



## Session Sketch

### The Future of Asia's Contested Order Public Session

#### Introduction

The focus of the session was a discussion on the current state of Asia's regional architecture and the way it could move to a different regional security architecture. The moderator highlighted the fact that whether or not a true architecture exists in Asia or not is questionable, as the current order does not resemble that of post-war Europe. However, it is still possible to talk of either an order disintegrating into chaos, or of an old order shifting directly to a new order.

With the China US rivalry at the center of the current Asian regional order, the issues surrounding this rivalry, which have the potential to become flashpoints, should be addressed. These include the situation in Taiwan could become some kind of a casus belli at some point, the Korean Peninsula, and the South China sea. In addition, the potential for the US and China to fall into Thucydides' trap or the Kindleberger trap is strong. But it should be recognized that the Kindleberger trap could lead to Thucydides trap because if there is a failure in the economic governance organization, the next step can be the security organization failure. This is exactly what happened in the second inter-war period. The Great Depression played a major role in triggering the Second World War.

#### Keynote Speech

It's obvious that whatever order we're going to have in Asia, it will be part of the global order so it will very much depend on how the global order will emerge in the next 10-20 years. Whatever happens we cannot be free from the old order, history always continues and therefore the legacy of the old order will be operating and we just have to make a smooth adjustment. Whatever Asian order we're going to have will be part of this new global order 2.0.

Speaking from a Korean perspective, I concentrate on the last 30 years when I say world order because for many Koreans, 1988 was a very important year. That was the year of the Seoul Olympics. Exactly 30 years later Korea hosted the Pyeongchang Olympics. In the last 30 years many things happened. This period has been 30 years of global move toward what we have called globalization, particularly globalization of the markets. The result of those 30 years is there are many changes, but the most outstanding change is China, from a big but developing country to the second largest economy in the world contesting the global hegemony.

We must also note that period seemed to be coming to an end in the last few years. Everyone is a little bit tired of globalization, and nobody seems to be very happy nowadays, partly because the problem of inequality or

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discrepancy between the rich and poor, regionally and even within each country. The result of this feeling of dissatisfaction seemed to be bringing back a new surge of nationalism. After the Second World War, and even after the end of the first Cold War, the surge of nationalism was generally against colonialism or imperialism, but this time the surge of nationalism has a very special characteristic, namely that the major powers seem to be the ones who are spearheading this new surge of nationalism. This is a strange situation; nevertheless it seems to be the case.

Over the last four to five years I've been pointing out this very new phenomenon. Four years ago, I pointed out that the major powers seem to be showing a size of tremendous nostalgia for empire. Generally the major powers were old empires, and for a variety of reasons in recent years they seem to be showing a tremendous nostalgia for those old days, the days of empire. Mr. Putin in Russia seems to be popular in Russia partly because Russians are yearning for a return to the glory of the old days. Now, China is a prime example of this nostalgia. Xi Jinping calls it the Chinese Dream, but nostalgia is a part of this dream. But it's not just Russia and China. It's the US itself who championed nationalism and globalization who is now showing this nostalgia for empire.

Now, Americans may say that America was not an empire, which in some sense is true. But basically Americans feel that 50 or 70 years ago the US seemed to be much better than today, so they have nostalgia for the past. This nostalgia has in fact elected President Trump. All in all, these major powers' nostalgia for empire seems to be creating a new kind of conflict among them, and in the case of the Asia Pacific region, most notably a conflict between China and the US. Last year, we have all read Graham Allison's book on this topic and the so-called Thucydides' trap. I think this book is very interesting concerning the problems the global community is facing today.

For Asians, this topic of rivalry, if not outright war or at least a potentially dangerous rivalry between China and the US, is really a central issue which really will determine the regional order in the coming days. How can we understand this rivalry? Graham Allison himself mentioned that Lee Kuan Yew had a good diagnosis of the Chinese psyche behind Chinese policies. One point Allison makes is that Lee Kuan Yew always thought that in the new era and even maybe in the coming era that economic considerations will play a greater part than the security or military considerations. Actually, going back to the Huntington, we heard about the difference and the contests between civilizations.

Last week I was in China after a few years, what brought me to China this time was a meeting. Even there, everybody was concerned about this phenomenon. The first Chief Executive of the Hong Kong Special Administrative Region of the People's Republic of China, Tung Chee-hwa, said that Graham Allison is interesting, but when we use the Greek example as a reference, it's not necessarily good because both China and America lack European heritage. It's quite different from the European mind, from the Greek tradition. In short, he is saying don't worry too much about the US-China clash because these two big powers have their own tradition of very strong pragmatism. They always calculate and if war is not beneficial compared to the price you have to pay, they refrain from it. They may say different things, but he thinks they are the ones who could achieve a compromise better than all the major powers, so let's see what happens in the coming years. Maybe he's right, after all American philosophy, so to speak, is pragmatism. All the big names like William James and John Dewey are pragmatists. Chinese philosophers, from Confucius onward, are also pragmatic. So let's hope that the pragmatism of these two major powers will produce a more peaceful solution.

The Chinese perhaps made some miscalculation or misunderstanding of the Americans, that is, the Chinese tend to feel that Americans are not part of Asia; it's a far away country. But it's not very far away. North Koreans can hit it with missiles, so geography has changed, the world has become a small place, so don't ever think that there is

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a far away country. Certainly in the last half century or so the US has become a part of Asia. If anything, maybe the US citizens have not fully adjusted to this change. In the last 50 years, California replaced New York as the number one state, for example someone mentioned that Trump is against the Paris Agreement on climate and so on, but someone said don't worry because on climate, the federal government has very little to do and it's state governments that have the most means and ways to handle the situation, and the number one state California is 100% with the Paris Accord. In short, what we have to remember is that the US has become much more Pacific state than 50 years ago. In the 20th century, the tide is moving towards the Pacific and certainly in the 21st century. Hawaii and Alaska became the 49th and 50th states. Whenever I look at the map, I'm always amazed at how close Alaska is to Russia- you could almost yell from Alaska to Russia. You have to keep all this in mind and the Chinese should understand that the US is a legitimate member of the Asian community and not consider them outsiders.

The development in Asia over the last 50 years, through all the turmoil the Asian countries have changed a great deal, mainly towards establishing workable democratic institutions in each country. In Korea, I mentioned the Seoul 1988 Olympics, but those were a success because in the previous year South Korea had made a very smooth transition from authoritarianism to a functioning democracy. But it's not just Korea. We see democracy operating reasonably well in Indonesia, the largest Muslim country in the world. The Philippines and others, but particularly Vietnam, who fought such a difficult war against the US, Vietnam has become a very good member of ASEAN and also a very good friend of South Korea. I think we have more investment there now than any other country in Southeast Asia. So, we have a functioning ASEAN setup, which includes such a variety of countries; nevertheless, looking at the whole, they have become regional and international participants and this has changed the situation.

The final point I would like to make is that in those 30 or 50 years, the biggest change in the Korean Peninsula was that South Korea was determined to be in the frontline of the globalization trend. Whatever is global, South Koreans always wanted to be on the front line. But North Korea made the exact opposite choice. North Korea has become an exceptional state. But 30 years later, it has become rather obvious that you cannot survive in this world by becoming an exception. Particularly because of the nuclear problem, newspapers always call the problem on the Korean Peninsula the "North Korean nuclear problem", but the North Korean nuclear problem is not whether North Korea is a nuclear state or not. It is whether East Asia will allow nuclear proliferation or not. If we let North Korea become a nuclear state, what is happening is this zone is becoming an exception to the NPT system. Therein lays another big dilemma on the part of China.

China has not made up its mind clearly, and has more or less lived with the development of the NK nuclear problem. But that means in East Asia from Japan all the way down to Australia, everyone has accepted that China is the only nuclear power, and that means China has kept the peace in East Asia for more than ½ century after the end of the Vietnam War. But by letting North Korea go on with their nuclear program, China in fact was almost saying maybe there can be two nuclear powers, China and North Korea. This is a very strange development. It is saying those others, South Korea and Japan and others, that they could become nuclear powers. But certainly China could not accept this, and this has become increasingly clear in the last year, and when China joined the UN sanctions to stop North Korea's project, the power of those sanctions was so great that Kim Jong Un has to make up his mind, that is nuclear weapons make China look like a great power, but it's a sure way to see the end of North Korea. So it looked like he made a wise decision.

I am sure that you all heard the very encouraging news from Sec. Pompeo's visit to Pyongyang and in the next few weeks or months we can see a big change. Change basically means finally North Korea will rejoin Asian

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regional community as a member. South Korea is aiming at that. When in 1989 South Korean Parliament, with a unanimous vote, accepted a new unification plan, the heart of the plan was simple. Until Korea is reunited, it may take 10, 20, maybe 50 years, whatever it takes, we will have one national community, two states. It's a two state solution. In fact North Korea accepted this plan and in 1991 we had a series of agreements, such as the two government's agreement to cooperate in many fields and the joint declaration to keep Korea nuclear free. And, admission to the UN as two states with two votes of course. Since then there have been all kinds of problems, but the current development may provide an opportunity to go back to those principles. If Korea could live with China, Vietnam and Russia, certainly why not with our own people in North Korea? In the next few months and certainly next few years we have to create the new East Asian system. I say East Asia because West Asia, India and Pakistan, have become a nuclear power and they look like they are determined to stay as they are, so I have to differentiate West Asia from East Asia.

I think at least in East Asia and major powers including China and Russia will cooperate to create a new system which will no longer be bothered by the possibility of nuclear extension and concentrate on cooperation in the economic sphere and bring further prosperity. I just mentioned the military and economic dimensions- there is of course a cultural dimension, but again I think a few decades ago that many thought that the Chinese would have a tremendous cultural influence as an old culture and with a tradition of empire and so on. But again, the world has changed, communication and transportation technology, everything. That's why in the area of culture, who thought that the Korean young kids with the Korean wave would be so popular around the world? Today's newspaper talks about the concert in New York brought over 40,000 people to see BTS. What I'm really saying is that with these changes, we can create a new order and the US and China could work together, not necessarily as Asian powers but as global powers, global and regional, which will help us and help everybody in the region.

## Discussion and Q&A

### Speaker A:

I agree that there has been no formal regional architecture in Asia, and I actually think it's hard to speak about Asia or the Asia Pacific as a single region. I'd argue in many ways it has operated as separate sub regions. But there has been something of a security system, even though there hasn't been an architecture, based on American primacy, an alliance system with the ROK, Japan, Australia, and others, a balance of power here on the Peninsula, a limited role for Japan in the region's security arrangements, a priority or an emphasis placed on economic development for the last several decades. Going forward there are a number of questions. In no particular order-

- China's trajectory. For a long time, Deng Xiaoping was the lodestar of China and emphasis was on internal political economic development, not on foreign affairs. Does that still apply and will it in the future?
- The US-Chinese relationship. It will have elements of cooperation and elements of competition, but to what degree? Over the last two years it has taken a decided turn for the worse. The change in the foreign policy elites and their thinking about China, Democrats and Republicans alike, has certainly moved. There is something of a consensus, certainly when it comes to economics, that China represents a major challenge that must be reacted to and there are growing concerns about

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China internally as it becomes more authoritarian, and its foreign policy, which is seen as more assertive.

- The central element of the system in this part of the world is American primacy. What if the US is no longer willing to act consistently with that? What if it abdicates? Is it something that will continue or is it unique to this administration?
- The future of Japan in the security realm. It's been 70 years since the end of WWII. Japan was placed under a unique set of constraints. Will those forever be in place?
- Will the balance of power hold on the Korean peninsula?
- What is the balance between democracy and authoritarianism?

One possible future for the region is one of Chinese domination. As the US pulls back China comes in much larger, that's one future for this part of the world. The second is one I would call self-help, that as the US pulls back a lot of countries increasingly take their security into their own hands. This would probably be accompanied by proliferation, certainly of conventional forces but maybe also of nuclear forces. The third would be that the current US policy is just a temporary operation and that we return to a US-led security system.

Does Trump think strategically? There are two foundational thoughts. One is that he believes the costs of American leadership have exceeded the benefits when he looks at the last 70 years, and secondly when he looks at the US trade relationships he believes America has been taken advantage of. His response to those two conclusions is the US needs to remake its relationship with the world, both in the sphere of trade, and in trying to refashion many alliance relationships. I believe he has a narrower conception of American national interests. I don't know whether to call that strategic or not but it does represent a worldview and I believe he has been acting consistently on it.

**Speaker 2:**

It's quite right that there are dynamics at play that precede Mr. Trump. He has over 30 years evinced 4 principles about America's role in the world that I think of as the four horsemen of the apocalypse: skepticism about trade, alliances, institutions, and an odd affinity for strongmen. On top of the structural factors, we now have the personal factor impacting how the order operates.

To come back to the US-China relationship, there's more uncertainty on US side than China side. On the Chinese side you have a policy that's not completely consistent. Sometimes it's skillful, and sometimes it's quite belligerent. On the US side, policy has fluctuated so much over the last 20 years it's hard to say where it will come down. A few years ago, we couldn't have predicted the impact of Mr. Trump on the Washington consensus. We still don't know how permanent his effects will be on US policy, how reversible they will be. In many ways, his instincts have been converted into policy, think of tariffs on China, moving US embassy in Israel, and pulling out of Iran deal. But in other cases his influence is more limited, because in many cases Mr. Trump doesn't have the focus, the discipline and the rigor to really pursue his policies to the logical end. He is much more interested in making a splash, declaring victory, and then moving on to something else.

I think there's uncertainty on both sides but especially on the American side. We don't know how these two will work out their relationship. But, often in these debates we go to US-China relationship without thinking about the role of everyone else. Australia is a good example of these pressures coming to bear. On one hand China is its most important trading partner, its most important economic partner, but the US is its long term strategic ally. Australia worries about Beijing and Washington policies, about a reckless China and a feckless US. Its policy on China has hardened a lot in the last few years. As a result of that you see a real focus in Australian foreign policy



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documents on a rules-based order as a kind of dual hedge against a reckless China and a feckless US.

But it's very hard for a country the size of Australia or South Korea to meaningfully stand up for that order. It's hard to invest in the rules-based order when you don't have one at home in your own domestic politics, when one government can't achieve that longevity in office that you need to make the tradeoffs and sacrifices and take the risks that are required to push back against Chinese recklessness and American fecklessness.

**Moderator:**

You made a very fundamental point which is to highlight some reasons for unpredictability including the role of certain individuals, not only heads of state. There are a number of individuals who can play a role. This is what is meant by chaos. Chaos is not necessarily hell. Chaos means a sequence of events which is like a random movement. It's not necessarily tragic but it means at some point a new order emerges but you cannot predict what kind of order.

Now a question for you, you said rightly of course that the US-China relationship is the most important one in the world currently. But sometimes that's also an illustration of the previous point. Sometimes there are other relations which almost prevail on this central relation. If President Moon Jae In had not been elected it's very likely that the course of events with North Korea would have been totally different. Sometimes relations between actors of a second order put the main players in difficulty. Is it not true?

**Speaker 2:**

Yes, it's true. But, when you look around, one problem is you don't see too many highly consequential strong leaders who have the ability to support that order in the absence of the hegemon. Where are the Western leaders or governments who really can step up and support the order while Washington steps out of the room? Germany, France, the UK are all out of the running for now. South Korea is an enormously important but it's necessarily focused on the Peninsula. Individuals matter, I'm just disappointed that at this particular moment you don't have three or four really strong individuals at the heads of governments that have a firm approach to supporting the international order at the head of substantive countries with substantive capacities to bear.

**Moderator:**

And of course behind that you have this debate about liberal vs. illiberal democracies. Because what we are talking about now is the weakness behind liberal democracies in certain circumstances.

**Speaker 3:**

The world's attention is very focused on developments on this Peninsula. Sec. Pompeo's last visit to Pyongyang and how it evolves is a topic of great attention for international statements. But I think that in the mid and long-term evolution of the Asian regional order is probably a more important topic that might affect Korea's future. The future destiny of the nation is also very closely linked to the evolution of the regional order in Asia.

Korea has a very difficult position between growing or intensifying rivalry and contests between the US and China. It's quite obvious the US and the ROK alliance with them is the bedrock of ROK national security and foreign policy. I think there's no change in the mid-long-term future. On the other hand, China is also very important to South Korea's interests. Their trade volume with China surpasses those of any other countries and China's role in resolving the current conundrum in the Korean peninsula is indispensable. South Korea has to continue a cooperative and good relationship with China. They must get along with those two great powers at the

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same time even as they are drifting apart. It poses a very difficult foreign policy question.

Many countries are between the US and China. To some degree they share a similar kind of problem of how to survive or manage the international order and regional order at least in this intensifying rivalry. One difference that the South Korean government has in that regard with the Australian point of view, probably, is that they'd like to somehow be a facilitator among the increasingly contesting powers.

One of the ways I can think of is minilateral cooperation in which China is involved and the US involved and many other mid-size countries are also involved. I think that kind of cooperation has to be created rapidly and the format has to be maintained for the foreseeable future. In that regard the South Korean government at the moment has proposed the so-called Northeast Asian Plus Community of Responsibility. They want more cooperation among the regional powers.

The second point with regard to the question of how to face increasing rivalry with the two great powers in the region is to seek diversification of the ROK diplomatic profile. On the one hand South Korea is reaching out to South Asia such as India and also Southeast Asian countries. On the other side South Korea has recently launched new Northern policy to explore a closer relationship with countries in the northern part of Asia.

**Moderator:**

Many observers or analysts think that at some point South Korea might find itself in a very uncomfortable position needing to choose between the US and China. How could they avoid that?

**Speaker 3:**

As I mentioned I think it's a very difficult task. I think most countries in the region are facing the same hurdle and task of avoiding the clash. So South Korea would like to reach out to many other regional powers including Australia and Japan. The current Korean peninsula question isn't a confrontational task for the US and China. I think it can serve as a way for the two countries to cooperate. It could create this uncomfortable position, but it also could not.

**Moderator:**

I think this is a very challenging time also for China. Do you think the Chinese president is comfortable with the current situation?

**Speaker 4:**

I do think the president feels a lot of pressure not only because of foreign affairs but also a lot of domestic affairs. To some degree the dominant paradigm of the world is changing, moving from the previous liberal institutionalism to some kind of balance of power. I think after the end of the Cold War actually it is a kind of consensus that countries work together, cooperation and do their jobs within that kind of a framework. But now it seems that these days that kind of consensus is to some degree in danger, we see a return to political competition.

If we're moving in that direction there will be a kind of new order. We may not like this kind of thing but when you're talking about balance of power you can have different forms of balance of power. There can be a consort of powers. Or you can have new Cold War among big powers.

If we look at the Asia Pacific, after the end of the Cold War this region has been exploring a kind of mechanism or architecture for multilateralism. In the security arena, cooperation in nontraditional security areas is

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more effective than in traditional security problems. Of course in that kind of framework the US alliance system is still a very important part of the security institution in the Asia Pacific. But in post-Cold War era there are also some shortcomings, as this system isn't very effective at dealing with nontraditional issues like cross-border crime, natural disaster rescue or nontraditional issues.

Another part related to that alliance system is that one of the critical features of the alliance, the concept, is targeting a third party. To some degree, it has to exclude some countries, to find its enemy in this region. So, still using this alliance, the institution of alliance as the main architecture in the region, it seems very possible to split this region. To the Chinese perspective, it's not a healthy way to handle regional security issues.

China wants to be part of the overall picture, and actually China thinks that in this region it will be more feasible for middle countries, middle smaller countries like ASEAN, Australia, South Korea, etc. to take the lead in that kind of multi cooperation, and the big countries like China, the US and others to support that kind of process. In that kind of process, it will be very important for countries to provide so-called public goods for regional security issues. If countries can follow that kind of path and still emphasize that kind of multilateral cooperation I think it will be the better choice for this region.

**Audience 1:**

I want to ask about the China issue, about how long Chinese communist party can handle China for this capitalist economy situation, if the communist party fail to handle in the future, is there any plan for an alternative system in China?

**Audience 2:**

Imagine a situation wherein 9/11 didn't occur. What would have been the US strategy towards China? It could be a good way to think about the scenario of cooperation which was developed for many years against the scenario of confrontation that we are apparently approaching.

**Speaker 1:**

Vice President Pence's speech was important; it rejected the idea that China could be integrated into the international order as the responsible stakeholder. You're seeing not really rejection but a real disillusionment with the integrationist theory. But there's not a consensus on what to do. Even the Trump administration has cited all these areas where they disagree with China's economic behavior, has put in place tariffs, but there's still not a clear policy. Do tariffs get lifted if the imbalance goes down? Do tariffs get listed if China says it will prevent IP theft? Nothing is clear. You're sensing a more combative approach but I haven't seen an articulation of what is the strategy and what's the end game. What is the new US-China relationship? If we don't want a new Cold War, what can we do? I haven't seen a lot of intellectual work on that.

**Speaker 2:**

It's interesting to bring Trump back into this issue as well. Although I agree that Pence's speech was in a way a crystallization of a consensus forming in Washington, and lots of my friends on both the Democrats and the Republicans for some time have been saying it's time for us to toughen up on China. For Trump there are two reasons to be tough on China. Trade is his red line, and mercantilist trade policy is the one thing he believes more than anything else. He likes going tough on China even if he doesn't have a long term plan or disciplined plan for how it's going to work out. Two, China is not Russia. By being tough on China, he can sort of leave the Mueller



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stuff in his past and show there's another challenger to the US that in a way is more of a problem for the US than Russia. I don't think there's anything in Trump's history or things he said or his past behavior as president that tells US he believes his mission is to get tough on China. Even when he was elected president, until about six months ago, his instinct wasn't to confront but to coddle Xi Jinping, before he was in love with Kim Jong Un he was in love with Xi Jinping.

**Speaker 3:**

One thing I'd like to add is the importance of multilateralism. Big powers tend to disregard the spirit of multilateralism. In the South China sea, China conducts negotiations with a variety of countries bilaterally, and the current US administration is taking a bilateral rather than a multilateral approach to international affairs. Multilateralism is in peril. Probably those countries benefiting most from multilateralism in the world order is small and medium sized countries and so in that regard we need more cooperation. ■

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Written by: Natalie Grant

For inquiries:

Hyejung Suh

Tel. 82 2 2277 1683 (ext. 140)

[hjsuh@eai.or.kr](mailto:hjsuh@eai.or.kr)

The East Asia Institute  
#909 Sampoong B/D, Eulji-ro 158, Jung-gu,  
Seoul 04548, South Korea  
Phone 82 2 2277 1683 Fax 82 2 2277 1697  
Email [eai@eai.or.kr](mailto:eai@eai.or.kr) Website [www.eai.or.kr](http://www.eai.or.kr)