

In Search of Regional Stability in the Age of Hyper-Uncertainty: The US-China Strategic Competition and the Redesign of Regional Order in East Asia

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Introduction

The US-China strategic competition, combined with other structural changes such as the global spread of COVID-19, climate change, and competition for technological innovation has dramatically increased uncertainty in Asia. Against this backdrop, the strategic competition between the US and China in the 21st century shows profound differences from the hegemonic competition in the past. The systemic consequences of hyper-uncertainty, as we are witnessing, are protectionism, nationalism, and the proliferation of conflicts and disputes between states. A collection of four papers in this special issue systematically examine the way in which the US-China strategic competition combined with other factors amplify the instability of the regional order, and explain the dual dynamics of competition and cooperation that Asian countries demonstrate in responding to US-China strategic competition and redesigning the regional order.

Emerging Security Threats and the US-China Strategic Competition

The 21st century is the age of hyper-uncertainty. The rise of emerging security closely reflects an increase in uncertainty in international politics (Kim 2016). First, the continued progress of globalization has made it virtually impossible to

confine the impact of change to one country or region. A small change in a country spread globally the phenomenon of “quantity-quality conversion” in which quantitative changes conversion into qualitative changes has expanded. This conversion makes it difficult to respond. We have already witnessed this phenomenon in the spread of COVID-19. A pandemic that started as a health security threat radically changed the world order as it expanded to human security and traditional security. Second, issue linkage in which an event in one issue area interacts with another event in other issue areas also increased the level and scope of uncertainty to an unprecedented level. As issues that were independent domains in the past are now closely linked, it has become difficult to solve problems with traditional responses that focus on individual domains.

The US-China strategic competition further amplified the uncertainty of the world order. Strategic competition has limited their capabilities and willingness to provide the leadership needed to organize transnational cooperation though transnational cooperation is essential to effectively respond to transnational threats. Under such circumstance, individual countries in Asia were forced to pursue their own interests first, paradoxically indicating that the restoration of leadership is a necessary condition for enabling transnational cooperation at the global level.

Great Power Politics and the Dynamics of Regional Order in East Asia

Articles in this special issue examine the effects of US-China strategic competition on the changes in regional order that in turn involve Asian countries’ response to them (Yeo 2019). In particular, they aim to shed light on the changes in regional order as Asian countries pursue economic statecraft in the context of US-China strategic strategies. It is well-known that the US-China strategic competition has a profound effect on the change of order in the Asian region. However, previous studies have explained the US-China strategic competition mainly as a bilateral strategic interaction between the two countries, or the two countries’ strategy to mobilize Asian countries (Allison 2017).

The limitations of this view are clear. First, the sheer focus on the bilateral strategic interaction between the US and China falls short of capturing the multifaceted nature of the US-China strategic competition, given that engaging in bilateral competition the US and China actively seek cooperation with Asian countries in order to secure an advantageous position. The Trump administration placed priority on its own US interests even vis-à-vis its allies and partners. It didn’t take long for the limitations of this strategy to become apparent, because such a strategy could run the risk of alienating the US. It is for this reason that the Biden administration shifted the US strategy to strengthen international cooperation with the allies and partners. Furthermore, the US and China pursue

international cooperation because strategic competition is not only great power politics, but also a competition for legitimacy (Goh 2013). It is a way for the US and China to gain legitimacy from Asian countries by proposing values and norms rather than relying solely on the projection of their own interests based on power.

Second, previous studies tend to explain Asian countries as passive actors responding to the strategies of the US and China (Shambaugh 2017). Although the US and China are undoubtedly the core players, it is absurd to conceptualize Asian countries as passive actors, thereby being unable to capture the dynamic changes of order in the Asian region. In the face of the dilemma of choosing between the US and China, Asian countries established and pursued diverse strategies. While demonstrating differences in specific means, it is undeniable that Asian countries have displayed their own economic statecraft to address the US-China strategic competition.

Third, it is necessary to pay attention to the impact of the US-China strategic competition on changes in the regional order (Pempel 2010). As economic statecraft spread to Asian countries, systemic changes occurred at the regional level, which is the result of the dynamic interaction of Asian countries in the context of the great power politics between the US and China. It would be an analytical mistake to reduce changes in regional order to US-China strategic competition that does not pay due attention to the role played by Asian countries.

Power, Network, and the Rise of Economic Statecraft in East Asia

Sung Chul Jung in the paper “Sino-US Competition and the Emerging Network of Liberal Coalitions” analyzes the US attempt to form a network-based liberal coalition in various fields such as security, technology, and values. Unlike Cold War alliance politics, the US and China focus on forming network-based alliances to secure an edge in strategic competition. The Belt and Road Initiative (BRI) is an attempt to create a China-centric network. As shown in the Economic Prosperity Network (EPN) and Blue Dot Network (BDN), the US also responded with network-based cooperation. Jung argues that the US attempt to form a liberal digital coalition reflects widespread democracies’ concerns about China. These concerns have spurred cooperation between the US and democracies in a variety of areas, including technological innovation, setting technical standards, forming norms, and protecting human rights. Jung stresses that the US and democracies have a common interest in deterring the status quo power of technological innovation and liberal values, as status quo power in authoritarian countries such as China (Cohen and Fontaine 2020). The complex network formed between the US and democracies was not formed for the sake of narrow economic interests, but in a wide range of areas such as security, technology, and

values. The reason why Asian countries join the liberal digital coalition led by the US, even though their economic dependence on the US continues to decline, can be found in concerns about the changes brought about by the rise of China.

In Tae Yoo in the paper “The Emergence of Indo-Pacific Digital Economic Order: US Strategy and Economic Statecraft toward China” explores the conditions under which the US securitizes in the digital domain. Yoo argues that the likelihood of securitization increases when risk perception is converted to threat perception. In addition, the more securitized, the more likely weaponization of interdependence (Farrell and Newman 2019). States that are exposed to vulnerability of the weaponization of interdependence, attempt decoupling to preemptively prevent it. This is the root cause of the US attempt to (at least partially) decouple with China in the digital domain (Friedberg and Boustany 2020). Yoo’s explanation is not just empirically solid but warrants the theoretical contribution as it identifies the international dimension that promotes securitization and explains the changes in foreign policy and strategy resulting from it.

The US-China strategic competition turned out to be a decisive factor that prompted Asian countries to pursue economic statecraft (Aggarwal and Reddie 2020). Substantial differences are found in the economic statecraft of Asian countries (Beeson 2018; Govella 2021). In the paper “Changes in Interdependence, US-China Strategic Competition, and the New Dynamics of the East Asian Regional Order,” Seungjoo Lee argues that the difference in position within the regional value chains formed between Asian countries has to do with the divergence of Asian countries’ economic statecraft. When a dense network is formed between countries, the network position can be converted into network power, thereby leading to the difference in network power, which leads to the differentiation of economic statecraft pursued by Asian countries.

Institutions and Regional Dynamics

Asian countries’ responses to the US-China strategic competition took place in various forms (Ciorciari 2019). While attempting to strengthen cooperation with the US and China or to resist economic coercion at the bilateral level, Asian countries seek institutional responses too (Haacke 2019; Koga 2018; Kuik 2008; Medeiros 2005/2006). This is the reason why the US-China strategic competition brings about changes in the regional order. Cheng-Chwee Kuik in the paper “Hedging via Institutions: ASEAN-led Multilateralism in the Age of the Indo-Pacific” attempts to develop the unique theory of group hedging. Individual countries practice hedging through various means (Wilkins 2021), but there is a difference in that hedging at the group level which is mainly carried out through institutions. As ASEAN countries share vulnerabilities, relative positions within the regional system, and prospects for US-China strategic competition,

their strategies tend to converge toward hedging (Lim 2015). ASEAN countries push for ASEAN-based multilateralism to engage the US and China (Caballero-Anthony 2014). As ASEAN responds to US-China strategic competition through group hedging, effects such as binding, buffering and building can be expected. Group hedging provides individual countries to maneuver while ASEAN responds jointly to US-China strategic competition that serves as a source of ASEAN countries' strategic flexibility.

China's interest in Regional Comprehensive Economic Partnership (RCEP) is also institutional balancing as China attempts to find an institutional means of responding to Trans-Pacific Partnership (TPP) (Lee 2016). The Chinese government thought that the economic benefits generated by the RCEP could offset the economic losses caused by the non-participation of the TPP and China could maintain and expand its influence in the process of re-designing the Asian regional order. With the inauguration of the Trump administration, the institutional balancing between the US and China has changed to an institutional balancing led by Asian countries. As the Trump administration prioritized bilateralism not only for China but also for its allies and partners, which was contrasted with China's strategy, the US-initiated institutional balancing has declined. Japan played a leading role in concluding the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP). By joining the RCEP, Japan emerged as a key player in the institutional balancing game in the Asian region. It also signified that not only the US and China, but also the middle powers in Asia have the potential to influence changes in the regional order.

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