

Introduction

China has again become the central presence for its neighbors in East and Southeast Asia – Pacific Asia – and, taken as a whole, the regional economy is now greater than the American and EU economies combined.¹ While China has become a global power as well as a regional center, the cohesiveness of Pacific Asia will be the major determinant of larger global roles for China, and the region itself has a newly central role in the dynamics of the global economy. Currently regional economic connectivity is impressive, but China’s growth and economic centrality amplify deep concerns among its neighbors about regional politics and security intentions. Meanwhile a higher dimension of uncertainty is added to the region and to the world by the emerging great power rivalry between the United States and China.

Given the unknowns of the global future and the novelty and importance of China’s global role, it is tempting to concentrate on China as a global actor, and especially on its rivalry with the United States. Because China is now a global presence, every global event, whether Putin’s invasion of Ukraine, or even the failure of US diplomacy at the 2022 Summit of the Americas in Los Angeles, has an important China angle. China’s role as a regional power is viewed, not only as secondary, but also assumed to be derivative from the bigger picture. The “global first” focus is also common in China as well as in the rest of the world. The actions and gestures of the two major players of the new “Great Game,” as well as their presumptive ambitions and worries, have become the center of attention, while the rest of the world is seen through the lens of their competition.

The general problem with such a global fixation is best illustrated with examples from the Cold War, the previous Great Game. For the

¹ In terms of purchasing power parity (PPP). In dollar value, Pacific Asia was 73 percent of combined US and EU production in 2021. China was 62 percent of Pacific Asia’s total production. Calculated from International Monetary Fund (IMF), *World Economic Outlook*, October 2022.

United States, “Vietnam” became a war, not a country, a place to contain the spread of Communism and to prevent vulnerable dominoes from falling. Meanwhile, China’s initial fraternal (though big brotherish) support for Vietnam in the 1950s was radicalized in the 1960s into its own version of global politics. China tried unsuccessfully to pressure Vietnam into joining China’s crusade against Soviet revisionism. The end result was terrible destruction for Vietnam, wasted lives for the United States, and for China, the alienation of a neighbor. What did Vietnam want? As Ho Chi Minh put it, “Nothing is more precious than independence and freedom.”² Despite global involvement, Vietnam eventually prevailed.

The fundamental lesson of great power failures in Vietnam, in Afghanistan, in Iraq, and in many other intrusions is that the global field of play is an interactive one, with diverse and located situations, interests and strengths. The great game is played with living pieces that make their own moves as well as responding to others. In the long term, the asymmetric relationships between the whole range of participants shape the outcome. Moreover, the texture of the matrix of asymmetric relationships – not only with regards to security, but in economic, historical, and cultural realms as well – sets the very uneven ground upon which states interact, rise, and fall.

The root cause of the anxieties about China among developed countries, and especially in the United States, is the change in the proportions of relative global mass evident since the Global Financial Crisis of 2008. Ever since the Industrial Revolution the West has shaped the world in its own image, and in its own interests as well. After the Cold War the US became accustomed to being the only superpower. China now raises the prospect of a different world order. The natural impulse of incumbent powers, especially the United States but also the West more generally, is to preserve existing advantages by containing China. But that involves two questionable assumptions. First, that containment is possible, and second, that cooperation is not possible. On the first, China’s rise is part of a general change of proportions between the developed and developing worlds, and digging in

² Ironically, Ho coined his most famous slogan while in China in the summer of 1966 as the guest of honor at a mass demonstration of Red Guards in support of Vietnam. Brantly Womack, *China and Vietnam: The Politics of Asymmetry* (New York: Cambridge University Press, 2006), p. 178.

one's heels to stop history is a dubious enterprise. On the second, the "rise of the Rest" is occurring within the liberal economic order, not outside its pale. It is premised on the mutual advantage of trade and investment, rather than on conquest. To counter China by relying on decoupling and sanctions to preserve one's diminishing advantages is more likely to be self-isolating in the long run than to be effective.

The ground has been shifting beneath the stage of global political theater since 2008. Despite the emerging asymmetric parity of the United States and China, the situation is fundamentally different from a power transition between an incumbent power and a rising power. As Evelyn Goh has put it, it is an order transition rather than a power transition.³ Global value chains have displaced simple bilateral trade, creating networks of economic interdependence. Globalization appears threatened by decoupling and nationalism, and de-globalizing counter measures are likely to encourage regional networks at the expense of global rules and institutions. As the salience of localized resilience increases, so does China's status as the regional center of Pacific Asia. China's rise is a major global phenomenon in this new order, but China has not risen alone.

But if China is here to stay, and the global configuration is changing as well, then developed countries, and especially the Anglophone world, need to rethink assumptions that are deeply embedded in its era of preeminence. As Shaun Breslin has colorfully put it, with China's rise, the old ghost of the Yellow Asian Peril has blended with the newer one of the Red Communist Scare to form the current specter of the Orange Threat of Chinese Communism!⁴ Even a colorless interpretation of China's rise tends to picture a reverse mirror image of the Western imperial cycles – the Thucydides' Trap.⁵ But, as presented below, China's traditional centrality in Pacific Asia was fundamentally different from the mortal competition of empire-eat-empire that was typical of the West. Certainly the world of the twenty-first century is quite different from that prior to the Opium War of 1840,

³ See Goh's contribution to this volume. See also Evelyn Goh, *The Struggle for Order: Hegemony, Resistance and Transition in Post-Cold War East Asia* (Oxford: Oxford University Press, 2013).

⁴ Shaun Breslin, *China and the Global Political Economy* (Basingstoke: Palgrave Macmillan, 2013), p. 1.

⁵ Most famously Graham Allison, *Destined for War: Can America and China Escape Thucydides's Trap?* (New York: Houghton Mifflin, 2016).

but memories count. More than that, there are some basic similarities between China's present regional situation and the past. It is still a big country, centrally located, with a major role in regional economic connectivity. The content of its regional centrality has changed, but one could say that the most fundamental change between traditional and contemporary Pacific Asia is its relationship to the rest of the world.

But in Pacific Asia, and at the present time, it is particularly important to view global reality from the bottom up rather than from the top down. Not only do the individual countries have more agency than ever before, but at the same time they face new uncertainties at both the regional and global levels. The Pacific Asian region has evolved over the past fifty years because of opportunities of regional economic cooperation in the global marketplace, but also because of shared concerns about vulnerability as secondary players in the global political economy. China's rise as well as regional prosperity has enhanced the region's global presence, but at the same time the reconfiguration of the region around China raises new concerns. Intra-regional and extra-regional tensions are inversely related. Global uncertainties highlight the importance of regional connectivity and cohesiveness; regional uncertainties add salience to relationships beyond the region. Part of the distinctiveness of the Pacific Asian region is its dense and dynamic interweaving with the world beyond.

The argument of this book is that China's regional identity is crucial to understanding its diplomatic culture, its economic success, and its continuing political challenges. But what is China's region? Regions are notoriously difficult to delineate.⁶ Often the designation is done by outsiders for their own convenience. The term "Middle East" came to prominence in the hands of Alfred Thayer Mahan, the famous proponent of maritime geo-politics, to denote the region between the Near East and the Far East.⁷ The origins of the term "Southeast Asia" are even more convoluted, due to the different purposes to which its mainland and island parts were put by European colonialists. The global South might be a candidate for China's region, in terms of politics

⁶ Barry Buzan and Ole Wæver, *Regions and Powers: The Structure of International Security* (Cambridge: Cambridge University Press, 2003); Peter Katzenstein, *A World of Regions: Asia and Europe in the American Imperium* (Ithaca, NY: Cornell University Press, 2005).

⁷ Clayton Koppes, "Captain Mahan, General Gordon, and the Origins of the Term 'Middle East,'" *Middle Eastern Studies* 12:1 (1976), pp. 95–98.

and economics, but it is a vague and non-contiguous grouping. Not only is the Indo-Pacific similarly dispersed, but it seems to have gained political currency in order to exclude China rather than to provide it with a region. Kent Calder has made a strong argument that the region including China is Eurasia as a whole.⁸ Certainly both the historical relations that he describes and the current realities of connection are important, but Paris and Shanghai are seven thousand miles apart, and even further apart in terms of culture. A region should be cohesive, and, as Vladimir Putin has forcefully demonstrated, Eurasia is not. As the invasion proves, Eurasia does not have the regional cohesiveness of Pacific Asia, nor a thick enough relationship to Pacific Asia to be included in a macro-region.

My claim is that China's external identity and prospects are inseparable from what I am calling "Pacific Asia": Northeast Asia (the Koreas, Japan), Greater China (Mainland China, Hong Kong, Macau, Taiwan), and Southeast Asia (Brunei, Cambodia, Indonesia, Laos, Malaysia, Myanmar, Philippines, Singapore, Vietnam – the members of the Association of Southeast Asian Nations ASEAN). Admittedly, "Pacific Asia" is a novel term, and I am an outsider. But it is better than the alternatives. The World Trade Organization (WTO) has called Pacific Asia "Factory Asia" for good reason. Pacific Asia's intraregional trade exceeds that of "Factory Europe" and "Factory America."⁹ But Pacific Asia is more than a factory, and it has a regional history. Within Pacific Asia itself the whole region is now commonly called "East Asia." But outside of Asia, "East Asia" usually refers to Northeast Asia (including mainland China), leaving out Southeast Asia and the rest of Greater China. The more common term used by outsiders that covers Pacific Asia is "Asia Pacific," but that typically includes both sides of the Pacific. For example, APEC, the "Asia Pacific Economic Cooperation," includes the United States, Canada, Chile, Peru, and Russia. Thus, I propose to inconvenience both insiders and outsiders with a new name. Pacific Asian insiders should realize that the global importance of their region requires a term clearer to outsiders than "East Asia." Outsiders should accept that, while Pacific

⁸ Kent Calder, *Super Continent: The Logic of Eurasian Integration* (Stanford, CA: Stanford University Press, 2019).

⁹ World Trade Organization, *Technological Innovation, Supply Chain Trade, and Workers in a Globalized World* (Geneva: WTO, 2019).

Asia deals with the Americas, Europe, Africa, and the rest of Asia, it does have a distinctive regional coherence.

China's important relationships are not limited to Pacific Asia. The innumerable infrastructural projects of China's Belt and Road Initiative (BRI) have the potential of transforming both China's connectivity and that of the developing world. Meanwhile Asia as a whole is becoming "more continental than sub-continental."¹⁰ The Shanghai Cooperation Organization now includes, as members or observers, almost every Asian country except for the Arab Middle East and the rest of Pacific Asia. Moreover, China's relationship with Russia is especially important, and with the Russian invasion of the Ukraine it is currently at the center of attention in global diplomacy. The development of Central Asia, connecting through Russia to Europe, is a major effort at Eurasian connectivity currently derailed by the invasion. While China's relationship with India is important, and the "Maritime Silk Road" traverses the Indian Ocean, the Indo-Pacific is a rather broad and vague concept with little regional cohesiveness. Indeed, it is precisely the existing internal divisiveness of the South Asian region that adds a special concern to China's new presence there.

The magnitude and gravity of the transformation of the Pacific Asian region and more generally of the post-2008 global order require a reassessment of everyone's basic framing of regional and global dynamics. The world is now well beyond a situation of unquestioned American leadership, and a transformational "rising China" has morphed into a more troubled "risen China." While China is the largest obstacle on the American horizon, the two are not lone, symmetric boxers in a ring, but rather rivals with very different assets and challenges. Both are in broader, interactive environments with other decision makers, but the texture of their environments is quite different.

China is primarily a regional power, and Pacific Asia is its region. Coping with the diverse political and economic challenges of Pacific Asia is China's most immediate challenge. Mao's China failed in both dimensions of its regional challenge. Especially in contrast to Mao, Deng Xiaoping's "second revolution" of reform and openness was successful. Since Deng's death in 1997, economic integration has snowballed, but regional political problems have become more acute.

¹⁰ Evan Feigenbaum, "Why America No Longer Gets Asia," *The Washington Quarterly* 34:2 (2011), p. 27.

The hardening of Xi Jinping’s attitude toward Taiwan creates a vortex of uncertainty in the middle of the region. China’s regional economic centrality heightens concerns about its political leadership. China cannot afford to ignore the concerns of its neighbors.

While “regional power” might sound demeaning – “*only* a regional power” – Pacific Asia has become key to the prospects of the global economy as well as the key to China’s global success. China’s global prospects depend on continuing its regional economic integration and stabilizing its role in regional politics. In 2022 Asia’s growth rate exceeded China’s, demonstrating thereby that the future of China’s growth engine rests on the momentum of its regional train. India is a cautionary example of the importance of regional relationships to global ambitions. Only 5 percent of South Asia’s trade is intra-regional. It is 20 percent cheaper for India to trade with Brazil than with its neighbor Pakistan.¹¹ Although India is not the sole cause of its own isolation within its region, despite its size and potential India has not been able to leapfrog its region into global preeminence. If the focus of China’s regional relationships shifted from mutual economic advantage to hegemonic security, it would break the chain of mutual advantage. China’s self-containment would gravely undermine its global influence.

The United States is primarily a global power, with strategic challenges quite different from China’s regional ones. The US has been global in its outlook from its beginnings, and it has been the major global power for more than a century. Its political and economic destiny was set in the mid-nineteenth century by its success in the Civil War and by tying its two coasts together with the transcontinental railroad, followed by the Panama Canal. Successive technological revolutions in transportation and communication strengthened the salience of American global centrality. The United States remains central to the familiar global configuration, but it is no longer able to control the global political economy. The United States might seek to contain what it cannot control, but the root of the “China threat” is not China’s enmity, but its success. If China does not contain itself by alienating its neighborhood, then containment efforts motivated by American hegemonic nostalgia are likely to lead to US self-isolation. Thorough economic decoupling would deprive the United States of a

¹¹ World Bank, “Why #OneSouthAsia?” accessible at www.worldbank.org/en/programs/south-asia-regional-integration/trade.

middle-class market half again its own size. The US would risk becoming a boutique economy, weakening the dollar's salience as a global currency. Further militarization would divert resources from economic growth and popular welfare. Pressure on allies is not likely to make them enthusiastic supporters, even if they comply. Just as China's strategic de-regionalization could lead to self-inflicted disaster, so could American de-globalization.

Thus, the rivalry between China and the United States is asymmetric in every respect: situation, dynamics, and resources. On the optimistic side, it is certainly possible that both will pursue strategies appropriate to their situations. China would give credible assurance of the autonomy and well-being of its neighbors, and the United States would adjust its still-central global role to the requisites of a multinodal, post-hegemonic world. Still optimistically, one side could steadfastly pursue an appropriate strategy while the other eventually learns from its mistakes. More realistically, each is likely to make mistakes in interaction with the other, and then each either learns from the mistakes or is sufficiently weakened by them to reduce the general risk. More pessimistically, an unstable and ambiguous global frontier develops as the result of zero-sum rivalry between the global powers. This could result in the de-regionalization of Pacific Asia and a de-globalization of world order. Most pessimistically, the militarization of global rivalry overwhelms political and economic concerns. Even in that case neither can destroy the other without risking its own destruction. For either side, victory is not an option.

It is reasonable to ask whether the era of post-hegemonic globalization is approaching its end as an indirect consequence of US-China rivalry and of global economic disruptions. I am writing in the sixth month of Russia's invasion of the Ukraine, and China's unwillingness to condemn the invasion plus the extent of US sanctions against Russia suggest a new division of the global political economy into two camps. This is a possible outcome, but it is more likely that while the texture of regional versus global relationships will become increasingly important, the massiveness and economic cohesiveness of Pacific Asian production and markets will prove irresistible to Western wealth and financial interests. Meanwhile, Pacific Asia is viscerally committed to global inclusiveness and to the familiar global system underpinned by the dollar. The sanctions against Russia are themselves the best evidence of the toughening of globalization rather than

its fragmentation. Despite the egregiousness of Russia's action, vital products are exempted, and the governments of the majority of the world's population abstained from the UN resolution to condemn the invasion.¹² The strategic blowback of general sanctions against China would be more severe by orders of magnitude.

The major task facing the United States is not to counter China's centrality in Pacific Asia, but rather to understand both China and its region. As a global power, the United States tends to derive its regional tactics from its global grand strategy, and currently it lumps China and Russia together as its antagonists in a new Cold War. While the Russian invasion of the Ukraine stirs the Cold War fires of Europe, the situation is quite different in Asia. Moreover, the old Cold War had its share of mistaken regional applications, headed by the "small war" in Vietnam, and that lens is even less appropriate for the post-2008 world. Europe is certainly concerned about Russia, and from its own history Europe brings to Pacific Asia its assumptions about competitive balance of power as well as its memories of colonial relationships. But Pacific Asia is a different place, with different realities and different memories. Pacific Asia is a group of successful states with a variety of thick but problematic relationships among themselves and with a non-revolutionary party-state as its central economic power. In some contrast to the Cold War era, and in great contrast to the colonial period, each state in the region now has agency. They value their relationship with the United States, but they will avoid an either-or choice between global powers. If the United States does not attempt to understand the situation of a reconfigured Pacific Asia, its initiatives will be either non-starters, failures, or disasters.

It is not only the United States and other outsiders that need to adjust to a reconfigured Pacific Asia. In this century the changes in the regional and global configurations are so profound that everyone – including China and the other countries of Pacific Asia themselves – needs to rethink the broadest and most basic frameworks of their international relationships. This requires a rethinking of the historical continuities and discontinuities of the region. Before the Opium War in 1840, traditional China was certainly central, in some sense, to its region. Its location, its population, and its production gave it a societal

¹² Edward Luce, "The West is Rash to Assume the World is on its Side over Ukraine," *Financial Times*, March 24, 2022.

mass at the region's geographical center. Traditional China was sometimes in chaos, sometimes conquered, and always in a tense relationship with pastoral nomads to the north, but it remained a resilient point of central attention for the region. With the arrival of Western imperialism China ceased being a focal point for Pacific Asia. By 1880 China was not the principal concern of any of its neighbors. The region became a part of a global picture, but splintered among different colonial empires. Europe, despite its internal disunity and wars, became the first global center of attention. Upon decolonization and a US-centered world order, Pacific Asia became less splintered and more global, but the region itself remained decentered – separate spokes on the American hub. For Southeast Asia, the formation of the Association of Southeast Asian Nations (ASEAN) in 1967 began a tentative process of coordination. However, beginning in 2008 the contrast between China's continued growth as well as uncertainties about American leadership led increasingly to a centering of regional attention on China – both hopes and fears – and to a relative de-centering of the global order despite the continuing, though no longer dominating, central presence of the United States.

The two previous eras, namely China's traditional centrality and the forced globalization of Western modernity, are the major templates that Pacific Asia itself brings to the understanding of its current prospects. These are fundamentally different templates than the ones the West might bring, the former because it happened within the region before the triumph of Western imperialism, and the latter because the West held a very different end of the relationship. The default assumptions of external observers tend to be shaped by their own experiences, and therefore can be fundamentally misleading in gauging the regional interactions of others. To take Pacific Asia seriously – in its own terms, since it has agency – its historically informed consciousness must be understood as well as its current situation.

But in a new era even national memories can be misleading. Many Chinese see China's re-centering of Pacific Asia as a return to past glory and prestige. That is a distortion of both the past and the present. The current recentering is not a return to the past, and in any case the imagined past is quite different from its reality. By contrast, other Pacific Asians are concerned about China as a new regional hegemon analogous to the colonial hegemony they once experienced. In the past many lost their autonomy, and they do not want to lose it again. But they now have an agency that they did not have in the previous