The COVID-19 crisis has sharpened the debate between China and the United States over future leadership of the global order that has been dominated by the US since the end of the Second World War. Global Asia looks at China’s vision for a world order that could displace that of the US.

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China’s East Asia Challenge: Managing A Complex Regional Order

By Evelyn Goh

If we assume that the role of the US as a global hegemon is nearing its end, rising China may wish to assume the mantle of leadership. But in order to take on such a role, it will first have to establish itself as a trusted and reliable leading power among the diverse countries of East Asia.

Evelyn Goh outlines the rights and responsibilities that China would have to shoulder if it wants to share or take over the great-power management role of the United States in East Asia. The challenges are enormous and complex.

CHINA IS FIRST and foremost an Asian great power. For strategic and economic reasons, East Asia is one of the world’s most important regions; for China, it is the most important world region for geographical reasons as well. If Chinese leaders decide that they wish to pick up the pieces of the changing world order, one of their first tasks would be to take on the substantial leadership role in East Asia’s “indigenous” great power.

The contemporary East Asian order is peculiar in two key ways. First, small states play a larger political role in the regional architecture than many would expect. In the 1990s, the Association of Southeast Asian Nations (ASEAN) stepped into the breach as the least offensive and best organized regional actor to help create the first regional security institution in the immediate aftermath of the Cold War. Since then, this grouping has facilitated great power interaction and regional co-operation over functional issues. Second, the East Asian order is fundamentally undergirded by an offshore power, the United States. The US imparts central direction to East Asia through its alliances and security relationships, the management of its great power relationship with China, its critical role in managing regional crises, and providing public goods. As the “indigenous” great power in East Asia, China (and to a lesser extent, Japan) has not explicitly shoudered the special role of a great power as provider and manager of regional order for nearly 150 years. Both China and Japan suffer serious legitimacy deficits within the region for historical, political and strategic reasons. In China’s case, despite Beijing’s adept diplomacy, its neighbors still harbor doubts about its intentions and suspicions about its authoritarian communist leadership, and they are not reassured by how China has managed its territorial conflicts with neighboring states. China’s difficulties with gaining acceptance as regional leader has facilitated the general preference for retaining the US as East Asia’s preponderant power even after the Cold War, especially its forward military positioning and the security umbrella of its alliances, under which regional countries may shelter in times of crisis. Many countries also appreciate ASEAN institutions as an additional means of retaining maneuvering room between the great powers for smaller states.

For the past three decades, as long as the US commitment to East Asia held firm, everyone could put off the unpalatable challenge of trying to negotiate some form of great power leadership by China. However much China might have resented US dominance, and other regional states feared entrapment, “they continue to subcontract order provision to the US because it is there, because it is willing, and because they can.” Today, however, East Asia faces a crisis of US reliability that has grown in urgency since former US President Barack Obama’s under-performing “rebalance” to Asia, and that has reached a critical juncture with Donald Trump’s election as president and the Covid-19 pandemic. Because the US role in East Asia now poses the greatest uncertainty for regional (indeed, international) order, the region is forced to grapple with the question of which other great power will step in to perform the vital role of managing regional order.

WHAT WOULD CHINA HAVE TO DO?

“Great powers contribute to international order by maintaining local systems of hegemony within which order is imposed from above, and by collaborating to manage the global balance of power and, from time to time, to impose their joint will on others.”

What would China have to do in East Asia today to become the region’s leading great power? Success in carrying out such a role — much like that of the US since the end of the Cold War — will hinge on five elements:

• Proven demand for Chinese leadership from most, if not all, regional states;
• Articulation of, and agreement on, common purposes;
• China’s superior ability to marshal and commit resources to fulfilling these purposes;
• China’s capacity to provide public goods; and
• China’s reliability in wielding force to discipline detractors and act as arbiter of the peace.

To pick up this demanding mantle of regional great power leadership, China will need to tackle three important tasks.

1) Present a convincing great power identity: To establish itself as East Asia’s great power leader, China would have to demonstrate three aspects of its identity.

First, it would have to be non-threatening to other regional states and their sovereign interests. Over the past 30 years, successive Chinese leaders have stated that China eschews “hegemony,” in the sense of coercive imperialism. President Xi Jinping at the November 2017 19th Party Congress reaffirmed that “China’s development does not pose a threat to any other country. No matter what stage of development it reaches, China will never seek hegemony or engage in expansion.” To substantiate this assurance, Beijing should resolve its outstanding territorial disputes with neighbors in a more compromising way, as it did earlier with some land boundary disputes. In a situation without US competition, this approach may be more fruitful, as it would...
Taking the US out of the East Asian security complex will certainly not solve problems for China... It will create a host of urgent, serious and complex responsibilities for Beijing.

reinforce a message of benevolence and reassurance. Second, China will need to bolster itself as the region’s indispensable power, beginning with leading in the provision of public goods and common security needs, such as financial safety nets in times of crisis, or fighting systemic threats like climate change or pandemics. But Beijing must also offer a broad vision of the shared goals that others want. For instance, Xi was careful in his 19th Party Congress speech to say that the Chinese nation, which has “stood up, grown rich, and become strong” was now poised for “making greater contributions to mankind.” This would be an important basis for setting out China’s responsibilities and restraints as the regional leader. Third, Beijing must create a great power identity that is consonant with China’s image of itself and with a defined sense of historical mission. As we know from the American experience, this is crucial for establishing the foundations of domestic consensus vital to sustaining hegemonic enterprises—but it is also a challenge that is especially difficult to meet in the Chinese case, given the country’s fraught politics between 1949 and 1989, the rapid socioeconomic changes that have taken place since the 1990s, and regional distrust.

2) Establish its regional authority: If China truly becomes East Asia’s leading great power, all of East Asia’s flashpoints— Taiwan, the Korean Peninsula, and the East and South China Seas—immediately become Beijing’s primary responsibility to manage and resolve. To gain legitimate control over these hotspots, China will face a wide range of complex challenges. Without the same level of US involvement and projection into the “Western Pacific,” the boundaries of the East Asian sphere will become more fluid and contested. In addition to Japan at the heart of East Asia, China will face great power challengers India to the southwest and Russia to the north. Beijing would first have to police its own boundaries with these great powers—especially the one with India—and find means of stabilizing or settling disputes. China may contemplate making some concessions in territorial disputes with these neighboring states to try to prevent these powers from forging a balancing coalition against it. Take the “Quad,” for example, consisting of Japan, Australia and India along with the US. Without the US, the other countries—and possibly others like Russia—might be more likely to form a balancing coalition against China. China could either try to deter this possibility by building up US-style military preponderance, or try to gain their complicity by sharing power.

Moreover, China would have to try to ensure that rival Asian powers do not find support from third party states in the region, especially in Southeast and South Asia. In the post-Cold War period, Beijing’s approach toward countering this tendency vis-à-vis the US has been to “reshape the incentive structure and perceptions of its neighbors so that they would not agree to become complicit in a putative overt attempt by the US to constrain China.” This indirect method emphasizing economic inducement and ideational persuasion dovetails neatly with the final challenge.

3) Exercise restraint and responsibility: Under Xi, Beijing has pushed for others to see that “China’s rise is beneficial for you,” stressing its ability to provide economic-development public goods via mutual gains. This is most marked in the ambitious Belt and Road Initiative that has mobilized large investments to open new markets, build infrastructure for joint economic development and give neighbors a stake in maintaining regional peace and stability. But this “community of common destiny” is geared almost exclusively to the less developed and smaller countries of Asia. In courting peripheral states that have tended to be neglected, taken for granted or treated as mere arenas by other major powers, Beijing may build a broad base of supporters for its hegemony, or at least do enough to prevent many from seriously contemplating backing a challenger. However, this developmental agenda is at best a “club” good, not a public good, if it excludes developed states like Japan and South Korea, and neighboring great powers like India and Russia. To become the leading regional great power (and a global leader), China will have to pay equal attention to a wide range of stakeholder states.

CHALLENGES: FROM RISING POWER TO LEADER

Identities are relational, and if China takes on great power leadership in East Asia, it will entail other regional states by definition becoming subordinate in the hierarchy. China’s core challenge will be to create sustainable underpinnings for this range of asymmetrical and unequal relations. The general point is that to construct viable and sustainable regional leadership, China will need to find new ways—both material and ideational—to gain support and acquiescence from the other states in East Asia, primarily Japan, the Koreas, and Southeast Asia, but also Australia and New Zealand.

In doing so, China will have to pay sustained attention to demonstrating restraint and responsibility vis-à-vis those regional powers that would otherwise be its challengers. If Beijing persists in its “grow with us” geo-economic strategy, it will have to make clearer what benefits it can offer to developed regional economies and to competing regional powers. For instance, how would China act as the modern “lead goose” to facilitate and multiply development and prosperity for them? Would these benefits be sufficient to ensure their accommodation to Beijing’s core interests? Could regional states be assured that China would not exploit their growing economic dependence, such as by applying trade sanctions in retaliation for political disagreements? In terms of broader financial and economic stability, to what extent would Beijing be able to avoid the “Kindleberger Trap”—the danger of the rising hegemon not acting...
quickly or substantively enough to provide the global financial public goods that the declining hegemon is unable to shoulder any longer? 7 This question is of key importance especially to the most developed and globalized regional economies like Japan and South Korea.

On “hard” security issues, how would China negotiate mutual nuclear restraint with India, for instance, not to mention Russia and possibly Japan? Equally important are so-called non-traditional security threats, especially “shared fate” issues, including climate change and pandemics. 8 As the global crises caused by Covid-19 vividly demonstrate, China plays a vital role — negative and positive — in addressing the greatest global challenges of the Anthropocene. How and with what success East Asia battles and emerges from this pandemic will depend significantly on how effectively China’s government, businesses and populace learn, adapt, help and co-operate with the region and the world in the coming months and years.

In short, if we buy the idea that the international order is crumbling and that China is one of the key global powers that needs to pick up the pieces, Beijing must start by consolidating its leadership within its own region. This task may be facilitated by the increasingly alarming uncertainties in the US. Yet taking the US out of the East Asian security complex will certainly not solve problems for China. Instead and immediately, it will create a host of urgent, serious and complex responsibilities for Beijing. To step into the shoes of the US, it would have to pick up the management of trade and finance; juggle a complex set of relations among regional powers; deal with crises that come within its sphere; and cultivate legal and institutional measures to support and sustain the regional order. Beijing would have to try to achieve all of this while reckoning with its fragmented and nationalistic domestic politics.

To date, China has, justifiably, used the claim to being both a developing country and a great power to be quite selective about its obligations. As a rising power, Beijing had the luxury of aiming to “reshape its periphery” (塑造周边, suzao zhoubian) using instruments of its choice. But to pick up the pieces of the changing world order, Beijing would have no choice but to tackle head-on the challenges of leadership. In East Asia, China will have to shift to “constructing a Kingly Way” (塑造王道, suzao wangdao) — creating a consensual hegemony in the classical sense, akin to how Chinese dynasties claiming a mandate from Heaven legitimized their rule vis-à-vis diverse vassal states. As East Asia’s leading great power, China will have to craft multiple assurances toward the diverse modern states in the region in order to preempt their potential opposition and to exercise authority over regional conflicts. This contrasts with the hybrid strategic approaches China adopted as a rising power, selectively extending assurances to weaker peripheral countries while also selectively resisting certain aspects of US hegemony and challenges from other regional powers. In facing this challenge, China’s long historical experience will provide little direct guidance, because of the current era of unprecedented globalization and the crowding of Asian great power spheres.

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