

Multilateralism in East Asia: Less than the Sum of Its Parts?

Mark Beeson*

Department of Political Science and International Relations, University of Western Australia

The East Asian region is famous for many things, among the more surprising of which is the relatively ineffective nature of its multilateral institutions. Although many scholars claim that organizations such as Association of Southeast Asian Nation (ASEAN) have been effective parts of regional diplomacy, this article suggests that the so-called ASEAN Way has provided a template for regional under achievement and ineffectiveness. As a consequence, and despite a recent flurry of regional initiatives, none of them has been anything like as significant or effective as the European Union was at the height of its powers. This is the unsurprising consequence of institutional design and the politics of the lowest common denominator. The rise of China is unlikely to change this. On contrary, not only has ASEAN solidarity fractured in the face of an increasingly assertive China, but China's own instrumental attitude to institutional development means that under-performance is likely to remain the regional norm as an array of ineffective institutions compete for authority and relevance.

The region that we now think of as "East Asia" is remarkable and significant for many reasons. Perhaps most importantly, it is the home of the so-called "East Asian miracle," or the unprecedented economic growth that was led initially by Japan and emulated with varying degrees of success by its neighbors (World Bank 1993). The most significant of these neighbors, of course, is the People's Republic of China (PRC/ "China"), which has transformed itself and the region. Unlike Western Europe, however, East Asia has witnessed remarkable economic growth and integration without the sort of supportive institutional architecture that seemed to be such a necessary component of Europe's success (Mattli 1999). On the contrary, while there is no shortage of regional initiatives in the East Asian region, they have generally played a marginal role in influencing the behavior of states or the private sector actors that have also been important parts of the East Asian economic success story (Beeson 2009a).

This is not to suggest that states have not been vital parts of regional economic development in Asia. Although they have been important, the actions of East Asia's distinctive and highly effective "developmental states" have generally had a national rather than a regional focus (Beeson 2009b). Formal inter-state cooperation under the auspices of regional institutions has been limited, despite the existence of a number of organizations dedicated to achieving precisely that result. A similar situation exists with security cooperation: while there are a number of potentially significant and well-placed institutions designed to coordinate security relations across the region, they

* Send correspondence to Mark Beeson, University of Western Australia, 35 Stirling Highway, Crawley, Western Australia 6009, Australia, Email: mark.beeson@uwa.edu.au, Tel: +61 8 6488 2487.

have had little direct impact on the behavior of individual states (Emmers 2003). In short, East Asia has a very distinctive approach to institutionalized patterns of inter-state cooperation.

Explaining East Asia's style of multilateralism and its possible future trajectory requires attention to the region's history, which continues to cast a long shadow over current policy. It also places profound and seemingly insurmountable limitations on the sorts of multilateral cooperation that are possible or effective. The reality, I shall suggest, is that East Asian multilateralism is profoundly constrained by the legacy of the past, the unresolved historical tensions it embodies, and by continuing sensitivities about questions of regional leadership (Zhao 1998; Nabers 2010). A key example of the former is the poisonous relations that exist between China and Japan in particular, and China's provocative and destabilizing territorial claims in the East and South China Sea. Such concerns feed directly into the second set of constraints: it has not been possible for either of East Asia's obvious candidates for regional leadership—China and Japan—to assume such a role because of the historical baggage that they both carry and their destructive mutual antipathy, distrust, and rivalry. The net consequence of this stalemate is that some of the region's weakest powers—the members of the Association of Southeast Asian Nations (ASEAN)—are believed by many, including the ASEAN states themselves, to be filling this gap (Acharya 2009; Stubbs 2008).

I do not accept this view. The belief that the region's weak powers are taking the place of the larger regional actors is largely wishful thinking and a triumph of hope over reality. ASEAN has been unable to influence the behavior of its own members, let alone its more powerful neighbors in a consistent or decisive way. This lack of effectiveness, and what Van Langenhove (2013, 483) calls "actorness" on ASEAN's part, helps to account for the limited historical impact of East Asia's multilateral institutions. The key question at present, which has potential ramifications far beyond the East Asian region itself, is whether China's unprecedented economic rise will lead to a similar increase in its political influence. Will China inevitably become the *de facto* leader of the region, largely as a consequence of its economic importance to all of its neighbors? What impact might this have on the region's extant institutional architecture if China does? Most importantly for the rest of the world, perhaps, what implications will the growing political influence of China have for other international institutions and the international order that was established under the auspices of the long-held American hegemony?

To try and answer these questions, I initially provide a brief sketch of the historical circumstances out of which East Asia's distinctive multilateral institutions emerged. This involves discussion about the ontological status of regions themselves. As we shall see, competing ideas about what actually constitutes the region in question have been central parts of the "East Asian" experience, created difficulties their European counterparts did not encounter in the same way. The Asian states' obsession with sovereignty, and nervousness about European-style cooperation, become easier to understand in this context. Subsequently, I shall briefly consider some of the region's more important organizations, before looking at the way China's rise and increasingly high profile foreign policy initiatives might affect the future of regional development.

History Matters

There is no such thing as a “natural” region. All regions are, to greater or lesser extents, products of specific historical and geopolitical circumstances. The discourses that surround the idea of individual regions are contingent and frequently contested. Deciding where borders lay and just who might be included or excluded are crucial questions with potentially profound consequences (Söderbaum 2012, 17–18).

What we now think of as “East Asia” is a relatively new invention. Although the area that encompasses the ASEAN states and their larger northeast Asian neighbors—the PRC, the two Koreas, Japan and Taiwan—may have been dominated by China for hundreds of years (Kang 2010), for most of that time there was no “other” region to be defined in opposition. Put differently, it is possible to argue that regions are actually a function of “globalization.” No matter how arbitrarily their constituent parts may be assembled, the ceremonial experience of the European Union (EU), reminds us that regional multilateral organizations can be vitally important determinants of the economic prosperity and collective identity of states in different parts of the world (Wallace 1995).

Things have been rather different in the East Asian region. On the one hand, “East Asia” has had to contend with very different ideas about how the region and its possible membership should be defined. Since the Second World War, the United States has played a profoundly important part in the development of the nations that constitute what we now call East Asia (Cumings 2009, 400). Significantly, American policymakers prefer to talk about the “Asia-Pacific,” of which the United States is the most powerful single actor. In fact, American influence over East Asia for the fifty of sixty years has been so great that it has effectively delimited the extent of any possible cooperation between Asia’s neighbors until quite recently. Until the Cold War ended, the prospects for genuine East Asian cooperation were effectively foreclosed by the implacable logic of ideologically inspired geopolitics. While China remained on the “wrong” side of the Iron Curtain, region-wide economic or political cooperation was impossible (Beeson 2014a, 78–9).

It is also important to recognize that the so-called “hub and spoke” security architecture the United States imposed on the region after divisions entrenched by World War Two, most obviously on the Korean peninsula, but also between long-time rivals China and Japan. Japan’s subordination to the United States and China’s international economic and political marginalization meant that there was effectively no indigenous leadership capacity in the wider East Asian region. It was in this context that ASEAN assumed an unexpected, and some would say, unwarranted prominence. It is worth briefly describing ASEAN’s significance in this context.

ASEAN and the Politics of Path Dependency

ASEAN is a quintessential example of a multilateral organization that is a product of contingent historical and geopolitical circumstances. Although the ASEAN grouping is known for its lofty rhetoric and laudable ambitions, its actual record of achievement has been rather modest. This disjuncture can be explained in large part by recognizing that ASEAN’ and its members’ behavior has generally been influenced more by crude material forces

than noble intentions. The grouping has never really transcended this historical legacy. Because ASEAN has assumed such a prominent place in South and East Asian diplomatic history, its influence has had path dependent consequences, most of which have been obstacles to effective multilateral action and cooperation (Narine 2004).

It is important to remember that ASEAN was inaugurated when the Cold War was at its height, and when Southeast Asia was the epicenter of an epochal struggle between the United States and the Soviet Union and their respective allies and acolytes. For the still newly independent states of Southeast Asia, this environment and the presence of a very “hot” war in Vietnam was deeply threatening. The main priority was economic development and the consolidation of political authority over territorial boundaries that were often inherently artificial and colonially inspired. Establishing the ASEAN grouping looked like one way of gaining greater stature and resilience in the face of the might of the superpowers, as well as helping to resolve intramural disputes among the ASEAN members themselves (Beeson 2009a, 18–19).

The particular mode of internal diplomacy, dubbed the “ASEAN Way,” is a specific consequence of this period and the political and strategic dynamics that informed it (Haacke 2003, 51). The ASEAN Way resulted in a certain style of consensus, voluntarism, face-saving and what some commentators have described as problem avoidance rather than problem solving (Smith and Jones 1997; Jones and Smith 2007). All ASEAN initiatives had to be in keeping with the membership’s sensitivities about questions of sovereignty and perceived infringements of national autonomy. The effect of this type of diplomacy has been to produce politics of the lowest common denominator or the bare minimum effort that would allow each state to retain some degree of comfort.

It should be acknowledged that for many observers, ASEAN represents an important expression of what can be achieved by less powerful states acting in concert (Acharya 2009). The sheer continuing existence of ASEAN, the argument goes, has had an impact in not only shaping members’ behavior, but also that of their more powerful neighbors. While this latter claim remains contested, it is not unreasonable to assume that ASEAN’s existence must have had some “socializing” effect within the grouping, at least, even if it is more difficult to claim that ASEAN is responsible for the “long peace of Asia.” The fact is that inter-state warfare has declined everywhere, so it is hard to know how much credit ASEAN deserves for this outcome in Southeast Asia (Beeson 2014b).

The Proliferation of (Ineffective) Regional Initiatives

What is less in dispute is the fact that ASEAN’s style of diplomacy has been replicated in other regional organizations. The Asia Pacific Economic Cooperation (APEC) grouping, for example, consequently suffers from all of ASEAN’s shortcomings, plus a few of its own. On the one hand, APEC has since its foundation followed the ASEAN Way. This means that all of APEC’s initiatives are voluntary and non-binding; compliance is at the discretion of members. It also means that APEC has had a very small secretariat and virtually no institutionalized capacity to act collectively, much less effectively. These inherent weaknesses were, however, essential initial compromises to which APEC’s original architects had to accede if they were to

secure the cooperation and membership of the ASEAN states. The ASEAN states were determined not to take part in any organization that threatened to eclipse ASEAN, or which had the capacity to infringe the jealously guarded sovereignty of individual member states (Ravenhill 2001).

As a result, APEC suffered from a crisis of identity that it has never entirely overcome. While it is true that Southeast Asia is also a relatively recent creation of geopolitical contestation and the exigencies of warfare (Emmerson 1984), it at least had a relatively coherent underlying geographical coherence. APEC had no such rationale or potential identity. On the contrary, APEC's membership (which takes in all of the countries of East Asia, as well as a number from North and South America, as well as Russia) is remarkable for its economic, political and perhaps most importantly, geographic diversity. Consequently, APEC's principal organizational goals—trade liberalization and fostering economic cooperation—have proved difficult to achieve within such a diverse grouping where members often have little enthusiasm for the initial collective goals that were its *raison d'être*. Despite the fact that APEC is not an "Asian" grouping, from the outset it has had to adhere to ASEAN-style *modus operandi* if it wanted to secure the participation of the Southeast Asian states in particular. As a consequence, APEC has had no capacity to compel members to adopt policies or adhere to agreements they may not like. Notwithstanding these limitations, during the China-led meeting, APEC did reach a number of trade liberalization initiatives.

APEC also demonstrates the potential problems that arise from organization duplication, a problem from which East Asia suffers to a surprising degree. In APEC's case, there was already a major international organization that was dedicated to precisely the same trade liberalization goals. In the case of the World Trade Organization, however, the group was also equipped with potentially effective arbitration mechanisms so that compliance with its initiatives and injunctions more likely. In many ways, trade liberalization is now a second-order issue: levels of formal tariff protection are low by historic standards and the idea that trade liberalization is in principle a "good thing" has been widely accepted, if not always implemented. Tackling "behind the border" impediments to trade is more difficult and something ASEAN is unlikely to address (Ravenhill 2008).

Even when China hosted the APEC leaders' meeting in 2014, it was noteworthy primarily for the sudden, short-lived improvement in Beijing's notoriously poor air quality. Significant long-term policy outcomes or "deliverables" were not plentiful. APEC's most important contribution, in fact, is as a venue where regional leaders can meet on a regular basis. However even this potentially useful function may be eclipsed by remarkable number of other mechanisms and institutions dedicated to promoting further trade integration in the region, such as the Trans Pacific Partnership (TPP), and the ASEAN Economic Community (AEC). When there are so many overlapping, potentially competing institutions, it is hardly surprising that institutional redundancy and ineffectiveness is the order of the day.

As far as the AEC is concerned, it is difficult to argue with *The Economist's* (2016) assessment that "grandiose statements from ASEAN are the region's Christmas crackers: they appear at regular intervals, create a commotion but contain little of substance." Although it is too soon to say quite how this latest initiative will fare, of course, historical precedents are not encouraging, even in the relatively uncontroversial, positive-sum game

of trade integration and cooperation. As far as security cooperation is concerned, the auguries are even less propitious.

Indeed, if one organization demonstrates the importance of contingency, compromise and unrealized potential it is the ASEAN Regional Forum (ARF). Established in 1994 to promote confidence building and preventative diplomacy, the ARF would seem to be an organization that is unambiguously in the right place, at the right time, with the right membership. The ARF contains all of East Asia's most significant strategic actors such as China, Japan, and both Koreas. Equally importantly, the more expansive sense of region embodied by the ARF also includes extra-regional heavyweights like the United States, Russia, India, and even the EU. The only noteworthy absence is Taiwan, omitted in deference to the PRC's sensitivities about Taiwan's unresolved status. In theory, at least, the ARF looks well placed to address many of the problems that threaten to destabilize regional security.

In reality, however, the ARF suffers from many of the same sorts of problems that have plagued ASEAN itself (Emmers and Tan 2011). Not only are there the usual sensitivities about possible infringements of sovereignty to contend with, but the influence of the ASEAN Way means that there is little appetite to deal with complex problems such as the territorial disputes that threaten to plunge some parts of the East Asian region into outright conflict. To ensure that as many regional powers as possible participate, it is necessary to resort to the default ASEAN option: setting the bar of expectations and obligations low enough so that no member feels discomfited when trying get over it. Without such compromises, it is entirely possible that a state such as China might not cooperate or even participate. The widespread idea that China's policy elites will be "socialized" into more cooperative patterns of behavior consequently looks questionable at best (Johnston 2003). Likewise, the idea that such institutions offer a way of "hedging" against China's rise seem equally uncertain, judging from some of China's recent foreign policy actions (Kai 2008). On the contrary, the empirical record seems to suggest that the PRC's diplomats are entirely comfortable with ASEAN style diplomacy and the limited obligations it entails (Beeson and Li 2014).

The different attitudes held by many Asian elites about the value, role, and content of institutionalized forms of multilateral cooperation means that there is a potentially insurmountable division between the ARF's Asian and Western members (Kahler 2000). For countries such as the United States, with a strong preference for legally binding agreements (when it suits them to do so, at least), this undermines the value of organizations such as the ARF that seem incapable of addressing, much less resolving, long-standing regional flashpoints. Perhaps more importantly in the longer-term, the inability to influence the behavior of Asian states highlights the possible limits to American power and the general decline of its hegemonic position (Schweller and Pu 2011). This is what makes China's increasingly assertive foreign policies so important when trying to understand the way that multilateral processes might evolve in East Asia.

Can China Cooperate?

It is not too much of an exaggeration to suggest that China has fulfilled Napoleon's celebrated prediction about "shaking the world" when it eventually resumed its place at the center of regional and more recently global affairs. As the impact of China's stock market fluctuations reminds us, this may not always be a positive force, even in the area of economic development (Bradsher 2016). And yet it is also clear that the reason so much attention has been paid to China's economic expansion is not simply because it has happened so incredibly rapidly, but also that it has occurred on such a gargantuan scale. This transformation has not only had a major impact on the demand for global resources and manufactured goods markets around the world, but it has also made all of China's neighbors highly dependent on their massive neighbor (Das 2009).

Even a traditional rival like Japan has rapidly developed a deep and symbiotic economic relationship with China as part of Japanese corporate expansion into East Asia (Horaguchi and Shimokawa 2013). China's seemingly endless supply of cheap labor and Japan's comparative advantage in sophisticated manufacturing looked like a mutually beneficial relationship. In many ways it was, and the investment by Japanese electronics companies and car manufacturers in China reflected this. However, it is equally apparent that there are limits to such processes and that economic relationships are not conducted in a geopolitical vacuum. The idea that the logic of economic inter-dependence might exert an irresistible pacifying influence on trade partners with much to gain from cooperative relations (Gartzke 2007) has not been unproblematic in the context of Sino-Japanese relations. On the contrary, economic ties have been hostage to shifts in the bilateral diplomatic relationship and increasingly virulent nationalist sentiment in both countries (Stephens 2014; Ma 2014; Gries, Steiger, and Wang 2015).

The potentially corrosive impact of uncontrolled nationalism was seen in the anti-Japanese riots that have occasionally erupted in China as a consequence of the unresolved territorial disputes in the East China Sea. Despite enormous sunk costs, some Japanese multinationals have begun looking for different locations for their production and investment, rather than risk becoming victims of anti-Japanese sentiment in China (Aoyama 2015). Despite the continuing importance of foreign investment to China and its overall economic development, the Chinese government has been unable or unwilling to rein in the nationalists. On the contrary, as the recent commemoration of the 70th anniversary of the Victory over Japan illustrated, the PRC government has been very active in keeping the memory of Japan's wartime activities at the forefront of national consciousness.

Despite the powerful incentives to cooperate and the existence of specific Northeast Asian forums such as the annual trilateral summit between the PRC, Japan, and South Korea, institutionalized regional cooperation remains "stunted" (Rozman 2004). Even well intentioned, joint initiatives such as the attempt to develop a common school textbook to describe the region's troubled history have floundered in the face of irreconcilable national sensitivities (The Economist 2014). In such acrimonious circumstances, it is far from clear whether China's domestic politics and national ambitions will actually allow it to play the sort of role as a responsible stakeholder in international society that Robert Zoellick (2005) famously urged upon it.

Two Level Games with Chinese Characteristics

Writing nearly 30 years ago, Robert Putnam's (1988) seminal conceptualization of "two level games" highlighted the importance of both international and domestic influences on the policymaking process. Importantly, Putnam recognized that these sorts of interactions were not confined to democratic regimes, although they may be a good deal easier to observe and analyze in such contexts. Even though China's policymaking processes are notoriously and intentionally opaque, the same kind of logic also confronts China's policymakers. As with their democratically constrained counterparts in the West, China's policymaking elites must attempt to reconcile their international ambitions and increased obligations with the expectations of an increasingly vociferous domestic audience. Despite the best efforts of the Chinese government to control domestic criticism and shape national debates, the reality is that new social media has become an increasingly important part of the political environment in China, and one of which the leadership is very conscious (Zhu, Lu, and Shi 2013). Indeed, it is possible to argue that in an environment where the legitimacy of the government is almost entirely dependent on its ability to maintain social stability and economic growth, it is even more vulnerable to shifts in national sentiment (Yang and Zhao 2015, 65).

Whether the Chinese government can actually contain, much less utilize incipient nationalism is far from clear. Certainly, the ruling communist elite takes pains to position itself as a champion of China's "national interest," but the increasing complexity of domestic social relations and economic structures means that this is no easy task. Other than the most basic expression of territorial integrity, the national interest is a socially constructed reflection of the most powerful forces within any society. China is no different in this regard (Lampton 2008), even if the ability to influence its definition has generally been carefully controlled and limited to a relatively small group of domestic actors. However, as China has become more integrated into the global economy, and as new centers of economic power have emerged as a consequence, the issue of what China's national interest might be has become more contested.

Such potentially conflicting goals and the influence of increasingly powerful domestic forces have been evident in some of China's recent foreign policy developments (Jakobson and Knox 2010, 47). China's domestic economy has undergone a profound transformation since Deng Xiaoping began the process of opening up to the wider world economy some four decades ago. Significantly, this process was not simply a question of an increase in the size of the domestic economy, important as that undoubtedly was; it also resulted in a change in the actors and economic relationships that actually comprised "the Chinese economy." For some observers, there has been a fundamental, unstoppable and profoundly transformative impact on China's economic and even social structures as foreign investment, ideas, and institutions play a greater role. Edward Steinfeld (2010, 18), for example, claims that "China is playing by our rules."

If true, this is socialization at large. The suggestion is that "China" has been transformed by its participation in the global economy from a poor, parochial, inward looking backwater as recently as the 1970s, into one of the most important components of an increasingly integrated global economy. In the process, many of its most distinctive domestic institutions and social

structures have been transformed as well. There is plainly something in this claim. China's population is very different from that of the pre-reform period and socialist ideology is now a far less significant part of national political life or social consciousness (Guo 2012, 724). Yet, it is also apparent that China's state-owned enterprises (SOEs) remain a vitally important part of the domestic economy and one that the central government is determined to continuing protecting (Hsueh 2016, 2).

Although the Chinese government's support of its often underperforming SOEs has come in for a good deal of criticism, especially from external sources (Lardy 2014), the central government continues to support these SOEs because of their "strategic" importance (Szamosszegi and Kyle 2011). Not only do the SOEs remain significant sources of employment, but many SOEs are also seen a playing a potentially pivotal role in securing China's resource needs. It is also significant that the many of the key components of the financial system remain under either direct state control or influence, allowing the government to coordinate economic policy and development (Walter and Howie 2011, 28). Again, these policies have come in for extensive criticism of late, but it is important to recognize that the SOEs and state guidance played an important role in China's remarkable development. They remain an important part of the state's policymaking repertoire (Heilmann and Melton 2013, 583), despite the fact that they are considered inefficient liabilities by many western analysts.

As a consequence, the perceived need to assist SOEs constrains the policy options available to government. China's exchange rate regime that has attracted so much international criticism – and which has been an obstacle to China's currency playing the same sort of international role as the dollar – is partly a result of such concerns (Vermeiren 2013, 682). However, it is not only in the area of economic policy that the some of the SOEs have exerted an influence on Chinese government policy. Some of China's major oil and gas companies have been at the forefront of promoting a more expansionary and assertive approach to China's foreign policy, especially in the highly contested and controversial area of the South China Sea (ICG 2012). The reasons are not difficult to discern: it is estimated that the South China Sea may contain more oil and gas than Saudi Arabia. The stakes and incentives are very high for China and its resource-centered SOEs, which is why realist scholars are so pessimistic about the future and the prospects for negotiated solutions (Kaplan 2014).

If there is one thing observers of Chinese foreign policy can agree on, however, it is that the PRC's approach toward the world has undergone an important change of late. As recently as two or three years ago, commentators were describing the impact of China's so-called "Charm offensive," and the increasingly sophisticated and effective nature of its foreign policies (Kurlantzick 2007). The Southeast Asian states in particular were actively courted by a Chinese regime prepared to offer significant economic deals and concessions in order to convince its perennially nervous neighbors that they had nothing to fear from China's rise. The free trade deal between China and ASEAN was the most important expression of this possibility (Chin and Stubbs 2011, 292). Now, however, things look very different.

Indeed, China appears to be less enthusiastic about its ability to use regional institutions to its advantage. Only two or three years ago, China seemed to be an enthusiastic supporter of some of ASEAN's institutionalized offshoots. The ASEAN Plus Three (APT) grouping, which included

Japan and South Korea in addition to the ASEAN states and China, looked like a potentially important vehicle for pursuing China's regional ambitions. Even before the recent transformation in China's foreign and strategic policies, though, a number of its neighbors worried about China's capacity to dominate the APT (Terada 2012). Such concerns help to explain the expansion of the APT to ASEAN Plus Six (including India, Australia, and New Zealand), and the rather unexpected emergence of the East Asia Summit (EAS) as the region's most important institution—at least as far as the United States is concerned (Camroux 2012).

The reason for the EAS's sudden prominence is not difficult to discern: having decided to pivot toward the Asia-Pacific in response to China's rise, the United States also wanted to establish an institutional and strategic presence in the region. The EAS provided a ready-made vehicle for this ambition. China's territorial claims in the South China Sea have transformed the way a number of the Southeast Asian states view China, and the wider geopolitical picture in the broader Asia-Pacific as a consequence (Fravel 2011, 313–14). While the precise motivations for, and architects of, this change in Chinese foreign policy remain rather unclear, there is a good deal of agreement that it reflects a major shift in the relative balance of domestic power within China itself (Jakobson and Knox 2010, 1). The rise of influential SOEs, powerful provincial governments, and a still consequential People's Liberation Army (PLA) are among the more important forces attempting to influence the conduct of China's foreign policy (ICG 2012, 14–15). Significantly and surprisingly, the Ministry of Foreign Affairs, which should have a sophisticated understanding of the potentially damaging impact of a more assertive, even aggressive, shift in China's foreign policies, is a relatively unimportant part of China's foreign policymaking establishment (Beeson and Li 2014).

What seems clear, however, is the impact that China's new policy stance is having at the international level. Predictably, weak maritime states such as the Philippines have looked to restore their formerly close strategic relations with the United States to offset the perceived threat from China (Entous and Barnes 2014). Even more remarkably though, former foes such as the United States and Vietnam have been drawn closer together by China's policies (Callick 2014). The picture for ASEAN as a whole is more complex, however. For a number of individual countries such as Laos and especially Cambodia, the rise of China has been a good thing, at least as far as aid and investment are concerned. For the ASEAN grouping as a whole, by contrast, it has been something of a diplomatic disaster, painfully revealing internal divisions and a lack of solidarity (Otto and Ng 2015). China's rise, in short, has exposed the limitations and weakness of the ASEAN Way when faced with the determined actions of a more powerful state intent on pursuing its national interest. The key question that emerges from this shift in Chinese policy is whether this means that its policies are incompatible with it playing a constructive role in international multilateral diplomacy. While the evidence is somewhat mixed, it seems that China's policymakers are actually adopting a stance that amounts to a three level game, with domestic, regional, and now global components.

China's Evolving Three Level Game?

Asia is not Europe. While this may seem a self-evident and uncontroversial claim, it is an important place to start in the discussion of what the possible consequences for Asian multilateralism might be and how China's ascendancy may influence future trends. As Gill and Green (2009, 3) point out, "Asia's new multilateralism is still at a stage where it is best understood as an extension and intersection of national power and purpose rather than an objective force in itself." In other words, not only will national interests continue to shape policy outcomes and behavior in multilateral organizations in Asia, but states such as China may take an entirely instrumental approach to participation in multilateral regimes. Indeed, any possibility that Asia was collectively moving toward a more European-style and influenced pooling of national sovereignty looks increasingly remote and implausible—especially in light of Europe's domestic problems (Beeson and Stone (2013)). On the contrary, even in those areas that are generally cited as examples of Asian cooperation such as monetary swap arrangements, collective action, and coordination of national policies have been noticeable by their absence, even at times of financial crisis (Emmers and Ravenhill 2011).

So what might we expect from China in an environment where national interests continue to prevail, where geopolitical tensions are rising, and where extant institutions are either ineffective or—more worryingly from a Chinese perspective—dominated by their hegemonic rival the United States? In this context, Chan, Lee, and Chan's assessment looks persuasive:

...as soon as China feels confident enough in its status as a great power, it may no longer feel totally obliged to comply with the established norms and rules of Western-dominated international institutions. . . . At issue is whether or not China can harness enough soft power to modify the existing norms in its favour, convincing others to follow the Chinese way of thinking. (Chan, Lee, and Chan 2012, 39)

Even if there are some doubts about and limitations to Chinese "soft power" (Beeson and Xu 2015), especially in the wake of its abrupt shift in foreign policy, it is evident that Chinese policymakers are attempting to promote their interests on multiple fronts and at different levels. This may not be surprising, but what is noteworthy is the way that China is going about this. On the one hand, China has been able—rather successfully—to play a more prominent role in extant institutions such as the International Monetary Fund (IMF). The inclusion of China's currency in the basket of currencies that makes up the IMF's "special drawing rights" facility is perhaps the most important example of this possibility (Donnan and Kyngge 2015). On the other hand, however, China has embarked upon a series of interconnected initiatives designed to enhance its ideational influence and material presence in the region it is increasingly coming to dominate.

The most important examples of this possibility have been the establishment of the Asian Infrastructure Investment Bank (AIIB) and the One Belt, One Road (OBOR) initiative. The AIIB was established, despite opposition from the United States, to provide finance for much needed infrastructure investment, particularly in Central and Southeast Asia. While this might seem an uncontroversial goal, the United States saw it as an attempt to increase Chinese influence in the region at its expense. While there may have been some substance to this view, significantly, the United States was not

able to stop this development. Indeed, even key allies such as Britain and Australia rejected United States pleas to sign on to “China’s bank” (Branigan 2015). At this stage, it is unclear how much influence China will have over the day-to-day operations of the Bank, or the kinds of norms and principles it embodies. Ironically, China’s enthusiasm to include prominent western powers may mean that its influence is diluted and western norms of best inter-governmental practice may ultimately be embodied in the new institution (Perlez 2015).

The OBOR proposal is potentially of another order of magnitude altogether, however, and one that the AIIB may be instrumental in helping to realize. There is an inconclusive debate about whether China has a “grand strategy” as such, with some claiming it is an *ad hoc* work-in-progress (Zhang 2012), and others suggesting it is a manifestation of a very long, carefully calibrated time horizon (Pillsbury 2015). However, what is less in doubt is the OBOR’s potential impact if realized. At the regional level, China would cement its place at the center of an interconnected Asian production network that would reinforce its importance to, and political leverage over, its neighbors. At the domestic level, the OBOR might provide an important outlet for China’s construction and finance sectors that have over-invested within China itself and cannot easily expand (Xue and Xu 2015).

There is no doubt that under Xi Jinping’s leadership China has become a much more prominent actor, especially at the regional level. As we have seen, it is not yet clear how well China will be able to manage the complex interactions between domestic pressures and the impact this may have on some of its immediate neighbors. But given that China is unambiguously a “great power,” it also has an increasingly important third level of international policy actions to consider. The three levels of Chinese policymaking are not mutually exclusive and clearly overlap in important ways. However, China’s growing global presence means that it must try to balance the potentially incompatible obligations and expectations that may flow from its wider international role. As a consequence, David Shambaugh (2013, 43) argues, “China possesses multiple international identities and is a conflicted country in its international persona.” At this stage, therefore, it is not clear how easily China’s leaders will be able to accommodate the multiple demands on policy, or what implications this may have for its role and leadership ambitions within Asia. A few general observations are possible though.

First, there was a good deal of speculation about the possible importance of the BRICs (Brazil, Russia, India, and China) and their impact on the extant multilateral system (Wade 2011). However, a major downturn in the global resource sector and significant internal economic problems in most of the members has rather dented the grouping’s reputation and possible significance (Elliott and Inman 2015). The bonds of solidarity that supposedly unite the BRICs look even more tenuous and improbable than those which unite the East Asian states. While this may be potentially good news for the rest of East Asia, in that China might be expected to remain primarily focused on its own region, it is indicative of the true complexity of China’s policy choices.

The principal focus of Chinese foreign policy attention remains the United States (Foot and Walter 2011). This relationship is now undoubtedly the most significant bilateral relationship in the world and one that will determine East Asia’s future political, economic and strategic trajectory. For some observers, the rise of China and its hegemonic rivalry with the United States

presages an inevitable conflict as a consequence of a redistribution of material power and the emergence of a dissatisfied status quo power (Mearsheimer 2010). This is a large and complex topic about which it is not possible to do justice to here (Beeson 2009c). However, it is not necessary to be an unreconstructed realist to recognize that a “G2” with the United States, whether formal or informal, is likely to dominate intra-regional relations within East Asia (Bergsten 2008). In this regard, American hegemony may prove to have been a relatively brief and exceptional interlude in a period of extended Chinese influence over the region of which it is still such a consequential part.

Concluding Remarks

Multilateral institutions in Asia have generally been rather feeble and ineffective—and that seems to be just the way the region’s political elites like them. Infringements of national sovereignty have been vigorously resisted by the weaker, relatively new Southeast Asian states in particular. The ASEAN Way has been the principal diplomatic manifestation of this possibility and the region’s capacity for coordinated collective action has been profoundly undermined as a consequence. This is something that many East Asian states, including China, are entirely comfortable with in the region. Indeed, China has resisted becoming involved in multilateral processes that might constrain its autonomy or in which its power was potentially diluted by the sheer weight of numbers of the other participants. China’s unwillingness to have its territorial claims in the South China Sea adjudicated by an independent body is a telling indicator of this stance (Li 2014). It is also a reminder of both ASEAN’s inability to offer effective leadership on the most important strategic issue confronting its members, or to force a great power to do something it would prefer not to.

There are, therefore, clearly limits to the supposed capacity of small states to either lead or to socialize their more powerful counterparts into acceptable ways of behavior. Yet it is also clear that China is a very different actor than it was forty or fifty years ago, and that its foreign policy calculations are more complex and sophisticated than they previously had been. This is a necessity. The reality is that China’s foreign policy operates on multiple levels and reflects an array of interests, not the least of which are domestic. The challenge for China—as it is for every country, of course—is to reconcile potentially competing interests and obligations as it pursues what its political elites assume are its national interest. Whether existing institutions such as the G20, or any of the other regional and global summits, will be able to manage relations between China and the United States remains to be seen (Garrett 2010).

What seems certain is that China is likely to play a larger role in both regional and international institutions. Whether China chooses to adopt a cooperative and constructive role is not yet certain. In this regard, it is possible that China will have less impact at the regional level than it does at the global level where there are more established patterns of institutionalized cooperation and norms, if not outright rules in the case of organizations such as the World Trade Organization. After all, despite the proliferation of regional organizations in the East Asian region there really isn’t that much to transform: East Asia’s institutions have generally been noteworthy

primarily for their lack of impact (Ravenhill 2009). This may mean that China is entirely comfortable with the sort of undemanding multilateralism that distinguishes Asia, while it works assiduously to transform or bypass other international institutions.

For better or worse, therefore, the result of China's evolving policy calculus is likely to help to shape the future trajectory of institutional evolution in East Asia and beyond. Whether China will be capable of addressing the demands that flow from its growing regional and global presence, especially where these conflict with national interests, is far from clear. Playing a three level game successfully would test the diplomatic skills of any state; it is an even greater challenge for policymakers and officials who are still coming to terms with China's new responsibilities and the expectations that accompany them. The chances that China can become the sort of responsible stakeholder that many in the United States hope for under such circumstances, or that it could help to stabilize an increasingly fragile international order, look equally uncertain.

Even if it wanted to, whether China could help revitalize the extant order is also unclear. China's efforts to develop an alternative institutional order, and its preoccupation with its own national and regional interests suggest that it is likely to continue taking an instrumental attitude toward international cooperation that sees "multilateral cooperation [as] nothing more than a Chinese foreign policy instrument" (Heilmann and Schmidt 2014, 32). China's own actions and the region's unresolved animosities and territorial claims mean that neither China nor anyone else appears to be capable of providing effective regional leadership (Beeson 2013). The absence of such leadership and the proliferation of relatively ineffective regional initiatives mean that East Asian multilateral institutions are likely to continue their record of disappointing underachievement.

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