

# QUAD-PLUS Dialogue



## **Integrating the Quad into Other Regional Organizations**

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### **Introduction**

This paper will examine how the United States, Japan, Australia, and India (the Quad) should advance Indo–Pacific strategy effectively with other countries in the region. It also considers what kind of existing multilateral frameworks the Quad could utilize to accelerate its aims.

For realizing a “free and open” Indo–Pacific region, it is crucial to incorporate the Association for Southeast Asian Nations (ASEAN) countries into the strategy, since they are located at the center of the region. However, there is strong concern among ASEAN countries that, if they were to become deeply involved, they would be caught in intensifying strategic competition between the United States and China.

In search of appropriate policy prescriptions, this paper first analyzes the economic and political situation in which ASEAN stands, in the context of the United States and China’s strategic competition. Specifically, it considers how ASEAN countries’ deepening economic dependence on China affects their political relationships with the United States and China.

Second, the paper illustrates three different approaches for pushing forward Indo–Pacific strategy (sharing values, sharing norms, and sharing interests) and examines the benefits and drawbacks of each approach. Finally, it considers what kind of new

structures would be useful for advancing Indo–Pacific strategy, by incorporating a wide range of countries in the region.

### **Asian Divisions in the Context of U.S. and China Strategic Competition**

In order to incorporate ASEAN member states and other countries into Indo–Pacific strategy, the Quad needs to understand the changing regional geopolitical picture, deeply affected by the rise of China. In recent years, China’s assertive attitude has been gradually dividing Asia, especially ASEAN. Countries in the region can be separated into four “colors,” depending on their geographical locations, degree of economic reliance on China, and their relations with the United States.

- **Red:** Countries that accommodate China’s dominant influence, willingly or unwillingly; for example, Cambodia, Laos, and the Philippines;
- **Pink:** Countries not yet accommodating China’s dominant influence, but tilting toward China; for example, Myanmar and Thailand;
- **Purple:** Countries that maintain equidistance between the United States and China; for example, Indonesia, Malaysia, Brunei, and South Korea; and
- **Blue:** U.S. allies and close partners, which firmly resist China’s expansion of its sphere of influence; for example, Japan, Australia, India, and Vietnam.

One of the key questions with respect to Asia is which of these four groups will become mainstream in the long run. Recent trends do not look favorable for blue states. ASEAN countries increasingly rely on China economically, much more than they do on the United States. In past years, China has risen as the dominant trading partner, virtually, in all major ASEAN countries.

For example, in recent years, China became the biggest export destination for Indonesia and Singapore and the second biggest for Thailand, Malaysia, and Vietnam. China’s massive foreign direct investment (FDI) has been continuously flowing into ASEAN, too. In 2016, in terms of stock, five out of the top nine destinations in the world for Chinese FDI were ASEAN member states (by Professor Shiho Watanabe, Sophia University).

As ASEAN countries deepen economic reliance on China, their public perception about China is also shifting in a more favorable direction for Beijing. According to a 2018

opinion poll by Japan’s Ministry of Foreign Affairs, all ASEAN countries except the Philippines and Vietnam regarded China as a more important partner than the United States.

#### Most Important Partner by percent (%)

	Brunei	Cambodia	Indonesia	Laos	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
U.S.	8	12	46	8	54	44	73	70	42	62
China	52	58	51	52	81	60	59	74	79	36

As for which country was considered a more “reliable partner,” although the United States attracted more respondents than China in the Philippines, Singapore, and Vietnam, China won more support in the remaining seven ASEAN countries.

#### Most Reliable Partner by percent (%)

	Brunei	Cambodia	Indonesia	Laos	Malaysia	Myanmar	Philippines	Singapore	Thailand	Vietnam
U.S.	9	17	26	15	29	38	58	41	31	41
China	28	33	35	39	57	40	33	27	59	5

### **Three Approaches to the Indo–Pacific Strategy**

Facing the reality described above, how should the Quad proceed with Indo–Pacific strategy? The concept of Indo–Pacific strategy is evolving and does not yet constitute a clear and unified whole. Depending on priorities and goals, approaches to the strategy could be separated into three categories.

#### **A. Sharing Values Approach.**

This approach prioritizes “shared values,” such as democracy and human rights. It aims not only to maintain the maritime security order, but also to promote these values and models in the region. Therefore, potential partners of the Quad under such an approach would be democratic states in the region.

#### **B. Sharing Norms Approach.**

This approach puts highest priority on shared norms, such as “the rule of law,” international law, and international practices. Under this approach, the Quad would actively cooperate with non-democratic states, as long as they respected “the rule of law” and existing international law and practices.

### **C. Sharing Interests Approach.**

This approach focuses more on sharing interests than on sharing values and norms. This approach would enable the Quad to cooperate with China on some infrastructure projects, if those projects benefited each side's interests.

These three approaches are not necessarily mutually exclusive. It is also difficult to categorically define each Quad member's approach by these three types, since there are overlapping domains among A, B, and C. However, it could be said that the U.S. approach contains elements of A, while that of Japan stands in between B and C.

### **What Is the Best Mix of the Three Approaches?**

What is the best mix of these three approaches? In order to defend the current regional order by offsetting China's growing political influence, it is critical for Indo-Pacific strategy to gain broader support in the region. Incorporating ASEAN countries is especially crucial to competing with China economically and geo-strategically.

This, however, is not an easy task. As mentioned above, the ASEAN region is being gradually placed under strong Chinese economic and political influences. Though some countries try to resist against China's dominance, as a whole, ASEAN is turning to a reddish color with a mottled pattern.

In this context, it is important for the Quad to handle Indo-Pacific Strategy in a delicate manner. The worst approach may be to pressure ASEAN countries to choose either the United States or China. Such a move would likely make them keep their distance from Indo-Pacific strategy, so as to avoid being caught between two great powers' competition.

To avoid such a scenario, the Quad should carefully blend the three approaches (sharing values, sharing norms, sharing interests). Each approach naturally has different benefits and drawbacks that should be considered carefully.

### **Sharing Values.**

This approach is effective to emphasize and promote the value of democracy and deter China from spreading an autocrat state model in the region. On the other hand, there is a potential risk of alienating non-democratic countries (for example, Vietnam), even if they support the current regional order based on "the rule of law." This could benefit

China's strategic aim of diminishing the U.S. presence in the Indo-Pacific.

### **Sharing Norms.**

Under this approach, it would be easier to gain support from a wide range of countries. The Quad could actively cooperate even with non-democratic states, such as Vietnam and Thailand under its current regime, as long as they respected "the rule of law." However, the priority of spreading democracy would be lowered. As a result, the strategy's capability to offset China's political influence might weaken.

### **Sharing Interests.**

This approach would create more room for the Quad to cooperate even with China on some specific infrastructure projects, if such projects matched mutual economic interests. It would also make it easier to incorporate countries that fear China's opposition to Indo-Pacific strategy. On the other hand, this approach could help China's Belt and Road Initiative.

It is not only difficult, but also inappropriate to try combining the three approaches into one unified strategic concept. Rather, a more pragmatic way is to adopt a so-called strategy of ambiguity under which the Quad does not clarify or unify the concept of the strategy. Instead, each country respectively pursues "Indo-Pacific strategy" by its own definition. In doing so, the Quad would have a well-balanced approach as a whole.

In other words, the Quad's members should employ effective division of labor to promote Indo-Pacific strategy. For example, the United States may pursue a combined "values and norms" approach, adhering to the goal of expanding democracy, while Japan, Australia, and India proceed with a combined "norms & interests" approach, leaving the door open for conditional cooperation with China. As a result, the concept of Indo-Pacific strategy will be ambiguous, but this division of labor will make it easier to incorporate more countries, without sacrificing the "shared values" aspect.

### **New Structures to Further Indo-Pacific Strategy**

Even if the concept of Indo-Pacific strategy is left ambiguous, establishing new multilateral structures would be a useful way to advance it. In the initial stage, it would be more pragmatic to utilize existing frameworks such as the East Asia Summit (EAS),

Asia–Pacific Economic Cooperation (APEC), and ASEAN Regional Forum (ARF). As the strategy develops, new separate structures outside this framework could be considered. The following are some thoughts for initial steps.

#### **The Quad Plus ASEAN.**

This is an option for the Quad and ASEAN leaders to hold meetings and discuss Indo–Pacific cooperation on the sideline of EAS or APEC. Participants of the two conferences are the top leaders from the region and they meet every autumn.

For more concrete discussions about policies and cooperation, the ARF would be a more useful platform since it is at the ministerial level. A series of annual ministerial meetings with APEC may also provide a good opportunity to promote Indo–Pacific strategy.

#### **The Quad and ASEAN Plus China.**

It is likely that China will show a prudent reaction to the idea to set up “the Quad and ASEAN plus China” dialogue structure, but establishing it would be worthwhile. Such a structure would provide an opportunity to hold in-depth discussions about mutual intentions, enabling the Quad and China to reduce unnecessary misunderstanding and tension. It might also help to ease China’s wariness or opposition to Indo–Pacific strategy. In this way, the Quad would be able to lower the hurdle for ASEAN members to engage the strategy, because ASEAN would have to worry less about China’s reaction.

For this dialogue, both EAS and APEC could be useful frameworks. China holds leaders’ meetings with Japan, South Korea, and ASEAN every year on the sidelines of EAS, where they mainly discuss economic cooperation.

#### **The Quad Plus European Power (France, United Kingdom).**

European powers such as France and the United Kingdom are becoming more willing to engage in Indo–Pacific strategy. France is one of the naval powers in the region, with naval assets deployed in the South Pacific. The United Kingdom could also be a potential partner. It plans to bring some naval assets into the region in the future on a rotating basis. France and the United Kingdom have already launched capacity-building assistance for Asian–Pacific countries together with Japan. In order to seek further cooperation, establishing a new structure such as the “Quad plus France, United

Kingdom” would be helpful.

### **Energizing the Quad**

Needless to say, close cooperation by the Quad is a precondition for the success of Indo–Pacific strategy. In order to better coordinate policies and specific cooperation, it is preferable for the Quad to have more regular meetings both at the ministerial and leader levels.