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Geopolitical Dynamics and Regionalism in East Asia

by Giuseppe Spatafora

ABSTRACT

On 27 February 2017, the Istituto Affari Internazionali (IAI) and the Embassy of Japan in Italy co-hosted a conference on "Geopolitical Dynamics and Regionalism in East Asia." The event featured two keynote speakers: Professor Mie Oba from Tokyo University of Science, and Rear Admiral (ret.) Michele Cosentino from the Italian Navy. Professor Oba discussed the development of regionalism in East Asia, assessing the role of ASEAN, the United States, China, and the future of multilateralism in the Asia Pacific region. Admiral Cosentino focussed on maritime security in the region, addressing the expansion of China's Navy and the exacerbation of territorial disputes. IAI Director, Ettore Greco chaired the panel and Minister Hiroshi Yamauchi from the Japanese Embassy delivered the opening and closing remarks.

East Asia | Regional integration | ASEAN | US | China | Japan



Geopolitical Dynamics and Regionalism in East Asia

by Giuseppe Spatafora*

On 27 February 2017, the Istituto Affari Internazionali (IAI), in collaboration with the Embassy of Japan in Italy, organized a conference on "Geopolitical Dynamics and Regionalism in East Asia". The event took place in Palazzo Rondinini in Rome, in a conference room kindly offered by Banca Monte dei Paschi di Siena. The panel featured Professor Mie Oba, a specialist in Asian regionalism at Tokyo University of Science, and Michele Cosentino, Rear Admiral (ret.) from the Italian Navy, a renowned expert in maritime affairs. Ettore Greco, Director of IAI, chaired the panel together with Minister Hiroshi Yamauchi, Deputy Chief of Mission from the Embassy of Japan in Italy. Through this constructive event, IAI and the Japanese Embassy continue a partnership that was strengthened last year in occasion of the 150th anniversary of establishment of diplomatic relations between Italy and Japan.¹

Ettore Greco opened the panel by posing the pivotal issue of the event: given the rising economic interdependence and – at the same time – the growing geopolitical rivalry in East Asia, can regionalism provide a platform of security and stability to the region? Asia-related matters cannot afford to be put aside, and they will probably be at the centre of discussion items in the 2017 G7 Summit that Italy will host. He then listed the key issues to discuss in order to understand the current interplay of regionalism and geopolitics in East Asia: the nature of territorial and maritime disputes in the region; the interaction between the different forms of regionalism supported by the United States, Japan and China; the viability of ASEAN as a model for further regional integration; and the role of external actors such as the European Union.

¹ See the Japan Foundation website: *The 150th Anniversary of Diplomatic Relations between Italy and Japan (2016)*, https://www.jpjf.go.jp/e/about/area/j_i_2016.html.

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· Report of the conference on "Geopolitical Dynamics and Regionalism in East Asia" organized in Rome on 27 February 2017 by the Istituto Affari Internazionali (IAI), in collaboration with the Embassy of Japan in Italy.

Minister **Hiroshi Yamauchi** agreed that geopolitical tensions in Asia should be discussed in the G7. Yamauchi described 2017 as a very fluid year, given the uncertainties of the new American presidency and the upcoming elections in France and Germany. In such unpredictable circumstances, Italy and Japan will have an opportunity to have their voice heard on geopolitical matters, because they are both G7 members and currently non-permanent members of the UN Security Council.



Ettore Greco (left), Hiroshi Yamauchi (right)

Professor **Mie Oba** spoke next, outlining the key features in the evolution of regionalism in East Asia. Today's regional architecture is very complex, although it developed only recently, mainly after the end of the Cold War: the international regime was based on a network of bilateral alliances and a few multilateral institutions with limited prerogatives. The main actors in the Asia-Pacific were (and still are):

- Japan, which faced hostility and mistrust from other countries that suffered Japanese colonization in the early 20th century;
- the US, the regional hegemon which maintained a very passive approach to regionalism and a clear predilection for a "hub and spokes" system of alliances (in which Washington is the central hub playing a high degree of control over the spokes);
- China, which was very reluctant to play a leading role in regionalism up until the 2000s;
- the Association of Southeast Asian Nations (ASEAN) – a forum of very different countries in terms of population, GDP and military strength (see Singapore vs. Indonesia, for instance), which was founded in 1967.

The US, Japan, and China have contended for leadership in the Asia Pacific, but given Japan's historical legacy, the US' preference for bilateralism, and China's "hide and bide" strategy,² no power has taken the lead in developing regional institutions. Neither has the area witnessed any great power co-leadership like Franco-German cooperation in building the European Community. Consequently, Asian regionalism has taken the form of ASEAN-centred regional institutions.

² Graham Allison, "The Thucydides Trap: Are the U.S. and China Headed for War?", in *The Atlantic*, 24 September 2015, <https://www.theatlantic.com/international/archive/2015/09/united-states-china-war-thucydides-trap/406756>.

ASEAN, which celebrates its 50th anniversary in 2017, has fostered the development of multilateral cooperation among Asian countries. Each of ASEAN's diverse members could exercise only a limited role in international affairs; through concerted action, however, they can play a leading role. ASEAN's membership has grown from six original members to ten, and other countries have showed an interest in cooperating with it. Therefore,



Mie Oba

ASEAN has fostered the development of a network of larger organizations:

- ASEAN+3 includes all the original members together with China, Japan and South Korea;
- the East Asia Summit (EAS, also known as ASEAN+8), which expanded to include the US;
- the Regional Council for Economic Partnership (RCEP), an economic forum among Asian nations;
- the ASEAN Defence Ministers Meeting Plus (ADMM+);
- the Asian Regional Forum (ARF), the largest group and the first organization created with the task of managing political and security cooperation in the Asia-Pacific.

The key feature of these organizations is the centrality of ASEAN, which always occupies a majority share within each group. Until recently, these fora only included Asian members.

ASEAN-centred regionalism has been challenged in the 2000s by the revival of Asia-Pacific regionalism, strongly supported by the US. The Obama administration has fostered this form of regionalism in the context of the rebalance to Asia: Secretary of State Hillary Clinton included this aim as one of the six key lines of action of the pivot strategy: engage with regional multilateral institutions such as the Association of Southeast Asian Nations (ASEAN), and promote a stronger role for multilateralism in Asia-Pacific international relations.³ The US demonstrated interest in Asian regionalism by joining the EAS, signing the Treaty of Amity and Cooperation (TAC) with ASEAN in 2009, and leading negotiations on the Trans-Pacific Partnership (TPP), which included most regional economies and excluded China.

Recent regional trends also display the emergence of China-led regionalism. Up to 2010, China was uninterested in regional organizations, and when it proved

³ Hillary Clinton, "America's Pacific Century", in *Foreign Policy*, No. 189 (November-December 2011), p. 56-63, http://www.foreignpolicy.com/articles/2011/10/11/americas_pacific_century.

interest, it supported ASEAN-led institutions as an active stakeholder. Under the last years of Hu Jintao's leadership, and more clearly after Xi Jinping assumed the presidency, China has advanced its own vision of regional integration, rotating around Beijing. This symbol of China-led regionalism is the Asian Infrastructure and Investment Bank (AIIB), the economic basis of the Belt and Road Initiative. Others China-based regional institutions include the ASEAN-China Defence Ministers' Informal Meeting (ACDMIM) and the Shanghai Cooperation Organization (SCO). China has further proposed a new security concept that is pan-Asian, China-centred, and excludes the US.



Michele Cosentino (left), Mie Oba (right)

The last part of Oba's presentation dealt with current and future developments in Asian regionalism, which are marked by the advent of the Trump presidency and by escalating tensions in the South China Sea. The new US President seems interested in maintaining its security ties with South Korea and Japan, returning to the traditional US posture of preferring bilateralism to multilateralism. As a candidate, Trump threatened to reduce American defence commitments to its Asian allies. A concerned Japanese Prime Minister Shinzo Abe was thus the first foreign leader to visit Donald Trump. Abe afterward said their meeting convinced him that Trump was a leader "whom I can have great confidence in."⁴ This reassuring answer hints that Trump's words during the campaign were more extreme than his true intentions: the US will remain committed to the protection of its bilateral allies in Asia. The new administration has not yet displayed a clear policy vis-à-vis Southeast Asia, a sub-region that favours multilateral ties, which further supports this hypothesis.

Given the possibility of a new US retrenchment into bilateralism, China will likely find further incentives to impose its own form of regionalism. Since Trump's election, Beijing has remained silent on the issue and it has not undertaken any initiative to promote its new institutions, limiting its interactions with Washington to the "one-China" policy controversy over Taiwan. On the other hand, the escalation of maritime disputes in 2016 has manifested the contradictions in the ASEAN-led architecture. ASEAN regionalism has featured not only economic, but also political and security-management goals since its inception. However, the events of 2015/16 demonstrate that ASEAN has no physical power to inhibit China's unilateral actions. Although the Permanent Court of Arbitration adjudicated the South China Sea claims to the Philippines, China could continue its island-building

⁴ Felicia Schwartz, Farnaz Fassihi and Mitsuru Obe, "Japan's Shinzo Abe Discusses Security Alliance at Meeting with Donald Trump", in *The Wall Street Journal*, 18 November 2016.

strategies without facing any tangible opposition. This manifested limitation lowers the credibility of ASEAN-centred regionalism vis-à-vis China-led alternatives.

The last point of Oba's presentation acted as introduction to Admiral **Michele Cosentino's** remarks on the security situation in East Asia. The maritime dimension of security is particularly relevant in the region: maritime disputes among Asian



Michele Cosentino

countries, together with North Korea's nuclear threat, represent the highest threat to the stability in the Pacific rim.⁵ The South and East China Seas are endowed with potential hydrocarbon deposits and host 40 percent of world trade and 60 percent of world energy trade. Amidst the rise of nationalism in Asia, the disputed territories play an important role for national pride and self-affirmation.⁶ And the disputed islands occupy key strategic positions. Recalling what Oba suggested, Cosentino noted that there is no comprehensive security organization like NATO in East Asia: the US "hub and spokes" system (bilateral deals like the US-Japan and US-South Korea alliances) prevented the emergence of more complex security arrangements.

The key actor to monitor in the region is obviously China, which is exponentially expanding its maritime military capabilities. In terms of grand strategy, maps used by the Chinese defence apparatus show a striking similarity to maps from the Ming and Qing period inasmuch as they put China at the centre of the world, in particular at the centre of Asia, and highlight the historical claims that China upholds today. In the South China Sea these claims take the form of the so-called "nine-dash concept": a nine-dash line which dates back to the post-WWII period delimiting China's historic rights, which correspond to 90 percent of the South China Sea basin and include the Paracel Islands, Spratly Islands and Scarborough Shoal features. In the East China Sea, disputes concern the Senkaku islands (known in China as Diaoyu): Japan nationalized these islands in 2012 provoking Chinese reactions in the form of patrols around the islets and the unilateral declaration of an Area Defence Identification Zone (ADIZ) in 2014.⁷

⁵ See Michele Cosentino, *Maritime Security and Geopolitical Dynamics in the Asia-Pacific Region*, Presentation, Rome, 27 February 2017, <http://www.slideshare.net/IstAffariInternazionali/maritime-security-and-geopolitical-dynamics-in-the-asiapacific-region>.

⁶ Ronald O'Rourke, "Maritime Territorial and Exclusive Economic Zone (EEZ) Disputes Involving China: Issues for Congress", in *CRS Reports*, No. R42784 (31 May 2016), <https://fas.org/sgp/crs/row/R42784.pdf>.

⁷ Scott Cheney-Peters, "How Japan's Nationalization Move in the East China Sea Shaped the U.S. Rebalance", in *The National Interest*, 26 October 2014, <http://nationalinterest.org/node/11549>.

Beijing is trying to coerce the counterparts to accept its historical claims through a series of tactics, ranging from economic deals and integration in the Maritime Silk Road, to "island colonization" activities (the building of artificial islets as unsinkable aircraft carriers) and "salami-slicing" expansion in the South China Sea (a series of small expansionary measures, each of which does not by itself constitute a case of war). This is matched



Conference participants

by an impressive naval build-up: the size of the People's Liberation Army (PLA) Navy today (303 vessels)⁸ is larger in quantitative terms than the sum of all Asian countries' navies: although the fleet's qualitative improvement of is hard to assess, quantity is a quality of its own. It is yet unknown whether these tactics aim to expand China's power projections to a regional or to a global level. On the one hand, China's actions respond to the need to prevent hostile ships from accessing its adjacent seas from the First Island Chain (AD/A2 strategy), thus they have a regional focus. On the other hand, China presents itself as an alternative hegemon to the US, and its cooperation with Russian naval forces in regions other than the Western Pacific – like the joint drills in the Mediterranean Sea in 2015 – suggest that the PLA might have a long-term goal of global power projection.⁹

Admiral Cosentino completed his presentation by drawing some conclusions on the determinants of future stability in maritime affairs. One must bear in mind that the biggest threat to security is nuclear proliferation in the Korean Peninsula, and that North Korea has also tested submarine missiles, aiming to deploy nuclear submarines in the future.¹⁰ A more immediate threat is the risk of escalation of tensions in maritime disputes. China is the actor to monitor in this regard, as it is expanding its naval capabilities both unilaterally and in cooperation with Russia.

The international community hopes that disputes be resolved according to established principles of international law of the seas: however, China has already clarified its objection to the applicability of UNCLOS provisions in the South and East China Seas. Admiral Cosentino auspicated the resolution of disputes in internationally recognized multilateral fora, but this may also prove unfeasible: China consistently refused to submit its disputes to multilateral bodies, and does

⁸ International Institute for Strategic Studies (IISS), *The Military Balance 2017*, February 2017, p. 281-283.

⁹ Franz-Stefan Gady, "China and Russia Conclude Joint Naval Drill in the Mediterranean", in *The Diplomat*, 22 May 2015, <http://thediplomat.com/?p=56156>.

¹⁰ Joseph S. Bermudez Jr., "North Korea: Test Stand for Vertical Launch of Sea-based Ballistic Missiles Spotted", in *38 North*, 28 October 2014, <http://38north.org/?p=6691>.

not recognize their jurisdiction, as last year's Permanent Court of Arbitration adjudication confirms. China prefers to resolve these disputes in a bilateral manner with each of the individual countries, where it can put more pressure on the counterpart. Given the tense environment between parties involved in the disputes, there is a need to encourage cooperation and joint action among countries. The development of a new ASEAN Code of



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Conduct in the South China Sea, scheduled for mid-2017, might be helpful in this regard. Joint patrolling action in sensitive areas and military coordination could also build an environment of trust. External actors like the European Union, which claims a leading role in conflict resolution, should also be involved in the disputes to mediate and encourage dialogue. However, the two main military actors do not seem to veer in this direction: with an incoming surge in US military spending and a possible Chinese response, cooperation in the South China Sea and peaceful resolution might be increasingly harder to pursue.

Intervening at the conclusion of the panel, Greco moderated the Q&A session, and Minister Yamauchi delivered his final remarks by encouraging the further development of regional integration in Asia and auspicing a more active role for Japan and the European Union in the process.

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Founded by Altiero Spinelli in 1965, does research in the fields of foreign policy, political economy and international security. A non-profit organisation, the IAI aims to further and disseminate knowledge through research studies, conferences and publications. To that end, it cooperates with other research institutes, universities and foundations in Italy and abroad and is a member of various international networks. More specifically, the main research sectors are: European institutions and policies; Italian foreign policy; trends in the global economy and internationalisation processes in Italy; the Mediterranean and the Middle East; defence economy and policy; and transatlantic relations. The IAI publishes an English-language quarterly (*The International Spectator*), an online webzine (*AffariInternazionali*), two series of research papers (*Quaderni IAI* and *IAI Research Papers*) and other papers' series related to IAI research projects.

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