North Korea, the long-time adversary of the United States, Obama made little progress while it continued to develop its WMD program¹¹.

3. Engaging with regional multilateral institutions

In 2010, at the ASEAN Regional Forum in Hanoi, the United States helped shape a regionwide effort to protect unfettered access to and passage through the South China Sea, and to uphold the key international rules for defining territorial claims in the South China Sea's waters. In the following year, the US took part in the East Asia Summit for the first time and opened a new U.S. Mission to ASEAN in Jakarta and signed the Treaty of Amity and Cooperation with ASEAN to pave the way. For the first time, the United States hosted a summit with the Association of Southeast Asian Nations (ASEAN) in 2016, which reflected the Obama administration's pursuit of closer relations with ASEAN and other Asian countries¹².

The Obama administration also launched a number of "minilateral" meetings, small groupings of interested states to tackle specific challenges, such as the Lower Mekong Initiative to support education, health, and

¹¹ Hang-Sun, Choe; Perlez, Jane. "North Korea Tests a Nuclear Device, South Says". *The New York Times*. September 8, 2016

¹² Makinen, Julie. "Obama hosts ASEAN summit, a first in the U.S." *LA Times*. February 15, 2016.

environmental programs in Cambodia, Laos, Thailand, and Vietnam; the Pacific Islands Forum to support its members as they confront challenges from climate change to overfishing to freedom of navigation. New trilateral opportunities were also created with countries as diverse as Mongolia, Indonesia, Japan, Kazakhstan, and South Korea.

4. Expanding trade and investment

Bilaterally, Obama administration had pursued broader, deeper, and more purposeful relationships with key emerging powers like India and Indonesia; renegotiated and signed Free Trade Agreement Between the United States of America and the Republic of Korea, which was expected to eliminate tariffs on 95 percent of U.S. consumer and industrial exports within five years and support an estimated 70,000 American jobs. Its tariff reductions alone could increase exports of American goods by more than \$10 billion and helped South Korea's economy grow by 6 percent¹³. Though Donald Trump described the United States–Korea Free Trade Agreement as a "job-killing trade deal"¹⁴ and renegotiated the deal when he came to power.

Regarding multilateral arrangements, Obama intended to advocate for more open markets, fewer restrictions on exports, more transparency, and an overall commitment to fairness through APEC and G-20, while the Trans-Pacific Partnership proposed by Obama was the key economic pillar of the

¹³ "US, South Korea Sign Sweeping Free-trade Agreement." *Taipei Times*. December 04, 2010.

<http://www.taipeitimes.com/News/front/archives/2010/12/05/2003490144>.

¹⁴ "Trump denounces Korea-US FTA as 'job-killing' deal". *Korea Times*. July 22, 2016.

http://www.koreatimes.co.kr/www/news/nation/2016/07/120_210039.html

Asian pivot, looking to bring together economies from across the Pacific, developed and developing alike, into a single trading community. Yet President Donald Trump withdrew the US signature from it in 2017. As a result, the agreement could not be ratified and did not enter into force. While with the following support of Japan, the deal has been transformed into Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) and the negotiations among countries keep on going.

5. Forging abroad-based military presence

The actual practices including modernizing US basing arrangements with traditional allies in Northeast Asia and enhancing naval presence in Southeast Asia and into the Indian Ocean. Accordingly, the United States increased collaborative militaries training and cooperation with Singapore and Australia. Operational access in Southeast Asia and the Indian Ocean region were also mounting¹⁵.

6. Advancing democracy and human rights

The Obama administration required Vietnam to take steps to further protect human rights and advance political freedoms and urged Myanmar to release political prisoners, advance political freedoms and human rights, and break from the policies of the past. Obama lifted many US sanctions on Myanmar following an openly contested election¹⁶.

¹⁵ Clinton, Hillary. "America's Pacific Century." *Foreign Policy*. October 11, 2011.
<https://foreignpolicy.com/2011/10/11/americas-pacific-century/>

¹⁶ Davis, Julie Hirschfeld. "Obama Pledges to Lift All Sanctions Against Myanmar." *The New York Times*. September 14, 2016.

Continued rise of China was a major concern to Obama's administration, and South China Sea and East China Sea has hence become the hotspots with China's vigorous expansion of influence in the areas. Overall, Obama was in favor of a cooperative, partnership building, and multilateral approach looking forward to gradually turning the global order to U.S. advantage¹⁷, in contrast to his successor Donald Trump's more confrontational, bilateral leverage. However, such benignity turned out to be of limited effect facing China's ambition. For times his administration urged China to follow international conventions regarding maritime territory disputes in South and East China Sea with neighboring countries.

Knowing the lack of US's strong determination to get involved militarily and ASEAN members' deficiency of capability to reverse contours of things, China often ignored the warnings and concerns. Rather, it tends to pursue tactical victories that are adding up to a competitive edge and proceeded to establish fait accompli through further reclamation, new construction and militarization of disputed areas by building ports and runways on the reefs and atolls where it asserts control, installing missiles and radar station, and stationing troops and jet fighters. It is likely that the security and economic dynamics over the regions would incline toward China's preference and become the pavement leading to

<https://www.nytimes.com/2016/09/15/world/asia/myanmar-obama.html>.

¹⁷ Nakamura, David, and Dan Lamothe. "China Testing Obama as It Expands Its Influence in Southeast Asia." *The Washington Post*. March 01, 2016. Accessed June 26, 2021.

https://www.washingtonpost.com/politics/china-testing-obama-as-it-expands-its-influence-in-southeast-asia/2016/03/01/d60e1248-dbd5-11e5-891a-4ed04f4213e8_story.html.

an Asian hegemony, if the situation goes on. As Joseph F. Dunford, chairman of the Joint Chiefs of Staff, testified to the House Appropriations Committee, “China’s military forces can constrain U.S. military operations in the Western Pacific and hold key U.S. infrastructure and facilities at risk. Its strategic capabilities are improving and present an increasing risk to the U.S. homeland and our allies.”

During a visit to Washington in 2016, nevertheless, Chinese former Foreign Minister Wang Yi contradicted the viewpoint and emphasized China would not become another United States. “In the blood and veins of China, there are no veins of expansionism. There is no mentality or urge to be saviors of the world. Starting 2,000 years ago, we built the Great Wall for self-defense. That is the special characteristic... of Chinese culture.”

Such argument is not rarely contended by Chinese diplomats. As cultural counselor at the embassy of the People’s Republic of China (PRC) to Pakistan Zhang Heqing wrote in a tweet in the June of 2021, “Since the founding of the PRC, China has never provoked any war and never occupied an inch of other country’s territory”¹⁸, he dismissed the notion that China was pursuing an unlawful expansion of power and suggested that it was Washington, not Beijing, that was overstepping its bounds. The South China Sea represents a legitimate national interest for China, he said, and claimants in the region should work out

¹⁸ Teon, Aris. "Chinese Diplomat Gives Middle Finger to China's "Enemies"." *The Greater China Journal*. June 25, 2021.

<https://china-journal.org/2021/06/25/chinese-diplomat-gives-middle-finger-to-chinas-enemies/>.

any conflicts among themselves without input from “outside countries.”

Other than the outer defy from China, the strength of Pivot to Asia was also restrained by domestic factors. Fiscal challenges to the federal government evidently curbed the military and economic resources Obama expected to project to the hotspots in Asia. Comparing to the gigantic capitals China pouring into Southeast Asia, the Pivot instilled little other than the first 150 million. More than the neighboring region, Xi’s Belt and Road Initiative reached Africa, Latin America, and even Europe, while Obama’s Transpacific Partnership has virtually ceased after Trump officially dropped out from the deal.

It is yet too early to make a conclusion that power transition has been irreversibly taking place, after the backfires of China’s seemingly unstoppable extension of power is sparking in recent years when doubts against the debt trap following generous loans and investment in BRI projects are disputed, and the coalition of democratic countries is strengthening when the West is getting wary of the true intension of an authoritarian regime. As for the Southeast Asian countries, their reactions to the pivot strategy were mixed. Economically the lure of China’s resources is irresistible, while in terms of national security China’s geopolitical ambition can’t be ignored. Under such dilemma, Obama’s rebalancing to Asia is supposed to be fit in exactly with their wishes. In reality, albeit the return of the King is welcomed by most players, the lack of confident of American’s promises, the discrepancy of interests among Asian countries, and the fear of China’s repayment if it is displeased together dampened a warm greeting to certain extent.

It is not out of the blue that individual Asian countries have different interests and respond in different ways to the moves of the major powers. Northeast Asia has a different consideration from Southeast Asia, while respective ASEAN countries are not always on the same wavelength regarding the regional reality and lean on the United States to distinct extent. On the one side of the spectrum, Japan views China's long-term intentions rather alertly but has not taken particularly robust steps on its own in response and is thus comparatively much dependent on the United States to deter both China and North Korea. Japan and India took favorably the announcement that the United States would rotate Marines through Darwin in northern Australia and deemed it positive to regional stability.

South Korean's President Lee was generally pro-U.S. but criticized to be more diplomatically independent and strengthen China ties. Seoul officials publicly supported President Obama's new defense plan and stated that its impact on South Korea would be negligible. On the other hand, lots media expressed concern about potential reduced troop levels on the Korean peninsula and the possibility that South Korea would have to shoulder an increased defense-spending burden. Myanmar was willing to engage Washington to create a greater balance with China¹⁹.

On the other side, Indonesia took the move as "a vicious cycle of tensions

¹⁹ Bush, Richard C. "The Response of China's Neighbors to the U.S. "Pivot" to Asia." *Brookings*. July 29, 2016.

and mistrust” and were cautious about how China might respond. Malaysia as well as other ASEAN countries worried about increased tensions and tended to avoid getting “caught between the competing interests” of major powers. Cambodia is at the further end of the spectrum, aligning itself closely with Chinese interests. The underlying reality is that maintaining good relations with the United States and with China is desired by all Asian countries. Regarding China, they want the benefit of economic engagement and a reduction of tensions. From the United States, they want a security hedge should ties with China go sour. Asian countries may not want to get crushed in the nutcracker of U.S.-China competition, but they do want a balanced competition to continue.

Since the achievement of Obama’s comparatively more amiable way was below expectation while the stance of China is getting tougher and further aggressive, a questionable conclusion could be drawn that the successors of Obama therefore inclined to take more confrontational and squarely around against China’s competition to its supremacy, despite Prof. Thomas Christensen of Princeton University, who was a deputy assistant secretary of state in the George W. Bush administration, stated that “Rather than trying to rollback or contain the growth of Chinese power, the United States has used the combination of a strong U.S. regional presence and a series of creative diplomatic initiatives to encourage Beijing to seek increased influence through diplomatic and economic interactions rather than coercion, and to use that increased influence in a manner that improves the prospects for security and economic prosperity in Asia and around the world.”²⁰

²⁰ "TWQ: Shaping the Choices of a Rising China: Recent Lessons for the Obama Administration -

3.2 Trump's Indo-Pacific Strategy

The concept of "Indo-Pacific" has long existed as a concept of maritime geography or geographic space. In the 1920s, Karl Ernst Haushofer, a German geopolitical scholar, proposed the concept of "Indo-Pacific Region/Space", making it a concept with geopolitical significance. In the 1960s, the term "Indo-Pacific" came to be used by Australian scholars in regional security research. Australia, as a middle power, lies at the junction of the Indian Ocean and the Pacific Ocean. Once the two oceans are considered a strategic unit, Australia, the sole geographical advantage, can undoubtedly bring natural geopolitical advantages and its value to the United States' global strategy is evident.

Since 2005, the term "Indo-Pacific" has appeared frequently in academic discussions and government documents in Australia. In particular, the Australian National Defense White Paper published in May 2013 proposed the "Indo-Pacific Strategy Arc", symbolizing that this concept has been fully recognized by the strategic community. The "Stable Peripheral Areas" mentioned in the white paper are referred to as the Indo-Pacific region, and the white paper treats the Indo-Pacific region as one of Australia's four strategic interests. However, Australia prefers this region to be developed inclusively.²¹

Summer 2009." Center for Strategic and International Studies.

²¹ Taylor, Melissa Conley. "Differences between Australia and India on the Understanding of Indo-Pacific". *Indian Ocean Economies Research* 1: 138. 2014.

Meanwhile, Japan strongly supports the “Indo-Pacific” concept. In 2007, Abe, during his first term as Prime Minister of Japan, proposed the initiative to establish a "G4" against China, including the United States, Japan, India and Australia. After being re-elected as Prime Minister in 2012, Abe continued the so-called "Democratic Security Diamond" strategy consisting of the United States, Japan, India and Australia, and played out the "Free and Open Indo-Pacific" strategy connecting Asia Pacific, Indian Ocean and Pacific Ocean.

But the appeal had little effect. Compared to Japan and Australia, India's attitude to the concept of "Indo-Pacific" is more complicated. In the long term, the dominant ideology in India is to seek to establish an exclusive order in the Indian Ocean, but this will begin by preventing China from participating in Indian Ocean affairs, ignoring whether it has the appropriate capabilities. The "Indo-Pacific" strategy with the United States, Japan, India and Australia as the fulcrum helped turn India's unique geographical advantage in the Indian Ocean into one, which also coincided with India's "Act East" policy and strategic appeal to prevent China from entering Indian Ocean.

Although Japan, India and Australia have actively implemented the strategic conception of the “Indo-Pacific” at various levels, without the attention and supply of the United States, the strategy is unlikely to have any real effect. Compared to the Obama administration, the Trump administration not only views China as a key strategic concern of the Indo-Pacific region, but also clearly emphasizes that China is a strategic competitor of the United States. Some argue

that it is nothing more than "old wine in an old bottle"²² for the United States promoting the concept of "Indo-Pacific" again, more for "strategic flickering"²³, which is "like a bubble, lost with"²⁴ However, attention must be paid to on the impact of this strategic thinking due to the fact that the US is almost a leader in the "Indo-Pacific" strategy and the important influence of US-India interactions on the strategic direction of the "Indo-Pacific" strategy.

Evolution of Indo-Pacific

There are differences in the definition of the geographical scope of the "Indo-Pacific" concept. Within the academic circle, variations exist broad and narrow in extension, and in concept, design and strategy in connotation. Broadly speaking, the Indo-Pacific encompasses the area stretching from the entire Indian Ocean to South Asia, Southeast Asia, and the Pacific Ocean in the east. From the point of view of geopolitical integration, it encompasses the vast area of the Indian Ocean and the Western Pacific. Beijing and New Delhi will play important roles in this region²⁵.

The concept currently being discussed by the governments and strategic

²² Zhao, Minghao. The United States "Indo-Pacific" Strategy: Old Wine in Old Bottles? *Beijing News*, November 20, 2017.

²³ Li Anfang: *From "Asia-Pacific" to "Indo-Pacific", Which Four Sticker Does the United States Lack of for Its "Strategic Flickering?"*
<http://www.shobserver.com/news/detail?id=71243>.

²⁴ Jin, Canrong. The Concept of "Indo-Pacific" Is Like a Bubble, Gone with the Sun. *Global Times*, November 22, 2017.

²⁵ Mohan, C. Raja. "Samudra Manthan: Sino-Indian Rivalry in the Indo-Pacific." *Contemporary Southeast Asia* 36, no. 1 (2014): 165.

circles of the United States, India, Japan and Australia, refers primarily to the vast sea area and its coastal platforms from the western Pacific to the western Indian Ocean, or 140° to be exact. longitude east to 60° east longitude, to the south of the Indian Ocean to the south and the coastal countries to the north.²⁶ Some scholars believe that the essence of the "Indo-Pacific" concept is that the United States on the east coast of the Pacific, India in the north of the Indian Ocean and Australia between the Indian and Pacific Oceans plays an important strategic role in the region. entering the "India-Pacific" century²⁷.

As a geographical concept, "Indo-Pacific" refers to a large area of the Pacific Ocean and the Indian Ocean in general; as a strategy adopted by the Trump administration to balance the rise of China, its strategic objectives are the South China Sea in the western Pacific and the Bay of Bengal in the northeast Indian Ocean. Furthermore, as a strategic concept, "Indo-Pacific" emphasizes the constraints of the strategic strongholds of Japan, Australia and India, especially the role of India.

As a concept with clear geopolitical connotations, it rarely exhibits clear relationships and rough ground consensus. The ambiguity of the concept provides the possibility for creators and concept makers to hold power, show power, and gain power.²⁸ This means that, as a concept that has geostrategic

²⁶ Wei, Zongyou. Strategic Adjustment of the US in India and the Influence of Geostrategy. *World Economics and Politics* 10, 2013.

²⁷ Medcalf, Rory. Unselfish Giants? Understanding China and India as Security Providers. *Australian Journal of International Affairs* 66 (1): 1–13, 2012.

²⁸ Lin, Minwang. The Construction of "Indo-Pacific" and the Tension of Asian Geopolitics.

meaning, there is flexibility in defining connotations, which is not only a reserve of imagination space for power play and strategic expansion. Controversy among academics over whether the "Indo-Pacific" escalation remains only at the conceptual level or rises to a strategic level in the Trump era stems primarily from the "Indo-Pacific" hype during the Obama administration.

It is worth mentioning that in 2010 Obama, senior officials from the US State Department and the Department of Defense repeatedly used the concept of "Indo-Pacific" in their speeches. The main content involved is the strengthening of cooperation with the Indian Navy and the appointment of the Indian Navy to manage the Indian Ocean Pacific Ocean (including the South China Sea, Straits of Malacca and the wider Pacific Ocean); strengthening the coordination of the political positions of the United States and India on East Asian maritime security issues; and by making Australia's northwest coast a power projection point overlooking the western Pacific Ocean and the eastern United States Indian Ocean in the Indo-Pacific region.²⁹

In January 2012, the United States reaffirmed the importance of the Indian Ocean to the US Global Strategy in the Report Defense Strategists Maintain US Global Leadership, "The economic and security interests of the United States are closely linked to the development of the West Pacific and East Asia to the Indian Ocean and South Asia. This poses increasingly serious challenges and

Diplomatic Review 1:18, 2018.

²⁹ Chen, Yali. The "Rebalancing" Strategy of the United States: A Realistic Assessment and China's Response. *World Economics and Politics* 11: 68–69, 2012.

opportunities for the United States.”³⁰

In light of a US national security document newly declassified in early 2021, “US Strategic Framework for the Indo-Pacific”³¹, written in early 2018 and guided the US approach to China, India, North Korea and other nations in the Indo-Pacific region for Trump administration³², the Trump administration acknowledged that a new era of great-power competition has been triggered by the Chinese Communist Party (CCP), which intends not only to excel within the established world order but also to fundamentally revise world order. To be more specific, the aim is to replace the universal principles based on free and sovereign nation-states with an authoritarian and hegemonic China-centered system. Consequently, the US has to secure freedom and uphold a liberal economic order in the face of the challenge and shape an Indo-Pacific strategy based on the following axes.

Constraint and cooperation

As China is leveraging its economic power to have countries and international organizations more accommodate to CCP specifications and its brand of socialism, the US has to one way restrain China’s illiberal spheres of influence from expanding through constraining and deterring, while at the same

³⁰ American Department of Defense. *Sustaining U.S. Global Leadership: Priorities for 21st Century Defense*, 2012.

³¹ See *Appendix*.

³² "The Elements of the China Challenge - State."

<https://www.state.gov/wp-content/uploads/2020/11/20-02832-Elements-of-China-Challenge-508.pdf>.

time seek opportunities to cooperate with Beijing subject to norms of fairness and reciprocity.

Maintaining strategic primacy

In recent years the CCP is investing heavily in developing a world-class military, which is believed to rival and eventually surpass the U.S. military. In response, the US has to upgrade its military power and adjust military deployment as to maintain primacy in the region. On the other hand, strengthening allies and partners through enhancing security cooperation as well as shared responsibility and common interests is pursued. Accordingly, military, intelligence, and diplomatic supports to India have been multiplied to accelerate its rise as the primary regional counterweight to China since the two giant neighbors have long disputed over border and water rights. The 2020 military skirmish along the border between India and China was the deadliest since 1967 and quickly deteriorated bilateral relations. In 2017, the term “Indo-Pacific” was ushered in the US’s National Security Strategy, and the US “Pacific Command” was renamed the “Indo-Pacific Command” in the following year, denoting a new official framework defining China and India as part of the same strategic region³³.

Despite that strengthening allies and partners is a major element in Trump’s Indo-Pacific Strategy and the administration is supposed to engage with countries in the region more extensively, the actually deeds of Trump in some

³³ Bethany Allen-Ebrahimian, Zach Dorfman of the Aspen Institute. "Newly Declassified Report Lays out U.S. Strategy in Asia." Axios. January 12, 2021.
<https://www.axios.com/indo-pacific-strategy-trump-administration-china-377b965c-6cf8-4299-a230-c0e869bb4d73.html>.

cases are the other way around. He cold-shouldered ASEAN summits without attending personally as Obama but dispatched lower officials instead, and pulled backed from the Trans-Pacific Partnership. In addition, the pressure he exerted on allied to share military burden can hardly be regarded favorable to closer ties.

The Trump administration's Free and Open Indo-Pacific (FOIP) plan is a worthy addition to US Asian policy. According to the Pentagon's report on the subject, the United States' Indo-Pacific strategy revolved around simultaneously enhancing America's economic engagement, security cooperation, and rule-making potential – goals that were consistent with prior strategic thinking about the region. Even better, FOIP's deft balancing act between commerce, security, and governance was consistent with the policies of major allies such as Japan and Australia³⁴.

Nonetheless, despite Trump's efforts, regional rivals appeared to be dragging their feet on their renewed promises to his "free and open" rhetoric. As the escalating tensions between Japan and South Korea demonstrate, even major allies were not always on board with US Indo-Pacific partner-building initiatives. This ambiguity – even among democratic countries – raised the question of why the present strategy was failing to gain traction. The issue stemmed from a growing perceived gap between the United States and Asia. In terms of economics and security, Washington's increasingly protectionist treatment of

³⁴ Elliot Silverberg and Matthew Sullivan for The Diplomat. "Assessing Trump's Indo-Pacific Strategy, 2 Years In." – *The Diplomat*. October 02, 2019.
<https://thediplomat.com/2019/10/assessing-trumps-indo-pacific-strategy-2-years-in/>.

traditional allies, exclusionary policies toward strategic competitors, and lack of commitment to global challenges such as climate change were clouding international perceptions of the country's commitment to inclusive prosperity.

In theory, US-supported norms and values that contribute to a more secure and prosperous regional order, as well as mutual security concerns about China, North Korea, and major environmental and resource challenges in developing areas across South and Southeast Asia, should have encouraged greater cooperation with the US. Objectively, however, the United States' influence was declining in comparison to emerging nations such as China and India. Despite the United States' strong economic, military, and people-to-people ties with the Indo-Pacific, policymakers in Washington must face the reality that Asia had lost faith in Washington's ability to deliver positive results in the aftermath of Washington's costly military interventions in the Middle East and central role in igniting the Great Recession.

Military planners already see loopholes in America's readiness for China and Russia. Asia EDGE, the Indo-Pacific Business Forum, the BUILD Act and other recent US initiatives to meet an estimated \$ 26 trillion in infrastructure investment needs in Asia by 2030 are encouraging development aid at the job level, but the US approach has generally been limited by limited resources and coordination between policy makers and the private sector. The Trump administration's ongoing attack on free trade rules and disregard for global institutions and multilateral initiatives like the Trans-Pacific Partnership and the Paris Climate Accord further underscored the current lack of coherent policy in

Washington.

Given these macro trends, a major challenge facing US politicians going forward had been managing foreign expectations of US involvement in the Indo-Pacific, even as Washington's attention was increasingly diverted from its shifting equilibrium of power with China. The symbolic interest and occasional transactionalism with which Trump treated partner and rival countries alike had already had an impact on the management of America's alliances in Asia.

The Pacific and Indian Ocean states, critical of their location in various military and commercial bottlenecks, were also reluctant to embrace the "free and open" vision. While ASEAN member states, India, Sri Lanka, Maldives and even Pakistan resent China's "pearl necklace" strategy of expanding its maritime communication lines to the Middle East and Africa, their reliance on economic stimuli from the Beijing's armed forces were flexible and ambiguous, both to Washington and outside of Washington. As a result, the region threatens to become more unstable, as states are forced to focus on their own needs first without a coherent rule-based order.

In the South China Sea, ASEAN remains vigilant about the limits of US "saber rattling" in response to asymmetric provocations from China. Leaders like Rodrigo Duterte of the Philippines were wary of relying too much on a distant foreign power whose military primacy was increasingly questioned by regional analysts. Its uncertainty also reflected the limitations inherent in America's deterrence of impending war by the great powers by small bets, sometimes

discussed in the context of Washington's Article 5 commitments to Japan's defense of the Diaoyu / Senkaku Islands.

Winding ASEAN Code of Conduct (COC) negotiations with China would only further hamper the United States. While the talks would provide a framework to restrict Chinese behavior in the South China Sea, China's de facto control over many of the disputed islands suggests that its military presence there would at some point become the new status quo, with or without COC. Furthermore, Beijing's calls for the COC to restrict joint military exercises with external powers, if adopted, would undermine ASEAN's efforts to keep the United States in the game in Southeast Asia.

The situation is similar in South Asia. India's recent border skirmishes with China and clashes with Pakistan over Jammu and Kashmir have provided incentives for a more assertive Indian foreign policy, focused on expanded military cooperation and intelligence sharing with the United States. On the other hand, Trump's criticism of Indian trade protectionism and local resistance to face the competition from the United States and China had led to a considerable level of protest in New Delhi. In the face of Washington's obsession with intensifying competition with China, the United States faced accusations of detachment and insensitivity towards small and medium Asian powers. Regional fears of neglect often manifested as concerns that the United States would stick to "ASEAN centrality." The United States could also better communicate that its efforts in the region are not just about countering Beijing.

3.3 Comparison of the Strategies

The Obama administration rendered the “Indo-Pacific” strategy to promote its “Asia-Pacific Rebalancing” strategy as the “Indo-Pacific” strategy is actually one of the important components of the “Asia-Pacific Rebalancing” strategy.³⁵ Compared with the relatively mild “contact and contain” of the “Returning to Asia-Pacific strategy during the Obama administration, the Trump administration has identified China as a strategic competitor and intends to upgrade the “Indo-Pacific strategy”, indicating that the US will focus more on India’s “strategic function” in balancing China’s rising influence and India’s role in creating a new power landscape in this region and reshaping regional security order under hegemonic support. And the US intends to construct the Indo-Pacific security network led by the US through the US-India-Japan-Australian alliance system.

Even it has not been formed or is only the “re-popularization” of concept again, it has chance to be popular repeatedly. In fact, the US has already made some deployment. Moreover, the Trump administration has not concealed its strategic intention to counterbalance China by making use of India and with the India, Japan and Australia as strategic strongholds when it proposed the concept of “Indo-Pacific”. India is an important part of its strategic deployment of the “Indo-Pacific”, which attributes to the significance of the Indian Ocean to India and the increasingly important strategic position of India and the Indian Ocean in the global strategy of the US. Meanwhile, the US, as the leader, not only

³⁵ Xia, Liping. The US “Indo-Pacific” Strategy from the Perspective of Geopolitics and Geo-Economics. *American Studies* 2, 2015.

intends to leverage Japan, India and Australia, but also will regard Singapore, Vietnam and Indonesia as important assistants. While balancing China, it is further building a credible “China threat” to stir up the security situation in the region, then achieve its economic goals of selling arms and the strategic goals of consolidating hegemony.

The new round of “Indo-Pacific” strategy proposed by the Trump administration seems to be “old wine in new bottles”. From the perspective of strategic intent, it can also be regarded as a continuation of the “Indo-Pacific” concept in the Obama administration or the extension of “Asia-Pacific Rebalancing”. What different is that, in terms of the connotation of conceptual construction and the strategic interaction of various actors, compared with the importance of marine security and anti-terrorism to the cooperation of four countries in the Obama administration, the target of the “Indo-Pacific” strategy for the four countries, especially the US is clearer, and the offensive posture is also obvious in the Trump administration. The attitude is not only tougher but even more hostile. The strategic goals and intents of the new “Indo-Pacific” strategy are clearer. In addition to the economic interests, it pays more attention to the balance role of India and does not hide its intentions against China at all.

In early November 2017, US President Trump announced that the “Indo-Pacific Strategy” will become the Asia-Pacific strategy of the new US government during his trip in East Asia. Later, the Trump administration has successively launched three strategic documents, including: *National Security Strategy*, *National Defense Strategy*, and *Nuclear Posture Review*. These reports

have specified the US strategies and policies from the perspectives of overall national security, national defense and nuclear, and provided guidance and support for the implementation of the “Indo-Pacific Strategy.”³⁶ On December 18, 2017, the US government issued the *US National Security Strategy Report*. It pointed out that China’s “aggression” against the US economy and “unfair trade” between China and the US has already threatened the economic security of the US. At the same time, China and Russia are scrambling the geopolitical advantage of the US and trying to change the international order in a direction that benefits them. Therefore, the US clearly positioned China as a strategic competitor and regarded China as “revisionist force” and “economic aggressor” in the report. It intends to compulsorily overturn the ongoing international rules that are not in the interest of the US and further reshape the benefit distribution rules and order that benefit the US so as to regain the priority through the alliance system built under the “Indo-Pacific” strategy.

It can be said that the concept of “Indo-Pacific” is a kind of “strategic deterrence” constructed by US, India, Japan and Australia under the leadership of the US with a goal to counterbalance the rise of China. It is not only conducive to building up allies and cultivating a multilevel strategic alliance and a strategic partnership network led by the US to prevent the appearance of a country that can compete with US power. It treated the Indian Ocean and the Pacific Ocean as a unified strategic unit, which is good to rebuild a balanced Asia-Pacific power

³⁶ Trump Has Issued Three Hit Reports and Stepped up the Implementation of the “Indo-Pacific” Strategy, *China Youth Daily*, February 24, 2018, http://news.ifeng.com/a/20180224/56231054_0.shtml.

landscape dominated by US hegemony.

Meanwhile, developing defense and security cooperation under the “Indo-Pacific” concept can not only get economic interests, but also meet the common strategic appeal of coping with the rise of China. After Trump took office, the close relationship between the US and Indian continued, and India has been still identified as the “major defense partner” of the US. Therefore, no matter the pitch of “Indo-Pacific” concept in 2010 in the Obama administration, or the rendering of this concept by Trump administration, its core goal is to highlight the role of India and use India’s power to check and balance China, as well as gaining economic interests.

3.4 Impact to the Centrality and Unity of ASEAN

Either referred to by the Indo-Pacific strategy in a broad sense, or by the Indo-Pacific concept in a narrow sense, the geopolitical significance of Southeast Asia region is invariable. ASEAN’s geopolitical importance in the Indo-Pacific strategy can be displayed in two aspects. For one, many countries in the Indo-Pacific region, especially those in the West Pacific Ocean, highly rely on Southeast Asia. The region constitutes an “intersection” between Asia and Oceania, and between the Pacific Ocean and the Indian Ocean, as well as the heartland of the Indo-Pacific region. The main maritime commerce and trade sea routes that run from the west coast of the Pacific Ocean and East Asia, to East Africa, West Asia and South Asia, all pass through the straits in the Southeast Asia. Among them, the Strait of Malacca is the most important. China, India and other East Asian countries import and export goods, energy, and mineral

resources mainly through the sea routes that run through Southeast Asia. The energy and economy arteries of such East Asian countries such as Japan and South Korea can be pinched by holding the maritime transportation line that runs through the Southeast Asia in the Indian Ocean and the West Pacific Ocean. For another, without the participation of Southeast Asian countries, it would be difficult to achieve the main objective that the Indo-Pacific strategy is intended to, i.e., to guard against and contain the rapidly rising China.

Due to the geographic adjacency between Southeast Asia and China, and Southeast Asia's geopolitical importance for China, the US has always been considered to build a defense line containing China in concert with Southeast Asian countries. During the early years of the Cold War, President Dwight Eisenhower put forward the "Domino" theory, appealing to the US to guard the Southeast Asian region against threats from socialist countries by establishing a strategic ring encircling the newly founded socialist China. The US gathered certain pro-US countries like Thailand and Philippine to establish the Southeast Asia Treaty Organization in 1955, when South Vietnam, Cambodia and Laos were under military protection of the organization. The US also supported actions that could enhance the Southeast Asia region's power or can contain China's influence.

Simply in the period between 1954–1967, the US helped establish the "Southeast Asian Buddhist Countries Bloc", Malaysia-Thailand-Philippine Southeast Asia Alliance, Philippine-Malaysia-Indonesia Trilateral Alliance, and the Association of South East Asian Nations (ASEAN) composed of the 5

countries in the Southeast Asia, and the Asia Development Bank (ADB) designed to provide development funds to Asian Countries, particularly Southeast Asian ones. To prevent communism from spreading, the US even got involved in the Vietnam War. After the frustration in the Vietnam War, the US put forward the “New Pacificism” regarding Southeast Asia again. President Gerald Rudolph Ford actively participated in the affairs in the Southeast Asia and vigorously developed economic connections with Southeast Asian countries.

“Returning to the Southeast Asia”, “Rebalancing in the Asia Pacific”, and the “Indo-Pacific strategy” followed the end of the Cold War, which shared a common objective, containing China’s rise in east Asia and west Pacific. In the US-dominated Indo-Pacific strategy, India, Japan and Australia are three backbones of the strategic plan, while ASEAN’s participation is indispensable in any strategic plan and regional cooperation in the region although it is difficult to get collective support of ASEAN within its current structure. The US has no choice but to go with the second-best option, striving to have Indonesia, Singapore, Vietnam and Brunei and other maritime countries support the Indo-Pacific strategy. Japanese Foreign Minister Taro Kono visited Brunei and Singapore in 2018 to strengthen the relationship with the two countries as well as to highlight the role of ASEAN in the Indo-Pacific strategy. Before Kono started his journey, Japanese Ministry of Foreign Affairs claimed that Singapore and Brunei were very important for the free and open Indo-Pacific Strategy that Japan advocates.³⁷

³⁷ Parameswaran, Prashanth. "ASEAN's Role in Japan's Indo-Pacific Strategy." *The Diplomat*. February 13, 2018.

Located in the junction between the Asia Pacific strategic arc and the Indian Ocean strategic arc, ASEAN is in the “central position” of the Indo-Pacific geopolitical scope and bordering with China. To achieve the goal of containing China’s rise, the Indo-Pacific Strategy must draw ASEAN or at least some member countries to its side. On the contrary, China has to further develop its relationship with ASEAN countries to neutralize the Indo-Pacific strategy’s impact.

Challenge to ASEAN’S centrality

Since ASEAN began to promote East Asia integration in 1997, it continued to establish various regional cooperation mechanisms taking advantage of the contradictions between the great powers in East Asia. In this way, ASEAN gradually dominated the cooperation mechanism and agenda during the regional integration process in East Asia, and thus established its “central position” in the East Asia region. The series of mechanisms that ASEAN established and dominated, i.e. the ASEAN 10+3, the East Asia summit, the ASEAN Regional Forum, and the “Regional Comprehensive Economic Partnership”, all play an important role in establishing and maintaining ASEAN’s “central position”, though it is only a functional in the regional cooperation since it mainly provides a mechanism and serves as a platform rather than as a real center of power.³⁸

<https://thediplomat.com/2018/02/aseans-role-in-japans-indo-pacific-strategy/>.

³⁸ Wang, Yuzhu. “The RCEP Initiative and ASEAN’s ‘Central Position’”. *International Studies* (5):53, 2013.

Not being able to exert the roles as the power center and functional center makes ASEAN's position in East Asia very special, resulting in that ASEAN must maintain its position of "functional center" by maintaining its platform role. Before the Indo-Pacific strategy was released, most of the great powers, including the US, India, Japan, Australia and China, all support ASEAN's "central position" in promoting regional cooperation. For example, the US has always held a relatively supportive attitude toward various regional mechanisms dominated by ASEAN and its "central position". That is why the US proposed the Lower Mekong Initiative, signed the Treaty of Amity and Cooperation in Southeast Asia (TAC), and established a strategic partnership with ASEAN. India's "Look East" policy and "Act East" policy have always been promoting and supporting ASEAN's "central position" in regional cooperation in the Asia Pacific region.³⁹

Strong ASEAN can ensure that the Southeast Asia region doesn't rely on a single great power. In the process of building a peaceful, stable, developing and prosperous regional cooperation architecture, ASEAN's "central position" is of extremely high importance to India. Japan actively supports the ASEAN initiative as well, especially ASEAN's efforts on building a community of politics and security. Japan also actively participates in the multilateral forums that ASEAN promotes, i.e. ASEAN+3, ASEAN regional forum, East Asia

³⁹ Qi, Huaigao. "Some Ideas about the Leadership Model for Regional Cooperation in the East Asia: The Leadership Model of the China-US-Japan Cooperation under the ASEAN Mechanism". *Southeast Asian Studies* (4):55-59, 2011.

Summit, expanded ASEAN Defense Ministers Meeting, respecting ASEAN's "central position" in East Asia.⁴⁰

The Foreign Policy White Paper that Australia issued in 2017 stated that Australia's bilateral relationship in Southeast Asia is a "high priority", especially in the security aspect. Southeast Asia constitutes Australia's north route, which is its most important trade route. China recognizes ASEAN's active role in regional cooperation in the Asia Pacific, and supports ASEAN to promote various regional cooperation mechanisms. The China-ASEAN relationship develops from the China-ASEAN consultation partnership in 1992, to the China-ASEAN comprehensive dialogue partnership in 1996, and to the "21st century-oriented good neighborliness and mutual trust partnership" in 1997. In 2003, China joined in the Treaty of Amity and Cooperation in Southeast Asia (TAC), establishing a "peace and prosperity-oriented strategic partnership" with ASEAN.

Although the great powers generally recognize ASEAN's "central position", with evolution of international relations in the region and change in the contradictions and conflicts between the great powers, ASEAN's "central position" in regional cooperation has been facing challenges, starting with the "Trans-Pacific Partnership" (TPP) pact that the US vigorously promoted in 2009. Many ASEAN member countries, including Singapore, Brunei, Vietnam and Malaysia, joined in the "Trans-Pacific Partnership Pact". In addition, Thailand,

⁴⁰ Ministry of Foreign Affairs of Japan. "Japan-ASEAN Friendship and Cooperation: Shared Vision, Shared Identity, Shared Future", p. 5, 2 April 2015.
<http://www.asean.embjapan.go.jp/documents/20150402%20pamphlet.pdf>.

Philippine and Indonesia expressed interests in joining. To address the possibility that the TPP pact may divide and harm ASEAN's "central position", ASEAN promptly proposed to establish a "regional comprehensive economic partnership" (RCEP) that is comprised of 16 economies overlapped with the membership of ASEAN+6. Since then, ASEAN dominated the negotiation and fully demonstrate its influence of "central position". After Donald John Trump came to power and announced that the US would withdraw out of the TPP pact, the challenge that TPP posed to ASEAN's "central position" gradually decreased. Nonetheless, Indo-Pacific strategy is bringing a bigger challenge.

Not based on ASEAN's dominant role and supremacy, the big powers' acknowledgement of ASEAN's "central position" in East Asia regional cooperation relied on two conditions. First, the big powers with many contradictions can reach a compromise with each other in regional cooperation in East Asia. Second, regional cooperation mechanisms proposed by ASEAN follows a neutralism policy. With the trade-off between different powers in the East Asia region and deepening of the contradiction between the big powers, especially, with proposing of the Indo-Pacific strategy, the two conditions for establishing of ASEAN's "central position" is being gradually challenged.

The first condition for ASEAN's "central position" is gradually disappearing due to that the Indo-Pacific strategy is gradually taking shape. The Indo-Pacific strategy bloc adopts a China encircling and containing policy, which causes a strained situation in the Indian Ocean region and the Pacific Ocean region, results in a strategic standoff in the region, and harms the big powers'

mutual compromise in the region. With China's rising, the opinion that China is the US's all-around political rival, global economic rival and regional military rival has been widely established and gradually strengthened among the US's elites. To implement a China containing policy becomes a critical part of the US's foreign strategy.⁴¹ That to contain the rapidly rising China, prevent China from becoming a dominant country in the Asia Pacific region, and eliminate the possibility of China's posing a serious challenge to the US's global dominance has become a core objective of the Indo-Pacific strategy that the US advocates.

In addition, the rapid growth of China's national strength has caused a change of the position and strength of China and Japan that is to the disadvantage of latter, which considers China a main strategic rival and threat. To mitigate the huge pressure from China, Japan chose to actively participate in and promote other countries to participate in the Indo-Pacific strategy bloc. When Shinzo Abe visited India in 2017, he said when delivering a speech at India's Congress, "As the oceans of freedom and prosperity, the Pacific Ocean and the Indian Ocean are bringing dynamic links; and an expanded Asia that breaks the geographic boundary began to form."⁴²

The US-Japan-India-Australia bloc of the Indo-Pacific strategy was primarily formed with promoting by the Abe administration. India is also an

⁴¹ Wu, Zhaoli. "Origin of the Indo-Pacific Strategy and Multi-nation Strategic Playing". *Pacific Journal* (1), 2014.

⁴² Wallis, Joanne, Sujan R. Chinoy, Natalie Sambhi, and Jeffrey Reeves. "A Free and Open Indo-Pacific: Strengths, Weaknesses, and Opportunities for Engagement." *Asia Policy* 27, no. 4 (2020): 1-6.

active promoter of the Indo-Pacific strategy, since in the context that “India’s strength is relatively weak and it is not able to balance against China by itself, India hopes to cooperate with other big powers in East Asia, so as to address the external pressure from China’s tough diplomacy jointly with these big powers”.⁴³ Indian Prime Minister Narendra Modi who came to power in 2014 clearly stated that India shall promote the Indo-Pacific strategy, strengthen its relations with the US, Japan, and Australia, and strengthen its “Act East” policy for developing eastward, which was intended to replace previous “eastward” policy. Australia also expressed its desire to strengthen its relation with the US, and to promote the Indo-Pacific strategy in many occasions.

The containing and anti-containing battle between China and the Indo-Pacific strategy bloc is difficult to compromise. ASEAN, which is in a “central position” in regional integration, doesn’t have the required hard power and mechanism for reconciling the contradictions between the two parties. That building an Indo-Pacific strategy bloc by allying with countries in the Indo-Pacific region has become a strategic choice of the US for containing China and bypassing the regional security mechanism. Therefore, the conditions for ASEAN’s being in a “central position” are facing an increasingly bigger challenge.

⁴³ Prakash, Panneerselvam. 2016. “Advancing India’s Relationship with Japan and South Korea: Quest for Middle Power Cooperation”. *IPCS Issue Brief* 262, August 2016.

The second condition for ASEAN's being in a "central position" in integration of the region is also impacted. Change of the strategic landscape in the Asia Pacific region that appears since the start of the 21st century is adverse to the US, which gets the US to lodge complaints about that the various ASEAN-centered regional cooperation mechanisms and security mechanisms cannot achieve their strategic objectives. The US has criticized for many times the ASEAN-advocated series of mechanisms of being just ineffective "hall of empty talk", and during the George Walker Bush administration, the US's State Secretary was absent from the ASEAN regional forum for two times. Hillary Clinton once claimed that, "the establishing and operating of regional organizations that are represented by the ASEAN regional forum, should be pushed forward with specific and actual considerations".

Compared with establishing new organizations, what's more important is to get these organizations produce good results.⁴⁴ The US's allies—Japan and Australia, are also much dissatisfied with the fact that ASEAN stands in a "central position" in the regional landscape, and that its decision-making mechanism cannot make decisions that are favorable to them. That former Japanese Prime Ministers Junichiro Koizumi and Yukio Hatoyama vigorously promoted the "East Asia Community" idea during their administrations reflects their dissatisfaction with the ASEAN regional forum. Ron Huisken, a former official from Australian Department of Defense gives a more direct criticism. He

⁴⁴ Hillary, Clinton. "Remarks on Regional Architecture in Asia: Principles and Priorities".

Hawaii, 12 January 2010.

<http://www.state.gov/secretary/20092013clinton/rm/2010/01/135090.htm>.

is of an opinion that “for the ASEAN regional forum to play its role, ASEAN should give up its central position in the region, and let big powers to go to the front to serve as the leader.”⁴⁵ Then, Australian Prime Minister Kevin Michael Rudd once criticized that “the series of regional mechanisms that ASEAN established cannot sufficiently effectively and comprehensively address the challenge in the region, so it advocates building an Asia Pacific community.”⁴⁶

Viewed from the perspective of geographic scope, the scope covered by the Indo-Pacific strategy falls in between the scope covered by the ASEAN Summit and that covered by the ASEAN Regional Forum, specifically, the geographic scope that the Indo-Pacific strategy covers is a little bigger than the scope the ASEAN summit covers, but smaller than the scope the ASEAN Regional Forum covers. Regarding the perspective of the political and security objectives that these plans are intended to achieve, presently, no specific contents have been determined for the Indo-Pacific strategy yet, but we may get a glimpse into its main contents and core objectives through the two quadrilateral meetings that the US, Japan, India and Australia held. The US, Japan, Australia and India held the first quadrilateral meeting and the second quadrilateral meeting in May 2017 and November 2017 respectively, and the published main subjects discussed at these two meetings are “Asia needs a rules-based order, sea travel freedom and the freedom of flying over, respect for international law, improved connectivity,

⁴⁵ Huiskens, Ron. Civilizing the Anarchical Society: Multilateral Security Processes in the Asia-Pacific. *Contemporary Southeast Asia*, 24(2), 187–202, 2002.

⁴⁶ Shi, Tianyi. “Regional Risks and the Offsetting Strategy of ASEAN Countries”, *World Economics and Politics* (5), 2016.

maritime safety, the threat from South Korea and nuclear non-proliferation, and terrorism.”⁴⁷

Actually, these contents all can be included into the agenda of the ASEAN-dominated ASEAN summit and ASEAN Regional Forum, since both of the ASEAN summit and the ASEAN regional forum are open forums and cooperation mechanisms, and can conduct dialogue and cooperation in the field of cooperation, integration and political security in the region. Therefore, the proposing and pushing forward of the Indo-Pacific strategy by the US, Japan, Australia and India actually means that these countries do not recognize ASEAN’s “central role” in pushing forward the series of regional cooperation mechanisms in East Asia any more.

Challenge to ASEAN’S unity

The Southeast Asia region not only is an important geographic unit of the Indo-Pacific strategy, but it is also located in the central part of the Indian Ocean and the Pacific Ocean region. Besides, it is a junction part that connects the Asia continent and Australia continent, and guards the main maritime passageways between the Pacific Ocean and the Indian Ocean. In such a context, the design and implementation of the Indo-Pacific strategy cannot be achieved without participation of Southeast Asian countries.

However, the Indo-Pacific strategy’s action of encircling and guarding against China and exacerbating regional situation is not in line with the mission

⁴⁷ Ankit, Panda. “U.S. Japan, India, and Australia Hold Working—Level Quadrilateral Meeting on Regional Cooperation”. *The Diplomat*, 13 November 2017.

and objective that ASEAN is established for. The contents of the quadrilateral meetings that are published by the 4 key member countries of the Indo-Pacific strategy have some things in common with the work pushed forward by ASEAN's series of regional cooperation mechanisms. But to achieve the objection of containing and guarding against China in the Indo-Pacific region through the Indo-Pacific strategy, it necessarily will exacerbate regional conflict and contradiction in the region. Therefore, this is not in line with ASEAN's mission and objective that are stated in its some guideline documents, like the Treaty of Amity and Cooperation in Southeast Asia (TAC) and the Bangkok Declaration. ASEAN's mission and objective is to, with the principle of equality and cooperation, jointly promote economic growth, social progress and cultural development in the region, and lay a foundation for building a prosperous and peaceful community of countries in Southeast Asia.⁴⁸ Consequently it was very difficult for ASEAN, which is established to promote peace and stability in the region, to conduct strategic cooperation with the Indo-Pacific strategy bloc that was provoking conflicts and contradictions in the region.

Meanwhile, ASEAN sticks to the "ASEAN ways", namely, the actions that ASEAN takes all must get unanimous consent of all members of ASEAN, and ASEAN is required not to interfere in the internal politics of its member countries and settle disputes by interfering means, restricts ASEAN's ability to implement a uniform policy regarding the Indo-Pacific strategy, but it doesn't restrict the right of ASEAN's member countries to develop relations with countries

⁴⁸ Wang, Mingguo. "Validity Assessment of the Governance Mechanism in East Asia Region and Future Development", *The Journal of Contemporary Asia-Pacific Studies* (4), 2014.

participating in the “strategy”. ASEAN declares to build an ASEAN community by 2020 that is supported by “ASEAN political and security community”, “ASEAN economic community”, and “ASEAN social and cultural community”, but ASEAN has always adhered to the policy of non-interference of internal politics and national sovereignty of its member countries. This fact determines that even ASEAN successfully builds an ASEAN community, “ASEAN security community will continue to recognize its member countries’ national sovereignty in pursuing their own foreign policy, and defense arrangement”, as stipulated in the “Declaration of Bali Concord II”.

ASEAN’s various documents and diplomacy practices also show that ASEAN doesn’t pursue the objective of establishing a common security policy and military alliance system in the region. It only advocates multilateral security cooperation, and “the key reason why ASEAN advocates multilateral security cooperation, while, doesn’t exclude unilateralism on security at the same time, lies in that ASEAN countries do not want to sacrifice their sovereignty and right to independently take actions to form a supra-national body”. Consequently, the members of ASEAN mainly adopt a self-service approach on security issues to realize their interests.

Although many members of ASEAN support it to play its role on regional security at the ASEAN Regional Forum, they worry about that ASEAN is not capable of ensuring their national security. Some countries, mainly maritime countries in Southeast Asia, maintain its security by forming ally or establishing

partnership with great powers to strengthen military security connection with military powers from inside and outside of the region.

With the Indo-Pacific strategy pushing forward, a standoff has been appearing in the Indo-Pacific region, with the rapidly rising China on one side, and the powers of the Indo-Pacific strategy led by the US on the other side. ASEAN adhered to its mission and objectives and followed a neutralism policy. As a whole, ASEAN is unlikely to lean toward either side, but some of its members have made tendentious choices. Except Vietnam, most continental countries in Southeast Asia were inclined to view China's rising and role in regional security positively. Except Philippine being hostile to the US, and Malaysia being still vacillating, most maritime countries in Southeast Asia were inclined to embrace the Indo-Pacific strategy bloc. Among ASEAN's member countries, Indonesia, Vietnam and Singapore have explicitly expressed their support for the Indo-Pacific strategy. Those countries are gradually accepting the Indo-Pacific strategy concept, externally expressing their support for the Indo-Pacific strategy, or more actively developing their relations with the Indo-Pacific strategy bloc.

To promote the Indo-Pacific strategy to some Southeast Asian countries and strengthen defense cooperation with these countries, many US officials, including the US President and defense secretary, have strengthened diplomatic offensive toward some Southeast Asian countries over the recent year. During Trump's visit to Vietnam in November 2017, the US and Vietnam issued a joint statement. According to the statement, the two countries shall strengthen bilateral

cooperation on defense, security and intelligence, including that one US aircraft carrier shall be assigned to visit the former US navy base at the Cam Ranh Bay, realizing the first visit like this since the end of the Vietnam War. Trump also explained the free and open Indo-Pacific framework during his visit to Vietnam.⁴⁹ Vietnam has become a cooperation partner of the US to maintain the current rules-based free and open order in the Indo-Pacific region.

To strengthen defense arrangement with Southeast Asian countries that are inclined to the Indo-Pacific strategy, and to encircle and guard against China from the South China Sea direction, the US strengthened defense cooperation and arrangement with such countries like Vietnam, Indonesia and Singapore. Singapore is an important node in the Indo-Pacific strategy, while the Changi base in Singapore is the US army's only foothold in Southeast Asia. Singapore is located at the entrance and the exit to the Strait of Malacca that links the Indian Ocean and the Pacific Ocean, therefore it certainly doesn't want to miss this opportunity of raising its status with the help of the Indo-Pacific concept.

Among Southeast Asian countries, Indonesia is the country that most strongly hopes to raise its geopolitical importance and statehood by participating in the Indo-Pacific strategy. In the changing geopolitical landscape, Indonesia is eager to strengthen its cooperation with the Indo-Pacific strategy bloc based on its geopolitical importance in the Indo-Pacific strategic arc, so as to ensure its peace and security. As a coastal country bordering with both of the Indian Ocean

⁴⁹ Storey, Ian, and Malcolm Cook. "The Trump Administration and Southeast Asia: Enhanced Engagement". Yusof Ishak Institute, No. 87, 2017.

and the Pacific Ocean, Indonesia becomes a power that all parties compete to draw to their sides in the context of the “Indo-Pacific” strategy. At the ASEAN-India summit in January 2018, Joko Widodo stated, the Indo-Pacific region is a stable, peaceful and prosperous land. Indonesia hopes that the architecture of the Indo-Pacific region can be built based on the principles of “openness, transparency and inclusiveness”. Indonesia also said ASEAN and India are backbones of the maritime cooperation, and the mechanisms led by ASEAN, like the East Asia Summit, and the Treaty of Amity and Cooperation in Southeast Asia (TAC), can well fit with the Indian Ocean Rim Association, and facilitate communication and integration between the whole Indian and Pacific Ocean Region.

In her 2018 annual speech about foreign policy, Indonesian Foreign Minister Retno Marsudi mentioned the importance of the Indian Ocean Rim Association (IORA), and the ASEAN-India and East Asia Summit. She also believes that, in some aspects, the Indo-Pacific strategy is similar to the peaceful, stable and prosperous regional cooperation mechanism that ASEAN attempts to build.⁵⁰ In January 2018, Retno Marsudi said, a preferred option in Indonesia’s foreign policy in 2018 is to strengthen ASEAN’s unity, and to seek to expand ASEAN’s presence in the Indo-Pacific region.⁵¹

⁵⁰ Evan, Laksmana. “An Indo-Pacific Construct with ‘Indonesian Characteristics’”, 6 February 2018. <https://www.aspistrategist.org.au/indo-pacific-construct-indonesian-characteristics/>.

⁵¹ Bishop, Hon Julie. “Minister for Foreign Affairs, ASEAN: The Nexus of the Indo-Pacific”. Asia Society Speech, New York, 8 March 2018. https://foreignminister.gov.au/speeches/Pages/2018/jb_sp_180308.aspx.

To attract more Southeast Asian countries to join in the Indo-Pacific strategy bloc, the US also continues to strengthen defense and security cooperation with Southeast Asian countries. At the 53rd Munich Security Conference in Bonn, Germany, on February 19, 2017, the US Defense Secretary James Mattis, discussed about defense issues with Singapore Defense Secretary NG Eng Hen. At the beginning of April, the two parties discussed about development of geopolitics and defense issues again in the US. In June 2017, James Mattis attended the Asia Security Conference (Shangri-La dialogue) in Singapore, explicitly stating the US's attitude of continuing to actively participate in affairs in the Asia Pacific region. In August 2017, Vietnam Defense Secretary visited the US, discussing about US-Vietnam defense relationship, regional security issues, and navy cooperation. From January 22 to 24, 2018, Mattis visited Indonesia, discussing with Indonesian leaders about defense cooperation and maritime security cooperation. Mattis said that, he shall try to get Indonesia to play a "central role" on maritime security in the Asia Pacific region, and to become an offshore pivot of the Indo-Pacific strategy. From January 24 to 25, 2018, Mattis visited Vietnam. From March 6 to 10, 2018, Carl Vinson aircraft carrier formation visited Vietnam for the first time, which is the first time that a major US warship visited Vietnam during the 43 years since the end of the Vietnam War in 1975.

The reasons why China recognizes ASEAN's "central position" are disputes and contradictions between the great powers in the East Asia region, Southeast Asia's role of an important market for China's economic opening, and neutrality of Southeast Asia in regional security. Once ASEAN or its countries

give up their neutrality, China may adjust its policy regarding ASEAN and ASEAN countries, strengthening its diplomacy with some ASEAN countries, especially diplomacy with some ASEAN countries that neighbor China. This diplomatic strategy surely will result in division of ASEAN into two parties, one inclined to the Indo-Pacific strategy bloc and the other to China. A divided ASEAN certainly will affect ASEAN's role in regional security, and weaken ASEAN's "central position".



Chapter 4

Evolution of the Schemes and Strategies of China

With the increasing capacities of China and the change of international environment, China's longstanding grand strategy to its foreign policy since president Deng, "Tao Guang Yang Hui", has been under debate domestically either in political or academic arena. One school believes that development for economic gain is the main focus China should stick to, represented by former ambassador Wu Jianming. While the other one is convinced that international security environment has fundamentally changed and China should act accordingly for political support, argued by General Luo Yuan (Chen, 2014). Therefore, Yan Xuetong from Tsinghua University suggested how China's foreign policy embark on reforms in the following areas so as to increase both international political strength and the political legitimacy of a rising power, bringing more efficiency in shaping a favorable environment for China's national rejuvenation (Yang 2014).

TABLE 4-1: Reformation for China's Foreign Policy

area	reform	reason
foreign policy	directly confront rather than avoid the issue of conflict	the probability of conflict with other countries increases
strategic opportunity period	try to develop rather than just maintain	waiting for a strategic opportunity period is always passive
international society	shape rather than just integrate into	China now has the capacity to do so
non-alignment approach	change	make efforts to establish a “community of common destiny

Source: The author sorted from Yang, 2014.

Such arguments have been echoed by many scholars. It may not be proved whether the academic appeals led to president Xi's transformation in foreign policy or vice versa, there is no doubt the current leader of China has been shifting the grand strategy in a rather quick pace and wide extend with time, which has been magnifying the influence of the rising power from Asia, Africa, South America, even to Europe, while in turn is arousing recoil from both neighboring countries and the western world. South East Asia, a nearby region entangles with China for thousands of years in history, has no chance to keep aloof from the giant dragon's move. In the following sections, how the shift of

China's fundamental maneuver has been put into practice in the region and the responses of the latter are to be scrutinized, following a close look respectively in the two phases of grand strategies.

4.1 From Deng to Hu's "Tao Guang Yang Hui"

The term "Tao Guang Yang Hui" was originated in Deng Xiaoping's time from 1989 and formally translated by the official as "keeping a low profile" (Yan, 2014) serving as the axis of China's foreign policy, while "non-assertiveness" or "hiding one's capabilities and biding one's time" is a much widely accepted explanation internationally. Deng's theory has been crowned in the People's Republic of China's Constitution after his death in 1997 and shrined together with "Mao Zedong Thought" and "Xi Jinping Thought on Socialism with Chinese Characteristics for a New Era" as China's guiding principles (Ezra, 2011).

"Tao Guang Yang Hui" is characterized as a strategy with a lot of "NOs", following the principles set down by former Premier Zhou Enlai at the Bandung Peace Conference in 1955, so as to keep a low profile and avoid "being dragged into situations that overstretch and challenge it, being pushed into a corner where it can be painted as a foe of the US and the rest of the developed world", thus China may be allowed to "continue focusing on its own formidable internal development issues"⁵². Among the "NOs" Pang (2020) listed certain important doctrines, which can be sorted as below:

⁵² "Is China's Non-interference Policy Sustainable?" BBC News. September 17, 2013. Accessed June 07, 2021. <https://www.bbc.com/news/world-asia-china-24100629>.

No challenge to the US's prime status in world politics or taking the lead, so as to appease the US and other great powers' hesitation.

No interference but respecting the sovereignty of other countries.

No export of China Model, either political ideologies or development model, to others while respecting the differences between.

No seeking to be a global hegemony but peaceful co-existence.

No political strings with development cooperation, though the recognition of "One China Policy" is often an exception.

No first use of nuclear weapons

While Deng's wisdom in foreign policy had been mostly followed by his successors, Hu Jintao revised Tao Guang Yang Hui to "peaceful rise" with the aim of fitting China's growing presence on the world stage. The shift was by no means intended to turn away from Deng's doctrines. On the contrary, Hu shared the same philosophy that China can seize the opportunity to concentrate on its economic development only when the world is in peace, without wars between the great powers⁵³. Thus, the continuation of the grand strategy was witnessed during the two terms of his reign.

With the handover of power in 2013, nevertheless, the central role of Tao Guang Yang Hui has been fading, though not completely abandoned. The new leader so far still has certain flavor remained, "non-interference" for instance

⁵³ "Peace and Development Are the Two Outstanding Issues in the World Today", Selected Works of Deng Xiaoping (1982–1992), vol. 3 (Beijing: Renmin Press, 2001), pp. 105, 127, 344, 383.

when external influence is not desired in matters such as the territorial disputes in the South China Sea or the human rights issue in Xinjiang. The five conventional principles of “mutual respect for sovereignty and territorial integrity, mutual non-aggression, non-interference in each other’s internal affairs, equality and mutual benefit, and peaceful coexistence” were reaffirmed by President Xi Jinping during his state visit to Myanmar in the first month of 2020⁵⁴. On the other hand, certain handing-down doctrines have become obsolete as they stood in the way between Xi and his plans for the "great rejuvenation of the Chinese nation", i.e., the Chinese Dream.

4.2 Xi Jinping’s “Chinese Dream”

After Deng’s reforms since 1978, China has been rising at an astonishing speed and transforming itself from a poverty-stricken developing country into a global economic power. To suit the its gigantic economic strength with proper political stance in the international society and translate it into political influence, Xi Jinping hence aspired to release China’s foreign policy from self-constrained Tao Guang Yang Hui, stepping forward to achieve a “great country” status as the correction of a historical anomaly, to end the century of humiliation. After all, Chinese civilization was “the world leader in culture, science, technology and administration right up to the 16th century, sharing over 30 percent of world economic output in 1820”⁵⁵.

⁵⁴ “Joint China-Myanmar Statement”, Ministry of Foreign Affairs of the People’s Republic of China, 18 January 2020, <https://www.fmprc.gov.cn/web/zyxw/t1733683.shtml>

⁵⁵ Deutsche Welle. "Xi Jinping and the 'Chinese Dream': DW: 07.05.2018." DW.COM. Accessed June 08, 2021. <https://www.dw.com/en/xi-jinping-and-the-chinese-dream/a-43685630>.

To echo the calls for change, scholars proposed that new ideas were necessary for a new era. Xu Jin from the Chinese Academy of Social Sciences indicated six major myths of conventional foreign policy that were supposed to be scrapped (杜哲元，徐進, 2014):

1. China should keep a low profile;
2. China should not seek alliances;
3. China should not seek leadership;
4. China will not become a superpower;
5. the Sino-American relationship is the most important one;
6. China's foreign policy should serve China's economic development.

Xi never officially declares the end of Tao Guang Yang Hui, however many novel notions have been progressively prevailing in the realm of China's foreign policy. "Never take the lead" has been replaced by "international leadership with Chinese characteristics"; "experience sharing or providing a de facto exportation of the China Model or the Governance of China" has succeeded "No export" (Pang, 2020). After years of evolution, step by step, those new notions have piece together Xi's "China Dream".

Table 4-2: New Notions of Xi's Foreign Policy

New notion	Content
New major country / new international relations	Rather than “great power” or “major power”, China’s Ministry of Foreign Affairs prefers the term “major country” avoiding the term “power” (張蘊嶺, 2015). This part conforms Deng’s shying away from seeking to be a global hegemony, at least on the surface.
New neighborhood policy / new regional order in Asia	Convey new thinking and new approaches, Xi has put lots endeavors to tighten up the relations with its surrounding areas since not long after he assumed power, and introduced two grand initiative, One Belt One Road (OBOR), which was later rephrased as Belt and Road Initiative (BRI), and the multilateral Asian Infrastructure Investment Bank (AIIB), in 2013. The projects seemed successful and overwhelming which not only lured the participation of developing countries in Southeast Asia and Africa, a bunch of developed countries in Europe also swarmed to take part in. Hesitation of debt trap, boycott of the US, and China’s increasing assertive actions in South China Sea, however, have cooled down the fervor in recent years.
New outlook of global governance	In 2017, during the 19th CPC Congress, China formally proposed a “new outlook of global

	governance” for the first time.
New public goods	<p>Declaring that China provides “new public goods” regionally and globally. Thirdly, China frequently talks about “international public goods”. The concept of “international public goods” was initially confined to scholarly debates in China, but later became the principal instrument through which China sought to implement RLMYGTT. A constant official refrain is that China has offered “facilities available to all nations and peoples in the South China Sea” (such as lighthouses, maritime observation, meteorological forecasting, environmental monitoring, and disaster prevention and reduction facilities) although China has also faced criticism over its provision of such “public goods”.</p>
A community with a shared future for mankind	<p>Originally translated as “community of common destiny” The slogan (人類命運共同體: ren lei ming yun gong tong ti, RLMYGTT) was first used by Hu Jintao and then favored and frequently cited by Xi Jinping (Gao, 2018). He even elaborated this idea in details in a keynote speech at the General Debate of the 70th Sessions of the United Nations General Assembly in 2015.</p>

	<p>The notion advocates cooperation among countries which will bring about mutual benefits. “exchanges among countries will become more harmonious. Nations could go in the same direction in building a community of a shared future for mankind. Global development will be more conducive to people's livelihood”⁵⁶ Belt and Road Initiative (BRI) is the major example which although unilaterally initiated by China, would require the participation and ownership of other countries in order for mutual benefits to be reaped. Protection over ecosystem and mother nature is also emphasized and presented in China's commitment in climate change issues and emission reduction.</p>
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Source: the author organized

For decades, the US was considered the “priority of priorities” in terms of China's foreign policy. Xi, instead, attached great significance to China's surroundings areas and practiced many of his new notions in Southeast Asia first. However, Chinese behavior has sought not to overthrow the liberal world order from which it benefits, but to increase its influence within it. (Nye, 2017)

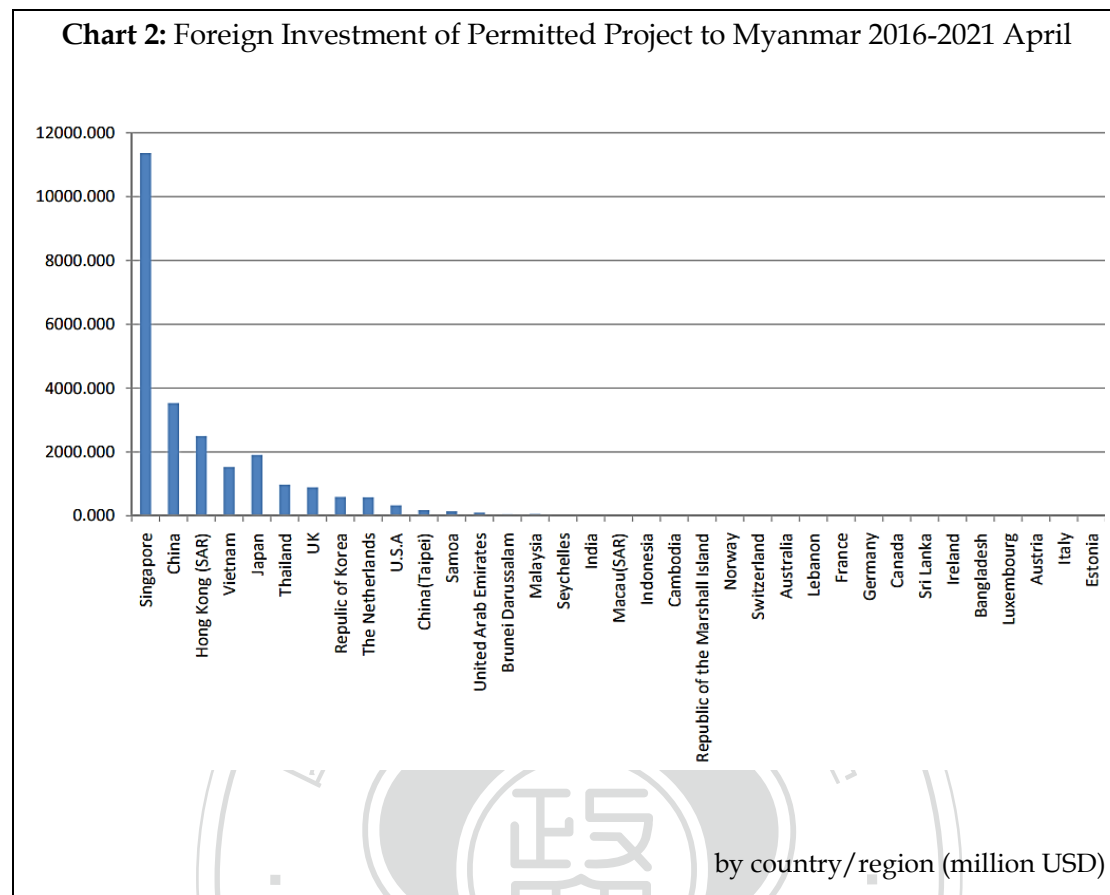
⁵⁶ "70 Years of Diplomacy: Building a Community with a Shared Future for Mankind."

<https://news.cgtn.com/news/2019-10-09/Building-a-community-with-a-shared-future-for-mankind-KvC7xyQf3G/index.html>.

4.3 Major Projects and Controversies in Southeast Asia

Silk Road Economic “Belt” and the 21st Century Maritime Silk “Road” are the two parts comprise Belt and Road Initiative (BRI). The former goes from China to Europe through Central Asia, and the latter runs along the sea covering Southeast Asia, Africa and the Middle East to Europe, resembling Marco Polo’s historically well-known journeys between the West and China seven centuries ago. Since its introduction by Xi in 2013, BRI has been a “surf and turf” strategic deploy for China to absorb economic resources as well as political support along the routes.

Despite that China’s influence already exists in some Southeast Asia and African countries before the proposal of BRI, the extent and magnitude can be hence amplified. Take Myanmar for example, China was ranked its biggest source of foreign investment before 2011 at the peak of over 90%, eyeing the investment of natural resources like water, electricity, minerals, and fossil fuels. As Myanmar is going from self-isolation to gradually embracing the international society, however, its ASEAN neighbors like Singapore, Malaysia, and Vietnam are gradually replacing China’s once nearly monopolized advantage. Thanks to BRI, the bilateral relation has been once more warmed up with the instill of tremendous resources and all sorts of cooperation project extending from the north mountains to the southwest coast of Myanmar under China’s maneuver linking the aspiration for development of this Southeast Asian country tightly with its own strategic interests.



Source: Ministry of Investment and Foreign Economic Relations, Myanmar
<https://www.dica.gov.mm/en/topic/foreign-investment-country>

For the local leaders, physical interests are desired and political supports from China are critical, either for Rohingya crisis or 2021 coup d'état. For China, the cooperation is another great example of its “community with a shared future for mankind”. Certain media and thinktanks praised Myanmar for suiting its actions to the time and seizing the opportunity for development, while China’s interests overseas are served. What a win-win situation. Nonetheless, “all that glitters is not gold”, or there would not have been confrontations and setbacks within and without the recipient countries. Having a closer look at the investments and cooperation, the political calculation and strategic purpose are not simple and easy at all. At the same time, regional condition is a mixture of

cooperation, conflicts, and doubts.

Since 2018 Beijing has been trying to accelerate and extend BRI, looking forward to concluding various institutional cooperation and consolidating foreign relations in response to the fact that the dream of a continuously rising and strengthening China is constrained by the international structure of power conflicts on the one hand, and doubts and criticisms from all levels of the societies of the BRI joining countries on the other. More support from the allies would be the fuel to confront the lasting consumption of US-China trade war. In addition, more successful cooperation cases may eliminate certain doubts and serve as incentives contributing to a forward loop, which is supposed to lure fresh participation as well as reinforce existing partners.

In so doing, neighboring Southeast Asia becomes one of the primary target regions, if not the top. In 2018 China held multiple negotiations with ASEAN countries over the issue of South China Sea disputes and reached certain consensus. How much can such propagandistic and political friendship holding the banner of “community of a shared future” facing the waves of protests and mistrusts is still under question and requires further observation. Let alone there is external competition as the US is striving to form alliance over the region, either under Pivot to Asia or Indo-Pacific Strategy, so as to contain and weaken the potential rival.

4.3.1 Belt and Road Initiative in Myanmar

With the proposal of BRI, Southeast Asia’s expectation and need for China

is multiplying, especially those mainland countries, as many researches indicated⁵⁷. Cambodia, Laos, and Myanmar have long been highly friendly to Beijing. The close tie between both Communist parties of China and Vietnam never disconnect, despite the lingering territorial disputes over South China Sea. Thai military government keeps cozying up to China, being eager to win over resources for domestic development. Seizing the chance, China activity look to secure the passages linking mainland and maritime traffic in Asia so as to guarantee its strategic interest. Situated in southwest Myanmar, the deep-water Kyaukpyu harbor then became one of the prime targets due to the following reasons.

- (1) It may connect South China Sea with Indian Ocean for China's fleet. Furthermore, a linking railway would allow factories in south China to ship goods to Europe, India and Africa, a shortcut avoiding the Malacca Strait.
- (2) On the other hand, Myanmar's natural gas reserve ranks tenth in the world. However due to lack of refinery facilities and drilling facilities this country is not capable of utilizing its natural gas optimally. The ruling military junta has hence become very proficient at "resource diplomacy," auctioning off the country's natural resources to its neighbor and powerful world players alike in exchange for revenues and political support. The China-Myanmar oil and

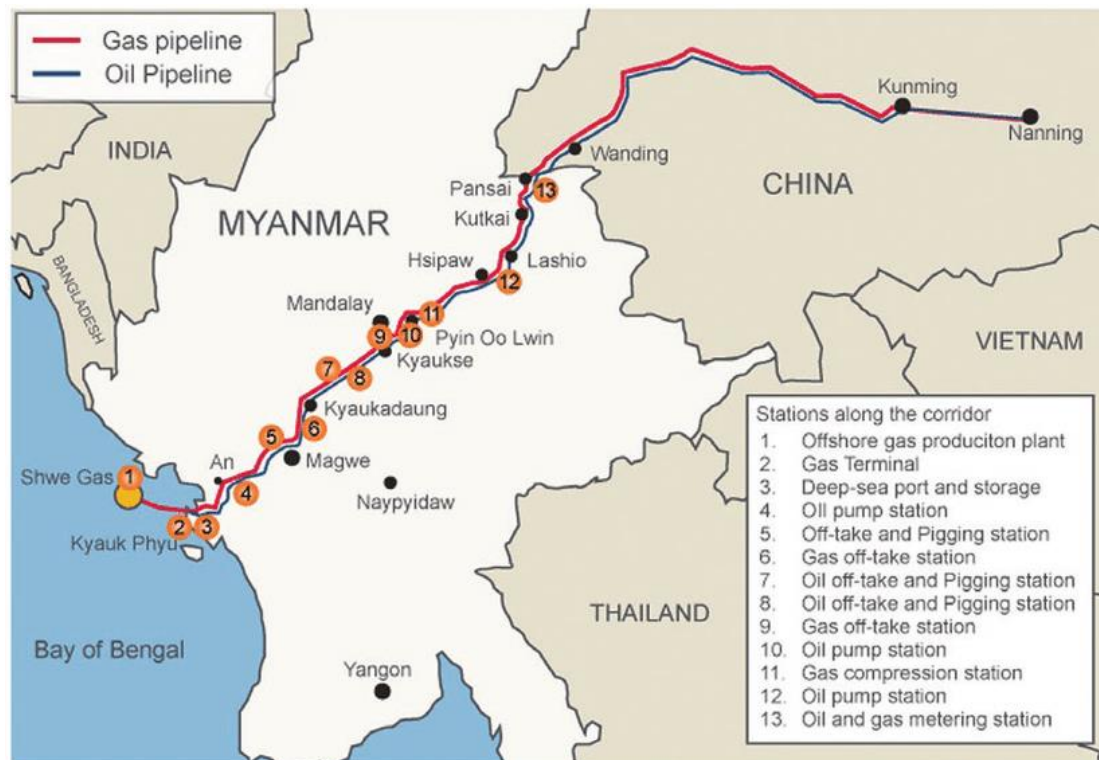
⁵⁷ Kheng Swe Lim, "China's Economic Statecraft in Sino-Southeast Asian Relations and the Security-Economic Nexus," in Mingjiang Li, ed., *China's Economic Statecraft: Co-optation, Cooperation and Coercion* (Singapore: World Scientific, 2017), pp. 139-166; Wang Jisi, "'Marching Westwards': The Rebalancing of China's Geostrategy," in Shao Binhong, ed., *The World in 2020 According to China: Chinese Foreign Policy Elites Discuss Emerging Trends in International Politics* (Leiden: Brill, 2014), pp.129-136.

gas pipeline connecting Shwe to Kunming through Kyaukpyu can be seen in this context. Currently 70-80% of China's imported crude oil, mainly acquired from the Middle East and Africa, is transported through the Malacca Straits. Kyaukpyu harbor may serve as China's new transit point for oil and gas imports and an easy access to the Indian Ocean while reducing the Malacca voyage by 1,200 kilometers and saving seven days of shipping time (Zhao, H. 2011). The pipelines were planned in 2008 and constructed since 2009 and with the China National Petroleum Company (CNPC) holding 51% stake and Myanmar Oil and Gas Enterprise (MOGE) has the rest 49% share. The natural gas pipeline was put into operation in July 2013, while in June 2017, crude oil started entering China via the 1,420km crude oil pipeline.

Major beneficiaries of the Trans-Myanmar Oil and Gas Pipelines including China, Myanmar government, and the cities along the pipeline. For China, more stable supply of fuel from Middle East is secured. In 2019 it imported 10.8 million tons of crude oil via the pipeline, a 6.3 percent growth year on year; the imports of natural gas amounted to 3.4 million tons, a 54 percent growth compared to 2018, with a total value of 12.1 billion RMB⁵⁸. Furthermore, China made another deal for a 7.3 billion USD harbor construction and 2.3 billion Kyaukpyu Special Economic Zone development pack, in which controls 70% of the share for 75 years (Emont, Jon, and Myo Myo, 2021).

⁵⁸ "China-Myanmar Pipeline Carries 10.8 Mln Tonnes Crude Oil in 2019." Xinhua. Accessed June 15, 2021. http://www.xinhuanet.com/english/asiapacific/2020-01/14/c_138704469.htm.

Figure 4-1 China's Trans-Myanmar Oil and Gas Pipelines



Source: Reuters⁵⁹

For Myanmar, the government could receive annual revenues of \$300,000 USD from the land lease and an \$4.7 million one-time payment in land-use premiums, plus \$13.81 million road right fee from the pipeline annually and \$1 per ton of crude oil transit free during the 30 years concession since 2015. In addition, Myanmar has the right to buy two million tons of crude oil out of the 22 million tons transport capacity every year, though Myanmar doesn't has oil refinery and other offloading pipelines to do so yet⁶⁰. For the cities along the

⁵⁹ Accessible at https://www.researchgate.net/figure/The-cross-border-China-Myanmar-oil-and-gas-pipeline-from-Kyaukpyu-to-Kunming-through_fig3_323760627

⁶⁰ "Myanmar to Receive Revenues from China-Myanmar Crude Oil Pipeline." The Myanmar Times. July 27, 2017. Accessed June 15, 2021. <https://www.mmTimes.com/business/26982-myanmar-to-receive-revenues-from-china-myanmar-crude-oil-pipeline.html>.

pipeline, chances of employment, skill training, and education fund will be available. Despite such seemingly win-win arrangement, negative news from international media and domestic protests turn up in a continuous stream.

Myanmar's resource diploma has reaped effective results with China. Beijing has long played a role of protecting the country from international scrutiny. It sees the country as economically important and is one of Myanmar's closest allies⁶¹. In 2007, China vetoed a draft UN Security Council Resolution calling on "Myanmar's Government to cease military attacks against civilians in ethnic minority regions and begin a substantive political dialogue that would lead to a genuine democratic transition." Just three days later, a Production Sharing Contract was signed between China National Petroleum Company (CNPC) and Myanmar's junta, the State Peace and Development Council, for exploration, drilling and production rights in three additional blocks. One month later, another announcement from the junta noting it was selling the entire gas found in blocks A-1 and A-3 (the Shwe gas) to China for a below market price, leading to the protest from the consortium of Indian and South Korea companies developing the gas fields.

This was not the only time China blocked a UN Security Council statement condemning the military coup in Myanmar. It has repeatedly intervened the criticism at the UN against Myanmar's military crackdown on the Muslim minority Rohingya population, alongside Russia. In early 2021, China and

⁶¹ "Myanmar Coup: China Blocks UN Condemnation as Protest Grows." BBC News. February 03, 2021. Accessed June 15, 2021. <https://www.bbc.com/news/world-asia-55913947>.

Russia once again blocked UN Security Council condemnation of Myanmar coup⁶².

Table 4-2 Cases of Local Resistance to China's Investment (2009-2017)

Country	Time	Area	Case
Thailand	2016-	Transport/ River	Since 2016, a Chinese contractor has utilized explosives to dredge Mekong river around the sector of north Thailand's Chiang Khong District so as to facilitate the passage of large-sized vessels, yet this project threatens fishery resource and ecology as well as seriously pollutes the environment, leading to the concerns of local community.
Laos	2016-	Resource/ Water	The Nam Ngum 3 Hydropower Project China is building in Laos' Phoukhoun threatens the ecology and the life of the residents, resulting in local village's fierce protests against the cooperation between Laos government and China.
Myanmar	2017	Resrouce/ Human	Resenting excessive working hours, low wages, improper management, more than 300 labors in Myanmar flared up a riot against Chinese Hangzhou apparel in Yongkang with the factory rubbed and seven Chinese managers abducted.

⁶² "China, Russia Block UN Security Council Condemnation of ..." Accessed June 15, 2021.

<https://www.france24.com/en/americas/20210203-china-russia-block-un-security-council-condemnation-of-myanmar-coup>.

Myanmar	2017	Trade/ Textile	China's massive dumping of textiles on Myanmar have caused the concern of Wundwin, a major manufacture town of hand-made textile and Myanmar paso, and the appeal to reexam the development of asymmetric trade relation between the two countries.
Thailand	2017-	Trade/ Produce	North Thailand is known for the food industry of longan and its dried preserves. The produce is so welcome in Chinese market that enterprises from the latter started the acquisition of local traders intending to monopolize the supply chain network. With media coverages, Thai society is arousing awareness and boycott.

Source: Alan Hao Yang's, "Transforming the Politics of Foreign Aid in Southeast Asia: Driving Forces, Modalities and the Typological Analysis of Local Responses", 2018 (MOST research project)

4.3.2 Belt and Road Initiative in Malaysia

The Agreement: East Coast Rail Link

In 2013, Malaysia was one of the most supportive countries when the project launched. The government back then signed a mega-infrastructure deal with China called the East Coast Rail Link (ECRL), which became the main project of BRI. Although their key focus remained to be traditional infrastructure, the concept was flexible and adaptable. Construction began in August 2017. ECRL is part of Beijing's Belt and Road Initiative that includes up to 70 countries.

It is a 640km railway link connecting different parts of the east coast region with the west coast region in Malaysia. Its goal is to become a 21st Silk Road by connecting the countries through networks of railways, bridges and ports, linking China with Africa, Europe and Southeast Asia. Construction on ECRL began with the groundbreaking held in Kuantan, Malaysia, in August 2017, but the work was suspended in 2018 due to financial reasons. Construction resumed in July 2019 and the completion is scheduled for December 2026. It is the biggest economic and trade project between China and Malaysia.

The new rail link will go through a lot of states, say, Kelantan, Terengganu, Pahang, Negeri Sembilan, WP Putrajaya, and Selangor. It will start from Kota Bharu, the state capital of Kelantan, and end at Port Klang in Selangor, which is expected to decrease approximately four hours of travel time from Kota Bharu to WP Putrajaya. After all 20 stations are completed for the East Coast Rail Link project, it will have around 40 tunnels connecting Kota Bharu and Port Klang.

Negotiation Process

When ECRL started the construction, the country was under Razak's lead. Later on in 2018, a new coalition led by Mohamad formed. He then raised concerns about the financing of ECRL, lop-sided deals and the involvement of corruption. The ECRL project was stopped when Mahathir practiced his electoral promise to renegotiate what he had described as unequal Chinese-backed projects approved by Najib Razak, the former leader. He later announced that the project was cancelled, telling Chinese leaders during a visit to Beijing in August 2018 that Malaysia could not afford the railroad and other China-backed infrastructure projects. With that being said, they still seek for renegotiation as the government considered the project a good opportunity to provide infrastructure, jobs and wealth to the people.

In April 2019, the two trade partners agreed to the price of the East Coast Rail Link (ECRL) at a cost of 44 billion MYR (\$10.7 billion), cut the budget from 65.5 billion MYR. The railway's new route with an adjusted price now avoids two areas of ecological importance, including the Gombak Selangor Quartz Ridge and Setiu wetlands on the east coast, making the delay some slightly good news for Malaysia's environment.

Yassin succeeded Mohamad in 2020 after the election and has now planned to revert the ECRL route back to its original alignment. Transport Minister Dr Wee Ka Siong said although the ECRL from the last government was priced lower at RM44 billion, they did not include the construction and provisional

quantity, as well as the abandonment cost. This latest agreement will prolong the rail tracks by 25km with a total length of 665 km.

Since the concept is adaptable, it now expands to the next level including digital connectivity (Digital BRI), green development (Green BRI), and public health (Health Silk Road). Also, as China being one of the strongest developing countries, Malaysia can take part in future-oriented technologies such as AI, robotics, e-commerce, and the Internet of Things. It is believed by many politicians and policymakers that China is possibly becoming the pusher of Malaysia's next phase of economic development and technological upgrade.

Pros

1 Connect the West Peninsula and East Peninsula

There is a mountain in the middle of the peninsula that generates an obstacle. Due to British colonization, naturally, the West would develop faster than the East. Before ECRL is done, the lack of high-tech transportation infrastructure to connect the underdeveloped east with the developed west efficiently can still exist.

The ECRL virtually does little change to the states off the peninsula, namely Sarawak and Sabah, which desperately need it. Still, for the East Coast that needs desperate help, the ECRL project is expected to improve both poverty and physical burden through the increase of job offers that come with these projects, the newly found flexibility of workers to move to rural areas and the decrease of travel expenditures and time. It might give residents access to better economic

condition, healthcare, and education by connecting it with the more developed regions like Kuala Lumpur.

2 Economic Growth

Malaysia gained independence in 1957 after British colonization. Needless to say, as a freshly independent nation, it lacked development. In 1961, its GDP per capita was an inadequate \$235 with a minus 3.83% growth. Also, its debt as a percentage of GDP was 79.54%. However, since reaching its independence, Malaysia has developed regularly. From 1970 to 2010, the GDP per capita grew by an average of 2.8% per year. In addition, on the human development index, Malaysia went from 0.643 in 1990 to 0.802 in 2017 and its poverty rate decreased from 32.2% in 1984 to 2.7% in 2015. Malaysia is now considered as a main exporter in electrical appliances, electronic parts and components. Also, it is one of the world's most open economies. To sum up, Malaysia is now an upper-middle-income country. With its steady development and a strong background as an exporter, by the time they start using these railways, growth in all kinds of aspects will occur.

Cons

1. Finance

Independent macro analyst Prof Dr Hoo Ke Ping argued, "Our financial position does not allow for the project at this time - it is just not justifiable economically." Since the total cost of the project reached 81 billion ringgits (\$19.7 billion USD), it is doubtful that Malaysia can sustain massive loan repayments.

2. Environment

The ongoing project with a 688km high-speed rail line will break several habitats that were already fragmented by slashing through several main rivers and a huge amount of protected forest in the Central Forest Spine. That is to say, the environment will be highly influenced once the rail is constructed. However, according to Transport Minister Datuk Seri Dr Wee Ka Siong stated on April 5, 2021, the proposed northern alignment of the East Coast Rail Link (ECRL) will have a minimal environmental impact. He said that the ECRL route will avoid the Gombak Quartz Ridge and will also not affect its buffer zone. Moreover, it will also not encroach the Batu Dam area, which is one of the dams that supply water to the people of Selangor and the Klang Valley. Yet the Northern Alignment will still cross three water catchment areas between Mentakab and Port Klang while the Southern Alignment will cross at least four water catchment areas.

3. Feasibility

There are certain doubts whether the demand will be sufficient to support the construction of the high-speed railway, the willingness of residents from Kota Bharu or Kelantan to take the train to Kuala Lumpur to work on a daily basis, and what the actually working speed of the train will be.

Current Situation

Malaysia Rail Link Sdn Bhd (MRL) has achieved a major milestone with a tunnel breakthrough of 871 meters single-bore Terowong Dungun in Terengganu for the East Coast Rail Link project. Being six months ahead of

schedule, the final break at Terowong Dungun broke through the last barrier at 12 meters from the tunnel's main entrance on May 29, 2021. "We are pleased that the ECRL project is still progressing slightly ahead of schedule at 22.62 per cent as at May 2021 despite the Covid-19 pandemic which effectively reduces work hours and manpower at project sites," said Mohd Zuki, Chief Secretary of the Government. Additionally, Malaysia has to speed up their ECRL project because Thailand has recently announced to be working on a similar plan. This plan has the potential to make ECRL irrelevant from China's BRI demand. The multi-billion-dollar landbridge plan is considered as a game changer for Thailand and planned to be completed by 2027, which will carry major economic and geopolitical benefits to Malaysia and Asia.

Saksayam, the current Minister of Transport in Thailand, said that some 16-metre-deep ports will be constructed at both ends of the landbridge, with direct links to the nation's rail and highway networks. Also, the ports will be able to hold goods and passenger transport, with the potential for oil pipeline transport. If Thailand builds an oil pipeline, the crude oil from the Middle East will be directly shipped to Ranong, going through the pipeline to Chumphon, then headign to China, Japan, and South Korea. By 2017 when the Thai project is completed, it will provide a shortcut and cheaper alternative route than shipping through the Straits of Malacca to South China Sea. Undoubtedly, this ongoing plan of Thailand will pose future competition to the ECRL.

Overall, ECRL is an beneficial plan for Malaysia. It will not only raises people's living conditions but also boosts the country's economy. In some way,

it may decrease the wealth gap on the peninsula since the East has the opportunity to live as well as the West. However, on the practical side, the massive loan repayment is what Malaysia needs to consider. Take an example of the 1997 Asian financial crisis, Thai was drowned in excessive foreign debt while Korea had to seek help from the IMF to get through the crisis. In return, Korea had to give in, letting the IMF take over their economic dominance. Today the shock and to some, humiliation, still casts a shadow on Korean. Although the ECRL loan repayment isn't yet "a crisis", it can lead to some potential problems for the country. In short, ECRL is an agreement resembling a double-edged sword. Which side is sharper is still to be observed.

4.3.3 Belt and Road Initiative in Vietnam

Vietnam has a role to play in BRI partly due to its love-hate relationship and complex history with China. The diplomatic normalization between Vietnam and China was carried out in November 1991, which put an end to animosity since the bloody Sino-Vietnam war in 1979. Since then, the border trade between China and Vietnam officially reopened and the trade amount grew dramatically.

With the normalization and progress of the bilateral trade relationship, Phan Văn Khải, then the Vietnamese prime minister, proposed the "Two Corridors, One Belt" (TCOB) during a visit to China in 2004. The major objective of the TCOB is to build the Nanning – Liangshan – Hanoi – Hai Phong – Quang Ninh and Kunming – Laojie – Hanoi – Hai Phong – Quang Ninh economic corridors and the North Bay economic rim. Years later, during president Xi's visit to Hanoi

in 2017, the two states signed a Memorandum of Understanding on promoting connections between the TCOB framework and the BRI. The TCOB was later included into the list of corridors and projects of the Belt and Road Initiative on the 2nd Belt and Road Initiative Forum in April 2019.

China has helped established lots of infrastructure projects in Vietnam, such as the Hanoi Metro's Line 2A. So far, sixteen projects have been implemented in total with the support of China, including power plants, light industry factories, and incinerator facilities. Still more, China is providing Vietnam with financial support on some upcoming projects, including 24 highway projects, 3 railroad projects, 1 seaport, 3 airports, 9 bridges, tourism development, and education exchange in the region.

In comparison to other Southeast Asia countries, Vietnam has a rather complete infrastructure. Hence, most of the Sino-Vietnam cooperation projects lie in the field of trade. In fact, Vietnam is one of the founding members of the Asian Infrastructure Investment Bank (AIIB). Vietnam has been relying on the Silk Road Fund and AIIB recently. Also, the state looks forward to drawing more foreign direct investments from China. The protocol of China-ASEAN Free Trade Area (CAFTA) has solidified and intensified the cooperative relationship between China and Vietnam. The total bilateral trade amount has significantly increased since the establishment of CAFTA.

The total trade amount in 2002 was 3.264 billion US dollars, and in 2011 the amount has grown to 40.2 billion US dollars. China also decreased the tariff

rate of Vietnamese products by 10% in order to further the partnership between the two states. This has brought some distinguished results. Vietnam used to be a tiny part of China's trade. However, in 2014, Sino-Vietnamese trade had grown strongly and accounted for more than 17.4% of total China-ASEAN trade. China is running a lot of projects in Vietnam with total capital of more than 10 billion US dollars. Also, China has become Vietnam's largest tourism income source.

The Future and Barriers of BRI in Vietnam

Among Southeast Asian countries, Vietnam is the only neighbor of China with both terrestrial and maritime boundaries. Hence, it faces more pressure than the other Southeast Asia countries do. Vietnam becomes more conservative and prudent as time goes by, since the East Sea issue, or so-called South China Sea issue, and some other disputes highly affects the relationship between the two countries.

Throughout history, Chinese government has shared the same ideology with North Vietnam for a period. Therefore, to show their solid friendship, China "gave" North Vietnam the North gulf and turned the Eleven-dash line into Nine-dash line. However, the actions did not relieve the Vietnamese government's concern regarding the East Sea, they are still uneasy over their own national security, including its territory, and its relationship between China and Cambodia relatively. Vietnam is willing to join the BRI but it doesn't want China to have too much influence on its domestic affairs, let alone having access to control Vietnam's policy. Therefore, it must consider to what degree of authority does China have in the BRI projects running in Vietnam.

In recent years, there are more and more examples proving BRI is way beyond just an investment, but also a trap. There are precedent victims like Sri Lanka and Piraeus port in Greek. Thanks to the fact that Vietnam is quite wary of China, just like Taiwan. Hence, despite becoming a member state of BRI, only few projects on which they cooperate. China's recent actions, such as building oil drilling platforms on East Sea and enforcing military alliance with Cambodia, undoubtedly makes Sino- Vietnam relationship a bit tense and unstable. Some of the Vietnamese scholars consider that although Vietnam needs much money to invest in its infrastructure, but the BRI is not a safe means. For that some agreements request Vietnam to use Chinese material and workers assigned by China only. In that way, Vietnam loses its control and China gains all the profits. The absolute winner is China instead of Vietnam.

China also executes the “one axis and two wings” strategy, which is connecting Southeast countries by building HSR and highway. In terms of Vietnam, it will gain convenience but at the cost of its sovereignty. Vietnam could not oppose the project while all the other ASEAN countries supporting it. As for the BRI, if Vietnam had not joined the initiative, it would have lost the advantages of convenience, resources, and commerce interests. Which is why Vietnam had to take part in BRI with no other possible options.

4.3.4 Belt and Road Initiative in Thailand

The Controversial Thai canal

China used to rely almost entirely on the eastern coastal route for trade. However, there are piracy and sovereignty disputes on the transportation route through the South China Sea to Africa. In addition, US interference and intervention in Asian affairs have also restricted China's development around this region.

Pros

In the past few years, the Thai Canal Association, which is composed of people with connections to China and influential in Thai politics, promoted the revival of Thai canals and tried to persuade the government to reimplement the Thai canals. The Thai Canal connecting the Gulf of Thailand and the Andaman Sea would be a better choice for China than the Malacca Strait controlled by Singapore. It is estimated that the traffic volume accounts for about 30% of global trade. Owning and controlling this sea route will greatly strengthen Thailand as a maritime power and its geopolitical influence in ASEAN.

If the Thai Canal comes true, it will become a cost-effective and safe shortcut between China, Japan and other East Asian countries and the Middle East oil fields and markets in Europe, Africa, and India. Compared with passing through the Strait of Malacca, it can save 2 to 3 days, 1200 kilometers, and reduce the cost of 350,000 US dollars. It is conservatively estimated that the total investment is 30 billion US dollars, 15 years, and 5,000 people. If the canal is successfully completed, it will mean a substantial change in the power structure

of Southeast Asia, and the status of Thailand and Singapore will be completely reversed. Completely bypassing the Straits of Malacca and Singapore will make Singapore's most important geographic location redundant and greatly reduce Singapore's leadership in Southeast Asia.

Cons

Despite the benefits the grand project may bring, still there are a few concerns regarding it.

1. Sea levels in the Andaman Sea and the Gulf of Thailand are not always even, with the former sometimes varies by three meters higher than the latter.
2. The canal required the installation of water gates to adjust the water level, while only one ship is allowed to pass through the canal at a time.
3. Using the canal saves only two days of sailing, which is not attractive enough to draw shippers to change marine routes.
4. Tide will destroy the seashore and cause environmental problems.

The High Speed Rail

The first phase of this project is 251 kilometers from Bangkok to Nakhon Ratchasima in the northeast of Thailand, and it is expected to carry a 250 km/h train by 2026. The 870-kilometer high-speed rail will carry trains from Bangkok to the border towns of Thailand, where a bridge will connect the line with the China-Laos railway under construction, making it possible to train from Bangkok to Laos. Kunming, in Yunnan Province, China. This project will greatly improve Thailand's infrastructure and strengthen Thailand's ties with neighboring countries. In fact, due to the rapid growth of ASEAN trade, nearly a

quarter of Thailand's exports are sold to Southeast Asia, and 11% are sold to China. If the goods are transported from Bangkok to the Cambodian capital, the cost of rail transportation is two-thirds cheaper than ocean freight.

Trap-Debt? China's Scheme

China has been funding many countries with financial difficulties, helping poor governments to demonstrate their strong economic power and expand their influence. However, the Chinese government is not a charity but arguably a loan shark. Once the government cannot pay off their loans, they have no choice but to lease land or ports from China to ease the debt pressure. Sri Lanka is the case in discussion in recent years. Therefore, the Thai people are afraid of becoming the next Sri Lanka and strongly protest the high-speed rail contract.

Although Thailand's strong economy makes it easier to avoid a "debt trap," the budget is tight in view of the economic blow to Thailand's tourism industry caused by the coronavirus pandemic. A study estimated that the railway must carry 50,000-85,000 passengers per day for 20 years to repay the initial cost of the Thai government. Therefore, it took a long time for the two parties to reach an agreement.

Lack of Transparency of Loans

There are also broader concerns about how the Thai railway project will be financed. Along the grand Belt and Road policy, China offers loans through AIIB (Asian Infrastructure Investment Bank), and builds infrastructures in Southeast Asia, Africa, and Central Asia. China also places massive manpower and

resources outside of China, which would for sure impact the countries that have participated in this project. Due to the lack of transparency, Thailand's ownership structure and the specific terms of any loans are unclear. As 2020 has shown, Thai citizens are no strangers to anti-government protests, and any perception of shady arrangements or waste of public funds may trigger serious protests against the railway project.

4.3.5 Belt and Road Initiative in Singapore

Among the countries in SEA, Singapore is the only developed country that has a significant status in global trade with a strategic and prominent regional hub. Why Singapore participated in BRI is an intriguing issue since most of the countries joining the project are developing countries in urgent need of investment from China or collaboration with it. As a matter of fact, initially Singapore was doubtful about the Belt and Road Initiative. Therefore, in 2017, Lee Hsien Loong, the prime Minister of Singapore, did not attend the first session of the One Belt One Road Forum in Beijing. However, after one year of pondering, Singapore finally found its participation status in the initiative and announced that it can provide financial services and can help China with professional services on several aspects. Then on April 29, 2019, Lee Hsien Loong attended the second session of the One Belt One Road Forum and had a bilateral conversation with Chinese President Xi Jinping. Two countries inked the deals after the meeting.

Singapore is China's largest foreign investor and the reliable and long-standing friend of China. Moreover, in internal development, Singapore is the

only ASEAN country that does not require Chinese assistance. Hence, the role that Singapore plays in BRI can be regarded more as a supporter of China. Therefore, the two countries signed five memorandum of understanding (MOU).

The first is to set up a ministerial-level Singapore-Shanghai Comprehensive Cooperation Council. Both sides will deepen collaboration in six areas through this platform. The six areas are the Belt and Road Initiative, financial services cooperation, technology and innovation, ease of doing business, urban governance, and people-to-people exchanges. Second, enhance third-party market cooperation. Aiming for along the Belt and Road Singaporean and Chinese companies in third-party markets can have greater collaboration. The third-party markets include logistics, e-commerce, infrastructure, and professional services. Third, cooperate on customs enforcement. Under this MOU, both country's customs administrations can exchange information, findings and assistance to each other in the investigation and so on. Fourth, rolling out an electronic origin data exchange system. Which can improve trade facilitation and compliance when two countries can have more efficient information transfer. Last but not least, both sides will create new co-investment platforms in infrastructure. The primary goal for the platform will be to take equity positions in infrastructure projects in Southeast Asia in order to promote infrastructure upgrades and connectivity. Furthermore, it will provide all-in-one solutions, risk management services, insurance protection and so on for the various Belt and Road projects in the Asia Pacific. Singapore hopes that joining BRI can help China integrate into regional and international economic systems while greatly boosting the prosperity and development in other countries.

Evaluation

Singapore as a small country and lack of natural resources, its economic development is highly dependent on foreign trade. With its strategic location, it is an ideal infrastructure hub. Hence, this puts it in a unique sweet spot for intermediating capital and trade flows linked to BRI. So far about one-fourth of China's investments in the countries along the BRI is through Singapore. In addition, up to two-thirds of the infrastructure projects in Southeast Asia are planned by Singapore. Furthermore, while the competition from regional countries was heating up, Singapore is taking advantage of BRI as part of a traditional hedging strategy towards major powers. Besides, Singapore is holding on to both economic and strategic leverages against China and the US. As an honest broker, it can play up its relevance to both China and the US.

Based on the numerous investments, BRI is likely to open a new era of trade and growth for the economy, but there are also some risks such as environmental and social impacts if they fall into debt traps or run aground. Because Singapore is China's largest investor in 2015 and can be said to be the main destination of China's investment, it would adversely affect Singapore when China's debt bubble collapses.

Separately, BRI could impinge on Singapore's maritime industry. Malaysia's maritime industry is also being developed through BRI. However, the development of Malaysian ports is expected to adversely affect Singapore. Because Chinese investors now support the development of distribution centers

in Malacca that can compete with Singapore. If the canal is completed, it will affect Singapore's shipping sector as ships from Europe, the Middle East and Africa to China without having to divert to Singapore. Singapore used to rely heavily on ports, although it is now diversified. If China pushes for the construction of a port in Thailand, it can facilitate the movement of goods and many ships will bypass Singapore as soon as Kra Port begins operations. That would hurt Singapore a lot. This is why Singapore hesitated to participate in the Belt and Road Initiative.

Prospect

1. Since the establishment of diplomatic relations in 1990, the two countries have been building close ties in many ways.
2. JCBC (Joint Council for Bilateral Cooperation) is established to promote cooperative projects between Singapore and China and various personnel exchange programs are operated.
3. Singapore and China are working on various intergovernmental projects (Singapore-Guangzhou Knowledge City Project).
4. Relations between the two countries, which have shown a cooling-down behavior, are also expected to improve, strengthening cooperation on the BRI project that will benefit both countries.

In order to take advantage of growth opportunities arising from BRI trade routes, it is important for Singapore to use the chance as a global center for trade and finance as well as geographical proximity and strong ties with China and Southeast Asia. Singapore has also benefited a lot from recognition of China's

growth potential early, which is why Singapore has to work constantly in situations. Singapore and China have common interests and have worked together for a long time on a variety of issues, although the population and region are different, so they will be able to produce a good result



Chapter 5

Conclusion

5.1 Main Findings

There are three main findings in the research. To begin with, the trade war between the US and China is the evidence of power transition reversed. In spite of that quite a few researches argue that the rise of China combining economic influence and authoritarian goals and hegemonic ambitions has not yet directly challenged the global dominance of the US, China has in fact been tilting the balance in Asia-Pacific and certain signs of power transition are witnessed with China's increasingly bold actions. Holding lasting supreme power over the region, the US is aware of the impact of China's rise and is wary that the export of China's authoritarian regime, nation-backed economic and industrial espionage, forced technology transfer, cyberattacks are eroding its national interest while the latter is enthusiastic in expanding its spheres of influence. Comparing to Obama, Trump responded in a much fierce way via trade war, technology war, and even initiating possible new Cold War. Republican Trump's containment approach passed on to his Democrat successor, thought amended in tactics, revealed US government's underlying stance to the potential challenger nowadays.

In addition, the reactions of the Southeast Asian countries to an aggrandized China were mixed, depending on whether dispute exists or not. Most countries

in the region considered China factor an economic incentive and a path to prosperity, nonetheless to those still in direct disputes with China, such as the Philippines, Vietnam, and Malaysia, defending national security would outweigh developing economics and they were hence more cautious when dealing with China and have become pivotal states in the process of power reverse. ASEAN as a whole didn't play a critical role in Trump's Indo-Pacific strategy layout due to its innate conditions such non-interference, inefficient ASEAN way, and divergent composition of membership, which allowed the organization to serve as a platform for cooperation and provide a mechanism to mitigate mild arguments, nevertheless its role was limited when facing contradictions that great powers can't reach a compromise. Instead, ASEAN's neutrality, centrality, and unity could be compromised when external powers were struggling for regional as well as global dominance. Pivot to Asia, Indo-Pacific strategy, and Belt and Road Initiative step by step allured and forced individual Southeast Asian countries to choose side and form two groups, i.e. pro-China versus pro-US. The former was majorly composed of continental countries except Vietnam, while the latter consisted of maritime ones. For any player in the region, to have its bread buttered on both sides appeared unlikely.

On top of that, China's vigorous economic diplomacy and investment in infrastructure seemed to facilitate the development of receiving countries on the table, however, the beneficiaries were usually limited to social elites, politicians, and stake-holders when the average nationals perceived little positive effect. Moreover, they might be impacted negatively as local employment and business opportunity were competed by exported labor and enterprises from China.

Overall, awareness of a rising China and its schemed economic infiltration is growing in the societies of Southeast Asian countries. The perception will lead to the reflection of national interest, social stability, and the welfare of the people.

5.2 Contribution and Implications

The research offered a timely analysis of US - China competition, especially the progress of their trade war, and the influence of domestic power transition from Obama to Trump toward the power transition or reverse between the US and China. Transition of power is not unidirectional, rather, an existing hegemon with abundant power resource will take measures to halt or even retrograde it once awoken of the trend. Historically, power transitions often lead to destructive competition and war (e.g., Germany versus Britain) unless the rising power fully embraces the existing system and the declining power accesses the idea without much resistance (e.g., the Great Britain vs. the United States). History stores examples for both results, although the former seems to repeat itself more often than the latter. The relationship between China and the United States in Southeast Asia, in this regard, is a useful and critical model for understanding the nature of the shift in power between the two. Obviously, if the power shift model is the yardstick to gauge future trends, this is a precarious moment for the region. It seems that great power struggle in the region will continue for the foreseeable future and China-US relations will remain contentious, if not altogether conflictual.

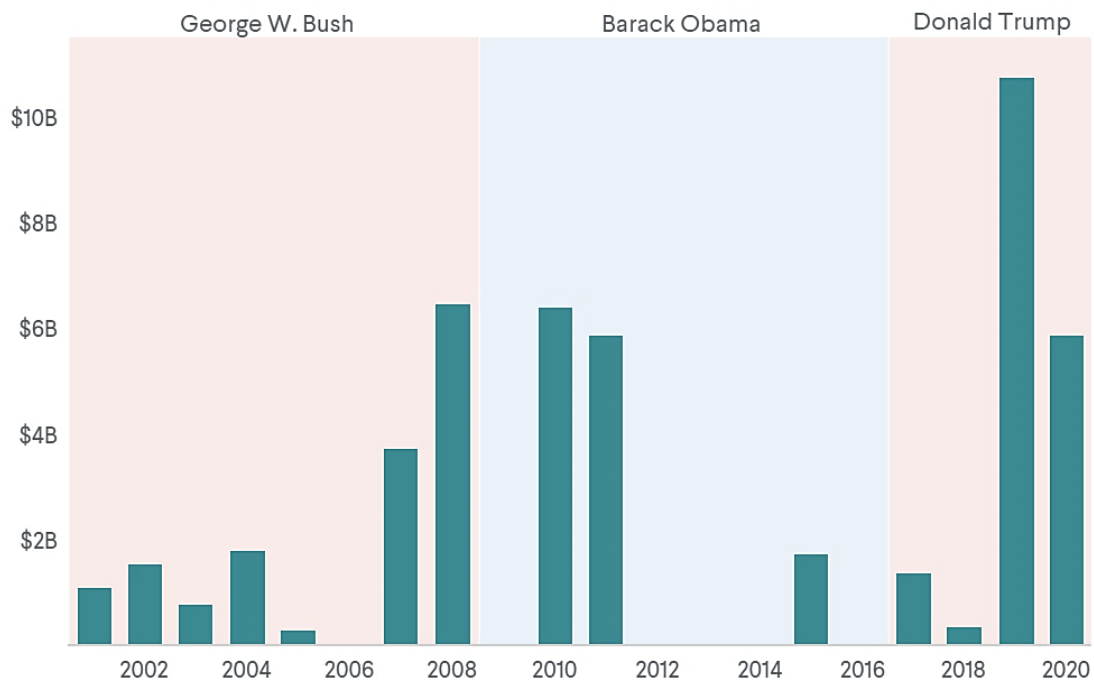
Furthermore, located in the first Island Chain and claimed as the key interest of China, Taiwan is now a major chip to the US – China competition of

power, on top of its originally intense relation with China. With President Donald Trump's assumption of power, the United States deepened ties with Taiwan over Chinese objections, including by selling more than \$18 billion worth of arms to the military and unveiling a \$250 million complex for its de facto embassy in Taipei. Trump also leveled up the official contact with Taiwan via sending several senior administration officials, including a cabinet member to Taipei. During his last days in office, the State Department eliminated long-held restrictions governing where and how U.S. officials can meet with their Taiwanese counterparts.⁶³

His successor Joe Biden, despite representing another party, seemed to be taking an identical approach, affirming the Trump administration's decision to allow U.S. officials to meet more freely with Taiwanese officials and sending an unofficial delegation of former U.S. officials to visit Tsai in Taipei. Biden was also the first U.S. president to invite Taiwanese representatives to attend the presidential inauguration. These were traces of how the US utilized existing local confrontation to reverse power transition to the competitor.

⁶³ "Why China-Taiwan Relations Are so Tense." Council on Foreign Relations. Council on Foreign Relations. May 10, 2021. <https://www.cfr.org/backgrounders/china-taiwan-relations-tension-us-policy>.

Chart 3: U.S. Arms Sales to Taiwan by Recent Administrations



Note: Includes sales of defense equipment of \$14 million, defense articles or services of \$50 million, and design and construction services of \$200 million.

Source: Congressional Research Service; Defense Security Cooperation Agency.

However, there was also concerned over the possibility of a conflict sparked beyond the control of the US and potentially lead to directly military confrontation with China while the latter is growing military capabilities and assertiveness as well as the deterioration in cross-strait relations. China has never ruled out using force to achieve Taiwan's "reunification" and the United States hasn't ruled out defending Taiwan if China attacks. The top U.S. military commander in the Indo-Pacific warned that China could try to invade Taiwan within the next decade, while some experts believe that such an invasion is further off. China's President Xi has emphasized that unification with Taiwan is essential to achieving what he calls the Chinese Dream, which sees China's great-power status restored by 2049.

Despite so, increasingly global interdependence as well as complicated supply chain made the calculation further sophisticated when considering national interest. Taiwan's semiconductor chip manufacturers, in particular, was not only vital to the Western World but also critical to China's economy as these chips are found in most electronics, including smartphones, computers, vehicles, and even weapons systems that rely on artificial intelligence. Companies in Taiwan were responsible for more than 60 percent of revenue generated by the world's semiconductor contract manufacturers in 2020. Over 90 percent of the most advanced chips were contributed by Taiwan Semiconductor Manufacturing Company (TSMC), the world's largest contract chip maker and the top supplier. The fact was expected not only to make Xi think twice before giving any order of military attack but to motivate the US to virtually defend the island from a Chinese attack.

The research is not an end. As the story of a new era of great-power competition and power transition is unfolding, and the successor of president Trump showed no sign of any softened stance, if not tougher, against the potential challenger, there would be great room for further research to extend the exploration of power transition and how respective Southeast Asian countries respond and survive the power transition scenario.

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Appendix

US Strategic Framework for the Indo-Pacific

~~SECRET//NOFORN~~

000174

(U) U.S. STRATEGIC FRAMEWORK FOR THE INDO-PACIFIC

(U) National Security Challenges

- (~~S//NF~~) How to maintain U.S. strategic primacy in the Indo-Pacific region and promote a liberal economic order while preventing China from establishing new, illiberal spheres of influence, and cultivating areas of cooperation to promote regional peace and prosperity?
- (~~S//NF~~) How to ensure North Korea does not threaten the United States and its allies, accounting for both the acute present danger and the potential for future changes in the level and type of the threat posed by North Korea?
- (~~S//NF~~) How to advance U.S. global economic leadership while promoting fair and reciprocal trade?

(U) Enduring Vital Interests of the United States:

- (U) Protect the homeland;
- (U) Advance American prosperity;
- (U) Preserve peace through strength; and
- (U) Advance American influence.

(U) Top Interests of the United States in the Indo-Pacific:

- (~~S//NF~~) Defend the homeland and American citizens abroad; prevent the spread of nuclear weapons and the means to deliver them;
- (~~S//NF~~) Preserve U.S. economic, diplomatic, and military access to the most populous region of the world and more than one-third of the global economy;
- (~~S//NF~~) Enhance the credibility and effectiveness of our alliances; and
- (~~S//NF~~) Maintain U.S. primacy in the region while protecting American core values and liberties at home.

(U) Assumptions:

- (U//~~FOUO~~) U.S. security and prosperity depend on free and open access to the Indo-Pacific region, which will remain an engine of U.S., regional, and global economic growth.
- (U//~~FOUO~~) North Korea's nuclear missiles and its stated intention of subjugating South Korea pose a grave threat to the U.S. homeland and our allies.

Classified By: MPottinger, DAP and Senior Director for Asia, NSC

Derived From: NSC SCG

Declassify On: 20421231

NSC declassification review

Declassified in Part

by Assistant to the President for National Security Affairs

~~SECRET~~ Robert C. O'Brien 1/5/2021

- (U//~~FOUO~~) Shifting regional power balances will continue to drive security competition across the Indo-Pacific, leading to increased defense investment by many countries in the region, including India and Japan.
- (U//~~FOUO~~) Proliferation, maritime security, terrorism, and unresolved territorial disputes will remain the primary security concerns and sources of conflict.
- (U//~~FOUO~~) Loss of U.S. preeminence in the Indo-Pacific would weaken our ability to achieve U.S. interests globally.
- (U//~~FOUO~~) Strong U.S. alliances are key to deterring conflict and advancing our vital interests.
- (U//~~FOUO~~) Strategic competition between the United States and China will persist, owing to the divergent nature and goals of our political and economic systems. China will circumvent international rules and norms to gain an advantage.
- (U//~~FOUO~~) China aims to dissolve U.S. alliances and partnerships in the region. China will exploit vacuums and opportunities created by these diminished bonds.
- (U//~~FOUO~~) A strong India, in cooperation with like-minded countries, would act as a counterbalance to China.
- (U//~~FOUO~~) Chinese economic, diplomatic, and military influence will continue to increase in the near-term and challenge the U.S. ability to achieve its national interests in the Indo-Pacific region.
- (U//~~FOUO~~) China seeks to dominate cutting-edge technologies, including artificial intelligence and bio-genetics, and harness them in the service of authoritarianism. Chinese dominance in these technologies would pose profound challenges to free societies.
- (U//~~FOUO~~) China's proliferation of its digital surveillance, information controls, and influence operations will damage U.S. efforts to promote our values and national interests in the Indo-Pacific region and, increasingly, in the Western hemisphere and at home.
- (U//~~FOUO~~) China will take increasingly assertive steps to compel unification with Taiwan.
- (U//~~FOUO~~) Russia will remain a marginal player in the Indo-Pacific region relative to the United States, China, and India.

~~SECRET//NOFORN~~

(U) Desired End States:

- ~~(S//NF)~~ North Korea no longer poses a threat to the U.S. homeland or our allies; the Korean Peninsula is free of nuclear, chemical, cyber, and biological weapons.
- ~~(S//NF)~~ The United States maintains diplomatic, economic, and military preeminence in the fastest-growing region of the world; most nations in the Indo-Pacific view the United States as their preferred partner; U.S. economic strength and influence increase throughout the region.
- ~~(S//NF)~~ Regional countries uphold the principles that have enabled U.S. and regional prosperity and stability, including sovereignty, freedom of navigation and overflight, standards of trade and investment, respect for individual rights and rule of law, and transparency in military activities.
- ~~(S//NF)~~ Free markets are the mainstream of Asia, and the U.S. economy generates jobs and growth as a consequence of its interaction with the Indo-Pacific region.
- ~~(S//NF)~~ Regional disputes are resolved lawfully and without coercion.
- ~~(S//NF)~~ Southeast Asia is bound more tightly together in business, security, and civil society - including through a strengthened Association of Southeast Asian Nations (ASEAN) - and works closely with the United States and our allies and key partners to uphold the principles identified above.
- ~~(S//NF)~~ Southeast Asia is capable of managing terrorist threats with minimal assistance from non-ASEAN states.
- ~~(S//NF)~~ India's preferred partner on security issues is the United States. The two cooperate to preserve maritime security and counter Chinese influence in South and Southeast Asia and other regions of mutual concern. India maintains the capacity to counter border provocations by China.
- ~~(S//NF)~~ India remains preeminent in South Asia and takes the leading role in maintaining Indian Ocean security, increases engagement with Southeast Asia, and expands its economic, defense, and diplomatic cooperation with other U.S. allies and partners in the region.
- ~~(S//NF)~~ The United States and its partners on every continent are resistant to Chinese activities aimed at undermining their sovereignty, including through covert or coercive influence.

(U) Lines of Effort:**(U) Alliances & Partnerships**

- ~~(S//NF)~~ Objective: Emphasize our commitment to the region, highlighting a shared vision for a "free and open Indo-Pacific."

- Actions: Invigorate U.S. technical assistance to friendly governments to promote rule of law and civil institutions while communicating the strings attached to China's "Belt and Road Initiative." (See: **"U.S. Strategic Framework for Countering China's Economic Aggression."**) Develop a robust public diplomacy capability, which can compete with China's information campaigns; puncture the narrative that Chinese regional domination is inevitable.
- (~~S//NF~~) Objective: Strengthen the capabilities and will of Japan, the Republic of Korea, and Australia to contribute to the end states of this strategy.
[REDACTED]
- Align our Indo-Pacific strategy with those of Australia, India, and Japan.
- Aim to create a quadrilateral security framework with India, Japan, Australia, and the United States as the principal hubs.
- Deepen trilateral cooperation with Japan and Australia.
- Encourage South Korea to play a larger role in regional security issues beyond the Korean peninsula.
- Empower Japan to become a regionally integrated, technologically advanced pillar of the Indo-Pacific security architecture.
- Assist in the modernization of Japan's Self Defense Forces.
- (~~S//NF~~) Objective: Reinvigorate alliances with the Philippines and Thailand, to strengthen their role in upholding a rules-based regional order.
- Actions: Preserve and where possible expand foreign development assistance and defense engagement, including access, exercises and training, and interoperability.
- (~~S//NF~~) Objective: Advance U.S. security leadership in the region through expanded engagement with Indo-Pacific countries on non-traditional security challenges.
- Actions: Expand collaboration with Indo-Pacific countries on peacekeeping, humanitarian assistance/disaster response, and global health.
- Share the burdens and fruits of research and development with allies and like-minded partners to retain our military edge.
- Encourage like-minded countries to play a greater role in addressing these challenges and in increasing burden-sharing. Share the benefits of our research and development with allies and like-minded partners to retain our collective military edge.

- (~~S//NF~~) Objective: Enable Taiwan to develop an effective asymmetric defense strategy and capabilities that will help ensure its security, freedom from coercion, resilience, and ability to engage China on its own terms.

(U) *India and South Asia*

- (~~S//NF~~) Objective: Accelerate India's rise and capacity to serve as a net provider of security and Major Defense Partner; solidify an enduring strategic partnership with India underpinned by a strong Indian military able to effectively collaborate with the United States and our partners in the region to address shared interests.
- Actions: Build a stronger foundation for defense cooperation and interoperability; expand our defense trade and ability to transfer defense technology to enhance India's status as a Major Defense Partner; increase our cooperation on shared regional security concerns and encourage India's engagement beyond the Indian Ocean Region; support India's membership in the Nuclear Supplier's Group; and work with India toward domestic economic reform and an increased leadership role in the East Asia Summit (EAS) and ADMM+. Offer support to India - through diplomatic, military, and intelligence channels - to help address continental challenges such as the border dispute with China and access to water, including the Brahmaputra and other rivers facing diversion by China.
- [REDACTED] support India's "Act East" policy and its aspiration to be a leading global power, highlighting its compatibility with the U.S., Japanese, and Australian vision of a free and open Indo-Pacific.
- Build regional support for U.S.-India Common Principles in the Indian Ocean, including unimpeded commerce, transparent infrastructure-debt practices, and peaceful resolution of territorial disputes.
- Promote U.S.-India energy cooperation across all sources and technologies to diversify India's energy sources and supplies.
- Partner with India on cyber and space security and maritime domain awareness. Expand U.S.-India intelligence sharing and analytic exchanges [REDACTED] creating a more robust intelligence partnership.

- Work with India and Japan to help finance projects that enhance regional connectivity between India and countries of the region.
- ~~(S//NF)~~ Objective: Strengthen the capacity of emerging partners in South Asia, including the Maldives, Bangladesh, and Sri Lanka, to contribute to a free and open order.
- Actions: Establish a new initiative with South Asian partners modeled on the Maritime Security Initiative in Southeast Asia to improve maritime domain awareness, interoperability, and data-sharing with the United States.
[REDACTED]
- Support creation of a maritime information "fusion center" in the Indian Ocean.
- Establish a regional forum to promote common principles and standards.
- Establish and gain broad consensus on a statement of principles on acceptable maritime behavior, to include a commitment to regional cooperation in line with shared security objectives.

(U) *China*

- ~~(S//NF)~~ Objective: Prevent China's industrial policies and unfair trading practices from distorting global markets and harming U.S. competitiveness.
- Actions: Counter Chinese predatory economic practices that freeze out foreign competition, undermine U.S. economic competitiveness, and abet the Chinese Communist Party's aspiration to dominate the 21st century economy. (See: **"U.S. Strategic Framework for Countering China's Economic Aggression."**)
- ~~(S//NF)~~ Build an international consensus that China's industrial policies and unfair trading practices are damaging the global trading system.
- Actions: (See: **"U.S. Strategic Framework for Countering China's Economic Aggression."**)
- ~~(S//NF)~~ Objective: Maintain American industry's innovation edge vis-à-vis China.
- Actions: Work closely with allies and like-minded countries to prevent Chinese acquisition of military and strategic capabilities; broaden the scope of the Committee on Foreign Investment in the United States to cover venture capital and other forms of investment by China; and adopt domestic policies that promote growth in key technologies.

(See: "U.S. Strategic Framework for Countering China's Economic Aggression.")

- ~~(S//NF)~~ Objective: Promote U.S. values throughout the region to maintain influence and counterbalance Chinese models of government.
 - Actions: Develop public and private messaging and promote initiatives that show the benefits of democracy and liberty to all countries, including economic, technologic, and societal benefits.
 - Coordinate efforts to protect and promote internationally recognized rights and freedoms with likeminded partners.
 - Engage South Korea, Taiwan, Mongolia, Japan, and other regional democratic partners to demonstrate their own successes and the benefits they have accrued.
 - Support activists and reformers throughout the region.
 - Offer development, technical, and legal assistance to those countries who seek to reform.
- ~~(S//NF)~~ Objective: Deter China from using military force against the United States and U.S. allies or partners, and develop the capabilities and concepts to defeat Chinese actions across the spectrum of conflict.
 - Actions: Enhance combat-credible U.S. military presence and posture in the Indo-Pacific region to uphold U.S. interests and security commitments.
 - Devise and implement a defense strategy capable of, but not limited to: (1) *denying* China sustained air and sea dominance inside the "first island chain" in a conflict; (2) *defending* the first-island-chain nations, including Taiwan; and (3) *dominating* all domains outside the first island-chain. [REDACTED]
 - Help our allies and partners improve their security posture, including military capabilities and interoperability, to ensure strategic independence and freedom from Chinese coercion. Expand partnerships and capabilities that limit China's ability to coerce allies and partners.
- ~~(S//NF)~~ Objective: Enhance U.S. engagement in the region while also educating governments, businesses, universities, Chinese overseas students, news media, and general citizenries about China's coercive behavior and influence operations around the globe.
 - Actions: Establish a mechanism that provides publicly available information that explains Chinese activities and

the problems they pose to the interests, liberty and sovereignty of nations. [REDACTED]

- Invest in capabilities [REDACTED] that promote uncensored communication between Chinese people.
- ~~(S//NF)~~ Objective: Cooperate with China when beneficial to U.S. interests.
- Actions: In our diplomacy with China, emphasize high-level, substantive interaction to realize the President's vision for a constructive, results-oriented relationship. Past diplomacy has often been broad and shallow, which suits China's interests.
- ~~(S//NF)~~ Objective: Maintain an intelligence advantage over China, and inoculate the United States, its allies, and partners against Chinese intelligence activities.
- Actions: Equip U.S. allies and partners to cooperate with the United States in operating against China and countering China's clandestine activities in their countries.
- Expand and prioritize U.S. intelligence and law enforcement activities that counter Chinese influence operations. Get like-minded countries to do the same.
- Strengthen defensive and offensive counter-intelligence functions across the public and private sectors to neutralize China's growing intelligence advantages; expand intelligence diplomacy and law enforcement cooperation with other governments to bolster understanding of Chinese intentions and capabilities.
- Help allies and partners develop high standards in counterintelligence, counter proliferation, cyber security, industrial security, and management of classified information.

(U) *Korean Peninsula*

- ~~(S//NF)~~ Objective: Convince the Kim regime that the only path to its survival is to relinquish its nuclear weapons.
- Actions: Maximize pressure on Pyongyang using economic, diplomatic, military, law enforcement, intelligence, and information tools to cripple North Korea's weapons of mass destruction programs, choke off currency flows, weaken the regime, and set the conditions for negotiations aimed at reversing its nuclear and missile programs, ultimately achieving the complete, verifiable, and irreversible denuclearization of the Peninsula. Consider negotiations if North Korea takes steps to reverse its nuclear and missile programs. (See: **"The President's North Korea Strategy," Cabinet Memo, 28 March 2017.**)

- [REDACTED]
Do this by: (1) helping South Korea and Japan acquire advanced, conventional military capabilities; (2) drawing South Korea and Japan closer to one another; [REDACTED]
[REDACTED]
- [REDACTED]

(U) *Southeast Asia & the Pacific Islands*

- (S//NF) Objective: Promote and reinforce Southeast Asia and ASEAN's central role in the region's security architecture, and encourage it to speak with one voice on key issues.
 - (S//NF) Actions: Deepen our relationships with Singapore, Malaysia, Vietnam, and Indonesia [REDACTED]
 - (S//NF) Highlight ASEAN centrality as a core component of the free and open Indo-Pacific strategy.
 - (S//NF) Reinforce Japan's proactive leadership to amplify U.S. strategic goals in Southeast Asia.
[REDACTED]
- (S//NF) Objective: Prevent the spread of terrorism in Southeast Asia.
 - (S//NF) Actions: Expand the involvement of Southeast Asian nations in the Defeat-ISIS coalition; foster better law-enforcement, military, and intelligence cooperation among Indo-Pacific states; and provide direct U.S. assistance to counter-terror efforts.
[REDACTED]
- (S//NF) Objective: Promote and support Burma's transition to democracy.
[REDACTED]
- (S//NF) Objective: Ensure the Pacific Islands (e.g., the U.S. territories, the Freely Associated States, the Melanesian and the Polynesian states,) remain aligned with the United States.
 - Actions: Solidify our diplomatic, military, intelligence, economic, development assistance, and informational advantages across the Pacific Islands.
[REDACTED]
- (S//NF) Objective: Pursue economic ties and increase connectivity with countries willing to adopt market-based reforms. Pursue trade agreements that contain trade and

investment standards set by the United States and that reduce the region's economic reliance on China.

- (U) Assign strategic purpose to the combined financial resources and economic power of the United States; promote an integrated economic development model in the Indo-Pacific that provides a credible alternative to One Belt One Road; create a task force on how best to use public-private partnerships.
- (~~S//NF~~) Promote the U.S., ally, and partner-led development of energy, telecommunications, and logistics standards and infrastructure.
- (~~S//NF~~) Expand the Asia-Pacific Economic Cooperation's work in promoting regional economic integration and support the formation of the ASEAN Economic Community through trade facilitation, customs modernization, and standards harmonization.
- (~~S//NF~~) Incentivize the U.S. private sector to reignite an expeditionary spirit so that it expands two-way trade and investment in the Indo-Pacific.