The emerging Concert of Asia

INTRODUCTION

The Philippine President suddenly speaking of a new alliance with China instead of the U.S., Russia improving relations with Japan and selling arms to India: important shifts are taking place in the foreign policy of Asian countries. They point to a new Hegemonic order in which countries will increasingly seek ‘triangular’ relationships.

OBSERVATIONS

‒ On his trip to Beijing, Philippine President Duterte announced a “separation” from the U.S. and speculated his country could align with China and Russia instead.

‒ Australia’s economy is based on the growth of the Chinese economy, whereas its security is based on U.S. supremacy in the Asia Pacific. These factors cannot, however, remain consistent over time. Moreover, the first will undermine the second, which necessitates a rethinking of the country’s foreign policy.

‒ Recently, Russia and India signed $12 bn in deals on military cooperation. Apart from nuclear submarines and frigates, aircraft carriers and fighter jets were also discussed. Although officially ‘non-aligned’ during the Cold War, India was loosely allied with the Soviet Union to counter China as well as the U.S.

‒ Russia and Japan are exploring closer ties. The two are discussing their dispute over four islands that has hindered them from signing a peace accord since WWII. Cooperation in energy, finance and security is also on the table.

‒ As a result of economic sanctions, Myanmar was isolated from world trade for years and became dependent on China. Since the regime has been opening up over the last few years, it is building up relations with the West.

ANALYSIS

During the Cold War, Asian countries mostly belonged to one of the two camps and subsequently, an American order dominated. Currently however, China’s rise is particularly felt in Asia. The U.S. is trying to place itself at the center of a trading bloc around the Pacific Ocean that excludes China: the TPP. Simultaneously, through new initiatives like the AIIB and the One Road, One Belt Initiative, China is realizing a vision of Asia in which it holds a central position. The competition is felt nowhere more keenly than in Asia, where countries are repositioning themselves between the two great powers.

Throughout the region, some countries more naturally align with either China or the U.S., while several countries are distant to both. In all three groups however, there is now a growing policy of hedging, or “triangulation”, i.e. an attempt to create ties with both sides, balancing them against each other and this way extracting the maximum benefit for themselves.

This holds for traditional U.S. allies like Australia and the Philippines. Both have moved closer to China for economic gain and, as Duterte argues in an interview, to get a better deal from the U.S. At the other end, countries like Russia and Myanmar have for a long time been allied to China. The latter is improving relations with the U.S., something which is not feasible for Russia. Its better relations with Japan and India – the two countries in the region that traditionally balanced against China – can be explained as a strategy to hedge the influence of its traditional ally.

Finally, some countries in the region hold a middle position: India has always kept both China and the U.S. at bay, whereas Pakistan has traditionally cultivated good relations with both. Communist Vietnam was in the past allied with China, but is strengthening ties with the U.S. The future of Asia will be less about stable blocs and more about shifting relations in a balance of power. In fact, it could very much come to resemble Europe’s history. During the 19th century ‘concert of powers’, countries continuously shifted alliances in a complex web that prevented domination by a single power.

POTENTIAL BENEFICIARIES

‒ Countries that are sufficiently strong to triangulate relations with China and the U.S., extracting benefits from both: India, Vietnam, Singapore.

‒ To a lesser extent Pakistan and the Philippines, who because of unstable politics can pursue such a policy much less coherently.