Hegemony and Global Governance

Dr. James DeShaw Rae
California State University, Sacramento

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ABSTRACT
I argue that two competing visions of regionalism in East and Southeast Asia are unfolding out of its original ASEAN foundations, one centered geographically on East Asia and the other on the Pacific Ocean. The East Asian approach is more exclusive and more impacted by China’s preferences for a privileged position in a new Asian order that would minimize U.S. hegemony. These connections are enhanced by a state-led developmental model of capitalism and burgeoning cultural linkages that support a nascent Asian identity. The Pacific pathway is more directed by American emphasis on multilateral bodies that ensure the inclusion of the United States and avoid much institution building. The United States preferences are also conditioned by its regional strategic interests and partnerships as well as its ideological support for liberal policy prescriptions. The rival goals of the United States and China are more starkly in contrast when perceived through the prism of America’s sponsorship of a Trans-Pacific Partnership that has not invited China to participate and China’s recent creation of an Asian Infrastructure Investment Bank that the United States refused to join. Thus, this strategic competition among great powers has global implications as it challenges the liberal institutionalist presumption that multilateral initiatives may facilitate more cooperative and harmonious relationships.

Keywords: multilateralism; regionalism; ASEAN; US-China relations; AIIB; TPP.
Introduction

During the 1960s and 1970s, many international relations scholars studied European regional integration in the belief that this process would lead to a more peaceful interstate system. These theorists, who could be called neoliberal institutionalists, developed concepts to explain the growing areas of cooperation among nation-states. For instance, Ernst Haas (1964) and David Mitrany (1943) argued that functional cooperation in various sectors would spillover (Mitrany referred to ramification) into other areas and that ultimately international organizations and laws would bind these nation-states together so that they would have a strong disincentive to engage in conflict with each other. Moreover, Joseph Nye (1971) suggested mechanisms to evaluate this process, such as the functionalist linkage of tasks, rising transactions, deliberate linkages and coalition formation, elite socialization, regional economic group formation, regional identity, and the involvement of external actors in the process. Oran Young (1999) affirmed the role of regimes that manage state behavior through international institutions and social practice, while from a constructivist point of view, John Ruggie (1992) found that multilateral norms and institutions manage regional and global change and stabilize international consequences. These theories have since been refined in some ways, discarded in others, yet the idea that greater supranational integration will lead to peace and reduce the threat of violent interstate conflict still underlies the purpose of creating regional multilateral organizations.

Regionalism in the context of international organizations may take the form of geographic affinity of the hemispheric (Organization of American States, OAS) or continental (African Union, AU) variety. Those two regional bodies have only achieved modest deepening of relationships, while the European Union stands as the model of integrative depth. European integration was driven by committed technocratic leaders like Robert Schuman and Jean Monnet, backed by major continental powers France and Germany with U.S. support that promoted an organizing principle against the Cold War threat and to rebuild post-war economies. Despite calls for a broad pan-Asiatic community in the post-colonial era by luminaries such as Ho Chi Minh and Jawaharlal Nehru, no comparable regional organization has developed in Asia. Lacking visionary leaders, major states had competing national interests and ideological loyalties and relations with the two superpowers conditioned the bifurcation of the region, further
fragmented by historical memory of colonialism and warfare (Acharya 2010: 1003). Thus the states of Northeast Asia, China, Japan, and the two Koreas, maintain fundamental tensions and failed to achieve any binding multilateral organizations exclusive to themselves (Evans 1996).

Meanwhile, realist scholars are skeptical that institutional linkages moderate the natural self-interest of major powers and presume that competition will be played out within existing international organizations and between rival institutions. Foremost, John Mearsheimer (1994, 7) contended that institutions reflect the distribution of power in the world and are arenas for acting out power relationships and that liberal institutionalist approaches among other theoretical approaches fail to account for the independent motivation of states to seek power. Mearsheimer, among others, have recently turned their attention to the possibility of global geopolitical systemic change owing to the rise of China. John Ikenberry (1998/99, 2008) argued that the liberal character of American hegemony with constitutional characteristics based upon transparency and strategic restraint explains the durability of the post-war order and should be able to accommodate China’s interests. Alastair Iain Johnston (2003) examined the role of China in a new security dilemma and tried to detect its orientation as a status quo or revisionist state, while Mearsheimer (2014) claimed that China will seek regional hegemony in Asia, attempt to displace the United States in the region, and thus create a security competition that may result in war. Randall Schweller and Xiaoyu Pu (2011, 52, 60-63) further identified three potential pathways: power transition to a new Chinese order, peaceful evolution within the liberal order, or power diffusion without direction by any state, finding that a rising China will pragmatically accommodate U.S. hegemony while also contesting its legitimacy, in part by creating new international organizations and setting the agenda within international and regional organizations. This general theoretical review serves to frame the more empirical observations about changing regionalism in East Asia below, not to suggest which approach is more reasonable to the current context.

Whatever integration exists in East Asia has been a more externally influenced and competitive process unreflective of the European experience and thus has done little to reduce real and potential hostilities. In fact, the first attempt to create a regional organization was the short-lived Southeast Asia Treaty Organization (SEATO) within the
new American security order after World War II that made distinct command posts around the world as part of the global rivalry between the United States and Soviet Union, followed by the short-lived Association of Southeast Asia (ASA) in 1960. Thus, post-Cold War era visions of Asian regionalism include an instrumental order of security dilemmas based on power politics among Asian states and bilateral alliances owing to U.S. hegemony in Asia, or a normative-contractual order of state-led regionalism and regional institutions seeking regional and international stability (Nair 2009, 131). America’s bilateral hub and spoke defense arrangement eschewed multilateralism despite the potential benefits of self-interested cooperation, and thus no correlate of NATO was built in Asia (Hemmer and Katzenstein 2002). Rather, the driver of this limited regionalism in Asia has been the sub-regional Association of Southeast Asian Nations (ASEAN), with tentacles spreading far and wide but with integration still stymied by competing outside forces and internal differences. More recently, China has commenced an expansive institution-building campaign that could bridge some divides on a path toward a ‘New Silk Road,’ while failing to broach other competing visions of Asian order.

This article takes as a starting point two distinct spatial conceptions of geographic contestation, one East Asia and another Pacific Asia, as it seeks to explain the competing multilateral approaches presented by ASEAN, China, Japan, and the United States (See Figure 1). This competition has played out through emerging visions of Asian regionalism that expansively include states from the Pacific, Latin America, North America, and even the European Union or those that are narrower and encompass only Southeast Asia. Deepak Nair (2009, 111, 125, 135) explains how the Asian financial crisis turned a broad and inclusive ‘Asia-Pacific’ in the early 1990s focusing on economic affairs at the Asia-Pacific Economic Cooperation (APEC) and security matters in the ASEAN Regional Forum (ARF) toward an exclusive ‘East Asian’ region of strong bilateralism with weak multilateralism. Later this approach was somewhat revised with the creation of the East Asia Summit (EAS), and Nair states that the ‘momentum has been on the side of an exclusive of “East Asian” regionalism premised on the viability and normative preference for an Asia by and for “Asians”, that excludes the United States and Pacific Asia.’ In 2014, President Xi gave a speech conjuring up the image of an ‘Asian Dream’ whereby Asian people would manage their own security with China in a leading role.
Although security and economic matters seem to predominate in this competition (Ravenhill 2009), culture and identity also play a significant part as competing norms may indeed decide which multilateral pathway persists and which retreats. The contrasting ideologies of a Washington or Beijing consensus are instrumental to the underlying purposes of each regional framework and will be played out bilaterally, regionally, and globally, manifested in a contested multilateralism. Neoliberal market-based conditionality and even structural adjustment prescriptions arising from American pressures to gain adherents and allies is now confronted by the state-led developmental approach of China which offers investment and trade without domestic interference, criticism, or binding rules of the game. This intra-Asian approach is building on networks of think tanks, university centers, and business leaders (Woods 1993; Evans 2005), but also on personal relationships (guanxi in Chinese) as a preferred method of doing business and achieving intra-regional consensus multilateralism. China is further advantaged by its connection to an extensive ‘bamboo’ network of overseas Chinese who tend to have enormous influence in Southeast Asian economies. These commonalities could recall a former regional hegemonic stability derived from the Confucian tribute system; after all the social systems of China/Taiwan, Japan, Korea, and Vietnam are mutually understandable and even the word for country is the same in all four: kuo/guo, koku, kuk, and quoc, thus cultural rather than political authority may be more salient in the region (Borthwick 2013). Even the West’s own APEC is more culturally Asian, built on informal ties rather than official rules or permanent institutions, using consensus decision-making instead of binding commitments, and adopting process over outcome.

Of course, other actors matter in evaluating this reorienting of Asian spatial and political terrain. Russia, confronted by American and European pressures through NATO and EU frustration over Russia’s Ukrainian excursion and internal repression, has pivoted eastward toward China and formulated its own Eurasian Economic Union. The United States encouraged India to not simply ‘look east’ but go east as it offered incentives to participate in shaping the American rebalancing in Asia. Australia, a sometimes forgotten medium power in the region, identified itself as geographically in Asia as early as 1995 under then Prime Minister Paul Keating. It has since directed its future planning toward closer ties with China while maintaining military commitments to the United States. Even Africa, Latin America and Europe will have a voice in determining the future
of this potential clash of multilateralisms. Will China and the United States become partners in a ‘G2’ as advocated by former U.S. national security adviser Zbigniew Brzezinski order of shared interests or may China foster an alternative system, resulting in a new diffuse order?

**Figure 1: Regional Organization in Asia**

**ASEAN’s Image of Regionalism: Bangkok Consensus**

ASEAN is the progenitor of one path of regionalism where cultural, educational, and scientific exchange has spilled over into greater technical, economic, and occasionally security matters. As the driver of regionalism in East Asia, ASEAN has three broad options: to pursue deeper integration among member states, to expand its partnerships with actors outside Southeast Asia, or to perform both simultaneously. Although global investment is important, China and Japan will be the primary engines of growth for the area. According to ASEAN in 2014, Japan provided 15 percent of foreign direct investment to Southeast Asia and China/Hong Kong comprised 11 percent, the European Union combined was 16 percent and the United States was the third largest nation at nine percent. Yet most states depend on support from the U.S. security presence to lessen their reliance on their northeastern neighbors, especially China. ASEAN states thus favor inclusive regionalism of uncertain depth as they slowly build toward a cultural community and sub-regional collective identity while preserving East Asian financial ties and American defense partnerships.

Deeper internal ties and greater cultural, economic, political, and security cooperation are developing through the attempt to forge an ASEAN Free Trade Area (AFTA) and ASEAN Economic, Security, and Socio-Cultural Communities respectively. In 2007, the ASEAN Charter was formulated as a legal governing mechanism enshrining democracy, good governance, and human rights that formed an ASEAN Council with three ministerial councils (Simon 2008, 274, 277). ASEAN states have also increasingly defined the region of Southeast Asia in exclusive terms by rejecting membership bids from Australia, India, Papua New Guinea, and Sri Lanka, and delaying the candidacy of East Timor. Cultural ties are apparent as former colonies facing similar developmental
obstacles, with maritime states tied together by Malay heritage and language and mainland states connected through fealty to Theravada Buddhist faith. A forerunner to ASEAN, Maphilindo (Malaysia, Philippines, and Indonesia), even sought more cultural and ethnic bonds promoting the unity of the Malay race and was thus exclusive to those nations (Acharya 2010, 1009). Moreover, ASEAN decision-making is still based on consensus, national interests, bureaucracy over law, and bilateralism, and has thus followed a non-Western ad hoc approach (Katzenstein 2005). In addition, these states have sought domestic legitimation through economic growth rather than political openness and have thus depended on coercion regarding domestic security threats. These measured steps toward integration have advanced, yet states in the region are reluctant to forfeit sovereignty and realize they must engage with the major powers in the area. Their commonalities are also hindered by broad gaps in development levels, competing national interests, and a diversity of local cultures.

Just as the Thai kings and diplomats of the 19th century were able to escape colonialism by balancing British and French pressures, so today ASEAN states are able to manipulate great power interests to their own economic and security benefit. ASEAN is primarily an agenda setting organization, designing future paths to mutually acceptable places. As a regional organization, it does not seek to challenge member states’ sovereignty through any supranational authority, preferring a less confrontational (and less transparent) process of behind-the-scenes dialogue that assists its members in dealing with internal problems, while setting broad and ambitious plans. Aside from its anti-communist roots when it sought to keep the United States in and China and the Soviet Union out, ASEAN was conceived of as a device to foster regional cooperation, resolve the Sabah dispute among Indonesia, Malaysia, and the Philippines, and to pursue economic aid from Japan, the United Kingdom, and the United States.

Thus, ASEAN foreign policy has followed non-alignment and non-interference in member-states domestic affairs while maintaining security through the U.S. military presence, military cooperation in ASEAN, and bilateral military cooperation outside ASEAN. ASEAN has avoided any formal military alliances and has played no direct security role in regional conflicts since its founding in 1967. For the states of ASEAN, the concept of security is not based on military notions; therefore consultation and dialogue have been employed rather than collective security and formal dispute resolution
mechanisms (Leifer 1996). In fact, ASEAN member-states’ chief security threat has not been the external force and intervention of great powers like China and the United States or conflict with each other, but rather internal secessionists, public dissent, and economic inequality which form an interrelated chain of protest and repression. More recently, foreign policy in ASEAN has been impacted by China’s improved regional relations and the future of the U.S. and Japanese presence. While mistrust toward Japan’s militaristic legacy has receded amid decades of foreign investment and aid, its stagnant economy has watched its regional impact ebb in the face of a Chinese tidal wave of attention. Thus, in 2002 member states drafted a modest code of conduct for behavior in the contested South China Sea, though attempts to update such regulations have been blocked internally by China’s growing relationship with Cambodia and others.

Meanwhile, more and more countries participate in the plethora of multilateral outgrowths from ASEAN’s diplomatic entreaties. ASEAN has no interest in walling itself off since the advantages of external support are magnified by the competition among outside actors. As Sheldon Simon (2008, 286) explains, ASEAN seeks to prevent any hegemonic pressures on the region by the inclusion of China and the United States, both of whom are members of ARF. Yet commitment to the United States suffered from its imposition of harsh structural adjustment policies to liberalize Asian economies amid the 1997-98 Asian financial crisis causing further collapse and the fall of Suharto in Indonesia. Moreover, Japan appeared weak when its call for an Asian Monetary Fund (AMF) to bailout such nations without the strictures of the International Monetary Fund (IMF) was rebuffed by the West, while China’s status soared as it maintained capital controls and currency stability, thus avoiding the same fate and giving rise to a possible Beijing model on state-led interventions into the domestic economy. American indifference contributed to the rise of ASEAN Plus Three and the related Chiang Mai initiative bond program that began constructing an East-Southeast Asian economic zone free from neoliberal prescriptions. ASEAN states have transitioned their economic focus toward greater linkages with China, which offers tremendous trade and investment opportunities without the conditionality applied by the West, while steadfastly pursuing an ongoing security presence for the United States to limit their dependence and exposure to China’s growing clout. Therefore, ASEAN countries see added value in pursuing all possible pathways, participating in America’s preferred open regionalism and accepting
China’s exclusive regionalism (and inclusive globalism), while building its own institutions and identity to speak together with a more clarion voice.

**China’s Image of Regionalism: Beijing Consensus**

China’s interests are to promote its own economic modernization and develop trade and investment opportunities in the region, while guarding against American military might and the deterrent element of U.S. mutual defense treaties with regional states. On one level, China seeks a (re)balanced globalism through cooperation with like-minded states at the United Nations, especially Security Council member Russia, and mutually advantageous bilateral relations based on pragmatic interests related to development, employing a mix of state-led government interventions and market reform principles. A variety of initiatives have culminated in a ‘one belt, one road’ grand strategy to connect Africa, India, Europe, and the Pacific to China as a hub. Promoted by China’s National Development and Reform Commission (NDRC) and articulated by President Xi (2013) at a speech in Kazakhstan, China offers this initiative as complimentary to existing regional and global institutions. Specifically, the ‘silk road economic belt’ links China to Europe through Central Asia with an additional diversion to Moscow, along with a ‘21st century maritime silk road’ that retraces old trade routes to the Pacific, Southeast Asia, India, Africa, and finally to Italy. Thus, China’s ‘One Belt One Road’ strategy prioritizes the twin efforts of exclusive regionalism and inclusive globalism on its own terms. At the same time, China also has global interests and the government, business community, and public may have paid more attention to the World Trade Organization (WTO) rather than such regional efforts (Wan 2010: 528). Although China supports greater intra-Asian trade, it remains dependent on American, European, and Japanese markets (Borthwick 2013, 540).

While China prefers an exclusive regionalism that limits American interference, with shallow depth to allow China’s stronger bilateral bargaining position to become assertive, it is now willing to participate in all forms of multilateralism. China fortifies its diplomatic ties and soft power initiatives to ASEAN states and supports a multilateral process of region-building that lessens U.S. dominance, ideally where the superpower is excluded completely as in ASEAN Plus Three and the East Asian Summit. Ming Wan asserts that nearly all schools of Chinese foreign policy support regionalism: realists
anticipate regional dominance and a sphere of influence, liberals hope regional free trade and integration will promote economic gains and reduce nationalism, and ‘neo-traditionalists’ emphasize pan-Asian identity as distinct from the West (Wan 2010, 524). Although it would be easier to develop stable relations with nations that accepted China’s vision of the world, writes David Kang, China does not promote a messianic or transformative outlook and thus there exists ‘little pressure on subordinate states to conform to Chinese ways’ (Kang 2009, 97, 112).

China’s need for raw materials and energy resources, secure access to commerce and transportation through the South China Sea, and desire to access Southeast Asian markets makes for a natural economic relationship. Moreover, the Asian model of development that prioritizes policymaking by a professional bureaucracy insulated from civil society and democratic impulses to the exclusion of independent critics, labor, and consumer interests in order to speed capital formation and growth is very compatible with others in the region and has made China’s initiative the strongest in the region according to David Arase (Arase 2010: 809). China is comfortable with ASEAN’s emphasis on sovereignty, consensus decision-making, and the exclusion of internal affairs in ASEAN-China discussions, which greatly corresponds to China’s ‘New Security Concept’ that emphasizes non-interference, non-use of force, peace through dialogue and cooperation, and development as an integral aspect of security (Arase 2010, 818; Simon 2008, 283). China’s balance of power realism in the 1990s relied on bilateral diplomacy, where it now builds non-traditional security cooperation with ASEAN on transnational non-military threats like piracy, smuggling, human and drug trafficking, illegal immigration, cybercrime, terrorism, subversion, ethnic/religious movements, disease control, natural disasters, and food security (Arase 2010, 808-09, 817). Today, China works to mitigate U.S. influence in the region by expanding bilateral and multilateral linkages to ASEAN (Ba 2003, 646)

Against U.S. opposition, China demonstrated interest in Malaysia’s 1991 idea of an East Asia Economic Group (EAEG); its outcome, the ASEAN Plus Three (namely China, Japan, and South Korea) process in 1997, was framed into an East Asian Community (EAC) by the ASEAN Plus Three’s East Asian Vision Group (EAVG) in 2001 (Nair 2009, 118). ASEAN Plus Three has successfully formulated practical initiatives and become increasingly institutionalized and began to address political-security and transnational
issues since 1999 (Nair 2009, 118-119). Exclusively Asian ties were further enhanced by the 2000 Chiang Mai Initiative (CMI) to establish a series of bilateral currency swap arrangements as an alternative to the IMF and China’s 2002 proposition for both a Northeast Asian free trade area and an East Asian free trade area (Wan 2010, 521). China’s endeavor to facilitate regional integration led to the 2005 creation of the East Asian Summit (i.e. ASEAN Plus Six), which was intended to be exclusive to Asian states but was pried open by Japan to Western-oriented Pacific states of Australia and New Zealand along with India, its membership thus mirrored by that of the Regional Comprehensive Economic Partnership (RCEP). Though China remains supportive of the Summit and the RCEP, it strongly disapproved of adding the latter three (Simon 2008, 281).

China’s diplomatic coup in 2015 to formulate an Asian Infrastructure Investment Bank (AIIB) and gain founding members among American allies Australia, South Korea, and the United Kingdom among others showed that it could also promote an advantageous posture of regional multilateralism that both undermines U.S. advantages in global institutions like the World Bank and IMF as well as mitigates Japanese influence through the Asian Development Bank (ADB). The United States decision, along with Japan, to not accept the invitation to join, was a considerable setback for the American image, not strong enough to keep its allies in check and not compromising enough to participate in such a multilateral initiative. These efforts are part of a broader emphasis on regionalism spreading to globalism by China through its co-opting the Free Trade Area of the Asia-Pacific (FTAAP) as a preferable alternative to the TPP, and building of a New Silk Road and BRICS development bank. China also continues to participate in the waning APEC and ARF despite its preference for more inwardly Asian integration.

China also maintains bilateral ties and works through ASEAN plus China, seeking trade and raw materials. China’s ASEAN Plus One meeting has taken on great importance for ASEAN even in relation to other ‘plus one’ meetings with India, Japan, and South Korea. In fact, China became a full dialogue partner with ASEAN in 1996, leading to a China-ASEAN Free Trade Area (CAFTA) in 2010 based on the Framework Agreement on China-ASEAN Comprehensive Economic Cooperation of 2002 (Cruz da Castro 2009, 410), and now has multiple channels for further cooperation. China is truly going global, flush with
massive currency reserves (around $4 trillion) and eager to secure access to natural resources and diversify their point of departure.

**America’s Image of Regionalism: Washington Consensus**

The United States wishes to fortify its bilateral security alliances, promote multilateral cooperation in economic affairs, and prevent any exclusive Asian regionalism from taking root. American preferences for a pan-Pacific-oriented Asia are evident in early activities by civic and international organizations such as the non-governmental Institute of Pacific Relations (IPR) and Pacific Economic Cooperation Council (PECC) that coincide with the rise of neoliberalism in the 1980s (Borthwick 2013). In essence, the United States has long employed a hegemonic globalism based on Western neoliberal norms in constructing the global financial architecture of the IMF, World Bank, and World Trade Organization, and on a regional level lobbying for a TPP and a Transatlantic Trade and Investment Partnership (TTIP). The United States has also made a strategic calculation to resist China’s military rise as it seeks to constrain China’s operational environment through its forward bases, naval patrols in the region, and maintenance of generally positive diplomatic relations with major regional powers. Thus, the United States accepts weak yet inclusive regional groupings that provide opportunities for dialogue and build confidence and improve trust.

The type of multilateralism envisioned by the United States for Asia is a weak dialogue body of little depth that includes nearly every global player. Such inclusiveness serves to either mitigate its effectiveness or introduce more pro-American actors into the equation. For instance, APEC was founded in 1989 and includes 21 member states from Asia (China, Japan, South Korea, and much of ASEAN) as well as Australia, Canada, Chile, Mexico, New Zealand, Peru, Russia, and the United States while ARF is even larger with over two dozen members including actors as disparate as the European Union, India, and North Korea. These two organizations have been tolerable to all owing to their principles of mutual non-interference, non-intervention, and non-use of force yet they have failed to achieve their goals of trade liberalization and preventive diplomacy (Arase 2010, 814). Just as Australia originally proposed APEC, so too has it taken a catalytic role in further Pacific-oriented regionalism. Under Prime Minister Kevin Rudd, it even suggested an
Asia Pacific Community to tackle security and economic issues while promoting common political values and explicitly included the United States (Wan 2010, 535).

The United States prioritizes its strategic relationship in the Asia Pacific region as primary and therefore multilateralism is subservient to the broader national interests of American security and economic goals. As Nair posits, American hegemony and its hub-and-spoke alliance system ‘contributes to regional order by managing great power rivalries, mitigating security dilemmas, allaying the security concerns of smaller Asian states and by managing regional conflicts’ and thus leads to America’s preference for bilateral alliances over any multilateral or regional project (Nair 2009, 129). Moreover, the United States prefers ad hoc multilateral mechanisms to address discrete regional problems such as the Six Party Talks regarding North Korea’s nuclear weapons program. American region-building of a security nature has been the informal track two Council for Security Cooperation in the Asia Pacific (CSCAP), the broad dialogue body of the ASEAN Regional Forum that joins the West to Asia, or sometimes multilateral nature as in the military exercises and maneuvers of RIMPAC or other military-to-military exchanges. 16
The United States’ efforts to build toward an American-centric vision of Asian regionalism looks weaker despite President Obama’s ‘pivot’ to Asia strategy that scored some diplomatic successes with India, Myanmar, and Vietnam but failed in the realm of institution-building. In 2009, Obama initiated the Trans-Pacific Partnership (TPP) out of the 2005 Trans-Pacific Strategic Economic Partnership Agreement concluded by Brunei, Chile, New Zealand, and Singapore, and by 2014 Australia, Canada, Japan, Malaysia, Mexico, Peru, and Vietnam were also included. The TPP strives to boost economic activity and free trade while strengthening American leadership and weakening the influence of China and Japan in the Asia Pacific (Huang 2012, 87). By excluding China from dialogue on accession, the TPP appears as a rival on the horizon to exclusive East Asia. In 2015, President Obama finally acquired the ‘fast track’ trade authority necessary to conclude the agreement. However, member states’ reluctance, particularly that of Japan, to open certain markets like agriculture to privileged free trade has stymied its relevance; indeed it took the United States over a decade to conclude a bilateral free trade agreement with Korea. American opposition to an exclusive East Asia led to the demise of both Malaysia’s EAEG and Japan’s Asian Monetary Fund (AMF) (Nair 2009, 124; Simon 2008, 285), though dismissing China’s recent efforts will prove more difficult.

At the global level, the United States argues for China to play a greater role as a responsible ‘stakeholder’ in the international community and participant in multilateral forums. In practice, the United States has sometimes excluded China from a leadership role or been slow to appreciate the speed with which China is fostering its own rebalancing, built on a state-led model more acceptable to developing countries frustrated by Western conditionality and criticism. The failure to engage China at the World Bank and International Monetary Fund (IMF) by allowing greater contributions and a commensurate voice spurred China’s formulation of the AIIB and the subsequent American diplomatic defeat when close partners in Asia and Europe joined. In some ways, American commitment to its hegemonic perch have rendered it slow and reactive to China’s dynamic initiatives, while its ideological preferences of political and economic liberalism undermine its supposed invitation to create a G2 that would elevate China’s place in the world to equal partner. Excluding China from region-building efforts in economic affairs (the TPP) or military exercises (RIMPAC) facilitates mistrust, especially
when China has thus not been accommodated in U.S.-dominated alliances and international organizations.

**Japan’s Image of Regionalism: Tokyo Consensus**

Strong voices in Japan desire an exclusively Asian regionalism and have led initiatives along these lines for the past twenty years, yet such efforts have been constrained by Japan’s commitment to its American security relationship and growing domestic concern over China’s rise. In the early 20th century, Tokyo was the leading center for pan-Asian nationalist and transformative political movements, serving as salon to sundry scholars and revolutionaries. Imperial Japan also promoted Asia for the Asians in its short-lived Greater East Asia Co-Prosperity Sphere, while post-war Japan initiated the state-directed model of export-oriented growth built on protectionist policies that tied regional economies together in a Flying Geese pattern of development, gradually introducing market-based reforms over time. The first formal post-World War II Japanese initiative for Asian regionalism was in 1967 before Prime Minister Fukuda Takeo launched what became known as the Fukuda Doctrine in 1977 promoting mutual trust and solidarity with ASEAN as equal partners (Sohn 2010, 503). Thus, Japan’s economic interests tend toward greater regional integration, even sometimes considering political linkages, though its tenuous position in the Sino-American relationship leaves it uncertain of which vision of Asia provides the most risk or benefit. In reality, Japan’s soft approach has seen it greatly fund both Pacific Asian and East Asian visions, investing heavily in both the ARF and EAS. Indeed, modern Asian regionalism was sparked by Japanese foreign direct 18
investment (FDI) and official development assistance (ODA) to Southeast Asia in the 1970s and 1980s (Duara 2010, 968).

Though deeply committed to internationalism and possessing great economic power and large investments in its military defense, Japan has less stature and influence in global affairs than its inherent strength would suggest. At the global level, Japan contributes the second most funds to the World Bank and IMF but has gained only meager diplomatic benefits and has never led either institution. Meanwhile, Japan’s efforts to gain a permanent seat at the United Nations Security Council were successfully blocked by China and its prestige was dealt another blow when under American cajoling, it opted not to join China’s AIIB at its founding and thus will watch the only major multilateral body where it has primary leadership, the Asian Development Bank (ADB), pale in comparison. Some on both the political left and right wish to reduce dependency on U.S. military support and reliance on U.S. bases, seeking greater diplomatic or strategic autonomy and breathing space from American hegemony.

Indeed, any Japanese attempt to promote exclusively Asian regionalism has been thwarted by American pressure. Japan’s proposal for an Asian Monetary Fund (AMF) after the 1997 Asian financial crisis was dismissed by U.S. preferences for a global response by the IMF, but such initiatives would reappear. Malaysia’s EAEG (renamed the East Asia Economic Caucus) and later Prime Minister Junichiro Koizumi’s 2002 proposal for an East Asian Community (EAC) considered East Asia to be more economically, politically, and culturally coherent than unwieldy APEC and ARF (Acharya 2010, 1010-11). Later, the short-lived government of the Democratic Party of Japan (DPJ) under Prime Minister Hatoyama Yukio resuscitated the EAC idea after their election victory in 2009, with the endorsement of then Vice President Xi Jinping (Tagore-Erwin 2010). In this vein, Japan has greatly supported ASEAN Plus Three and its outgrowths, notably the East Asian Summit and Chiang Mai bond initiative. After the DPJ collapsed, Shinzo Abe and the Liberal Democratic Party (LDP) resumed dominance and reaffirmed military ties to the United States and articulated a vision of increased cooperation among the four major Asian-Pacific democracies, Australia, Japan, India, and the United States, a sort of democratic alliance or ‘Arc of Freedom and Prosperity’ that approximates TPP membership (Wan 2010, 533; Sohn 2010, 516-17). Moreover, Japan successfully expanded the East Asian Summit at American behest to include Australia, India, and New
Zealand (16 rather than 13, i.e. ASEAN Plus Six) at its creation in 2005. As Yul Sohn (2010, 518) explains, regionalism centered in Southeast Asia, India, and Oceania alleviates the American fear of a closed Asia-only regionalism, balances Northeast Asia, and provides the opportunity for Japan to take new diplomatic initiatives as a value-based community and may allow Japan a regional leadership role that also reassures the United States of the benefits of inclusion. Although Japan’s past imperial pretensions leave Southeast Asian states, let alone their Northeast Asian counterparts, skeptical of any independent Japanese military engagement, ASEAN countries welcome any leverage to balance China’s growing influence (Wan 2010, 525; Sohn 2010, 499, 511). Thus, as Ravenhill suggests, Japan holds an ambivalent position in regional integration efforts, and therefore any notion of a Tokyo Consensus is ambiguous at best.

**Conclusion**

Each country has competing pressures on the policymaking process and none are monolithic, yet recurrent patterns and outputs are evident. China is rising and does not wish to confront the United States in the security realm but rather seeks to employ its soft power to build positive relations across the region to enhance its access to markets, natural resources, and trade and investment opportunities to fuel its domestic growth. To accomplish these goals, China employs bilateral relationships and close relations with ASEAN to reduce the likelihood of its core interests of sovereignty and territorial integrity from being jeopardized by a regional arrangement that is too dependent on the United States. Thus, China has promoted a more insular Asian regionalism to the exclusion of the United States as exhibited in the ASEAN Plus One arrangements, of which ASEAN Plus China is the most important, along with ASEAN Plus Three. The inclusion of Japan has resulted in imperfect outcomes where the de facto voice of the United States remains present, such as in the East Asian Summit’s allowance for membership by Australia, India, and New Zealand. Nevertheless, China appears well-positioned to be the indispensable power in Asia as Japan’s demographic constraints inhibit its growth potential and U.S. global ambitions distract it from East Asia.

The United States has been a status quo power in the region and prefers stability among the aforementioned power dynamics at play; China’s rise has upset that equation. The United States opposes any sort of regionalism that excludes itself or any of its regional
allies, thus American interests tend toward weak but inclusive multilateral bodies such as APEC and ARF that inhibit the formation of competing alliances or revisionist outlooks on economic and security matters. In fact, the United States is very concerned that without Western or American participation Japanese foreign policy could turn more inwardly Asian as in former calls for an Asian Monetary Fund in the 1990s or an East Asian Community in the 2000s; both of which were undermined by American pressures and the constancy of the defense relationship between the two countries. The TPP essentially tries to globalize the multilateral process in an odd amalgamation of primarily democratic but often protectionist countries seeking the common benefits of free trade. By not inviting China into its planning, the TPP appears as an almost a quasi-security arrangement to contain a potential foe, though the unwillingness of East Asian partners to adopt liberal economic reforms has stunted its advancement as well. To the extent that APEC and ARF have failed to achieve economic integration or confidence-building and preventive diplomacy on security affairs, the United States hopes to shape the nature of the Asian-led processes, pressing for the inclusion at the East Asian Summit of proxies like old stalwart Australia or new comrade India that have affinities to current U.S. strategic thinking and may lessen China’s regional influence.

Failing to accommodate China’s rise by granting it a larger voice at the Bretton Woods institutions, or even at the ADB, that would turn it toward the goal of becoming a responsible global stakeholder has left the United States vulnerable to a rival multilateral architecture that eschews not only workers’ rights and environmental standards but also the neoliberal policy prescriptions preferred by Washington. Along with the BRICS development bank and the Silk Road Fund, China is constructing an economic hub and spoke model emanating from Beijing that emphasizes tangible trade and investment opportunities without harsh structural adjustment conditions and presents an alternative ideological framework of state-led development. The One Belt, One Road initiative is already paying dividends in outlining a more balanced and non-hegemonic world order that suits China’s strategic preferences. The AIIB has raised China’s global prestige and influence while undermining U.S. credibility as possessing a vision for the future of the region. China’s active foreign-policy making saw it achieve the bank in two short years, while the passive U.S. response and over-emphasis on a security posture saw it score a diplomatic own-goal, idly watching major states join against its wishes and appearing
marginalized to events unfolding. Japan appears even more vulnerable as the AIIB is sure to supplant the ADB as the primary multilateral actor in fostering regional economic investment.

Japan has been declining in relative power for over two decades owing to its economic stagnation, though has just begun to reinvest in its military capabilities as China seeks to surpass it in regional influence. Unlike China and the United States that operate more freely in their foreign policy decision-making, Japan is severely constrained by its location, history, and alliance structure and has deeper fissures within its own internal outlook on where it should situate itself in this new regionalism. Many on the political left in Japan, and notably the Democratic Party of Japan when it briefly held power, were skeptical of the dependence on American strategic preferences and sought an exclusive Asian regionalism in the notion of the EAC and were more sanguine about China. Japanese nationalists on the political right were also cynical of American power but remained nervous about China’s rise and demonstrated little support for a multilateral perspective. Uncertain of its path, the center-right governments of the LDP have participated in nearly all efforts, from the TPP, APEC, and ARF to the ASEAN Plus Three and East Asian Summit, though notably foregoing the AIIB at its founding.

ASEAN is satisfied with most all of these arrangements and largely was the driver of each, as long as they all remain intact and inoffensive. China’s assertive maritime claims in the East and South China Sea have cause anxiety by most in the region and jeopardize those hard won gains of trust and respect. As a result, ASEAN states negotiate China’s rise through the American security presence while encouraging greater Asian, and especially Chinese, ties to realize economic benefits. ASEAN states gain from the expansion of both Pacific and East Asia and are well-positioned to drive each process forward, seeking inclusive regionalism of unchartered depth. Thus, ASEAN states have proven to possess skilled diplomats and leaders who are able to manage serious vulnerabilities and power disparities to achieve common prosperity through informal methods and flexible institutions; that is after all the ‘ASEAN Way.’

While multilateral institution-building in its heyday of the 1990s lessened mistrust, facilitated dialogue, and offered enormous economic gains after the downfall of the bipolar Cold War world order as liberal institutionalist scholars of international relations suggest, subsequent efforts in the 2010s after China’s ascendance have
increasingly tended toward competing visions. Under the assertive foreign policy of President Xi since 2012, realist interpretations of international organizations as sites of replicating strategic rivalries appears more evident. The outcome of this contested multilateralism is uncertain, but the geographic tug of war between major powers will decide if the center of Pacific Asia is in the remote multiethnic American possession of Hawai‘i or in the cosmopolitan multicultural Chinese possession of Hong Kong in East Asia. Either destination reflects the growing centrality of Asia to the emerging global order, while this newfound contest over the Asia/Pacific regional order will reverberate around the world.

References


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*Figure 1: Regional Organization in Asia*