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国际关系与地区发展研究院
SAIAS School of Advanced International and Area Studies

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The Working Group on Eurasia

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The WORKING GROUP ON EURASIA is compiling a running bibliography on the topics under discussion, both in order to provide us with the readings that inform our ongoing conversation and to model the kind of syllabus that we would (eventually) like to teach. If you would like to contribute, please send your suggestions for additional bibliographic entries to ernest.zitser@duke.edu.

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(Updated: January 2015)

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Eurasianism "Classical" and "Neo": The Lines of Continuity

Mark BASSIN

Eurasianism, as Stephen Shenfield reminds us, means many things.[1] Indeed, this is if anything an understatement, for the term has emerged as one of the most popular keywords available in the volatile ideological arsenal of post-Soviet politics.[2] Popularity does not, however, necessarily enhance consistency, and this is certainly the case with Eurasianism. At the national level, a variety of very different Eurasian perspectives and doctrines have been articulated, by leading notables ranging from

1 Stephen D. Shenfield, "Official Eurasianism in Orenburg Province," *Johnson's Russia List: Research and Analytical Supplement*, no. 10 (July 12, 2002), [http://www.cdi.org/russia/johnson/6350-7.cfm] (accessed October 13, 2006).

2 Mark Bassin, "Eurasianism and Geopolitics in Post-Soviet Russia," in Jakub Godzimirski, ed., *Russia and Europe* (Oslo: Norwegian Institute of International Affairs, 1996), pp. 33–42; Boris Erasov, "Rossiia v evraziiskom prostranstve," *Obshchestvennye nauki i sovremennost'* 2 (1994), pp. 57–67; *Evraziiskii proekt modernizatsii Rossii: za i protiv*, (Moscow, 1995); N. N. Beliakov and V. A. Perov, eds., *Evraziiskii proekt: real'nosti, problemy, kontseptsii (materialy 'kruglogo stola')*, Klub 'Realisty': Informatsionno-analiticheskii biulleten', no. 16 (Moscow, 1996); David Kerr, "The New Eurasianism: The Rise of Geopolitics in Russia's Foreign Policy," *Europe-Asia Studies* 47, no. 6 (1995), pp. 977–988; Christer Pursiainen, *Eurasianism and neo-Eurasianism: The Past, Present, and Postmodernity of a Russian Integration Ideology* (Helsinki: Finnish Institute of International Affairs, UPI Working Papers, vol. 5, 1998); Andrei P. Tsygankov, "Hard-Line Eurasianism and Russia's Contending Geopolitical Perspectives," *East European Quarterly* 32, no. 3 (1998), pp. 315–334.

Evgenii Primakov[3] to Gennadii Ziuganov[4] and of course the omnipresent Aleksandr Dugin.[5] Increasingly, it is suggested that Vladimir Putin himself is a closet Eurasian.[6] Outside of Russia's political center, moreover, versions of Eurasianism flourish across the post-Soviet space, fostered by local political elites both ethnically Russian (about whom Shenfield in this particular instance happened to be writing) as well as non-Russian. The latter include Kazakhstan,[7] Tatarstan,[8] and various indigenous

3 E.g., Iu. B. Tavrovskii, "Tri kruga novoi ideologii," *Nezavisimaia gazeta* (September 8, 1999), [http://www.ng.ru/politics/1999-09-08/trikruga.html] (accessed October 24, 2006).

4 G. A. Ziuganov, "Evraziia: sud'ba i vyzov," in *Drama vlasti: stranitsy politicheskoi avtobiografii* (Moscow, 1993), pp. 173–179; G. A. Ziuganov, *Geografiia pobedy: osnovy rossiiskoi geopolitiki* (Moscow, 1998).

5 Aleksandr Dugin, *Proekt 'Evraziia'* (Moscow, 2004); Aleksandr Dugin, *Evraziiskii put' kak natsional'naia ideia* (Moscow, 2002); Aleksandr Dugin, *Osnovy geopolitiki. Geopoliticheskoe budushchee Rossii: myslit' prostranstvom*, 4th ed. (Moscow, 2000); Aleksandr Dugin, "Teoriia evraziiskogo gosudarstva," in N. N. Alekseev, *Russkii narod i gosudarstvo* (Moscow, 1998), pp. 5–20.

6 Valdimir Putin, "Rossiia vsegda oshchushchala sebia evroaziatskoi stranoi," in *Evraziistvo: teoriia i praktika* (Moscow, 2001), pp. 3–6; Sebastian Alison, "Putin pushes for 'Eurasian Union'," *Moscow Times* (October 10, 2000), [http://www.themoscowtimes.com/stories/2000/10/10/011.html] (accessed November 8, 2006); "Putin, Shaimiev hail Eurasianism," *RFE/RL Newsline* 9, no. 163 (August 29, 2005), [http://www.hri.org/news/balkans/rferl/2005/05-08-30.rferl.html#04] (accessed October 17, 2006). The rightwing French journalist Jean Parvulesco's collection of essays, *Vladimir Poutine et l'Eurasie*, has been translated into Russian, under Dugin's supervision and with a rather more provocative title: Zhan Parvulesco, *Putin i evraziiskaia imperiia*, trans. V. I. Karpets (St. Petersburg, 2006).

7 The Nazarbaev regime has endorsed Eurasianism as what is effectively the official state ideology. Nursultan Nazarbaev, *Evraziistvo: ot idei k praktike* (Astana, 2004); Nursultan Nazarbaev, "Evraziiskii soiuz: strategiia integratsii," *Evraziia* 1 (1996), pp. 3–8; *Evraziistvo i Kazakhstan. Trudy Evraziiskogo nauchnogo foruma 'Gumilevskie chteniia'*, 2 vols. (Astana, 2003). Dugin himself has made a major statement in support of Kazakhstan's—or more accurately Nazarbaev's—"Eurasian mission." Aleksandr Dugin, *Evraziiskaia missiia Nursultana Nazarbaeva* (Moscow, 2004).

8 Rafael Khakim, "Russia and Tatarstan. At a Crossroads of History," *Anthropology and Archaeology of Eurasia* 37, no. 1 (1998), pp. 30–71; D. M. Iskhakov, "Kritika no-

groups in Siberia.[9] And in addition to all of this, there remains the rich legacy of Eurasianism across the twentieth century: the "classical" period of the interwar years (itself a profoundly heterogeneous and ideologically fragmented movement)[10] and the attempts to sustain Eurasianist perspectives in the Soviet Union itself, most importantly those of L. N. Gumilev.[11] All of these various incarnations were and are crafted to fit highly differing political contexts and advance fundamentally different political and ideological agendas, for which reason it is simply impossible to reduce Eurasianism in any meaningful way to a common set of doctrinal denominators, however limited and rudimentary. At the very most, only two elements may be said to be common to all these versions: Eurasianism everywhere claims to represent some unique synthesis of European and Asian principles, and in the present day, it claims everywhere to be the legitimate heir of the "classical" legacy.

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voi evraziiskoi ideologii v sovremennom Tatarstane," in *Evraziistvo: problemy osmysleniia* (Ufa, 2002), pp. 24–29.

9 *Evraziia: etnos, landshaft, kul'tura* (St. Petersburg, 2001).

10 Mark Bassin, "Classical Eurasianism and the Geopolitics of Russian Identity," *Ab Imperio* 2 (2003), pp. 257–267; Marlène Laruelle, *L'idèologie eurasiste russe, ou comment penser l'empire* (Paris: L'Harmattan, 1999). For sources of classical Eurasianism, see L. I. Novikova and I. N. Sizemskaia, eds., *Rossiia mezhdu Evropoi i Aziei: Evraziiskii soblazn. Antologiia* (Moscow, 1993); L. I. Novikova and I. N. Sizemskaia, eds., *Mir Rossii – Evraziia. Antologiia* (Moscow, 1995); P. N. Savitskii, *Kontinent Evraziia* (Moscow, 1997); Nikolai Sergeevich Trubetskoi, *Istoriia. Kul'tura. Iazyk* (Moscow, 1995); Nikolai Trubetskoi, *Nasledie Chingiskhana* (Moscow, 1999); Nikolai Nikolaevich Alekseev, *Russkii narod i gosudarstvo* (Moscow, 1998); G. V. Vernadskii, *Nachertanie russkoi istorii* (St. Petersburg, 2000); G. V. Vernadskii, *Opyt istorii Evrazii. Zven'ia russkoi kul'tury* (Moscow, 2005).

11 Boris Paramonov, "Sovetskoe Evraziistvo," *Zvezda* 4 (1992), pp. 195–199. For Gumilev, see Lev Nikolaevich Gumilev, "Epokha kulikovskoi bitvy," *Ogonek* 36 (1980), pp. 16–17; Lev Nikolaevich Gumilev, *Drevniaia Rus' i velikaia step'* (Moscow, 1989); L. N. Gumilev, *Iz istorii Evrazii* (Moscow, 1993); L. N. Gumilev, "'Menia nazyvaiut evraziitsem...'" *Nash Sovremennik* 1 (1991), pp. 132–141; L. N. Gumilev, "Skazhu Vam po sekretu, chto esli Rossiia budet spasena, to tol'ko kak evraziiskaia derzhava..." in *Ritmy Evrazii: epokhi i tsivilizatsii* (Moscow, 1993), pp. 25–32.

This paper seeks to begin to organize the jumbled ideological landscape of Eurasianism by considering a significant contemporary manifestation—the ideas of Aleksandr Dugin—in the light of the classical Eurasianism of the 1920s and 1930s. As suggested above, Dugin is a particularly notable representative of the Eurasian concept in post-Soviet Russia. He is without question the best-known and most prolific writer-commentator on the subject, and in addition, has succeeded in thrusting these ideas further than anyone else into the sphere of pubic politics, first through the organization of a so-called political movement and then ultimately, the formation of a Eurasian political party. For Dugin more than anyone else, the claim to represent the political-intellectual legacy of classical Eurasianism is a fundamental element of the overall message. He establishes this continuity in different ways: on the one hand, through a professed ideological fealty to the classical tradition in his own writings, and on the other, through the large-scale editing and republication of the essential texts of classical Eurasianism. Through this latter activity, Dugin has performed a genuine service in making the analyses of the interwar period now broadly available for inspection and study. At the same time, of course, this unsubtly serves his additional aim of putting his own stamp on this literature, thereby enhancing his claim to represent its genuine continuation. In light of this, the goal of this paper is to map out some of the more important resonances and dissonances between Dugin's own ideas and the perspectives and priorities of the earlier period.

Dugin's many books and essays have already been the subject of considerable scholarly attention.[12] The analysis in this paper will there-

12 On Dugin, see John B. Dunlop, "Aleksandr Dugin's 'Neo-Eurasian' Textbook and Dmitrii Trenin's Ambivalent Response," *Harvard Ukrainian Studies* 25, no. 1/2 (2001), pp. 91–127; Marlène Laruelle, "Alexandre Dugin: esquisse d'un eurasisme d'extrême-droite en Russie post-soviétique," *Revue d'études comparatives Est-Ouest* 32, no. 3 (September, 2001), pp. 85–103; Laruelle, "The Two Faces of Contemporary Eurasianism: An Imperial Version of Russian Nationalism," *Nationalities Papers* 32, no. 1 (March, 2004), pp. 115–136; Andreas Umland, "Classification, Julius Evola and the Nature of Dugin's Ideology," in Roger Griffin, Werner Loh, and Andreas Umland, eds.,

fore draw for the most part on a rather different source, namely a collection of position papers published in 2001–2002 under the title *A Eurasian Perspective*, which set out the ideology and program of the "Eurasian Movement" that he was launching at that moment.[13] Although these documents were for the most part unsigned, Dugin's authorship of them is obvious. They are particularly useful, I would argue, for two reasons. On the one hand, they cut through the complex, convoluted, and often obscure discussions in his other writings to make their points simply and succinctly. Beyond that, and again in contrast to his other writings, the emphasis is not on geo-philosophical rumination but rather on political mobilization, for which purposes Dugin's actual program of action—his specific proposals for the political and geopolitical reconstruction of the former Soviet Union—are articulated with maximal clarity. My argument will be that his Eurasian vision betrays substantial divergences with his émigré precursors of the interwar period. These differences speak of the sharply different political environments of the two periods, naturally enough, but they also reflect fundamental divergences in the respective national visions and geopolitical ambitions of Russia. It becomes clear, moreover, that traditions other than classical Eurasianism have been instrumental—indeed arguably more instrumental—in shaping Dugin's understanding and perspective.

In order to get the best sense of these divergences, however, we should begin the analysis in the opposite direction, and consider the affinities that, on the most general and superficial level, do indeed connect

Fascism: Past and Present, East and West (Stuttgart: ibidem-Verlag, 2006), pp. 486–494; Markus Mathyl, "Grenzenloses Eurasien," *Jungle World* 45 (October 30, 2002) [http://www.nadir.org/nadir/periodika/jungle_world/_2002/45/29a.htm] (accessed October 4, 2007); Dmitry Shlapentokh, "Russian Nationalism Today: The Views Of Alexander Dugin," *Contemporary Review* (July, 2001) [http://findarticles.com/p/articles/mi_m2242/is_1626_279/ai_77712793] (accessed October 4, 2007); Alan Ingram, "Alexander Dugin: Geopolitics and Neo-Fascism in Post-Soviet Russia," Political Geography 20, no. 8 (2001), pp. 1029–1051.

13 *Evraziiskii vzgliad. Mirovozzrencheskaia platforma OPOD 'Evraziia'* (Moscow, 2002).

the classical Eurasian tradition to Dugin's own neo-Eurasianism.[14] Most straightforwardly, both share the view of Russia as single cohesive civilizational entity, encompassing the diverse peoples who occupy the broad spaces of the Eurasian landmass. This civilization is the result of centuries of coexistence and interaction, and because in this process it was shaped by social, political, and cultural forces coming in equal measure from Europe and Asia, it is given the name *Eurasia* or *Russia-Eurasia*.[15] Continuing faithfully in the tradition of Russian nationalism from the nineteenth century, both classical and neo-Eurasianism define Russian-Eurasian civilization most basically in terms of its contrasts to that of the "West." These two worlds are seen as set apart by an incommensurability that is elemental and insurmountable. Across history, this divergence insured unceasing malevolence and hostility from the West, which the Eurasians believe has always sought to undermine the national welfare and geopolitical unity of Russia-Eurasia. And in the future, they are convinced, it will continue to represent Russia-Eurasia's greatest threat and challenge. Both classical and neo-Eurasianism depart from the Russo-centric nationalism of the nineteenth century, however, in their acknowledgment of and indeed insistence upon the need to recognize multiple layers of identity within Russia-Eurasia. In addition to the single "Eurasian" identity of Eurasia's consolidated totality—what Nikolai Trubetskoi called Russia-Eurasia's "upper level"—there is an elaborate mosaic of more localized identities at the lower levels as well.[16] The specific nature and quality of the identity affinities differ according to level. At the lower levels, group identities derive more from ethno-national affinities, while at the overarching macro-level of Russia-Eurasia itself, the bonds are as noted civilizational, deriving from shared historical ex-

14 In this paper, "neo-Eurasianism" refers exclusively to Dugin's perspective.

15 Nikolai Sergeevich Trubetskoi, "Obshcheevraziiskii natsionalizm [1927]," in Trubetskoi, *Istoriia. Kul'tura. Iazyk*, pp. 417–427.

16 Nikolai Sergeevich Trubetskoi, "Verkhi i nizy russkoi kul'tury [1921]," in Trubetskoi, *Istoriia. Kul'tura. Iazyk*, pp. 126–140; "Evraziiskii vzgliad (Osnovnye printsipy doktrinal'noi evraziiskoi platformy)," in *Evraziiskii vzgliad*, pp. 19–61, esp. pp. 28–29.

perience, interethnic complementarity, and mutually acknowledged geopolitical benefit. These different articulations of personal identification and social belonging at different levels are all equally legitimate, and all have to be supported in the framework of the envisioned Eurasian state.

Finally, but by no means less significantly, classical and neo-Eurasianism both originated as a reaction to external circumstances that were in important respects similar, namely the political breakdown of an existing state structure accompanied by the geopolitical breakup of its territory into a collection of sovereign or quasi-sovereign entities.[17] While both Eurasianisms could come to terms rather easily with the first of these transformations, it was utterly impossible for either to reconcile their vision of an organically cohesive civilizational zone with the process of territorial fragmentation. The result was a determination, shared by the two movements that provided and provides their most fundamental rationale and inspiration: the imperative to rescue out of the postrevolutionary chaos the traditional geopolitical cohesiveness of Eurasian space and reestablish thereby a unitary Eurasian state.

On the most general level, to repeat, these resonances between the Eurasianism of the interwar period and our own day are real enough. Dugin emphasizes them constantly, and he uses the classical Eurasian legacy in order to provide his work with an important stamp of legitimacy and depth. Yet if we probe deeper into precisely how all these points are made and what exactly they represent, apparent similarities begin to give way to quite fundamental divergences. This can be seen clearly in terms of four fundamental questions.

What is Eurasia?

This question is at once the simplest and most fundamental. For the classical Eurasians, the answer was obvious: Eurasia was the specific civili-

17 Nicholas V. Riasanovsky, "The Emergence of Eurasianism," *California Slavic Studies* 4 (1967), pp. 39–72.

zational zone referred to above, the limits of which were congruent with a more or less clearly demarcated geographical region. The peoples inhabiting this zone shared a collection of common characteristics that marked them as Eurasian and, at the same time, set them logically in contrast with all other peoples and civilizations outside the zone.

For Dugin, on the other hand, the answer is much more complicated. As we have noted, he accepts the notion of Eurasia as a special geographical space and civilizational zone that represents the legacy of Russian imperial and then Soviet *gosudarstvennost'*. At the same time, however, he insists upon a categorically different basic definition, which identifies Eurasia in terms of neither a distinctive geographical region nor a singular civilization, but rather in terms of a political and ideological principle. This principle is the opposition to the grand global project of the United States after the Cold War, which is nothing less than to achieve global domination through the establishment of a unipolar New World Order. The opposition of Eurasians to the "Atlanticist" Americans is absolute, he insists, and it will "define the historical profile (*oblik*) of the twenty-first century."[18] "The most important historical task of Eurasianism," he observes, is to provide the world with a common platform for the struggle against Atlanticism.[19] As was the case during the Cold War, this opposition receives its greatest impetus and organizational drive from the (now reconsolidating) political spaces of the former Soviet Union, but in principle, Eurasia extends beyond these spaces to include any region and peoples of the globe that is also struggling against American hegemony.

Where is Eurasia?

The great novelty and radicalism of classical Eurasianism are related to its particular understanding of the political, national, and cultural charac-

18 *Evraziiskii vzgliad*, p. 23.

19 Ibid., p. 40.

ter of Russia-Eurasia. It did not, however, try to reshape in any significant way the latter's geographical configuration. Very much to the contrary, their geographical vision was entirely straightforward and entirely traditional. The boundaries of Russia-Eurasia corresponded more or less faithfully to the spaces of Russian *gosudarstvennost'* at its greatest extent, that is to say, in its configuration at the beginning of the twentieth century. There were a few significant exceptions to this, most importantly the imperial "colonies" of Poland and Finland, which they saw as clearly external to Eurasia. These aberrations were, however, corrected by the boundaries of the USSR as they were formalized by the mid-1920s, and the Eurasians subsequently accepted these without question. They viewed the territory demarcated by these boundaries as a unitary and highly distinctive geographical region—a single "geographical individual" (*geograficheskii individuum*), as the geographer Petr Savitskii put it, organically integral and tightly cohesive. Its cohesiveness came from nature itself, the result of the special topographical affinities between what Savitskii referred to as its four internal "landscapes" of tundra, taiga, steppe, and desert.[20] The natural physical geographical unity of these four zones fostered the development of Eurasia's political, social, and cultural unity across the ages.

From Dugin's perspective, Eurasia is once again a vaguer and more complicated entity. To the extent that his attention is focused as it were domestically on the territories of the former Soviet Union, he deploys the term "Eurasia" in the classical sense as the traditional spaces of Russian *gosudarstvennost'*. In this spirit, he strongly endorses the post-Soviet project of reassembling these spaces into some sort of consolidated political entity. He is positive regarding the idea of the CIS, and warmly welcomes the recently founded "Eurasian Union" as a more likely geopolitical instrument for achieving the goal of reunification. Ultimately, he hopes it will evolve into an "analog to the USSR, on a new ideologi-

20 P. N. Savitskii, "Geograficheskii obzor Rossii-Evrazii [1926]," in Novikova and Sizemskaia, eds., *Mir Rossii – Evraziia,* pp. 219–232.

cal, economic, and administrative basis."[21] At the same time, however, the geographical corpus of his Eurasia is not restricted to post-Soviet space. This can be seen quite clearly in the numerous maps that he has produced to accompany his texts and help illuminate his ideas. The maps are illuminating indeed, but only of the various and sundry ways in which he is prepared to press the boundaries of Eurasia beyond imperial Russian, Soviet, or post-Soviet space: westward into Europe, south into Central Asia, and eastwards into China and even the Pacific.[22] As a result of this perceptual aggrandizement, Eurasia's boundaries cease of necessity to correspond to familiar civilizational demarcations, and begin rather to fall in place in accordance with the priorities of the actual or potential international political alignment already noted. Ultimately, and most significantly, Dugin's Eurasianism transcends geographical boundaries altogether to become a genuinely global project, as will be discussed below.

What is the West?

Although Eurasianism always defines Russia in terms of its elemental distinctions from the West, the specific character and indeed the very location of the latter is understood in very different ways. As was the case with their geographical vision, so too in their view of the West did the classical Eurasians remain entirely faithful to the tradition of prerevolutionary Russian nationalism, which after all had been grappling with the problem for well over a century before them. For them, the West was Europe, above all, Western Europe and there most importantly the leading industrial-imperial states of France, Germany, Britain, Italy, and Austro-Hungary. In the form of Nikolai Danilevskii's notion of a Romano-Germanic "cultural-historical type," Russian nationalism had already developed a notion of the European West as a single civiliza-

21 "Evraziia prezhde vsego," in *Evraziiskii vzgliad*, pp. 3–17, here p. 14.

22 See for example the maps in Dugin, *Osnovy geopolitiki*, pp. 17, 45, 64, 70, 233.

tional zone by the mid-nineteenth century. This characterization was then echoed—albeit in very different terms—a half-century later in Oswald Spengler's *Untergang des Abendlandes.* The Eurasians were powerfully influenced by Danilevskii and Spengler in equal measure, and they simply adopted their characterization of Europe as their own. A belief in the implacable opposition between this Western European civilizational zone and Russia-Eurasia was at the very foundation of their thinking, as set forth trenchantly in what was to become the first Eurasian manifesto, Nikolai Trubetskoi's *Europe and Mankind* (written not coincidentally as a response to Spengler).[23] The attention of the classical Eurasians, as was the case for the Russian nationalist tradition in general, remained focused squarely on the Old World of continental Europe, and did not take any of its colonial offshoots very seriously.

In the view of the Eurasians, the elemental opposition between Europe and Russia was transcendent, and a fact of life for all time. In a very literal sense, the two were mutually antithetical, for Russia-Eurasia defined itself precisely in terms of its distinctions and differences from the West. Once again, the classical Eurasians described these differences in the familiar language of the Russian nationalist tradition, that is to say, in terms that were essentially moral, ethical, and civilizational: Russia's spirituality, tolerance, and social collectivity (now, to be sure, all given a distinctively Eurasian twist) *contra* the individuality, materialism, and colonial violence of Europe. Needless to say, there was no thought whatsoever that the two regions ever could or indeed should overcome their differences and seek to achieve a sort of higher reconciliation. Neither Danilevskii's nor Spengler's world-historical models provided any precedent for this sort of universalism, and the classical Eurasians saw no appeal in it. Very much to the contrary, the ultimate goal was to realize as thorough a disengagement as possible from Europe and develop Eurasia as a practical alternative to it.

23 Nikolai Sergeevich Trubetskoi, *Evropa i chelovechestvo* (Sofia: Rossiisko-Bolgarskoe knigoizdatel'stvo, 1921).

Dugin's perspective differs quite radically from this. While he accepts the historical reality of the Romano-Germanic cultural zone and the significance of its opposition to Russia, the Russia-Eurasia of today that he evokes faces an entirely different sort of challenge. Effectively, Dugin updates the Eurasian perspective to reflect the essential global shifts of the world after 1945 and 1991, and in so doing, shifts the center of gravity of the West across the Atlantic to North America. It is the United States that now represents Eurasia's antithesis and chief opponent. And this shift is not merely one of leadership in the Cold War sense, in which the United States provided the principal organizational and material drive for a broader Western alliance that also included the nations of the Old World. Very much to the contrary, in Dugin's view, the world's sole remaining superpower now stands alone, quite apart from and indeed in opposition— de facto, if not always recognized—to its former allies in Western and Central Europe. Significantly, Dugin no longer refers to this opponent as the West (*zapad*) but rather as the Atlantic world or, more simply, Atlanticism.

Two points of are significance here. On the one hand, the geographical shift across the Atlantic involves a shift in the characterization of the opposition between the two entities. In place of classical Eurasianism's sense of an unbridgeable moral and historical-civilizational divide, Dugin insists that Russia-Eurasia's opposition to the United States comes "objectively" from the principles of global geopolitics. Drawing widely—and highly tendentiously—from the theoretical arsenal of European geopolitics in the first half of the twentieth century, he insists that an essential conflict between land and sea powers has run throughout the course of history. In the present day, it conditions the most important global standoff, namely the confrontations between the United States and Eurasia. The United States is currently striving to consolidate its global domination, as indicated, and it is at once the geopolitical imperative and geopolitical destiny of Russia-Eurasia to lead the rest of the world in resistance to this. This logic is then developed as the basis for the second point, namely that continental Europe loses its traditional identity as Russia's antithesis and defining Other, and is seen rather as a potential

ally. Once again, the basis for this is geopolitics. Europe is as vulnerable as any other part of the world to America's hegemonic strivings, which means that it has natural "geopolitical affinities" with Russia-Eurasia that could be the basis for a future alliance.[24] This is expressed in the vision of a so-called Paris-Berlin-Moscow axis, which Dugin takes entirely seriously and discusses at great length in his other writings.

What is Eurasia's Place in the World?

Following the standard argumentation of nationalist discourses throughout the nineteenth and twentieth centuries, in Russia and elsewhere, the classical Eurasians used their vision of the natural-geographical unity of Eurasian space described above to insist on the absolute distinctiveness of Russia-Eurasia. On the one hand, this meant that it differed in a variety of fundamental ways from all of the other regions of the globe, in particular from those adjacent to it along its long boundary from Europe to Asia. On the other hand, the organic coherence of Russian-Eurasian space meant that it represented a closed geographical universe—a "*mir v sebe*" as Savitskii put it, completely self-contained and with all the physical and spiritual resources necessary to maintain a wholly autonomous and self-sufficient existence. All of this combined to make classical Eurasianism a radically isolationist doctrine, and this isolationism was one of its most significant political principles.[25] Among other things, it clearly betrays Eurasianism's roots in the fin-de-siècle determination of some Russian nationalists to integrate the far-flung territories of the empire into a consolidated national market in the spirit of Friedrich List—a determination that motivated leading imperial statesmen such as Witte and Struve and stimulated among other things the construction of the Trans-Siberian Railway. At the same time, and more importantly, the

24 *Evraziiskii vzgliad*, pp. 52–53.

25 P. N. Savitskii, "Kontinent-Okean (Rossiia i mirovoi rynok) [1921]," in *Kontinent Evraziia* (Moscow, 1997), pp. 398–419; P. N. Savitskii, "Geograficheskie i geopoliticheskie osnovy evraziistva [1933]," in *Kontinent Evraziia*, pp. 295–303 RIE.

imperative of further integrating the spaces of Russia-Eurasia toward the goal of full national autonomy and self-sufficiency served to anchor classical Eurasianism firmly in the various etatist doctrines of interwar continental Europe, with their heavy emphasis on the principle of autarchy. Precisely this vision of national autarchy was shared in the USSR of their day, of course, where it inspired the frenetic activity of the five-year plans, and it was thus the source of a substantial ideological resonance between Soviet communism and classical Eurasianism. Indeed, this resonance convinced some Eurasians that their vision could be achieved via Soviet Bolshevism, leading them ultimately to attempt what turned out to be a fateful—and fatal—rapprochement with Stalinist Russia.

As the discussion up to this point clearly intimates, Dugin's Neo-Eurasianism advocates an entirely different vision of Russia's place in the world. It is to begin with a genuinely global perspective, which has at its center Dugin's own version of a Eurasian New World Order. This is a complex model for the future geopolitical reorganization of the entire world, based on the association of macro-regions that Dugin calls "geoeconomic belts" or "zones." These would be four in number: Euro-Africa, Asia-Pacific, America, and Eurasia.[26] Each of these belts, in turn, would be formed through the consolidation of a number of what he calls Big Spaces (*bol'shie prostranstva*, a literal, if awkward translation of the German *Großraum*) located in this particular part of the globe. Internally, Dugin's geoeconomic belts are based explicitly on the principle of hegemony of the stronger and more developed parts (for example, the United States or Western Europe) over the weaker (South America or Africa, respectively). At the global level, however, the association of the four zones would be balanced and based on the principles of equality and mutual recognition. Through this eventual quarto-partite arrangement, Dugin intends to establish polycentricity as the dominant mode of geopolitical power at the global level and thereby secure the overriding objective of his Eurasianism, namely the elimination of the threat of

26 *Evraziiskii vzgliad*, pp. 23–24, 41–57; maps 44–46.

American global hegemony. This will only be achieved, however, through an alliance of three of the macro-regions against the North American superpower. One important part of this is the Paris-Berlin-Moscow axis that we have already noted, and Dugin has written enthusiastically about the creation of a "Euro-Asian Empire" from Dublin to Vladivostok. This would then be augmented and extended with vectors thrusting in other key directions: into Central Asia, with the creation of a Teheran-Moscow axis, and into East Asia with a Tokyo-Moscow axis.

Thus, in the final analysis, Dugin appears to subordinate, or at least relegate, his concern with Eurasia per se within a much more comprehensive and ambitious scheme for the rearrangement of geopolitical relations across the globe. The obfuscation that this involves is fully apparent in his highly ambiguous use of the term as he seeks to locate Eurasia within the global geopolitical matrix he has described. On the one hand, Eurasia is a *bol'shoe prostranstvo*. This, effectively, is the Russia-Eurasia of the classical Eurasians, today represented by the political space of the former Soviet Union. As already noted, the process of political-economic consolidation of this space has already begun, in the form of the Euro-Asian Union.[27] In addition to this "lesser" Eurasia, however, there is a "greater" Eurasia that represents one of the four geoeconomic belts in toto. This latter entity subsumes post-Soviet Russia-Eurasia but includes far more: the continental Islamic states, China, India, and *perhaps* even some states in Eastern Europe. Even a greater Eurasia, however, does not necessarily encompass Dugin's vision of its full global extent. Here, the full impact of Dugin's characterization of the essence of Eurasianism as anti-Americanism becomes apparent. To the extent that any country or region of the globe is consciously oriented against American hegemonic designs, then as far as he is concerned, it is de facto already a part of Eurasia.

To the extent that resistance to this unipolarity is objectively in the universal interest of everyone except the American imperialists, then

27 Ibid., pp. 43, 58–59.

Eurasia becomes a universal project, representing virtually the entire world. "Eurasianism historically and geographically [represents] the entire world, with the exception of the Western sector of world civilization."[28] He carefully spells out the full implications of this later in the text:

> In such a broad understanding, Eurasianism takes on a new and unprecedented significance. Now it is not only a sort of national idea for a new postcommunist Russia (as intended by the movement's founding fathers…) but also a broad program of universal planetary significance, which goes far beyond the boundaries of Russia and the Eurasian continent itself. *In the same way that the concept of "Americanism" can today be applied to geographical regions located far beyond the limits of the North American continent, so "Eurasianism" indicates a special civilizational, cultural, philosophical, and strategic choice, which can be made by any member of the human race, regardless of what [specific] national and spiritual culture they may belong to.*[29]

And Russia, of course, is destined to play its own special role in this. "Russia is simply destined (obrechena) to become the leader of a new planetary (Eurasian) alternative to the Western version of global relations (unipolar globalism)".[30] Naming the section of the manifesto in which these ideas are developed Evraziia kak Planeta—"Eurasia as the Planet"—Dugin could not have put the point any more explicitly.[31] "Eurasianism implies not only a vision of the development of Russia of the countries of the SNG. It also proposes a common project of a new social-political organization for all peoples of the earth."[32]

28 Ibid., p. 20.

29 Ibid., pp. 36–37; emphasis in original.

30 Ibid., p. 41; emphasis in original.

31 Ibid., p. 35.

32 Ibid., p. 42.

Can Asia lead? Power ambitions and global governance in the twenty-first century

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'Has Asia been doing enough in leading world opinion on how to manage, and in particular not to mismanage, the global challenges we face today, including that of terrorism, violence, and global injustice?' asked Indian Nobel laureate Amartya Sen at a forum in Bangkok in 2007.[1] Much has been said and written about the 'rise' of Asia; very little about Asia's contribution to global governance.[2] To be sure, many Asian nations, not just the major Asian powers of China, Japan and India, but also South Korea, Indonesia, Singapore and Malaysia, are demanding a greater voice in international affairs, both for themselves and for the region. Asian views of international order are changing in keeping with the region's economic and political ascendancy. The founding leaders of modern Asian states were preoccupied with bringing down colonial rule, protesting against western dominance, asserting their sovereignty and equality, and in many cases demanding concessions and economic aid from the West. Hence their ideas about international order were imbued with what might be called 'defensive sovereignty'. But if one takes the shift in world power to Asia as an incontrovertible fact or an irreversible trend,[3] should one not expect Asian ideas about and approaches to international relations to change as well? One might hope, for example, that instead of pursuing defensive sovereignty, Asia would harness its substantial economic achievements over recent decades to seeking out a share of global leadership in addressing the world's problems. Yet, as this article finds, the leading Asian powers—China, India and Japan—while seeking global leadership, seem to be more concerned with developing and legitimizing their national power aspirations (using the traditional notions and means of international relations) than with contributing to global governance.[4]

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1 'Eastern influence badly needed', *Bangkok Post*, 1 April 2007, p. 3.

2 Kishore Mahbubani, in *The new Asian hemisphere: the irresistible shift of global power to the East* (New York: Public Affairs, 2008) and in his other writings, addresses the implications of Asia's rise for global governance.

3 For a sceptical note on Asia's rise, see Minxin Pei, 'Bamboozled: don't believe the Asia hype', *Foreign Policy*, July–Aug. 2009, pp. 32–36.

4 I use the term 'global governance' to refer to 'collective efforts to identify, understand or address worldwide problems that *respect no national or regional boundaries* and go beyond the capacity of individual States to solve' (emphasis added). This builds upon a definition offered by Thomas Weiss and Ramesh Thakur and found in *Definition of basic concepts and terminologies in governance and public administration* (New York: United Nations Economic and Social Council, 2006), p. 4.

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A central challenge facing global order today is the seeming contradiction between the desire of Asia's leading states to be recognized and treated as global powers on the one hand, and their limited and hesitant contribution to global governance on the other. The problem is compounded by an emerging element of *realpolitik* in the international behaviour of China, Japan and India; resource constraints on the part of India and, to a lesser extent, China; the legacies of India's and China's historical self-identification and involvement with the so-called 'Third World'; political constraints on Japan's international role; and a certain legitimacy deficit attaching to each of these powers in its own regional neighbourhood.

Asia is hugely diverse and there is no consensus over where its boundaries lie. There is really no single conception, voice or identity of Asia.[5] To speak of an *Asian* conception of, or *Asian* contribution to, international order and global governance would be a gross overgeneralization. What one tends to find instead are *national* conceptions, put forward by the ruling elites in various Asian states. Moreover, conceptual thinking within Asia about its role in international relations is hardly plentiful. A desire to increase Asian leadership of global institutions is growing within these countries; but there is no coherent Asian thinking on global governance. While Europe's intelligentsia and policy community speak of its role as a 'global normative power', in Asia a collective regional idea about world order is yet to develop.

National or regional ideas or role conceptions about international order are not given or constant. They are shaped and reshaped continually by domestic and external developments, such as economic growth and crisis, war and peace. While this holds true anywhere, in a rapidly transforming region like Asia, where the most dramatic shifts in the global distribution of economic and military power are taking place, change is even more difficult to predict and account for. For example, Chinese, Indian and even Japanese role conceptions of international relations and world order have changed in significant ways since the early years after the Second World War, reflecting changes in their domestic politics and in their economic capacity and policy, and the impact of external developments such as the end of the Cold War. India has abandoned its traditional concept of non-alignment, and further, some would argue, has moved significantly away from the entire Nehruvian approach. China has moved well beyond the tenets of Maoist socialist internationalism to embrace a world-view best described as neo-Westphalian. An equally significant shift is occurring in Japan as it pursues the idea of a 'normal state', with significant implications for its foreign policy and security framework.

[5] Amitav Acharya, 'Asia is not one', *Journal of Asian Studies* 69: 4, 2010, pp. 1001–13.

The historical backdrop: conformist Japan, revisionist China, adaptive India

The shifting self-images and 'national role conceptions'[6] of Asia's three major players—China, Japan and India—are a good starting point for an analysis of Asia's role in global governance.[7] International Relations scholars usually speak of 'realism' and 'idealism' (which incorporates elements of liberalism) as the two alternative ways of describing the world-views of states and leaders. Realists take international relations as a highly competitive game driven by considerations of national interest, in which war remains a constant possibility and genuine international cooperation highly improbable. Idealists/liberals are optimistic, believing that conflict can be mitigated through the pacific effects of economic interdependence, international institutions and shared democratic governance. But these concepts, which derive from western theory and experience, do not do justice to the 'maverick' or eclectic outlooks and approaches of Asian leaders. For example, India's Jawaharlal Nehru was foremost among those nationalist leaders whose ideas about world order were eminently compatible with Wilsonian liberal internationalism. Burma's leader Aung San was a self-professed internationalist who championed economic interdependence and regional integration in Asia.[8] But Nehru's critics in Asia, such as Carlos Romulo, former foreign secretary of the Philippines, who once accused him of being a 'starry-eyed idealist', were not necessarily people who, as a realist might expect, dismissed regional and international cooperation. Romulo was actually an active champion of regional multilateral institutions. Realism, as some academic analysts argue, may well be the dominant mode of thinking among Asia's policy-making elite; but this has not prevented Asian states from engaging in multilateral cooperation at the global and, increasingly, regional levels, as the case of Singapore under Lee Kuan Yew, foremost among Asia's realist statesmen, attests.

Perhaps a better way to look at postwar Asian thinking on international relations is to assess how Asian states related to an international order which was practically an extension of the 'European international society' and was overwhelmingly dominated by the West. Here, despite some early rhetoric on Asian unity, there

[6] The term 'national role conception' was coined by Kal Holsti to refer to 'the policymakers' own definitions of the general kinds of decisions, commitments, rules, and actions suitable to their state, and of the functions, if any, their state should perform on a continuing basis in the international system or in subordinate regional systems. It is their "image" of the appropriate orientations or functions of their state toward, or in, the external environment.' See Kal J. Holsti, 'National role conceptions in the study of foreign policy', *International Studies Quarterly* 14: 3, Sept. 1970, pp. 245–6. Significantly for the purpose of this article, Holsti starts with interstate relations in China during the Chou dynasty, and in India during the Maurya period, to illustrate the concept, and considers non-alignment, balancer, satiated and unsatiated (status quo and revisionist) powers as some of the examples.

[7] I leave out of this analysis the role conceptions of Russia, Australia and the United States. They do influence Asian security, but have less influence on Asia's approach to global and regional governance.

[8] 'I am an internationalist, but an internationalist who does not all[ow] himself to be swept off the firm Earth … The one fact from which no nation, big or small, can escape is the increasing universal interdependence of nations': Aung San, *Burma's challenge* (South Okklapa, Burma: U Aung Gyi, 1974), pp. 192–3. These remarks by Aung San are a far cry from the self-imposed autarchy and isolationism of the military junta which came to rule the country.

remained significantly different stances within the region, which I would label as *conformist*, *revisionist* and *adaptive*.

The classic *conformist* nation was postwar Japan, the first Asian nation to modernize by imitating the West. Because of its economic accomplishments and military power, Meiji Japan was granted limited entry into the European international society as a 'civilized' nation, a status that was denied to the European colonies in Asia, such as India. To be sure, Japan did turn against the western powers when its effort to dominate its own Asian neighbourhood was challenged. But postwar Japan, despite its distinct cultural–political style and a plurality of voices within its academic institutions, retained a largely conformist posture in the international system, accepting western ideas, rules and institutions and indeed becoming a significant financial stakeholder in them. Japan might not have been the 'yes-man' of Asia, but it was certainly not, and still is not, a 'Japan that can say no'.

This position was in stark contrast to that of communist China, which occupied the other end of the spectrum as Asia's leading *revisionist* power. China under the nationalist regime started out as a conformist nation, but communist China was a different story. 'From its birth date,' writes Chinese historian Chen Jian, 'Mao's China challenged the Western powers in general and the United States in particular by questioning and, consequently, negating the legitimacy of the "norms of international relations".'[9]

India remained somewhere in between, occupying what may be best described as an *adaptive* position. Jawaharlal Nehru rejected European-style power politics and was especially scathing about the realist prescriptions for international order which, as put forward in the 1940s by Nicholas Spykman, Winston Churchill and Walter Lippmann, would have divided the world into a series of regional blocs, each under the leadership of a Great Power (including one under India itself). Instead, Nehru would propose what he called a 'world association' of states that recognized their essential equality. But Nehru never went too far in his critique of western dominance or in pushing for the creation of an anti-western bloc in Asia, a fact recognized and appreciated by Britain—though not the United States. He kept the tone of the Asian Relations Conference of 1947 (of which he was the chief organizer) and the Asia–Africa Conference of 1955 in Bandung (of which he was a co-sponsor) remarkably moderate. Nehru defended the United Nations and, for all his early championing of Asian unity and shepherding of communist China, disagreed with Chou En-lai at Bandung when the latter proposed a permanent regional association of Asian and African countries to serve China's need at a time when it was not recognized by the UN. Nehru's concept of 'non-involvement' (which later became incorporated into the broader doctrine of 'non-alignment') was in essence an adaptive extension of the western principle of non-intervention at a time when the two superpowers were violating the doctrine with impunity.[10]

[9] Chen Jian, *Mao's China and the Cold War* (Chapel Hill: University of North Carolina Press, 2001), p. 14.
[10] Amitav Acharya, *Whose ideas matter? Agency and power in Asian regionalism* (Ithaca, NY: Cornell University Press, 2009).

The predicament and position of South-East Asian nations were closer to India's than to China's or Japan's. They were willing to live within the existing system of international governance which preserved their independence. With the exception of a brief spell of revisionism in Indonesia under Sukarno in the 1960s, when he withdrew the country from the UN and flirted with his own ideas about 'old established forces' (OLDEFOS) and 'new emerging forces' (NEFOS), and that of communist Vietnam in the 1970s and 1980s, South-East Asian states have generally accepted the rules and norms of the international system, especially those of non-interference, diplomatic interdependence and the sovereignty and equality of states. Burma's Aung San and U Nu exemplified this thinking in the early period, and later the Association of South-East Asian Nations (ASEAN) spearheaded the emergence of a regional international society based on adaptations of these rules.

The divergent attitudes and responses of Asia's key nations towards the existing international order meant significant intraregional differences over how to organize the region and the world at large. Japan's sense of cultural and political supremacy as Asia's first modernizing nation had underpinned its quest for an East Asian Co-Prosperity Sphere. But while Japan's initial military victories over western powers inspired Asian nationalists, the Japanese idea of an exclusionary regional economic and political bloc did not. Thus, Aung San, after flirting for a while with Japan's ideas, declared that 'a new Asian order … will not and must not be one like the Co-Prosperity Sphere of militarist Japan, nor should it be another Asiatic Monroe doctrine, nor imperial preference or currency bloc'.[11]

In post-Second World War Asia, wide differences emerged over the philosophy of international economic relations, especially between China and Japan (the undisputed leader of East Asia's market economies). Ironically, India's approach to economic development had more in common with that of socialist China than with that of democratic Japan. One offshoot of the divergent positions of Asia's three major powers was that none would be able to lead an Asian regional organization. After the Second World War doomed Japan's effort to create an East Asian bloc, Nationalist China and Nehruvian India (in a competitive way) and India and communist China (in a more cooperative manner) were the central actors in the period from 1947 to 1955 during which Asia tried to develop a regional multilateral grouping. But neither would succeed, and eventually the ground was conceded to a group of South-East Asian countries—Indonesia, Malaysia, the Philippines, Thailand and Singapore—which, suspicious of the bigger Asian powers attempting to lead the region, formed ASEAN in 1967. ASEAN survived precisely because it was not led by any of the three great Asian powers. The failure of the latter to provide leadership in building viable regional institutions—and the resulting regionalist leadership of the ASEAN members—has since become a defining feature of Asian regional governance.

Have matters changed? The end of the Cold War, a common adherence to state-supported capitalist economic development, and the emergence of Asia-

[11] Quoted in Josef Silverstein, *The political legacy of Aung San*, data paper 86 (Ithaca, NY: Department of Asian Studies, Southeast Asian Program, Cornell University, 1972), p. 101.

wide multilateral regional groupings like the ASEAN Regional Forum (ARF) and East Asian Summit have effectively put an end to the conformist–revisionist–adaptive divisions. Today, the differences between Japan, China, India and ASEAN countries over concepts and approaches to economic development are hardly fundamental. In foreign policy terms, India (by abandoning Nehruvian non-alignment) and China (by similarly ditching Maoism) have both moved closer to Japan's conformist position. In this sense, all three Asian powers, China included, are best described as status quo powers.[12] All have embraced ASEAN-led multilateralism in the region. Ironically, it was the United States under the administration of George W. Bush that seemed to be the least conformist power in relation to a world order and governance structure that under earlier administrations it had played a central role in creating.

This apparent convergence of world-views and approaches does not, however, mean that Asian powers share a common view of global governance and how to reform global institutions. Some argue that the simultaneous rise of India and China and their respective moves beyond non-aligned and socialist ideologies may actually mean greater competition, rather than cooperation, between them. In this view, India and China have become essentially similar players in the international system: both are aspiring Great Powers, equally willing to assert their national interest, increase their power and influence in the world at large, and resort to the use of force in international relations. Realists see distinct prospects for an intensified security dilemma in twenty-first-century Asia not unlike what Europe experienced in the late nineteenth and early twentieth centuries.

Moreover, there remain important areas of diversity in contemporary Asian thinking on the relationships between democracy, regional stability and international order. While Asian leaders have generally accepted the liberal view that economic interdependence is a force for peace and that international (including regional) institutions are useful if not powerful instruments for managing regional order, sharp divisions remain over the role of democracy, on questions such as whether democracy promotes development or stagnation (the Lee Kuan Yew versus Fidel Ramos debate in the 1990s),[13] whether democracy is at all a suitable political arrangement for Asia, and whether democracy is a force for national and regional stability or a prescription for violence and disorder.[14]

National aspirations versus global governance

It is in China, rather than in Japan or India, and in official as well as academic circles, that a good deal of Asia's conceptual thinking about the future of international

[12] The question whether China is status quo or revisionist has attracted some debate. For the various arguments, see Alastair Iain Johnston, 'Is China a status quo power?' *International Security* 27: 4, Spring 2003, pp. 5–56, and *Social states: China in international institutions, 1980–2000* (Princeton, NJ: Princeton University Press, 2008).

[13] Fareed Zakaria, 'Culture is destiny: a conversation with Lee Kuan Yew', *Foreign Affairs* 73: 2, March–April 1994, pp. 109–26; Kim Dae Jung, 'Is culture destiny? The myth of Asia's anti-democratic values', *Foreign Affairs* 73: 6, Nov.–Dec. 1994, pp. 189–94.

[14] Amitav Acharya, 'Democracy or death? Will democratisation bring greater regional instability to East Asia?', *Pacific Review* 23: 3, July 2010, pp. 335–58.

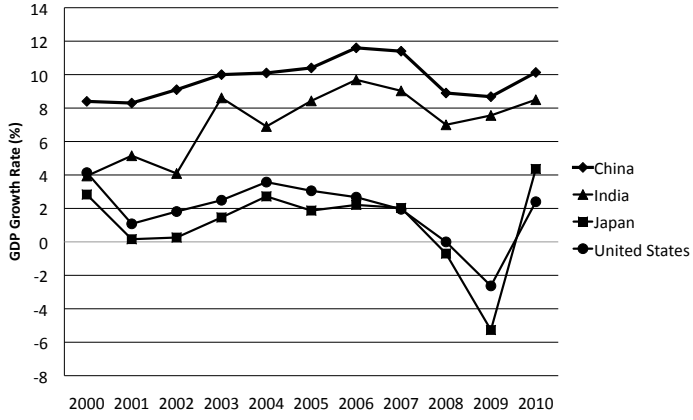
order is taking place. This is partly in response to the international community's doubts and misgivings about China's global role following its spectacular economic, military and political ascent, doubts that are less pronounced in relation to the role of Japan or India. Unsurprisingly, therefore, Chinese thinking on international relations today is to a large extent an attempt to legitimize the rise of China as a fundamentally positive force in international relations.

China's initial conceptualization of the post-Cold War order was presented under the rubric of 'multipolarization'. Consider the following statement, posted on the Chinese foreign ministry's website in 2000:

> Since the end of the Cold War, the world has moved towards multi-polarity, and the international situation on the whole has become more relaxed. This is an objective tendency independent of people's will, reflecting the trend of the development of the present era. Multi-polarization on the whole helps weaken and curb hegemonism and power politics, serves to bring about a just and equitable new international political and economic order and contributes to world peace and development.

But the concept of multipolarization was dampened by the US victory over Saddam Hussein's Iraq in 1991 and the advent of the so-called 'unipolar moment'. This led some Chinese to modify their position by recognizing what they called 'uni-multipolarity'. At the same time, Chinese policy and academic discourse (the two are often inseparable) developed its thesis about China's 'peaceful rise', thereby rejecting the view that China's rise would trigger a power transition dynamic that would lead to war with the United States and other 'status quo' powers.

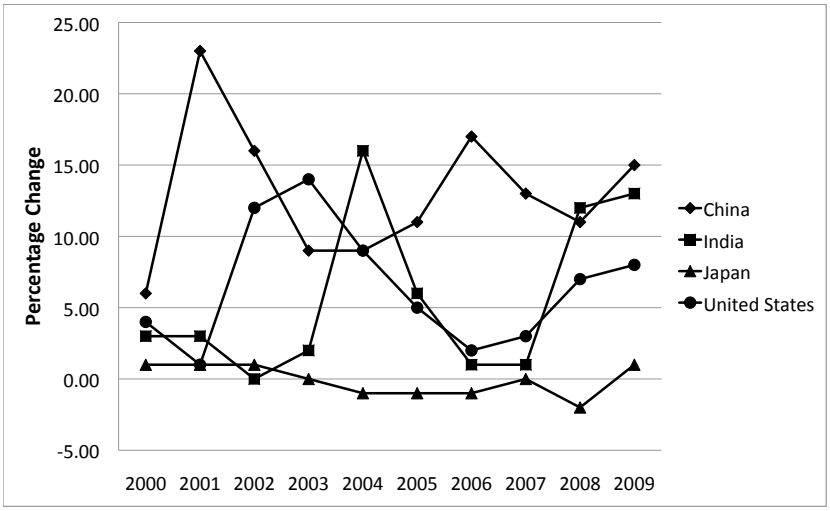
Figure 1: GDP growth rates 2001–2010: China, India, Japan and the United States (per cent)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009	2010
China	8.4	8.3	9.1	10	10.1	10.4	11.6	11.4	8.9	8.68	10.13
India	3.94	5.15	4.09	8.61	6.9	8.43	9.69	9.03	7	7.56	8.5
Japan	2.83	0.16	0.26	1.46	2.72	1.87	2.21	2.03	-0.7	-5.27	4.36
United States	4.14	1.08	1.81	2.49	3.57	3.05	2.67	1.95	0.00	-2.63	2.40

Source: Economic Research Service, US Department of Agriculture, http://www.ers.usda.gov/.

Figure 2: Growth rates of defence expenditure, 2000–2009: China, India, Japan and the United States (per cent)



	2000	2001	2002	2003	2004	2005	2006	2007	2008	2009
China	6	23	16	9	9	11	17	13	11	15
India	3	3	0	2	16	6	1	1	12	13
Japan	1	1	1	0	-1	-1	-1	0	-2	1
United States	4	1	12	14	9	5	2	3	7	8

Source: Stockholm International Peace Research Institute, http://www.sipri.org/.

Table 1: National GDP as a percentage of global GDP, 2000–2010: China, India, Japan and United States

	China	India	Japan	United States
2000	3.7	1.4	10.2	29
2001	3.9	1.4	10.0	28
2002	4.2	1.4	9.8	28
2003	4.5	1.5	9.7	28
2004	4.7	1.6	9.6	28
2005	5.1	1.6	9.5	28
2006	5.4	1.7	9.3	28
2007	5.8	1.8	9.2	27
2008	6.3	1.9	8.9	27
2009	7.0	2.1	8.6	27
2010	7.4	2.2	8.7	26

Source: Economic Research Service, US Department of Agriculture, http://www.ers.usdagov/.

China's attitude towards and involvement in global and Asian multilateralism have changed considerably since 1991—changes for which its South-East Asian neighbours, working through ASEAN, can justifiably take some credit. To borrow Iain Johnston's words, China today is not only a 'status quo power' but also a 'social state'.[15] In Chinese academia there are moves under way to develop a 'Chinese school of international relations' based partly on the historical (and benign) frameworks of the 'all under heaven' (*Tianxia*) concept, the tributary system and the 'Chinese world order'.[16] The *Tianxia* concept, which stresses harmony (as opposed to 'sameness'—possibly to send a signal that China can be politically different from other nations and still pursue friendship with them),[17] is increasingly invoked by the Chinese leadership; indeed, President Hu Jintao has defined the objective of China's foreign policy as to 'jointly construct a harmonious world'.[18]

But while China has increased its *participation* in multilateralism and global governance, it has not offered *leadership*. This is explained in part by inexperience, fear of provoking a backlash from other powers and the lingering impact of Deng Xiaoping's caution about Chinese leadership of the developing world.[19] Chen Dongxiao of the Shanghai Institute for International Studies points to a perception gap between how the world views China (as an emerging global power) and how China views itself (as a low-income developing country). Also at play are a desire not to sacrifice its sovereignty and independence for the sake of multilateralism and global governance, and the impact of domestic factors such as increasingly diverse interest groups, lack of sufficient institutional coordination for implementing international agreements, and limited integration between domestic and international considerations in decision-making within China about

[15] Johnston, 'Is China a status quo power?'

[16] Qin Yaqin, 'Why is there no Chinese IR theory?', *International Relations of the Asia–Pacific* 7: 3, September 2007 (special issue on 'Why is there no non-western international relations theory?', ed. Amitav Acharya and Barry Buzan), pp. 313–40. On the Chinese world order, see John K. Fairbank, *The Chinese world order: traditional China's foreign relations* (Cambridge, MA: Harvard University Press, 1973).

[17] Zhao Tingyang, *Tianxia tixi: shijie zhidu zhexue daolun* [The Tianxia system: a philosophy for the world institution] (Nanjing: Jiangsu Jiaoyu Chubanshe, 2005; trans. for the author by Shanshan Mei); Yu Keping, 'We must work to create a harmonious world', 2007, http://china.org.cn/english/international/210305.htm, accessed 6 June 2011. For a critical view, see William A. Callahan, 'Chinese visions of world order: post-hegemonic or a new hegemony?' *International Studies Review* 10: 4, 2008, pp. 749–61.

[18] Hu Jintao, 'Making great efforts to build a harmonious world with long-lasting peace and common prosperity', speech to the UN General Assembly marking the 60th anniversary of the establishment of the United Nations, 15 Sept. 2005, http://www.ce-desd.org/site/Articles/cat.asp?iCat=1048&iChannel=Articles, accessed 15 June 2011.

[19] Deng's words, often misquoted and misinterpreted, did not rule out Chinese leadership, but took a very cautious position. On 24 Dec. 1990 he stated: 'Some developing countries would like China to become the leader of the Third World. But we absolutely cannot do that—this is one of our basic state policies. We can't afford to do it and besides, we aren't strong enough. There is nothing to be gained by playing that role; we would only lose most of our initiative. China will always side with the Third World countries, but we shall never seek hegemony over them or serve as their leader. Nevertheless, we cannot simply do nothing in international affairs; we have to make our contribution. In what respect? I think we should help promote the establishment of a new international political and economic order'. See 'Seize the opportunity to develop the economy', 24 Dec. 1990, http://chairmanmaozedong.org/article/744.html, accessed 6 June 2011. Deng's dictum derived from his assessment of China's limited capacity to lead and a fear of overreaching. See Wang Zaibang, 'The architecture and efficiency of global governance', in Alan S. Alexandroff, David Shorr and Wang Ziabang, eds, *Leadership and the global governance agenda: three voices*, June 2010, http://www.stanleyfoundation.org/publications/report/3_Voices_0.pdf, accessed 6 June 2011, pp. 16–17.

issues of global governance. Together these factors, Chen argues, mean that 'China would, at its best, be capable of playing "part time leader" in [a] selected way'.[20]

This ambivalence was demonstrated in China's recent reluctance to take the lead in allowing its ample financial resources play a direct role in alleviating the impact of the global financial crisis of 2008. At the time, President Hu Jintao argued that 'the Chinese economy is increasingly interconnected with the global economy … China's sound economic growth is in itself a major contribution to global financial stability and economic growth. This is why we must first and foremost run our own affairs well.'[21]

China has been less reticent in assuming a position of regional leadership, as exemplified in its promotion of the Shanghai Cooperation Organization (SCO) and the idea of an East Asian Community. But even here China has been a cautious exponent, backtracking in the face of resistance to any real or perceived effort on its part to drive the membership and agenda of the East Asian institutions.

While China continues to grapple with the issue of its leadership in world affairs, Japan's national role conception, and its foreign policy and security approach, are being redefined by the idea of a 'normal state'. In his 1993 book, *Blueprint for a new Japan*, the leader of the Democratic Party of Japan, Ichiro Ozawa, used the term 'normal state' as a way of reclaiming Japan's right to use force, albeit only in support of UN-sanctioned operations.[22] But under former Prime Minister Junichiro Koizumi (2001–2006), Japan's aspiration to 'normal statehood' came to reflect some stark strategic motivations: to hedge against any drawdown of US forces in the region, to counter the rise of China and the growing threat from North Korea, and to increase Japan's participation in collective military operations in the Indian Ocean and Persian Gulf regions. It was also a response to growing domestic pressures on the Japanese government to address its perceived inability to respond to foreign security threats. The concept could also be used to counter and dilute some of the constitutional limits on Japanese diplomacy and power projection at a time when Japan was under pressure to do more for the US–Japan alliance.[23]

Some have viewed Japan's aspiration to be a 'normal state' as a welcome step towards a more proactive approach to global governance. If Japan as a normal state were free to deploy its forces internationally, as Ozawa had envisaged, it could make a bigger contribution to international peacekeeping, anti-terrorism and anti-piracy operations, hence to key aspects of global security governance. In the economic arena, as Takashi Inoguchi puts it, 'The globalization of governance

[20] Chen Dongxiao, 'China's perspective on global governance and G20', http://www.siis.org.cn/en/zhuanti_view_en.aspx?id=10051, accessed 6 June 2011. This does not mean, however, that Chinese commentators have been shy of referring to China's inevitable (re-)emergence as a Great Power. China is also the world leader in doing 'comprehensive national power' estimates relative to other powers.

[21] *Japan Times*, 11 Nov. 2008.

[22] Andrew Horvat, 'Why Ichiro Ozawa is America's true hope and why Shinzo Abe never was', Policy Forum online 07-087A, 30 November 2007 (San Francisco: Nautilus Institute, 2007), http://www.nautilus.org/publications/essays/napsnet/forum/security107087Horvat.html, accessed 15 June 2011.

[23] Bhubhindar Singh, 'Japan's post-Cold War security policy: bringing back the normal state', *Contemporary Southeast Asia* 24: 1, 2002, pp. 82–105.

entails more integrated markets, the global diffusion of military weapons, and the global permeation of public elite culture … Astute, articulate and agile leaders must always be mindful of domestic audiences and yet must act globally—and decisively.'[24] To act accordingly with this imperative, Japan must move beyond its postwar constitutional constraints. Importantly, Inoguchi cites the Japanese naval deployment to the Indian Ocean to support US operations in West Asia as one example of normal statehood, alongside its support for negotiations to advance free trade in Asia.

In 2005 Japan's foreign minister (and later, briefly, prime minister), Taro Aso, spoke of Japan as a 'thought leader' of Asia.[25] Japan has been a pioneer of regional cooperation in Asia and the Pacific. In 1993 it helped broker a pathway to multilateral security cooperation by suggesting that the ASEAN Post-Ministerial Conferences be used as the platform for regional security dialogues that resulted in the ARF (although here Japan was drawing on ideas already circulating in Asia–Pacific second-track dialogues rather than espousing an entirely original formula). The Japanese contribution to concepts of regional economic governance has been more substantive. Japanese officials and scholars were at the forefront of the Pacific Community movement in the 1960s, 1970s and 1980s, which stressed 'open regionalism' as East Asia (defined here as a subset of the Pacific Rim or Asia–Pacific region) went through its 'economic miracle' riding on the wave of Japanese investment and aid that also created de facto regional integration. The 1997 Japanese proposal to develop an Asian Monetary Fund (which some saw as a challenge to the authority of the IMF) further attested to Japan's interest in regional economic cooperation, but the Japanese initiative faded quickly in the face of strong US opposition. Japan has actively sought a permanent seat in the UN Security Council, and is willing to collaborate with India (which it has in the past defeated in a bid for a temporary seat), but it is not clear whether this move reflects any genuine desire to change the basic rules of the global multilateral system or rather a desire simply to win itself due recognition for its abundant financial and other contributions to the UN system.

Inoguchi argues that Japan has 'become one of the major rule makers relinquishing the role of a rule taker in global governance in a number of policy areas'. Among the niche areas he identifies are attempts to reconcile different conceptions of human rights, developing 'rules and norms of transnational business transactions' and peaceful uses of nuclear energy.[26] But these rules and norms do not necessarily represent a fundamental rethinking of the contemporary global

[24] Takashi Inoguchi, 'Japan's ambition for normal statehood', http://www.glocom.org/opinions/essays/200302_inoguchi_japan/0302inoguchi.pdf, accessed 6 June 2011, p. 17.

[25] 'Asian strategy as I see it: Japan as the "thought leader" of Asia', speech by Minister for Foreign Affairs Taro Aso at the Foreign Correspondents' Club of Japan, available at: http://www.mofa.go.jp/announce/fm/aso/speech0512.html, accessed 6 June 2011. For Aso, a thought leader is a 'trailblazer and a problem solver': 'as I perceive it, a thought leader is one who through fate is forced to face up against some sort of very difficult issue earlier than others. And because the issue is so challenging, it is difficult to solve. But as the person struggles to somehow resolve the issue, he/she becomes something for others to emulate.'

[26] Takashi Inoguchi, 'Why are there no non-western theories of international relations? The case of Japan', *International Relations of the Asia–Pacific* 7: 3, 2007 (special issue on 'Why is there no non-western international relations theory?', ed. Amitav Acharya and Barry Buzan), pp. 369–90.

governance structure. Japan continues to be a conformist status quo power. Hence, when the current global financial turmoil erupted in 2008, Japan's main response was to offer to strengthen the IMF's coffers rather than to put all its resources into developing the fledgling regional financial reserve under the Chiang Mai Initiative (CMI). And Japan, like China, indicated that 'Japan's primary responsibility lies in invigorating its own economy … this would be the most immediately effective contribution that Japan can deliver.'[27]

Speaking to an annual assembly of overseas Indians in 2005, Prime Minister Manmohan Singh asserted that 'the 21st Century will be an Indian Century'. His prognosis was defined in economic and political terms: 'The world will once again look at us with regard and respect, not just for the economic progress we make but for the democratic values we cherish and uphold and the principles of pluralism and inclusiveness we have come to represent which is India's heritage as a centuries old culture and civilization.'[28] Although Singh refrained from trumpeting India as an emerging global power, Barack Obama, like George W. Bush before him, did so more explicitly when he pledged America's support for India in realizing this goal during a visit to Delhi in November 2010.[29] Indian commentators and media have not been reticent either, although they may be happy to quote western policy-makers and analysts to make the same point.[30] Arguably, there is more, and louder, media and policy talk about India as a global power in Delhi than there is similar talk about China as a global power in Beijing.

India's policy of non-alignment has not been replaced by any alternative broad organizing framework. In fact, neither non-alignment nor Nehru has been formally and officially disavowed by India's post-Cold War governments. Nevertheless, in his 2003 book *Crossing the Rubicon*, Indian analyst C. Raja Mohan made a powerful case that India was reverting to a Curzonian geopolitics,[31] replacing both the Gandhian world-view that first made its appearance roughly a century ago and the Nehruvian idealism that defined the country's foreign policy in the twentieth century. The Curzonian approach assumed Indian centrality in the Asian heartland, and envisaged a proactive and expansive Indian diplomatic and military role in stabilizing Asia as a whole. The end of the Bharatiya Janata Party government in 2004 might have slowed if not ended that transition, but Indian power projection in both western and eastern Indian Ocean waters is growing, reflecting a Mahanian rather than Nehruvian bent.[32] It is partly driven by a desire, encouraged

[27] *Japan Times*, 11 Nov. 2008.

[28] 'PM's inaugural speech at Pravasi Bharatiya Divas', Mumbai, 7 Jan. 2005, http://www.pmindia.nic.in/speech/content.asp?id=65, accessed 6 June 2011.

[29] 'US supports India as global power: Obama'. *Headlines India*, 8 Nov. 2010, http://headlinesindia.mapsofindia.com/india-and-world/united-states/us-supports-india-as-global-power-obama-67670.html, accessed 6 June 2011. On a previous occasion, Obama had already described India as 'a leader in Asia and around the world' and as 'a rising power and a responsible global power'. See 'India is a rising and responsible global power: Obama', *Times of India,* 4 June 2010, http://timesofindia.indiatimes.com/india/India-is-a-rising-and-responsible-global-power-Obama/articleshow/6009870.cms, accessed 6 June 2011.

[30] See V. R. Raghavan, 'India and the global power shift', http://www.delhipolicygroup.com/pdf/india_and_the_global_power_shift.pdf, accessed 6 June 2011.

[31] C. Raja Mohan, *Crossing the Rubicon: the shaping of India's new foreign policy* (New Delhi: Viking, 2003).

[32] Mahanian refers to the perspective of Alfred Theyer Mahan (1840–1914), who stressed dominance of the sea as key to Great Power status.

by the US and the South-East Asian countries, to assume the role of a 'regional balancer' *vis-à-vis* China (whereas Nehru pioneered Asia's engagement of communist China) , although India avoids both any outright containment of China and any offer of unconditional support to the US strategic framework *vis-à-vis* China.

Indian interest in advancing global governance is limited by its concern to advance its national power position in the international system through high growth rates, expertise in information and communications technologies, nuclear weapons capability and space dreams (now a partial reality). Commenting on its stance on global issues ranging from nuclear non-proliferation, climate change and human rights to corruption, veteran journalist Barbara Crosette calls India the country that gives 'global governance the biggest headache'.[33] India has grounds for feeling that its contribution to global governance is being stymied by other powers—for example, through the continuing resistance from the West (and China) to its desire to be recognized as a nuclear weapon state, entitling it to join the Nuclear Non-Proliferation Treaty on that basis. Like Japan, India has sought a permanent seat in the UN Security Council, a dream that seems destined to remain unfulfilled for some time, despite the Obama administration's recent backing. It has done better in the G20 forum, but even in that context there do not seem to be any obvious Indian ideas or blueprints to inspire the reform and restructuring of the global multilateral order. Within Asia itself, India has returned to the fold of Asian regionalism, but—in stark contrast to the Nehru era—as a follower rather than as a leader. And its regional involvement is much stronger in its economic dimension than in its political and security one, even though it remains excluded from the Asia–Pacific Economic Cooperation forum (APEC).

Asia's role in global governance cannot be delinked from the question: who leads Asia? Historically, aside from the mutual rivalry of the region's main powers, three factors have determined the issue of Asian leadership: political will, resource capacity and regional legitimacy. In the years immediately following the Second World War, India had high legitimacy in Asia and was more than willing to lead, but was unable to do so due to a lack of resources. Japan's case was exactly the opposite: it had the resources (from the mid-1960s onwards) to be Asia's leader, but not the legitimacy—thanks to memories of its imperialism, for which it was deemed by its neighbours to have been insufficiently apologetic. Japan's involvement in regional leadership was deliberately low-key, cautious and exercised mostly through development aid and promotion of ideas about regional economic cooperation, leaving the political–security domain aside altogether. China, for its part, at that time had neither the resources, nor the legitimacy (since the communist takeover), nor the political will (at the onset of the reform era) to be Asia's leader.

In Asia today, although Japan, China increasingly and India to a lesser extent all have the resources to lead, all still suffer from a deficit of regional legitimacy

[33] Barbara Crosette, 'The elephant in the room: the biggest pain in Asia isn't the country you'd think', *Foreign Policy*, Jan.–Feb. 2010, http://www.foreignpolicy.com/articles/2010/01/04/the_elephant_in_the_room, accessed 10 June 2011.

deriving from past histories (the Japanese wartime role, Chinese subversion and Indian diplomatic arrogance, dating back to the Bandung conference). Moreover, their mutual rivalry prevents the Asian powers from assuming regional leadership singly or collectively. Hence, regional leadership rests with a group of the region's weaker states. ASEAN is not entirely without merit or contribution, but while it is a useful and influential voice in regional affairs, some doubt its ability to manage Asia—home to three of the world's four largest economies, four (excluding Russia) of its eight nuclear weapon states and its fastest-growing military forces.

Asia and the G20: an uncertain trumpet

Since 2008 the global economic crisis has provided new opportunities for Asia to assume a greater role in global economic governance, especially through participation in the G20. The G20 was by no means an Asian idea;[34] Canada's former prime minister Paul Martin is credited for it, even though its composition—the crucial issue of whom to invite—might have been decided by US Treasury officials and those of the Deutsche Bundesbank.[35] Nevertheless, the G20 does have an Asian lineage. Four Asian countries that were later to become members of the G20—China, Japan, India and Indonesia—attended the Bandung Conference in 1955, and the number increases to six if Saudi Arabia and Turkey are included.[36] The Bandung Conference had several major and long-term implications for international order, chief among them the genesis of the Non-Aligned Movement. It provided a powerful impetus for pan-African and pan-Arab movements led respectively by Nkrumah (who was prevented by the British from attending) and Nasser (who was a star of the meeting, but whose country today is conspicuously not a G20 member). It advanced decolonization and symbolized the appeal of economic self-reliance in the Third World, thereby delaying the march of market-driven globalization which has since underpinned the G20's rise to prominence.

But there are key differences. Bandung was exclusively an intra-South event, whereas the G20 is a North–South forum. Bandung's focus was political, whereas the G20's is primarily economic, at least to date. Some of the key country participants in Bandung that are now in the G20 have in the meantime changed dramatically and irreversibly. For Japan, Bandung was the first foray into international diplomacy after defeat in the Second World War. The country has since emerged as a key player in Asia and the world. Bandung was communist China's debut on the world diplomatic stage. A poor and fledgling communist country, China

[34] See the 'official history' of the G20, 'The Group of Twenty: a history', http://www.g20.utoronto.ca/docs/g20history.pdf, accessed 6 June 2011.

[35] Robert Wade, 'From global imbalances to global reorganizations', *Cambridge Journal of Economics* 33: 4, 2009, p. 553.

[36] 'Asian' is not the preferred identity of either Saudi Arabia or Turkey today; certainly doubts are in order in Turkey's case, given its fervent if unrequited wish to join Europe. The only Asian G20 member that did not take part in Bandung was South Korea (neither Korean state was invited). Australia, which shares with Turkey the problem of ambivalent regional identity, did not even want to be invited to Bandung. For more on attitudes to the Bandung Conference, including the hostile attitudes of the UK and US, see Amitav Acharya, 'Lessons of Bandung, then and now', *Financial Times*, 22 April 2005.

then easily invited mistrust; Nehru did his very best (at the cost of his own image and India's influence) to project China as a constructive Asian neighbour rather than as a communist mischief-maker and an integral member of the Sino-Soviet communist monolith, as the Eisenhower administration was doing its best to project it. China is now the world's emerging superpower, and a valuable and vital member of the global governance architecture. India, as noted, no longer professes Nehruvian non-alignment, and is no longer the leader of Asian unity, having long since ceded that role to ASEAN. Indonesia at Bandung was on the verge of sliding into authoritarianism; as a G20 member, it is held up as a shining example of Asian democracy. The global South is no longer led by the likes of Nehru, Nasser or Nkrumah, but headed today by technocrats like Manmohan Singh and Hu Jintao—a transition that within Asia is further embodied by transition from firebrand ideologues such as Mao and Sukarno to the introverted Singh and Susilo Bambang Yudhowono.

Despite these changes, India, China and Indonesia continue to identify themselves as developing nations and are subject to the lingering normative legacy of their involvement in the Third World coalition. For example, India and China stake out positions on the global economy and ecology that are still framed in their predicament and perspective as developing nations. For them, the pursuit of national development goals takes priority over compliance with the West's demands for greener standards.

Whether the G20 will develop concrete institutional capacity or even emerge as a viable and permanent global institution sharing decision-making and agenda-setting powers with the G7 and the Bretton Woods institutions is far from clear. As Chen Dongxiao notes, the G20 is not a group of like-minded nations, but one in which cooperation among the emerging powers is 'issue-based and interest-oriented'. The establishment of cooperation and coordination among these powers is hindered by 'the fact that the economies and trade interests among these emerging powers are more competitive than complementary'.[37] Moreover, the G20 is something of an exclusive club, plagued by questions about its representativeness and legitimacy. According to two Indonesian analysts, although the G20's emergence as 'the premier forum for international economic cooperation' is 'historic … from the perspective of global governance as well as the role of Asia in the global economy',

> there are many challenges that have to be dealt with first. Countries in the region have to showcase their abilities in sustaining high economic growth, maintaining political stability and working towards closer regional integration. An approach that relies on a politicised and formal structure will not suit the dynamics in a region which is economic growth-oriented and market-driven.[38]

Asia does not speak as one voice within the G20. On the issue of reforming global financial regulation, a key concern of the G20, the 'lack of a unified Asian

[37] Chen, 'China's perspective on global governance and G20'.
[38] Mahendra Siregar and Tuti Irman, 'G20 and the global agenda: a bigger role for Asia', http://www.eastasiaforum.org/2010/11/09/g20-the-global-agenda-a-bigger-role-for-asia/, accessed 6 June 2011.

voice' has made it easier for America and Europe to set the terms, sometimes to the detriment of Asia's interests. For example, Lee Jang Yung, senior deputy governor of South Korea's Financial Supervisory Service, complains that Asian countries 'are facing significant challenges in meeting' the liquidity standards set under the Basel III framework.[39]

Nations represented at Bandung, including Nehru's India, Mao's China and Nasser's Egypt, harboured no illusions about achieving global Great Power status, whether individually or collectively. Asia's G20 members all aspire to be leaders not just of their region but of the world. Indeed, they (even in the case of middle powers like Indonesia and South Korea) may be using the G20 to leapfrog Asia.

Asian approaches to the other major issue on the global governance agenda, climate change, are by no means shared or suggestive of an act of global leadership. China and India are leading the resistance to the demand for deeper cuts to carbon emissions. Both use the argument that, as developing nations, they need more time before accepting the slower growth rates (in both economic development and carbon emissions) that the western nations are prepared to accept now. At the 2010 Boao Forum held in China's Hainan Island, India's Environment Minister Jairam Ramesh described cooperation between India and China on climate change and environment as 'one of the outstanding success stories of this bilateral relationship'—but he also conceded that the two countries 'might not be on the same page as far as emissions are concerned'.[40] At the Copenhagen meeting in 2009, India agreed to accept a non-binding target of cutting CO_2 emissions per unit of GDP by 20–25 per cent from 2005 levels by 2020, whereas China 'set a "binding goal" to cut CO_2 per unit of GDP by 40–45% from 2005 levels by 2020'.[41] But China, like India, refuses to accept the proposed global target of cutting emissions by at least 50 per cent relative to 1990 levels by 2050.[42] Moreover, in what Ramesh described as a 'paradigm shift' in both India and China, the two countries have adopted a posture of concerted unilateralism ('we have to do these things on our own'), rather than outright multilateralism, in approaching the carbon emissions issue. This means, as Ramesh put it, that the two countries pursue carbon emission cuts through their own domestic policy processes and have thus 'delinked emissions control actions from the international negotiations'.[43] Their defensive position hardly meets Amartya Sen's desire, noted above, to see Asia 'leading the world opinion on how to manage, and in particular not to mismanage, the global challenges we face today'.

Relations among the Asian G20 members remain competitive. China has not been supportive of the bids by India and Japan to acquire permanent seats in

[39] 'Asia regulators say G20 reform driven by US, Europe', http://blogs.reuters.com/financial-regulatory-forum/2010/11/29/asia-regulators-say-g20-reform-driven-by-u-s-europe/, accessed 6 June 2011.

[40] Anantha Krishnan, 'Climate cooperation changing India–China ties, says Jairam Ramesh', *The Hindu*, 9 April 2010, http://beta.thehindu.com/news/international/article392921.ece, accessed 6 June 2011.

[41] 'Where countries stand on Copenhagen', http://news.bbc.co.uk/2/hi/8345343.stm, accessed 6 June 2011.

[42] Pan Jiahua, 'Low carbon logic', 8 Nov. 2010, http://www.chinadialogue.net/article/show/single/en/3927-Low-carbon-logic, accessed 6 June 2011.

[43] 'India–China climate cooperation thrives with the "spirit of Copenhagen"', http://www.chinafaqs.org/blog-posts/india-china-climate-cooperation-thrives-spirit-copenhagen, accessed 6 June 2011.

the UN Security Council, even though such a development would be consistent with China's own 'multi-polarization' concept. This apparent contradiction has prompted some analysts to accuse China of seeking global multipolarity but regional unipolarity. At Bandung in 1955 there was the perception, exaggerated by the western media, of a Sino-Indian competition. Today, there is similar talk of rivalry between China and India, as well as competition between China and Japan, which was in no position to compete at Bandung. There is the danger that competition among the Asian G20 members could spill over into other parts of Asia, including South-East Asia, just as China and India competed over African resources and markets, or Russia, China and Brazil over arms sales to African countries. In the meantime, countries left out of the G20 (for example, Singapore and Malaysia) are resentful of those (Indonesia) who are savouring their new status in global affairs.

Conclusion

'China, Japan can help by helping themselves', ran the headline of a *Japan Times* commentary by journalist Frank Ching on Chinese and Japanese responses to the global financial crisis that broke out in 2008.[44] Admittedly, they have—or at least China has—already done so. But the headline is remarkably revealing. What it tells us is that Asian countries approach global governance largely in terms of self-help. While Asian conceptions of international relations are no longer a defensive or confrontational reaction to western dominance, there remains a perceptible gap between Asia's rise in terms of the traditional power indices of international relations and the requirements for global governance. The gap may be explained partly by resentment against western resistance to the desire of Asian countries to increase their influence over global institutions commensurately with their rise in the global power structure. But it is not unreasonable to doubt whether a larger say over global institutions will yield a greater willingness on the part of Asian powers to go beyond their 'helping others by helping themselves' mindset. There is also little question that intra-Asian differences and rivalries will hinder any bid by Asia to assume a greater share of the leadership in global governance.

I started this article by referring to the 'seeming contradiction' between the national power aspirations of leading Asian nations and their role as contributors to global governance. The two goals need not compete with each other. But as the analysis above suggests, changing national role conceptions, such as China's ideas about 'multi-polarization' and 'peaceful rise', Japan's quest for 'normal' statehood, and India's seeming embrace of Curzon and Mahan at the expense of Gandhi and Nehru, do not translate into support for global governance. The obvious answer to Amartya Sen's question posed at the outset of this article is that Asia is doing *more* than before, but this is still far from doing *enough*.

If one looks for Asian ideas about and approaches to multilateralism and governance, some of these might well be found at the regional level, and for these the

[44] *Japan Times*, 11 Nov. 2008.

credit might belong to the region's weaker nations, ASEAN's members, rather than Asia's larger powers. Asia offers a type of regionalism which is both home-grown and distinct from the European type. Asian regionalism offers three key ideas. First, regionalism does not require hegemonic leadership, whether coercive or benign. Second, regionalism does not have to rely on formal, legalistic or politically unifying platforms—regionalism in markets can be equally, if not more, important. Third, regionalism should be open and inclusive, in both its economic and its political–strategic dimensions. Indeed, despite their limitations, the experience of groupings like ASEAN is perhaps more relevant to other parts of the developing world than the much-vaunted European experience, which is far too committed to an ideology of unification (now under serious stress) to serve as a model for the developing world.[45]

The story of Asian regionalism to date is far from perfect. There are valid doubts about the ability of Asian regional institutions—led as they are by the relatively resource-poor ASEAN—to address the region's most serious conflicts (in the Korean peninsula, between India and Pakistan, and across the Taiwan Strait) or cope with transnational challenges without a significant shift away from the region's prevailing neo-Westphalian mindset. Asia lags behind other regions in developing mechanisms for promoting human rights and democracy, and institutionalizing new global norms such as the 'responsibility to protect'. But a 'non-indifference' mindset and a 'responsibility to assist' principle may be emerging out of Asia's recent brush with a series of transnational threats, including the Asian financial crisis in 1997, the Bali terrorist attacks in 2001 and 2002, the Severe Acute Respiratory Syndrome (SARS) pandemic in 2003, the Indian Ocean tsunami in 2004, and Cyclone Nargis in Burma in 2008. This is an important, if as yet modest, shift from defensive sovereignty to responsible sovereignty. At the same time, Asian regional groups have contributed to regional and global stability in engaging with all the major powers of the world, including China (where they have arguably done a better job than the EU and NATO in engaging with Russia).

Although regionalism and globalism are sometimes seen as opposing forces, and despite the danger that the global power aspirations of key Asian nations might tempt them to neglect regional cooperation, Asian regionalism has the potential to pave the way for a more concerted and consequential Asian globalism and governance. These are not mutually incompatible directions. Asian regional institutions may not resolve all of the region's vexing security and economic challenges, but they may be useful as a potential means of tempering the hitherto singular and nationalistic efforts by the individual Asian powers to claim their seats at the table of global decision-making bodies. Indeed, while pursuing its engagement with global institutions and processes, Asia could do well by beginning its response to global problems at home, a strategy all the more justified given that so many of the major global problems today—climate change, energy supply,

[45] Amitav Acharya, 'Regional worlds in a post-hegemonic era', keynote address to the third Garnet annual conference, Bordeaux, 17–20 Sept. 2008, http://spirit.sciencespobordeaux.fr/Cahiers%20de%20SPIRIT/Cahiers%20de%20SPIRIT_1_Acharya.pdf, accessed 6 June 2011.

pandemics, illegal migration, etc.—have local roots in Asia just as they do in other regions of the world. Asian regional institutions, formal and informal, are already responding to global issues, including climate change (ASEAN, APEC), financial volatility (CMI) and terrorism (ASEAN, ARF and a web of cross-cutting bilateral and subregional agreements). Much depends on whether Asian regional institutions can strengthen themselves with more robust financial stability and conflict management mechanisms, and move towards a more flexible view of state sovereignty through which to deal with transnational challenges. But by engaging with common issues of global governance at the regional level, Asian powers can limit their intramural conflicts. By gaining experience in dealing with complex transnational issues, securing legitimacy from peaceful interaction with neighbours, and sharing leadership with the region's weaker states in managing its security and economic conflicts, Asia's emerging powers can derive from their regional interactions useful experience and expertise that could facilitate a substantive contribution to global governance from a position of leadership and strength. The time is ripe for them to make a serious start now.

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The 'new East Asian regionalism': A political domino effect

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ABSTRACT

The proliferation of regional economic agreements involving East Asian economies in the years since the financial crises is usually explained in the political economy literature by reference to economic factors. These agreements have been viewed either as a response to the costs of increasing interdependence and/or to the demand by domestic exporters to level the playing field when their rivals benefit from preferential trade agreements. A detailed examination of economic data finds no support, however, for the argument that intra-regional economic interdependence in East Asia has increased significantly since the financial crises. Case studies suggest that business has not played a major role in either promoting or opposing the agreements – not surprisingly in that the agreements are unlikely to have a major economic impact, and are not being widely used. Rather than there being an 'economic domino' effect at work, the new East Asian regionalism is best understood as being driven by a 'political domino' effect.

KEYWORDS

Regionalism; trade; East Asia; ASEAN; China; Japan; free trade agreements.

The regional architecture of East Asia has been transformed in the years since the Asian financial crises of 1997–98. As late as 2000, the region had only one effective preferential trade agreement (PTA) in operation (the ASEAN Free Trade Agreement); by the start of 2009 governments had concluded 45 PTAs and a similar number were under negotiation. From being a laggard in regional trade agreements, East Asia has become the most active site globally for their negotiation (see Aggarwal and Urata, 2006). Two pan-East Asian cooperative arrangements have come into existence – the ASEAN Plus Three grouping, and the East Asia Summit (EAS).

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In addition, governments in the region have engaged in unprecedented collaboration on monetary matters including the creation of a set of bilateral currency swap arrangements (the Chiang Mai Initiative – CMI) and the promotion of domestic and regional bond markets through the Asian Bond Market Initiative and the Asian Bond Fund.

For the purposes of this article, East Asia is defined as the countries participating in the East Asia summit. I follow the recent literature in economics in applying the concept of 'regionalism' to all preferential trade arrangements that East Asian countries have negotiated, a set of economic policies 'that represents a clear break from East Asia's strong history of multilateralism' (Harvie, Kimura and Lee, 2005: 3). This article focuses on the new inter-governmental collaboration on trade that East Asian countries have engaged in since the financial crises of 1997–98 and reviews its implications for theorizing about regional integration. I do not address the
Q1 impact that the proliferation of bilateral/minilateral agreements may have on collaboration organized at the level of the East Asian geographical region (for a cogent analysis see Dent, 2006a). Rather, I focus on the question of what has driven the new enthusiasm of East Asian states for formal inter-governmental collaboration. In doing so, I challenge the principal arguments of a number of contributions that focus primarily on economic explanations of the new regionalism. To assert that economic factors have played no role in the new collaboration would be naïve. The weight of evidence suggests, however, that economic factors in many instances have been less important in the new regionalism than states' use of economic instruments to pursue political objectives.

If economic factors were predominant in states' decisions to enter into inter-governmental collaboration one would expect to find: (a) that regionalism has been a response to an increase in interdependence and its associated policy challenges, as has been argued by a substantial body of functionalist literature; (b) that inter-governmental collaboration will have concentrated on those relationships that offered the greatest potential economic benefit; (c) that a transmission mechanism existed through which the costs of increased interdependence were translated into policy outputs. Rather than domestic economic actors being the primary driving force behind the new East Asian regionalism, my argument is that it has been a state led process, in which non-state actors were often marginalized. And, in those instances where pro-liberalization non-state actors have played a role in lobbying for the conclusion of a preferential trade agreement, their influence has often been offset by protectionist interests. The dominance of political concerns – manifested both in diplomatic/strategic reasons for choice of PTA partners, and in agreements that have little impact on economic welfare – in turn shapes their impact on domestic interests, and reduces the likelihood that these agreements will pave the way for broader liberalization.

HAS INCREASED ECONOMIC INTERDEPENDENCE DRIVEN THE NEW EAST ASIAN REGIONALISM?

Arguments that increased economic interdependence has driven regionalism have a long pedigree. They rest on various strands of theoretical literature from economics, including those pertaining to the securing of property rights and to the actions required to overcome transactions costs. Functionalist explanations for why governments demand and supply regional institutions continue to enjoy popularity (e.g. Mattli, 1999).

The relevance of functionalist accounts of regionalism for East Asia has long been questioned, however. There the puzzle was to explain the absence of formal inter-governmental collaboration despite the substantial increase in economic interactions among states. East Asia had experienced regionalization without regionalism. Haggard (1997: 45–6) provided one of the most sophisticated accounts: greater economic interdependence in the region, he suggested, simply had not created the collaboration and coordination problems that would have led to a demand for regional institutions (see also Kahler, 1995: 107; Solingen, 2008: 288–9).

Many analysts pointed to the 'market-led' character of Asian integration. Such accounts, e.g. Drysdale (1988), provided a persuasive explanation for the traditional North–South trade (exchange of manufactures for raw materials) that characterized the region through the 1970s. They were far less satisfactory in accounting for the development of a more complex division of labor in the region from the 1980s onwards when exchange increasingly took the form of intra-industry trade, the consequence of a 'fragmentation' of the production process. Government actions actually played a crucial role in fostering this new division of labor.

- First, unilateral action by governments in creating free trade zones and duty drawback arrangements were important in the early incorporation of Korea, Taiwan and then the economies of Southeast Asia into the new division of labor (Warr, 1989). This selective liberalization was followed by a more general unilateral liberalization across Southeast Asia in the second half of the 1980s and the 1990s.
- Second, the coordinated action on exchange rates by the G7 countries following the 1985 Plaza Accord effected a dramatic shift in relative costs of production across the region, encouraging the extension of Northeast Asian production networks into Southeast Asia (Bernard and Ravenhill, 1995; Funabashi, 1989).
- Third, the negotiation of the Information Technology Agreement within the World Trade Organization (WTO) at the Singapore ministerial meeting in 1996 played an important role in freeing trade in the most significant category of Asian exports.

- Fourth, the further extension and re-orientation of production networks was facilitated by the actions that governments – notably in China and Vietnam – undertook in preparation for their entry into the WTO.

Economic integration in Asia has been driven by market forces. But national governments played a decisive role in creating the environment in which businesses could successfully construct transnational supply chains. What was distinctive about the East Asian experience was that these actions occurred at the national and global levels whereas the contribution of *regional* institutions, including ASEAN (Ravenhill, 2008a), to this facilitating environment was negligible.

Many commentators have suggested, however, that the financial crises of 1997–98 marked a critical juncture in regional collaboration in East Asia. The East Asian regional architecture, writes T.J. Pempel (2008: 164), 'today is more complex, more institutionalized, and more Asian than it was when the crisis struck'. For some authors, this new regionalism has been driven by the imperative of responding to the challenges of increased interdependence, a process that MacIntyre and Naughton (2004: 98) suggest 'increasingly requires a more structured and binding framework for policy coordination'. Similarly, Kawai and Wignaraja (2009: 5) in concluding that deepening market-driven integration has been 'first and foremost' among the factors driving East Asian PTAs, assert that 'market-driven economic integration has begun to require further liberalization of trade and FDI [foreign direct investment], as well as harmonization of policies, rules, and standards governing trade and FDI'. Munakata (2006b: 29) concludes that in contemporary East Asia 'the intensity of economic interaction contributes substance and depth and thereby a basis for institutionalized inter-governmental cooperation, including preferential trade agreements'.

The reference in all these pieces is to regionalism more narrowly defined than in the introduction to this article – that is, to inter-governmental collaboration exclusively among East Asian economies. Accordingly, I look first at whether the central premise of these arguments is correct: has interdependence among East Asian economies increased in recent years?

With the emotive responses that the financial crisis and Western responses to it generated, arguments about the increasing integration of East Asia assumed a symbolic importance: commentators seemed to take pride in suggesting that intra-regional trade in East Asia as a share of total trade had already surpassed the equivalent figure for NAFTA, and was approaching that for the European Union (see, for instance, Asian Development Bank, 2008; Kawai and Wignaraja, 2007: 2).

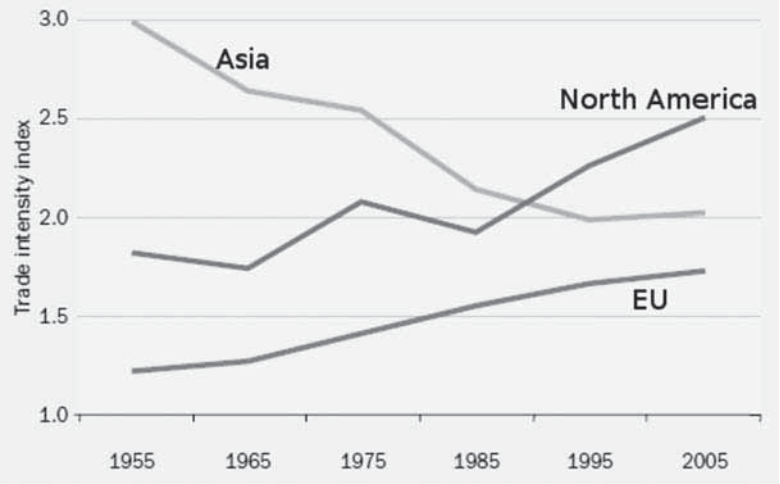
But has economic interdependence really increased in the years since the financial crisis? It all depends on how the 'region' and 'interdependence' are measured. If the region is defined as ASEAN Plus Three, that is, the

10 member states of ASEAN plus China, Japan, and Korea, then the share of intra-regional trade in the 10 economies' total trade rose only from 37.6% in 1995 to 38.3% in 2006 (an increase so small that one might regard it as being within a statistical margin of error, and a final total figure that is substantially below the equivalent for NAFTA) (data from Kawai and Wignaraja, 2008: Table 1).[1] To be sure, production networks and their associated trade within East Asia have been radically re-orientated in the years since the financial crisis. China's rapid economic growth has seen it emerge as a major (frequently the single most important) export market for other East Asian economies (Ravenhill, 2006). But, at the same time, China's own export dependence on East Asian markets has declined dramatically – down from 53% in 1996 to 36% in 2007 (if Hong Kong is excluded, the East Asian share was only 20.7% – author's calculations from IMF *Directions of Trade* data). The consequence is that the dependence of East Asia as a whole on markets outside of the East Asian geographical region changed little over the decade.

Moreover, as has long been recognized, conclusions regarding the 'bias' that economies have towards trading with one another that are based merely on the portion of trade with specific partners can be misleading if they are not adjusted for the changing share of the economies concerned in overall world trade (Frankel, 1991; Lincoln, 2004). Asian economies in the last two decades have grown far more rapidly than the world average, with a consequent increase in their overall shares in global GDP and trade. To avoid such distortions, the trade intensity index adjusts raw shares in trade for the changing share of the region in global commerce. When this adjustment is made (see Figure 1), one finds that the intra-regional trade intensity of Asia declines consistently from 1955 through to 1995, at which point it stabilizes. In contrast, the equivalent indices for the European Union and North America trend upward throughout the period.

The significance of markets within the East Asian geographical region for East Asian economies' exports is also over-stated in the unadjusted market share figures because of substantial double-counting arising from the trade in components across the region. Whereas under one half of East Asian exports in 2006 were shipped directly to European and North American markets, fully two-thirds of the value of total exports ultimately ended up in these markets once the parts and components content of exports was taken into account (Asian Development Bank, 2009: p.71; see also Athukorala, 2009). Substantial double-counting also arises because of Hong Kong and Singapore's role as entrepôts (both economies have ratios of exports to GDP in excess of 200 per cent).

Can the hypothesis that increased interdependence among East Asian economies has been responsible for a growth in inter-governmental collaboration among these economies be 'salvaged'? One could argue that the



Source: Asian Development Bank (2009: Figure 2.6, p. 41), calculated from IMF *Directions of Trade* data.

Figure 1 Intra-regional trade intensity indices.

end of the decline in East Asia's intra-regional trade index in the mid-1990s was sufficient to prompt a new interest in inter-governmental collaboration – but this is hardly persuasive. Alternatively, one might suggest that a time lag occurred between when the raw shares of East Asian exports going to other East Asian economies increased (the key period was the decade after 1985 during which the figure for ASEAN Plus Three jumped from 30.2 per cent to 37.6 per cent (Kawai and Wignaraja, 2008: Table 1) and when governments became interested in negotiating new instruments for cooperation. Possibly. The increase in intra-East Asian trade was almost certainly necessary – if not sufficient – for the subsequent increase in inter-governmental collaboration to be launched. And commentators have frequently argued that the financial crises of 1997–98, through creating a new sense of shared identity and/or interests, generated a new enthusiasm for regionalism. But the key question here is whether one can identify any additional costs arising from the increased trade integration that inter-governmental action might conceivably have effectively addressed. This is far from easy to do.

As noted above, production networks across East Asia had flourished because of the unilateral actions that governments had taken to support them by removing barriers to trade – for instance, by introducing duty free zones and duty drawback schemes that enabled companies to import components duty-free provided they were used in assembly for export

(see, for instance, McKendrick, Doner and Haggard, 2000). In addition, all of the major East Asian economies signed on to the WTO's Information Technology Agreement (1996), which provided for the removal of tariffs on most electronics products, by far the largest single category in East Asian trade (the only EAS members that have not signed the ITA are Brunei, Burma, Cambodia, and Laos – Hong Kong and Taiwan are also signatories). More generally, tariffs have become of decreasing importance in trade involving East Asian economies – by 2005 only three East Asian economies (Cambodia, Malaysia, and Vietnam – no information was available for Burma) had average applied most-favored nation tariffs on manufactures that exceeded 10 per cent (Asian Development Bank, 2009: Table 3.3 pp. 82–3).

Against this, a critic could contend that the objective of recent PTAs has been to go beyond dealing with tariffs to address 'WTO Plus' issues such as competition policy, intellectual property rights, investment, etc. But, as argued later in this article, only a handful of the agreements negotiated among East Asian countries tackle these issues (although, to be sure, some, particularly those relating to investment, have been high on the Japanese government's agenda).

An alternative argument might be that data on intra-regional trade are too blunt an instrument to capture a new 'deeper' interdependence that has arisen among East Asian economies. Inconveniently for such arguments, however, other data point to a similar lack of increase in economic interdependence within East Asia. Data for Japan, the largest source within East Asia of foreign direct investment, show that whereas this geographical region accounted on average for 40 per cent of the country's outward FDI in the three years before the financial crisis, the average for the years 2005–2007 was less than 29 per cent (author's calculations from data in JETRO, 2008). More broadly, ASEAN Plus Three countries accounted for less than one third of total ASEAN FDI inflows over the years 1995–2006; the percentage actually fell during the years after 2002. In Northeast Asia, the share of intra-regional FDI was much smaller (Hew *et al*., 2007). And intra-regional portfolio asset holding as a share of total assets held by East Asian states is smaller still – in 2006, under 8 per cent of the total, in contrast to 37 per cent derived from the United States (Kim and Lee, 2008: Table 5). A similar lack of interdependence is evident in the exchange rate field. Ogawa and Yoshimi (2008) demonstrate that East Asian currencies, rather than moving in alignment with a notional Asian Monetary Unit (a weighted basket of regional currencies) have increasingly deviated from this unit in terms of real exchange rates.

Moreover, if concern over the increasing transaction costs from growing interdependence within East Asia was the principal driving force behind the new enthusiasm for PTAs then the expectation would be that these agreements would be negotiated with countries' major East Asian

trading partners. To date, this has not happened, particularly for the larger economies of Northeast Asia. China's rapid economic growth has catapulted it to the position of top export market for several East Asian economies – including Japan, Korea and Taiwan. Yet the Japanese government has completely eschewed a PTA with China (rejecting a Chinese proposal in 2002). Similarly, the Korean government has resisted Chinese overtures: negotiations (that Beijing rather than Seoul has repeatedly proposed) have not begun. Of the three Northeast Asian economic powers, only Taiwan has (recently), with the warming of relations with the mainland that followed the election of Ma Ying-jeou as President, expressed interest in negotiating an agreement with China (this did not occur until February 2009). ASEAN did negotiate an agreement with China – but the initiative for this agreement, which took ASEAN leaders by surprise, came from China (for whom ASEAN constitutes a tiny market, with observers attributing the initiative to political motives – see Jiang paper in this special section). Meanwhile, neither of the Pan-East Asian groupings has gone beyond conducting feasibility studies of 'region'-wide trade agreements, further development being blocked by governments concerned in particular about the impact on domestic interests of liberalized economic relations with China.

Most of the PTAs that East Asian governments have concluded or are currently negotiating are with states outside the East Asian geographical region. Of the 108 agreements completed, under negotiation or proposed at the start of 2009, 86 were with countries outside the region (Asian Development Bank, 2009: p. 87). While this orientation is inconvenient for arguments that increasing economic interaction among East Asian economies has driven the new interest in inter-governmental collaboration, it is potentially entirely consistent with a more general argument that PTAs are negotiated in response to the policy challenges posed by increasing interdependence (and would be consistent with the argument above that intra-regional trade as a share of East Asian economies' total trade has not increased significantly). But the concentration of negotiations on relatively minor trading partners casts doubt on such arguments. Japan has negotiated PTAs only with ASEAN collectively, the larger ASEAN economies individually, and with Mexico – countries that collectively account for only 14 per cent of Japan's exports (see the article by Solis in this special section). China has a larger number of PTAs than does Japan – but excluding that with Hong Kong, a treaty that China regards as a 'domestic' economic agreement , its PTA partners account for only 9 per cent of its total exports (Ravenhill and Jiang, 2009). For Korea, the share of total exports covered by PTAs is 13 per cent (the share is doubled if the agreement with the US, not ratified by either party at the time of writing, is included). The extreme case is Taiwan, whose participation in PTAs has been limited by Beijing's frequently expressed hostility to countries entering agreements

with Taipei (despite Taiwan's membership in the WTO): the country's four PTAs collectively cover less than one quarter of one per cent of its total exports (author's calculations from IMF *Direction of Trade* data, except for Taiwan, from Bureau of Foreign Trade, Government of Taiwan, http://cus93.trade.gov.tw/bftweb/english/FSCE/FSC0011E.ASP).

In short, conventional indicators of trade and financial interdependence provide no support for arguments that increasing economic integration has driven the new East Asian regionalism. Such skepticism is reinforced by the absence of empirical evidence for a transmission belt through which any concerns over the costs of increasing interdependence have been translated into effective demands for governments to engage in regional collaboration.

THE SOURCES OF TRADE POLICY IN EAST ASIA

In recent years, many IPE theorists have borrowed heavily from economics in their efforts to explain the growth of regionalism. The starting assumption in the literature on the political economy of trade policy is that governments are rational actors whose primary concern is to maximize their utility, which in this instance means re-election to office. Exporting interests will lobby the government for improved access to foreign markets. But why would governments that respond to their pressures, and exporters themselves, choose a regional (preferential) approach to trade liberalization rather than a non-discriminatory global agreement, which all economic modeling suggests would bring larger aggregate economic gains?

For governments, the political advantage of PTAs is that they can exploit the lax discipline of the WTO's rules on regional trade agreements to exclude sensitive domestic sectors from the liberalization process, which, consequently, poses fewer political risks for them (Grossman and Helpman, 1995). For firms, the literature predicts that exporting interests are more likely to lobby for regional rather than global liberalization when they are competitive within the proposed regional market but not at the global level. A variant of this argument suggests that a regional trade agreement will be particularly attractive to companies that either currently or could depend on a regional market to realize economies of scale (Chase, 2005; Milner, 1997). Although attractive as a theoretical proposition, little empirical support has been offered for arguments based on scale economies. In many industrial sectors, the introduction of numerically-controlled machine tools has facilitated more flexible manufacturing, making shorter production runs more viable. Similarly, economies of scope have substituted for economies of scale. In any event, the relatively small additional markets provided by the current PTAs involving East Asian economies render such arguments implausible as an explanation for the new East Asian regionalism.

An intuitively more persuasive explanation views the support that exporting interests give to PTAs as being driven primarily by defensive concerns. For Baldwin (1993), the new enthusiasm of exporting interests for regionalism in the 1990s was triggered by 'idiosyncratic' developments – NAFTA, and the EU's move to a Single Internal Market. A 'domino effect' of proliferating PTAs was created as exporting interests in countries excluded from the new regional arrangements pressured their governments to negotiate their own agreements to level the playing field with their rivals within the PTAs.

Regionalism is indeed the product of purposive action by state elites. But where does the initiative for trade policy originate? Most of the writing on the political economy of trade policy has been developed in the context of the US political system where the legislature, especially in a context of weak party discipline, enjoys a more central role in trade policy-making than its counterparts in other industrialized economies. And the central assumption of arguably the most influential political economy model of regional trade agreements (Grossman and Helpman, 1995) is that trade policy is driven by government calculations of its likely impact on campaign contributions. Despite the US-centric character of the premises, the expectation is that the propositions are of universal applicability: economic and political rationality knows no geographical bounds.

Yet, institutional configurations matter. The extensive literature on East Asian political economy suggests that the logic of political action may be different in that part of the world. In particular, researchers have asserted that the state has been both a relatively autonomous actor and the lead player in formulating economic policies – whether of a 'developmental' type as in Northeast Asia (Amsden, 1989; Deyo, 1987; Johnson, 1982; Wade, 1990; Woo-Cumings, 1999) or those that facilitate rent-seeking patrimonialism as in many Southeast Asian countries (Mackie, 1988; MacIntyre 1991). This literature argues that the state enjoys substantial autonomy from domestic interests in formulating foreign economic policies: implicit is the idea that models of economic policy-making that depend on predictions of the behavior of the median voter are unlikely to have much purchase in East Asia's authoritarian and quasi-democratic polities.

In Singapore, government-linked corporations dominate the local economy, providing an opportunity, Lee (2006) notes, for the state to impose its trade policy priorities with little domestic resistance. In Taiwan, Hseuh (2006: 170) asserts, a different logic of state action applies: because of the relative political weakness of sectoral interests and the government's pre-occupation with the Cross-Straits relationship, 'the Taiwanese government's trade policy is often made in response not to domestic economic interests, but rather to the international political economic environment of threat under which Taiwan is forced to operate' (see also Dent, 2005). In Thailand, where the administration of former Prime Minister Thaksin

Shinawatra embarked on an active policy of simultaneously negotiating multiple PTAs with partners as diverse as Croatia and Peru, Nagai (2003: 279) states bluntly that 'the private sector does not play an important role in forming FTA policy'. Similarly, Chirathivat and Mallikamas (2004) noted that under Thaksin, 'academia, policy-makers and even the business sector have difficulties monitoring the longer term development and progress of this FTA strategy'; some of Thailand's PTAs, Hoadley (2008: 111) contends, 'seemed impulsive, the result of tourism by Thai leaders, for which the preparatory staff work had not been done'.

And in Southeast Asia in particular, the configuration of economic actors may be very different from that in Western industrialized economies, with consequences for both policy preferences and the policy-making process itself. In Malaysia and in Singapore, for instance, subsidiaries of multinational corporations are responsible for more than 80 per cent of the value of domestic exports. The regional production networks they operate often import components from a number of countries for local assembly for ultimate export to markets outside East Asia. Their interests in trade agreements *within* the region, therefore, may lie less in securing tariff reductions in other countries' markets than in ensuring low *domestic* barriers to the components they wish to import.

The one example that is often cited in support of arguments that domestic business interests were a primary driving force in the new regionalism is the PTA between Japan and Mexico. In the negotiation of this agreement, a domino effect is said to have occurred with Japanese business interests, led by *Keidanren*, the peak organization of large Japanese business firms, scrambling to level a playing field that had been tilted against them by the implementation of NAFTA (particularly by the changes it required in Mexico's treatment of maquiladora industries) and by the negotiation of a PTA between Mexico and the European Union (Solis, 2003). Manger (2005) uses the Mexican case to argue that Japanese business interests were the driving force behind the government's PTAs, and that trade policy-makers were motivated primarily by their need to cater to their core constituents, that is, manufacturing firms. In short, in Manger's (2005: 806) words, lobbying by firms was 'crucial in motivating Japanese policymakers to pursue FTA'.

The evidence is more equivocal than acknowledged by such arguments, however. *Keidanren* did publish strong statements in support of the government's concluding a PTA with Mexico *after* negotiations were under way. But several dimensions of the case are inconvenient for those who see the negotiations for a PTA as being driven primarily by Japanese business interests that were responding to their disadvantaged position in an important export market. First, the initiative for the PTA came not from Japan but from Mexico, initially an informal proposal from the Mexican Secretary of Commerce and Industrial Development, Herminie Blanco

Mendoza, to the Chairman of the Japan External Trade Organization, Noboru Hatakeyama, on a visit to Tokyo in June 1998. It was only after the Mexican president repeated the invitation, at the 22nd Japan-Mexico Businessmen's Joint Committee, hosted by *Keidanren* in Tokyo in January 1999, that *Keidanren* established a working group to examine the possible effects of a PTA between Japan and Mexico (Ogita, 2003: 220–2). Second, the initial response of the Japanese government was not to pursue a PTA but to offer the counter-proposal of a bilateral investment treaty. The proposed bilateral investment treaty would have given Japanese firms most-favored-investor status (something the Mexican government subsequently refused to concede except in the context of a PTA) but would not have addressed market access concerns. Third, a JETRO survey conducted among Japanese subsidiaries in Mexico in the second half of 1999, after the initiative had been launched, Ogita (2003: 244) reports, found no company stating that it required a PTA to sustain its Mexican operations. Fourth, even though the public position adopted by *Keidanren* favored a PTA, the business sector in Japan was by no means unified on the issue.

The *Keidanren* position was driven primarily by electronics companies (its committee that researched the Japan–Mexico PTA was chaired by an official of Matsushita Electronics). But automobile companies were split on the proposal: those that already had established assembly operations in Mexico (and enjoyed duty-free imports under an export-offset arrangement) were concerned that a PTA would lead to greater competition from other Japanese assemblers that would now be able to ship duty-free from their home base (Sekizawa, 2008). Moreover, even the initial enthusiasm of the electronics industry for the proposed PTA was tempered when the Mexican government, in July 2001, announced a new Sectoral Promotion Program (PROSEC) under which manufacturers, regardless of nationality, could petition the government for relief on 16,000 tariff lines in 22 industrial sectors – including electronics. To circumvent the problems that NAFTA Article 3 had created for the maquiladoras, the tariff reductions under PROSEC on imported components were not made conditional on the export of the final product. By the time the PTA with Mexico was implemented, Japanese electronics companies no longer needed it. Not surprisingly, therefore, Ando's (2007) study of the initial impact of the Japan–Mexico agreement on bilateral trade found that it had a negligible effect on Japanese exports of electrical machinery because exports from this sector already enjoyed duty-free access to the Mexican market either under MFN rates or through the PROSEC arrangements.

Japan's Ministry of Economy and Industry had been re-considering its approach to trade policy even before the invitation from the Mexican government to negotiate a PTA. Elements within the ministry had been disappointed at the Japanese government's failure to back the proposal from Malaysia's Prime Minister Mahathir Mohamed for an East Asian Economic

Group; the financial crisis and subsequent unhelpful response from Western governments and existing regional institutions alike reinforced the case for strengthening regional cooperation and opened a window for policy change (Munakata, 2006b provides the most detailed discussion; see also Krauss, 2003; Ogita, 2003). The policy appeared to be driven more by geopolitical concerns and a desire to enhance the effectiveness of Japan's economic diplomacy both within East Asia and globally rather than by efforts to level the playing field for Japanese business. Japanese companies did not face significant economic competition in Southeast Asia where there were no PTAs that provided any substantial advantage to competitors, and where they were able to take advantage of various duty draw-back arrangements to import components duty-free for products destined for export to third country markets. Hence, the first PTA that Japan negotiated was with Singapore, essentially a free port, where Japanese exporters faced tariffs on only four product lines: the agreement provided minimal gains for Japanese economic interests. The Japanese government reportedly sought support from the business community for the agreement but failed to gain an enthusiastic response (Ogita, 2003: 244). A subsequent decision to negotiate with ASEAN as a whole was prompted by China's proposal of a PTA to ASEAN (which itself followed quickly after Singapore's initiation of negotiations for PTAs with the United States and Australia) – again primarily a reflection of defensive diplomatic-strategic concerns rather than economic issues or lobbying by the business community (Munakata, 2006b: 117, 121).

I have given detailed consideration to the Japan–Mexico negotiations because this is the case that commentators rely on in making a case for business primacy in driving PTAs in the region. No commentator would be so naïve as to suggest that governments in their foreign economic policy-making pay no attention to the interests of domestic firms. But little evidence can be drawn from the Mexican negotiations to support the argument that lobbying by business interests was 'crucial' for the switch in Japanese government policy away from multilateralism towards the negotiation of PTAs. Rather, the change in policy was largely government-driven, an attempt to stimulate East Asian cooperation in the wake of the financial crisis, and to ensure Japan's centrality within the emerging regional architecture (cf. Sekizawa, 2009: 'a popular argument is that industry pressured the government to pursue FTAs, but my own research suggests that this is an exaggeration, with industry actually putting very little pressure on government to hit the FTA trail'). A similar government-led process is evident across the region. Interviews I conducted in Korea, for instance, indicated that the government determined the choice of partners with which to negotiate FTAs: government officials reported that many businesses were either ill-informed about and/or indifferent to the government's strategy. Q5

Even if one were to concede a role for business lobbies in driving the PTAs, this lobbying evidently was offset to a considerable extent by the Japanese government's concern for other domestic economic interests that opposed the domestic liberalization that they feared would accompany PTAs (see Solis article in this special section). The East Asian experience does provide strong support for one political economy argument: that in negotiating PTAs governments have been pre-occupied with balancing, on the one hand, the potential economic gains from liberalization (and possible increased political support from exporting interests) with, on the other, the potential loss of support from domestic interests hurt by liberalization. Given the autonomy from societal interests that many Asian states are said to enjoy, governments might be anticipated to be able to resist domestic pressures in their design of PTAs. But protectionist interests have frequently triumphed. Again, institutional design has been important – as noted in the Solis and Jiang contributions to this special section. Protectionist interests have often been aided by electoral systems that over-represent the countryside. In its choice of partners for PTAs the Japanese government appeared to be motivated as much by a concern to minimize domestic economic adjustment costs as to maximize gains in foreign markets, hence the choice of relatively minor economic partners, and the exclusion of most agricultural products that competed with domestic production (see, for example, Mulgan, 2008; Solis, 2003, Solis in this special section).

More generally, the significance of political factors in shaping the agreements is seen in their often superficial content, which in turn has implications for the 'domino' effects such agreements create.

A POLITICAL DOMINO EFFECT?

Richard Baldwin's (1993) influential 'domino theory' of regionalism rests on the argument that PTAs will proliferate once exporting interests that are disadvantaged by an agreement signed by the government of the country in which their principal competitors are located demand that their own government level the playing field by negotiating an equivalent agreement. Baldwin has extended the argument to suggest that the proliferation of PTAs will ultimately provide a platform for trade liberalization on a broader geographical scale: PTAs generate their own non-tariff-barriers in the form of incompatible rules of origin that will lead businesses that operate increasingly globalized production networks to demand a multilateralization of regional arrangements (Baldwin, 2006). A straightforward explanation for the proliferation of trade agreements involving East Asian governments follows from the domino theory: it simply reflects a rational response on the part of business groups to their being disadvantaged by preferential arrangements afforded their competitors.

But has a domino effect been in operation in East Asia in the years since the financial crises? Arguments in the previous section questioned assumptions about the centrality of business in trade policy-making in most East Asian economies. In this section, the focus is on how business interests are being affected by the proliferation of PTAs.

Preferential trade agreements by definition are discriminatory in character, and therefore in breach of the most fundamental principle of the WTO, its most-favored nation (MFN) clause. Regional trade arrangements were legitimized first under Article XXIV of the original General Agreement on Tariffs and Trade (GATT) and subsequently (for arrangements solely involving less developed economies) under the 1979 Enabling Clause, and for services under Article V of the General Agreement on Trade in Services (GATS). WTO members have failed to agree on operationalizing the requirements of Article XXIV that PTAs should cover 'substantially all trade' among their signatories – with the consequence that PTAs have largely escaped effective scrutiny by the international community. The Enabling Clause, meanwhile, does not require even the loose disciplines of Article XXIV, providing only (in its third paragraph) that preferential arrangements involving less developed economies should not 'raise barriers to or create undue difficulties for the trade of any other contracting parties' and shall not constitute an impediment to the reduction or elimination of tariffs and other barriers on a most-favored-nation basis.

As noted above, it is the capacity to take advantage of the lax discipline of WTO requirements on PTAs that is one basis of their political attractiveness for governments (for further discussion see Ravenhill, 2003). For business, the appeal of PTAs is two-fold. They can provide a 'positional good' if they afford an advantage that is not available to competitors. Second, PTAs may be regarded as essential for removing disadvantages generated by the PTAs enjoyed by competitors. In the first instance, we would expect to see business lobbying to preserve any advantage that PTAs have created. In the second, lobbying would be prompted by desires to level the playing field. For PTAs to have such effects, their content must create significant advantage or disadvantage for business groups. For several reasons, skepticism that current PTAs involving East Asian economies have had such effects is warranted.

The first points to the limited coverage of many of the agreements, particularly those exclusively among the region's developing economies. Taking advantage of the lack of specificity of the Enabling Clause requirements, the agreements entered into by ASEAN, China, and India are vague in their provisions, frequently failing to clearly specify the products that will be included and the specific tariff rates that will apply (ASEAN's definition of 'free' trade is tariffs that fall in the range from 0 to 5 per cent). Moreover, agreements involving these countries typically have lengthy timetables for implementation. India is particularly notorious for seeking to carve

out substantial sectors of its economy from its PTAs. In its agreement with Singapore, for instance, only 4.3 per cent of products were granted duty-free access when the agreement was initially implemented, while 56 per cent of the total was completely excluded from the agreement (Institute of South Asian Studies, 2006: 24–5).

Few of the agreements involving the region's less developed economies are 'WTO Plus' in scope: they fail to address issues of 'deeper integration' such as intellectual property rights, investment and competition policies, government procurement, the environment and labor standards. On services, the region's developing economies have seldom gone beyond a restatement of their existing commitments under GATS. But in their lack of ambition they are not unique. Although the agreements involving industrialized economies (Japan, Australia, New Zealand) do attempt to extend coverage of trade in services, and in some instances include provisions on government procurement, competition policy, the environment and labor standards, the measures are typically shallow, for instance, commitments not to use lax environmental standards to attract investment. And their references to intellectual property rights are typically no more than re-statements of the governments' commitments under existing international agreements. Even on services, industrialized countries have failed to extract substantial concessions from the region's developing economies (Ravenhill, 2008b). Some of the more advanced economies have also taken advantage of the lax disciplines of the WTO to carve out sensitive sectors – most notably, of course, agriculture, but also key service industries – from their liberalization schedules.

Do East Asian PTAs significantly disadvantage non-participants?

The proliferation of PTAs within the region has created regular work for economic modelers. Most of the negotiations for PTAs have been preceded by the creation of 'study groups', which in turn have commissioned (either from private consultancies, think tanks or academic economists) economic modeling exercises to gauge the potential welfare gains from the proposed agreements. These exercises, because they involve *ex ante* estimation of the impact of the PTA, typically apply a computable general equilibrium (CGE) model. Although a core component of the contemporary economist's toolkit, CGE models have a number of significant limitations, especially when applied in the context of PTAs.

The results generated by CGE models are dictated by the parameters chosen, which inevitably rest on a number of simplifying assumptions on how economies work and on how they will be affected by a PTA. As noted by the lead economists of a major World Bank project on regional trade

arrangements, in CGE modeling 'critical relationships are often specified with no empirical justification; many crucial variables cannot be measured satisfactorily; the level of sectoral detail is often rather low . . . and the specification of the behavioral relationships is usually very simple' (Schiff and Winters, 2003: 49). Even economists sympathetic to CGE modeling acknowledge that the record of assumptions regarding the substitution elasticities governing trade flows, critical to the modeling of trade agreements, is 'checkered at best' (Hertel *et al*., 2004).

The most important assumption that CGE models make regarding PTAs is that they will be 'clean', that is, they will involve a complete removal of tariff barriers, and that potentially restrictive non-tariff barriers such as the rules of origin that are an inevitable component of free trade agreements will generate no significant distortions. As already noted, however, the lax disciplines imposed by the WTO on PTAs has meant that such assumptions are not reflected in the agreements negotiated by East Asian governments. Other problematic common assumptions found in CGE models, and utilized in the most comprehensive modeling of East Asian PTAs published to date (Scollay and Gilbert, 2001), are that industrial sectors are under perfect competition (no returns to scale, etc.), that national and foreign goods are imperfect substitutes for one another (the 'Armington assumption', which discounts the possibility, for instance, that a Honda produced in Thailand will be identical to the same model manufactured in Japan), and that no factor mobility occurs across national borders. Further unrealistic assumptions are introduced in the various 'closure rules' that the models use, e.g. employment is constant, and the wage endogenous (for further discussion see Kimura, 2006; Taylor and Amim, 2007).

Even with the assumption of a comprehensive liberalization of trade between parties, CGE models predict very low aggregate welfare gains from PTAs – typically less than 0.1 per cent of GDP for an industrialized economy with low tariffs (Kimura, 2006: 65). Although the assumption of clean implementation of PTAs may lead CGE modelers to over-estimate their benefits, many economists believe that the static nature of the models fails to capture some of the potentially important effects of PTAs, e.g. stimulation of foreign investment. Consequently, the distinguished Japanese trade economist, Fukio Kimura (2006: 65) notes, 'researchers face strong temptations to enlarge the estimated effects by introducing model settings that include accumulation, technological progress, and FDI'. He cautions that such extensions are entirely 'ad hoc'. It would not be unreasonable to assume that such temptations are strengthened by the desire to provide government patrons with the results that they want to see. The outcome can be a modeling process based on assumptions far divorced from reality.

An egregious example occurred in the context of the negotiation of a PTA between Australia and the United States. A consulting firm's original modeling of the agreement assumed a clean implementation of a

comprehensive agreement. The anticipated welfare gains to Australia were driven primarily by increased exports of sugar and dairy products, which were estimated to contribute 60 per cent of the total increase in Australian exports projected for the PTA (Centre for International Economics, 2001). When an agreement was reached that excluded sugar and severely limited the potential for expansion of Australian exports of dairy products, the Australian government commissioned a second report from the same consulting firm. This second study attempted to measure the potential dynamic effects of the agreement, suggesting that investment liberalization and 'dynamic productivity improvement' resulting from the agreement would contribute a welfare gain four times the magnitude of that derived from trade liberalization, and that the total welfare gain would be more than double that estimated in the original study (Centre for International Economics, 2004). Few economists found the assumptions underlying the new model to be plausible.

Economic modeling of PTAs, then, gives little confidence that these arrangements will result in any substantial welfare gains for participating states. *A priori* reasoning supports a skeptical conclusion about their aggregate economic impact. Two factors of importance here have already been noted. The first is the capacity of governments to exclude politically-sensitive sectors, that is, the ones that are most likely to have the highest levels of protection. The second is the trend in East Asia for negotiations to be conducted with countries that are relatively minor trading partners. To these must be added several others.

- Overall tariff levels are low, even for many less developed economies so that a PTA may provide a partner with limited preferential advantages. Moreover, given the extended time period afforded countries to phase in reduced tariffs under PTAs, situations may arise where the preferential tariff is actually *higher* than the MFN tariff. In his study of Japan's PTA with Mexico, Ando (2007: 7–8) found that in January 2007 about one half (close to 10,000) of Mexico's MFN tariff lines on manufacturing and mining commodities were *lower* than those that Japanese exporters enjoyed through the provisions of the PTA.
- Various mechanisms (duty-drawback arrangements, export-free zones, and sectoral trade arrangements – especially the Information Technology Agreement) already provide duty-free access for components to many economies in the region.
- In a world of floating exchange rates, any advantage provided by a PTA may be more than offset by currency realignments.
- Restrictive rules of origin together with other limitations on liberalization, such as tariff rate quotas, seasonal limitations, etc. may constitute significant non-tariff barriers that limit the benefits from an agreement.

Does business take advantage of current PTAs?

CGE modeling of the welfare effects of PTAs assumes not only that the agreements will have comprehensive coverage and be cleanly implemented but also that traders will take advantage of their provisions – which, in reality, is another problematic assumption. The incomplete coverage of trade afforded by PTAs creates uncertainty for business. Rules of origin generate costs that firms must incur if they are to gain access to the preferential tariffs. The cost of complying with rules of origin is estimated to vary from four to eight per cent of the overall value of a consignment (Estevadeordal, Harris and Suominen, 2007), which may not be substantially less than the advantage afforded by a preferential tariff.

Estimating the extent to which traders take advantage of PTAs is complicated by the failure of most Asian customs offices to collect or publish specific information on the value of trade that takes advantage of preferential tariffs. Only two countries regularly publish this information: Malaysia and Thailand. In 2007, the percentage of Thai exports to other ASEAN countries that took advantage of the ASEAN Free Trade Area (AFTA) amounted to 30.9 per cent (as reported by Hiratsuka *et al*., 2008: 415 citing an unreferenced JETRO study) (up from the 21 per cent in 2005 reported by an earlier study (Prasert, 2007: 123)). The equivalent figure for Malaysia was 19.1 per cent. For the Philippines, a study of customs documentation suggested that in 2005 only 14 per cent of exports to other ASEAN countries took advantage of AFTA preferences (Avila and Manzano, 2007: 109). These figures are higher than the notorious estimate that Q6
less than 5 per cent of intra-ASEAN trade was conducted under the preferential rules established by AFTA (McKinsey and Company, 2003); the overall ASEAN usage of preferences is dragged down, however, by the lower income economies. Cambodia issued only 23 certificates of origin for AFTA in 2005, for trade with a total value of under one half of a million dollars (Kakada and Hach, 2007: 70). A study of the issuance of ASEAN's Form D by the Foreign Trade Department of the Ministry of Commerce in Laos indicates that only 0.1 per cent of that country's trade with other ASEAN economies, by far the major trading partners of Laos, make use of AFTA preferences (Phetmany and Rio, 2007: 105). Anas (2007: 91) estimates that less than 4 per cent of Indonesia's exports to other ASEAN economies makes use of AFTA's provisions; for Vietnam, the figure was under 8 per cent (Van, 2007).

Similarly low utilization rates have been reported for other preferential arrangements involving Asian countries. Thai customs data indicate that only 11 per cent of Thai exports took advantage of the China–ASEAN FTA (CAFTA) in 2007 (Hiratsuka *et al*., 2008: 415). Case studies based on the issue of the appropriate rules of origin documentation suggest even lower rates of utilization in other countries. Anas (2007: 91) estimated that only

2 per cent of Indonesian exports were using the preferential provisions of this agreement. For Cambodia, only 6 certificates of origin were issued in 2005 for exports to China, for a total value of under $100,000 (Kakada and Hach, 2007: 70). Chinese exporters similarly failed to make use of the agreement: in 2005, the value of trade covered by Form E, required for certification of rules of origin compliance under CAFTA, amounted to less than one third of one per cent of China's exports to ASEAN (Zeui, 2007: 81).

The relatively recent (and phased implementation) of the CAFTA (implementation began in 2005 and will not be complete until 2010 (2015 for Cambodia, Laos and Myanmar)) may have contributed to the low utilization of its preferential arrangements. But the continuing low take-up of preferences in ASEAN's own free trade agreement suggests that there are broader factors at work in the Asian region. Even if one attempted a more relevant but more complex calculation, that is, the percentage of trade in products with non-zero MFN tariffs that takes advantage of the preferential arrangements, it is clear that the figure would still be small. The utilization of AFTA preferences is exceptionally low by international standards (and contrasts with, for example, over 60 per cent of the total value of Mexican and Chilean exports to the US taking advantage of preferential arrangements, and similar figures being reported for many European agreements).

In the absence of customs data for most of the countries in the region, estimates of the utilization of PTAs have depended on surveys of firms. Such studies have numerous problems, not least issues relating to the representativeness of the sample of firms that take the trouble to respond to the surveys. And no inferences can be drawn from the percentage of firms that report that they utilize PTAs to the actual percentage of trade that takes advantage of these agreements. The data suggest a 'glass half full, glass half empty' situation. On the one hand, the percentage of firms that report that they have used PTAs has increased over the years. Nonetheless the percentage doing so remains relatively low both in absolute terms and relative to the take-up of such agreements in other parts of the world. Kawai and Wignaraja (2009: 11) report that 22 per cent of 609 firms from Japan, Singapore, Korea, Thailand, and the Philippines make use of FTAs; an almost identical figure (23 per cent) is reported for 607 Japanese affiliates in ASEAN, India and Oceania by (Hiratsuka *et al.*, 2008: 415). Takahashi and Urata (2009), from a survey of 1,688 Japanese companies, report utilization rates of Japan's FTAs ranging from 12.2 per cent for the Malaysian agreement to 23.7 per cent for the Chile agreement to 32.9 per cent for that with Mexico. Chia Siow Yue (2008) reports substantially lower utilization rates for companies based in Singapore – only seven of 75 companies surveyed had made use of AFTA. Fifty-two of the sample of 75 firms reported that they had not utilized and had no intention of utilizing *any* of Singapore's large number of PTAs.

Of particular interest in the survey reports are the grounds companies provide for not taking advantage of PTAs. These provide strong support for the *a priori* reasoning earlier in this article about the likely effects of the agreements. Reasons commonly cited included negligible preferential margins (with specific reference sometimes given to concessions enjoyed through the ITA, export-processing zones and/or the removal of tariffs by investment incentives), and the costs (and delays) incurred by attempting to obtain relevant documentation required by the agreements. Hiratsuka *et al*. (2008: 415) calculated that the average tariff value at which Japanese firms would make use of PTAs was 5.3 per cent, a figure consistent with calculations of the cost of compliance with rules of origin cited above. For the China–ASEAN FTA, Prasert (2007: 123) reports that the average preferential margin for Thai exports was only 1.03 per cent, a strong factor in the very low usage of the scheme. Well under 10 per cent of the Japanese firms surveyed by Takahashi and Urata (2009: Table 3) reported that the FTAs had led to an increase in their exports.

Ex post evaluations of the impact of PTAs in East Asia are likely to be particularly prone to error given the relatively brief period that many of the agreements have been in force, the extended timetables for their complete implementation, and the intervention of other variables. Changes in exchange rates are often the most important of the latter; these can easily offset any advantages afforded by a preferential tariff. Other unanticipated developments may have significant consequences on bilateral trade for reasons that have little or nothing to do with a preferential trade agreement. For instance, the substantial increase in Mexican exports of beef to Japan after the implementation of the Japan–Mexico agreement (the commodity where Mexican exports experienced the largest post-PTA increase) was caused not by the preferences created by the agreement (which allowed for a duty-free quota of only 10 metric tons for the first two years) but by the BSE outbreak in the US, which led to Japan banning imports from this source (Ando, 2007: 9). Moreover, examinations of aggregate trade data can be misleading because changes in bilateral trade may be driven by products where the MFN tariff was zero or where, for other reasons such as previous duty drawback arrangements, the PTA did not create any preferential advantage.

Detailed studies of trade in products where agreements have created preferences will be required before definitive judgments are reached on the impact of PTAs on welfare. But preliminary indications support intuitive *a priori* reasoning about the likely limited potential of the agreements. Consider, for instance, the much-vaunted 'Early Harvest' provisions of the China–ASEAN Free Trade Agreement: these covered trade of a total value of less than $1 million (Munakata, 2006b: 118). PTAs with Singapore,

given its zero tariffs on all except a handful of merchandise products, will only generate benefits of any significance in services trade – and while these may be of import to individual financial services firms or law firms, they will not have a noticeable impact on aggregate bilateral trade. Similarly, agreements on merchandise trade with Japan, especially given the pattern of excluding the heavily protected agricultural sector from any major concessions, are unlikely to generate major welfare gains: following the implementation of its Uruguay Round commitments, more than half of Japan's tariff lines were bound at zero: its average tariff on manufactures was 3.5 per cent.

All the evidence that points to the probable limited economic impact of existing PTAs has significant implications for the likelihood that they will generate an economic domino effect. If businesses are not adversely affected by the negotiation of PTAs that favor their rivals, then they are not likely to lobby their governments to negotiate similar arrangements. Similarly, if PTAs do not create significant benefits for domestic businesses, they would not be expected to lobby governments to maintain the 'positional goods' that PTAs are expected to create – as Baldwin (2006: 1469) acknowledges, there is little evidence in the real world that governments have been unwilling to extend the benefits of PTAs to third parties, suggesting that business either has not lobbied to prevent the erosion of preferential margins that the proliferation of agreements would generate or that any such lobbying has been ineffective. To the extent that business interests in East Asia have lobbied against any proliferation of PTAs, the pressure has come overwhelmingly from protectionist interests concerned that their position will be further eroded by additional PTAs. The evidence we have to date, however, suggests substantial indifference on the part of business interests to the proliferation of PTAs.

If the domino effect has not caused business to lobby for PTAs, and the overall welfare effects of such agreements appears likely to be minimal, are there other economic effects that might have stimulated government interests in negotiating such agreements? Some observers (extrapolating from the early experience of NAFTA), believe PTAs may stimulate a substantial boost to investment flows. The preliminary evidence available for some of the region's earlier PTAs, however, shows no positive correlation between the signature of an agreement and subsequent investment flows (on the Singapore experience see Low, 2008).

How, then, does one explain East Asian governments' enthusiasm for PTAs? Some of it undoubtedly is based on the opportunity they afford to pursue trade policies that maximize domestic political advantage (or minimize domestic political costs). But much of the explanation lies not in economics but in governments' political–strategic considerations. The explosion of PTAs in the region has been driven by a 'political domino effect', with governments' primary concern being their potential exclusion from

a new dimension of regional economic diplomacy. Choi and Lee (2005: 15) note, for instance, that the Korean government expressed increasing alarm in the early years of the new millennium at being isolated as the only WTO member besides Mongolia that had not entered into a PTA. With the economy in disarray in the immediate post-financial crisis period, Korea had experienced difficulties in finding potential partners willing to negotiate with it (Park and Koo, 2007).

Once the PTA bandwagon started rolling, competitive regionalism became the name of the game. As Munakata (2006a: 133) argues, competing conceptions of the region rather than a desire to reduce transaction costs have been the principal driving force. Of particular significance here has been the rivalry between China and Japan for leadership in East Asia. China's offer of a PTA to ASEAN was a diplomatic masterstroke. It was designed to assuage ASEAN fears (reinforced by contemporaneous econometric studies) that low-income Southeast Asian economies would be the principal losers from China's accession to the WTO (Ravenhill, 2006). But it also served to place Tokyo on the defensive because of the domestic problems Japan faced in negotiating comprehensive agreements with ASEAN economies that were significant exporters of agricultural products. Moreover, its status as a 'framework' agreement not only was in keeping with ASEAN's own preference for a lack of specificity in trade liberalization but was also likely to impose few domestic costs on the Chinese economy.

With governments unhappy at the prospect of missing out on new diplomatic opportunities, they clamored to enter agreements. Recipients of requests for negotiations faced a dilemma: a negative response would have been regarded as undiplomatic in a region where 'face' is of great importance. Governments frequently found themselves under pressure to sign on to negotiations with relatively minor partners (or with partners in whose capacity or commitment to implement effective arrangements they had little confidence – for an earlier discussion of such problems in US negotiations with Japan, see Cowhey, 1993).

The proliferation of PTAs has been driven more by a political domino than an economic domino effect. A survey of elite opinion in eight Asia-Pacific countries (Dent 2006b: Chapter Two) provides support for this conclusion: 'strengthening *diplomatic* relations with key trade partners' (emphasis added) was the reason most frequently cited for the negotiation of PTAs. The failure of the vast majority of businesses to take advantage of current PTAs also casts doubt on Richard Baldwin's argument that the proliferation of PTAs will generate a business-led momentum towards multilateralization of the agreements. Faced with potential benefits that are minor compared with the costs of compliance with any agreement, most businesses have simply displayed indifference towards the whole panoply of preferential trading arrangements.

CONCLUSION

Despite the hype, there is little evidence to date that significant region-wide inter-governmental collaboration is emerging in East Asia. Two factors are important here. First, the vast majority of inter-governmental collaboration is bilateral in character (and, in the trade field, more often undertaken with countries outside of East Asia than within it). Although a large number of projects have been launched under the ASEAN Plus Three umbrella, these are typically initiated and financed by one of the Plus Three countries with little or no input from the others. The outcome is a series of 'bilateral' ASEAN Plus One projects – 'Chinese', 'Japanese' and 'Korean' – rather than 'East Asian' schemes.[2] At times the rivalry between China and Japan has led the two governments to propose rival projects to address the same issues, e.g. for Mekong regional cooperation (Yoshimatsu, 2008). In the field of financial cooperation, the Chiang Mai Initiative has until recently existed in the form of a series of bilateral swap agreements (Henning, 2009; Amyx, 2008; Grimes, 2006).

Second, East Asian regional projects have seldom aspired to more than information exchange and to establishing a dialogue. They involve little cooperation as the term is normally understood in international relations, that is, the adjustment of actor behavior to meet 'the actual or anticipated preferences of others, through a process of policy coordination' (Keohane, 1984: 51). East Asian governments have eschewed measures that would constrain their policy-making autonomy. One referee for this journal suggested that to apply such 'Western' criteria in assessing East Asian regionalism was inappropriate. This strikes me as the sort of argument that the late Susan Strange would have described as 'woolly'. The point here is not to praise one form of regional cooperation and to criticize others: rather, it is to understand why East Asian governments have chosen a particular institutional design for regional engagement, and what the consequences of this choice are. Institutional design matters (Aggarwal and Choi in this issue, Aggarwal, 1998; Koremenos, Lipson and Snidal, 2004; Acharya and Johnston, 2007). By choosing shallow arrangements, East Asian governments have limited the effects – both positive and negative – this cooperation will have on domestic interests and on economic welfare more generally, and, consequently, on the political dynamics they will set in train.[3]

The shallowness of current East Asian regionalism reflects the primacy of political motivations in driving inter-governmental agreements on trade and finance. This article has suggested that little support can be found for arguments that the new East Asian economic regionalism has been a response to the transaction costs of increased economic interdependence or that it has been driven primarily by business interests seeking either to enlarge the 'domestic' market or to level the playing field in response to trade

agreements that other countries have negotiated. Early evidence supports *a priori* expectations that the overall economic impact of the agreements East Asian governments have entered into to date is slight. The failure of business to make use of preferential trade provisions indicates that in the first 12 years of the new East Asian regionalism, the supply of such arrangements has exceeded the demand for them. The political domino effect to date has been more powerful than any economic domino effects.

Such a conclusion does not rule out the possibility that domino effects in the economic realm may become more important in the future. A scenario where Korea succeeds in negotiating, ratifying and implementing PTAs with the United States and the EU will put pressure on the Japanese government to follow suit. Japanese business interests have already expressed concern at the discrimination they will face if these agreements come into effect, and have argued for the negotiation of PTAs with Europe and the United States (Nippon Keidanren, 2009a, 2009b). But because of the significance of these trading relationships, such a domino effect will have as much an impact on the global trading system as on regional collaboration in East Asia.

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NOTES

1 For the broader EAS grouping, the figures were, respectively, 40.8% and 42.6%.
2 Interviews November 2007 – March 2008 with various East Asian government officials and the ASEAN Secretariat. For a comprehensive list of APT and ASEAN Plus One projects see ASEAN Secretariat (2008).
3 The decision by ASEAN Plus Three Finance Ministers in May 2009 to multilateralize the Chiang Mai Initiative, that is, to convert the bilateral swap arrangements into a self-managed reserve pooling arrangement, will require the development of surveillance mechanisms if it is to be fully implemented that will involve unprecedented monitoring of national government policies by an Asian regional institution.

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Korea's Eurasia Initiative and the Development of Russia's Far East and Siberia

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1. Introduction

The international economic order is caught in a rapid transformation today. The onset of the global financial crisis in 2008 has led the United States, Europe, and other advanced economies worldwide to sink into a deep recession, while consequently raising the relative political and economic profile of Eurasia on the international stage. Eurasia continues to emerge with increasing importance, garnering much attention and interest from worldwide.

One key cause of this phenomenon is the greater willingness that the states in Eurasia show toward cooperating with one another in order to enhance their own interests and positions. Russia, for instance, launched the Eurasian Economic Union (EEU) in January 2015, based on the Customs Union it has held with the neighboring states of Belarus and Kazakhstan. The EEU is poised to become a platform upon which Russia will extend its reach into other states in the region as well. Pursuing a new concept and vision of the "Euro-Pacific," Russia has also begun to pursue its so-called "Eastern Policy," actively seeking to develop the Russian Far East and Eastern Siberia and thereby enhance its presence in Asia-Pacific. China, in the meantime, has set out to build a new interstate economic zone in the region under its vision for the New Silk Road Economic Belt.[1] South Korea, for its part, has developed its Eurasia Initiative, involving the reinforcement of economic ties with other states in the region under a new paradigm for international economic cooperation, thus paving the ground upon which the reunified Korea could engage the region and the world in the future.

[1] In his address at Nazarbayev University in Kazakhstan on September 7, 2013, Xi Jinping, President of the People's Republic of China, delineated China's plan for the development of a new Silk Road Economic Belt encompassing a total population of three billion. Central Asia falls in the middle of the newly envisioned economic zone. For a more detailed discussion of the subject, see Ju Jang-hwan, "China's Policy Regarding Central Asia: Background, Terms, and Prospects of China's Westward Expansion Strategy," *Eurasia Initiative and the Future of Korea's Cooperation with Central Asia*, KIEP-Central Asian Economics Society International Seminar (Seoul), May 9, 2014, pp. 57-58.

The objective of this study is to delineate the key features of an appropriate strategy of Korea's cooperation with other states in Eurasia, based on an analysis of the current Eurasia Initiative. To this end, we need first to explore and understand how the recent rise of Eurasia in the world politics and economy has prompted the development of the Eurasia Initiative. Next, we need to review the key features and terms of the Eurasia Initiative, and reach our own evaluation and conclusion. Finally, we need to lay down the terms and conditions of a new and better strategy of Korea's cooperation with Eurasia, particularly focusing on Russia's plan for the development of the Russian Far East and Siberia.

2. Rise of Eurasia and the increasing need for cooperation

The recent rise of the relative standing and importance of Eurasia in international relations is rife with implications for the emergence of new superpowers and the transition of the world's political and economic center to the region. China, already regarded as one of the two superpowers on earth and positioned as the core of the eastern part of Eurasia, provides the case in point.[2] Moreover, Russia and the states of Central Asia, including Mongolia, are also continuing rapid economic growth based on the great growth potentials they harbor in the form of abundant natural resources.

The unstoppable economic growth and expansion of China in the 21st century has seriously threatened the existing world order underpinned by the American hegemony. Between 2000 and 2013, the Chinese economy grew at an unprecedented rate of 9.85 percent each year on average. A Goldman Sachs report from 2003 originally estimated that China's economy would grow larger than the American counterpart by 2041. In a 2008 report, however, the projection revisited the date to year 2027.[3] In 2013, China accounted for USD 9.24 trillion of the worldwide total gross domestic product (GDP), thus coming in second after the United States with its USD 16.8 trillion.

Russia, lying in the center of Eurasia, is the eighth largest economy in the world, with a GDP of USD 2.096 trillion as of 2013. With a population of 142.8 million and a GDP per capita of USD 14,680, Russia is emerging as one of the most important new markets in the world. In a report on the mid- to long-term prospects of the Russian economy in 2011, the Institute of World Economy and International Relations (IMEMO) projected that Russia would join the league of the world's five largest economies in just 10 years. As Table 1 shows, IMEMO forecast that Russia's contribution to the world GDP (in terms of the purchasing

[2] World Bank, *World Development Indicators* database, retrieved on July 1, 2014.
[3] Jim O Neil and Anna Stupnytskaya (2009), "The Long-Term Outlook for the BRICS and N-11 Post Crisis," *Global Economy Paper,* No. 192, p. 23.

power parity or PPP) and GDP per capita would increase from 2.1 percent and USD 19,700 in 2010 to 3.6 percent and USD 29,800 by 2020.[4]

Table 1. Prospects of Russian Economy

Indicator	2000	2010	2020	2030
Proportion in worldwide total population	2.4	2.1	1.9	1.8
Proportion in worldwide total GDP	3.3	3.7	3.6	3.7
GDP rank	9	6	5	4
GDP per capita (USD)	12,100	19,700	29,800	45,900

Note: The GDP was measured in terms of the PPP of 2009.
Source: ИМЭМО, Стратегический глобальный прогноз 2030, Магистр, Москва 2011.

Of course, there are some obstacles that may prevent these optimistic projections from materializing, at least by 2020, such as the economic sanctions that the United States and the European Union (EU) have imposed on Russia since March 2014 over the Ukraine Crisis. The Russian economy may not be able to maintain its annual growth rate of seven percent in the short run, but the country still possesses immeasurably great potentials for long-term development. Having joined the World Trade Organization (WTO) in August 2012, Russia has actively paved new grounds for its evolution into an international economic power, consolidating the institutions for the market economy and broadening the horizons of its commerce and trade. Once Russia begins to reinforce the fairness and transparency of its laws as required by the WTO, the country will set out to increase the volume of international trade and investment with even greater vigor, pursuing and strengthening ties of economic cooperation with neighboring states in Asia-Pacific and beyond. With the success of the development of the Russian Far East and Siberia, the Russian economy will expand at an unprecedented pace.

In the meantime, the states of Central Asia, including Mongolia, are also witnessing rapid growth of their economies. Uzbekistan and Kazakhstan, vying for leadership in Central Asia, saw their real GDPs grow by 8.25 percent and 6.45 percent, respectively, each year between 2011 and 2013.[5] Mongolia, one of the eight countries in the world with the greatest amounts of natural resources, also saw its real GDP grow by the remarkable rate of 11.78 percent a year during the same period of time. Mongolia is regarded as the country with the greatest growth potential in the world, with its GDP expected to multiply double- or even triple-fold in the next decade or so. With easy access to the massive markets all around, such as China, Russia, and India, Central Asia is increasingly looked to as the next source of energy capable of

[4] As of 2011, Russia's nominal GDP and trade amounted to USD 1.8504 trillion and USD 844.7 billion, respectively, which amounted to 2.64 percent and 2.39 percent of the worldwide total, respectively (see *Global Insight*).
[5] Global Insight (2014), *Online Database*, www.ihs.com; Economic Intelligence Unit (2014), *Online Database,* www.eiu.com.(accessed June 2014)

replacing or supplementing the Middle East. Mongolia is also evolving into an important emerging market with its supplies of mineral resources.

Taking all this into account, Korean policymakers need to diversify the end targets of its Eurasia Initiative, and reinforce ties of cooperation not only with China, but also the members of the Commonwealth of Independent States (CIS) and other important players in Eurasia. In other words, Korea needs not only to sustain and strengthen its cooperation across Asia-Pacific, but also improve the quality and strength of its relations with the states on the Eurasian continent, thus pursuing two-track development on both the sea and the continent simultaneously.

Russia is likely to become the most important partner in Korea's plan for enhancing partnership across Eurasia. This is so not only because of Russia's political and economic importance, but also because of its geographical proximity to the Korean Peninsula, and its likelihood to serve as the window through which the reunified Korea may enter Eurasia.[6] As the Putin administration has begun to accelerate the Russian plan for the Far Eastern development under the vision for the Euro-Pacific region, it is poised to welcome new opportunities for broadening cooperation with Asian-Pacific states. In order to ensure the success of its vision for Eurasia, Seoul needs first and foremost on building rapport and mutual confidence with Moscow, bringing them on a par with Korea's relations with the United States and Japan. The old practice in Korean politics of conscious distancing from Russia, with its roots in the Cold War era, should now come to an end, giving way to a more complex and thoroughgoing plan for political and economic cooperation.

South Korea has so far succeeded in multiplying the volumes of trade and economic cooperation with former Communist states under its Northward Expansion policy. However, the country now stands at crossroads and pay increasing attention to the *quality* of the cooperation it has with Eurasia. We need Northward Expansion Policy 2.0. Korea should therefore outgrow its focus on the mere exchange of goods, promoting, instead, increasing exchange of service and people, the development of infrastructure projects, and mutual investment with the states in Eurasia. Most importantly, Korea needs to reinforce its ties of partnership with Eurasia over energy, logistics, and transportation, thus preparing groundbreaking opportunities for mutual growth and expansion.

3. Main terms and evaluation of the Eurasia Initiative

At the KIEP Conference on Global Cooperation in the Era of Eurasia in October 2013, President Park Geun-hye advocated the Eurasia Initiative, emphasizing the need to promote economic growth and the peaceful reunification of the two Koreas through multi-level cooperation with the Eurasian continent. The Eurasia Initiative reflects the need for Korea to

[6] Олег Кирьянов, "Корея делает ставку на сотрудничество с Россией," http://www.rg.ru/2014/04/07/expert-site.html.

expand and strengthen cooperation with Eurasia amid the rapidly changing international economic order of today. As Korea relies heavily on international trade and investment, it needs to diversify its economic relations and pave the ground for sustainable economic growth by enhancing partnerships with Eurasian states.

As Table 2 shows, the Park administration's Eurasia Initiative is centered on three main ideals of Eurasia: that is, Eurasia as an integrated, creative, and peaceful continent. The initiative offers a big picture of the strategic actions to be taken to achieve these ideals.[7] Eurasia as an integrated continent, for example, requires the reinforcement of the logistics networks throughout the continent and also the elimination of physical barriers to exchange. It thus involves the development of the Silk Road Express (SRX), a comprehensive and complex cluster of networks, connection of Eurasia to the Northern Sea Route, international development of energy resources and networks in the region, and the expansion of energy infrastructure, such as smart grids. The initiative also envisions greater debates on the liberalization of trade (e.g., the negotiations on the tripartite free trade agreement among Korea, China, and Japan) and the creation of a single regional market based on mega-trade deals like the Regional Comprehensive Economic Partnership (RCEP) and the Trans-Pacific Partnership (TPP). Eurasia as a creative continent, in the meantime, requires greater cooperation across the region on the advancement of science, technology, and information for creative economy, fostering greater cultural and human exchange. Eurasia as a continent of peace requires the improvement of the relations on the Korean Peninsula and the growth of peaceful cooperation across Northeast Asia toward greater prosperity and peace for all in Eurasia.

Table 2. Main Terms and Features of the Eurasia Initiative

Ideal	Objectives and goals		
Integrated continent	(Single regional market) Creating networks of logistics, energy, and commerce		
	Logistics (connecting railroads and roads)	Energy (developing resources and smart grid)	Commerce (creating a single economic bloc)
	Connecting SRX and Northern Sea Route	Developing shale gas in China and oil and gas in Siberia	Accelerating negotiations for Korea-Japan-China FTA, RCEP, and TPP
Creative continent	Fostering economic, cultural, and human exchange for creative economy		
	Applying latest science and technology	Cultural exchange	Human exchange
	Creating new values-added by applying IT to energy/logistics	Organizing cultural events	Establishing networks for youth exchange
Continent of peace	Achieving peace and resolving security threats toward greater commerce and cultural exchange		
	Korean Peninsula Trust-Building Process	Northeast Asia Peaceful Cooperation Initiative	
	Paving grounds for peaceful reunification based on input from Russia and China	Cooperation on soft power issues, including climate change, natural disasters, and nuclear safety	

Source: a summary of President Park's keynote address at the KIEP Conference on Global Cooperation in the Era

[7] KIEP, Eurasia Initiative: Global Cooperation in the Era of Eurasia, 2013, pp. 12-19.

of Eurasia (October 18, 2013).

In sum, the Eurasia Initiative envisions a single integrated economic bloc of Asia and Europe, and region-wide solidarity for peace with far-reaching political and military implications. It represents aspirations toward creating a community of peace over and beyond Asia by fostering greater cooperation and exchange across diverse sectors, including transportation and logistics. The strong partnership among Eurasian member-states is necessary, in turn, to help the Korean Peninsula overcome the current state of tension by inducing North Korea to open up and embrace reform. The Eurasia Initiative therefore not only involves increasing trade and exchange with the states of Eurasia, but also ultimately seeks to improve the relations on the Korean Peninsula and reinforcing solidarity among Northeastern Asian countries.

The Korean Peninsula occupies a geopolitical key spot in the region, bridging the maritime and continental aspirations of all the neighboring states and superpowers of the world. It is small wonder that the peninsula has historically been one of the most frequently and hotly contested battlegrounds among powerful countries with imperial and colonial ambitions. It has also historically served as a gateway of civilizations and commerce. The experiences of the Korean War and the Cold War, however, have severely inhibited the two Koreas' ability to seek out and establish balanced partnerships with the rival powers of the world. The Northward Expansion policy of the Roh Tae-woo administration in South Korea, launched in the late 1980s, has brought Seoul closer to China and Russia. Nevertheless, in order for Korea to reclaim its identity as a key bridge between maritime and continental powers, it needs to reestablish the Korean Peninsula as an integrated economic zone, and shift the focus of its national development strategy from the maritime powers to the continental powers, thus making full use of the window of opportunity now open toward Eurasia.[8] In the light of these facts, the Park administration's Eurasia Initiative could not have come about at a more timely moment. In recognition of the growing uncertainty over the existing international economic order, the initiative emphasizes the need to strengthen Korea's partnerships with other states in Eurasia so as to ensure the sustainable growth of its economy, the improvement of its relations with the North, its successful entry into the Russian Far East and Siberia and Central Asia, and the creation of the new room up north for Korea's expansion.

The Eurasia Initiative is complex and multi-layered in its scope and goals. One can, however, hardly disagree with the view that the Eurasia Initiative is still largely a mere piece of conceptual document serving only a secondary role to specific policies and economic projects.[9] There are mainly two reasons for this. First, at the time of declaring the Eurasia Initiative, the Park administration has failed to offer concomitantly detailed policy or action plans in addition to the overarching vision it pronounced. Second, the regional scope of the

[8] Lee Jae-Young et al., *Korea's Mid- to Long-term Economic Strategy for Russia*, Seoul: KIEP, 2007, p. 161.

[9] Севастьянов С. В., "Евразпйский проект президента Владимира Путина и евразийская инитиатива президента Пак Кэнхе; Насколько сильна синергия?," Korea-Russia Cooperation in the Far East in light of the Eurasia Initiative, 9th KIEP-ERI Joint Seminar (Vladivostok), June 24-25, 2014, p. 200.

Eurasia Initiative is indeed quite broad, encompassing Asia and Europe, while the initiative itself fails to delineate specific zones or sub-zones of cooperation required. Of course, the Eurasia Initiative aspires toward being no more than a declaration of the sweeping vision and future ambitions of the Korean government. It is not an action plan in itself, but only requires detailed action plans to be developed subsequently.

Numerous organizations and research institutions of the Korean government have thus set out to find ways to realize the ideals of the Eurasia Initiative, organizing active debates and research projects. In the press briefing from the Blue House on February 6, 2014, the Korean government announced its plan for the development of the South-North Korea Railway, the Eurasia Railway, and the Peace Park. Various ministries and departments have organized interdepartmental policy debates to discuss specific goals concerning the Eurasia Initiative, and to review and develop the blueprints for subsequent actions, defining the countries or areas with greater priority for cooperation. Research institutions have begun to organize diverse conferences in and outside Korea, thus promoting the initiative and seeking out expert ideas and advice. Some of these research institutions have also organized teams of government officials, researchers, businesspeople, and the like as delegates visiting major states in Eurasia to participate in diverse policy discussions. The National Assembly, for its part, launched the Eurasia Railway Steering Committee in January 2014, with the goal of developing and implementing a master plan for the creation of the SRX. The private sector responded to this by organizing the Private-Sector Cooperation Committee for the Eurasia Railway in February of the same year, with the participation of major construction companies, public corporations and research institutions in Korea.

Early in 2014, 16 think tanks and policy study groups in Korea gathered together to assemble the Council of Eurasia Initiative Research Institutes, with the goal of creating a comprehensive and systemic economic cooperation road map and thereby delineating specific actions to be taken. The Council divides its research scope into five areas—transportation and logistics, energy and resources, agriculture/forestry/fishery, commerce and industries, and development finance—so as to identify core projects to be created in each and establish detailed plans. The final outcome, entitled the Road Map for Entering Eurasia: Toward Realizing the Eurasia Initiative, finally obtained approval on November 13 2014 at the Ministerial Meeting on Macroeconomic Issues. The road map envisions the Russian Far East, Central Asia, and Mongolia as the key hubs of the new networks to connect Eurasia, and calls for the elimination of physical barriers, greater networks for transportation and logistics, the establishment of new energy and ICT networks, and the creation of institutional supporting measures so as to ensure the creation of the SRX.[10]

In order for Korea to succeed with its Eurasian aspirations, it needs first and foremost to clarify the geographical scope of cooperation, naming specific countries with which it ought to enhance partnership. Eurasia is broadly understood as lying between Asia and Europe, and

[10] Ministry of Strategy and Finance, "Base Camp for Economic Cooperation and Corporate Expansion in Eurasia" (press release), February 6, 2015.

narrowly as referring to the post-Soviet sphere with Russia and surrounding former Communist states. The most important of the three ideals guiding the Eurasia Initiative is Eurasia as an integrated continent, which requires the reinforcement and expansion of connectivity throughout the region.[11] The three main poles of today's international economy, i.e., North America, Europe, and Asia, have established forums through which they can discuss and negotiate issues of economic cooperation, sometimes with implications for policy areas other than the economy.[12] North America and Europe, for example, began their discussion through the Trans-Atlantic Partnership, and began negotiations early in 2013 for upgrading it into an FTA-like arrangement, with the provisional title of the Trans-Atlantic Trade and Investment Partnership (TTIP). East Asia and North America, in the meantime, regularly interact via the Asia-Pacific Economic Cooperation (APEC). While East Asia and Europe have launched the Asia Europe Meeting (ASEM) to handle similar tasks, this forum remains the most underdeveloped so far. Given the underdeveloped state of interaction between East Asia and Europe, Korea, as a main pillar of the East Asian economy and also having entered an FTA with the EU, may have a significant role to play in strengthening the ties between East Asia and Europe.

While we should certainly understand "Eurasia" in this broad sense when we discuss the Eurasia Initiative, policymakers still need to clarify the specific scope of partnership and cooperation on the basis of the selective focus principle. The core scope of the Eurasia Initiative therefore involves the Russian Far East and Siberia, the three Northeastern provinces of China, and the CIS member states and Mongolia, all of which lie in the immediate vicinity of the Korean Peninsula and bear core interests to the Korean and Eurasian economies. By strengthening ties with these regions, Korea will be able, in the long run, to promote the development of resources in the Arctic Ocean, increase cooperation over logistics north of the Korean Peninsula, and provide greater boost for small and medium businesses specializing in scientific and technological development.

4. Korea's strategy for cooperation with Eurasia: the Russian Far East and Siberia

While Korea may need to develop new projects to enhance its cooperation with Eurasia, it should not neglect making good on the past promises and resolutions made for greater cooperation as well. Recall the so-called "Three Mega Projects" that have been discussed for some time. These projects involve connecting the gas pipelines of the two Koreas and Russia; expanding the smart grid for energy from Russia to South Korea via the North; and connecting the Trans-Korea Railway (TKR) and the Trans-Siberia Railway (TSR). These projects require cooperation particularly with focus on the Russian Far East and Siberia. They also carry far-

[11] Jeh Sung-hoon, "Russia's 'Eastward Policy' and the Eurasia Initiative," *Diplomacy*, No. 110, July 2014, p. 87.
[12] Kang In-su et al., *Theories of International Commerce and Trade*, Seoul: Bagyoungsa, 2014, pp. 91-92.

reaching implications and consequences for the Korean Peninsula and beyond. In order to bring these dream projects to fruition, Korean policymakers need first and foremost on improving relations with North Korea. That is why we cannot think of the Eurasia Initiative in vacuum, independent of the other two key policy objectives of the current Korean government—namely, the Korean Peninsula Trust-Building Process and the Northeast Asia Peaceful Cooperation Initiative. That is why policymakers pursuing the Eurasia Initiative cannot afford to exclude North Korea from the process, as they did under the Northward Expansion policy in the past.

Accordingly, it is of paramount importance for the Korean government to secure access for Korean businesses to the current Najin-Hasan Project, in which Russia and North Korea are working together to restore and expand the 54-kilometer railway and cargo terminals between Najin and Hasan. The project is important because it envisions combining sea and land routes for logistics by connecting up the Port of Najin with the TSR. The project also offers a great testing ground for the Park administration's SRX project, and may help Korea garner greater international support for its Eurasian Railway project in the future by allowing the country to earn the trust of neighboring states and symbolic significance necessary to wage other projects. Given the fact that the coals produced in Siberia will be shipped to the Port of Najin and enter the Korean Peninsula in 2015 as they did in 2014,[13] South Korea has all the more reasons to join this project and increase its presence in it now.

Korea also needs to expedite the project for connecting the natural gas pipes supplying the gas produced in the Russian Far East and Siberia to the Korean Peninsula. Asian-Pacific states receive only 15.3 percent and seven percent, respectively, of the crude oil and natural gas Russia exports today. As Moscow intends to raise these figures to 25 percent or so by 2030,[14] the project holds out great promises. The optimal solution for this project is to develop and connect gas pipes directly connecting Vladivostok, North Korea, and South Korea. An alternative to this solution would require developing underwater gas pipelines between Russia and Shantung, China, via the Yellow Sea so as to bring the gas into Incheon. The Lee Myung-bak administration of the past at first set out to develop a gas pipeline of 850 kilometers in total length from Vladivostok via North Korea to Sokcho, South Korea. This project fell through for a number of reasons. In the meantime, Gazprom of Russia and China National Petroleum Corporation (CNPC) entered a natural gas supply agreement, worth USD 400 billion, in May 2014, according to which Russia will supply 38 billion cubic meters of natural gas annually to China for 30 years starting in 2018.[15] The new gas pipeline, known as the Eastern Route Line, will connect the gas fields in Kovykta and Chayanda in Russia to Harbin, Shenyang, Beijing, and Shantung in China via Blagoveshchensk (Figure 1).

Figure 1. Russia-China (Eastern Route) Pipeline

[13] The trial shipment of the Najin-Hasan Logistics Project, involving cooperation among the two Koreas and Russia, resulted in the shipment of 40,000 tons of Siberian coals to the Port of Pohang in South Korea on December 1, 2014.
[14] Lee Seong-kyu, "Eurasia Energy Network Development Initiative," *National Territories*, May 2004, p. 39.
[15] *Financial News*, May 23, 2014.

Source: *Joong-ang Sunday*, Issue No. 368 (March 30, 2014).

According to Dr. Keun-Wook Paik at the Oxford Institute for Energy Studies, it is economically feasible to build a new gas pipeline between Shantung and Incheon, as the distance between the two regions amounts to only 300 kilometers or so, and the water between them reaches only 55 meters in depth on average.[16] Once this pipeline is built, Korean businesses will be able to produce gas in Central Asia, and have the supplies sent to Incheon in Korea via the pipeline across China and the Yellow Sea. Moreover, Korean policymakers can exert greater pressure upon North Korea to denuclearize by offering to build a pipeline connecting Kaesong and Pyongyang to Incheon in turn. These projects are meant to supplement and not replace the original plan for developing the pipeline from Vladivostok via North Korea to South Korea.

Another prospective project involves supplying surplus energy from the Russian Far East to North Korea. This can significantly help North Korea in its economic reconstruction process, with Pyongyang expressing, on a number of occasions, its wish to receive energy and electricity support from the outside world. North Korean efforts and international aid to increase the number of power plants have all failed to mitigate the acute shortages of electricity in the country. North Korea lacks capital to invest in modernizing its power plant facilities and transmission lines, let alone in building new power plants. The international community has also been reluctant to help North Korea out in this regard due to the nuclear threat Pyongyang has posed. Russia has been one of the few exceptional countries taking interest in stabilizing power supplies in North Korea. The creation of new thermal or nuclear power plants, however, involves prohibitively high costs and also takes significantly long

[16] *Joong-ang Sunday*, Issue No. 368, March 30, 2014.

stretches of time to complete. The more efficient alternative therefore is to supply surplus electricity in Russia to North Korea.[17]

<Figure 2> Bringing Electricity from Vostok Energo in Russia to North Korea

500-kV transmission line (380 km) between Russia and North Korea
Connecting the transmission line to the border with South Korea (900 km, +/-500 to 600 kV).

Russian experts have thus proposed that a 500-kV transmission line set up between Vladivostok and Chongjin, extending for 380 kilometers in total. More specifically, the line will run for about 250 kilometers from Vladivostok to Kraskino, and for another 130 kilometers from Kraskino to Chongjin. The line will chiefly benefit businesses in the Najin-Sonbong Special Economic Zone, the railway near the transmission line, and the businesses in Chongjin. This solution came to prominence When the United Energy System (UES), a national energy corporation in Russia, held multiple meetings with its subsidiary, Vostok Energo, and the North Korean Ministry of Electricity, Coals, and Industries and launched a feasibility study to that end upon North Korea's request in October 2001. The study revealed that the proposed transmission line will require three to four years until completion, at a cost of USD 160 million to 180 million, including the costs of surveys and design and engineering.[18] One key benefit of this approach is that it can provide a substantial solution for the chronic energy crisis in North Korea. Moreover, the project may be expanded to involve the creation of a high-voltage transmission line leading to the border between the two Koreas, thus allowing South Korea also to benefit from the surplus Russian energy. This, in turn, will help Russia turn profits on the redundant thermal power plants it has.

[17] For a detailed discussion on the subject, see Lee Jae-Young, "Searching for the Cooperation between Russia and North Korea in the Area of Power Industry," *The Journal of Siberian and Far Eastern Studies*, No. 3, 2007, pp. 102-104.

[18] Pavel A. Karavko, "Project for Building a 500-kV Transmission Line Connecting the Russian Far East and Chongjin, North Korea," 4th Northeast Asian Economic Forum, *Promoting Peace and Prosperity in Northeast Asia through the Tripartite Partnership of the Two Koreas and Russia: Russian Perspective* (co-organized by the Northeast Asian Future Solidarity Forum and the Korea Energy Economics Institute), July 18, 2005, pp. 55-66.

Most importantly, policymakers ought first establish effective and sustainable channels through which they can pursue ongoing cooperation. Mere efforts for one-time events no longer suffice. Korea will need to institute channels of cooperation with Eurasian states in order to ensure the stability, growth, and success of such cooperation. A good first step would be found in entering FTAs with these states. Korea needs actively to join the process of economic integration unfolding across Eurasia today, thus lowering the tariffs and other barriers to trade with the states in this region and stabilize the ground for mutual exchange and trade. Korea and Russia, as a matter of fact, organized a joint research group that held two meetings in 2007 and 2008 to discuss prospects for the creation of a bilateral economic partnership agreement between the two countries. No progress has been made on the subject since then. By entering such an arrangement, however, Korea can achieve significant institutional improvements upon partnership with Russia, prompting Russia to lower its customs barrier, strengthen investor protection and open up new markets to investment, ensure protection of intellectual property rights, foster greater human exchange, and enforce quotas on fishery products. Russia has already expanded its Customs Union into the EEU, which now includes Russia, Belarus, Kazakhstan, and Armenia as its members.

The EEU, born on January 2, 2015, as Armenia joined the Customs Union, now encompasses a sizable economic bloc with a total population of 171.5 million and a total GDP of USD 2.1842 trillion. It is likely to open its membership to other neighboring states as well, including Kyrgyzstan and Tajikistan. Given this move toward economic integration, Korea should rise to the moment and enter an FTA with the EEU so as to secure its early access to the growing market in the region.

Table 3. Russia-Belarus-Kazakhstan Customs Union (2014)

	Population (in millions)	GDP (USD 1 billion)	GDP per capita (USD)
Russia	142.5	1,884.1	13,224.6
Belarus	9.3	74.4	7,998.3
Kazakhstan	16.6	213.7	12,866.3
Armenia	3.1	12.0	3,849.3
Total	171.5	2,184.2	-

Source: *Global Insight*, 2015.

In addition, Korea should also seek out greater cooperation over the development of logistics and transportation infrastructure, particularly the Northern Sea Route. This is of paramount importance for the development of energy resources. Through this kind of cooperation, Korea will be able to enhance its advantage over logistics linking the Korean Peninsula, the Russian Far East, and the Northern Sea, and also enjoy easy access to the Northern Sea Route, which Russia seeks to develop for the exploitation and exportation of resources in the region. The Northern Sea Route, when completed between Busan and Rotterdam, will reduce the logistics distance from 22,000 kilometers (involving the use of the Suez Canal) to 5,000 kilometers, and the number of days required from 40 days to 30.

Figure 3. Comparison of the Northern Sea Route and the Indian Route

Source: Ministry of Strategy and Finance.

Note: 수에즈운하 통과: Passing Suez Canal 북극해 통과: Passing Northern Sea

In order to prompt the development of logistics and transportation infrastructure as well as resource development, Korea will again need to establish institutional channels of cooperation, akin to or including the Asia-Pacific and the Asian Arctic Regional Committee, proposed by Professor Kim Seok-hwan of Hanguk University of Foreign Studies. Situated far from the Arctic Region, Korea has almost no chance of joining the Arctic Council as a full-standing member. With an observer status, however, it has little ability to participate in Arctic-related governance issues. It is therefore crucial for Korea to establish a forum of multilateral cooperation where it can play a leading role over the shaping and deciding of the agenda of governance issues. The Barents-Euro Arctic Council (Beac) in Europe today includes both Arctic and non-Arctic states as its members,[19] and promotes cooperation among states and regions bordering the Barents Sea and the Arctic Region. As Asian-Pacific states thrive on logistics, and European states are closely connected to their Asian-Pacific counterparts via the expanding networks of logistics, it is important for Korea to develop and establish a strategic system in which it can cooperate with Asian-Pacific and European states alike for the development of the Northern Sea Route and resource exploitation. A multilateral body like the Asia-Pacific and Asian Arctic Regional Committee will be open to Korea, Japan, China, Singapore, India, Russia, and other Eurasian states as members. The secretariat for the committee should be headquartered in Korea, with Korea organizing diverse events and programs on a regular basis and thereby serving as a key hub of cooperation among the member states.

[19] For a more detailed discussion of the subject, see the Beac Web site, at http://www.beac.st/in-English/Barents-Euro-Arctic-Council.

In addition, Korean policymakers should also dramatically expand the scope of their plan for developing the Russian Far East and Siberia in active response to Moscow's plan for the subject. It is of paramount importance for the Korean government to create and enlarge "room for growth" to the north of the Korean Peninsula in order to ensure the sustainable growth of the Korean economy in the future. Moscow has already declared the Long-Term Far Eastern Development Plan 2025. As the Putin government continues to seek out stronger partnership with Northeast Asian states to achieve the plan, Korea should seize the opportunity and make a head start on entering the valued Russian region. In response to Moscow's plan, Korea should start developing plans with small and medium projects in mind at first, and larger projects of cooperation for the future.[20]

Another Russian policy initiative holding out a great promise for Korea is the plan for the creation of the Zone of Advanced Socioeconomic Development (ZASD). The Russian Department of Far Eastern Development has surveyed over 400 candidate sites and finally chosen 14 of them on the basis of their locations and amenability to infrastructure expansion.[21] The ZASD plan was announced with multiple goals in mind, including: providing investors with the infrastructure and tax benefits they need; lowering administrative barriers to investment; fostering industries with exports oriented to Asia-Pacific; and accelerating the development of the Far East by connecting it to the expanding value chain of Asia-Pacific. Moscow thus designated Khabarovsk, Komsomolsk, and Nadezhdinskoe as the top-priority sites for the ZASD project on February 14, 2015, releasing a plan for fostering light manufacturing, food processing, and transportation and logistics in this region. The plan was made into law and took effect as of March 30, 2015. Major construction works of infrastructure development will take place in these three regions over the next two years, with investors and tenant businesses allowed to move in by 2018. The Russian Department for Far Eastern Development has shown a great interest in recruiting businesses from the neighboring states into these new zones, including Korean businesses. Korean businesses will thus be able to redesign the regional division of labor, using the Russian resources capital, the Korean capital and technology, and North Korean labor in these zones to produce semi-finished goods and parts, and re-exporting them to Korea and elsewhere around the world for the production of finished goods.

In order to expand and consolidate its economic partnership with the Russian Far East and Siberia, Seoul needs to work with Moscow on developing and implementing a program for cooperation over the Russian Far East. We have much to learn from the example China has already set, when it developed a national program for cooperation over the development of China's northeastern regions and the Russian Far East, thus systematizing and instituting

[20] For a more detailed discussion on the subject, see Lee Jae-Young and Pavel Minakir et al., *The 20 Years of Korea-Russia Far Eastern Economic Cooperation: new vision and its realization*, Seoul: KIEP, 2010, pp. 290-291.

[21] Moscow has designated five ZASDs in the Littoral Province, three in Khabarovsk, two in the Sakha Republic (Yakutia), two in the Province of Amur, one in the Province of Kamchatka, and one in the Jewish Autonomous Oblast.

cooperation on a massive scale with Russia over the development of transportation infrastructure, the production and processing of agricultural produce, the production and processing of timber, construction subcontracting and the production of construction materials, and the development of minerals and energy resources.[22]

5. Conclusion

The Park administration of South Korea has declared the Eurasia Initiative, thus showing its resolve to strengthen cooperation with the states of the Eurasian continent in light of the growing importance of the region in international politics and economy. The first and foremost partner targeted by the Eurasia Initiative is Russia, as the Russian Far East and Siberia, bordering the Korean Peninsula, provides a key passageway via which Korea can enter and increase its presence in the continent. These Russian regions also harbor abundant amounts of oil, natural gas, and other key resources, as well as the demand for massive infrastructure development. These regions therefore hold a key to the sustainable economic growth and peaceful reunification of the Korean Peninsula. These regions, as a matter of fact, will provide ideal supplements for the Korean economy, given the makeup of the production factors and the industrial structure. Moreover, they also hold great potentials for cooperation over resource exploitation and the development of logistics and transportation networks.

In order to bring its ambitious plan to fruition, the Korean government needs to consider the following. The first and foremost step involved is to rebuild trust and improve relations between the two Koreas. Eurasia as a continent of peace, as envisioned by the Eurasia Initiative, is possible only when there is a strong infrastructure of trust extending throughout the region. The mega projects, such as the connecting of the TSK and the TSR, the creation of the gas pipelines linking the two Koreas and Russia, and the expansion of the energy supply networks, cannot be realized without close cooperation from North Korea. Seoul therefore needs to lift the sanctions it imposed on North Korea since May 24, 2010, after the sinking of the *ROKS Cheonan*, and actively work toward improving relations with Pyongyang.

The Korean government launched a new system for providing a comprehensive range of support for the realization of the Eurasia Initiative in February 2015. The Eurasia Economic Cooperation Coordination Committee, presiding over that system, will need to provide active support for Korean businesses seeking to pioneer new markets in the Russian Far East, Central Asia, and Mongolia. The Committee, moreover, will need to make systematic and comprehensive preparations for Korean businesses in the region by seeking out and arranging intergovernmental discussions over the improvement of business and investment environments.

Furthermore, the Korean government needs to approach the development of the Russian regions more through multilateral channels than bilateral ones. For the Russian Far East and Siberia invite projects of massive international scales and concomitant risks that no one state

[22] Lee and Minakir et al., 2010, pp. 96-99.

can single-handedly manage. Korea therefore needs to make active use of established channels of global cooperation over the regions, such as the Greater Tumen Initiative (GTI), encouraging Russia, China, Mongolia, and other interested states to take part. The Asian Infrastructure Investment Bank (AIIB), soon to be established, may provide yet another important channel.

Finally, in order for Korea to strengthen its strategic cooperation with Eurasian states, it needs actively to recruit Eurasian businesses into Korea.[23] In comparison to the major investments that Korean businesses have made in Eurasia so far, Eurasian businesses have been quite reluctant to invest in Korea. The ideal is to reach a mutual balance over investment and cooperation by encouraging Russian and other Eurasian businesses to make their ways into the Korean Peninsula and invest. Russian investors may need to invest more in either of the two Koreas to promote mutual understanding and trust, which, in turn, will encourage South and North Korean investors to invest more in the development of the Russian Far East and Siberia. The overlapping ties of economic cooperation and investment, in turn, will prompt the interested states to support and assist in the maintenance of peace and security over the Korean Peninsula.

[23] For a more detailed discussion on the subject, see Lee Jae-Young et al., *Russia's ODI and FDI Promotion Strategy of Korea*, Seoul: KIEP, 2012, pp. 29-30.

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China's Changing Policy towards Pakistan and Afghanistan under the New Leadership
Royal United Service Institute Analysis, 23 Dec 2013

Beijing's foreign policy work conference in October has revealed the Chinese government intends to deepen economic and security ties with Afghanistan and Pakistan. This shows the growing strategic importance that Beijing places on the region.

Dr. Wang Xu, Center for South Asian Studies, Peking University, China

The Chinese government's 'work conference' on diplomacy in late October mapped out the goals and strategy for China's relations with its neighbours for the next 5-10 years. President Xi stressed at the conference that China should engage in a more 'advancing and proactive' neighbourhood policy to create an environment favourable for development. The significance of this conference has aroused widespread interest in the international community and has even been seen by some Chinese experts as a kind of 'Third Plenum for diplomacy' (the Third Plenum was the recently concluded policy meeting at which Xi Jinping laid out his complete policy agenda).

The work conference that focused on China's diplomacy with its borderland countries has taken place within the context of a wider series of regional diplomatic activities after the 18th Party Conference including major trips across Southeast Asia, Central Asia and South Asia by Xi Jinping and Li Keqiang. These activities have captured the attention of the world, with observers noting a shift in Beijing's foreign policy from one of 'non-interference,' to one of 'creative engagement.'

However, there will not be a significant change with respect to China's policy towards Pakistan and Afghanistan, as this shift has already begun to take place in the past few years. We have seen Chinese companies make large investments in natural resources in Afghanistan. During President Karzai's visit to Beijing, around $32 million of aid was promised, China has agreed to train 300 members of the Afghan National Police, and regionally China has brokered trilateral discussions between China-Pakistan-Afghanistan, as well as bilateral discussions between China-India and China-Pakistan on Afghanistan. China and the US have also worked together to provide joint training exercises for Afghan diplomats and hosting next year's 'Heart of Asia' process meeting.

According to the conclusions reached at the work conference on diplomacy, the goal of China's neighbourhood diplomacy is to serve the cause of national rejuvenation. To achieve this, China must make neighbouring countries friendlier in politics, more

closely tied in economy, and deepen security cooperation and people-to-people ties. China's current neighbourhood policy towards Pakistan and Afghanistan reflects these demands.

Pakistan and Afghanistan are usually treated as a whole, particularly by US policymakers. However, given the different challenges faced by the two countries, China's policy towards them is made separately, with a clear distinction in priorities.

The all-weather friendship between China and Pakistan has withstood the test of time. Pakistan's new government is now facing the twin challenge of an economic and energy crisis. Spurring economic growth will bring socio-political stability back to this country torn by terror and turmoil. Therefore, offering more assistance to boost economic cooperation with Pakistan based on mutual benefit will be China's top priority.

During Premier Li's visit to Islamabad in May, China and Pakistan agreed on a long-term plan for an economic corridor to connect the central and western parts of China with Pakistan. This idea combines China's existing plans for expanding domestic demand and developing its western regions with Pakistan's plan for developing its domestic economy. The plan carries great strategic significance in maintaining peace and improving livelihoods in China, Pakistan, South Asia and even the whole of Asia.

Afghanistan is China's old friend. Ever since the establishment of diplomatic relations in 1955, China has always firmly supported the efforts of the Afghan government to safeguard its national independence, sovereignty and territorial integrity. Afghanistan is troubled by a number of serious problems, such as the ill-fated and repeatedly delayed Bilateral Security Agreement (BSA), the still unclear future of the continuous financial support by international community, and the stalled Afghan peace talks with Taliban. These are all major uncertainties that will bring more socio-political turbulence to this war-torn country.

Moreover, the forthcoming Afghan Presidential election to be held next year as US-led NATO troops withdraw, will impose a huge challenge to the security and stability of Afghanistan. Therefore, the top priority for China is to firmly support an 'Afghan-led, Afghan-owned' reconciliation process, and play a constructive role in maintaining peace and stability in Afghanistan.

These priorities were reflected in Afghan President Karzai's visit to Beijing last year, during which he witnessed the signing of the Strategic Partnership Agreement and acceptance of Afghanistan's 'Observer' membership of the Shanghai Cooperation Organization (SCO). Furthermore, China has committed to offer more assistance and aid to help with Afghanistan's reconstruction and promote regional peace and development post-2014.

Given the potential for radical Islamist ideologies to be exported and owing to the

re-networking of terrorist groups in the region, security cooperation is in the common interests of all. A major purpose of China's neighbourhood diplomacy is peace and stability in the region. China should advance security cooperation with neighbouring countries, actively participate in regional and sub-regional security cooperation, and enhance cooperation mechanisms and strategic mutual trust. Accordingly, under the framework of the SCO and other regional cooperation organisations, enhancing regional counter-terrorism cooperation with Pakistan and Afghanistan will play a vital role in maintaining peace and stability in China's western region of Xinjiang, Central Asia and South Asia.

The strategic concept proposed by President Xi during his visit to four Central Asian countries in September, to jointly build the Silk Road economic belt has brought unprecedented opportunities for regional development and revitalisation. Both Pakistan and Afghanistan have made positive responses to this idea. In the light of geographic locations and intertwined relations, Pakistan and Afghanistan are believed to play an active role in the construction of a Silk Road economic belt, and make due contributions to overall economic prosperity of the region.

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TOWARD THE GREAT OCEAN-3 CREATING CENTRAL EURASIA

The Silk Road Economic Belt and the priorities of the Eurasian states' joint development

Moscow, June 2015

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CONTENT

INTRODUCTION

CENTRAL EURASIAN MOMENT

Eurasia is the cradle of many peoples and civilizations, the birthplace and triumphant battleground of the great empires — the Chinese, Persian and Mongol, the empires of Tamerlane and Alexander, as well as the Turkish and Russian empires. However, Eurasia of the twenty-first century is not a united politico-economic entity; it is "torn" between Europe and Asia, it is seeking to create its own identity, and it is often perceived from the outside as an area of competition for the world's great powers.

Russia, China, Kazakhstan, the states of the former Soviet Central Asia, Iran, Mongolia and other countries face common external and, in some cases, internal challenges

However, none of the known controversies among the leading states of the Central Eurasia is deep, let alone antagonistic. Russia, China, Kazakhstan, the states of the former Soviet Central Asia, Iran, Mongolia and other countries face common external and, in some cases, internal challenges: religious extremism, environmental threats, water deficit, drug trafficking, and the negative impact of policies pursued by certain extra-regional centers of power. These states need to further improve their socio-economic stability and maintain the rates of growth they have been able to attain. They all need to pursue a more layered policy aimed at preventing the destabilization of Afghanistan. It is necessary to consolidate the developmental agenda of the countries in the region, and to strengthen their cooperation in the field of international security.

The rise of China led to a re-thinking of its role in the world and the revision of domestic and foreign policy priorities. The pro-active nature of Chinese foreign policy and China's growing willingness to promote its interests have become more noticeable since 2008, though Chinese leaders have repeatedly stressed their commitment to "peaceful development" and rightfully pointed out the absence of any expansionist intentions. At the same time, China has frequently found itself unprepared for systemic interaction in multi-lateral formats and with groups of states in principle, looking for ways to develop bilateral cooperation. Such tendencies should be prevented from evolving into an inability to respect the objective interests of China's partners as well as international law.

Western China, Kazakhstan and Central Asian countries are becoming an attractive destination for foreign investment. This is the primarily due to the large reserves of natural resources, and a large number of able-bodied citizens. In terms of FDI per capita (2582 US dollars in 2013) the region has recently managed to outrank even East Asia (1788 US dollars) and Southeast Asia (2510 US dollars). The undisputed regional leader is Kazakh-

stan with an index of 7880 US dollars per capita, which is obviously not the limit. Turkmenistan also demonstrates high rates of growth in this development indicator: 4393 US dollars per capita, with an increase of more than 4 times for the period of 2008–2013. Moreover, Kazakhstan, as well as Russian Siberia, has high agricultural potential, including the vast areas of arable land and pastures abandoned after the collapse of the USSR.

In 2015 we can speak on the birth of the "Central Eurasian Moment", which is the unique confluence of international political and economic circumstances that allows for the renewed potential for cooperation and common development within the states of this region

Cost-effective and safe transport routes connecting the two colossuses of the modern global economy — Europe and East and South Asia — could go through Kazakhstan and Central Asia. The region offers huge opportunities in terms of development of civil air transportation hubs. Although it possesses great potential, Central Asia has nevertheless long been distant from the main centers of the global economy and politics. However, in 2015 we can speak on the birth of the "Central Eurasian Moment", which is the

SIBERIAN FEDERAL DISTRCT

unique confluence of international political and economic circumstances that allows for the renewed potential for cooperation and common development within the states of this region. The main driving forces behind the transformation of Central Eurasia into a zone of joint development will be Eurasian economic integration, led by Kazakhstan and Russia, as well as by Belarus and the Silk Road Economic Belt project.

Russia regards the increased attention paid in recent years to the southern and the eastern directions of its external and foreign economic policy as one of the most important indicators of Russia's comeback as a global power. The twist of the economy towards the East does not mean that the Russian economy will turn its back on Europe, or that the one-sided Russian dependence on European markets will be replaced by a similar one-sided dependence on China. Therefore, an important part of the program of future joint development around the Silk Road Economic Belt would be the inclusion of the advanced regions of Siberia in the project, and its openness to European markets.

1. CHINA: AT THE NEW STAGE OF DEVELOPMENT

1.1. Three decades of rapid growth and structural changes turned China into a country with an average level of income, as well as the locomotive of the world economy. In subsequent decades, the PRC will continue this transformation aimed at the gradual reorientation from high rates of growth to the improvement of the quality of socio-economic development. The GDP growth rates slowing down from 10.5% (average index in 1991–2011) to 7.4% in 2014 — is the only one of the reflections of these processes (the low base effect of the previous decades has certainly produced an impact, too).

1.2. This growth was largely based on investments (especially in the objects of infrastructure) and has led to the creation of a strong construction sector in the country, as well as to the emergence of the problem of excess capacity in this field after market saturation. To preserve employment, the Chinese authorities encourage companies to focus on foreign markets.

1.3. The PRC export enterprises, whose main competitive advantage has long been their cheap labor force, are now experiencing certain difficulties. This is happening due to the constant growth of wages, as well as the increasing pressure exerted by the labor legislation with the intention of protecting working people (Beijing is trying to tamp down growing social contradictions using this legislation). The companies that previously used the maritime provinces (especially Guangdong and Fujian) as their production base are reacting to this challenge by relocating their production sites. Some of them are moving to South-

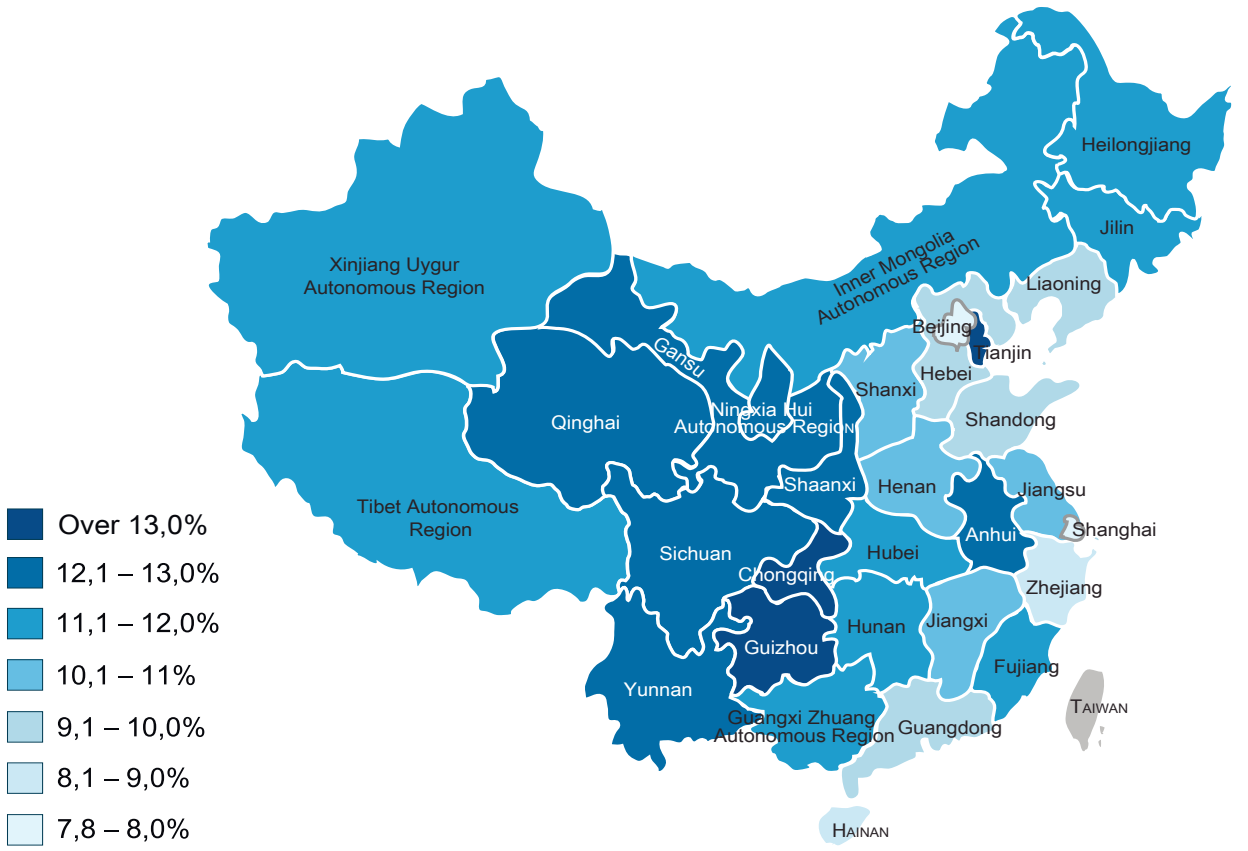
East Asia (this especially concerns the sectors with a low-skilled labor force, such as the textile industry). The others are relocating to Central and gradually to Western China, where the wages are still much lower. The latter corresponds to the goals pursued by the PRC leadership in an attempt to solve the problem of social instability in the Western provinces by creating certain preconditions for the industrial zones' development. Thus, the Central provinces will demonstrate the highest growth rates in the upcoming decade, while by the mid-2020s the Western regions of the country will become the leaders in this respect.

However, solving the PRC's domestic problems invariably remains the priority for the Chinese leadership; foreign policy has become directly related to, and built in accordance with, those "internal" problems

1.4. When analyzing the growth rates at the administrative units' level, one can single out ten potential leaders that demonstrate high growth rates, or a tendency to demonstrate them in the medium term: Sichuan and Chongqing (the South-West of the country), Anhui, Jiangsu and Hunan (the Yangtze River basin), Hebei and Henan (center of the country), and three more regions that are still relatively undeveloped, but promising — Gansu, Xinjiang Uygur (XUAR) and the Tibet Autonomous Regions. The new lands' development will be carried out by creating the appropriate transport infrastructure, as well as new economic corridors, followed by "tying" them up with large inland agglomeration hubs, each populated by 10–15 million people (similar to the modern role of Chongqing). Lanzhou is one of the most striking examples in this respect. The PRC government plans to attract up to a half a million people there, build a high-speed railway connecting Lanzhou and Urumqi, and turn the region into a major transport and logistics hub. By 2030, the GDP of the region, according to Chinese experts, should reach 43 billion dollars.

1.5. XUAR holds a special place among the developing regions. Nowadays, the export of goods from this province makes up to 15 billion dollars a year, and is carried out mainly through the eastern ports, while the goods turnover carried out through the western borders is insignificant (about 1.5 billion dollars). So far, the XUAR transportation balance is optimal, and the total volume of transportation amounts to 225 million tons, which coincides with the standard three-time transshipment of goods and cargo on the way from the mine/ production site to the final consumer. At the same time, automotive transportation is of great importance in XUAR: the total volume of transported cargo in the region amounts to 669 million tons, of which only 73 million tons of cargo are transported by railway, while 596 million tons are

RATE OF GROWTH OF REGIONAL GDP IN 2012



transported by road. The region, however, has greater transit potential, but due to the lack of direct communication channels with the consumer markets, the producers of Western China lose up to 0.5 billion dollars per year.

There are at least three vectors of SREB implementation: economic, geopolitical and security

1.6. The production of goods in XUAR is expected to grow in the short-term perspective, prompted by the development of clothing, footwear and plastic production. The implementation of other projects will begin in 3–5 years: the projects will involve the production of simple household appliances and audio-video equipment, as well as the assembly of low-cost vehicles for the budget car markets located nearby. Taking into account the suitability of the whole transport system for local production (as well as the speed of infrastructure development on the one hand, and industrial development on the other), it becomes clear that the volume of goods and products will be excessive for the region, and hardly in demand in the east of China.

1.7. One of the objectives of the XUAR economic development is to fight the extremism and separatism that are still considered to be one of the main threats to the PRC's national security. The number of victims of terrorist attacks and clashes associated with the Uighur faction exceeded 200 people in 2014, and the terrorist attacks took place far beyond the XUAR. Given the turmoil in Hong Kong and Macau, as well as the strengthening of radical forces in the

Middle East and Central Asia in 2014, it seems that this problem will be particularly acute for the leadership of the country.

1.8. The policy that China has pursued since the late 1970s has allowed the country to increase its impact on the world stage and improve the domestic economic situation. However, solving the PRC's domestic problems invariably remains the priority for the Chinese leadership; foreign policy has become directly related to, and built in accordance with, those "internal" problems.

1.9. Therefore, The Silk Road Economic Belt — China's largest foreign trade project — aims to address, in the first place, the abovementioned internal problems. Besides, its implementation will allow for the strengthening of economic ties between China and the Central Asian countries; the increase in the volume of trade with Europe is considered to be less of a priority. It is possible to single out five main objectives that China aims to achieve in its implementation of The Silk Road Economic Belt project:

- Strengthening of political contacts, as they currently are relatively underdeveloped in comparison with how developed the economic ties are with the countries of the region.
- Strengthening of transport connectivity and creation of a transport network "from the Pacific Ocean to the Baltic Sea", which is to link South, East and West Asia.
- Strengthening of trade links and reducing the barriers for trade and investment, while advancing the participants' national interests.
- Strengthening of the system of payments in national currencies where the countries of the region already have successful experience of cooperation, which will reduce costs and improve the competitiveness of the region in the future.
- Strengthening of friendly contacts and mutual understanding.

1.10. The term "Silk Road Economic Belt" (hereafter referred to as the SREB) was first stated by the PRC's President Xi Jinping in September 2013, during his speech at "Nazarbayev University" (Astana, Kazakhstan). In November 2014, the creation

of an investment fund was announced, with the fund capital being 40 billion dollars. These funds are to be invested in the projects of the land and sea "Silk Roads" development.

1.11. According to experts, the SREB, along with the "Chinese Dream" initiative announced by the President of China, form the basis of an economic and political program of work, performed by the fifth generation of Chinese leaders. The analysis of the project shows that there are at least three vectors of its implementation: economic, geopolitical and security.

1.12. From the point of view of the economy, the infrastructure component of the SREB is represented by several routes (8.5–11 thousand kilometers long) that start in the western areas of the PRC and go in the direction of the key centers of economic activity in Europe and South Asia. The Northern route is supposed to go through the territory of Kazakhstan and the Trans-Siberian Railway. The sea routes will involve the Kazakh port of Aktau, and the ports of the Caspian Sea (Makhachkala, Baku) that provide access to the Caucasus region, Turkey and the Black Sea basin. The Southern routes go through the territory of Kyrgyzstan, Uzbekistan, Turkmenistan and Iran, thus providing access to the Indian Ocean in the Persian Gulf.

1.13. The SREB lays the foundation for the rapid development of China's western regions, by transferring there the production from the coastal regions, as well as by developing the related industries and services (logistics centers, terminals) both in the PRC and in the Central Asian states. The geopolitical vector helps China to regain its status as the "middle state", linked with the rest of the world by not only the ocean, but also by land routes that form a common cultural co-developmental space around them. Finally, in terms of safety the SREB may become the most effective response to such modern threats as extremism, terrorism and religious fundamentalism (ISIL, Hizb ut-Tahrir), for it will undermine their social base and develop the appropriate security infrastructure.

1.14. Therefore, the SREB is not just a transit-transport project. It is a comprehensive plan for the economic development of a number of states, including numerous projects aimed at the development of infrastructure, industry, trade and services. This plan will ensure a stable and secure environment for the development of not only the western regions of China, but also the entire center of Eurasia (thus fully revealing its potential).

1.15. Let us note that a number of countries that will have the Silk Road going through their territories are already planning to include the project in the program of their economies' development. In particular, the "Nurly Zhol" New Economic Policy declared by the President of Kazakhstan, Nursultan Nazarbayev, in November 2014 is largely

synchronized with and based on the plans for the SREB development. Moreover, Kazakhstan declared its readiness to invest about 4 billion dollars in the development of infrastructure in its territory.

The EEU is in many ways a unique association because in addition to the purely economic component, it also includes cooperation in the defense sector — the CSTO

1.16. The formation of a strong economic center in Eurasia requires the states of the region to demonstrate a high degree of activity and involvement in the SREB. The states will fill the conceptual framework of the Chinese initiative with specific economic and social projects, and the prospects of these projects' success will increase sharply upon their inclusion in the SREB framework.

2. RUSSIA GOES EAST

2.1. Eurasian integration is the flagship project of the Eurasian strategy of Russia and its partners, with Kazakhstan occupying the most important place among them, implemented within the next few years, if not decades. The Eurasian Economic Union (EEU) that began functioning on January 1, 2015, and brings together Armenia, Belarus, Kazakhstan, Kyrgyzstan and Russia, lays the foundation for a framework of legal conditions for the joint breakthrough and creates an effective tool for the prevention and resolution of international disputes. The EEU was created for the purposes of comprehensive modernization, cooperation, and improvement of the national economies' competitiveness; it is aimed at creating the conditions for sustainable development so as to improve the living standards of the populations of its member states. In order to achieve this aim the EEU ensures free movement of goods, services, capital and labor, as well as working on the coordination and synchronization of economic policies in various sectors. Thanks to the EEU, there is only one customs border between China and the European Union. The common customs and tariff space gives undeniable advantages to the project of Eurasian co-development.

2.2. The EEU is in many ways a unique association because in addition to the purely economic component, it also includes cooperation in the defense sector — the CSTO. All members of the EEU, as well as Tajikistan, are also CSTO participants. The CSTO provides the participants of Eurasian integration with military security from external threats, as well as enhancing the cooperation between them on a wide range of issues, such as counteracting internal security challenges, overcoming internal contradictions and ensuring protection from external threats and challenges.

2.3. In the upcoming years, the EEU regulatory framework — pertaining to the movement of goods, services and capital —

will continue its growth and efforts aimed at bringing the national legislations to a common standard. The Customs Code is to be signed by the end of 2015: it will codify more than one hundred regulations of the Customs Union. The upcoming years will be marked by further elimination of the mutual non-tariff barriers within the Union (which today, in spite of the signed agreements, are estimated at 15–20%), as well as by the formation of effective mechanisms employed to protect the domestic market of the EEU countries from external economic challenges, thus dramatically increasing the member countries' negotiating capacity on various issues. This can pave the way toward the creation of a greater Eurasia, especially as this basis is largely similar to the EU law (primarily with regard to technical regulations).

2.4. At the same time it is important to improve the efforts of the Eurasian Economic Union member-states aimed at harmonizing international trade, rules of infrastructural projects implementation, capital and labor markets regulation, development of environmental law and employment protection rights. This would discourage external partners from cooperating with EEU member-states on a bilateral basis and help them understand desirability of interaction with the integration group as a whole.

Central Eurasia and, later, a Greater Eurasia must become an example of a positive-sum game that is beneficial for everyone, as well as an example of cooperation domineering over competition

2.5. This creates the necessary conditions for the interpenetration and integration of the EEU projects and the Silk Road Economic Belt. From an economic point of view, there is no contradiction between these two formats — on the contrary, they complement each other:

- The SREB will stimulate cooperation in the transport sector and consequently encourage the development of general regulation of the transport and logistics segments of the market. It will also indirectly contribute to the unification of regulations and quality standards of goods and services as a means of protecting the national markets of its members. The EEU countries that provided their territories for the planned implementation of major investment projects will be able to secure their interests (in terms of compliance with environmental and labor standards) much more effectively, and do it not directly, but through the all-Union regulation system.
- In the process of the inevitable (and desirable for the region) economic advancement of China into Central Asia,

the EEU becomes an effective instrument of trade protection for the national market, while maintaining its investment attractiveness. It is highly probable that the EEU — SREB bond will become a stimulus for the expansion and strengthening of the Union, as it will strengthen the positions of the member countries vis-a-vis even most powerful external partners.

- The SREB will provide the EEU countries with an influx of new investment in transport infrastructure. Its modernization/creation will in turn strengthen mutual trade between the EEU countries, as well as enhancing their attractiveness to investors. In the long-term perspective, this may become the key to the growth of other sectors of the economy, including industry. For the Central Asian region, such a large-scale project potentially means the creation of additional employment, which will improve the economic situation, reduce social tensions and strengthen political stability.

So far, the political and economic systems of the Central Eurasian countries are not stable enough, which leaves the possibility of them being "stirred up" from the outside in the event of a change of political leadership or some external shocks, expansion of extremism and instability from the Middle East

2.6. It is necessary to alleviate the security challenges faced by the countries of the region in the southern direction and, in some cases, on the internal level. So far, the political and economic systems of the Central Eurasian countries are not stable enough, which leaves the possibility of them being "stirred up" from the outside in the event of a change of political leadership or some external shocks, expansion of extremism and instability from the Middle East. Russia and Kazakhstan, as well as China and its regional partners, must take this threat seriously and do everything possible to prevent its realization.

EURASIAN ECONOMIC UNION COUNTRIES

2.7. It is equally important to avoid the appearance of the Russia vs West model in the region like the one that prevails in the western part of the former Soviet Union. There, this logic brought about the attempt of one party to achieve a dominating position, which first caused zero-sum game and, next, to wars. Central Eurasia and, later, a Greater Eurasia must become an example of a positive-sum game that is beneficial for everyone, as well as an example of cooperation domineering over competition. At the same time, the Russian elite should also strive to overcome the automatic suspicion (vigorously fueled from the outside) aroused by China's strengthening its influence in the region. Regional elites need to avoid the temptation of playing on third parties' differences. The Kiev elite's fiasco must become a lesson for everyone.

2.8. Establishing a cooperation zone in Central Eurasia can potentially lead to another logical project —creating a community (or even a union) of cooperation, sustainable development and security for all of Eurasia, which will be open not only to the East, but also to the western extremity of Eurasia. The project should be put on the agenda as soon as possible.

2.9. The most important institution of international cooperation in the territory of Eurasia is the SCO, which creates the tools for pursuing a policy that meets common interests; the SCO also serves as a factor that intensifies the cooperation between the countries of the region. Despite the importance of the SCO as a platform for the development of cooperation in Eurasia, its role in the context of the SREB initiatives' promotion and the Russian Trans-Urals development needs further study.

2.10. It might be beneficial to coordinate the individual SREB programs (that could be carried out under the auspices of the SCO) with the work of other international institutions that have set themselves similar goals (e. g. UNDP and UNESCO). This would not only attract additional resources to the initiative's implementation, but also stimulate the economic development of the Central Asian states without any political interference by out-of-region forces. Provided energetic development SCO can become the central institute of the potential project of creating community of big Eurasia.

3. THE TRANSPORT COMPONENT

3.1. Eurasia has unique opportunities for the development of transport and logistical corridors and hubs that will connect the production and consumption potential of Europe and Asia. Therefore, the key prerequisite and direction for Central Eurasian development is the expansion of its transport and logistics infrastructure. The SREB implementation will make it possible to reduce the cargo transportation distance compared with the route via the Suez Canal. The length of the route is 8,400 km, of which 3,400 kilometers have already been turned into roads in China, and the parts that are 2,800 and 2,200 kilometers long are currently being built or modernized in Kazakhstan

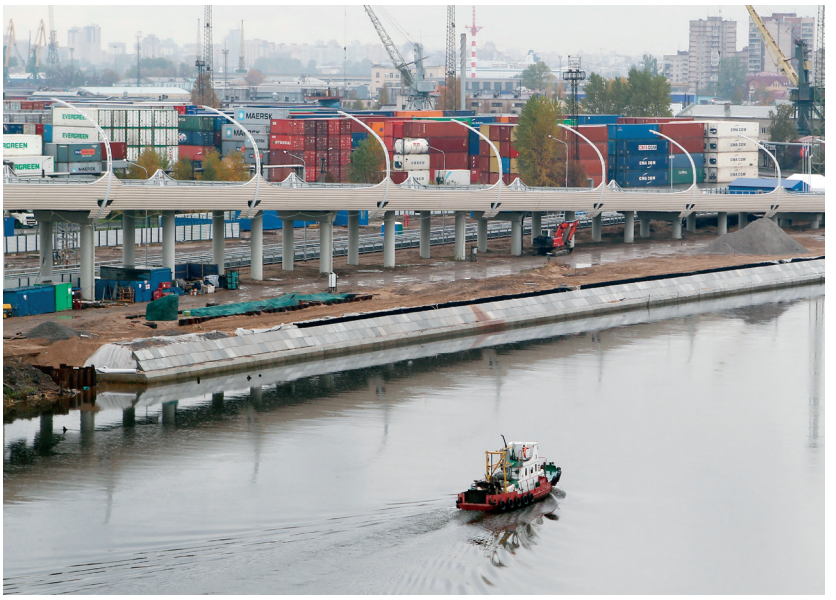
SILK ROAD ECONOMIC BELT MAIN POTENTIAL ROUTES

and Russia, respectively. Nowadays, there are several transit corridors used for delivery of cargo from China to Europe. For the purposes of this discussion, all these routes are divided into three groups.

3.2. The first group (the Northern Route) includes the routes that run across the territories of China, Kazakhstan and Russia: Urumqi — Dostyk — Omsk — Moscow — EU countries. The distance from Urumqi to the western border of Russia is 7.5 thousand kilometers by railroad, and 6.9 thousand kilometers by motor road. The cost of cargo delivery via this route is very much dependent on the type of transport: the delivery by railroad will cost about 1,300 dollars per TEU, while the delivery by motor road will cost not less than 3,000 dollars per TEU. The estimated capacity of this route is one of the largest among all the presented routes and amounts to 300 thousand TEU. So far, only 20% of the route's capacity has been used.

3.3. The most advanced version of the route is the Western China — Western Europe transport corridor, which runs through the cities of Lianyungang, Zhengzhou, Lanzhou, Urumqi, Khorgos, Alma-Ata, Kyzylorda, Aktobe, Orenburg, Kazan, Nizhny Novgorod, Moscow and St. Petersburg, with further access to the Baltic Sea ports. This route is the only one out of all of the aforementioned routes that is already in operation, and most of the existing transit flows run along this very route. Another important advantage of this route is the need to cross only one customs border between China and Kazakhstan.

3.4. An important problem connected with this route is its limited traffic capacity: the route has to be altered significantly to achieve real competitiveness. The length of the completed road should reach 8,400 km, of which 3,400 km have already been developed in China, and the parts that are 2,800 and 2,200 kilometers long are still being built or modernized in Kazakhstan and Russia, respectively. The idea of reconstructing this route is not new. A memorandum on the development of roads along the St. Petersburg — Kazan — Orenburg —



Alma -Ata route was signed back in 2007. However, this project was not implemented due to the lack of funding aimed at the reconstruction of roads meeting international standards. Now there is another wave of interest in this idea. In July 2014 in Beijing, the Head of the Presidential Administration, S.B. Ivanov, said that connecting the Silk Road with the Trans-Siberian Railway was an extremely promising project.

The SREB implementation will make it possible to reduce the cargo transportation distance compared with the route via the Suez Canal

3.5. The second group (the Sea Route) includes the routes that run across the territory of Kazakhstan and use the Caspian Sea ports for transit. It is possible to single out two such routes. The first route is Urumqi — Aktau — Makhachkala — Novorossiysk — Constanta. The cost of transportation with the transshipment onto a container carrier is currently about 4,000 dollars per TEU if the destination is in the EU, and 3,200 dollars per TEU if the destination is in the South of Russia.The second route that belongs to this group is slightly different from the first one: the cargo is delivered from Makhachkala to Tbilisi by road. If using this method, the cost of the cargo delivery from China to Georgia will be 3,700 dollars per TEU. The routes of the second group have less capacity than those of the first group: for example, the theoretical capacity of the Urumqi — Aktau — Makhachkala — Novorossiysk — Constanta route (taking into account the capacity of ports and unallocated fleet) is 100 thousand TEU, and that of the Urumqi — Aktau — Makhachkala — Tbilisi route (also keeping in mind the capacity of ports and unallocated fleet) is 50 thousand TEU.

3.6. The first problem that arises in connection with the possibility of developing the routes of the second group is that none of the Caspian Sea ports are ready to provide service to them. Serious modernization of port facilities is required. The port of Olya in the Astrakhan

region (its construction began immediately after the collapse of the Soviet Union so as to create a base for the Russian trade and military fleet in the Caspian Sea) currently cannot cope with the transshipment of even 1 million tons of cargo per year. The port of Makhachkala has an even smaller turnover. The construction of the Olya port is expected to be completed in the upcoming years; this will increase the turnover to the level of 8 million tons per year. Kazakhstan demonstrates much better progress: the Aktau port already has a turnover of 11 million tons of cargo per year. Nevertheless, none of the Caspian ports (Aktau, Makhachkala, Baku and Astrakhan) work with containers or with any consumer goods in general; these ports are adapted only for bulk types of cargo. The second problem is the need for additional water transport. Special flat-bottomed container ships are needed to ensure the transportation of the containerized cargo — and they are approximately 20% more expensive than the usual container ships. The transshipment of containers from the railroad onto the water transport and back will require additional time and, most importantly, the services of duly qualified employees, of which, so far, there has been something of a shortage.

3.7. The third group (the Southern Route) includes the routes that bypass the territory of Russia. The Urumqi — Aktau — Baku — Poti — Constanta (the second option is: Urumqi — Dostyk — Alma-Ata — Shymkent — Tashkent — Ashgabat —Tehran — Istanbul route) route, in addition to being virtually untested, is the most expensive, while at the same time being one of the aforementioned routes with the least capacity. The delivery cost of 1 TEU is up to 5,000 dollars when done by railway and up to 4,000 dollars if a truck and a ferry are used. The theoretical capacity of the route (taking into account the capacity of ports and unallocated fleet) is only 50 thousand TEU. This route will also require bigger capital investments, including the completion of container facilities in Baku and the port in Poti, the reconstruction of roads, and the construction of tunnels and container logistics centers. All planned activities will require investments of not less than 8 billion dollars. This will greatly reduce the cost of transportation and make the average delivery cost about 1,500 dollars per TEU.

3.8. The Urumqi — Kazakhstan — Iran route, which is currently being launched, is much cheaper and has more capacity. The Iranian market is very promising, especially considering the realization of Iran's high potential after the sanctions have been lifted. The delivery by railroad will cost 1,700 dollars per TEU, while the delivery by truck will cost about 2,700 dollars per TEU. The potential capacity of this route is one of the largest among all of the aforementioned routes, and amounts to 300 thousand TEU; the expected volume of investments is 2 billion dollars, which will reduce the cost of the delivery by railroad and make it 800 dollars per TEU. The prospect of the elongation of the SREB transport routes up to India and Pakistan is also quite promising.

3.9. There is a high degree of probability that all the described "branches" of the SREB transport and logistics component will develop and be in demand because they are closely linked to the implementation of the objective economic potential that the countries of the region possess.

PLANNED AND POTENTIAL MERIDIONAL INFRASTRUCTURE PROJECTS

3.10. These plans need to be reinforced by projects of meridional transport corridors and gas pipelines connecting Siberia to central and western China, states of Central and South Asia via Mongolia and Kazakhstan.

4. CONCLUSION

4.1. The potential of the deep interstate and interregional cooperation in the region closely related to The Silk Road Economic Belt concept lies not so much in the transport project per se, as it does in the project of co-development of Central Eurasia. This macro-region has great potential associated with the dynamics of the economy, a rich resource base, investment opportunities provided by China, and legal and institutional projects — EEU, SCO, and CSTO. All this sets the scene for the revival of the Silk Road in its original capacity as the continental belt of trade and economic and cultural interaction among the adjoining states, allowing them to achieve wealth and prosperity.

4.2 Common projects can be implemented through the already established institutional frameworks, such as the EEU. The most important EEU achievement at the moment — the common customs — is complemented by a number of advantages brought by the existing and developing integration project (common phyto-sanitary standards, etc.). These tools can create great opportunities for cross-border trade within the Union and at its borders. There is a need, however, to urgently develop the common agenda of the EEU's relations with China, creation of a permanent forum for China — EEU dialogue. A part of the EEU Treaty is the road map of movement towards a common market. There is a plan to unify the pharmaceutical regulations by 2016, to organize a common electric power market by 2019, to create common financial mega-regulators by 2022, and to have a common market for oil, gas and petroleum products by 2024–2025. This will already facilitate the development of specialized clusters in Eurasia.

4.3. Especially promising is the prospect of the common electric power market. The large coverage area, the number of generating capacities and their contingence provide for a more efficient market. If we also consider the solution of the problem of winter and summer energy supply in Central Asia by supporting hydropower with nuclear power, then the prospect looks very optimistic. Perhaps even at this stage it is necessary to study the possibility of connecting Western

China (with its 22 million of people) to this common market. In the future, it will be possible to raise the issue of creating a circular electric power system of Central Eurasia, including Siberia, Kazakhstan, Central Asia and western regions of China.

4.4. Next in importance is the area of cooperation focused on the common cross-border and extra-regional threats. This means the volatility in the hydrocarbon markets, sanctions (as a phenomenon of a new political and economic reality), drug trafficking, environmental migration, as well as those common threats that appear due to the deteriorating situation in Afghanistan and the common threat of Islamism (which, for China, is also fraught with separatist sentiment in XUAR). In this respect, Russia, China, and the SREB member-states could employ the existing CSTO and SCO mechanisms more actively. They could also create cross-border projects the clear target of which will be the reduction of a particular problem's severity.

4.5. However, the potential of co-development lies outside the institutional formats and is at the same time linked to the economic potential of the region and its logistical component: the regions that have already developed on their own often have no channels for trade. This could be overcome only by implementing large-scale transport-logistic and economic projects that will "sew" the macro-region together and provide a link between the resources, production sites and markets. Due to such projects, the map of Central Eurasian economic development may become ideal in 10–15 years.

4.6. Central Eurasia is home to enormous reserves of natural resources, including those that are very important: oil, natural gas, cerium- and non-ferrous metals. Most cost-effective and safe transport routes can run across this territory and connect the two giants of the world economy — Europe and East/ Southeast Asia. The countries that participate in this regional cooperation (Russia, China and Kazakhstan being most dominant) view Central Eurasia as the region of cooperation and complementarity rather

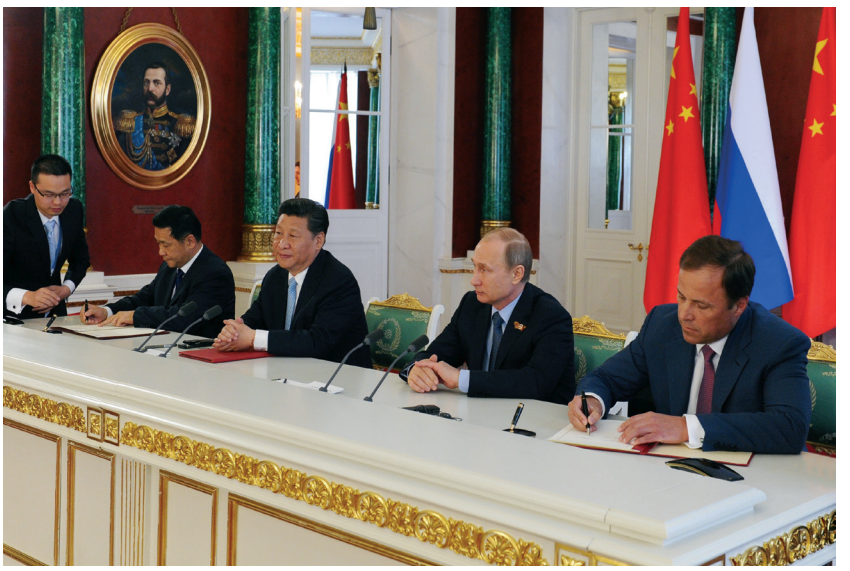
than competition. The strategic objective is to turn Central Eurasia into a zone of joint development not less intensive than the one that exists today among the EU member-states. The subjectivity of Eurasia in world affairs could be based primarily on the implementation of large-scale economic projects that will link the region together.

4.7. The main objects of the primary investment (that is made by states and some specialized institutions — the Asian Infrastructure Investment Bank (AIIB), the Silk Road Development Fund, the Eurasian Development Bank etc.) will be infrastructure, construction and the resource-exploration industry. The second stage will involve them being complemented by the processing industry and other spheres of production up to high-tech production. It is expected that the active influx of private investments will bring about a quick economic effect caused by the high potential and as of yet low competition in the region.

In the future, it will be possible to raise the issue of creating a circular electric power system of Central Eurasia, including Siberia, Kazakhstan, Central Asia and western regions of China

4.8. In order not to miss the "Eurasian moment", it is necessary to discuss the new strategy for the joint development in Eurasia with the key regional partners — Kazakhstan, China and Central Asian states. This strategy could, as a first approximation, include the following priorities:

- to initiate the establishment of a Eurasian council for infrastructural investment whose mandate could include the development of a friendly legal, regulatory, and institutional environment in the Central Asia in order to implement infrastructural co-development projects (at the EEU-China level); implementation of mechanisms for financing infrastructural projects (jointly with the AIIB, the BRICS bank, the Silk Road foundation; search, support, and assistance for particular infrastructural projects;



- to establish a permanent Central Asia Dialogue forum as a political format for systemic dialogue between the institutions of Eurasian integration (both at supra-national — Eurasian Economic Commission, and inter-state — Supreme Eurasian Council — levels) on the one hand and regional partners (China and other states, which are still not members of the EEU), on the other. Interaction and dialogue between China and the EEU member-states should not be allowed to retreat to bilateral formats;
- to develop a long-term program to strengthen the other institutions of international cooperation, such as the SCO and the CSTO, in the new context of regional cooperation;
- to reinvigorate the policy with regard to the nascent Asian Infrastructure Investment Bank in order to make it a really workable mechanism to attract investment to the regional projects of co-development and trans-border cooperation, as well as Russian projects, including in the sphere of transportation and logistics;
- to establish an EEU working group on transportation (including air transportation) and logistics infrastructure with possible participation of Kyrgyzstan;
- to ensure the Eurasian Economic Commission initiates the White Book of the EEU transport and logistics strategy — a common position of the participating countries;
- to develop a long-term "Transport and logistics map of Eurasia", that will summarize the existing and planned projects of cooperation and investment in the fields of transport and infrastructure development as a whole;
- to prepare a joint Russian — Kazakh — Chinese strategic document entitled "The energy belt of Eurasia" that will determine the long-term priorities of international

cooperation in the field of energy trade and take into account the objective transformations of this market;

- to initiate an international program of co-development, named "Eurasian verticals", that will be aimed at strengthening the North-South latitudinal trade and economic relations;
- to research the possibility of creation of 1 or 2 large air transportation hubs in the region;
- to make administrative decisions (at the governmental level) in order to resume the implementation of the Greater Altai project, which was developed in the late 1990s —early 2000s and united the border regions of China, Mongolia, Kazakhstan and Russia;
- to initiate an expert examination of the issue focused on the development of the "North Kazakhstan — South Siberia" agro-cluster; to initiate an expert-analytical study of the project of international cooperation on the Irtysh river (which is shared and actively used by China, Kazakhstan and Russia), based on the "common river" principle by analogy with The Mekong Initiative; this objective also involves creating an effective river basin commission and attracting a package investor;
- to develop a list of measures for the participation of Russian companies in the development of the Alatau cluster — the belt of growth that is concentrated around Alma-Ata and involves three countries — Kazakhstan, Kyrgyzstan and China.

4.9. The joint implementation of the aforementioned project (as well as other projects) of common development in Eurasia will allow Russia, China, Central Asian countries, Mongolia and, in the future, India, Turkey, Iran and South Korea to solve a number of domestic and international challenges they are currently facing, to lay the foundation for the sustainable development of the region, and to eliminate the possibility of its "internal explosion". Central Eurasia must become a safe and reliable home for its peoples, and a steadily developing safe common neighborhood of Russia and China.

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Agenda for the EEU Economy

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The Eurasian Economic Union (EEU) is a young integration association, that was formed to help participating countries unlock their economic potential, boost economic ties within the region, and create conditions for improving the countries' global competitiveness. The core of this integration project is the creation of a single market for goods, services, capital, and labor.

After a number of false starts in the 1990s and 2000s, the emergence of the EEU marks a major step forward. Numerous challenges lie ahead. Global projects are always hard to get off the ground. However, despite a number of outstanding issues, the idea of deep economic integration in Eurasia is becoming a reality.

What needs to be done for the EEU to have the most positive impact possible? In our opinion, the agenda for the next ten years should include the following steps:

- completing the formation of a single market for goods and services by removing existing exemptions;

- canceling as far as possible and/or unifying non-tariff barriers within the union;.

- coordinating macroeconomic policy, including monetary and financial matters, thereby preventing the economic union's "sprawl;"

- creating a network of free-trade areas and free-trade agreements, including with two key trade and investment partners, the EU and China.

Implementing these steps, as well as more specific initiatives related to the infrastructure development, industrial policy, agriculture, the labor market, a unified pension space, scientific and educational cooperation, etc., would maximize the effect of Eurasian integration.

Before providing details on these objectives for the EEU, let's start by briefly highlighting how Eurasian integration and its institutions have evolved over time.

The evolution of Eurasian institutions

The start of this major international project dates back to March 1994, when President Nursultan Nazarbayev of Kazakhstan delivered a speech at Moscow State University He discussed creating a Eurasian Union with a focus on the economy, a revolutionary integration paradigm for that time.

There is a saying, “In Russia you have to live a long life,” which applies perfectly to regional integration in Eurasia, as it took 20 years and a number of false starts to realize this vision.

During this time, the mechanisms embedded in the Commonwealth of Independent States (CIS) kept multiple potentially devastating disintegration forces at bay. Industry councils on transportation and electric power played a special role by preserving technological uniformity and the power grids. That said, it is clear that the CIS was unable to move beyond the task of managing a “civilized divorce” for a number of objective reasons.

In 1995, Belarus, Kazakhstan and Russia, which now constitute the core of the EEU[1], signed the Customs Union Treaty. The document envisaged removing barriers to free cooperation between the countries’ commercial enterprises, promoting free trade, and fair competition. This was the first false start.

In 2000, five countries established the Eurasian Economic Community (EEC).

In 2003, the presidents of Belarus, Kazakhstan, Russia, and Ukraine signed the Treaty of the Common Economic Space. However, Ukraine’s Orange Revolution in 2004 put an end to this initiative, to the lasting regret of many involved. After all, Ukraine’s participation in Eurasian integration would make good economic sense. This was the second false start.

In October 2007, Russia, Belarus and Kazakhstan signed the Treaty on the Creation of the Common Customs Territory and Establishment of the Customs Union (CU). An action plan has been adopted to provide for the free movement of goods among the members, facilitate trade with third countries, and promote economic integration.

Few believed this next attempt would be any more successful, but when the two-year plan came to an end, Alexander Lukashenko of Belarus, Dmitry Medvedev of Russia and Nursultan Nazarbayev of Kazakhstan met in Almaty on December 19, 2009, to sign a statement on the establishment of the Customs Union. On January 1, 2010, a single customs tariff took effect. This outcome was due largely to the global economic crisis, which pushed the three countries closer together.[2]

The Customs Union of Belarus, Russia and Kazakhstan was up and running by 2011. A single customs territory was created and a single customs tariff enacted.

[1] The numbers back up the existence of an “integration core” of Eurasian integration. See: Yevgeny Vinokurov (ed.) (2010) Sistema indikatorov evraziyskoy integratsii [System of Indicators for Eurasian Integration], Eurasian Development Bank, Almaty.

[2] There is a standard theoretical misconception that crises tend to be an obstacle to integration, since protectionist tendencies usually reemerge in these circumstances. However, we argue that economic crises can drive integration processes, but only if countries share close ties and there are no real alternatives. See: E.Vinokurov, A. Libman, (2014) “Do Economic Crises Impede or Advance Regional Economic Integration in the Post-Soviet Space?”, Post-Communist Economies, Vol. 26 (3), 341–358.

On January 1, 2012, 17 agreements serving as a platform for the Single Economic Space (SES) took effect. They set out regulations on a number of key economic cooperation issues for the three countries, from coordinating macroeconomic policy to labor migration.

Finally, the Treaty on the Eurasian Economic Union came into force on January 1, 2015. Armenia joined the integration project on January 2, 2015, followed by the Kyrgyz Republic in May 2015.

The EEU institutions

The EEU "family" of institutions is now in place. The Supreme Eurasian Economic Council consists of the heads of the member-states and oversees the key issues related to the union's operation and strategy, and the advancement and future prospects of integration. The heads of government of the member-states are represented in the Eurasian Intergovernmental Council, which is vested with authority to work in 10 areas, including enacting and overseeing implementation of the EEU Treaty and approving draft budgets. The Eurasian Economic Commission (EEC), the single supranational institution in charge of regulating and promoting integration, is fully operational. All in all, 140 powers were transferred to the supranational level by the member-states.

Other key institutions of the EEU are as follows.

The Court of the Eurasian Economic Union, which is a specialized body with jurisdiction over disputes related to the implementation of international treaties within the union and decisions of EEU institutions. For instance, its rulings regarding the Single Customs Tariff have direct effect.

The financial mechanisms of Eurasian integration are operated by the Eurasian Development Bank (EDB) and the Eurasian Fund for Stabilization and Development (EFSD). With six member-states, $1.6bn in capital, and a $5bn investment portfolio, the EDB is a prominent international financial institution. It carries out priority projects aimed at expanding mutual trade and cross-border investment. With $8.5bn in capital and six participating countries, EFSD is a key tool for dealing with crises and stabilizing the region.

The 680-page Treaty on the Eurasian Economic Union is the core legal document of the EEU. It consists of a 100-page Treaty and annexes.[3]

All in all, a regional integration structure has been established for a market of about 180 million people with an aggregate GDP of $2.2 trillion. Russia and Kazakhstan are the two biggest economies of the union (Table 1).

[3] http://www.eurasiancommission.org/ru/act/texnreg/depsanmer/Documents/Договор о Евразийском экономическом союзе.pdf

Table 1. Socioeconomic development indicators for EEU countries, 2014

Indicator		Armenia	Belarus	Kazakhstan*	Kyrgyz Republic**	Russia
GDP	Nominal, $bn	10.3	76.1	212.3	7.4	1,857.5
	PPP, $bn	24.3	172.0	418.5	19.2	3,564.5
	Nominal per capita, $	3,121.2	8,041.7	12,183.5	1,298.6	12,926.0
	Real, average growth rate for 2010-2014, %	4.2	3.5	6.0	3.7	2.8
Population, mn		3.3	9.5	17.4	5.7	143.7
Foreign trade, $bn		5.9	77.2	105.0	7.4	805.8

* Foreign trade has been calculated based on EEC data on trade with third countries and mutual trade.

** Based on data from the Kyrgyz Republic's balance sheet.

Source: IMF, national statistics institutions, EEC, EDB calculations.

Eurasian integration is already yielding positive results. For instance, according to the Monitoring of Mutual CIS Investments by EDB's Center for Integration Studies, investment between EEU countries remains stable at $25.1bn, while mutual investment within the CIS registered a significant decline.[4]

Eurasian integration also has popular support in the member-countries. According to a public opinion poll carried out by the Center for Integration Studies as part of the EDB Integration Barometer project, approval of the Customs Union remains at a comfortable 65%-78%.[5]

[4] Center for Integration Studies of the Eurasian Development Bank (2014) Monitoring of Mutual CIS Investments, Paper No. 26, St. Petersburg. Available at http://www.eabr.org/r/research/centre/projectsCII/invest_monitoring/ ; Center for Integration Studies of the Eurasian Development Bank (2015) Monitoring of Mutual CIS Investments, Paper No. 32, St. Petersburg (September).

[5] Center for Integration Studies of the Eurasian Development Bank (2012-2014) EDB's Integration Barometer for 2012, 2013, 2014. Available at http://eabr.org/r/research/centre/projectsCII/

Key elements of the agenda in coming years

Eliminating the remaining exemptions from the single market of goods and services

The future of Eurasian integration is contingent upon the success of bottom-up integration, i.e., increased mutual trade, cross-border investment, and orderly labor migration. This calls for the enactment of uniform rules of the game within the EEU economy. Looking ahead to 2025, the main objective should be to expand the single market to a level close to 100% of the domestic markets of participating countries.

The EEU member-states will have to modernize their economies and promote cooperation between them by phasing out exemptions from the single market. For example, the parties agreed to create a single market for pharmaceuticals and other medicines by January 1, 2016.

Preparations for the creation of a single electric power market are also getting underway. Once the EEC approves the concept of a single electric power market, an international treaty will be drafted to this effect so that the market becomes operational by 2019, as planned.

The issue of setting up a financial super-regulator within the EEU by 2022 is also on the table. It could be created as a supranational financial institution in charge of devising uniform rules for financial markets within the union, regulation, and oversight.

A single market for oil, gas and related products is expected to be created by 2025, which is quite a long time from now. However, this long timeframe is deliberate and can be explained by the fact that the oil and gas sector is vital for the budgets of the participating countries.

Removing non-tariff barriers and unifying tariffs

One of the key issues on the EEU's agenda for the next several years is unifying and removing non-tariff barriers to trade in goods and services. Non-tariff barriers act as a drag on trade within the EEU, undermining the efficiency of the single market. They are especially harmful to cooperation in technology-related segments.

EDB's Center for Integration Studies has carried out the first-ever large-scale research project to evaluate how non-tariff barriers affect trade within the EEU and develop recommendations on removing them. Corporate surveys in Belarus, Kazakhstan and Russia show that losses from non-

tariff barriers account for 15%-30% of exports. In other words, 15-30 cents are being lost per every dollar of exports within the EEU.[6]

Non-tariff barriers can be divided into two groups. The first includes non-tariff barriers such as sanitation and phytosanitary measures, technical barriers, quotas, bans and quantitative controls. The second group consists of price controls and competition-related initiatives, such as the existence of special importers, restrictions on sales and public procurement, and subsidies. The second group is often referred to as "sand in the gears," since it does nothing but hamper the movement of goods and could be fully phased out. Experts from the Center for Integration Studies have come to the conclusion that these non-tariff barriers are the most detrimental to trade. Consequently, removing this "sand in the gears" of mutual trade should become a priority.

The research project by the Center for Integration Studies also showed that Belarus stands to gain the most from the removal of non-tariff barriers in the medium term: its real GDP could climb 2.8%, and cumulative per capita GDP could increase 7.3%. In Kazakhstan, per capita GDP would add 1.3%, and real GDP could notch up 0.7%. The influence on Russia would be less pronounced, with cumulative per capita GDP up 0.5% and a 0.2% uptick in real GDP. This is due to the size of the Russian economy, as well as the fact that trade within the EEU accounts for a smaller portion of its overall trade compared to other member states.

The research has found that the reduction of non-tariff barriers will most benefit machine and equipment makers who have the highest non-tariff barriers. Pulp and paper mills, food companies, leather, shoe, rubber and plastic product makers are also expected to gain substantial advantages.

Furthermore, the issue of high non-tariff costs is also relevant for exporters of chemical products to Belarus and Russia, wood processing products to Kazakhstan and Russia, agriculture products to Belarus, as well as electrical equipment, electric and optical equipment to Kazakhstan.

Real macroeconomic, monetary and financial coordination

A harmonized macroeconomic policy is vital for EEU countries. A mechanism of this kind would provide for macroeconomic stability. Markets would run on the same principles, sharing the same indicators to make them more sustainable and further promote integration.

Providing for extensive coordination of macroeconomic monetary and fiscal policy is vital for the EEU's future. Similar and moderate inflation rates, converging price of financial resources and their reciprocal availability, converging risk premiums, stable and sustainable growth rates, debt stability, tax and budget balances (Table 2) – all these improvements have to be made within the EEU. The

[6] Center for Integration Studies of the Eurasian Development Bank (2015) An Assessment of the Economic Fallout from the Removal of Non-Tariff Barriers within the EEU, Paper No. 29, EDB, St. Petersburg. Available at: http://eabr.org/general//upload/CII%20-%20izdania/2015/НТБ-29/doklad_29_preview.pdf

Treaty sets out three criteria that must be met: public debt to GDP ratio, inflation rate, and budget deficit. But how to achieve compliance with these conditions of the participating countries? This is a question that needs to be answered.

Table 2. Key macroeconomic indicators of sustainable economic development of EEU member-states

VALUE OF MACROECONOMIC INDICATORS		
Annual consolidated public sector budget deficit below 3% of GDP	Public sector debt below 50% of GDP	Year-on-year inflation within 5 percentage points of the inflation rate in the member-state with the lowest inflation rate

Source: EEU: Treaty of the EEU.

Tax and budget coordination is one of the key prerequisites for a monetary union's success. Without it, all efforts to create the union will have been in vain.

The examples of Greece and a number of other Southern Europe countries are instructive. When the Eurozone was created, investors viewed them as low-risk borrowers. However, without fiscal policy coordination, the growth of debt and public spending got out of hand, which eventually led investors to revisit risk premiums and brought about severe debt crises. Consequently, a monetary union is only about controlling budget deficits and public debt levels.

Should a single currency be introduced? There has been much talk recently about creating a single currency and a central bank. In our opinion, at the current stage this discussion is unjustified and even counterproductive.

The main mid-term objective of efforts to coordinate monetary and financial policy should be to reduce the volatility of mutual currency rates within the EEU and to prevent their "divergence," which threatens the stability of the single economic space. This could help reduce trade losses, expand trade, as well as pave the way to long-term mutual investment. Predictability and stability on forex markets are of paramount importance for investors, especially for small countries.

Moreover, coordinating monetary and financial policy has obvious advantages in addition to being a justified and logical step in developing and strengthening the EEU. Developing uniform rules for the forex market, payments and settlement transactions, as well as coordinating monetary and fiscal policies, could benefit member-countries in a number of ways, such as:

- expanded mutual trade as a result of lower transaction costs and forex volatility;
- positive impact on the financial market in general and investment with lower investment costs and risks, leading to an increase in mutual investment;
- lower borrowing costs due to stable inflation and interest rates, which is particularly important for smaller EEU economies. A currency union promises stability for countries with higher inflation.

The currency crisis that hit Russia in December 2014 is often used as an argument against a closer monetary and financial relationship. Not only do we not share this view, but we argue the exact opposite. Data for the last four quarters show that the other EEU currencies are already highly dependent on the ruble. Sooner or later, they inevitably follow the ruble in its fluctuations in one way or another. To prevent short-term imbalances, this mechanism should be transparent and regulated.

Here's an example.

Russia-bound exports from Belarus dropped 39% in January 2015, while overall exports were down 25%. Although this was caused by a number of reasons, forex-related issues, i.e., Belarusian products becoming less competitive on the Russian market, had a significant impact. In the first quarter of 2015, the Belarusian ruble lost 51% against the dollar year-on-year, while the Russian ruble lost 80% of its value, compared to a 9% and 16% decline for Kazakhstan's tenge and Armenia's dram, respectively.

For Belarus, coordination of monetary policy should take place against the background of a much higher inflation rate. This could lead to current account problems. Preliminary calculations of such a scenario show that over a period of 4 years, the accumulated current account deficit could reach 7%-8% of GDP above the baseline scenario. Consequently, the country would have to find external sources of funding.

EEU countries will also have to answer a number of other questions related to financial integration:

- Banking liberalization, including access to the banking system for foreign players, foreign banks opening branches, and removing capital controls.
- Leveling the playing field for capital account transactions.
- Liberalizing access to the securities market in terms of brokerage services, including unhindered floating and circulation of securities of EEU issuers.
- Liberalizing access to the securities market for depositaries.

Creating a network of free trade areas and entering into trade and economic cooperation agreements within the Eurasian Union

A broad range of issues related to trade and economic cooperation should be addressed. In fact, global trade is undergoing tectonic shifts, and often not to the EEU's advantage. It has to be

acknowledged that for now, the EEU with its $2.2 trillion GDP and 182 million people (and a working-age population of 92.9 million) is not self-sufficient. It accounts for just 3.2% of global GDP. Consequently, any attempt to build Fortress Eurasia would be suicidal.

What are the possible solutions, given the current crisis in relations with the West?

The first solution would be to create a network of free trade areas. The first agreement, with Vietnam, was signed in May 2015. Similar deals with Egypt, India, and Israel are in the pipeline. Other potential partners could be South Korea, Chile, South Africa, Iran, etc.

The second option would be to take talks with EEU's major trade and economic partners, the EU and China, to a new level. In this case, the best approach for the EEU could be articulated in the spirit of Chinese big-character posters: "Standing on both legs." In other words, the Eurasian Union cannot afford to rely on just one partner.[7]

Some progress has been made in this area. The EEU and China have started talks on a trade and economic cooperation agreement. The EEU's participation in China's new strategic project, the Silk Road Economic Belt, is widely discussed. There is no doubt that mutually beneficial cooperation between the EEU and China should add momentum to regional development, as well as facilitate transport, energy and financial cooperation in Central Asia, Siberia, and Russia's Far East.[8]

Interest in economic cooperation and integration between the EU and the EEU is also on the rise. In fact, the importance for the emerging EEU of robust economic integration with the EU cannot be underestimated for a number of reasons. First, the EU is the major trade partner for Russia and Kazakhstan, accounting for over one half of Russia's trade, while Russia is the EU's third largest trade partner. Second, the EU could play an important role in helping the Customs Union deal with the challenge of modernization. Third, the emerging EEU is about to spearhead a number of free-trade agreements with smaller partners. Against this background, the EU should also be regarded as the main long-term partner.[9]

There is little doubt that progress in the EU relationship is not around the corner, given the current crisis in relations, although over the next decade many things could become possible.

In order to increase the chances for success, the EEU's agreements with the key economic partners should be as comprehensive and action-oriented as possible. The reason behind this is that, for

[7] E. Vinokurov, A. Libman (2012) Eurasian Integration: Challenges of Transcontinental Regionalism, Basingtoke and New York: Palgrave Macmillan.
[8] Analytical Report by Valdai International Discussion Club, Silk Road Economic Belt and priorities for the mutual development of Eurasian nations, Moscow, June 2015. Available at http://valdaiclub.com/publication/77920.html
[9] E. Vinokurov (2014) "Mega Deal Between the European Union and the Eurasian Economic Union," Russia in Global Politics, October-December.

example, Russia and Kazakhstan won't benefit from a bare-bones free trade area, since raw materials dominate their exports. Given their trade structure, Russia and Kazakhstan are not interested in a narrowly defined free-trade arrangement, which would also be harmful for Belarus, although to a lesser extent. Trade concessions that are offered in one area should be offset by benefits in other areas, i.e., substantial progress must be made in other areas of economic cooperation in order for the idea of creating a free trade area to make sense.

The possible arrangements should cover trade in goods, but also in services, as well as e commerce, investment regimes, technical regulations, non-tariff trade barriers, liberalizing access to financial markets, developing international transport infrastructure, mechanisms for reviewing and resolving trade disputes, etc. [10]

The Comprehensive Economic and Trade Agreement, CETA, providing a legal framework for an agreement reached in 2013 between the EU and Canada, could serve as an example and a template for integration arrangements between the EEU and the economies interested in partnering with it. The Transatlantic Trade and Investment Partnership, known as TTIP, also provides an example of a comprehensive economic and trade accord covering a number of areas on top of liberalization of trade in goods and services.[11]

The EEU should not seek to build Fortress Eurasia, but should instead seek to establish mutually beneficial cooperation with all of its partners.

The EEU's first free-trade area

On May 30, 2015, in Kazakhstan, the EEU and Vietnam entered into an agreement to establish a free-trade area providing, among other things, for a special regime for implementing joint production projects in this country.

The agreement contains provisions that will gradually open up markets for the parties. By 2025, the import tariff in the EEU countries is to decrease from the current 9.7% down to 2%, while Vietnam is expected to cut its import tariff from 10% to 1%. Zero duties will be introduced for 60% of traded items once the treaty is ratified by the parliaments, which could take about six months, and to 88% of items after the transition period. The Ministry of Economic Development expects trade with Vietnam to double by 2020 (from $3.7bn in 2014).

The document package includes the agreement, On a Special Regime for Russian Investors and Suppliers of Services, which, among other things, enables Russian companies to conduct business in Vietnam on the same terms as local companies. Specifically, this measure is designed to benefit joint projects involving car makers (GAZ, KAMAZ, and UAZ), as well as investment in power generation, transport infrastructure and oil refining.

[10] Center for Integration Studies of the Eurasian Development Bank (2014) Methodological approaches to economic integration of the EU and the EEU: a quantitative analysis, Paper No. 23, EDB, St. Petersburg. Available at: http://eabr.org/general//upload/CII%20-%20izdania/2014/Колич%20анализ%20эк%20интеграции/doklad_23_ru_preview_web1.pdf

[11] Daniel S. Hamilton, ed. (2014) The Geopolitics of TTIP: Repositioning the Transatlantic Relationship for a Changing World, Washington, DC: Center for Transatlantic Relations.

Learning from other integration projects

It is important to take into account the experience of other integration bodies. In fact, the EEU keeps a watchful eye on developments in the EU, and learns from them.

The first takeaway is that the integration potential of a country is above all determined by economic factors, which means that in order to succeed, an integration project should produce real economic effects.

The second takeaway is that a single currency should have a solid foundation in the form of real and efficient mechanisms for coordinating macroeconomic policies. The Eurasian Union does not need its own Greece.

The third takeaway is that a proactive media policy is needed for the integration project to succeed.

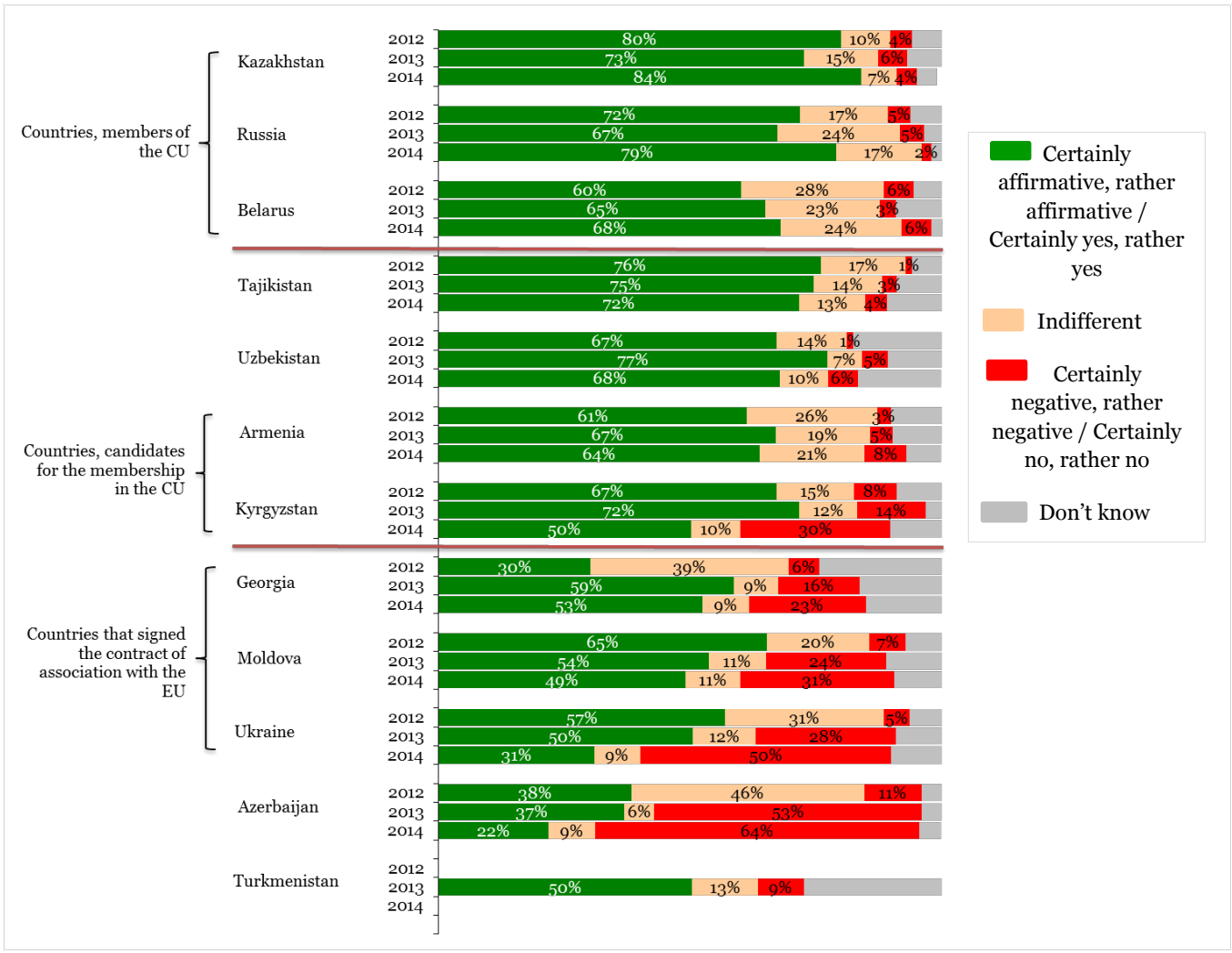
Public attitudes and interest in the integration project is also important. It creates a positive background, determines progress, and gives political elites a strong impetus to action. A study of approval ratings of the Customs Union and the Single Economic Space conducted in the CIS captures public attitudes towards the successes and shortcomings of Eurasian integration. The Center for Integration Studies carried out a representative survey in the summer of 2014 as part of the Integration Barometer project, which found that approval ratings of the Customs Union and the Single Economic Space were high in Kazakhstan, Russia and Belarus at 84%, 79% and 68%, respectively (Figure 1). Approval was 64% in Armenia and 50% in the Kyrgyz Republic. As for approval ratings in countries that are not members of the Customs Union or the Common Economic Space, the highest figures have been reported in Tajikistan (72%) and Uzbekistan (68%), where people favor closer ties with the former countries of the USSR and above all Russia. In our opinion, this is an argument in favor of stepping up efforts to draw these two countries into EEU integration processes. [12]

Figure 1.

Question for member-states of the Customs Union: Belarus, Kazakhstan and Russia joined in the Customs Union, which made the trade between the three countries free from duties, and created the Single Economic Space (in fact, a single market of the three countries). What do you think of this decision?

Question for the states outside the Customs Union: Belarus, Kazakhstan and Russia joined in the Customs Union, which made the trade between the three countries free from duties, and created the Single Economic Space (in fact, a single market of the three countries). Do you think it is advisable for your country to join this association?, %

[12] Center for Integration Studies of the Eurasian Development Bank (2014) EDB's Integration barometer 2014, Paper No. 25, EDB, St. Petersburg. Available at: http://eabr.org/general//upload/CII%20-%20izdania/2014/Barometr-2014/EDB_Centre_Analycal_Report_25_Full_Rus_1.pdf



Source: EDB Integration Barometer, EDB 2014.

The EEU through the lens of foreign investors

Foreign investors and trade partners could be interested in working in the Eurasian Economic Union for the following reasons:

- **first**, investors can choose within EEU's single space the manufacturing localization strategy that best suits their needs. For example, by establishing manufacturing facilities in the north of Kazakhstan, a company may operate in Central Asia, South Siberia and Urals;

- **second**, building on the advantages of the integration process, a single customs and economic space helps deploy efficient distribution networks;

- **third**, foreign investors can benefit from the potential and achievements of research and manufacturing clusters and infrastructure for setting up efficient production facilities and easy access to regional markets.

According to the Monitoring and Analysis of Foreign Direct Investment of EEU Countries in Eurasia, a study carried out by EDB's Center for Integration Studies, FDI from five selected countries (Austria, Turkey, India, Vietnam and China) in EEU countries is gaining momentum. In fact, this indicator rose 69% to $58.3bn in 2008-2013.

China has shown the highest FDI growth rate. Five years ago, China was on par with India in terms of investment in the former Soviet Union, but now it is far ahead. However, this dynamic is to a large extent underpinned by large investments of the Chinese companies in Kazakhstan's oil and gas sector, while other industries received little attention from Chinese investors until 2014. There are reasons to believe that the situation is about to undergo dramatic change.[13]

The existence of a single economic space should serve as an incentive for prospective foreign investors to invest in EEU's economy. They will then need to choose where to set up their operations, develop logistics, determine how to benefit from the competing jurisdictions and lobby for the establishment of free-trade areas between their countries of origin and the EEU.

Consequently, the EEU offers a new realty to investors. Five countries form a single market, providing an opportunity to work from any location on their territory. Although the mechanisms behind the union's operation have yet to undergo substantial improvements, the EEU is already a single economic space with a relatively clear development roadmap and growth prospects.

[13] Center for Integration Studies of the Eurasian Development Bank (2014) Monitoring of Foreign Direct Investment of Russia, Belarus, Kazakhstan and Ukraine in Eurasian Countries, Paper No. 28, St. Petersburg. Available at: http://eabr.org/general//upload/CII%20-%20izdania/2014/МПИ-2014/doklad_28_preview.pdf

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Trans-Regional Security Organisations and Statist Multilateralism in Eurasia

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Abstract

This paper argues that there is an emerging trans-regional security complex reaching from Russia through Central Asia to China. Shared security norms have resulted in statist multilateralism, that is, state-directed cooperation on shared interests while closely guarding distinct identities and specific political features. The paper outlines member states' key political values and shows how they 'framed' shared understandings about security. It then explains how security norms inform the institutional designs of the two main multilateral security organisations thereby directing the nature of cooperation, testing the argument in two key conflicts: in Kyrgyzstan and Afghanistan.

THE PAST DECADE HAS ARGUABLY SEEN A SHIFT TOWARDS AN increasingly regionalised global order. A variety of mostly capitalist states with a multiplicity of political institutions and styles—ranging from democratic to authoritarian—have taken the lead in initiating new, or reinvigorating old, regional security orders. This paper identifies an emerging and still fluid trans-regional security order which includes Russia, China and the post-Soviet Central Asian states. It shows how overlapping political norms influence how security issues are framed, institutionalised and acted upon.

Most conventional thinking about the post-Soviet Central Asian region adopts a realist form which highlights the role of 'great power' interests, for example Russian, Chinese or American, as each country strives for geopolitical primacy in a new version of the 'Great Game' (Edwards 2003; Kleveman 2004; Makni 2008). This framework offers significant explanatory value, for example in showing how access to Central Asia's rich energy resources, or how its strategic location near Afghanistan, has drawn competing interests into the region. However, the focus on actual or potential competition between states tends to minimise the cooperative role of Central Asia's regional security organisations, which are often perceived unidimensionally as formal but expedient relationships. The key security organisations—the Shanghai Cooperation Organisation (SCO) and the Collective Security Treaty Organisation (CSTO)—are thus reduced to vessels designed and controlled by the more powerful states such as Russia and China to

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pursue and enforce their interests, and to counter (or balance) the growing regional involvement of 'outside' powers such as the United States.

This framework is not incorrect; however a more nuanced understanding of security governance also borrows from a more liberal interpretation and highlights the increasingly socialised relations among the state actors, and the very few non-state actors, especially over the past decade (Jackson 2007). For example, regional security organisations have forged institutional links from the summit level to low-level bureaucrats. As we shall see, these multilateral ties have facilitated exchanges of views, as well as fostered practical results such as joint military, counter-narcotic and counter-terrorism exercises. In the economic realm, until very recently, formal integration among the post-Soviet Central Asian states, several of whom remain deeply suspicious of each other, has remained stunted.[1] However, informal cross-border ties (such as shuttle trade) are flourishing and recently there has been increasing economic, social and cultural cooperation at the multilateral level (Vinokurov 2010). At the bilateral level, a significant trend is towards the diversification of security (as well as political and economic) ties external to the region (to East Asia, the Middle East, the European Union (EU) and the United States). Altogether, these growing and varied links and new transnational relations blunt the role of competition highlighted by realist thinking as new cooperative and profitable ties and practices have been formed.

While taking into account these key realist and liberal insights, this paper explores whether there is any validity in a third interpretation about security governance. It asks whether there are any political values or security norms around which a trans-regional security identity may be coalescing and which may help to explain how security is (or is not) governed or practised. The paper argues that states' overlapping political values and security norms inform how security is understood or 'framed' in an emerging and dynamic (not static) 'trans-regional security complex' which reaches from Russia, through post-Soviet Central Asia, to China. These shared security frames shape the multilateral security institutions which, in turn, guide how security issues are managed or governed (while hindering deeper integration) at the trans-regional level.[2] 'Regional security governance' is defined as the collective capacity to identify and solve problems on a regional scale, where actions taken can be persuasive (economic, political, diplomatic) or coercive, for example military policies.[3] Seen through both a security and a trans-security governance lens, the relations among Russia, Central Asia and China today are characterised by bilateral state relations, in specific bilateral security ties and military partnerships, but also the soft (conditional) statist multilateralism which is the subject of this paper.

Describing post-Soviet Central Asia as a geographical region, let alone a cultural or political one, is controversial. This vast area links Europe with Asia and sits above the Middle East. It lies at the northern crossroads of the Christian, Islamic and Confucian worlds. Many social scientists and practitioners consider the five post-Soviet Central Asian states as a sub-region within the former Soviet space; others prefer to emphasise their pre-Soviet legacies or re-emerging ties, as part of a greater Central Asia including Afghanistan, Pakistan, India and, perhaps, Iran and Turkey. Complicating the matter, the

[1]Since the submission of this paper, there is now a Customs Union between Russia, Kazakhstan and Belarus, and Putin continues to push for a Eurasian Union.

[2]This paper understands security governance as an explanation of state interaction. For an overview of different understandings of 'security governance' see Sperling (2010).

[3]This definition is adapted from Webber's definition of 'international security governance' (2002, pp. 33–44).

states themselves vary in terms of how they perceive their own regional presence: for example, Turkmenistan defines itself as a Caspian state; Tajikistan is more oriented towards South Asia; Kazakhstan envisions itself a leader in Eurasia. There is little shared feeling among the peoples that they belong to a single common space, which is generally understood as an essential ingredient for the development of a common regional identity.

This paper's focus, however, is on trans-regional multilateral security management and it attempts to show that, despite dissimilarities and divergences, Russia, the post-Soviet Central Asian states and China are in the process of consolidating into a fluid trans-regional security complex—even while developing links in other directions. I borrow from, and adapt, Barry Buzan's definition of 'security complex' as 'a group of states whose primary security concerns link together sufficiently closely that their national securities cannot realistically be considered apart from one another' (Buzan 1991, p. 90). Although Buzan places the entire post-Soviet area into one 'region', the concept and boundaries are contested and fluid. Security is not 'clustered' even in the geographically defined post-Soviet Central Asia. Instead, it is closely linked to the security of Russia, China and, to a lesser extent, other states. Thus, as opposed to Buzan's original conception, security concerns do travel beyond traditional regional boundaries (which are also evolving) and 'threats' are often perceived and sometimes acted upon as trans-regional. The security of each country in the area examined in this paper interacts with the security of the others. This trans-region has 'inward looking characteristics' (Buzan 2007, p. 193), but also outward looking ones.

Security issues in this nascent trans-regional complex are not only closely intertwined, but we will further show that there is a common security discourse and that there have been real steps taken towards multilateral security governance in terms of institution building and practice. The argument is not that there has been deep integration but that security cooperation has increased over the past 20 years and that it is based on common norms which have been institutionalised and legitimised by trans-regional security organisations. This paper thus builds from and adds complexity and nuance to the more common view that Russia, China and the post-Soviet Central Asian states' achievements in multilateral security cooperation are best defined as merely limited or 'virtual' (Allison 2008).

The reality is that only two decades ago, the post-Soviet Central Asian states and Russia were part of the Soviet Union, and both the Soviet Union and China were largely isolated from each other, from much of global politics and the so-called 'international society'. There have been many major transformations since the end of the Soviet Union in 1991 and the creation of the newly independent states. At the regional security level, the early 1990s in much of the former Soviet space was characterised by a political and security vacuum. This vacuum was filled in the mid to late 1990s as the new states established their own identities and policies, and as many external states including Russia, China and the US, and organisations including the United Nations (UN), Organization for Security and Co-operation in Europe (OSCE), EU and North Atlantic Treaty Organisation (NATO) began to pursue, with limited success, a variety of goals (Jackson 2004). This paper identifies a subsequent, perhaps more subtle, shift over the subsequent decade (2000–2010) as this area of 'incomplete hegemony' began to consolidate into an emerging trans-regional security complex.

The first section of the paper briefly identifies member states' key political values and suggests that they shape or frame states' understandings and perceptions about security and multilateralism. The second section, the core of the article, examines how security norms

have influenced the institutional designs (membership, organisational norms, mandate, scope and rules) of the SCO and the CSTO and thereby directed the nature of multi-regional cooperation—which I term statist multilateralism—or state-directed cooperation on shared interests, while closely guarding distinct identities and specific political features.

The third section briefly examines two recent test cases for the security organisations—the 2010 crisis and riots in Kyrgyzstan and the war in Afghanistan. It asks whether the organisations' actions, or lack thereof, are consistent with, or divergent from, the organisations' norms and institutional designs, and also whether external events are shaping new ways of thinking about security and intervention—thus possibly reshaping institutional designs and the nature of cooperation.

Common political values and shared understandings about 'security' and multilateralism: commonalities amid diversity

Grouped together, post-Soviet Central Asia, Russia and China lack a common and unifying cultural identity. The states have different dominant religious, linguistic and ethnic identities. Each state, moreover, has unique institutions, national interests and perceptions. However, they do share some similar experiences and practices stemming from a communist past, have comparatively similar types of semi-authoritarian political regimes, and have recently embraced globalisation (except for Turkmenistan which is not, at any rate, a member of these multilateral security organisations).

Most significantly, all the countries share common statist and collectivist political values (despite nuances in the styles of political governance) which are at odds with Western liberal values of individualism, human rights, Western liberal democracy and transparency. Instead, they share a past commitment to 'Eurasianism', defined as the spiritual closeness of Russian and East Asian civilisations which value collectivity and equity over individual achievement and private property (Shlapentokh 2007). Although the countries have moved away from a focus on ideology, to a focus on economic growth, with more people employed in the private sector and an emerging middle class, these ideas still find strong (if varying) resonance in Russia and post-Soviet Central Asia as well as equivalence in Chinese traditional values of Confucianism which include collectivism, statism, equity and community (Xian 2004).

Russia, China and the Central Asian states also share broadly similar political systems in that they lack genuine pluralism, have few interest groups and are ruled by personalistic regimes. They are characterised by a lack of strong links between state and society. Political elites in these countries have tended to be inflexible, often lack the trust of their populations, and have generally been unwilling to cede any power. Over the past decade, the states have increasingly sought the benefits of globalisation and interdependence but with limited or no political liberalisation. At the same time, they have insisted on maintaining distinct identities and following their own paths of development (Callahan 2008; Chan *et al.* 2008, pp. 7–8).

The above-mentioned elements of a broadly shared political culture frame a common understanding and discourse of 'security' that includes a strong support for Westphalian 'hard sovereignty' and non-intervention, protection of state borders, prioritisation of (internal and external) stability, and the belief in the need for state military capacity for self-defence and hard state security responses. Among the countries in this trans-region,

'security' has also been widely defined as regime security, and the core liberal principle of intervention to protect individual rights rejected (Jackson 2003; Clunan 2009). Thus, although norms are evolving, as we shall see below, the dominant state-centric understanding of 'security' over the past 20 years has often been in contrast to the so-called post-Westphalian EU 'human security' agenda which includes democratic promotion and humanitarian intervention. It is also in contrast with a 'neo-imperialist' ideology which is often used to explain Russian and Chinese involvement in Central Asia. At the same time, Russian, Chinese and Central Asian official rhetoric has also supported the primacy of political and diplomatic institutions and has repeatedly advocated the use of international law to resolve disputes.

The prioritisation of sovereignty, the protection of state borders and regime security have allowed Russia, China and the Central Asian states to cooperate on issues of 'high politics' while safeguarding (and legitimising) their specific political institutions, (state-sponsored) domestic identities and interests. As the author has argued elsewhere, already by the end of the 1990s and early 2000s, they shared a discourse about trans-regional security threats. Officially stated security interests included countering terrorism, trafficking, illegal migration, separatism and Islamic extremism (Jackson 2005). More recently, especially as the result of the 'coloured revolutions', this list of key officially stated security 'threats' or challenges has expanded to include domestic opposition to the regimes and 'external interference' (Ambrosio 2009). These non-liberal governments have always been especially concerned about internal challenges to their regimes. However, following the 'coloured revolutions' in Georgia in 2003, Ukraine in 2004 and especially Kyrgyzstan in 2005, 'regime security' has been 'securitised'—or even more strongly promoted by Russian and Central Asian political leaders, who have consequently become increasingly aware of the precariousness of their political positions (Jackson 2010). The current revolutions across the Arab world in early 2011 seem to be reinforcing these fears and priorities. For example, President Nazarbayev called a snap election for April 2011 in order to secure his power.

At the same time, over the past decade, while focused on preserving or reinforcing (and in some cases creating) their own distinct identities and responding to internal challenges, Russia, China and the Central Asian states have also become increasingly supportive of 'soft (conditional) multilateralism'. China stresses 'harmonious relations' and 'mutual trust' while they all use the discourse of 'non-confrontational' relations in a new multipolar order.

This is especially true of *new* multilateral structures (or proposed structures), with most of these countries working hard to raise their own diplomatic profiles. For example, Russia's most recent Security Strategy of 2009 stresses the 'inadequacies of existing global and regional architecture' and Russia's potential to consolidate its influence through multilateralism in the world arena.[4] China's recent Security Concept calls for 'mutual trust, mutual benefit and cooperation' as opposed to old alliances and military blocks.[5] China's official security rhetoric stresses a harmonious and peaceful world in which development is key and where China's rise should not be seen as threatening 'because old

[4]*The Russian National Security Strategy through 2020* (2009), approved by the Russian Federation Presidential Edict No. 537, 12 May 2009, as published in *Krasnaya Zvezda* weekly edition, 13 May 2009.

[5]'China's Position Paper on the New Security Concept', Ministry of Foreign Affairs of the People's Republic of China, 31 July 2002, available at: http://www.mfa.gov.cn/eng/wjb/zzjg/gjs/gjzzyhy/2612/2614/t15319.htm, accessed 1 February 2012.

power politics is a thing of the past' (Hu 2005). While this is rhetoric, it is also a significant acknowledgement of China's support for multilateralism, 'reconciliation of interests' and 'non-confrontation'. Both Russia and China tend to support 'soft' (conditional) multilateralism at the regional level and 'hard' multilateralism within global organisations such as the UN.

The Central Asian states (apart from Turkmenistan) have also supported soft (conditional) multilateralism in general, alongside their 'multi-vectored' foreign policy approach. Of course, each has its own nuanced views, largely stemming from different state identities and self-perceptions. Kazakhstan, as mentioned above, perceives itself as a major player in Central Asia, and one which can best derive influence through multilateral organisations. President Nazarbayev has consistently argued that Central Asia should be perceived in the wider context as Eurasia, a unique region where Islam and Christianity co-exist through 'centuries of mutual enrichment of Slav and Turkic peoples' (Nazarbayev 2002). Kazakhstan has thus supported the creation of civil structures designed to advance the 'Eurasia idea' as well as various (actual and proposed) multilateral organisations.[6] Kyrgyzstan and Tajikistan are comparatively poor and weak states, reliant on donors for economic and technological investments, and thus generally willing to join any multilateral framework perceived as providing them these benefits. Somewhat set apart because of its Persian heritage and history, Tajikistan is attracted to the idea of a broader union of Eurasia as opposed to a union of Central Asian states. The Turkic people of Central Asia have traditionally been perceived as a threat to Tajik identity (Masov & Dzumaev 1991). In contrast, the Uzbek political elite have consistently been sceptical about multilateralism in general and thus reluctant to remain committed for long to any regional project (Saifulin 2008). Uzbekistan claims an Asian and Eastern identity and the regime envisions itself more in the role of 'balancer' of great power interests in Central Asia (Khasanov 2005).

In practice, this means that the Central Asian leaders have realised the benefits of cooperation through regional organisations, which allows them to gain practical help, have their voice heard and even gives them a degree of legitimacy (Jackson 2010). They have also tended to perceive the SCO and CSTO as vehicles to maintain domestic security and the *status quo*. In turn, Russia has perceived the regional organisations as means to maintain influence and stability in the region, while generally favouring the CSTO where it has had the most power. As for China, the SCO is representative of its growing support for multilateral diplomacy over the past decade. Overall, the SCO provides a framework which allows China to promote its economic interests, ensure regional stability and in particular the security of its neighbouring region of Xingjian—all of which are perceived to be interrelated.

To conclude, Russia, China and the Central Asian states are characterised by shared elements of a common political culture which frames their understanding of security. This common focus and shared language on regime security, non-interference and strict sovereignty, coupled with support for multilateralism and peaceful interdependence, has legitimised certain pathways or policies and resulted in what I term statist multilateralism. Statist multilateralism is state-directed cooperation on shared interests while closely guarding distinct identities and specific political features. It is this combined prospect of

[6]For example the Eurasian Media Forum, Eurasian Association of Universities and Eurasian Academy of Television and Radio.

being able to maintain cultural and political features, while cooperating on common challenges, which attracts these states to 'soft', consensus-based multilateralism. The resulting institutions, as we will see below, make this possible by imposing few or no domestic commitments and allowing the states to preserve their independence while uniting to counter similarly perceived challenges.

The influence of political values and security norms on institutional design and statist multilateral cooperation

It is argued in this section that the states' shared political values and understandings and interests about security and multilateralism, examined above, informed the institutional designs of the SCO and CSTO which are thus reflective of them. Moreover, as these values and understandings evolve, largely in response to external events, so do the institutions. This is largely due to the fact that regionalisation here has been primarily state-led, as opposed to derived from spillover effects initiated from below. Institutional design, in turn, has guided the nature of multilateral cooperation. Institutional design is examined here in terms of type of membership (inclusive or exclusive), organisational norms, mandate and scope, and rules (Acharya & Johnston 2007).

Membership

All the states have similar statist political culture (if different political features) and are protective of their sovereignty. They have thus created organisations with memberships which are not based on rigid domestic criteria and which (at least theoretically) are open to future members. This has encouraged security cooperation to be flexible in terms of content and membership (for example, the SCO has observers and dialogue partners and is constantly debating whether or not to extend full membership to other states). Over time, cooperation within both the SCO and the CSTO has increased among their members, but also between the organisations and with outside states and other organisations. The flexible memberships and growing external links of both organisations mean that CSTO and SCO influence extends beyond their current formal membership areas, and given sufficient political will, that influence may increase in the future. The fact that members are neighbours, with elements of a similar statist political culture, has also naturally led to an emphasis in both organisations on state-led trans-border security cooperation, with the CSTO focusing more on military means and the SCO emphasising dialogue and diplomacy.

SCO membership stretches eastward from Russia, through four of the five Central Asian states (not Turkmenistan) to China. In 2004–2005, the SCO acquired observer states—Iran, Pakistan, India and Mongolia. Observers attend major SCO meetings and over time have been taking on greater rights and roles, but do not vote on decisions. In 2009, Sri Lanka and Belarus joined in the lesser role of 'dialogue partners'. Officially, any new full member is welcome as long as it complies with the principles and goals of the charter.[7] However, it was only in June 2010 that an agreement was finally reached on a formal mechanism to accept new members. In June 2011, a memorandum was signed on the obligations of states seeking

[7]Article 13, Charter of the Collective Security Treaty Organization, 2002, available at: http://untreaty.un.org/unts/144078_158780/5/9/13289.pdf, accessed 4 March 2011.

to join the SCO, and discussions are continuing about the financial and legal considerations of accepting new members. Thus, while no new country has yet been given full membership, the question about whether and how to expand the organisation's membership has been broached many times. Tellingly, the discussions have centred on how to increase cooperation with countries that have similar interests, and not on whether and how to encourage compliance or change in the norms and domestic practices of potential applicants (which, for example, the EU and NATO require). In 2008, Iran applied for full SCO membership and Russia has argued in favour of India (in 2011) and Pakistan (in 2012). However, they are all unlikely to become full members of the SCO in the near future because membership conditions imply that prospective members may not be under UN sanctions (as is Iran) nor involved in an international conflict.[8] There is currently some support for Afghanistan to gain observer status in order to increase its involvement in regional security issues, and Turkey and the US hope to gain status of dialogue partners.

CSTO membership is based on countries with a Soviet past and includes Russia, the same four Central Asian states as the SCO and two of Russia's closer allies to the west—Belarus and Armenia. Although in practice no other state has attempted to join the larger umbrella organisation, the Commonwealth of Independent States, or the CSTO, in theory it is possible to do so. The CSTO Charter states that membership 'is open to any state which shares its purposes and principles and is prepared to undertake the obligations set forth in this Charter and other international treaties …'.[9] CSTO Secretary-General Nikolai Bordyuzha has made clear that the CSTO is an open organisation, suggesting in 2007 that, although it is unlikely, in theory Iran could join.[10]

The flexible memberships and growing external links of both organisations mean that CSTO and SCO influence extends beyond their current formal membership areas. The institutional designs are such that, given sufficient political will and common interests, the organisations' influence may increase in the future (but will nevertheless not be allowed to threaten states' sovereignty).

Organisational norms

Organisational norms are derived from the stated security norms of their member states. Organisations share similar norms and language as individual member states. These include, as seen above, a strong support for Westphalian sovereignty; the belief in the primacy of political and diplomatic institutions; the belief in international law to resolve disputes; the need for state military capacity for self-defence; sanctity of borders; importance of multilateralism; and the lack of a need for normative constraints on the use of force. Taken together these form the basis of a common vision, espoused by these organisations, of an international system in which sovereignty and stability are paramount and challenges are dealt with on a multilateral basis and in accordance with international law. This shared

[8]'SCO Tashkent Summit Concludes', *China Daily*, 11 June 2010, available at: http://www.chinadaily.com.cn/china/2010sco/2010-06/11/content_9968146.htm, accessed 2 February 2011.

[9]Article 19, CSTO Charter, May 1992, available at: http://www.ieee.es/Galerias/fichero/Varios/2002_Carta_de_la_OTSC.pdf, accessed 1 February 2012.

[10]'Iran Invited to Join Central Security Treaty Organization', *Interfax*, 14 May 2007, available at: http://www.globalresearch.ca/iran-invited-to-join-central-security-treaty-organization/5696, accessed 30 October 2013.

discourse, institutionalised in the design of the organisations, in effect (further) legitimises these norms and thus also reinforces them through joint discourse (and practices). This process tends to reinforce regime *status quo*, if not directly promoting authoritarianism as some have argued. Furthermore, because the regimes of these states have near absolute power, they largely control how the organisations are reported on in the media and thus the discourse or narratives that could shape public perceptions. The institutionalisation of these norms also delegitimises other norms, such as those promoted by Western organisations, for example the OSCE, which securitised 'human rights' in its definition of 'comprehensive security' (by labelling and including 'human rights' as a matter of security thus transforming it into one).

Although neither the SCO nor the CSTO has a strong pan-regional ideology similar to an organisation such as the Arab League, the SCO claims formal principles which it terms the 'Shanghai Spirit'. These include 'non-alignment, openness to the rest of the world, respect for diversified civilisation and mutual development'.[11] The SCO maintains that it is not based on a zero sum understanding of security nor is it set up to counter another bloc. Instead, it claims to support non-confrontational approaches 'in the broad spirit of international actors confronting new challenges'.[12] Its Charter prioritises the 'development of common viewpoints based on mutual understanding and respect of opinion of each member state', and supports the principles of independence and territorial integrity.[13] It should be noted that SCO language is evolving—with more emphasis on cultural values and humanitarianism as well as security—and, as discussed below, some corresponding actions are being taken.

In comparison, while also based on the stated norms of its member states, the CSTO has no claim on any comprehensive post-Soviet or other ideology. The CSTO Charter states that its goals are to 'strengthen peace and international and regional security and stability and to ensure the collective defence of the independence, territorial integrity and sovereignty of members'.[14] The Charter goes on to state that the 'organisation shall promote the formation of a just and democratic world order based on universally recognised principles of international law'[15] and 'shall operate on the basis of strict respect for the independence, voluntary participation and equality of rights and obligations of member states and non-interference'.[16]

Rules

Security organisations' institutional rules are also reflective of the states' political values and norms. The SCO and CSTO have established institutional rules which limit the security

[11] *Declaration on the Establishment of the Shanghai Cooperation Organization*, 15 June 2001, available at: http://www.ecrats.com/en/normative_documents/2006, accessed 4 March 2011.

[12] Articles 1 & 2, Declaration on the Establishment of the Shanghai Cooperation Organization, 15 June 2001, available at: http://www.ecrats.com/en/normative_documents/2006, accessed 4 March 2011.

[13] Charter of the Shanghai Cooperation Organization, 2002, available at: http://www.sectsco.org/EN/show.asp?id=69, accessed 13 November 2010.

[14] CSTO Charter, May 1992, available at: http://www.ieee.es/Galerias/fichero/Varios/2002_Carta_de_la_OTSC.pdf, accessed 1 February 2012.

[15] Article 4, CSTO Charter, May 1992, available at: http://www.ieee.es/Galerias/fichero/Varios/2002_Carta_de_la_OTSC.pdf, accessed 1 February 2012.

[16] Article 5, CSTO Charter, May 1992, available at: http://www.ieee.es/Galerias/fichero/Varios/2002_Carta_de_la_OTSC.pdf, accessed 1 February 2012.

organisations' abilities to develop more intrusive principles and roles, thus protecting the states' sovereignty. This helps to explain why the SCO and the CSTO are 'regional organisations of cooperation' and more similar to the Association of South East Asian Nations (ASEAN) than to the European Union (EU), which is an 'organisation of integration'. The SCO and CSTO are not independent of the states and are characterised by consensual decision making. The CSTO makes decisions based on consensus, with each member having one vote (decisions taken by the Council are binding on the member states and implemented according to national legislation).[17] And directly reflective of its 'Shanghai Spirit', the SCO has developed informal, consensus-based decision making.[18] In fact, the Charter stipulates that 'Any decision shall be made by negotiation without any voting procedures required'.[19] It goes on to state that 'Any decisions issued by the SCO authorities shall be implemented by the SCO member states in pursuance with the procedures specified in the national laws of the member states'.[20]

Both organisations are deliberative, again unlike the EU, which is distributive in its aims to share or spread economic and political benefits. This (at least in theory) allows SCO and CSTO member states to pursue common goals without compromising their freedom of action. The arrangements are flexible enough to encourage individual states to continue to develop partnerships or bilateral relations with external states and to pursue their own so-called 'multi-vectored' policies. For example, China uses the SCO as a framework to pursue bilateral relations. The organisations' rules also allow states with greatly varying power differentials (economic and military strength) to maintain the pretence of power equality. The result is statist multilateralism—state-directed cooperation on shared interests—not any kind of deeper integration—while closely guarding distinct identities and political features.

Mandates and scope

Common state perceptions of threats, and many similar reactions to external events, have informed SCO and CSTO's evolving mandates—which share similar (if sometimes superficial) language and agendas on security issues. After fulfilling initial limited objectives, the mandates and scope of both organisations have broadened, although the SCO mandate is wider, reflecting the inclusion of China and its primary economic interests. The CSTO officially has three regions of interest—the Caucasus, Central Asia and Belarus—however, in practice its focus is on Central Asia. The SCO is also focused on Central Asia, but in a more limited sense also more widely on Asia.

In terms of security issues, in practice they both focus on similarly defined non-traditional transnational security challenges to the states (not on individuals) which are reflected in the nature of their security cooperation which has focused on these issues. Arguably, the organisational mandates have legitimised the state-defined security challenges

[17]Article 12, CSTO Charter, May 1992, available at: http://www.ieee.es/Galerias/fichero/Varios/2002_Carta_de_la_OTSC.pdf, accessed 1 February 2012.

[18]Article 16, Charter of the Shanghai Cooperation Organization, 2002, available at: http://www.sectsco.org/EN/show.asp?id=69, accessed 13 November 2010.

[19]Article 16, Charter of the Shanghai Cooperation Organization, 2002, available at: http://www.sectsco.org/EN/show.asp?id=69, accessed 13 November 2010.

[20]Article 17, Charter of the Shanghai Cooperation Organization, 2002, available at: http://www.sectsco.org/EN/show.asp?id=69, accessed 13 November 2010.

(and thus also the political regimes). Despite some superficial similarities, including a focus on counter-narcotics and counter-terrorism, the mandates are different from those of Western organisations involved in the region. For example, the SCO and CSTO have securitised 'separatism' as a threat (China has done so by labelling separatism as one of the 'three evils' that it perceives as key threats. Both the SCO and CSTO refer to separatism as a threat in their Charters).[21]

The Commonwealth of Independent States (CIS) was created in 1991 to allow for the peaceful divorce of the post-Soviet states. It is now an umbrella organisation including many institutions, the most successful of which is the CSTO. The precursor to the SCO, the Shanghai Five, was created in 1996 with the goal to demilitarise border zones. As mentioned previously, the security mandates of both organisations have broadened, largely due to common perceptions about increasing threats of extremism, separatism and ethnic tensions, illegal migration and trafficking in the greater Central Asian region, including China's Xingjian province and Afghanistan (Jackson 2005).

The CIS has been in existence a decade longer than the SCO but, except for the creation of the CSTO, it has produced mostly rhetoric and empty agreements. Putin's most significant effort at regional integration was to turn the old CIS Collective Security Council into the CSTO, an active regional security organisation. Several of its original goals have not yet been achieved, but most significantly, in February 2009 the CSTO Rapid Reaction Force was created. The CSTO currently has military bases in Kyrgyzstan and Tajikistan.[22] It holds annual joint missions focused on countering narcotic trafficking, terrorism and illegal migration while continuing to work on developing a 'peacekeeping mechanism'.

Compared to the SCO, the CSTO is more of a realist military organisation and subscribes to a more narrow and hard definition of security (in line with its organisational norms seen above). Its political dimension remains very limited and consists of regular summits between the presidents and the work of the general secretariat and its staff. Yet there is a debate even in the CSTO over its future mandates. In Russia, this debate has roughly been between the military elite who want to concentrate on developing the military capacity of the CSTO and the political elite who stress the need to focus on 'new threats and challenges'.[23] Issues recently dominating the attention of the secretariat are: emergencies and natural disasters; separatist and civil threats within the CIS; and external threats in Asia.

The Shanghai Five's security mandate was also broadened over the past decade, when it became the Shanghai Cooperation Organisation (SCO) in 2001 and adopted stated security aims to 'combat the three evil forces of terrorism, extremism and separatism'.[24] The SCO also organises joint military exercises but does not have military bases. Unlike the CSTO, the SCO has no functional security mechanism and does not provide for collective defence against external aggression or projection of military focus. The CSTO and SCO charters

[21]CSTO Charter, May 1992, available at: http://www.ieee.es/Galerias/fichero/Varios/2002_Carta_de_la_OTSC.pdf, accessed 1 February 2012; Charter of the Shanghai Cooperation Organization, 2002, available at: http://www.sectsco.org/EN/show.asp?id=69, accessed 13 November 2010.

[22]Tajikistan has extended the lease of the base for 49 years (beginning in 2012).

[23]Interview with Security Council Official, Moscow, 6 June 2011.

[24]Article 1, Charter of the Shanghai Cooperation Organization, 2002, available at: http://www.sectsco.org/EN/show.asp?id=69, accessed 13 November 2010.

both list among their goals strengthening regional security and stability through joint activities,[25] and joint actions against 'terrorism, separatism and extremism in all their manifestations'.[26]

Thus, the SCO security aims and state-centric definitions of threats are very similar to those of the CSTO, but it has a broader mandate which includes economic and cultural issues, and it relies more on political means. Although, in 2007, the SCO's Treaty on Good Neighbourly Relations[27] formalised the goal to increase 'all around cooperation' between SCO member states, over the past decade the SCO's activities have focused primarily on security issues. A first sign that the focus was shifting occurred during Russia's 2008–2009 chairmanship when Russia began to strongly promote socio-economic development, partly in response to the world economic crisis. Whereas China has perceived the SCO as a political framework to achieve its (mostly bilateral) economic interests, Russia has comparatively neglected this area. Then, in 2009, an agreement was reached to monitor economic conditions among the member states and to boost trade. Agreements were also reached on measures to improve the investment environment, and on an SCO account to finance joint projects, to streamline meetings of financial ministers, and develop port infrastructure (Contessi 2010). Then, in 2010, Prime Minister Putin proposed a ten-year road map for the SCO to develop trade and economic cooperation. This effectively paved the way for the possible expansion of the newly initiated Eurasia Customs Union (2010) between Russia, Kazakhstan and Belarus to the SCO members, as well as the development of a cross-regional transport network. In another development, the SCO now has its own emergency development bank which, after the world economic crisis of 2008, handed out more than US$10 billion in emergency loans to members' banking systems.[28]

Nevertheless, many Russian officials continue to favour the CSTO for the resolution of security issues. In comparison, the SCO is often perceived as an organisation that has fulfilled its original mandate, 'is in China's pocket' and is evolving into 'more of a civil society organisation'.[29] Some of the stress on new mandates is rhetoric but there have also been actions taken in the area of energy, transportation and infrastructure, as well as food security, and 'humanitarian interaction' in culture, education and sport (Lavrov 2011). In June 2011, at the SCO 10th Anniversary Summit, there was a continued emphasis on non-traditional security with the unveiling of new counter-narcotic and counter-terrorist strategies for 2011–2016 and a memorandum for cooperation with the United Nations Organisation on Drugs and Crime (UNODC), but healthcare cooperation was also emphasised.

[25]Articles 3 and 8, CSTO Charter, May 1992, available at: http://www.ieee.es/Galerias/fichero/Varios/2002_Carta_de_la_OTSC.pdf, accessed 1 February 2012.

[26]Article 1, Charter of the Shanghai Cooperation Organization, 2002, available at: http://www.sectsco.org/EN/show.asp?id=69, accessed 13 November 2010.

[27]SCO Treaty on Long-Term Good-Neighborliness, Friendship and Cooperation between the Member States of the Shanghai Cooperation Organization, 16 August 2007, available at: http://www.sectsco.org/EN/show.asp?id=71, accessed 1 February 2012.

[28]'China to Expand Central Asian Presence with US$10billion in Loans', *The Malaysian Insider*, 5 December 2012, available at: http://www.themalaysianinsider.com/business/article/china-to-expand-central-asian-presence-with-us10bin-loans/, accessed 30 October 2013.

[29]Interview with former FSB official, China expert, Moscow, 3 June 2011.

Evolving mandates—terrorism and information warfare

Mandates in both organisations are evolving—in response to changing threat perceptions (which are happening at the state level too). As stated above, the practice of both the SCO and CSTO to equate terrorism with extremism and separatism in one 'threat package' is controversial, especially as a comparatively broad definition of terrorism has been used by member states to persecute minorities (Jackson 2006). A recent study goes further to argue that the SCO legal framework violates UN principles, for example in identifying terrorists based on ideology and not just action. This, the report claims, not only has a negative effect on SCO member states' citizens but also negatively impacts on the international human rights system (HRIC 2011). There is a similar report about Russia which highlights the fact that Russia's 2006 counter-terrorism legislation similarly defines terrorism not only as an act but an 'ideology of violence' (International Federation for Human Rights 2009). It argues that Russia's ratification of the CIS Agreement on Cooperation in the Fight Against Terrorism is a threat to human rights. Both reports detail human rights violations in the fight against terrorism and give evidence of the lack of transparency and questionable extraditions, rules and cases, and criticise the organisations' guarantees of diplomatic immunity for law enforcement and security services. On the one hand, current national and regional counter-terrorism strategies do not include human rights and rule of law guarantees, and on these grounds the UN has been criticised for making overtures to the SCO. On the other hand, the UN is currently acting alongside the Central Asian states, the SCO, CSTO and other organisations to implement the UN Global Counter-Terrorism Strategy. This includes Pillar 1 'measures to address the conditions conducive to the spread of terrorism' and Pillar 4 'measures to ensure respect for human rights for all and the rule of law as the fundamental basis of the fight against terrorism' (United Nations 2010).

A second example of evolving mandates is that, partly in reaction to new technological advances but also in response to perceptions of external threats, both the SCO and CSTO now include 'information warfare' as a security threat and as a tool to be used against terrorism, trafficking and virtual opposition to the regimes. Again both organisations have adopted similar languages and practices. The CSTO recently defined 'information warfare' as the dissemination of information which is 'harmful to the spiritual, moral and cultural spheres of other states' and stated that it should be considered a 'security threat'. 'Information war', or 'mass psychological brainwashing', as it is called by the SCO, is defined as including the effort by a state to undermine another's 'political, economic, and social systems' (Gjelten 2010). As a result, both regional organisations are not only conducting joint military exercises and operations to prevent drug trafficking and illegal immigration, but they now also cooperate against the criminal use of cyberspace. At the end of 2010, the CSTO announced that it had uncovered 2,000 extremist websites and initiated more than 1,000 criminal proceedings as a result of a two-year investigation.[30] It is currently creating a special centre to fight against web crimes.

To conclude, SCO and CSTO mandates reflect member states' political and security cultures and practices and are in the process of formally standardising approaches and legislation towards some key challenges. These may soon, in turn, be shaped by UN and other external actors' strategies. Especially in the case of the SCO, security is being

[30]'CIS Nations to Jointly Fight Against Extremism in the Web', *The Voice of Russia*, 21 December 2010, available at: http://english.ruvr.ru/2010/12/21/37409484.html, accessed 8 January 2011.

increasingly widely defined, and in both cases new means are being adopted in response to events (and perceptions about those events).

It has been argued that the CSTO and SCO institutional design (membership type, organisational norms, mandate, scope and rules) are derived from states' shared political values and understandings about security. Institutional design has created institutions which are conduits for statist multilateralism in that they encourage states to cooperate on commonly perceived state-defined security threats (and hence protect regime survival) while preserving their independence and distinct political features. The organisations' shared discourse and similar institutional design are the foundation of an emerging security complex.

Institutionalisation, lack of enforcement and multilateral cooperation

Over the past decade, the SCO and CIS (including the CSTO) have become increasingly institutionalised as more intergovernmental coordinating bodies have been created. The institutionalisation of the SCO has been rapid. Since 2001, it has developed a charter and held meetings at various levels including, for example, Councils of Heads of State and Foreign Affairs among others. In 2004, the SCO Secretariat was set up and a post of SCO Secretary General was created. The bodies of the CSTO include the Council on Collective Security, the Council of Ministers of Foreign Affairs, the Council of Ministers of Defence, committee of secretaries of security councils, the Secretary of the organisation and the joint staff of the CSTO.

The CSTO has its own joint military force and military rapid reaction force but it remains understaffed and still has not achieved many of its original goals. Both organisations have electoral monitors who have always supported the domestic regimes. They also have counter-terrorism centres with the goal to share intelligence and to coordinate databases and blacklists. More recently, in 2010, the joint antiterrorist exercises of the armed forces of the SCO member states' 'Peace Mission-2010' were held on Kazakh territory. In May 2011, SCO counter-terrorism exercises with the participation of special services and law enforcement agencies took place in Kashgar, China. Joint operational–tactical exercises 'Cooperation-2010' were held in Russia with a military contingent of the CSTO Collective Rapid Reaction Force and drills were held in Russia, Tajikistan, Kyrgyzstan and Kazakhstan in 2011.[31] Unsurprisingly given the organisations' and their member states' understandings of security, these institutions are focused on responding to possible scenarios. Regional counter-narcotic exercises have also been held with some success (Jackson 2005). Of course, due to the sensitive nature of intelligence sharing, much continues to be done at the bilateral level.

There have been attempts to strengthen SCO and CSTO security institutions. Russia's new National Security Strategy calls the CSTO 'the main interstate institution to confront regional challenges of military–political and military–strategy rule' while calling for practical steps to increase partnership and confidence in the SCO.[32] Current plans are to

[31] 'CSTO Rapid Deployment Force Begins Drills in Tajikistan', available at: http://en.trend.az/regions/casia/tajikistan/1933430.html, accessed 1 February 2012.

[32] *The Russian National Security Strategy through 2020, approved by the Russian Federation Presidential Edict No.537*, 12 May 2009, available at: http://www.scrf.gov.ru/documents/99.html, accessed 21 October 2013.

increase cooperation between the SCO and CSTO and with other organisations such as the UN, ASEAN, Conference on Interaction and Confidence Building Measures in Asia (CICA) and NATO. In June 2010, UN Secretary General Ban Ki-moon lavishly praised the SCO saying that it 'has become an increasingly important instrument of security and integration in the Eurasian region. ... It is, therefore, a source of satisfaction that cooperation between the United Nations and the SCO is expanding so dynamically'.[33] The SCO is observer at the UN and has a memorandum of understanding with ASEAN.

However, it still remains to be seen whether the SCO will take on more than a consultative and coordinating role in the area of security, and whether the resource-strapped CSTO will have the political will and means to respond to future crises. Despite recent developments, the organisations still lack enforcement structures. Initially defined goals have been met but they are a long way from meeting their long-term goals—many of which remain declaratory in nature despite significant advancements. This again is largely explained by their governments' aversion to external influence, which accounts for the institutional designs created to support sovereignty, borders and non-interference. Also, member states of both organisations continue to bypass regional mechanisms in favour of bilateral or other means to ensure their states' interests. Thus, institutional design has provided a political framework and new institutions needed for a common multilateral security agenda and the beginning of a new cross-regional security order, but such institutions also explicitly hinder deeper integration.

Current and future practice: the cases of Kyrgyzstan and Afghanistan

This final section asks whether institutional design helps us to understand practice. To do so, it briefly examines the roles of the SCO and CSTO in two current major security challenges: first, the regional organisations' lack of response to the ethnic clashes in Kyrgyzstan in 2010, and second, the organisations' developing roles in Afghanistan. These cases were also chosen to show that the organisations are continually evolving. In response to events, new norms and institutional designs are adopted, which in turn affect practice.

Kyrgyzstan

Following the April 2010 overthrow of President Bakiyev, clashes broke out in June between ethnic Kyrgyz and Uzbeks in southern Kyrgyzstan; according to official sources approximately 400 people were killed and 400,000 displaced, while unofficial numbers were higher (Human Rights Watch 2010; Matveeva 2010; ICG 2011). At the time, the interim President of Kyrgyzstan, Roza Otunbayeva, called for assistance from the CSTO which was not forthcoming. Commentators have therefore criticised the CSTO, which has long claimed to be the key regional security organisation, but also condemned the SCO and other organisations such as the EU and OSCE, for failing to act and save the lives of Kyrgyz citizens (Melvin 2010). This lack of immediate and direct military action—only humanitarian aid was sent—has initiated debates into how these organisations can perform better in terms of preventing, and responding to, similar crises in the future.

[33]'Cooperation between UN, Shanghai Cooperation Organization Dynamically Expanding, in Shared Quest for Peace, Prosperity, says Secretary-General, in Message', UN Document SG/SM/12953, 11 June 2010, available at: http://www.un.org/News/Press/docs/2010/sgsm12953.doc.htm, accessed 30 October 2013.

The point here, however, is that the CSTO's lack of military intervention in Kyrgyzstan was in line with its organisational norms and institutional design which were explored above. First, the conflict was an internal one and the CSTO Charter states that the organisation aims to be a collective security system with an established regional force focused on transnational challenges. Article 5 explicitly states that the CSTO 'will operate on the basis on non-interference in matters falling within the national jurisdiction of member states'.[34] As Russian President Medvedev explained, 'only in the case of foreign intrusion and an attempt to externally seize power can we state there is an attack against the CSTO'.[35] CSTO Secretary General Nikolai Bordyuzha reiterated this when he stated that the violence in Kyrgyzstan was 'purely an internal affair'.[36] Second, institutional rules requiring a consensus were properly put in place and the question of whether or not to intervene was addressed in a meeting of the CSTO. There, Uzbekistan voted against intervention. Its leadership did so partly out of fear that Uzbekistan's sovereignty could be compromised by the precedent of military intervention, but also out of general concern for the short and long-term implications of those actions on its border (Khamidov 2011).

Russian leaders' hesitation over whether to intervene in Kyrgyzstan was partially informed by the fact that in August 2008 Russia had acted militarily in Georgia during the so-called 'Five Days War' and had been highly criticised internationally for those actions. The SCO's final declaration on the issue supported the principle of territorial integrity and condemned the use of force. At the CSTO summit in September 2008, the CSTO stopped short of following Russia in recognising South Ossetia and Abkhazia. Thus, while neither organisation explicitly condemned Russian actions, both continued to support the principles of territorial integrity and the sanctity of borders. Recognition of the *de facto* states was perceived as a dangerous precedent for separatist regions within Eurasia and while generally supportive of Russia, the member states were clearly willing to draw a line in accepting Russian use of force to make changes in the *status quo*.

The Russo-Georgian conflict had also highlighted the poor state of Russia's military. Thus, and despite other significant differences between the two cases, it is not surprising that Russia was reticent to act militarily in Kyrgyzstan.[37] There was also serious doubt about whether the CSTO had the capabilities to take decisive action and, crucially, whether or not intervention by the Russian dominated organisation (or any organisation) would have quelled or exacerbated the conflict. A year later, there was a broad understanding among many of the elite that Russia made the right choice not to interfere.

The tragic events in Kyrgyzstan (and criticism of the organisation's inactions) have, however, provided new incentives for Russia and other member states to rethink the CSTO's organisational norms and strengthen its institutions, particularly in the area of crisis response and peacekeeping. There has been a learning process and the growing idea that

[34]CSTO Charter, May 1992, available at: http://www.ieee.es/Galerias/fichero/Varios/2002_Carta_de_la_OTSC.pdf, accessed 1 February 2012.

[35]'Medvedev Says No Multi-National Force for Turbulent Kyrgyzstan', *Ria Novosti*, 11 June 2010, available at: http://en.rian.ru/news/20100611/159390386.html, accessed 5 December 2010.

[36]'Medvedev Says No Multi-National Force for Turbulent Kyrgyzstan', *Ria Novosti*, 11 June 2010, available at: http://en.rian.ru/news/20100611/159390386.html, accessed 5 December 2010.

[37]The differences include the fact that South Ossetia is a separatist region within Georgia, with close ties to Russia. For an analysis of the roots of Russian involvement see Jackson (2003).

things could be done differently in the future is leading to discussions about changing the institutional designs of the organisations. On 10 December 2010, the member states approved a declaration on creating a CSTO peacekeeping force and signed a package of joint documents. The CSTO Heads of State formulated a new statute on crisis response and finally reached agreement on a legal framework for the deployment of the Collective Rapid Deployment Force (CRDF).[38] Statements from the summit underlined the importance of striving for 'foreign policy coordination', an initial goal of the CSTO, which evidently had been absent among the member states. Uzbekistan's President Karimov, well known for opting in and out of multilateral institutions, now agreed that changes should be made to the CSTO in order to improve efficiency in the field of emergency response.[39] However, he also continued to argue against CSTO intervention in internal conflicts.[40] While other member states have supported CSTO developments, or at least been ambivalent, Uzbekistan has been clear that it continues to want to decide on its own whether or not to join in any CSTO activities on a case by case basis.

Despite Uzbek reticence, Russian-led consolidation of the CSTO has continued with Tajikistan and Kyrgyzstan as the two main supporters of the organisation. The agreement creating the collective forces (2009) was ratified by the Russian parliament and signed by President Medvedev in 2010.[41] In early 2011, a year after the Kyrgyz conflict, the CSTO began building a new anti-terrorism centre in the south of Kyrgyzstan, and Russia continues to have significant military presence in the country with its air base in Kant and ongoing negotiations for a naval presence in Lake Issyk-Kul.

As for the SCO, it condemned the violence in Kyrgyzstan. China sent in humanitarian aid while airlifting its citizens out of the country. While the SCO does not have a joint military force, after the Kyrgyz events there were renewed discussions about the possible creation of a joint rapid reaction force and how to contribute to peace building efforts. China's key concerns during this crisis were how instability from the interethnic clashes might affect its economic interests in the region and whether they would threaten the stability in its neighbouring province of Xingjian. However, the crisis had little effect on its main economic policy which continues to be to offer Central Asian states soft loans in exchange for access to raw materials.

To conclude, the lack of CSTO (and SCO) direct action to save lives in response to the ethnic violence after the overthrow of former Kyrgyz President Bakiev was in line with the organisations' institutional designs and member states' political and security norms. The lack of action, while defended by much of the Russian (and Chinese) elite and public, has nevertheless led to new debates about intervention and even a possible shift in organisational norms (re non-intervention) and corresponding legal and institutional initiatives.

[38]'Russia Works to Enhance CSTO's International Role', *RT*, 9 December 2010, available at: http://rt.com/politics/russia-csto-ministers-meeting/, accessed 11 October 2013.

[39]Of course, Uzbekistan's renewed support of the CSTO was not simply in reaction to Kyrgyz events but was once again evidence of its constant manoeuvring between Russia and the US.

[40]'Speech by President Islam Karimov at the CSTO Summit Meeting', 13 December 2010, available at: http://www.press-service.uz/en/news/show/vistupleniya/vyistuplenie_prezidenta_respubliki_uz_10/, accessed 9 January 2011.

[41]*Law on the Ratification of the Agreement on CSTO's Collective Rapid Reaction Force*, 27 December 2010, The Official President of Russia website, available at: http://eng.kremlin.ru/acts/1541, accessed 8 January 2011.

Afghanistan

While criticism of the lack of intervention in Kyrgyzstan is causing the CSTO and SCO to debate the future role of the security organisations, so is the imminent US and NATO withdrawal from Afghanistan. There has been much discussion about possible and enhanced roles for the CSTO and SCO in Afghanistan as Afghan troops prepare to take over full control of security in 2014. While Russian Foreign Minister Ivanov has argued in favour of a 'revamped' SCO (Nemtsova & Matthews 2010), Russian officials in favour of hard security perceive the SCO's development as 'child's play' and its potential as a military organisation as a 'myth'.[42]

The CSTO's expanded involvement in Afghanistan would be consistent with its stated security interests in countering trans-regional challenges, as well as with its already significant multilateral cooperation in border security, counter narcotic trafficking and terrorism. Afghanistan is high on its neighbours' policy agendas as it is perceived as a major factor contributing to instability in the greater region. According to CSTO Secretary General Bordyuzha, 'If Afghanistan is unstable, so too will be Central Asia' (Nabiyeva 2011). The Central Asian states and Russia have been concerned for some time about stability in Afghanistan and perceive the increasingly deteriorating situation on the Tajik border as affecting their short and long-term security interests. Already, Russia and Central Asian states have allowed the transit of NATO troops and provisions through their territories. As Western withdrawal from Afghanistan approaches, Central Asian states are increasingly likely to join with Moscow to guarantee border security and general regional stability. On the other hand, there is no real Russian (or Central Asian state) interest in the CSTO taking on a military role inside Afghanistan. Based on the strong institutional support for sovereignty and non-intervention this should not come as a surprise. The dominant consensus is that Afghan forces should provide their own security.

As mentioned above, the possibility of the CSTO taking on a larger role has increased since the CSTO Summit in December 2010, when it released a statement that the CSTO will be ready to play a role in Afghanistan after 2014.[43] It also decided in favour of developing a collective peacekeeping role and, for the first time (over-ambitiously) to undertake 'out of area' operations 'similar to what NATO is doing in Afghanistan' (Bhadrakumar 2010). More realistic is an increase in border control, capacity building, exchanges of best practice and joint training and exercising. Both the CSTO and the SCO have been particularly critical of the failure of international efforts to counter narcotics trafficking in the region, and Russian Foreign Minister Lavrov supports CSTO cooperation with NATO, the SCO and Pakistan in these activities. However, it is CSTO cooperation with the UN which may be the most fruitful, as despite rhetoric about Russia and NATO relations there has been little substantial cooperation.

The SCO's role in Afghanistan fits within its mandate to provide for a cooperative interstate environment by encouraging regional dialogue, coordination and confidence

[42]Interview with Security Council Official, Moscow, 6 June 2011.

[43]'CSTO Eyes Peacekeeping Operations in Afghanistan after 2014', *Voice of Russia*, 9 October 2012, available at: http://voiceofrussia.com/2012_10_09/CSTO-eyes-peacekeeping-operations-in-Afghanistan-after-2014/, accessed 2 February 2012. Since this article was submitted, Uzbekistan withdrew from the CSTO on 28 June 2012 (over the plans to deploy the rapid reaction force and fear that such a force would fuel regional tensions). With Uzbekistan's withdrawal, military imbalances among the members (as well as developments on the ground) make a significant future role for the CSTO in Afghanistan less likely.

building. While supporting the sovereignty and territorial integrity of Afghanistan, the SCO has argued that military means alone will not provide a solution and that the UN should play a leading role in conflict negotiation. Afghanistan has been a regular 'guest attendant' of the SCO. The SCO–Afghanistan Contact Group was formed in 2005 and the SCO's first international conference on Afghanistan was in March 2009 where the SCO pledged to support the stabilisation process. The SCO provides support in transportation of military–technical aid. Individual countries are involved in infrastructure and humanitarian projects. In these ways, the SCO has allowed member states to shape each others' thinking and the regional security agenda. According to Yuri Krupmov, director of the Institute of Regional Development and Demography in Moscow: 'We hope to put Russia's ideas in China's mind' (Nemtsova & Matthews 2010).

Similar to the CSTO, the SCO has also resolved to be more active in Afghanistan and to develop stronger counter-terrorist and counter-narcotic measures (and not military engagement). These include a current proposal by the heads of the Regional Anti Terrorism Centre (RATS) to create a unified list of terrorist groups across member states, in order to facilitate the tracking that was envisioned with the SCO draft Convention on Terrorism.[44] It is probable that it will also develop a greater role in Afghanistan in the area development (especially infrastructure building) and political support.

For China, once again the SCO provides an overarching political framework for China's bilateral support. China has a modest security role in training Afghan officers (200 police and military officers since 2006) and in material support. In 2010 China gave US$4 million in logistic and material support (Torjesen 2010, p. 3). Russia also has bilateral security relations with Afghanistan, although since 2005 Russian troops no longer guard the Tajik–Afghan border. Moscow has recently agreed to help with the education and training of Afghan troops, as well as the provision of supplies. According to Sergei Lavrov, 'We will continue to assist the countries that have their troops in Afghanistan with the transit, and increase participation in collective efforts to tackle Afghanistan's problems through political means'.[45] In November 2011, Russia and China pledged non-interference in Afghanistan while promising to pursue economic projects and political solutions.

To conclude, CSTO and SCO are debating and questioning norms in response to members' perceptions about major external events such as the violence in Kyrgyzstan and the imminent NATO withdrawal from Afghanistan. Both organisations are debating the possibility of extending future actions outside their membership areas into Afghanistan, while explicitly excluding a military combat role.

Conclusion: statist multilateralism and the trans-regional security complex

The trend for more proactive discourse and policies within regional security organisations is not unique to Eurasia. Governments around the world are increasingly concerned about transnational security threats, and consequently there are many new multilateral institutions for addressing a wider range of perceived security challenges. However, ideas, institutional design and practices among them vary considerably.

[44] 'SCO Mulls Over Unified List of Terrorist Groups', *Russia Today*, 22 February 2011, available at: http://rt.com/politics/shanghai-cooperation-terrorism-groups/, accessed 4 March 2011.

[45] 'Russia and NATO to Join Forces for "Active Endeavour"', *Pravda*, 11 January 2011, available at: http://english.pravda.ru/russia/politics/11-01-2011/116477-russia_nato-0/, accessed 5 February 2011.

This article has examined the role of political norms and ideas in influencing the institutional design of the two key organisations dealing with security issues across Eurasia and has found that there is an emerging security complex, one which does not yet have a fixed shape but is instead more open-ended and fluid, which reaches from Russia through Central Asia to China. The paper does not claim that this is a sophisticated regulatory system. However, it is also more than a loose cluster of interests. We have shown that challenges and threats are similarly perceived and acted upon, and that those perceptions and actions are underpinned by overlapping political values which may be said to constitute a distinctive cross-regional security culture. Foreign and security policies in these countries are made primarily by the presidents and governments who set the norms and rules which frame issues, inform institutional design and guide statist multilateral security agendas and practices. The result is state-led cooperation based on shared interests but which also carefully guards distinct identities and specific political features. These norms include priority to regime security, desire to preserve distinct political and cultural values, and comparatively strong support of non-intervention and traditional Westphalian sovereignty. Through their institutionalisation at the trans-regional level, they create and legitimate pathways of cooperation (which are not yet fixed) but also hinder deeper integration.

Similar to regional security, trans-regional security is not simply about material gains and 'might is right'; it concerns common values, dialogue and institutional cooperation on specific challenges. Statist multilateralism is the art of state-directed risk management—Russia, the Central Asian states and China cooperate through the SCO and CSTO in order to both preserve the state and to maintain distinct identities while countering and micro-managing similarly perceived threats. Over the past two decades, the breakdown of the old coercive and hegemonic order under the Soviet Union and China and the resulting 'incomplete hegemony' has been filled by a convergence of interests (in the 1990s) which in the past decade has transformed into an increasingly institutionalised but still dynamic trans-regional security order. As the article has shown, significant first steps have been taken towards multilateral security governance, developing a collective capacity to identify and respond to challenges on a trans-regional scale. There are now well organised and logically structured security institutions spanning traditionally distinct geographic and geopolitical regions from Russia to China. These do not represent static relationships, nor do they compose a unitary regulatory security system. Rather, cooperation within the trans-region is dynamic and asymmetrical. It is 'networked' in the sense that complex and evolving internal and external ties exist and the boundaries of the trans-region are not fixed. Cooperative and confidence-building measures have been created and are based on distinct security norms and discourse and common understanding of challenges. This trend will likely continue and even extend further afield because of the significance of Eurasia as a transit territory not only for security challenges but also the interconnected issues of energy, transport and trade.

This paper tried to refute the scepticism that regional organisations such as the SCO and CSTO are simply transient and only reflective of the current balance of power. In other words, political norms and security norms and perceptions need to be examined in relation to power realities to understand institutional design and the ensuing nature of security cooperation (statist multilateralism). In the cases of the SCO and CSTO, the nature of their cooperation is in line with the institutional designs of the organisations and is not only derived from states trying to maximise their interest. States have shaped the developing structures through their input. Domestic factors mattered, including political beliefs and

norms, which are also evolving in reaction to new realities—such as the violence in Kyrgyzstan and current dilemmas about how to intervene in Afghanistan.

The organisations now perceive a wider range of trans-regional security threats to the regimes they represent, including a heightened fear of growing internal dissent and the increasing instability in neighbouring Afghanistan. Consequently, there is new consensus that multilateral measures are needed to counter a wider group of non-traditional security challenges (terrorism, trafficking, information warfare) and for the first time there is serious consideration of whether and how the CSTO and SCO should act in internal conflicts (as in Kyrgyzstan) and 'out of area' (as in Afghanistan). The means advocated include military (the strength of CSTO), security sector means and dialogue/diplomacy (traditionally the strength of the SCO). Both organisations are currently expanding their toolkit to include information warfare, crisis/emergency response, peacekeeping and capacity-building roles, with the SCO focusing more on soft security. This may well lead to new norms and institutional design (norms, mandate and rules).

Thus evolving ideas and perceptions about whether and how to respond to internal and 'out of area' crises are starting to inform a new security discourse and new institutions. It is still too early to predict the results. However, they will evolve in response to shifts in political will, external events and through interaction with organisations and states outside Eurasia, and even globally, for example through Russia and China's involvement on the UN Security Council.

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How New and Assertive Is China's New Assertiveness?

Alastair Iain Johnston

In recent years, it has become increasingly common in U.S. media, pundit, and academic circles to describe the diplomacy of the People's Republic of China (PRC) as newly or increasingly assertive.[1] Some observers have even suggested that this new assertiveness reflects a fundamental shift in Chinese diplomacy away from Beijing's more status quo–oriented behavior of the previous thirty years.[2] Many believe that it reflects a conscious decision by the top leadership in the wake of the 2008–09 financial crisis to be much more proactive in challenging U.S. interests in East Asia and, indeed, elsewhere around the world. The new assertiveness meme has "gone viral" in the U.S. media, the blogosphere, and in scholarly work.

This article argues, however, that the new assertiveness meme underestimates the degree of assertiveness in certain policies in the past, and overestimates the amount of change in China's diplomacy in 2010 and after. Much of China's diplomacy in 2010 fell within the range in foreign policy preferences, diplomatic rhetoric, and foreign policy behavior established in the Jiang Zemin and Hu Jintao eras. Moreover, the claims about a new assertiveness typically do not provide a definition of assertiveness, are unclear about the causal mechanisms behind this shift toward assertiveness, and lack comparative rigor that better contextualizes China's diplomacy in 2010.

Why should policymakers and scholars worry about a problematic characterization of Chinese foreign policy? Putting aside the intellectual importance of accurately measuring the dependent variable in the study of a major power's foreign policy, there are two good reasons. First, if it persists, the new assertiveness meme could contribute to an emerging security dilemma in the U.S.-China relationship. "Talk" is consequential for both interstate and intrastate politics during intensifying security dilemmas and strategic rivalries.

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1. For examples of this type of commentary, see Michael Swaine, "Perceptions of an Assertive China," *China Leadership Monitor,* No. 32 (May 2010), p. 10 n 1.
2. Daniel Twining described China's diplomacy as "militant assertiveness." See Twining, "Were U.S.-India Relations Oversold? Part II," *Shadow Government, Foreign Policy,* blog, June 12, 2012, http://shadow.foreignpolicy.com.

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How adversaries are described reverberates in the domestic politics of both sides.[3] The effect is often the narrowing of public discourse. As public discourse narrows and as conventional wisdoms become habituated, it becomes more difficult for other voices to challenge policy orthodoxies.[4] Similar to the "containment" meme in China,[5] the new assertiveness meme or others similar to it in the United States could, in the future, reduce the range of interpretations of Chinese foreign policy, potentially narrowing policy options available to decisionmakers (assuming this discourse becomes accepted by national security decisionmakers).

Second, the new assertiveness meme may reflect an important but understudied feature of international relations going forward—that is, the speed with which discursive bandwagoning (or herding, to use a different metaphor) in the online media and the pundit blogosphere creates faulty conventional wisdoms. As I show later, a growing literature on the intensive and extensive agenda-setting interaction between the online media and the blogosphere has emerged in U.S. political discourse. The implications of this interactivity for interstate conflict, however, remain unexplored.

The first section of this article reviews examples of PRC assertiveness prior to 2010 to contextualize the emergence of the new assertiveness meme in 2010. The second section looks in more critical detail at several PRC foreign policy actions in 2010 that observers have described as newly assertive. The third section asks why the inaccuracies in the characterization of Chinese diplomacy during this period occurred. I focus, in particular, on the tendency of analysts to select on the dependent variable; on the ahistorical nature of much of their analysis; and on the generally poor specification of their causal arguments.

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3. John A. Vasquez, *The War Puzzle Revisited* (Cambridge: Cambridge University Press, 2009); Ken Booth and Nicholas J. Wheeler, *The Security Dilemma: Fear, Cooperation, and Trust in World Politics* (New York: Palgrave Macmillan, 2008); and William R. Thompson, "Identifying Rivals and Rivalries in World Politics," *International Studies Quarterly,* Vol. 45, No. 4 (December 2001), pp. 557–586.

4. For examples of the literature on discourse and participation, see Pierre Bourdieu, *Language and Symbolic Power* (Cambridge, Mass.: Harvard University Press); Richard M. Weiss, *Managerial Ideology and the Social Control of Deviance in Organizations* (New York: Praeger, 1986); Murray Edelman, *Political Language: Words That Succeed and Policies That Fail* (Ann Arbor: University of Michigan Press, 1977); Karin Fierke, "Links across the Abyss: Language and Logic in International Relations," *International Studies Quarterly,* Vol. 46, No. 3 (September 2002), pp. 331–354; and Ted Hopf, "The Logic of Habit in International Relations," *European Journal of International Relations,* Vol. 16, No. 4 (December 2010), pp. 539–561.

5. Over the past few years, Chinese analysts have increasingly used the term "containment" to characterize U.S. strategy toward China. These analysts claim that the United States wants to prevent China's rise, a view that resonates with deeply held beliefs about the humiliations that China suffered at the hands of stronger modern states in the nineteenth and twentieth centuries. Yet it is hard to find any evidence from official U.S. documents, policymakers' memoirs, or journalist exposés published after 1972 that the containment of China is the national security strategy as determined by U.S. presidents. Thus this particular claim is even more problematic empirically than the newly assertive China meme.

Assertiveness before 2010

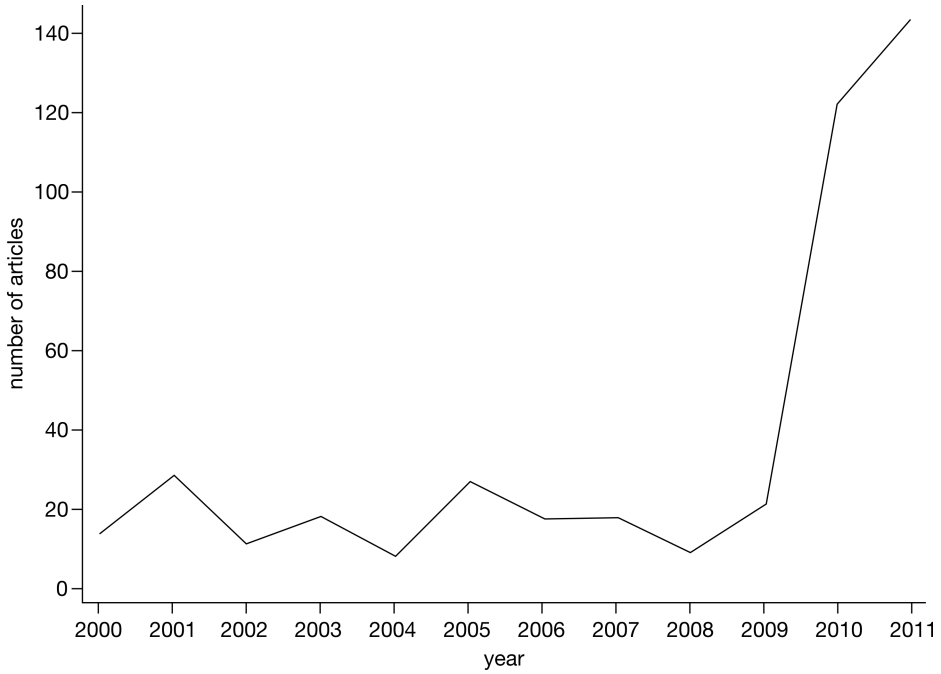
Beginning in late 2009 and into 2010, U.S. analysts and media started to claim that Chinese rhetoric and behavior had begun to demonstrate substantial change. As evidence of a newly assertive China, they pointed to China's allegedly more assertive diplomacy at the Copenhagen conference on climate change in December 2009; to its angry reaction to U.S. arms sales to Taiwan in January 2010 and to the Dalai Lama's visit in February 2010; to its apparently more expansive claims over the South China Sea in March 2010; to its diplomatic defense of violent actions by the Democratic People's Republic of Korea (DPRK) in March and November 2010; and to its tough response to the Japanese arrest of a Chinese fishing captain in September 2010.[6] As figures 1–3 show, the new assertiveness meme took off in the media, pundit, and academic communities. Judging from the sharp spike in these graphs beginning in 2010, if this discourse accurately reflected reality, one would expect there to have been a radical change in Chinese foreign policy.

This perception of a new assertiveness, however, is problematic on two grounds. First, it ignores persistent assertiveness in Chinese foreign policy on sovereignty and territory issues prior to 2010. Second, it misreads many of the specifics of the cases of alleged assertiveness in 2010. Let me turn to the first problem. I take up the second problem in the next section.

There are two requirements for making the claim of a new Chinese assertiveness beginning in 2010: (1) a clear definition and indicators of assertiveness; and (2) evidence that diplomacy displayed a substantially higher value on these indicators in 2010 compared with previous years. Unfortunately, the discourse about a newly assertive China has suffered from a dearth of definitions and valid indicators. Analysts have used a number of synonyms in lieu of a definition: truculent, arrogant, belligerent, hard-line, tough, bullying, militant, and even revolutionary. The implication is that China's diplomacy was notably more threatening, exhibited more hostile preferences, and expressed these preferences in more conflictual language than at any other time after the end of the Cold War (though the newly assertive argument is unclear about the temporal baseline one should use). Today, there is still no consensus definition of "assertive" in the international relations literature on which to draw. Some scholars use assertive to refer to a constructive activism in international life.[7] Others use it to describe imperialistic, nationalistic, or anti-normative be-

6. See Swaine, "Perceptions of an Assertive China," pp. 2–4.
7. Andrew Hurrell, "Brazil and the New Global Order," *Current History*, February 2010, pp. 60–66; Marco Overhaus, "German Foreign Policy and the Shadow of the Past," *SAIS Review*, Vol. 25, No. 2

Figure 1. Frequency of U.S. News Articles That Refer to "Assertive" within Five Words of "China"



SOURCE: LexisNexis.

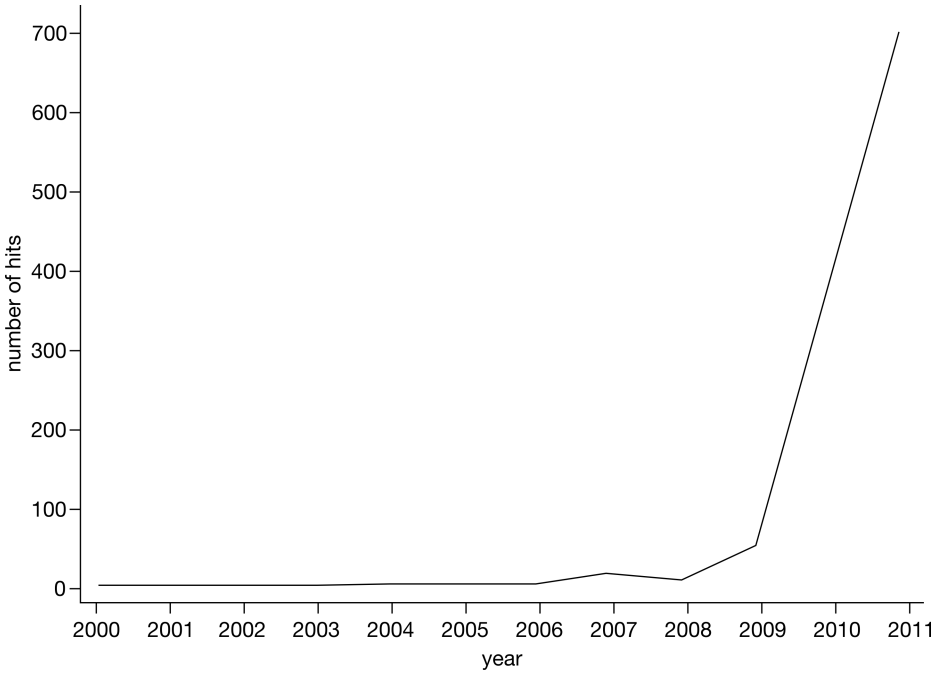
havior.[8] There is no international relations theory that employs a typology of state behavior that includes "assertive" as a category. From usage, however, one can come up with a relatively simple and clearer definition than is implied in most of the commentary, namely, a form of assertive diplomacy that explicitly threatens to impose costs on another actor that are clearly higher than before (e.g., "if you sell weapons to Taiwan, we will harm you in much more costly ways than before"; or "if you let the Dalai Lama visit, the costs for you will be substantially greater than before").

Given this definition, it is hard to conclude that 2010 saw an unprecedented spike in Chinese assertiveness compared with other periods after the Cold

(Summer–Fall 2005), pp. 27–41; and Henry Laurence, "Japan's Proactive Foreign Policy and the Rise of the BRICS," *Asian Perspective,* Vol. 31, No. 4 (2007), pp. 177–203.

8. Michael Cox, "Is the United States in Decline—Again? An Essay," *International Affairs,* Vol. 83, No. 4 (July 2007), pp. 643–653; Andrei P. Tsygankov, "Russia's International Assertiveness: What Does It Mean for the West? Problems of Post-Communism," Vol. 55, No. 2 (March/April 2008), pp. 38–55; and Carol Migdalovitz, "AKP's Domestically-Driven Foreign Policy," *Turkish Policy Quarterly,* Vol. 9, No. 4 (Winter 2010), pp. 37–45.

Figure 2. Number of Hits for English Language Blogs That Use the Term "Assertive China"

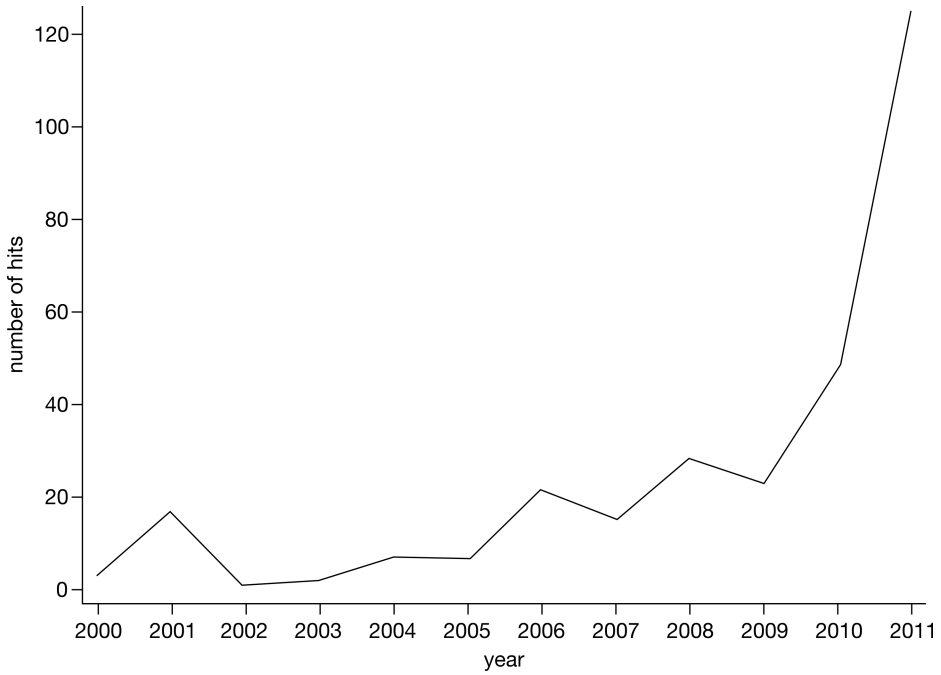


SOURCE: Google Blog Search.

War. One need only recall the massive exercises, including missile firings, that the People's Liberation Army (PLA) held opposite Taiwan in 1995–96 to signal to the United States that the PRC was still involved in the Chinese civil war and that, as a result, Washington could not expect a permanent peace. Or the reaction to the U.S. bombing of China's embassy in Belgrade in 1999, where the Chinese government allowed students to violate international law and to bombard the U.S. embassy with rocks and bottles. Anti-U.S. rhetoric was unrelentingly shrill for several months after the bombing. For instance, through the rest of 1999, out of 447 reports on the embassy bombing in the *People's Daily*, 165 (37 percent) referenced "barbaric" (*yeman*) U.S./NATO behavior. On June 22, 1999, an "observer" piece in the *People's Daily*—representing some, though not all, voices in the Chinese leadership—likened the United States to Nazi Germany.[9] Then, in April 2001, after a midair collision between a U.S. EP-3

9. Guanchajia [Observer], "Fengquan dangjin baquanzhuyi zhao yi zhao lishi zhe mian jinzi" [May we advise today's hegemonism to look in history's mirror], *Renmin ribao* [People's daily], June 22, 1999.

Figure 3. Frequency of Academic Books and Articles That Refer to "Assertive China"



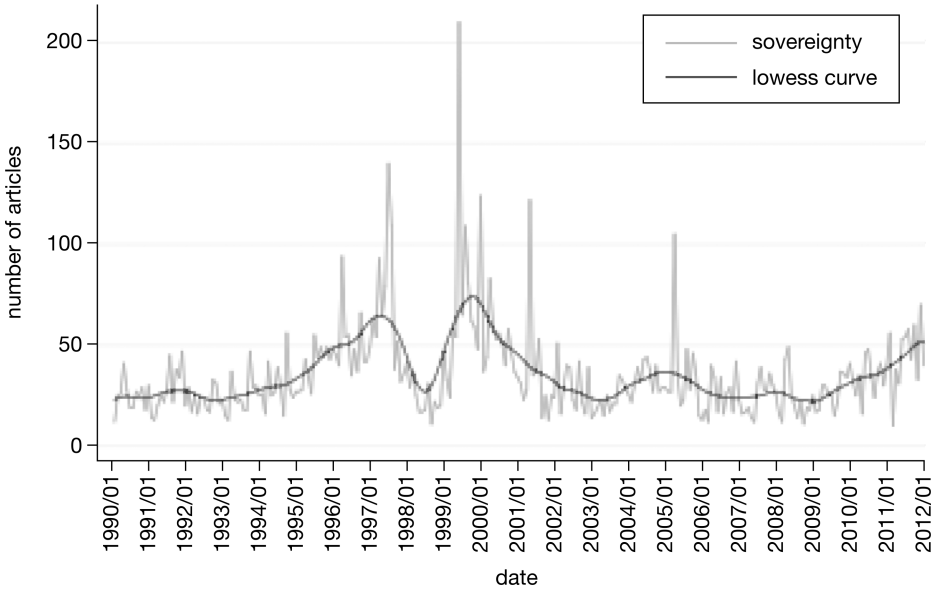
SOURCE: Google Scholar.

surveillance airplane and a Chinese fighter jet compelled the EP-3 to land at a Chinese military airport on Hainan Island, China held the downed U.S. military personnel essentially as hostages for more than a week to extract an apology from the United States for an accident caused by a reckless Chinese pilot. The reported rudeness of Chinese diplomats toward President Barack Obama at the Copenhagen climate change conference in December 2009, as well as other reports about the new arrogance of Chinese diplomats of late, would seem to pale in comparison with these sorts of actions.[10]

These are well-known anecdotes of pre-2010 assertiveness, but a more systematic indicator of assertiveness—the official discourse about issues of sovereignty—also suggests that 2010 does not represent as dramatic a shift as most analysts claim. The sensitivity to challenges to sovereignty is at the

10. For a similar point about the history of China's rhetorical assertiveness, see Jeffrey A. Bader, *Obama and China's Rise: An Insider's Account of America's Asia Strategy* (Washington, D.C.: Brookings Institution Press, 2012), p. 80; and Alan Wachman, "Testimony before the U.S.-China Economic and Security Commission: Hearing on China's Current and Emerging Foreign Policy Priorities," Washington, D.C., April 13, 2011.

Figure 4. Monthly Number of Articles That Reference "Sovereignty" in *The People's Daily,* January 1990–December 2011



heart of much of China's more uncompromising foreign policy positions on territory. Figure 4 shows the monthly frequency of articles that reference "sovereignty" (*zhuquan*) in the *People's Daily* from 1990 to 2012, with trends highlighted by a lowess curve.[11] Despite an increase beginning in 2009 and into 2010, the sovereignty discourse did not reach the levels expressed following the 1996 Taiwan Strait crisis; the May 1999 embassy bombing; the EP-3 downing in April 2001; or the anti-Japanese demonstrations of the spring of 2005. The data appear to show that the most recent increase in the frequency of references began in the first half of 2009 partly in response to the Philippines passing a law claiming the Scarborough Shoal (Huangyan Island) as Philippines territory and Malaysia's and Vietnam's submission of their continental shelf claims to the United Nations Commission on the Limitations of the Continental Shelf.[12]

Together, these past examples of Chinese assertiveness and the data on the of-

11. The lowess (locally weighted least squares) curve is a smoothing technique that fits a regression line to a specified fraction of time-series data. I thank Robert Lee, who graciously allowed me to use the data he collected for his master's thesis. Lee, "Public Opinion and Foreign Policy in the People's Republic of China: An Econometric Analysis," master's thesis, Harvard University, 2012.
12. On China's response to these events, see M. Taylor Fravel, "China's Strategy in the South China Sea," *Contemporary Southeast Asia,* Vol. 33, No. 3 (December 2011), pp. 292–319.

ficial sovereignty discourse suggest that 2010 was not a watershed in Chinese diplomacy toward sovereignty and territorial integrity issues. I now turn to the second problem with the conventional wisdom about an assertive China—the misreading of several positions taken by Chinese diplomacy in 2010.

Examples of China's New Assertiveness?

Much of the commentary on China's new assertiveness has centered on seven events that occurred in late 2009 and 2010. Yet if one pays close attention to the carefully crafted linguistic formulae that the Chinese government uses to express authoritative diplomatic positions[13], as well as to the actual foreign policy behavior "on the ground," there is no obvious pattern of new assertiveness across all these cases.

COPENHAGEN SUMMIT ON CLIMATE CHANGE, DECEMBER 2009

The Copenhagen conference held in December 2009 was aimed at strengthening states' commitments to mitigate climate change. Many analysts pointed to China's behavior at Copenhagen as the first example of an increased level of assertiveness. Some commentators focused on the allegedly rude and in-your-face behavior of some Chinese diplomats as evidence of a new assertiveness.[14] Others, however, saw China's diplomacy at the conference as symptomatic of a more proactive effort by China to resist demands from Europe, the United States, and many developing countries to commit to a timetable for greenhouse gas reductions and to accept monitoring of national performance. This interpretation misreads Chinese diplomacy in Copenhagen (or misuses the term "assertive"). Rather than representing a new assertiveness, the Chinese position in Copenhagen—no commitments on ceilings and timetables and resistance to strict verification of national performance—reflected an enduring position, dating to the early 1990s.[15] In other words, there was virtually no change in Chinese diplomacy at the summit. Chinese diplomacy on this issue was risk averse—avoid any changes in policy and try to prevent outcomes in-

13. On the importance of understanding the hierarchy of authoritative statements in the Chinese system, see Paul H.B. Godwin and Alice Miller, "China's Forbearance Has Limits: Chinese Threat and Retaliation Signaling and Its Implications for a Sino-American Military Confrontation," *China Security Perspectives,* No. 6 (March 2013).
14. Anthony Faiola, Juliet Eilperin, and John Pomfret, "Copenhagen Talks Show U.S., China May Shape Future," *Washington Post,* December 20, 2009; and John Pomfret, "Strident Tone from China Raises Concerns in West," *Washington Post,* January 31, 2010.
15. On the absence of change in China's global warming policy, see Gloria Jean Gong, "What China Wants: China's Climate Change Priorities in a Post-Copenhagen World," *Global Change, Peace, & Security,* Vol. 23, No. 2 (June 2011), pp. 159–175.

consistent with this policy. What had changed was the reaction to China's position. The Chinese Ministry of Foreign Affairs (MFA) was unprepared for the level of activism by the United States and Europe in criticizing China's position on climate change, and it overestimated the unity within the developing world on the issue. In particular, it was unprepared for being singled out so vociferously by various actors as a major part of the global warming problem. In short, it was unprepared for the changing diplomatic alignments on global warming. As a result, some of its prickly diplomacy was likely a conservative backlash to changed diplomatic conditions, not a change in preferences or tactics on the issue.

TAIWAN ARMS SALES, JANUARY 2010

Many analysts characterized Beijing's reaction to U.S. arms sales to Taiwan in January 2010 as distinctly tougher than in the past.[16] This portrayal is too simplistic. China's reaction to the arms sales can be divided into two distinct responses.[17] The first was to the Pentagon's decision in late December 2009 and early January 2010 to approve contracts to U.S. arms industries for sales agreed to by the George W. Bush administration in 2008. This response was relatively mild. Using the basic standard language for a reaction to U.S. arms sales, the MFA denounced the Pentagon's decision as "harming China's national security" and as "interference in internal affairs." In contrast to statements from 2000 to 2008, the MFA moderated its position slightly by omitting the term "crude" (*cubao*) to modify "interference in internal affairs" and omitting "endangering" (*weihai*) to modify "national security."[18] These linguistic choices were most likely designed to signal China's understanding that the Department of Defense announcements were about a Bush administration decision.[19]

Beijing's second response was to a new package of arms sales of about $6.4 billion authorized by the Obama administration in late January 2010. This

16. Australian scholar Ron Huisken describes the Chinese reaction as "fierce." See Huisken, "Taiwan: Is Beijing Testing Obama's Mettle?" *East Asia Forum,* blog, East Asian Bureau of Economic Research, February 24, 2010, http://www.eastasiaforum.org/2010/02/24/taiwan-is-beijing-testing-obamas-mettle/. See also John Pomfret, "Obama Meeting with Dalai Lama Complicates China Ties," *Washington Post,* February 19, 2010; and Peh Shing Huei, "China Chafes at 'Tough' Label," *Straits Times,* March 8, 2010.

17. For details about these sales, see Alan Romberg, "2010: The Winter of PRC Discontent," *China Leadership Monitor,* No. 31 (February 2010).

18. "Waijiaobu fayanren Jiang Yu jiu Mei dui Tai junshou da jizhe wen" [Foreign Ministry spokesperson Jiang Yu answers journalists' questions about U.S. arms sales to Taiwan] (Beijing: Ministry of Foreign Affairs of the People's Republic of China, January 7, 2010), http://www.fmprc.gov.cn/mfa_chn/wjdt_611265/fyrbt_611275/t649080.shtml.

19. Comments by Chinese government foreign policy analysts at the time also indicated that the announcements were not seen as Obama administration sales. Author interviews with Chinese government foreign policy analysts, Beijing, January 2010.

time the reaction was stronger. In rhetorical terms, the MFA restored the term "crude" to modify "interference" and replaced "harming" with the tougher term "seriously endangering" to modify "national security."[20] Still, the MFA's rhetorical response to the second arms sales decision fell within the boundaries of past public responses to U.S. arms sales to Taiwan dating back to at least 2000.

In addition to its standard rhetoric, the MFA announced the suspension of U.S.-China military-to-military contacts; but China had taken a similar measure after a round of arms sales in October 2008.[21] The only truly new element in Beijing's 2010 response was an MFA statement about sanctioning U.S. companies that sold arms to Taiwan. This possibility had been discussed inside the Chinese interagency process when the United States had announced previous arms sales, but the MFA and the Ministry of Commerce had apparently resisted calls for sanctions in the past. In 2010, though, they agreed to the sanctions language. To date, however, no evidence has emerged that China applied any sanctions to U.S. companies. In short, this "newly assertive" element of the Chinese response to U.S. arms sales to Taiwan was indeed new, and it did establish a baseline marker for future reactions.[22] In practice, however, it was a symbolic element in an overall response within the range of past Chinese reactions.[23]

The Dalai Lama's visit to the United States, February 2010

The Dalai Lama had hoped to visit President Obama in the fall of 2009. The United States was worried, however, that a meeting that close to the upcoming November 2009 summit with Hu Jintao might damage the atmosphere of the summit. So with the Dalai Lama's approval, the United States delayed his visit

20. "Waijiaobu fubuzhang He Yafei jiu Mei shou Tai wuqi wenti xiang Mei zhu Hua dashi tichu yanzheng jiaoshe" [Vice Foreign Minister He Yafei raises solemn representations to the U.S. ambassador to China on the issue of U.S. arms sales to Taiwan] (Beijing: Ministry of Foreign Affairs of the People's Republic of China, January 30, 2010), http://www.fmprc.gov.cn/mfa_chn/zyxw_602251/t654807.shtml.
21. Michael Wines, "U.S. and China Revive Military Talks," *New York Times,* February 28, 2009.
22. Interestingly, the sanctions language was not used in Beijing's response to the U.S. decision in November 2011 to offer upgrades for Taiwan's F16A/Bs, perhaps because the Chinese government wanted to signal its preference for this outcome over the sale of more advanced F16C/Ds. The rest of the MFA language in November 2011 was standard. See the statement by MFA Vice Foreign Minister Zhang Zhijun, "Waijiaobu fubuzhang Zhang Zhijun jiu Mei xuanbu dui Tai junshou jihua zhaojian Mei zhu Hua dashi tichu qianglie kangyi" [Vice Foreign Minister Zhang Zhijun lodges a strong protest with the U.S. ambassador to China for the U.S. announcement of plans to sell arms to Taiwan] (Beijing: Ministry of Foreign Affairs of the People's Republic of China, September 21, 2011).
23. Unlike the 2010 U.S. arms sales case, China imposed real economic costs on France for arms sales to Taiwan in the 1990s. China retaliated against French sales of Mirage fighters in 1993 by dropping plans to buy Airbus aircraft and by prohibiting French companies from bidding for the Guangzhou subway project. I thank Alison Kaufman for reminding me of this case.

until February 2010.[24] Not surprisingly, the Chinese expressed their opposition to the February visit. But contrary to much of the characterization by U.S. analysts of the Chinese response,[25] the Foreign Ministry's statements were slightly milder, certainly no tougher, than the last time the Dalai Lama had visited a U.S. president in 2007. In 2007 the MFA had used the phrase "crude [*cubao*] interference in internal affairs" to characterize the meeting. In 2010, however, the MFA replaced "crude" with the milder term "serious" (*yanzhong*). This difference in terminology likely reflected a decision by the Chinese government to temper its reaction as compared with that of 2007 in recognition of Obama's decision to delay his meeting with the Dalai Lama until after the November 2009 summit with Hu Jintao.

The South China Sea as a "Core Interest," March 2010

In late April 2010, a *New York Times* article cited a single U.S. government source who claimed that during a meeting in March between senior Chinese officials (including State Councillor Dai Bingguo) and two senior U.S. officials (Deputy Secretary of State James Steinberg and National Security Council Asia Director Jeffrey Bader), China had stated for the first time that the South China Sea was a "core interest, on par with Taiwan and Tibet."[26] If true, this would have signaled a major change in China's policy toward the area. It would have been a clear indication that Beijing had dropped the idea of negotiation over maritime disputes in the region, just as there could be no negotiation over the formal status of Taiwan or Tibet. The *New York Times* report spread rapidly through the media and pundit blogosphere in the United States.[27] At a minimum, it was responsible for 36 percent (and almost certainly much more) of the subsequent U.S. media coverage of the "core interest" story through late 2011. In the English-language blogosphere, at least 51 percent of the blogs that referred to China's alleged claim about core interests and the South China Sea

24. Bader, *Obama and China's Rise,* pp. 49–50.
25. John Pomfret cites "analysts and US officials" who claim that China's response to the visit was "tougher than in the past." See Pomfret, "Obama Meeting with Dalai Lama Complicates China Ties," *Washington Post,* February 19, 2010. See also Helena Cooper's ahistorical account of the Chinese response, "Obama Meets Dalai Lama, and China Is Quick to Protest," *New York Times,* February 18, 2010.
26. Edward Wong, "Chinese Military Seeks to Extend Its Naval Power," *New York Times,* April 23, 2010.
27. China's Xinhua news agency repeated the claim in Wong's *New York Times* story a few days later. See "Mei mei jianyi Meijun dingqi zai Nanhai yanxi fangzhi Zhongguo kongzhi" [U.S. media proposes that the U.S. military will regularly exercise in the South Sea to prevent China's control], Xinhua news agency, April 28, 2010. Many in the Chinese media and a number of Chinese analysts also assumed the claim to be true, as did pundits throughout East Asia. A number of Asian participants in the PLA organized Xiangshan Forum in October 2010, for instance, prefaced their remarks and questions by noting that China had declared the South China Sea to be a core interest.

were ultimately derived from the *New York Times* story and its single anonymous source.[28] It became conventional wisdom that senior Chinese officials had announced this change in their meeting with Steinberg and Bader.[29]

There is, however, no corroborating evidence that Steinberg and Bader were told that the South China Sea was a "core interest" similar to Taiwan or Tibet. Michael Swaine reports that high-level U.S. officials deny that it was the message they took away from the meeting with Dai Bingguo.[30] My own conversations with relevant U.S. officials confirm Swaine's findings. Bader himself notes in his recent book about Obama's Asia policy that no Chinese official at that meeting said that the South China Sea was a core interest.[31]

The Chinese government was slow to try to control the effects of this story, however. Only in August 2010, when it became clear that the supposed "core interest" statement was producing blowback from other states, did the Chinese government began to counter the story through surrogates in China's academic and media worlds. Some well-connected Chinese academics suggested that Steinberg and Bader might have been told that the islands China occupied in the South China Sea were core interests or that the islands were related to China's territorial integrity, which, in turn, was a core interest. These suggestions would be consistent with long-standing general statements that defending sovereign territory is a core interest.[32] Regardless, the academics claimed, no senior foreign policy official had said that the entire South China Sea was a core interest similar to Taiwan or Tibet.[33] As part of the subtle push-

28. These figures are based on a search of articles in LexisNexis and of blogs in Google that explicitly used language unique to the *New York Times* article, the phrase "on par with" in particular. Thus, these are conservative figures because they do not include what is likely a large number of articles and blogs that relied on the article but did not use language specific to it.
29. Two slightly different articles (one from *Kyodo* and one in the *Washington Post*) later reported a similar story, though their impact on the U.S. public discourse was more limited. See "China Told US South China Sea Is 'Core Interest'—Kyodo," *BBC Monitoring Asia Pacific,* July 3, 2010; and John Pomfret, "U.S. Takes Tougher Stance with China; Strategy Acknowledges Beijing's Rise in Power but Lays Down Markers," *Washington Post,* July 30, 2010.
30. Michael D. Swaine, "China's Assertive Behavior, Part One: On 'Core Interests,'" *China Leadership Monitor,* No. 34 (2011), p. 8. Secretary of State Hillary Clinton stated publicly that Dai Bingguo told her at the May 2010 Strategic and Economic Dialogue that the South China Sea was a core interest, but Swaine claims there is no evidence of this. Sources I have asked also suggest there is no evidence in the State Department record of such a comment by Dai to Clinton. It is possible Clinton is misremembering, or perhaps remembers a memo about the alleged Chinese claim.
31. Bader, *Obama and China's Rise,* p. 77.
32. Author interviews, Beijing, 2010.
33. The first public doubts about the credibility of the "core interest" story were raised by Peking University professor Zhu Feng to the Singaporean newspaper *Lianhe zaobao* [United morning news] in August 2010. "Jiaoshou: Jiang Nanhai shengji wei hexin liyi de tifa bu mingzhi" [Professor: Raising the South China Sea to the level of a core interest is unwise], *Lianhe zaobao,* August 23, 2010. The first major figure to categorically claim that senior leaders had never officially declared the South China Sea to be a core interest was retired Adm. Wang Haiyun, in "'Nanhai shi Zhongguo hexinliyi' bing fei guanfang biaotai" ["The South Sea is China's core interest" is not an

back, Premier Wen Jiabao repeated a standard list of core Chinese interests—sovereignty, unification, territorial integrity—in a speech to the United Nations in September 2010, a list that pointedly excluded the South China Sea.[34]

The MFA's indirect effort to deny the story was apparently a function of its sensitivity to appearing too soft on territorial issues. As a senior Chinese foreign policy official put it, once the story was out, the MFA could not publicly say that the South China Sea was not a core interest—China does not want to preempt the possibility of making such a declaration. Nor could it state publicly that no senior official had said the South China Sea was a core interest, that the *New York Times* source was wrong. This, too, might have raised the ire of nationalists within the population and the elite.[35] It would seem, then, that the preferred response was to try to counter the story through the media and through closed meetings with governments in the region.

It is likely, then, that the source for this particular story about China's rhetorical new assertiveness was wrong. Nonetheless, it appears that China lost control of the discourse to the foreign media, to the quasi-commercialized media in China, and to the pundit world outside China. To be sure, in 2009 and 2010 China's military and paramilitary presence in the South China Sea was more active than in previous years. Indeed, the South China Sea is perhaps the only example where China's diplomatic rhetoric and practice did shift fairly sharply in a more hard-line direction in this period.[36] As Taylor Fravel points out, however, some of this activity was in response to more proactive diplomacy by other claimants to establish the legal boundaries of their claims in the region.[37] Some of this activity may also have been a function of a decision to begin to assert the extent of China's claims so as to clarify what it can (and will) diplomatically and militarily defend. So even though China's diplomacy on this issue was more active in defending its maritime interests, these interests and preferences con-

official expression], *Dongfang pinglun* [Oriental commentary], October 13, 2010. Xue Li, a researcher at the government think tank the China Academy of Social Sciences, also stated that no Chinese leader had openly called the South China Sea a core interest. "Nanhai shi Zhongguo nei ge cengmian de liyi" [What level of China's national interest is the South Sea?], *Huanqiu shibao* [Global times], October 26, 2010.

34. Wen Jiabao zai di 65 jie Lianda yibanxing bianlun shang de jianghua [Wen Jiabao's speech at the 65th UN General Assembly general debate] (Beijing: Ministry of Foreign Affairs of the People's Republic of China, September 23, 2010).

35. Author interview with a senior Chinese official involved in foreign policy making, Beijing, June 2011.

36. China's diplomatic and military response to Japan's 2012 purchase of some of the Senkaku/Diaoyu islands from private owners would also meet the criteria for a new assertiveness in its policy toward maritime disputes.

37. See Fravel, "China's Strategy in the South China Sea"; and Michael D. Swaine and M. Taylor Fravel, "China's Assertive Behavior, Part Two: The Maritime Periphery," *China Leadership Monitor,* No. 35 (Summer 2011).

cerning its claims were unchanged. The timing of the most recent increase in rhetorical toughness (as measured by references to sovereignty in the *People's Daily*; see figure 4) would be consistent with this assertiveness.

RESPONSE TO U.S. DEPLOYMENT OF CARRIER TO THE YELLOW SEA, JULY 2010

In response to the DPRK's sinking of the South Korean naval vessel, the *Cheonan,* in March 2010, the United States and the Republic of Korea (ROK) engaged in a series of military deterrence exercises. In early June, the South Korean media reported—evidently based on leaked Pacific Command contingency plans[38]—that the United States was planning to deploy an aircraft carrier to the Yellow Sea to participate in these exercises.[39] China's tough response to these reports contributed to a view in the United States that China was not just ignoring North Korea's provocative actions, but enabling the North by refusing to condemn it and by criticizing U.S. (and ROK) efforts to deter Pyongyang. The Chinese reaction was seen by many as part of Beijing's new assertiveness.

It appears, however, that in this instance, PLA hard-liners were the first to respond to the initial reports that the United States was planning to exercise an aircraft carrier in the Yellow Sea. In late June 2010, the PRC announced it would conduct live-fire exercises in the East China Sea.[40] Whether such an exercise could have been conducted without at least Hu Jintao's approval is doubtful. The rhetorical response, however, seems to have been driven by the PLA. On July 1, Deputy Chief of Staff Ma Xiaotian was asked by Hong Kong media what he thought about a U.S. carrier exercising in the Yellow Sea. He stated that because the Yellow Sea was very close to China, Beijing was "extremely opposed" (*feichang fandui*) and that its attitude was "resolutely opposed" (*jianjue fandui*) to such exercises.[41] On July 6, the MFA spokesperson was asked whether Ma's comments represented the official position of the government. The response was fairly mild. The spokesperson stated, "I have paid attention to Deputy Chief of Staff Ma Xiaotian's words," but then issued the standard MFA line that all sides should maintain a "cool head, exercise self-restraint, and refrain from doing anything to aggravate the situation."[42]

38. Bader, *Obama and China's Rise,* p. 87.
39. Jung Sung-ki, "Korea-US Naval Drills to Begin in Late June," *Korea Times,* June 6, 2010; and "South Korea, US to Hold Naval Drills 7–10 June," *Yonhap,* June 3, 2010.
40. Michael Sainsbury and Rick Wallace, "China's Navy to Match S Korea–US War Games," *Australian,* June 30, 2010.
41. "Jiefangjun gongkai biaotai fandui Mei Han Huanghai jun yan" [PLA publicly expresses opposition to U.S.-ROK military exercises in the Yellow Sea], *Huanqiu shibao,* July 3, 2010.
42. Waijiaobu fayanren Qing Gang juxing lixing jizhehui [Foreign Ministry spokesperson Qin Gang holds regular press meeting], July 6, 2010.

Two days later, in response to another question from the press about China's reaction to the exercises, the MFA spokesperson was tougher. Indeed, he used Ma's words, noting that China "resolutely opposes (*jianjue fandui*) foreign militaries exercising in China's "near seas" (*jinhai*).[43]

This sequence of events raises an interesting question. If Ma had not been given the chance to define a hard line, would the MFA have said much at all? Was the MFA's preference in fact more moderate than Ma's, whereas the ministry felt that it had to take a tougher line so as not to be outflanked by the PLA? It is worth nothing that later in November, after the DPRK bombarded the ROK-controlled Yeongpeong Island, killing a number of ROK citizens, the MFA moved quickly to enunciate China's official response. It took a more moderate position than in July by dropping the term "resolutely" to modify "oppose" when it referred to a possible new round of U.S. military exercises in the Yellow Sea, and it provided a more legally precise and slightly less expansive definition of where it did not want foreign military forces to exercise, namely within China's exclusive economic zone (EEZ).[44]

In sum, this particular instance of new assertiveness may have been more a function of interbureaucratic conflict and poor coordination than a reflection of a decision by top leaders to be more proactive in diplomatically challenging a U.S. military presence close to China's territory. In essence, the PLA's Ma Xiaotian ended up claiming the Chinese position before the MFA had responded. Interestingly, in 2009—before the *Cheonan* sinking—the Obama administration had judged that China's default position on the DPRK's behavior was passive acquiescence, not a newly proactive defense of Pyongyang's interests.[45] As North Korean behavior became even more provocative in 2010, China's default approach appeared increasingly unconstructive.

Senkaku/Diaoyudao trawler incident, September 2010

On September 7, 2010, a Chinese trawler captain ordered his ship to ram Japanese coast guard ships that were trying to chase the trawler away from the Senkaku/Diaoyudao Islands.[46] The crew was sent back to China, but the captain was detained, and Japanese authorities began a legal investigation of his

43. Ibid., July 8, 2010.
44. "Waijiaobu: Zhong fang fandui renhe yifang wei jing yunxu zai Zhonagguo zhuanshu jingjiqu caiqu renhe junshi xingdong" [Foreign Ministry: The Chinese side opposes any side engaging in any military exercises in China's exclusive economic zone], *Xinhua,* November 26, 2010.
45. Bader, *Obama and China's Rise,* pp. 37–38.
46. The islands are called the Senkaku by Japan and the Diaoyu by China. Both countries claim sovereignty over them.

actions. The Chinese government responded with repeated and increasingly tough demands for the captain's release. For the most part, the foreign media defined China's reaction as unprecedentedly assertive.[47]

Chinese leaders believed that Japan was engaging in unusually provocative behavior by refusing to release the captain early on.[48] The Chinese claim that there has been an unwritten norm to release fishermen who violate the twelve-mile limit around the islands, and that past Japanese practice had led China to believe the captain would be released quickly and without publicity.[49] Different Chinese analysts proposed other reasons for Japan's decision to use its domestic legal process to detain and investigate the captain.[50] Some believed it reflected paralysis in Japan's decisionmaking process resulting from the distraction of a leadership contest in the ruling Democratic Party of Japan (DPJ) at the time. Others suggested that the DPJ's unfamiliarity with how previous Japanese governments had handled similar situations was to blame. Still others pointed to a general hardening of Japan's diplomacy on all of its territorial disputes, whether with China in the East China Sea or with Russia over the Northern Islands.

It is true that China escalated its diplomatic rhetoric to compel Japan to release the captain. One concern might have been the upcoming anniversary (on September 18) of the Japanese invasion of northeastern China in 1931. Chinese leaders generally do not like popular expressions of public opinion because they find that these constrain their options. They were likely worried that if the captain were not released before September 18, China would look diplomatically weak, thus making it even harder to control anti-Japanese demonstrations on or around that special day in nationalist history.

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47. Calum MacLeod, "China's Aggressive Posture Stuns Japan; Nation Dishes Out 'Shock and Awe' in Territorial Disputes," *USA Today,* September 28, 2010; Michael Richardson, "Beijing's Arm-Twisting Poses a New Challenge," *Australian Financial Review,* November 24, 2010; "Is Obama Ready for a Stare-Down with China? China's Provocation of Japan over the Senkaku Islands Shows a Need for Obama to Be Ready for a Crisis in Asia," *Christian Science Monitor,* October 1, 2010; and Mark McKinnon, "China's Chance: How 9/11 Played into Beijing's Plans in Asia," *Globe and Mail,* September 9, 2011.

48. Even Obama's top Asia specialist at the time, Ambassador Jeffrey Bader, noted in his analysis of the event that the Japanese did not follow their "usual practice" of sending the boats out of the area. See Bader, *Obama and China's Rise,* p. 106. See also Martin Fackler, "Japan to Release Chinese Captain: Detention Near Islands Claimed by Both Nations Had Prompted Standoff," *International Herald Tribune,* September 25, 2010.

49. Author interview with a senior Chinese official involved in foreign policy making, Beijing, June 2011. Past practice also included the quick release of Chinese nationalist activists who were arrested in 2004 while trying to land on the Senkaku/Diaoyudao shortly after Japan started legal proceedings against them. See James Reilly, *Strong Society, Smart State: The Rise of Public Opinion in China's Japan Policy* (New York: Columbia University Press, 2011), pp. 145–146.

50. Author conversations with Chinese international relations specialists, Beijing, 2010.

From a crisis management perspective, however, China's official response was systematic and relatively controlled. Over the two-week period after the captain was first detained, the demand for his release moved systematically from the Chinese embassy in Japan to the Foreign Ministry spokesperson to the foreign minister to the state counsellor in charge of foreign policy and eventually to Premier Wen Jiabao.

As the demands moved up the chain of command, the Chinese government's language become tougher, escalating from statements about the need to "protect" sovereignty to the need to "defend" sovereignty, and from "dissatisfaction" with the Japanese response to "strong indignation." Wen Jiabao's tone was the harshest. He referred to the islands as "sacred territory" (*shensheng lingtu*), the only time in the crisis that a China official described the islands this way.[51]

As the rhetoric escalated, so did the actions taken to signal Beijing's discontent. These included progressively canceling more and more local and central government-to-government interactions and arresting four Japanese citizens for allegedly photographing military sites. Some observers believe that China's assertiveness was especially evident in two other actions: the demand for compensation and an apology from the Japanese government after the captain had been released; and an embargo on Chinese rare earth exports to Japan.[52] The demand for compensation, however, was perfunctory and clearly aimed at a domestic Chinese audience. The MFA mentioned this demand only once (on September 25) and then promptly dropped it from the official discourse. In this regard, it is hard to see it as a particularly escalatory move.

The rare earth embargo, if true, would constitute a new assertiveness because it threatened to impose much higher costs on a key Japanese economic interest. There have been conflicting reports, however, about how many rare earth exports were delayed, for how long, and by whom. Some reports suggest that Chinese customs officials, anticipating further deterioration in the relationship with Japan, might have taken it upon themselves to slow down export approvals.[53] This seems uncharacteristically proactive for a Chinese bureaucracy, however. Others suggest that the central leadership made an explicit decision to

51. In fact, this term was rarely used to describe the Diaoyudao—it had last been used in the *People's Daily* in the early 1970s.
52. Paul Krugman wrote that China's embargo "shows a Chinese government that is dangerously trigger-happy, willing to wage economic warfare on the slightest provocation." See Krugman, "Rare and Foolish," *New York Times,* October 17, 2010.
53. Author conversations with Chinese international relations specialists and with a senior Chinese foreign policy official, Beijing, 2010–11.

reduce shipments as a warning to Japan, which is possible: the timing of the alleged embargo—reported to have begun on September 21[54]—was the same as that of Wen Jiabao's tough demands in New York. Other reports suggest, however, that little evidence exists that the leadership decided to embargo rare earths, and that Japanese media and some industry experts misinterpreted the rather volatile nature of Chinese rare earth shipments in general. Previous months had seen more dramatic drops in shipments having to do with Japanese demand bumping up against a quota system for exports, yet there was no speculation about embargoes then.[55]

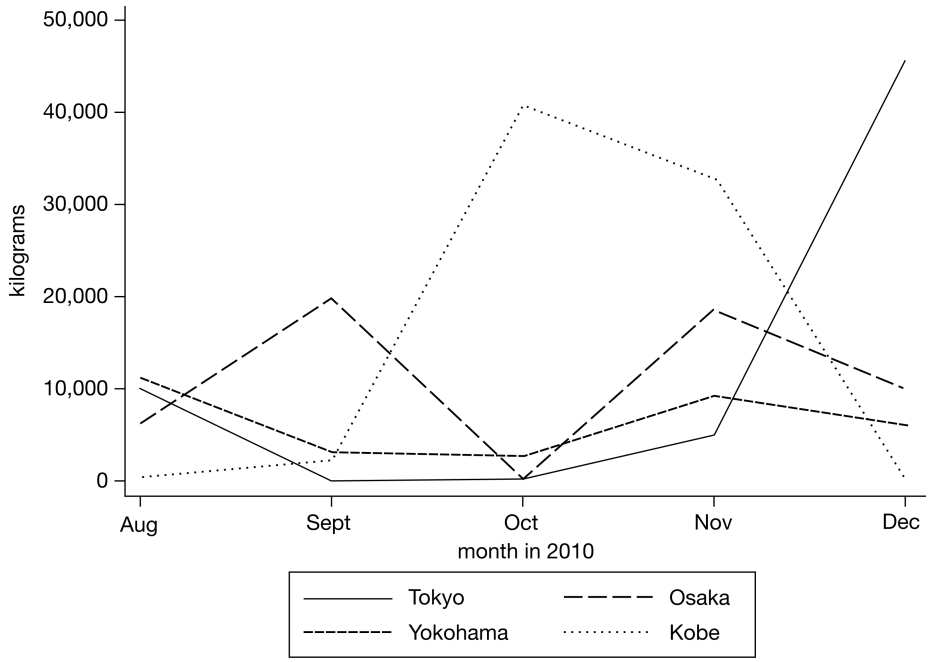
More problematic for the embargo story are the patterns, or lack of patterns, in Japan's import data for rare earth from August to December 2010. If there had been a centrally determined and enforced Chinese embargo, one would expect to see a uniform drop in imports that come through all Japanese customs ports. Four customs ports handle the vast majority of rare earth imports: Kobe, Osaka, Tokyo, and Yokohama. Japanese customs data classify rare earths into six categories. So there are twenty-four observations per month to examine. If China had ordered an embargo, then one would expect a dramatic decline in imports across all rare earths commodity categories across all ports.

There is, however, little or no statistical relationship between import figures for each commodity for each port from August to December 2010.[56] In only about a third of the cases was a decline in rare earth X imported through port Y associated with a decline in rare earth X coming through port Z.

In about two-thirds of the cases, there was no relationship. In 46 percent of the observations (commodity category by customs port), rare earth imports actually increased from August to September. It is possible that because the embargo was reported to have started on September 21, and given the shipping times between Chinese ports and Japanese ports (three to five days, say), the effects of the embargo might not show up until October's figures. Although October did see a decrease in many rare earth imports, in 17 percent of the observations rare earth imports increased from September to October. In addition, contrary to one *New York Times* report about a continuation of an embargo into November,[57] in 41 percent of the observations rare earth imports grew in November over October. Figure 5 shows an increase in cerium oxide imports

54. Keith Bradsher, "China Restarts Rare Earth Shipments to Japan," *New York Times*, November 20, 2010.
55. "Rare-Earth Furor Overlooks China's 2006 Industrial Policy Signal," *Bloomberg News*, October 21, 2010.
56. These data and rare earth categories are from the Japanese Ministry of Finance.
57. See Keith Bradsher, "China Still Bans Rare Earths for Japan, Executives Say," *New York Times*, November 11, 2010.

Figure 5. Cerium Oxides

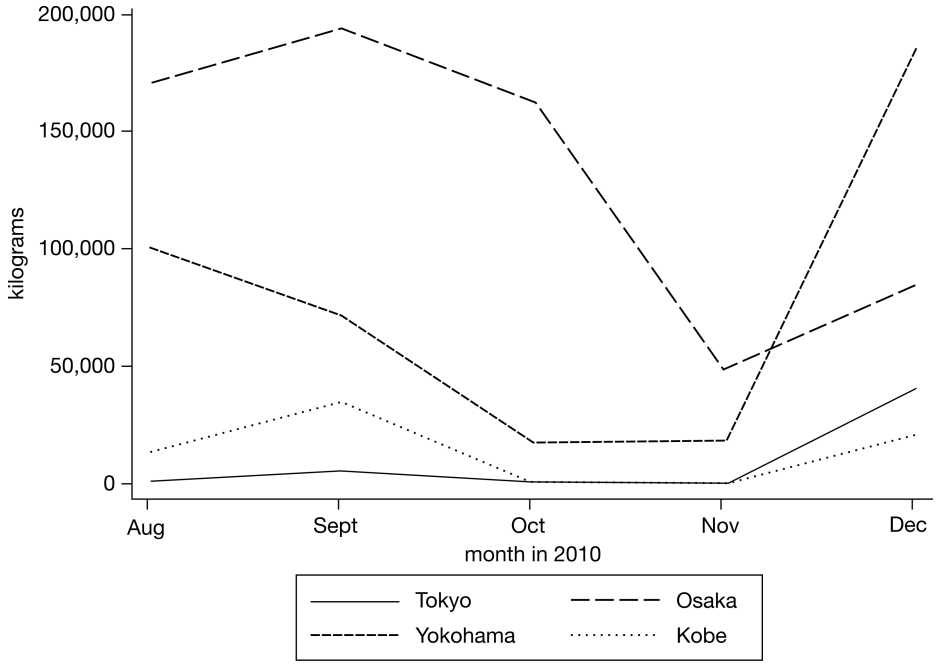


from China into Kobe in October, while imports into other ports declined; figure 6 shows only a minor decline in the import of other cerium oxides from China into Osaka in October. Figure 7 indicates an across-the-board decline in yttrium imports from China from August to October, but then an increase in imports into Osaka in November; figure 8 shows only a gradual decline—certainly no cut-off—in lanthanum imports from China through Yokohama in the months after the alleged embargo. Figure 9 shows that there was virtually no decline in September to October for shipments through Yokohama of what the Japanese refer to as "other" rare earths. Tokyo experienced a small decline in October followed by an increase in imports in November. Figure 10 shows an across-the-board decline in what the Japanese call a miscellaneous category of rare earths, but an across-the-board increase in November, again in contrast to the *New York Times* report cited above.

In short, if China's leaders had ordered an embargo, it was a very ragged one affecting rare earths and different Japanese ports differently.[58] Some indus-

58. One possibility is that Chinese rare earths were essentially smuggled out of China and shipped to Japan via a third country. The *New York Times* reported that Chinese government of-

Figure 6. Other Cerium Compounds



try experts suggest that there was no obvious pattern in these data, and no clear evidence for or against an embargo.[59] At the very least, the data suggest that the conclusion about an embargo requires considerably more evidence than much of the media and pundit coverage has heretofore provided.

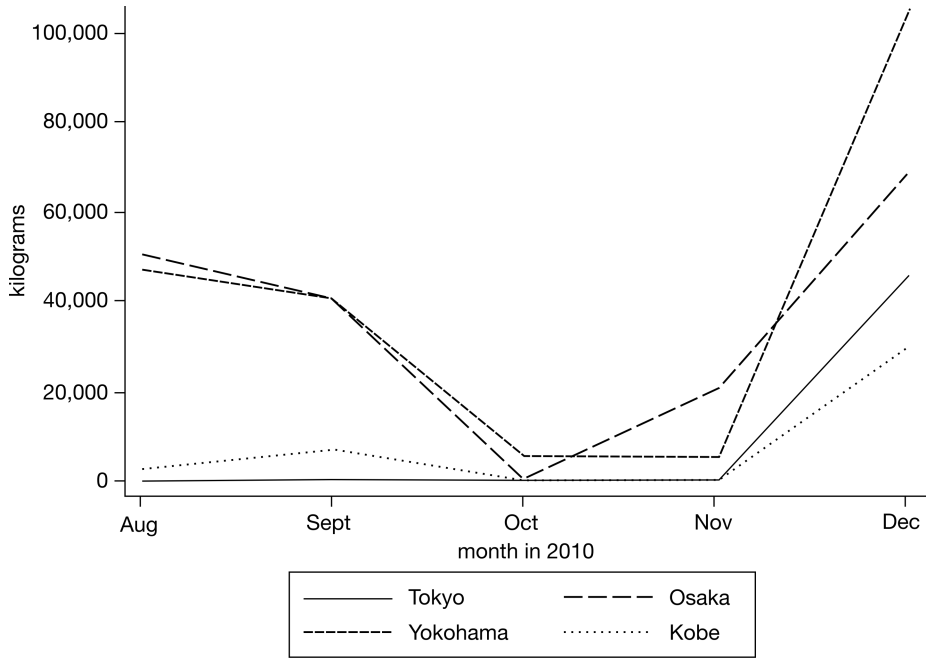
For all of China's rhetorical escalation, in some ways Beijing took efforts to control domestic reactions and to prevent large-scale anti-Japanese demonstrations. As the crisis escalated in mid-September and as both sides began to worry about a repeat of the large-scale anti-Japanese violence in 2005 in response to Japan's efforts to obtain a permanent seat on the UN Security Council, the Chinese Communist Party–connected *Global Times* explicitly signaled that 2010 would not be a repeat of 2005. The editorial stated that the violent escalation of 2005 demonstrations was a "road to ruin," that is, too extreme.[60]

ficials warned Chinese exporters not to do this, but perhaps many chose to ignore the warning. It is unclear, however, whether Japanese customs would count imports as coming from China if the shipment information did not clearly indicate this.

59. See Gareth Hatch, "On Rare-Earths, Quotas, and Embargoes," *Technology Metals Research*, blog, October 24, 2010, http://www.techmetalsresearch.com.

60. "Zhongguo bu shi yi nu jiu shitai de xiangbalao" [China isn't a bumpkin who in a fit of anger loses control], *Huanqiu shibao*, September 16, 2010.

Figure 7. Yttrium Oxide

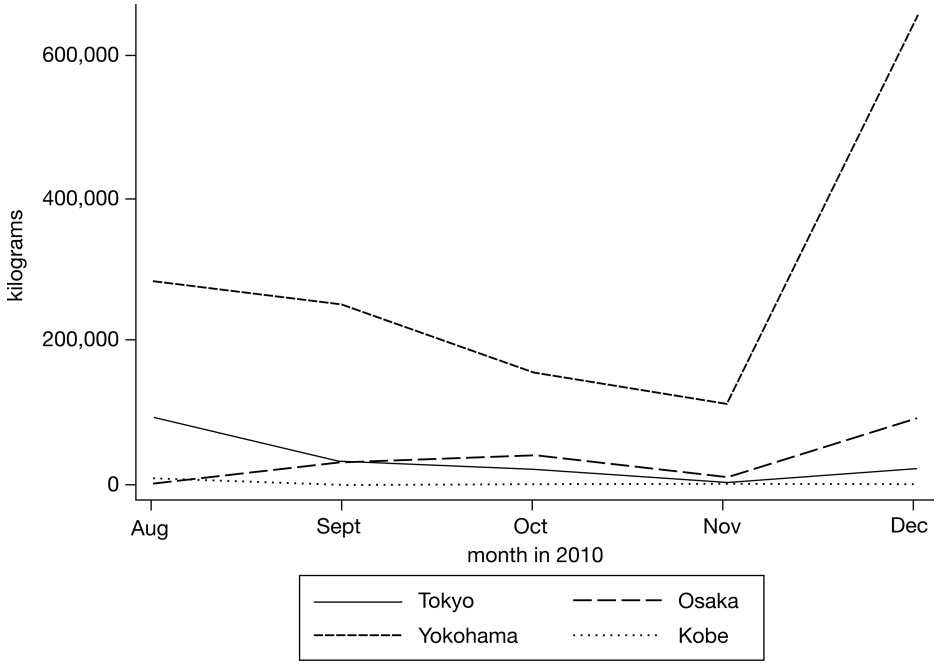


Moreover, the government took steps to dampen harsher expressions of anti-Japanese emotion. For example, on or around September 16, about two days before the September 18 anniversary and not long after a Japanese school in Tianjin had been damaged by anti-Japanese vandals, even the *Global Times* stopped all anonymous postings from netizens, shutting down a forum that had seen increasingly racist postings inciting violence against Japanese in China. It appears, too, that the authorities prevented most of the high-profile, hard-line PLA media commentators from writing or talking publicly during the Senkaku/ Diaoyudao dustup.[61]

To conclude that the Chinese response to Japan's detention of the trawler captain reflected a new assertiveness requires wrestling with an counterfactual: assuming that this particular incident was an exogenous, random event, if a similar incident had happened the previous year, or two or five years prior, how would China have responded to the lengthy detention of a

61. Based on an analysis of more than 600 blog posts, op-eds, and media quotes by four of the most prominent PLA commentators (Dai Xu, Han Xudong, Luo Yuan, and Zhang Zhaozhong) between 2007 and 2011, it appears that none of them made any public comments about the Diaoyudao issue during September 2010, whereas they had mentioned it relatively frequently in previous and in subsequent months.

Figure 8. Lanthanum Oxide



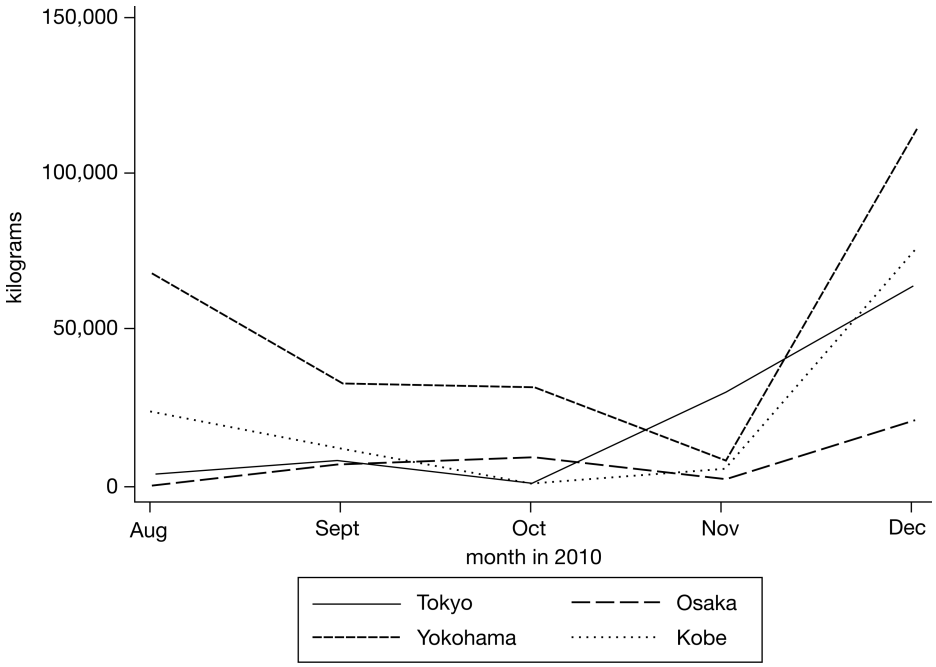
Chinese captain? If one can plausibly claim that the reaction would have been milder, then the case for this incident reflecting a new assertiveness would be stronger. If, however, one could imagine a similar reaction in previous years, then it is harder to conclude that 2010, in particular, reflects an assertive turn in Chinese diplomacy on such detentions.

RESPONSE TO THE DPRK SHELLING OF YEONGPYEONG ISLAND, NOVEMBER 2010

On November 23, 2010, the DPRK shelled ROK-held Yeongpyeong Island, killing four military and civilian personnel and wounding several more. The ROK responded by shelling the North Korean batteries. In the wake of the DPRK attack, the U.S. chairman of the Joint Chiefs, Adm. Michael Mullen, bluntly noted that Pyongyang's "reckless behavior" was "enabled by their friends in China."[62] His reference, and that of others, was to China's unwillingness to directly criticize the DPRK after the *Cheonan* sinking and the Yeongpyeong shelling. Some contrasted China's apparent acquiescence to North Korea's

62. Donna Miles, "Mullen: Trilateral Cooperation Best Response to North Korea" (Washington, D.C.: U.S. Department of Defense American Forces Press Service, December 9, 2010).

Figure 9. Other



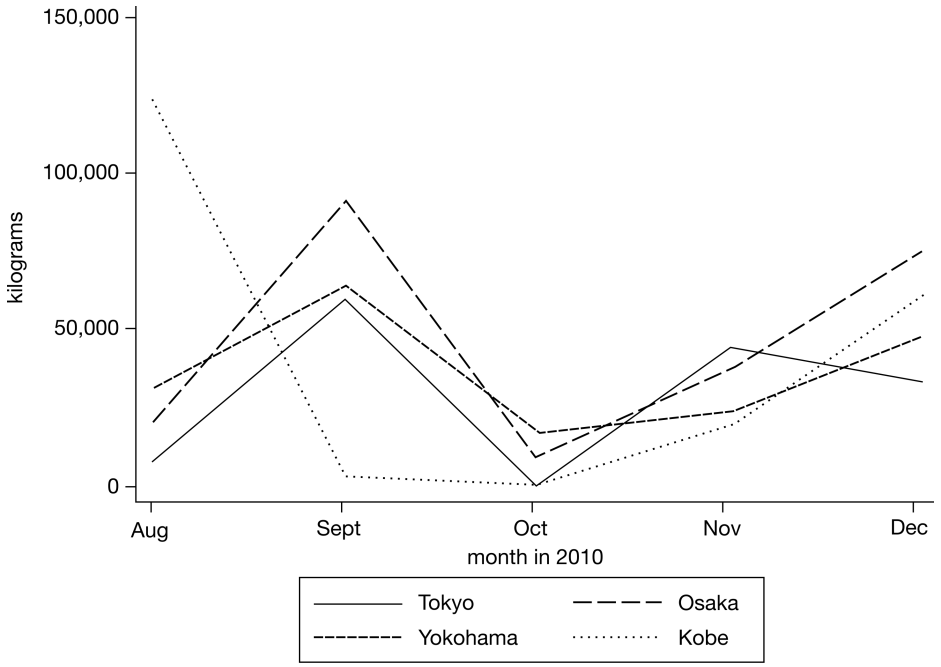
provocations in 2010 with the harsh language that Beijing had used to criticize its first nuclear test in 2006.

Although China officially used a particularly pointed term in 2006—flagrant (*hanran*)—to criticize the North Korean test, it also tempered this criticism by noting that all sides should respond coolly, use peaceful means to resolve problems, and avoid actions that would increase tensions.[63] Since then, the Chinese government has employed similar language whenever Pyongyang has engaged in behavior that raises tensions on the Korean Peninsula, including in its 2010 response to the *Cheonan* sinking and the shelling of Yeongpyeong Island.[64] In

63. See "Zhonghua Renmin Gonghe Guo Waijiaobu shengming" [Statement by the People's Republic of China Ministry of Foreign Affairs], October 9, 2006; and "Zhongfang xiwang Chaofang zai heshiyan wenti shang wubi baochi lengjing he kezhi" [The Chinese side hopes the North Korean side will be sure to maintain a cool head and self control on the question of nuclear testing], Xinhua news agency, October 4, 2006. For an account that sees China's DPRK policy as essentially constant, notwithstanding the initial reaction to the 2006 test, see Victor Cha, *The Impossible State: North Korea Past and Future* (New York: HarperCollins, 2012), pp. 329–334.

64. Waijiaobu fayanren Mao Chaoxu jiu Zhong-Han, Zhong-Ri waizhang huiwu youguan qingkuang da jizhe wen [Foreign Ministry spokesperson Mao Chaoxu answers journalists' ques-

Figure 10. Miscellaneous Rare Earth Metals



other words, it was not new language, and for Beijing it embodies the basic principles of crisis management that all sides should follow.

These principles reflect the PRC leadership's preference for preserving the existence of a stable DPRK. One internal assessment of crisis management on the peninsula, written by regional experts at the PLA Academy of Military Sciences, summarized Beijing's concerns: North Korea is an unstable regime that engages in provocative and unpredictable behavior, "walking on the margins of war."[65] Yet war on the peninsula would mean the regime's collapse. This, in turn, would threaten not only China's border security, but also the peaceful international environment necessary for China's economic development, and the existence of a buffer against the United States. Thus North Korea's survival is a question of China's national security.[66] By this logic,

tions about issues related to the Sino-ROK and Sino-Japanese Foreign Ministers meeting], May 15, 2010; and Waijiaobu fayanren Hong Lei juxing lixing jizhehui [Foreign Ministry spokesperson Hong Lei holds regular press meeting], November 25, 2010.

65. Li Xiaodong, Wang Yisheng, and Li Rui, *Chaoxian bandao weiji guanli yanjiu* [Research on Korean Peninsula crisis management] (Beijing: Academy of Military Sciences Press, 2010), p. 85.

66. Ibid., p. 52. See also International Crisis Group, "China and Inter-Korean Clashes in the Yellow Sea," *Asia Report*, No. 200 (January 2011); and Bader, *Obama and China's Rise*, p. 83.

Chinese policy should thus focus on minimizing threats to the DPRK's internal stability and preventing shocks to the political and military relationship between the relevant parties. Even though many in China recognized that North Korea's behavior in 2010 was a main source of instability on the peninsula, Beijing believed that, given the regime's fragile condition, it made little sense to add to the pressure on the DPRK, or to publicly humiliate it by endorsing the ROK's version of the *Cheonan* incident.[67] Rather, China appears to have taken a two-pronged approach to resolving the DPRK problem, arguing that the United States should provide security assurances and improve the DPRK's external security environment, while China should be responsible for helping the DPRK reform its economy and open to the outside.[68]

The problem for Beijing was that, in the context of DPRK behavior in 2010, its standard position of all sides avoiding provocative behavior was rightly viewed as taking the DPRK's side. In other words, Beijing's policy prescription for stability on the peninsula had not changed as much as the situation had, leaving China's status quo–oriented policy even more in tension with the preferences of other states.[69]

SUMMARY

These seven major events in Chinese foreign policy in 2010 represent a mixture of new assertiveness (South China Sea), old assertiveness with a twist (the threat to sanction U.S. arms manufacturers that sell to Taiwan); reduced assertiveness (the Dalai Lama visit); probably predictable responses to exogenous shocks (Senkaku/Diaoyudao incident); the continuation of reactive/passive policies in the face of changed and less-hospitable diplomatic circumstances

67. See Jonathan D. Pollack, *No Exit: North Korea, Nuclear Weapons, and International Security* (London: Routledge, 2011), pp. 201–203; and Bonnie Glaser, "China's Policy in the Wake of the Second DPRK Nuclear Test," *China Security*, Vol. 5, No. 2 (2009), pp. 1–11. Some Chinese analysts even make a credibility of commitment argument. That is, if China dropped the DPRK as an ally, then it might be harder to play for support from other smaller powers in the developing world. See Lin Jianyi, "Zhong Mei guanxizhongde Chaoxian wenti" [The North Korea issue in Sino-U.S. relations], *Jianbao* [Briefing], No. 22 (Beijing: Chinese Academy of Social Sciences Regional Security Research Center: October/November 2010), p. 2. Interlocutors from Northeast China who specialize in Korean issues noted that the credibility of commitment issue gave the DPRK more leverage over China. This, they said, was a similar phenomenon to the relationship between the United States and its small allies, such as Israel, so the United States ought to understand China's predicament. Author conversations with Jinan University specialists, Changchun, June 2011.

68. Yang Xiyu, "Chao he wenti yu Chaoxian bandao heping tizhi wenti" [The North Korean nuclear problem and the question of a peace system on the Korean Peninsula], *Shijie fazhan yanjiu* [Research in world development], No. 8 (2010). Yang was an important player in the Chinese six-party talks team.

69. On China's reactiveness on the DPRK issue, see Andrew Scobell, "The View from China," in Gilbert Rozman, ed., *Asia at a Tipping Point: Korea, the Rise of China, and the Impact of Leadership Transitions* (Washington, D.C.: Joint U.S.-Korea Academic Studies, 2012), pp. 70–81; and Bader, *Obama and China's Rise*, pp. 37–39.

(Copenhagen, DPRK policy); and in one case, empirical inaccuracy (the South China Sea as a core interest claim). In toto, the differences across these cases suggest that there was no across-the-board new assertiveness in Chinese diplomacy in 2010.

Analytical Problems with the New Assertiveness Meme

The argument that China's diplomacy in 2010 was newly assertive contains at least three analytical flaws that have characterized much of the commentary on Chinese foreign policy in the United States and elsewhere—selection on the dependent variable; ahistoricism; and poor causal specification. The first two are general methodological problems that often plague media and pundit analysis on a range of public policy questions; though serious, I do not go into them in detail here. The last deals with problematic empirical claims associated with causal arguments, the evaluation of which requires critical examination of the available evidence.

selecting on the dependent variable

A common problem in the new assertiveness analyses is that they consider only confirming evidence while ignoring disconfirming examples. The risk here is exaggerating change and discounting continuity. The pundit and media world thus tended to miss a great deal of ongoing cooperative interaction between the United States and China throughout 2010. Examples include the continued growth of U.S. exports to China during the year; the continued high congruence in U.S. and Chinese voting in the UN Security Council;[70] Chinese support for UN Security Council Resolution 1929, which imposed tougher sanctions on the Iranian regime—a move appreciated by the Obama administration;[71] Beijing's abiding by its 2009 agreement with the United States to hold talks with representatives of the Dalai Lama;[72] a Chinese decision to con-

70. China and the United States voted together 98 percent of the time in 2010 and 97 percent of the time in 2011, continuing the trend toward convergence in voting among the permanent members from previous years. For pre-2010 data, see Joel Wuthnow, "Discord and Collaboration in UN Security Council Negotiations: The Case of China, 1971–2009," paper presented at the annual meeting of the American Political Science Association, Washington, D.C., September 2–5, 2010, p. 35.
71. Bader, *Obama and China's Rise,* p. 117. Similarly, Thomas Christensen, a former Bush administration official in charge of China policy, also thought that China's policy on this score did not fit with the standard "new assertiveness" narrative. Christensen, "The Advantages of an Assertive China: Responding to Beijing's Abrasive Diplomacy," *Foreign Affairs,* Vol. 90, No. 2 (March/April 2011), pp. 54–67. Indeed, on this American "core interest," the State Department cables distributed by Wikileaks reveal evidence of common purpose with China, though some differences in tactics. Wikileaks, "Deputy Secretary Steinberg's September 29, 2009 Conversation with State Councilor Dai Bingguo," http://wikileaks.org/cable/2009/10/09BEIJING2965.html. See also Bader, *Obama and China's Rise,* p. 78.
72. Bader, *Obama and China's Rise,* pp. 74–75. As in the past, the PRC conceded nothing to the Dalai

tinue the appreciation of the renminbi prior to the Group of Twenty meeting in Toronto in June 2010; Hu Jintao's decision to attend the U.S.-hosted nuclear summit in April 2010 (in the wake of the January 2010 Taiwan arms sales decision, the Chinese had hinted that Hu would not attend the summit); a Chinese decision to pressure the Sudan government to exercise restraint should South Sudan declare independence; and China's more constructive cross-strait policies, in the wake of Ma Ying-jeou's 2008 election as president of the Republic of China, which have contributed to a decline in tensions between China and Taiwan, thus reducing the probability, for the moment, of a U.S. military conflict with the PRC.

In addition to these U.S.-specific cooperative actions, throughout 2010 China continued to participate in all of the major multilateral global and regional institutions in which it had been involved for the past couple of decades, including the World Trade Organization, the International Monetary Fund, the United Nations Security Council, the Association of Southeast Asian Nations (ASEAN) Plus 3, the China-ASEAN Free Trade Agreement, UN peacekeeping operations, and antipiracy activities in the Gulf of Aden. There is no evidence that, beginning in 2010, it began to withdraw from global institutional life or to dramatically challenge the purposes, ideology, or main organizational features of these institutions to a degree that it had not in the past. Diplomacy in these institutions continued to show the expected mix of focused pursuit of status and material interest, defense of sovereignty, and functional cooperation that has characterized China's approach to these institutions over the past couple of decades.

This list of examples is not exhaustive, of course. I present these only as examples of a more general point: that determining whether, on balance, Chinese diplomacy became much more assertive in 2010 requires considering the full range of Chinese conflictual and cooperative behavior, not just China's noncooperative actions. Methodologically, therefore, selecting on the dependent variable makes it difficult to arrive at any conclusion about a new assertiveness.

AHISTORICISM AND THE ASSUMPTION OF MAJOR CHANGE

A second major analytical problem with the assertive China meme is ahistoricism. Ahistorical analysis is the tendency to assume that what observers witness now is new, different, and unconnected to the past. Thus they are more likely to see the present in terms of "transitions," "turning points," and "fundamental changes." Ahistorical conclusions are often reinforced by a related analytical flaw—the lack of comparison. Many journalists, think tank analysts,

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Lama about greater Tibetan autonomy, but an assertive China could have easily broken its commitment on this issue.

and pundits are either insufficiently trained or do not have the space to report on three basic comparisons that are at the heart of sound analysis: (1) comparison across time (how different is current action from past actions?); (2) analysis across issue areas (how different is current action from action on different issues?); and (3) analysis across countries (how different is current action from what other states are doing?). A rigorous assessment of Chinese foreign policy, therefore, should start with explicit comparisons along these dimensions before coming to any conclusions about the degree and novelty of change.

An example of this absence of comparison is the coverage of China's diplomacy at Copenhagen in 2009. Many observers saw Chinese diplomacy as newly assertive because Beijing stonewalled on credible mitigation commitments and on international monitoring and verification of China's performance. Descriptions surfaced of finger-pointing, angry outbursts, and disrespectful behavior as though these were somehow important indications of something new in the content of Chinese diplomacy. Yet, in context of these three types of comparison, Copenhagen was actually a case of more of the same. As I noted earlier, China's bargaining position up to Copenhagen had changed little from 1990—the purpose of diplomacy has always been to avoid commitments to ceilings and timetables and to intrusive monitoring of China's performance. This has not been all that different from its approach to international arms control issues, which has been characterized by wariness of hard constraints on weapons systems and intrusive verification, among other threats to sovereignty. Nor was China's climate change position much different from that of other major developing countries such as India—both are trying to minimize the economic costs of greenhouse gas mitigation.

What was new at Copenhagen was the PRC delegation's poor understanding of how much Europe, the United States, and some other developing countries had moved on climate change; of their increased sense of urgency to get the major polluters to make meaningful commitments; and of the greater willingness of many states to blame China as part of the problem. The Chinese delegation was apparently unprepared for the criticism. The delegation returned to Beijing and was criticized for its performance[73]—not what one might have expected if it had been faithfully representing a new assertiveness in climate change policy.

73. Author interview with a Chinese environmental policy specialist, Beijing, 2011. For a subtle analysis of the diplomatic problems China faced at the Copenhagen conference and after, see Zhang Haibin, "2010 nian Moxige qihou bianhua tanpan dahui qianjing yu Zhongguo duice sikao" [Prospects for the Mexico climate change assembly, and thoughts about China's responses], *Zhongguo guoji zhanlue pinglun* [China international strategic review], No. 3 (2010), pp. 302–309.

PROBLEMATIC CAUSAL ARGUMENTS

A third problem with China's newly assertive meme is the poor specification of the causal arguments that observers use to explain this alleged change in diplomacy. The first rule of causal argument concerns timing: any change in the explanatory variable has to occur prior to a change in the variable to be explained. Thus any change in the main explanatory factors had to have been quite quick and acute prior to the new assertiveness of 2010. Was this, in fact, the case? Typically analysts point to four main explanations for China's new assertiveness in 2010.

CHANGE IN THE DISTRIBUTION OF POWER. The first explanation for a newly assertive China is a change in Chinese leaders' perceptions of the distribution of power, whereby they interpreted the 2008 financial crisis as a clear signal of the decline of U.S. power relative to China's. Chinese leaders therefore felt more confident in ignoring Deng Xiaoping's longtime axiom not to treat the United States as an adversary, and in challenging the United States on China's interests. Undoubtedly, such arguments appeared throughout 2009 and 2010 in China, particularly among more nationalistic commentators. Yet there was, and continues to be, an ongoing debate as to how much power has shifted between the United States and China, and what advantages this creates for China.

Beginning in mid-2009, influential think tanks at the Chinese Communist Party (CCP) School and the China Institutes of Contemporary International Relations (CICIR) hosted a series of internal conferences to debate whether the U.S. relative decline meant that China had new opportunities to press its interests and challenge U.S. power. More moderate voices—those who believed that there had been no major shift in power and that Deng's axiom of avoiding conflict with the United States remained valid—were not obviously on the defensive in these debates.[74] In other words, the question about whether and how much the United States was in relative decline had not been answered prior to the alleged assertive turn in Chinese foreign policy in 2010.

Moreover, there is no evidence that the core decisionmaking group on foreign policy in this period—Hu Jintao, Xi Jinping, and Dai Bingguo—accepted the claim that a major shift in the distribution of power had occurred or had given China new opportunities to push its interests.[75] Cui Liru, an adviser to

74. On these debates, see Wang Dong and Li Kan, "Eying the Crippled Hegemon: China's Grand Strategy Thinking in the Wake of the Global Financial Crisis," paper presented at the annual meeting of the American Political Science Association, Washington, D.C., September 2–5, 2010; comments by a senior PLA officer at the Xiangshan Forum, October 2010; CASS Regional Security Research Center, "Meiguo chongfan Yazhou xueshu yanjiuhui" [Academic research meeting on the U.S. return to Asia], *Jianbao,* No. 21 (Beijing: CASS, October 2010), p. 6; and comments by a senior analyst at the Central Party University, June 2011.

75. Author interviews with academics, think tank analysts, and government officials, Beijing, 2010. See also Christensen, "The Advantages of an Assertive China," p. 60.

the top leadership, and president of CICIR, argued in an internally published speech to Chinese university students in March 2010 that the goal of Chinese foreign policy was still, as it had been in the Deng era, to create a peaceful environment for national development. This required above all stable relations with the United States, given that China has no choice but to enter into the U.S.-dominated international order. Under these conditions, China does not challenge the current international system.[76]

Later in 2010, the top leadership authorized a major essay by state councillor Dai Bingguo, published in December 2010.[77] Dai's essay reaffirmed the political axioms that undergird Deng Xiaoping's basic grand strategy of rapidly developing China's economy and avoiding highly conflictual relations with neighbors and major powers. This strategy is summarized in the phrase "peace and development." Over the years, the leadership added on ancillary axioms, including the concepts of "not taking the lead but getting some things done"; the "period of strategic opportunity," in which China should avoid major conflict with the United States to concentrate on economic development; and building "new type major power relations" based on the recognition that U.S.-China interdependence creates major costs for China resulting from any U.S. economic decline.[78] These axioms matter; they are symbols of particular visions of China's status, power, and identity that are more or less agreed on by China's top leaders. Much time and effort is put into composing, employing, and refining them in official documents because they constitute general guidelines for foreign policy. Yet, as Dai's essay implies, none of these core axioms was repudiated by top leaders in, or prior to, 2010, as one might have expected if (1) hard-liners truly dominated decisionmaking; or (2) a decision had been made to fundamentally alter China's foreign policy.[79]

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76. Cui Liru, "Xin shiqi de Zhong Mei guangxi xunqiu gongchu zhidao" [Sino-U.S. relations in the new era seek the way to coexistence], *Zhanlue yu guanli* [Strategy and management], Vol. 3, No. 4 (2010), pp. 66–67. Even the more hard-line newspaper, the *Global Times,* published articles in 2010 that warned readers not to exaggerate U.S. decline or to underestimate the United States' ability to revive its power and purpose in the face of strategic setbacks. See Liu Mingfu, "Xuexi Meiguoren de weiji yishi" [Study the sense of crisis of Americans], *Huanqiu shibao,* February 22, 2010; Zhou Fangyin, "Bie wei 'Zhongguo di yi zixun fannao" [Don't let China become the first to ask for trouble], *Huanqiu shibao,* April 27, 2010; and Huang Renwei, "Xuexi Meiguo cai neng he Meiguo da jiaodao" [Study the U.S. and only then can we deal with the U.S.], *Huanqiu shibao,* August 26, 2010.
77. Bader, *Obama and China's Rise,* p. 123; and Dai Bingguo, "Jianchi zou heping fazhan daolu" [Adhere to the path of peaceful development], December 7, 2010, www.chinanews.com/gn/2010/12-7/2704984.shtml.
78. Author conversation with a senior PRC government think tank official, Beijing, June 2012.
79. On the persistence of Deng's axioms and guidelines, see Shin Kawashima, "The Development of the Debate over 'Hiding One's Talents and Biding One's Time,'" *Asia-Pacific Review,* Vol. 18, No. 2 (December 2011), p. 25; and Feng Zhang "Rethinking China's Grand Strategy: Beijing's Evolving National Interests and Strategic Ideas in the Reform Era," *International Politics,* Vol. 49 No. 3 (May 2012), pp. 318–345.

RISING CHINESE NATIONALISM. A second explanation for the new assertiveness is rising Chinese nationalism or anti-Americanism or both. This is also a problematic explanation. For example, few of the new assertiveness analyses provide indicators of rising nationalism, let alone show a dramatic spike in nationalist sentiment just before 2010. In fact, empirically, the evidence for rising nationalism is mixed and depends on the indicators one uses. Some indicators suggest that the portion of the population with strongly anti-Japanese sentiment is increasing, but the portion of those with strongly anti-American views appears to be steady.[80] Other indicators suggest that, while pride in nation is at high levels (and increasing),[81] uncritical support for the government (a version of "China, love it or leave it") is much lower.[82] The denigration of American lifestyles and culture among the Chinese population appears to remain relatively low compared to criticisms of U.S. foreign policy.[83]

Even if there had been a steep jump in nationalism in 2009, for it to have a causal effect one would have to demonstrate how and why in 2010 Chinese leaders decided to take rising nationalism into greater account when making foreign policy decisions. Proponents of the nationalism argument offer no theory about how popular sentiments are translated into foreign policy. The explanation makes an assumption about the hypersensitivity of the top leadership to nationalist public opinion for which there is almost no systematic evidence as yet. In a political system where there are no electoral costs to ignoring public opinion, it is unclear why China's authoritarian leaders would care much about public views. Nor is it clear that China's top leaders would want public opinion to matter on strategically important questions—they prefer maneuverability, not constraint. One can develop at least four hypotheses for why the regime might be more sensitive to nationalism: (1) the more it fears that

80. The Beijing Area Study (BAS), a random sample of people living in the Beijing municipality, includes questions that measure Chinese respondents' perceptions of the warlikeness of Chinese, American, and Japanese as people, and the warlikeness of China, the United States, and Japan as major powers. I define anti-Americans and anti-Japanese as those respondents who believe that the Chinese are maximally different from Americans and Japanese and who also believe there is no difference between Americans and Japanese and their countries. In other words, anti-Americans and anti-Japanese believe Americans and Japanese are, like their countries, maximally warlike. In 2007, 41 percent of respondents could be classified as anti-Japanese; in 2009 this figure increased to 52 percent. In contrast, at 34 percent of the sample, the proportion that fit this definition of anti-American did not change between 2007 and 2009.

81. In 2007, 74 percent of BAS respondents agreed with the statement that "in general China is better than most other countries." In 2009, this figure jumped to 93 percent.

82. According to BAS data, in 2007, 35 percent of respondents agreed that one should support his or her government even if it is wrong; in 2009, this increased to 46 percent, though a majority still disagreed with this statement.

83. Alastair Iain Johnston and Daniela Stockmann, "Chinese Attitudes toward the United States and Americans," in Peter J. Katzenstein and Robert O. Keohane, eds., *Anti-Americanisms in World Politics* (Ithaca, N.Y.: Cornell University Press, 2006), pp. 157–195.

anti-foreign protests might turn into anti-CCP protests, the more it tries to head off nationalist protest by co-opting certain hard-line foreign policy rhetoric; (2) the more that political leaders normatively believe that the leadership should respond to the "minds of the people" (*minxin*), the more public opinion will be taken into account; (3) the more intense elite political struggle is, the more likely political competitors will use public opinion as a political tool against opponents; (4) and the more public opinion is emotional and mobilized (e.g., on relations with Japan or perhaps on alleged foreign intervention in China's relations with ethnic minorities), the more likely leaders will take public opinion into account (through one of the first three mechanisms).[84] No one has systematically tested these hypotheses on Chinese foreign policy in 2010.

THE POLITICS OF LEADERSHIP TRANSITION. A third explanation for China's new assertiveness concerns the political succession process leading up to the 18th Party Congress in November 2012. Here the argument is that, for the last few years, Hu Jintao focused on preserving his accomplishments and his political legacy once he left his posts. He was loathe to be seen as weak in foreign policy, especially in the context of a rapidly growing concern about social stability and regime legitimacy. Perceived weakness could encourage elite and mass criticism of the regime, thus undermining his legacy and weakening the CCP's rule. Presumably Hu's successor, Xi Jinping, is also determined not to be seen as weak in foreign policy as he maneuvers to consolidate his power and that of his possible allies.

Still, this is speculation. One could plausibly make an alternative argument: that during a succession process where leaders fear that social instability could be used against them by political rivals, the leadership should be especially risk averse in foreign policy behavior. Giacomo Chiozza and Hein Goemans, for instance, find that leaders who believe they face a relatively high risk of being removed are less likely to initiate conflict than those who are more secure.[85] These general findings would not predict foreign policy assertiveness.

In addition, it is unclear how the succession process might have affected foreign policy decisionmaking. Prior to the leadership transition in November 2012, it is likely that Hu's main concern was to establish his legacy and to ensure personal and family perks and privileges once he held no senior posi-

84. For recent research on public opinion and foreign policy in China, see Jessica Chen Weiss, "Autocratic Signaling, Mass Audiences, and Nationalist Protest in China," *International Organization,* Vol. 67, No. 1 (January 2013), pp. 1–35; Reilly, *Strong Society, Smart State;* and Wang Jun, *Wangluo minzuzhuyi yu Zhongguo waijiao* [Cybernationalism and China's diplomacy] (Beijing: China Social Science Press, 2011).

85. Giacomo Chiozza and Hein Goemans, "Peace through Insecurity: Tenure and International Conflict," *Journal of Conflict Resolution,* Vol. 47, No. 4 (August 2003), pp. 443–467.

tions. Despite some evidence that his preferred successor was Li Keqiang over Xi Jinping, there is no evidence that Hu and Xi did not get along or that Hu believed his legacy was threatened by Xi's rise.[86] Hu spent many years putting people in positions of authority in the CCP, the government, and the PLA who will, to some degree, be beholden to him.[87] So it is not at all evident that defense of his legacy or perks required, beginning in 2010, a new assertiveness in foreign policy rhetoric or practice. As for Xi, it will be a few years before he consolidates and distributes his power and the privileges it entails. He may therefore be more vulnerable to political challenges, including on foreign policy issues, at least initially.[88] But since he was not the top leader in 2010, Xi's influence over foreign policy could not have been greater than Hu's, and therefore Xi's political succession concerns are unlikely to explain any new assertiveness at the time.

THE POWER OF THE PLA. A fourth explanation for the new assertiveness centers on the possibility that the PLA is playing an increasingly independent role in foreign policy, either by acting with little policy guidance and presenting faits accomplis to the political leadership, or by taking high-profile public positions that political leaders are compelled to accept or, at least, consider seriously. This explanation is even more speculative than the other three. No one really knows the working relationship between the top political leadership and the PLA, as one hears different versions in Beijing.[89]

Some observers suggest that the PLA's preferences are increasingly divergent from the civilian leadership as evidenced by hard-line proposals floated by retired and quasi-retired PLA commentators in the Chinese media. Others point out that there is virtually no civilian control over the PLA—the only two civilians with military authority are Hu and Xi as chairman and vice chairman

86. Alice Miller, "Splits in the Politburo Leadership?" *China Leadership Monitor,* No. 34 (February 2011).

87. See Victor Shih, Wei Shan, and Mingxing Liu, "Gauging the Elite Political Equilibrium in the CCP: A Quantitative Approach Using Biographical Data," *China Quarterly,* Vol. 201 (March 2010), pp. 89; and Zhengxu Wang, "Hu Jintao's Power Consolidation: Groups, Institutions, and Power Balance in China's Elite Politics," *Issues & Studies,* Vol. 42, No. 4 (December 2006), pp. 97–136. See also the confidential analysis of elite politics from the U.S. embassy in Beijing, "Top Leadership Dynamics Driven by Consensus, Interests, Contacts Say," Wikileaks, July 9, 2007, http://wikileaks.org/cable/2009/07/09BEIJING2112.html; and "Contacts Assess Hu Jintao's Strength after the Party Congress," Wikileaks, November 7, 2007, http://wikileaks.org/cable/2007/11/07BEIJING7004.html.

88. See Cheng Li "China's Midterm Jockeying: Gearing Up for 2012," *China Leadership Monitor,* No. 33 (June 2010), p. 3.

89. For the claim that the PLA is in control of Chinese foreign policy, see Willy Lam, "China's Hawks in Command," *Wall Street Journal,* July 1, 2012. For a careful discussion of this problem, see Michael D. Swaine, "China's Assertive Behavior, Part Three: The Role of the Military in Foreign Policy," *China Leadership Monitor,* No. 36 (January 2012); and Dennis Blasko, "The Role of the PLA," in Chris Ogden, ed., *Handbook of China's Governance and Domestic Politics* (New York: Routledge, 2012).

of the Central Military Commission. Operationally, the PLA can do what it wants with little to no restraint from civilian institutions such as the Foreign Ministry or top foreign policy officials such as Dai Bingguo.

Many PLA analysts do tend to stress that there has been a basic change in power trends in China's favor over the last few years and to speak of a turning point in great power relations. Some in the PLA also want China to be more assertive on territorial issues. They blame Mao and Deng for shelving territorial disputes with Japan or Southeast Asian states in the interests of better strategic relations. Over time this led to facts on the ground (e.g., the physical occupation of various land formations by other claimants) that make it more costly diplomatically for China to assert its claims today. Many in the PLA were probably not unhappy with media stories stating that the South China Sea was a core interest; indeed, some were surprised to find out that senior Chinese officials had not told U.S. officials that the South China Sea was a core interest.[90] PLA voices have been clear about the need for the PRC to have higher-profile jurisdictional presence in disputed maritime spaces;[91] about the need for more military spending; and about the undesirability of removing weapons opposite Taiwan, because this would symbolize limits to where China could deploy its forces in its territory. Elements of the PLA, such as the nuclear forces, are leery of transparency and engagement with the U.S. military and have tried to delay or dilute such contacts.[92] None of these preferences, however, is particularly new, certainly not new enough to explain a new assertiveness in 2010. So for the PLA explanation to work, one would have to posit a rather dramatic increase in the PLA's autonomy or influence on foreign policy in 2010.

Yet there is no evidence that basic foreign policy decisions have not been made by Hu Jintao, Xi Jinping, and Dai Bingguo with input from the Politburo Standing Committee. There is no evidence that in 2010 the PLA did not view Hu Jintao as the commander in chief, if only because he controlled promotion and the budget.[93] Moreover, in 2010 Hu had been on the Central Military Commission (CMC) as a vice chair or chair since 1999, giving him considerable experience interacting with the PLA.[94] As chair, he was responsible for a major

90. Author conversations with PLA officers, Beijing, October 2010.
91. See Maj. Gen. Zhu Chenghu, "Nanhai zhengduan, Zhongguo keyi zuode geng duo" [South Sea disputes, China could do more], *Huanqiu shibao,* July 1, 2011. It is possible that Zhu's essay reflects a plan to increase China's presence in the South China Sea that began implementation in 2008–09.
92. Author conversations with senior PLA officers, Beijing, 2009–11.
93. Author interview with well-connected PRC academic, Beijing, 2010.
94. Author interviews, Beijing, 2010–11; and Nan Li, "Chinese Civil-Military Relations in the Post-Deng Era: Implications for Crisis Management and Naval Modernization," *China Maritime Studies,* No. 4 (Newport, R.I.: U.S. Naval War College, 2010), pp. 13, 16.

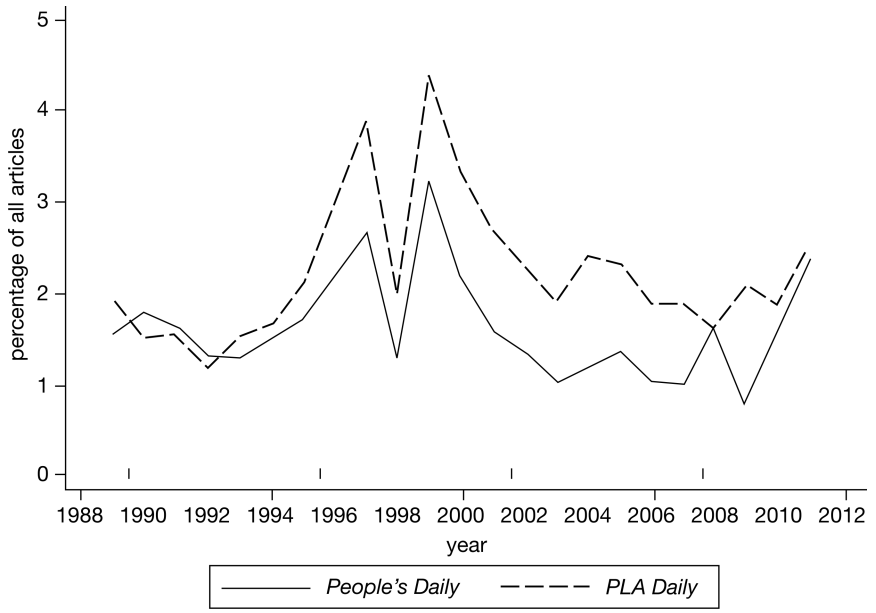
clarification and definition of the external missions for the PLA that enhance its presence farther away from continental China.[95] It is thus not obvious what sort of change in Hu Jintao's relationship with the PLA could have produced a sudden increase in PLA autonomy that, in turn, led to a new assertiveness in Chinese foreign policy in 2010. The proponents of this explanation have yet to provide evidence of such a change.

Nan Li suggests a very different explanation. He argues that Hu has focused in particular on energy security. Given that the South China and East China Seas may have considerable hydrocarbons, he asserts that the PLA Navy in particular should play a critical role in securing these resources.[96] Thus, as noted earlier, the only clear example of new assertiveness in Chinese foreign policy in the last few years has been in maritime spaces along China's periphery. Here there has been relatively effective tactical coordination between the MFA's message, the PLA, and various maritime administration forces' activities aimed, apparently, at increasing China's physical presence in waters where other countries have heretofore been more active in asserting their claims than China (e.g., Vietnam and the Philippines in the South China Sea).[97]

The answer to the question of PLA influence might best be divided, roughly speaking, into operations and strategy. On the one hand, the PLA has a near monopoly of expertise on operational issues and considerable institutional autonomy from other civilian institutions. This means there is limited civilian oversight of PLA operational activities, and whatever CCP monitoring there is depends on the time and expertise of the chair of the Central Military Commission (Hu Jintao in 2010) and his close advisers. When Hu was focused—as he most often appears to have been—on economic problems and political legitimacy issues, the PLA may ultimately have taken actions that were inconsistent with or in tension with China's overall foreign policy goals.[98] This is not a problem unique to the Chinese system—the United States has a considerably larger and more powerful civilian oversight apparatus of U.S. military operations, but even so civilians on the National Security Staff have complained that parts of the Department of Defense are not always as forthcoming about operational details as the civilians would like. In comparison with the United States, the problem facing Chinese civilian leaders may be one of degree not of

95. See the discussion of Hu's "historical missions" for the PLA in Li, "Chinese Civil-Military Relations in the Post-Deng Era," p. 18.
96. Ibid., pp. 36–37.
97. As of this writing, there is, apparently, an informal coordinating mechanism headed by Dai Bingguo that brings together vice ministerial–level officials from relevant ministries and agencies on the South China Sea issues. Dai is in close contact with top leaders on such issues when they flare up diplomatically.
98. Swaine, "China's Assertive Behavior, Part Three," pp. 8–9.

Figure 11. Relative Number of Articles That Reference "Sovereignty" (*zhuquan*)



kind. As in the U.S. case, however, the operational actions of the military are not necessarily a good guide to the more basic foreign policy preferences and intentions of the civilian leadership.

On the other hand, as an institution the PLA is not publicly expressing views on major policy issues and strategic orientation that are far from the CCP's message. There is a strong correlation between foreign policy rhetoric in the CCP's civilian voice—the *People's Daily*—and its military voice—the *PLA Daily*. As figure 11 shows, articles that reference sovereignty (*zhuquan*) as a percentage of all articles in the *People's Daily* and the *PLA Daily* are closely correlated from year to year ($r = 0.77$, $p = 0.000$).

An anecdotal example of this consistency was the recent, apparently off-the-cuff comments by Deputy Chief of the General Staff Ma Xiaotian. When asked by the press in early June 2012 about the use of force in territorial disputes with the Philippines, he replied that diplomacy was the best method to resolve the issue and that force was a last resort. This was in contrast to PLA-connected pundits who have called for the early use of force to enforce China's claims.[99]

99. See M. Taylor Fravel, "The PLA and the South China Sea," *China Power, Diplomat,* blog, June 17, 2012, http://thediplomat.com/china-power/pla-and-the-south-china-sea/.

This example underscores another problem with attributing China's new assertiveness to the autonomy of the PLA—uncritically assuming that a handful of PLA pundits and commentators have influence on foreign policy. Many analysts argue that evidence for the PLA's independent, hard-line institutional influence comes from the blog posts, op-eds, and commentary of a handful of retired, quasi-retired, and sometimes still active PLA intellectuals (e.g., Adm. Yang Yi, Maj. Gen. Luo Yuan, Col. Dai Xu, Senior Col. Han Xudong, Maj. Gen. Zhang Zhaozhong, and Maj. Gen. Peng Guangqian are among the main voices). Some analysts cite these individuals as evidence of more aggressive, anti-American, or expansionist preferences within the PLA.[100] Other commentators argue that these voices may be representative of the PRC leadership in that, as CCP members working within the strict hierarchy of the PLA, these individuals have no room to express their own views. Whether the public commentary from hard-line PLA voices reflects official messages from the PLA as an institutional actor, let alone the preferences of China's top civilian leaders, is open to question.[101] The reality is much more complicated. First, it is clear that political space has opened up in public commentary on Chinese foreign policy for a wider range of voices. To be sure, space is greater for more nationalistic and militaristic voices, and there appear to be no legal strictures or norms requiring these PLA voices to coordinate with government policymakers. Thus these commentators, as PLA-connected opinion-makers, ironically have more space to try to push the government in harder-line directions. Some civilian analysts in China complain that there is no norm whereby a senior political leader can publicly admonish military officers who talk out of turn. Thus in the new media environment in China, these PLA authors (especially the quasi- and fully retired ones) may sometimes represent only themselves.

Second, despite this political space for hard-line views, these individuals have occasionally been criticized internally for their commentary by central authorities and have had to tone down their rhetoric to stay within certain policy boundaries. When Maj. Gen. Luo Yuan labeled ROC President Ma Yingjeou's policy toward the PRC as "peaceful separation" in a speech in late November 2009, for instance, he was criticized internally and required to retreat from his comments.[102] Other senior civilian foreign policy officials have

100. See, for instance, Lam, "China's Hawks in Command"; and Lam, "Military Hawks Push Beijing to Take Harder Line," *Oxford Analytica,* July 27, 2012.

101. Support for increasing the PLA budget is the one obvious exception. Even a hawk such as Luo Yuan has argued, however, that China cannot sustain double-digit increases in military spending. See Kou Liyan and Liang Hui, "Zhonguo 2010 guofang yusuan an chutai muhou" [Behind the scenes of the public launch of China's 2010 national defense budget], *Guoji xianqu dabao* [International herald leader], March 12–18, 2010.

102. "Jiefangjun shaojiang Luo Yuan: Ma Yingjiu san bu zhengce shi heping fenlie" [PLA Maj.

noted that when the opinions of these PLA commentators are too inconsistent with official policy, their influence is actually diminished.[103] In the second half of 2010, Hu Jintao reportedly issued orders for PLA commentators to exercise more self-restraint.[104]

Third, PLA commentators are less in agreement than meets the eye. Col. Dai Xu's xenophobia or Senior Col. Liu Mingfu's advocacy of Chinese hegemonism are not shared by other high-profile officers such as Adm. Yang Yi or Senior Col. Han Xudong.[105] Dai Xu's claim that instability on the Korean Peninsula is entirely a function of the United States provoking the DPRK in hopes of triggering a crisis is inconsistent with an Academy of Military Science study that acknowledges the unpredictability and belligerence of the DPRK regime.[106] Liu Mingfu's argument that China can and should strive to replace the United States as the leading global power has been criticized by Adm. Yin Zhuo and Maj. Gen. Luo Yuan, who believe that his projections are unrealistic.[107] Yet Adm. Yin Zhuo and Maj. Gen. Luo Yuan have disagreed over the

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Gen. Luo Yuan: Ma Yingjiu's "three no's" policy is peaceful separation], *Lianhe zaobao,* November 23, 2009; Michael D. Swaine, "China's Assertive Behavior, Part Four: The Role of the Military in Foreign Crises," *China Leadership Monitor,* No. 37 (April 2012), pp. 13–14 n. 22; author interviews, Beijing, 2010–11. It is perhaps for this reason that in December 2010 Luo publicly stated that defining national interest was the purview of the uppermost civilian leadership. See "Luo Yuan shaojiang: Jiefangjun wanquan you nengli baowei guojia liyi" [Maj. Gen. Luo Yuan: The PLA is completely capable of defending the national interest], December 20, 2010, http://military.people.com.cn/GB/13533185.html. Luo's views were also criticized by a number of PRC Taiwan specialists as unrepresentative of PRC views and unfair to Ma. See Meng Jian and Li Junfeng, "Wo shaojiang pi 'heping fenlie' yin zhendong" [A China major general criticizes "peaceful separation," creates a great shock], *Huanqiu shiye* [Global horizon], November 23, 2009.

103. Author interview with senior Chinese official involved in foreign policy making, Beijing, June 2011.

104. Ng Tze-wei, "Louder Military Voice Raises Concerns; Neighbouring Countries and US See China Becoming Tougher When Engaging the World," *South China Morning Post,* January 18, 2011; and Chris Buckley, "PLA Researcher Says U.S. Aims to Encircle China," Reuters, November 28, 2011. See also Zhang Jianfeng, "Yinpai Luo Yuan" [Luo Yuan the hawk], *Nanfeng chuan* [South reviews], April 9, 2012. I thank Dennis Blasko for finding this article.

105. Indeed, on average, Dai Xu's commentary is more critical of the United States than Zhang Zhaozhong's or Han Xudong's, or even Luo Yuan's. Using a computer-aided text analysis program, Yoshikoder, I analyzed all the blogs and op-eds written by the more high-profile and more prolific PLA authors—Dai Xu ($N = 247$), Zhang Zhaozhong ($N = 196$), Han Xudong ($N = 76$), and Luo Yuan ($N = 85$) between 2007 and 2011—that mention the United States. I determined the relative number of positive terms per reference to the United States in each text using the following formula: (N of positive terms $-$ N of negative terms) / total N of references to the United States. A simple difference of means t-test (unpaired, unequal variances) shows statistically significant differences, with Dai Xu's texts being significantly more negative than Zhang Zhaozhong's ($t = 2.08$, $p = 0.02$), Han Xudong's ($t = 1.68$, $p = 0.05$), and Luo Yuan's ($t = 1.45$, $p = 0.075$). I also used an alternative measure (positive references to the United States as a percentage of total positive and negative references) and, again, Dai Xu was significantly less positive about the United States.

106. Dai Xu, *C-xing baowei* [C-shaped encirclement] (Shanghai: Wenhui Press, 2010), p. 21; and Li, Li, and Wang, *Chaoxian bandao weiji guanli yanjiu,* p. 85.

107. "Guofang Daxue jiaoshou zhuzhang Zhongguo zheng zuo shijie di yi junshi qiangguo yin reyi" [National Defense University professor advocates China strive to be the world's no. 1 mili-

degree to which China should use overt military power to resolve its maritime disputes.[108] There is often no particular coherence to some of the views held by some PLA commentators, so it is doubtful the public expression of these views is well coordinated.

Finally, in some cases these commentators are not in any position to know much about foreign policy decisionmaking, let alone to influence it. Some of the PLA commentators, for instance, come from propaganda and political work backgrounds; their main responsibilities or training have been in political mobilization, morale, and CCP control of the PLA. Dai Xu, Liu Mingfu, as well as Qiao Liang and Wang Xiangsui (the authors of *Unrestricted Warfare*, a text whose authoritativeness was overblown by many in U.S. national security circles), are all from the political control system in the PLA; they are not strategists, commanders, or operational planners.

In short, the small number of PLA public commentators do not appear to constitute an organized cadre of messengers and signalers, though they reflect some portion of PLA views. What can be said is that the PLA may constitute a constraint on "new thinking" on territorial and sovereignty issues. It is not yet, as an institution, pushing China in a more militant direction as much as it is perhaps ensuring that China does not go in more cooperative directions on issues directly related to the purview of the PLA such as territorial security.

Conclusion

The seven events in Chinese diplomacy in 2010 that observers point to most frequently to support the new assertiveness argument did not constitute an across-the-board new assertiveness or a fundamental change. Much of the media, pundit, and academic analysis glosses over crucial evidence, decontextualizes Chinese diplomacy, or relies on poorly specified causal arguments. This does not mean there was nothing newly assertive about Chinese diplomacy in this period. As noted, the one area where Beijing's rhetoric and behavior did threaten to impose substantially higher costs on states with disputes with China concerned maritime claims in the South China Sea. Perhaps triggered by more proactive efforts by other claimants to legalize their claims through dec-

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tary power, raises heated debate], *Xinlang boke* [Sina blog], March 2, 2010, http://blog.sina.com.cn/s/blog_4c604c2f0100gwed.html; and comments by a senior Academy of Military Sciences analyst at the Xiangshan Forum, Beijing, October 2010.

108. "Shaojiang Luo Yuan zai lianghui ti an: Zhongguo haijun yinggai pai junjian xunshi Diaoyudao" [Maj. Gen. Luo Yuan's proposal at the "two Congresses": China's navy should deploy a navy vessel to inspect the Diaoyu Islands], *Zhonghua wang luntan* [Zhonghua net forum], blog, March 5, 2011, http://www.fxingw.com/wwjx/2011-03-05/3010.html.

larations and actions relating to the United Nations Convention of the Law of the Sea, PRC presence activities have generally increased in the last few years (e.g., more frequent patrols by various maritime-related administrative agencies, more risk-acceptant action to defend Chinese fishing activities, the encouragement of tourism, and more vigorous diplomatic pushback against other state's claims). Judging from the responses of other countries in the region, these activities clearly contributed to an escalation of tension in the East Asian maritime space.

Still, one should be cautious about generalizing from these maritime disputes to Chinese foreign policy writ large. During the 2000s, China pursued a mix of tough, often coercive, military and diplomatic policies toward Taiwan to deter and punish pro-independence forces, yet few serious analysts generalized from this behavior to China's approach to international institutions, major bilateral and multilateral relations, or international norms. Similarly, in the wake of the U.S. invasions of Afghanistan and Iraq it would have been too simplistic to conclude that these actions reflected the emergence of a wholly "revisionist" and unilateralist United States. In other words, it is possible for a state to be newly assertive on some limited range of issues while leaving other major policies unchanged.

Why, then, does it matter whether PRC diplomacy as a whole in 2010 can or cannot be characterized as "newly assertive"? It may matter because language can affect internal and public foreign policy debates. There is a long-standing and rich literature on the role of the media in agenda setting. What does agenda setting mean in concrete terms? It means focusing attention on particular narratives, excluding others, and narrowing discourse. In the agenda-setting literature, it refers to the power of information entrepreneurs to tell people "what to think about" and "how to think about it."[109] It can make or take away spaces for alternative descriptive and causal arguments, and thus the space for debates about effective policy. The prevailing description of the problem narrows acceptable options.[110]

The conventional description of Chinese diplomacy in 2010 seems to point to a new, but poorly understood, factor in international relations—namely, the

109. Maxwell McCombs and Donald Shaw, "The Evolution of Agenda-Setting Research: Twenty-Five Years in the Marketplace of Ideas," *Journal of Communication,* Vol. 43, No. 2 (Spring 1993), p. 62; Maxwell McCombs, "A Look at Agenda-Setting: Past, Present, and Future," *Journalism Studies,* Vol. 6, No. 4 (August 2005), pp. 543–557; and Shanto Iyengar and Adam Simon, "News Coverage of the Gulf Crisis and Public Opinion: A Study of Agenda-Setting, Priming, and Framing," *Communication Research,* Vol. 20 (June 1993), pp. 365–384.

110. This is similar to the definition of media framing offered by Robert Entman, "Framing: Toward Clarification of a Fractured Paradigm," *Journal of Communication,* Vol. 43, No. 4 (Autumn 1993), p. 52.

speed with which new conventional wisdoms are created, at least within the public sphere, by the interaction of the internet-based traditional media and the blogosphere. One study has found, for instance, that on some U.S. public policy issues, the blogosphere and the traditional media interact in setting the agenda for coverage for each other. Moreover, on issues where this interaction occurs, much of the effect happens within four days.[111] Other research suggests that political bloggers, for the most part, do not engage in original reporting and instead rely heavily on the mainstream media for the reproduction of alleged facts.[112] The media, meanwhile, increasingly refers to blogs as source material. The result is, as one study put it, "a news source cycle, in which news content can be passed back and forth from media to media."[113] Additional research suggests that the thematic agendas for political campaigns and politicians themselves are increasingly influenced by blogosphere-media interaction.[114]

Together, this research suggests that the prevailing framework for characterizing Chinese foreign policy in recent years may be relevant for the further development (and possible narrowing) of the policy discourse among media, think tank, and policy elites. As the agenda-setting literature suggests, this is not a new phenomenon. What is new, however, is the speed with which these narratives are created and spread—a discursive tidal wave, if you will. This gives first movers with strong policy preferences advantages in producing and circulating memes and narratives in the electronic media or in high-profile blogs, or both. This, in turn, further reduces the time and incentives for participants in policy debates to conduct rigorous comparative analysis prior to participation.[115] This is ironic, of course, given the proliferation of easier-to-access

111. Kevin Wallsten, "Agenda Setting and the Blogosphere: An Analysis of the Relationship between Mainstream Media and Political Blogs," *Review of Policy Research,* Vol. 24, No. 6 (November 2007), pp. 567–587. I also benefited from a conversation with Steve Clemons on this issue.
112. Tanni Haas, "From 'Public Journalism' to the 'Public's Journalism'? Rhetoric and Reality in the Discourse on Weblogs," *Journalism Studies,* Vol. 6, No. 3 (August 2005), pp. 387–396.
113. Marcus Messner and Marcia Watson DiStaso, "The Source Cycle: How Traditional Media and Weblogs Use Each Other as Sources," *Journalism Studies,* Vol. 9, No. 3 (April 2008), p. 447.
114. Kevin Wallsten, "'Yes We Can': How Online Viewership, Blog Discussion, Campaign Statements, and Mainstream Media Coverage Produced a Viral Video Phenomenon," research paper presented at the *Journal of Information Technology and Politics* annual conference, "YouTube and the 2008 Election Cycle," University of Massachusetts, Amherst, April 2009, pp. 43–44. See also Stefaan Walgrave, Stuart Soroka, and Michiel Nuytemans, "The Mass Media's Political Agenda-Setting Power: A Longitudinal Analysis of Media, Parliament, and Government in Belgium (1993 to 2000)," *Comparative Political Studies,* Vol. 41, No. 6 (June 2008), pp. 814–836.
115. Interestingly, this cyclical sourcing is not practiced by all blogger types. One study shows that science bloggers are more likely to link to original academic research and data than are political bloggers. See Gina Walejko and Thomas Ksiazek, "Blogging from the Niches," *Journalism Studies,* Vol. 11, No. 3 (June 2010), pp. 412–427. I am unaware, however, of any study that looks at the sourcing cycle between the internet-based news media and foreign policy bloggers. Anecdotally, many high-profile Asia- or international relations–related blogs in the United States seem to rely heavily

data and original information sources on the internet with which to conduct such rigorous comparative analysis.

In security dilemmas, discourses about Self and Other tend to simplify and to polarize as attribution errors multiply and ingroup-outgroup differentiation intensifies.[116] The newly assertive China meme and the problematic analysis on which it is based suggest that the nature of the media-blogosophere interaction may become an important factor in explaining the speed and intensity of future security dilemma dynamics between states, including those between the United States and China.

on mainstream media sources and do not often engage in original research or incorporate the original research of other scholars.

116. For empirical examples that show how perception of difference with outgroups helps to explain competitive or conflictual foreign policy preferences, see Edward Mansfield and Diana Mutz, "Support for Free Trade: Self-Interest, Sociotropic Politics, and Out-Group Anxiety," *International Organization,* Vol. 63, No. 3 (Summer 2009), pp. 425–457; Donald R. Kinder and Cindy D. Kam, *Us against Them: Ethnocentric Foundations of American Opinion* (Chicago: University of Chicago Press, 2009); David L. Rousseau and Rocio Garcia-Retamero, "Identity, Power, and Threat Perception: A Cross-National Experimental Study," *Journal of Conflict Resolution,* Vol. 51, No. 5 (October 2007), pp. 744–771; and Paul Sniderman, Louk Hagendoorn and Markus Prior, "Predisposing Factors and Situational Triggers: Exclusionary Reactions to Immigrant Minorities," *American Political Science Review,* Vol. 98, No. 1 (February 2004), pp. 35–49. See also Tang Shiping, "The Security Dilemma: A Conceptual Analysis," *Security Studies,* Vol. 18, No. 3 (July 2009), pp. 587–623.

Debating China's Assertiveness

Dingding Chen, Xiaoyu Pu, Alastair Iain Johnston

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Debating China's Assertiveness

Dingding Chen and Xiaoyu Pu
Alastair Iain Johnston

To the Editors (Dingding Chen and Xiaoyu Pu write):

In "How New and Assertive Is China's New Assertiveness?" Iain Johnston argues that China's recent foreign policy is not as assertive as many scholars and pundits contend. Johnston's study is a welcome addition to the literature on Chinese foreign policy in three respects.[1] First, it is the most comprehensive study by a leading China scholar on China's new assertiveness. Second, it challenges the conventional understanding that this assertiveness is both unprecedented and aggressive by design. Third, it addresses potential problems of overestimating the threat from China.

In this letter, we argue that Johnston's definition of assertiveness is too narrow. In addition, he underestimates the significance of China's new assertiveness in foreign policy more broadly.[2]

A NEW TYPOLOGY OF CHINA'S ASSERTIVENESS

Johnston states that assertiveness in international politics refers to "a form of assertive diplomacy that explicitly threatens to impose costs on another actor that are clearly higher than before" (p. 9). This definition omits the possibility that assertiveness also has a positive connotation. In social life, for example, "assertiveness" is sometimes associated with positive personal traits such as self-respect and self-confidence.[3] Johnston also suggests that China exercises its assertiveness only in territorial disputes and is otherwise a status quo power. Finally, he evaluates China's assertiveness based on whether China is more or less assertive than it was in the past.

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1. Alastair Iain Johnston, "How New and Assertive Is China's New Assertiveness?" *International Security*, Vol. 37, No. 4 (Spring 2013), pp. 7–48. Further references to this article appear parenthetically in the text.
2. For an early evaluation of China's status quo orientation, see Alastair Iain Johnston, "Is China a Status Quo Power?" *International Security*, Vol. 27, No. 4 (Spring 2003), pp. 5–56. For a critique of status quo bias in international relations theory, see Randall L. Schweller, "Bandwagoning for Profit: Bringing the Revisionist State Back In," *International Security*, Vol. 19, No. 1 (Summer 1994), pp. 72–107; and Randall L. Schweller, "Neorealism's Status Quo Bias: What Security Dilemma?" *Security Studies*, Vol. 5, No. 3 (Spring 1996), pp. 90–121.
3. See, for example, Arthur J. Lange, Patricia Jakubowski, and Thomas V. McGovern, *Responsible Assertive Behavior: Cognitive/Behavioral Procedures for Trainers* (Champaign, Ill.: Research Press, 1976), p. 7.

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We argue that China's assertiveness should be viewed in a broader sense. In social psychology, one definition states that "assertion involves standing up for personal rights and expressing thoughts, feelings and beliefs in direct, honest and appropriate ways which do not violate another person's rights."[4] Moreover, assertiveness is not the same as aggression.[5] Based on this understanding, we define "assertiveness" in international relations as a confident and direct way to defend one country's rights or claims.

We divide China's assertiveness into three ideal types: (1) offensive assertiveness, or a great power's use of coercion to expand its interest and influence without provocation from other countries; (2) defensive assertiveness, in which a great power's capability and willingness to defend its current interests are growing, yet it seeks only to defend—not expand—those interests; and (3) constructive assertiveness, according to which a great power assumes a leadership role to solve regional and global problems.[6] These three types of assertiveness are not necessarily mutually exclusive.

Using this typology, we see little evidence that China is engaged in offensive assertiveness. This approach, which assumes that a rising power will naturally expand its interests and influence in the international system, follows the logic of offensive realism and power transition theory.[7] To be sure, some recent Chinese actions and statements might suggest to outsiders that China is taking an offensive assertive approach. And as China's economic power has grown, so has its self-confidence. In the eyes of some Chinese political elites, the 2008 global financial crisis accelerated the shifting balance of power from the West to China.[8] Citing the subsequent meltdown, some Chinese analysts began to argue that the United States was in decline. China's top leaders, however, have a more realistic view of their country's power, continuing to emphasize that China should maintain its nonconfrontational approach toward the United States.

We suggest that China has adopted a defensive assertiveness approach whereby it continues to defend many of its existing claims, without fundamentally changing its policy on those issues despite its growing capabilities. This approach applies to China's territorial disputes. Additionally, when China has demonstrated an assertive posture, it has been in reaction to unwelcome and unforeseen events often initiated by other countries in the region. For instance, in territorial disputes involving the South

4. Ibid.
5. Assertiveness and aggression overlap in only some contexts. For the most part, the two types of behaviors are different. See James G. Hollandsworth Jr., "Differentiating Assertion and Aggression: Some Behavioral Guidelines," *Behavior Therapy*, Vol. 8, No. 3 (June 1977), pp. 347–352.
6. Here "constructive assertiveness" refers primarily to the role of leadership in solving collective problems. It does not refer to "constructivism" as used in international relations theory. For constructivism in international relations theory, see Alexander Wendt, "Anarchy Is What States Make of It: The Social Construction of Power Politics," *International Organization*, Vol. 46, No. 2 (Spring 1992), p. 391; and Ted Hopf, "The Promise of Constructivism in International Relations Theory," *International Security*, Vol. 23, No. 1 (Summer 1998), p. 171.
7. John J. Mearsheimer, *The Tragedy of Great Power Politics* (New York: W.W. Norton, 2001); and Jonathan M. DiCicco, and Jack S. Levy, "Power Shifts and Problem Shifts: The Evolution of the Power Transition Research Program," *Journal of Conflict Resolution*, Vol. 43, No. 6 (December 1999), pp. 675–704.
8. Wang Jisi and Kenneth G. Lieberthal, *Addressing U.S.-China Strategic Distrust* (Washington, D.C.: Brookings Institution, 2012), pp. 1–49.

China Sea or the Diaoyu/Senkaku Islands, China has strengthened its maritime capabilities and sent more ships and airplanes into those regions. In other territorial disputes, it has begun to use economic sanctions. For instance, in the case of the China-Philippines standoff over Huangyan Island, China imposed stricter regulations on its import of Philippine bananas.[9]

Finally, we see some evidence of constructive assertiveness in China's foreign policy. In seeking to protect its expanding global interests, China has come to realize that the principle of noninterference has its limitations, as there may be practical reasons to intervene in the domestic affairs of other countries—for example, in humanitarian crises. For this reason, China did not protest the West's 2011 intervention in Libya. Without fundamentally changing the noninterference principle, China is exploring alternative strategies to deal with humanitarian crises and political instability in the developing world. In response, some Chinese elites are seeking to develop a new framework. Peking University's Wang Yizhou, for example, has put forth the notion of "creative involvement," according to which China should play a bigger role in international affairs, developing its skills as required.[10] This changing attitude could create opportunities for China and the West to work together to address future humanitarian crises in the developing world.

The Inevitability of a More Assertive China

As its power and status in the international system continue to grow, China will become increasingly assertive. One major factor that has shaped China's assertiveness is the shifting balance of power between China and the United States. While the Chinese leadership understands that the gap between China and the United States is still large, it is widely believed that China will become the largest economy in the next decade, if not sooner. One notable development is that China became the world's second-largest economy in 2010, overtaking Japan in terms of nominal gross domestic product. Moreover, China's military spending is already twice as large as Japan's. If this spending continues growing at its current rate, China will surpass the United States sometime in the 2030s.[11]

China is also rethinking its role with regard to maintaining and revising global rules and norms. There is some evidence to suggest that China is quietly adjusting its long-held, low-profile approach to foreign affairs known as *tao guang yang hui*. As evidence of this, in 2009 President Hu Jintao announced that China would adopt a new approach to "continuously keep a low profile and proactively get some things done."[12] The

9. Philippines News Agency, "New Weapon in Scarborough Standoff: Bananas," *InterAksyon.com*, http://www.interaksyon.com/business/31100/new-weapon-in-scarborough-standoff-bananas.
10. For China's creative involvement in global affairs, see Wang Yizhou, *Chuangzhaoxin Jieru: Zhongguo Waiji Xin Wuxiang* [Creative involvement: A new direction in China's diplomacy] (Beijing: Peking University Press, 2011).
11. It remains debatable whether China is catching up to the United States. See Joshua R. Itzkowitz Shifrinson and Michael Beckley, "Debating China's Rise and U.S. Decline," *International Security*, Vol. 37, No. 3 (Winter 2012/13), pp. 172–181.
12. See Dingding Chen and Jianwei Wang, "Lying Low No More? China's New Thinking on the Tao Guang Yang Hui Strategy," *China: An International Journal*, Vol. 2, No. 9 (September 2011), pp. 195–216.

significance of this statement is its emphasis on taking action. More recently, China's new president, Xi Jinping, declared that China should "keep pace with the times and be more active in blueprinting diplomatic strategy and undertaking diplomatic work."[13]

Domestic factors, especially Chinese nationalism, are also driving China in a more assertive direction. One scholar argues that China's assertiveness may be the result of a mix of growing confidence on the international stage and deepening insecurity at home.[14] In recent years, Chinese nationalism has become increasingly strident. Enjoying an inflated sense of empowerment following the 2008 global financial crisis, and terrified of an uncertain future given social tensions at home, the Chinese Communist Party has become more willing to play to popular nationalist interests.[15] Furthermore, an increasing number of bureaucracies and interest groups have entered into the Chinese foreign-policy making process, including those linked to the military, the mass media, energy companies, exporters of manufactured goods, and provincial party elites. These developments have complicated China's diplomacy. While top officials in Beijing might still have a much more accurate assessment of China's global position, China's nationalist voices have overestimated the scope and speed of China's rise, and in the process have created a heated political environment. To maintain long-term regime legitimacy and social stability, Chinese leaders sometimes take a tougher stand in foreign policy to boost the party's domestic image.[16]

According to a recent survey, most of the Chinese public thinks that China should focus on building its economy and military power instead of playing a leadership role on the international stage.[17] Before 2008 China had clearly demonstrated its leadership in solving regional and global problems,[18] for example, playing a leadership role in the six-party talks dealing with North Korea's nuclear weapons program. That momentum, however, has vanished. At least in some issue areas, such as global climate change, the problem is not that China is more assertive. Rather, domestic considerations have caused it to shirk responsibility in helping to solve international problems.[19]

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13. "Xi Jinping: China to Further Friendly Relations with Neighboring Countries," Xinhua News Agency, http://news.xinhuanet.com/english/china/2013-10/26/c_125601680.htm.
14. Thomas J. Christensen, "The Advantages of an Assertive China," *Foreign Affairs*, Vol. 90, No. 2 (March/April 2011), pp. 59–62.
15. Suisheng Zhao, "Foreign Policy Implications of Chinese Nationalism Revisited: The Strident Turn," *Journal of Contemporary China*, July 2013, pp. 535–553; and Robert S. Ross, "Chinese Nationalism and Its Discontents," *National Interest*, November/December 2011, pp. 45–51.
16. For an analysis of domestic factors that are contributing to China's new assertiveness, see Christensen, "The Advantages of an Assertive China," pp. 54–67.
17. According to the survey, "Only 27% of the Chinese public thinks that China should take a leadership role in global issues; 66% thinks that China should promote economic growth and improve the quality of life." See Committee 100, "U.S. China Public Opinion Survey 2012," p. 98, http://survey.committee100.org/2012/EN/C100_2012Survey.pdf.
18. Evan S. Medeiros and M. Taylor Fravel, "China's New Diplomacy," *Foreign Affairs*, Vol. 82, No. 6 (November/December 2003), pp. 22–35.
19. Although we argue that China will become more assertive in the long term, in the short term, domestic considerations often constrain China from contributing to global public goods; China's constructive assertiveness is therefore limited. For a similar argument, see Randall L. Schweller and Xiaoyu Pu, "After Unipolarity: China's Visions of International Order in an Era of U.S.

CONCLUSION

The emergence of a more assertive China is inevitable, but this assertiveness need not be a bad thing for the rest of the world. There are legitimate reasons to worry if China begins to adopt an offensive assertive foreign policy approach, but we see little evidence of this. Instead, China's assertive behavior has been defensive and responsive. That said, China's defensive assertiveness still poses new challenges for regional order, particularly with regard to the South China Sea and East China Sea territorial disputes. While East Asia has maintained a peaceful order for several decades, such disputes could become the major potential source of military conflict in the region. The involvement of the United States, through its regional alliance system, could further complicate the situation. For now, however, the world should encourage China to take a constructive assertive approach toward a range of international problems, despite the wishes of some Chinese domestic interests to remain uninvolved.

—Dingding Chen
Macao

—Xiaoyu Pu
Reno, Nevada

To the Editors (Alastair Iain Johnston replies):

I thank Dingding Chen and Xiaoyu Pu for their response to my article.[1] I applaud their efforts to introduce more definitional rigor into the analysis of Chinese foreign policy.

Chen and Pu's letter focuses on how to define "assertiveness."[2] In international relations theory, typical terms used to describe state behavior include balancing, bandwagoning, appeasement, engagement, and hiding. Chen and Pu now add a new term—"assertiveness"—which they subdivide into offensive, defensive, and constructive.

Their innovation raises three questions, however. First, does the field need the term "assertiveness" at all? In principle, more categories of behavior can be useful if these cover behaviors that standard typologies do not. But are there consequential state behaviors typically not covered by the terms above that need this new descriptor? I focused on "assertiveness" in my article because it is a prominent meme in U.S. commentary on China, but I am unconvinced that it is a useful term analytically. Chen and Pu need to suggest why existing typologies employed by the field are inadequate.

Decline," *International Security*, Vol. 36, No. 1 (Summer 2011), pp. 41–72; and Christensen, "The Advantages of an Assertive China."

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1. Alastair Iain Johnston, "How New and Assertive Is China's New Assertiveness?" International Security, Vol. 37, No. 4 (Spring 2013), pp. 7–48.
2. I have a quibble with Chen and Pu's statement that I characterized China as a status quo power. As I stressed in earlier work, China is more status quo–oriented than at any time since 1949, but this is a relative not an absolute statement. There is an important difference.

Second, is their typology logically complete? They provide a three-category typology of assertiveness, which they define as a "confident and direct way" of acting: offensive, defensive, and constructive. Missing from this typology is "destructive," which would seem a logical antonym to "constructive" assertiveness.

Chen and Pu really have a two-dimensional typology—an "offensive-defensive" dimension (expanding versus existing interests) and a "constructive-destructive" dimension (taking a leadership role in institutions versus undermining them). Thus they have, at base, a 2×2 of assertiveness—"offensive constructive" (a "confident and direct way" of taking a leadership role in institutions to defend expanding interests); "offensive destructive" (a "confident and direct way" of opposing rules and institutions to defend expanding interests); "defensive constructive" (a "confident and direct way" of taking a leadership role in institutions to defend existing interests); and "defensive destructive" (a "confident and direct way" of opposing rules and institutions to defend existing interests).

To develop this typology further, Chen and Pu would need indicators that clearly differentiate between offensive and defensive assertiveness and constructive and destructive assertiveness, and their combinations. In addition, the authors need to provide a typology of non-assertive behavior. The concept of "assertiveness" has to be falsifiable, and given their definition of "assertive" (a "confident and direct way" of defending interests), one should expect, in principle, to be able to observe "non-confident and indirect ways" of defending interests as well.

With this 2×2 (or 2×4 if non-assertive behavior is included), one could then look at the totality of China's behavior regionally and internationally and slot its policies into these cells. Perhaps this would be analytically more useful than using the standard types of state behavior I listed above, but that awaits a major research project, and I am agnostic. My guess is that even with Chen and Pu's (revised) typology, and even with operationalizations with a high degree of construct validity, one would find plenty of examples of Chinese foreign policy for each of these categories. This means that inferences about the totality of China's diplomacy based on China's maritime dispute behavior are still likely to be problematic.

A third question raised by Chen and Put's new definition of assertiveness is: How static is China's current "defensive" and "constructive" assertiveness (or, in my revision of their typology, its "defensive-constructive" assertiveness)? Chen and Pu hint about possible shifts toward a more offensive (and destructive) assertiveness, but appear to doubt the likelihood. I am unclear why they are so optimistic.

If nationalism is as influential as Chen and Pu claim, then why should we expect a defensive-constructive assertiveness to persist? One critical variable is whether the regime in China reduces its perceived legitimacy problems. If it cannot, then what will prevent more xenophobic nationalism from becoming even more salient? The policy preferences of some strains of Chinese nationalism would appear to fall within the defensive-destructive (e.g., threats of coercion to defend existing maritime claims) and even the offensive-destructive cells (e.g., unofficial commentary that China should challenge Japan's sovereignty over the Ryukyu Islands). While we still need more rigorous studies of variants of Chinese nationalism, it is clear that some varieties are racialist (both anti-Japanese and anti-"white") or militaristic, or both. One need only look at the

xenophobic commentary over the years from members of the so-called New Left such as Song Qiang, Kong Qingdong, Wang Xiaodong, and He Xin or the openly militaristic views of Dai Xu and Liu Mingfu. These voices may not be mainstream, but they are not politically irrelevant either. As far as I can tell, there is very little political space in China for public criticism of reactionary nationalist voices and their foreign policy preferences.[3] If one assumes that the top leadership's foreign policies are influenced by popular nationalism—a big assumption to make about an authoritarian regime with strong controls over information and the tools of coercion—then which nationalism is likely to become more salient for the regime if it faces growing legitimacy problems?

In addition to China's internal legitimacy problems, the interaction of Chinese and American nationalism may also contribute to the emergence of a defensive-destructive or offensive-destructive assertiveness. One could imagine that more virulently anti-foreign Chinese nationalism would get a boost from perceptions of anti-Chinese racism in any U.S. reaction to China's rise. My sense is that there has been an uptick in racial resentment directed at ethnic Chinese in U.S. political discourse of late, as evidenced by various campaign videos over the last few years eminating from the Tea Party wing of the Republican Party,[4] and by polls conducted over the last decade by the Committee of 100, a Chinese-American lobbying group, that show that around 30 percent of Americans surveyed believe that Chinese Americans are more loyal to China than to the United States.[5] Whether this is a significant figure is hard to tell. Regardless, it is potentially a substantial base of support for any restrictions on the political, economic, and national security-related activities of Chinese-Americans justified by national security should a full-blown cold war emerge between the two sides. The perceived treatment of ethnic Chinese in the United States could feed racial resentment of Chinese nationalists in China.

As I have suggested before, security dilemmas should be seen as socializing experiences in which ingroup-outgroup differentiation polarizes as the behavior of each side confirms the other's worst-case assumptions and attribution errors. In a perceived

3. This is not helped by the common assumptions in China that U.S. policy is aims to contain China's rise. For example, in 2006 there were 17 hits to Chinese language blogs that referenced "containing China" (about 0.01 percent of the blogs that referenced "China" but not "containment"). In 2013 there were 73,700 hits to such sites (about 0.25 percent of the blogs that referenced "China" but not "containment"). There is a similar trend in Chinese academic analyses of U.S.-China policy. In fact, this meme is empirically false, but it narrows the debate inside China over how to understand U.S. strategy. See Thomas J. Christensen, "Fostering Stability or Creating a Monster? The Rise of China and U.S. Policy toward East Asia," International Security, Vol. 31, No. 1 (Summer 2006), pp. 108–110.

4. On racialist sentiments in Tea Party politics, see the University of Washington's 2010 Multi-State Survey of Race & Politics, http://depts.washington.edu/uwiser/racepolitics.html. See also ads from Tea Party–supported groups and candidates: Citizens against Government Waste, http://www.youtube.com/watch?v=OTSQozWP-rM; Ron Paul supporters' ad against Jon Hunstman, http://www.youtube.com/watch?v=0PsJvLVoOq4; and Pete Hoekstra's campaign ad http://www.youtube.com/watch?v=2-E2IhOc58k.

5. See http://www.commitee100.org/publications/survey/C100survey.pdf; http://survey.committee100.org/C100_2009Report.pptx; and http://survey.committee100.org/2012/EN/survey-EN.php.

power transition, the effects, if any, of interactive racial resentments in a dominant state and a rising state is a question that heretofore international relations theory has generally not investigated with much rigor.[6] It may all be irrelevant in the U.S.-China case. The forces of economic interdependence and shared interests may apply the brakes to the political influence of xenophobia. The power of ingroup-outgroup identity differentiation to trump material self-interest, however, suggests that racial resentment—a particularly virulent form of identity differentiation—is something to which leaders on both sides need to be alert.

—Alastair Iain Johnston
Cambridge, Massachusetts

6. Racism's impact on international relations is only beginning to develop as an area of inquiry in U.S. political science. See Christopher Hemmer and Peter J. Katzenstein, "Why Is There No NATO in Asia? Collective Identity, Regionalism, and the Origins of Multilateralism," International Organization, Vol. 56, No. 3 (Summer 2002), pp. 575–607; Zoltán I. Búzás, "The Color of Threat: Race, Threat Perception, and the Demise of the Anglo-Japanese Alliance (1902–1923)," Security Studies, Vol. 22, No. 4 (2013), pp. 573–606; and Steven Ward, "Race, Status, and Japanese Revisionism in the Early 1930s," Security Studies, Vol. 22, No. 4 (2013), pp. 607–639.

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The End of History for Nuclear Arms Control?

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The End of History for Nuclear Arms Control?

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Alexei Arbatov is the chair of the Carnegie Moscow Center's Nonproliferation Program. Formerly, he was a member of the State Duma, vice chairman of the Russian United Democratic Party (Yabloko), and deputy chairman of the Duma Defense Committee. Arbatov is a member of the Russian Academy of Sciences. He leads the academy's Center for International Security at the Institute of World Economy and International Relations, where he was once a department head and a research fellow.

Summary

Beginning with the signing of the Partial Nuclear Test Ban Treaty in 1963, an international arms control regime has limited existing nuclear arsenals and prevented further proliferation of nuclear weapons. But that entire system could soon unravel. Nearly all negotiations on nuclear arms reduction and nonproliferation have come to a stop, while existing treaty structures are eroding due to political and military-technological developments and may collapse in the near future. These strategic and technical problems can be resolved if politicians are willing to work them out, and if experts approach them creatively.

A Steady Erosion

- Problems other than nuclear arms control dominate the security agenda of the polycentric world.
- Political momentum facilitated negotiations and agreements between Russia and the United States in the 1990s and during a brief reset period between 2009 and 2011. But renewed confrontation and curtailed cooperation between the two countries since then have undermined progress.
- With the disintegration of the nuclear arms control regime, threats of and plans for the combat use of nuclear forces will return to the strategic and political environment.
- Mutual mistrust, suspicion, and misunderstanding among nuclear states will also increase, which may lead to a fatal error in a crisis, with grave consequences.

What World Powers Can Do To Revive Nuclear Arms Control

Forge a unified position. Only political unity among the major global powers and alliances, coupled with urgent and effective action, can reverse the trend of disintegration and help to avoid the "end of history" of nuclear arms control.

Preserve existing treaties. The 2010 New Strategic Arms Reduction Treaty (New START) and the 1987 Intermediate-Range Nuclear Forces (INF) Treaty should remain in effect to limit offensive nuclear weapons.

Set new goals. Because total nuclear disarmament is a distant aim, the parties' immediate goals should be less ambitious and more suited to the existing—and far from ideal—world order.

Explore a range of options and angles. Objectives could include achieving the next step in reducing the U.S. and Russian nuclear arsenals on a bilateral basis after 2020, unconditionally committing to a no-first-use policy for nuclear weapons, mutually lowering the alert levels for all legs of strategic forces in a verifiable manner, and transforming the bilateral arms control process into a multilateral one.

Introduction

The Ukrainian conflict and wars in the Middle East, which have captured the spotlight for over a year, have overshadowed other international security challenges. One victim of this preoccupation has been a creeping crisis over the international arms control regime. It has not claimed any lives yet. But should this crisis continue to expand, the entire system of limiting existing nuclear arsenals and preventing further proliferation of nuclear weapons could unravel, with consequences far more devastating than the crisis in Ukraine.

For over fifty years, starting with the signing of the Partial Nuclear Test Ban Treaty in 1963, the world has had in place a legally binding framework for controlling the most devastating weapon ever invented by mankind. There is now a real and unprecedented possibility that this framework will disintegrate. Even more striking is that this risk has arisen a quarter of a century after the end of the Cold War—an event that gave rise to hopes that the risk of nuclear disaster would forever remain in the past, and that nuclear disarmament would turn from a utopian vision into military-political reality.

The progress achieved in April 2015 at the talks between the P5+1—China, France, Russia, the United Kingdom, and the United States plus Germany—and Iran is the only bright spot on the nuclear negotiations landscape, though a final deal has yet to be reached. All other negotiations on nuclear arms reduction and nonproliferation have come to a dead end. The existing treaty regimes are eroding under the weight of political and military-technological developments and may collapse in the near future. In particular, even as the two key agreements between Russia and the United States to limit offensive nuclear weapons—the 2010 New Strategic Arms Reduction Treaty (New START) and the 1987 Intermediate-Range Nuclear Forces (INF) Treaty—are still being observed, their future is in doubt.

Crisis Symptoms

The crisis of arms control is both multifaceted and comprehensive. The United States has abandoned the 1972 Anti-Ballistic Missile Treaty and no longer accepts any restrictions on its missile defense deployments. It has not ratified

the Comprehensive Nuclear Test Ban Treaty (CTBT) almost two decades after negotiations concluded. For the foreseeable future, there is little prospect of the United States accepting new obligations. At the same time, the United States has accused Russia of violating the INF Treaty. As a result, Republicans in the U.S. Congress have argued for retaliating by renouncing the treaty and even by withdrawing from New START.[1]

Russian officials, for their part, have openly questioned the value of the INF Treaty and also raised the possibility of withdrawing from it.[2] At the same time, nongovernmental political and strategic analysts in Russia have discussed the possibility of abandoning New START and the CTBT. The most radical voices among them have gone so far as to propose that Russia withdraw from the Nuclear Non-Proliferation Treaty (NPT) in order to sell and service nuclear weapons abroad.[3]

Meanwhile, the Nunn-Lugar Cooperative Threat Reduction Program to eliminate Russian nuclear and chemical weapons and to decommission Russian nuclear submarines was ended in 2013. The next year, Russia and the United States decided to discontinue their cooperation on the safety and security of nuclear facilities and materials. For the first time, Moscow has refused to participate in the next Nuclear Security Summit, which will be held in Washington in 2016.

It appears that many parliamentarians, influential politicians, and civic organizations in both the United States and Russia have embarked on a course of destruction of everything that state leaders, diplomats, and militaries have so painstakingly built in this realm over several decades.

Apart from the two nuclear superpowers, the other seven states with nuclear weapons are as reluctant as ever to join the disarmament process and limit their arsenals. Negotiations toward a Fissile Material Cut-Off Treaty—an agreement to achieve the rather peripheral goal of preventing the new production of fissile material for weapons—have been deadlocked for many years and their prospects remain bleak. A conference to discuss the establishment of a weapons of mass destruction-free zone in the Middle East has been postponed for several years in a row.

The nonproliferation regime too is in disarray. The P5+1 talks have produced a general outline of a long-term agreement to limit Iran's nuclear program, but the framework has encountered strong opposition in the U.S. Congress from Republicans and Democrats alike. It has also come under criticism in Tehran. The 2015 NPT Review Conference ended in failure. This state of affairs, along with North Korea's increasing nuclear potential (the country withdrew from the NPT in 2003 and has since conducted three nuclear tests), exerts a growing pressure on the NPT and its regime and institutions.

The history of nuclear arms control has endured periods of stagnation and setbacks before, and some of these were quite lengthy. The Strategic Arms Limitation Treaty II (SALT II) and START II never entered into force, and the CTBT is

still waiting to do so. Negotiations over START III weren't completed. The Anti-Ballistic Missile Treaty was even abrogated. But the current period of disintegration is unprecedented, with literally every channel of negotiation deadlocked and the entire system of existing arms control agreements under threat. The lack of attention to this situation from the great powers is also unprecedented, but it fits within the drastic deterioration in broader relations between Russia and the United States.

There is no question that the crisis in Ukraine and the crisis over nuclear arms control complement and exacerbate each other politically. However, there is no direct connection between them. The nuclear arms control crisis started much earlier and has its own origins. A peaceful resolution of the Ukraine problem could potentially create a more favorable climate for nuclear arms control. But it would not resolve a host of other political, strategic, and military-technological challenges, all of which are deep-rooted and together have precipitated the current nuclear crisis. To resolve these issues, the parties will have to understand the causes of the present crisis, formulate new concepts of strategic stability, and reevaluate the role, priorities, and methods of limiting existing nuclear arsenals and preventing the further proliferation of nuclear weapons.

World Order Change

As paradoxical as it might seem, nuclear arms control was an integral part of the Cold War world order. However, this dialectical relationship did not appear immediately, at the outset of the Cold War, or on its own. It took a series of dangerous crises (the 1962 Cuban Missile Crisis being the riskiest one) and several cycles of an intensive and extremely costly arms race for the Soviet Union and the United States to realize the dangers they faced and the need for practical steps to prevent a global catastrophe. Nuclear arms control treaties became a top priority of their relationship and of international security more generally.

At that time, international politics was largely shaped by the global competition between the two superpowers. The possibility of a deliberate or accidental nuclear war was the main threat to international security. As a result, efforts to limit and reduce the two superpowers' nuclear arsenals on the basis of parity (and, subsequently, strategic stability) became the major pillar of common security and the world order after the late 1960s.

The concept of strategic stability formalized the relationship of mutual nuclear deterrence based on each side's devastating second-strike capability; it also led to mutual incremental reductions of nuclear arsenals. This approach to arms control was consistent with a "managed" Cold War, which was characterized by harsh rivalry in zones that were outside of tacitly recognized spheres of U.S. and Soviet interest, coupled with mutual efforts to avoid a head-on, armed confrontation. Nuclear nonproliferation played a subordinate role in that arrangement, but it was required because it was commonly acknowledged that reductions

in the numbers of U.S. and Russian nuclear weapons would have been impossible if the number of nuclear-weapon states had increased.

Two changes that no one could have anticipated at the time occurred with the end of the bipolar confrontation and the arms race by the late 1980s. First, relations between Russia and the United States gradually lost their central role in global politics. Second, nuclear arms control ceased being the major pillar of international security.

The first change resulted from the collapse of the Soviet Union as both an empire and a social-ideological system. With the gradual emergence of the polycentric world, other power centers assumed an increasingly important role—China and the European Union (EU) became global players, and Brazil, India, Iran, Pakistan, Saudi Arabia, South Africa, and Turkey became regional ones. Nuclear arms control did not figure prominently in their foreign policy interests and security concepts, if at all.

In the nearly quarter century since the end of the Cold War, the United States (frequently with aid from its allies) has actively tried to create and take charge of a unipolar world order. Its actions when trying to resolve regional conflicts (in Iraq, Libya, Syria, and the former Yugoslavia), build a new system of European security (through poorly judged North Atlantic Treaty Organization, or NATO, and EU expansions), and limit and prevent the spread of nuclear weapons have often led to substantial harm. Russian President Vladimir Putin has spoken repeatedly—and quite eloquently and emotionally—about the negative consequences of the actions of the United States and the West in general, including in Munich in 2007 and Sochi in 2014.[4]

But despite its best efforts, the United States' ability to affect the course of world events (even with help from NATO) has been declining steadily. The West has also been less and less willing to bear the material and human costs of its involvement in regional conflicts, as evidenced by its operations in Afghanistan, Iraq, Libya, and Syria.

The second shift—the declining importance of arms control in international security—resulted from the fact that the transition from confrontation to cooperation between the two superpowers all but eliminated the fear of the threat of nuclear war between them. This change put the spotlight on the economy, climate change, resources, migration, and the other challenges of globalization, as well as such security concerns as local ethnic and religious conflicts, international terrorism, drug trafficking, and other types of transnational crime. The only high priority nuclear-related concern to attract attention was proliferation.

For some time, the momentum generated by the unprecedented improvement in relations between the Soviet Union/Russia and the West compensated for the implications of these two shifts for arms control. The former adversaries made serious progress on disarmament, which became a symbol of their military-political rapprochement; in particular, they achieved unparalleled transparency and

predictability in the main component of their armed forces—strategic nuclear forces (SNFs).

Meanwhile, enormous Cold War-era weapon stockpiles were cut by almost an order of magnitude (counting tactical arms reductions), significantly reducing the risks of losing control over nuclear arms and of accidental launches. These threats were also mitigated by the withdrawal of tactical and strategic nuclear weapons from the territories of the former Soviet and Warsaw Pact states and their transfer to Russia, where they were dismantled.

Thus, as mutual trust increased, the role of nuclear disarmament in bilateral relations decreased. Later on, this dialectical relationship would be broken.

Nevertheless, following the breakthroughs of the first decade after the Cold War, from 1987 to 1997, and the start of a new phase in global politics, the process of nuclear disarmament continued drifting toward the periphery of international security, while its goals and desirable next steps were becoming less obvious. Even in Russian-U.S. relations, nuclear arms reductions were playing a significantly less important role than during the Cold War.

This trend became especially pronounced during the administration of former U.S. president George W. Bush, between 2001 and 2009. During that period, U.S. officials argued that arms control between the United States and Russia was a "Cold War legacy": arms control agreements were for adversaries, and partners and friends had no need for them even if they possessed nuclear weapons. To make this point, the example of France, the United Kingdom, and the United States was usually cited (disregarding the fact that these countries were NATO allies, whereas Russia was not invited to join the alliance during the 1990s or any time afterward).

In 2002, the United States withdrew from the Anti-Ballistic Missile Treaty, which had been the cornerstone of the strategic weapon limitation process for the previous thirty years. The Strategic Offensive Reductions Treaty (SORT), signed in 2002, was never fully functional because the parties failed to agree on counting rules and verification provisions; the United States demanded maximal allowances and minimal restrictions.[5] And the agreements that have followed the unprecedented reductions of START I called for increasingly marginal reductions in SNF levels (see figure 1).

Notwithstanding all the declarations of friendship and partnership between the United States and Russia, the two countries have failed to formulate a coherent alternative to the concept of mutual nuclear deterrence based on the principles of strategic stability (mutually assured destruction through a second-strike capability). Meanwhile, during the first decade of the twenty-first century, the two powers retained a total of almost 10,000 nuclear warheads deployed in their combat-ready SNFs and in storage (including substrategic arms) that were primarily assigned missions against each other and their allies.

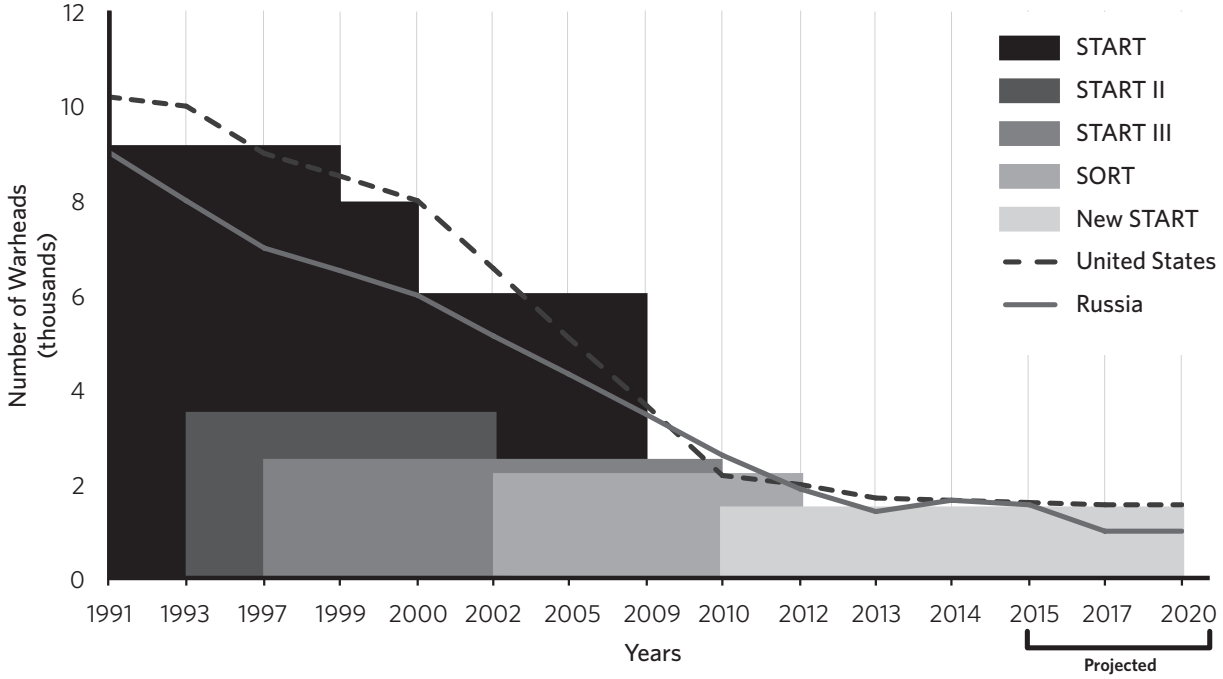
Neglect of nuclear arms control and the prolonged stagnation in the negotiation process during the decade from 1998 to 2008 have had harmful effects. With START I about to expire in 2009, the parties suddenly realized that there was nothing to replace it: the START II, START III, and SORT agreements were not properly ratified or finalized. Therefore, it fell to the administrations of U.S. President Barack Obama and then Russian president Dmitry Medvedev to hastily work out New START (also known as the Prague Treaty), which effectively legitimized the SNF levels agreed upon in SORT eight years earlier (around 2,000 deployed warheads, by actual force loading, in contrast to agreed counting rules that defined each heavy bomber as one delivery vehicle and one warhead). That treaty was an important achievement in preventing the collapse of the central pillar of nuclear arms control and ensuring strategic transparency and predictability for another decade—until 2020.

However, further progress proved impossible—marking a sharp difference from the past, when, upon the signing of every new treaty, each side had its own agenda for the follow-on agreement. An attempt to continue the process was made by President Obama in a 2013 speech in Berlin, in which he called for a further 30 percent reduction in nuclear warheads, down to about 1,000 for each side. However, the proposal was not welcomed in Moscow for political and strategic reasons.

At first glance, the concept of mutual nuclear deterrence sounds quite reasonable. Indeed, during the Cold War era, it was the preferable alternative to the traditional idea of actually using the full extent of one's military might to achieve victory over an adversary, which in the nuclear age would have led to a disaster. However, the concept also has something apocalyptic about it: states base their security on the mutual capability and readiness to kill tens of millions of each other's citizens and destroy centuries of civilization in a matter of hours.

The events of 1998–2008 demonstrated that, in the absence of active arms control efforts, a good political relationship between Russia and the United States, which had continued well into the mid-2000s, did not automatically eliminate the harsh strategic reality of mutual nuclear deterrence—regardless of how much it was sugarcoated by political declarations. Having been essentially ignored, this military reality, along with other factors, ultimately undermined political relations between Russia and the United States at the end of the first decade of the new century.

Figure 1. **The Reduction in U.S. and Russian Strategic Nuclear Forces**



Notes: START is the Strategic Arms Reduction Treaty. SORT is the Strategic Offensive Reductions Treaty.

Sources: U.S. Department of State, Bureau of Arms Control, Verification and Compliance Press Releases and Fact Sheets, 2015, accessed May 13, 2015, http://www.state.gov-/t/avc/rls/c29712.htm; Daryl Kimball and Tom Z. Collina, "U.S.-Russian Nuclear Arms Control Agreements at a Glance," April 2014, Arms Control Association, http://www.arm-scontrol.org/factsheets/USRussiaNuclearAgreementsMarch2010; Alexei Arbatov, "The New START Treaty (Historic and Strategic Perspectives)," 2011, International School on Disarmament and Research on Conflicts, accessed May 13, 2015, http://www.isodarco.it/courses/andalo11/paper/ISO11_Arbatov_START.pdf.

The inability of the two powers' political and expert communities to elaborate realistic alternatives to mutual nuclear deterrence and realize them in practical arms control arrangements stemmed from a lack of interest and imagination, as well as from taking cooperative relations for granted. This left a "nuclear time bomb" under the foundation of Russian-U.S. relations, which quickly came to the surface and generated fresh, hostile nuclear interactions when domestic and foreign political factors drove Russia and the West apart in 2013.

A 2006 initiative by four prominent American statesmen to revive the idea of a nuclear-free world as a final goal of nuclear arms control was met with a broad positive response in the world's political and expert communities.[6] This quest was reciprocated by analogous groups of public figures in many countries, including Russia.[7] The initiative was crucial in propelling the Obama administration's policy on the issue, and it facilitated New START in 2010, as well as a number of important projects on the safety of nuclear materials in the world. Nonetheless, as an isolated attempt to enhance nuclear security, it met with growing political and strategic obstacles after 2011.

The tension between the polycentric world order and nuclear disarmament was clearly manifested by the failure of a multilateral arms limitation regime

to materialize. Third countries have participated in treaties that restrict manufacturing and qualitative developments in weaponry (the Partial Nuclear Test Ban Treaty, NPT, and CTBT) as well as disarmament agreements that apply to certain spaces (such as treaties banning the stationing of weapons of mass destruction in outer space, on the seabed, and on the ocean floor, and accords involving nuclear-weapon-free zones). However, third nuclear-weapon states have not agreed to legally binding nuclear-weapon limitations, despite both deep reductions in Russian and American nuclear arsenals since 1991 and Moscow's appeals to make the bilateral process a multilateral one (which have occasionally been supported by Washington).

There have not been any well-thought-out proposals for an effective way in which these states could join the disarmament process. In fact, it is not even clear which conceptual framework—parity, proportionate reductions, or strategic stability, among many others—should be adopted for multilateral limitations. There is also neither any accepted definition of the kinds and types of nuclear weapons that could be subject to agreements, nor any serious elaboration of acceptable and sufficient verification mechanisms.

As for the third countries themselves, they continue to assert that Russia and the United States still possess 90 percent of the world's nuclear weapons and call for the "Big Two" to undertake reductions to levels close to their own as a precondition for participating in the multilateral disarmament process. This would imply yet another order-of-magnitude reduction for the two leading powers after cuts of almost the same scale since 1991, which hardly seems realistic.

After the end of the Cold War, nuclear nonproliferation replaced nuclear disarmament as the central security issue for the new world order. In turn, disarmament now plays a more or less subordinate role in helping to strengthen the NPT regime and institutions (as per Article VI of the treaty). Nevertheless, states, politicians, and experts around the world have endlessly disagreed on whether there is a correlation between additional disarmament measures and further steps to enhance the nonproliferation regime.

Another important new problem was that although Russia and the United States retained their leading roles in the nonproliferation regime, they could no longer dictate terms to other countries, not least because they disagreed on various political and economic issues. The history of negotiations on the North Korean and Iranian nuclear programs provides telling examples of the limited capabilities of the two leading powers and the entire P5 group, along with its major allies (Germany, Japan, and South Korea).

Furthermore, the United States and Russia have maintained partnerships with some countries of proliferation concern (India, Iran, and Pakistan). They have also competed against each other as exporters of peaceful nuclear technologies and materials. The non-nuclear NPT members resent the privileged position of the treaty's "Nuclear Five" and have been especially critical of Russia and the United States.

In stark contrast to the situation during the Cold War, the great powers are no longer willing to take as much responsibility, bear as many costs, or accept as many losses as they did to ensure the security of their partners and clients. At the same time, the great powers have resorted to force many times in the last quarter century—in the Balkans, the Middle East, and the post-Soviet space. As a result, some nonaligned countries have turned to their own resources to ensure their security and status, and they see the acquisition of nuclear energy assets and their inherent technological potential for creating nuclear weapons as an appealing option. After the outstanding achievements of the early and mid-1990s, all these factors have created growing obstacles to strengthening the nuclear nonproliferation regime.

The development of new methods of arms control at this time was consistent with the emerging post-Cold War world order. They included strengthening the NPT regime and enhancing International Atomic Energy Agency (IAEA) safeguards; developing stricter control over storage facilities for nuclear weapons and fissile materials; increasing security at nuclear sites; and stopping the production of weapons-grade uranium and plutonium. Other methods have included returning highly-enriched uranium fuel for research reactors to the exporter countries and modifying the reactors to use low-enriched uranium, as well as creating nuclear fuel banks to ensure the nonproliferation of national nuclear fuel cycle technologies.

These new forms of nuclear arms control could, however, only be developed in conjunction with concurrent nuclear arms reductions by Russia and the United States, and—eventually—other nuclear-weapon states. However, starting in the late 1990s, Russian-American negotiations began to slow down and then came to a complete standstill after the 2010 New START.

Two major political obstacles to nuclear arms control had emerged at the start of the second decade of the new century. First, problems other than nuclear arms control dominated the security agenda of the polycentric world. Second, the renewed confrontation and curtailed cooperation between Russia and the United States had undermined the political momentum that facilitated negotiations and agreements in the 1990s and during the brief reset period of 2009 to 2011.

Many politicians and experts (especially in Russia) have recently brushed off mutual nuclear reductions as a Cold War relic that has no significance in the modern world. Their bravado notwithstanding, the deep stagnation of this process is fraught with dire consequences.

The Weapons Will Take Care of You

One could say that if you don't take care of nuclear weapons, they will take care of you. This applies foremost to the nuclear arms race and arms control. Arms limitation agreements by themselves do not remove nuclear weapons or operational

plans for their use from the international strategic environment. But within a legally binding limitation framework complemented by verification provisions and confidence-building measures, nuclear weapons do gradually lose their function as an instrument of warfare—at least in the minds of the public and political decisionmakers. These weapons tend to be objects of cooperation and reassurance between nuclear powers in the crucial area of their security, as both subjects of legal regulation and instruments for preventing rather than making wars. All this is not enough to do away with the fundamental paradox of nuclear deterrence, but it tangibly mitigates deterrence's harmful effects on states' political relations and lowers the probability of nuclear collision.

Alternatively, the disintegration of a nuclear arms control regime returns threats and plans for the combat employment of nuclear forces to the strategic and political environment. It also increases mutual mistrust, suspicion, and misunderstanding among nuclear states, which may lead to a fatal error in a crisis, with grave consequences.

Even before the Ukraine crisis, Russia had elevated the role of nuclear weapons in guaranteeing its security. In a 2012 newspaper article outlining his platform for the presidential election, Vladimir Putin stressed, "We will under no circumstances surrender our strategic deterrent capability, and indeed, will in fact strengthen it. . . As long as the 'powder' of our strategic nuclear forces created by the tremendous efforts of our fathers and grandfathers remains dry, nobody will dare launch a large-scale aggression against us."[8] In keeping with this promise, an unprecedented program—at least by post-Cold War standards—to modernize all three legs of Russia's strategic nuclear forces was announced. It calls for the deployment by 2020 of 400 intercontinental and submarine-launched ballistic missiles and eight nuclear-powered ballistic missile submarines, as well as the development of a new heavy bomber soon after 2020.[9]

Domestic politics probably played a large role in launching the new campaign, which is focused on combating external threats, and in facilitating a major increase in military spending to boost Russia's defenses. Domestic politics was also behind the unfavorable atmosphere for seeking compromises in arms control negotiations with the United States and the West as a whole. Since 2010, arms control has become an extremely unpopular topic in Russia, and past agreements have often been referred to as almost treason.[10]

Official U.S. statements put less emphasis on nuclear deterrence and a greater emphasis on non-nuclear defensive and offensive systems and forces. Nevertheless, the United States does not intend to abandon nuclear deterrence either. According to the Department of Defense's 2010 *Nuclear Posture Review Report*, "The fundamental role of U.S. nuclear weapons, which will continue as long as nuclear weapons exist, is to deter nuclear attack on the United States, our allies, and partners."[11]

The Ukrainian drama has elevated tensions to levels that seemed unthinkable just a short time ago. For the first time in many decades, politicians are starting

to contemplate scenarios involving armed conflict between Russia and NATO. There is a new military buildup along Russia's borders with NATO countries, as well as regular shows of force, including demonstration flights of strategic bombers and missile tests. In addition, references to the role of nuclear weapons in crisis management have featured in some official statements. In August 2014, at the height of the Ukraine crisis, the Russian president said in an interview: "Our partners, regardless of the situations in their countries or their foreign policies, should always keep in mind that Russia is not to be messed with. I want to remind you that Russia is one of the largest nuclear powers. This is reality, not just words; moreover, we are strengthening our nuclear deterrence forces."[12]

Lower-ranking officials and independent analysts enthusiastically expounded on this statement, and they proposed complementing the official Russian Military Doctrine with less than novel ideas for using nuclear weapons in local conflicts for "preventive strikes," "shows of resolve," and the "de-escalation of conflict."[13]

As for the United States, after the summer of 2013, the U.S. president began to discard the goal of nuclear disarmament and to take a follow-on to New START off the table. The onset of the Ukraine crisis cemented this development. High-ranking U.S. officials started talking of the need to prepare for an armed conflict with the modernized Russian army. Moreover, independent experts resurrected tactical nuclear warfare as an element of NATO strategy in a possible military confrontation with Russia and proposed enhancing the alliance's theater nuclear capabilities.[14]

All parties should remember the extreme caution that Soviet and American leaders exercised after the 1962 Cuban Missile Crisis with respect to any words—let alone actions—pertaining to nuclear weapons. The current generation of leaders lacks the benefit of decades of Cold War experience in managing dangerous crises under the permanent threat of nuclear war. These new leaders have come into their positions after decades of relaxed and cooperative relations between the great powers and a great expansion of nuclear arms control. They take this legacy for granted and often deal with it in quite a cavalier manner. They may be impressed with the proposals of today's novice strategic theorists, who are merely reinventing old ideas (like limited nuclear strikes), not realizing that these concepts have been discussed for decades and rejected for their unresolved paradoxes and risks.

As bad as the Cold War was, the current situation may be worse. Cold War-era politicians gained experience in the course of dangerous crises, and it helped them to avert a nuclear catastrophe. Modern-day leaders, by contrast, will have to gain experience from scratch, and only time will tell how successful they will be at avoiding catastrophe.

A peaceful resolution of the Ukraine crisis may result in a more favorable climate for nuclear arms control. But it will not resolve other structural factors that have exacerbated the crisis of nuclear arms control.

Military-Strategic Innovations

In the course of the last twenty years, strategic arms reduction treaties between Russia and the United States have entailed more and more marginal reductions of the parties' nuclear forces. Changes in the world order are not the only cause; Russian and American strategic calculations are also now influenced by factors other than the balance of their strategic offensive nuclear weapons. Further reductions will be difficult without addressing those other factors.

By the late 1960s, the Soviet Union and the United States had reached a set of explicit and tacit understandings that negotiations to reduce nuclear arsenals would be based on a number of caveats and conditions. They agreed, for example, that they would disregard the nuclear forces of third countries as well as each other's nonstrategic (tactical) nuclear weapons; they accepted severe restrictions on missile defense systems; and they ignored long-range conventional weapon systems (which did not exist at that time). Presently, neither Moscow nor Washington accepts all of these principles.

After 2010, the United States came up with a proposal to limit nonstrategic weapons in the next START agreement by covering both strategic and tactical nuclear arms held in storage. The proposal stemmed from concerns expressed by its allies in Europe and the Far East with territories that are within range of Russian tactical nuclear weapons. Russia (just like the Soviet Union), relying on its own experience of allied relations, has never understood or even recognized the United States' sensitivity toward its allies' concerns. Moscow considers U.S. forward-based tactical nuclear weapons (which are now supposedly assigned the task of deterring Russian tactical weapons) to be nothing more than a forward-deployed addition to the U.S. strategic arsenal that is capable of striking deep into Russian territory. Moscow has, therefore, demanded that the United States withdraw these weapons (which amount to about 200 air-dropped gravity bombs) from Europe as a precondition to any possible discussions.

Incidentally, certain features of nonstrategic nuclear weapons make it impossible to put them in the same basket as strategic nuclear weapons, as Washington has proposed. Tactical systems are assigned missions at different geostrategic azimuths (including hypothetical opponents in the East and South) and use dual-purpose delivery vehicles. Besides, all tactical nuclear munitions are located separately in special storage facilities during peacetime. Substrategic nuclear weapons therefore present a special and extremely complicated aspect of arms control,[15] and discussion about them is presently deadlocked.

For its part, Russia has demanded that third countries join the process of nuclear disarmament as a precondition to further progress on nuclear arms reductions by Russia and the United States. At a 2012 meeting with experts at Russia's nuclear research center in Sarov, President Putin said, "We will not disarm unilaterally. As for further steps in nuclear disarmament, those steps should be comprehensive in nature, and all nuclear powers should participate

in the process. We cannot disarm while other nuclear powers are increasing their arms. That's out of the question!"[16] This subject is still more complicated than tactical nuclear arms.

Other military-technological developments present yet more obstacles to the disarmament process. The United States is deploying a global ballistic missile defense (BMD) system with regional segments in the Euro-Atlantic and Asia-Pacific regions. Despite Russian objections, the United States has refused to limit its BMD effort either by creating a joint system or by accepting legally binding commitments to demonstrate that the system will not be aimed at Russia. In 2011, Moscow began developing its own Air-Space Defense system intended to integrate missile, air, and space defenses "in the same bundle," to use President Putin's description.[17]

Another key trend in military technology, also led by the United States, is the development of high-precision long-range conventional missiles supported by advanced command, control, and information gathering systems, some of which are based in space. In the foreseeable future, fractional orbit or hypersonic boost-glide weapons with conventional warheads may also be developed. Just as in the case of conventional strategic defensive systems, Russia is determined to catch up with the United States in long-range offensive non-nuclear arms.

Many of these developments were highlighted in the amended version of the Russian Military Doctrine, which was adopted in 2014. The fourth item on the list of military threats to Russia—after NATO expansion, global and regional destabilization, and the buildup of foreign military forces around Russia—is "the creation and deployment of strategic missile defense systems undermining global stability and violating the established correlation of forces in the nuclear-missile sphere, the implementation of the Prompt Global Strike concept, and also the militarization of outer space and the deployment of strategic non-nuclear precision-guided weapon systems."[18] This statement represents clear evidence of Russia's concern. The 2014 military doctrine highlights the need for "strategic (both nuclear and non-nuclear) deterrence, including prevention of military conflicts,"[19] as one of the peacetime objectives of the Russian armed forces.

At the same time, fortunately, the amended version of the doctrine ignores the irresponsible voices that have proposed various exotic nuclear concepts, thus leaving in place the quite reasonable and restrained wording of the former doctrine as it relates to the use of nuclear weapons: "The Russian Federation reserves the right to use nuclear weapons in response to the use of nuclear and other types of weapons of mass destruction against it and (or) its allies, and also in the event of aggression against the Russian Federation involving the use of conventional weapons when the very existence of the state is under threat."[20]

In his 2014 speech to the Valdai Discussion Club, President Putin described the causes for Moscow's concern about new weapon systems: "Today, many types of high-precision weaponry are already close to mass-destruction weapons in terms

of their capabilities, and in the event of full renunciation of nuclear weapons or radical reduction of nuclear potential, nations that are leaders in creating and producing high-precision systems will have a clear military advantage. Strategic parity will be disrupted, and this is likely to bring destabilization. The use of a so-called first global preemptive strike may become tempting. In short, the risks do not decrease, but intensify."[21]

Research done by many independent Russian experts demonstrates that, for the foreseeable future, the threat posed by potential U.S. long-range high-precision weapon systems has been grossly exaggerated, especially in terms of their capability to conduct a preemptive strike against Russian strategic forces and so prevent a Russian retaliatory strike.[22]

As such, Russia is perhaps repeating the Soviet experience of the early 1980s, when the threat of the U.S. Strategic Defense Initiative (also known as "Star Wars") was greatly overstated. That threat never materialized because of technical problems and budget cuts. However, in responding to this "threat," the Soviet Union expended significant funds, which could have been better used for other military or peaceful needs. It is also possible that the overly sensitive contemporary reaction to current hypothetical threats is driven by domestic political considerations.

A preemptive U.S. strike conducted with air- and sea-launched subsonic cruise missiles against numerous protected and mobile targets, such as Russian silo-based and mobile intercontinental ballistic missiles, would be an exceedingly risky undertaking.[23] Such a strike would involve lengthy preparations lasting days or even weeks, which would greatly increase the likelihood of a nuclear response during the large-scale conventional U.S. attacks—just as the Russian Military Doctrine stipulates. The number of hypersonic boost-glide systems that the United States would deploy—should that deployment occur—would probably be too small for such a massive operation. Besides, Russian SNFs may be protected by both passive and active defense systems, which is one of the goals of the recently constituted Russian Air-Space Defense command.[24]

At the same time, high-precision non-nuclear systems do create a number of serious problems. Russia is naturally concerned about the diminishing role of nuclear deterrence, on which its leadership heavily relies, especially in light of the country's significant technological lag in the development of high-precision weapons. In addition, new conventional systems will significantly complicate estimates of strategic balance and calculations of the sufficiency of deterrent forces. They will create even greater problems for arms control negotiations and could even jeopardize the INF Treaty and New START.

Nonlinear Dependence

Many experts skeptical about nuclear disarmament maintain that there is no link between nuclear arms reductions and nonproliferation.[25] Indeed, academic and government officials and politicians have been debating this issue for decades.

The two basic documents of 1972—the Anti-Ballistic Missile Treaty and the Interim Agreement on the Limitation of Strategic Offensive Arms (SALT I)—marked the starting point of the history of actual strategic arms control, that is, of limits affecting the quantity and quality of delivery vehicles and warheads. This dialogue has lasted for over forty years and resulted in eight major agreements.[26] Starting from the enormous nuclear arsenals accumulated during the Cold War,[27] the two and a half decades since 1991 have seen an almost tenfold reduction in nuclear arsenals—both as a result of treaties between Russia and the United States and unilateral reductions by these countries (as well as by the United Kingdom and France). Over the same period, the number of nuclear-weapon states went up from seven to nine. Specifically, India, Pakistan, and North Korea joined the United States, Russia, the United Kingdom, France, China, Israel, and South Africa as nuclear weapon possessors; by 1992, South Africa had abandoned its nuclear weapons.

Based on this trend, some experts have concluded that nuclear disarmament is unrelated to nuclear nonproliferation or that it even encourages the expansion of the "nuclear club." However, the facts on the ground suggest otherwise. In the forty years of the Cold War, six or seven nuclear-armed states emerged (depending on whether India is taken to be a nuclear-armed state on the basis of a single test in 1974). In the quarter century since the Cold War, only two or three states—Pakistan, North Korea, and arguably India—have acquired nuclear weapons. Thus, the pace of nuclear proliferation has actually decreased significantly (see figure 2).

The greatest breakthroughs in both disarmament and the strengthening of the nonproliferation regime occurred in the years from 1987 to 1998. During this period, the INF Treaty, START I, START II, the START III framework agreement, and the CTBT were signed, and the United States and the Soviet Union/Russia took parallel, unilateral initiatives to reduce tactical nuclear weapons. There was also significant progress in non-nuclear but related areas, including the conclusions of the Treaty on Conventional Armed Forces in Europe and the Chemical Weapons Convention.

At the same time, over 40 states joined the NPT, including two nuclear powers (China and France). Seven countries abandoned nuclear-weapon programs, voluntarily or otherwise (Iraq, South Africa, Ukraine, Kazakhstan, Belarus, Brazil, and Argentina). The 1994 Agreed Framework froze North Korea's nuclear program. In 1995, the NPT was extended indefinitely, and in 1997, the IAEA Additional Protocol, which significantly strengthens nuclear safeguards in non-nuclear-weapon states, was introduced. The NPT became the most universal international agreement, aside from the United Nations (UN) Charter; just three states—India, Israel, and Pakistan—have not joined it.

The negative developments in the years following this period also point to a link between a lack of disarmament and proliferation. The Agreed Framework with North Korea collapsed in the early 2000s. It is possible to speculate that U.S. withdrawal from the Anti-Ballistic Missile Treaty in 2002 made it easier for North Korea to abandon the NPT in 2003. The 2005 NPT Review Conference ended in a complete fiasco. An attempt to negotiate with Iran on limiting its nuclear efforts (after the discovery of suspicious elements of its program in 2003) also ended in failure the following year.

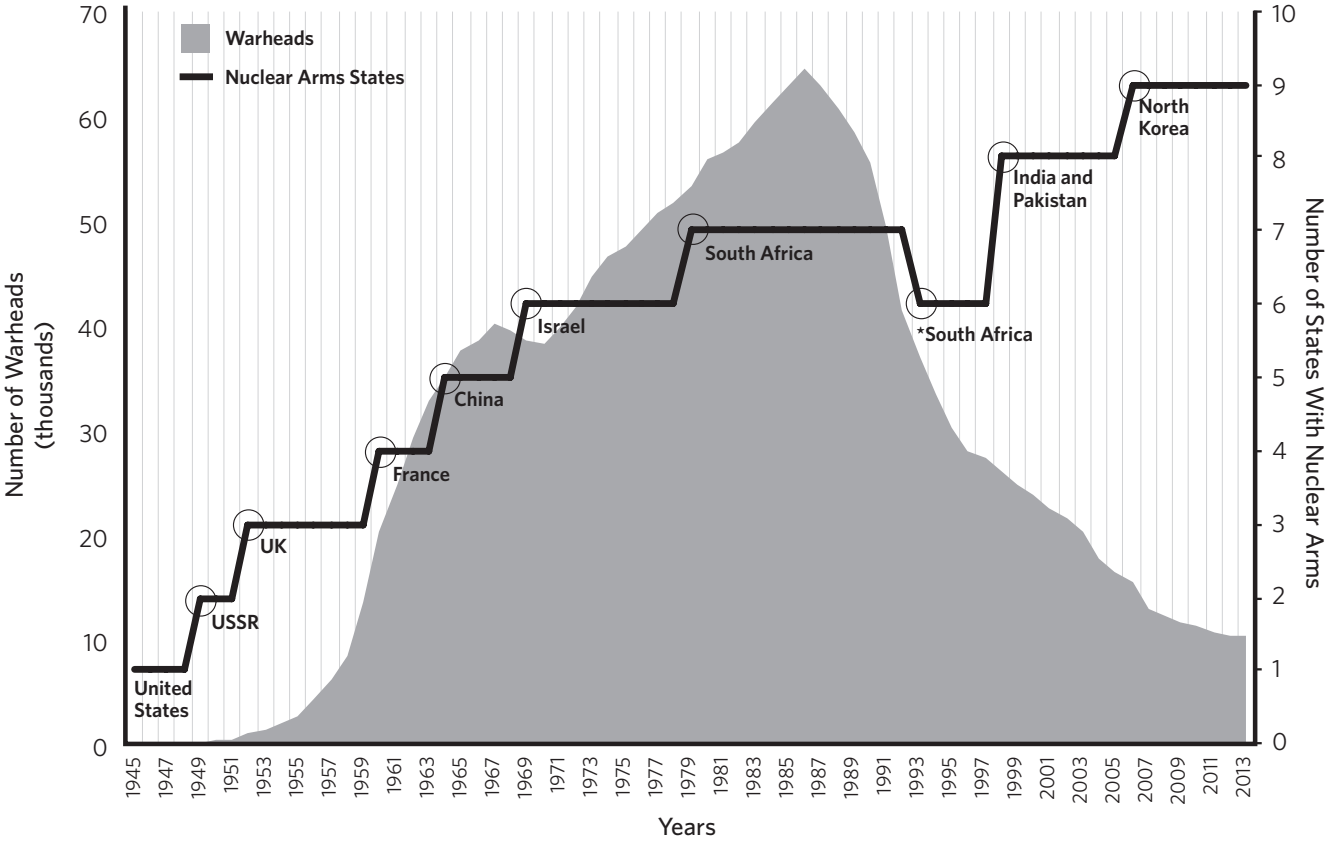
Subsequently, after New START was signed, there was some progress on nonproliferation: the NPT Review Conference of 2010 succeeded in adopting a final document.

Most recently, the standstill in the disarmament process since 2011 has negatively affected the nonproliferation regime. North Korea has continued to enhance its nuclear capability, and negotiations with it remain deadlocked. After the 2013 interim agreement with Iran, a comprehensive agreement, which was initially expected by November 2014, has yet to be signed. As mentioned above, the NPT Review Conference in 2015 failed to adopt the final document.

The many instances of correlation between disarmament and nonproliferation—or a lack of disarmament and proliferation—rule out a purely coincidental link; the relationship must be causal. But, of course, the dependence is not direct and straightforward, as the new wave of post-1998 proliferation demonstrates.

The dialectics seem to be as follows: progress on disarmament creates favorable conditions for strengthening the nonproliferation regime, but it does not automatically guarantee success; progress on nonproliferation requires many additional specific steps and agreements. However, stagnation of the disarmament process does guarantee the weakening or even the unraveling of the nonproliferation regime.

Figure 2. **The Growth of Nuclear Arsenals and Nuclear Arms States**



*South Africa gave up its weapon program.

Sources: Hans M. Kristensen and Robert S. Norris, "Global nuclear weapons inventories, 1945–2013," Bulletin of the Atomic Scientists, 2013, No. 69(5), p. 76, http://bos.sagepub.com/content/69/5/75.full.pdf+html; Alexei Arbatov, "The New START Treaty (Historic and Strategic Perspectves)," 2011, International School on Disarmament and Research on Conflicts, accessed May 13, 2015, http://www.isodarco.it/courses/andalo11/paper/ISO11_Arbatov_START.pdf; "Nuclear weapons timeline," International Campaign to Abolish Nuclear Weapons, accessed May 13, 2015, http://www.icanw.org/the-facts/the-nuclear-age/.

The Erosion of Nuclear Nonproliferation Norms

Even if the political climate improves, and Russia and the United States find a way to adapt the concept of strategic stability to missile defense expansion and agree how to limit high-precision conventional offensive weapons in a bilateral format, the arms control process would still be complicated by the proliferation of these technologies to third countries.

The development of missile defense systems has historically been monopolized by the United States and the Soviet Union/Russia. Today, however, national and/or multilateral missile defense programs are being pursued by China, India, Israel, Japan, NATO, and South Korea. This is clearly a long-term and global military-technological trend; the rapid proliferation of offensive missiles and

missile technologies creates demand for missile, air, and space defense systems, while the technologies are erasing the traditional delineations between them. Long-range ballistic and cruise missiles are being actively developed and deployed in Iran and Saudi Arabia, as well as in the nuclear-weapon countries of China, India, Israel, North Korea, and Pakistan.

Moreover, the United States and Russia are not the only countries that are developing high-precision long-range hypersonic conventional weapons. China is working on this project at an accelerated pace, and other countries are likely to follow suit. Therefore, a possible bilateral Russian-American effort to limit these systems would probably encounter growing difficulties.

The proliferation of missile technologies is especially dangerous because it is accompanied by the proliferation of nuclear materials and technologies for manufacturing nuclear materials. Climate change and the prestige considerations of a number of states are likely to drive significant growth of the nuclear power industry for the foreseeable future.[28] The largest expansion is expected in the Asia-Pacific and in several of the world's most unstable regions, including North Africa and the Middle East. The spread of nuclear power blurs the line between peaceful and military use of this energy source, primarily because of the inherently dual-use nature of nuclear fuel cycle technologies (uranium enrichment and plutonium separation). The decline in hydrocarbon prices that began in late 2014 may slow the growth of the nuclear power industry somewhat, but it will not fundamentally alter the trend.

These developments threaten to undermine the nonproliferation regime and its institutions, especially because many of its norms are no longer suited to the emerging political and technological environment.

The nonproliferation regime, with the NPT as its cornerstone, was originally based on two key principles: non-nuclear-weapon states agreed not to acquire nuclear weapons in exchange for assistance in developing peaceful atomic energy, and, for their part, nuclear-weapon states promised to work toward nuclear disarmament, thus eventually eliminating the "nuclear discrimination" inherent in the NPT. (Although the NPT's Article VI applies to all states regarding the achievement of "general and complete disarmament," it is primarily associated with the commitment of nuclear-weapon states.)

The first principle is now frequently inverted: for some countries, peaceful atomic energy projects are a channel or pretext for acquiring either nuclear weapons or the technological means to develop them rapidly. North Korea set the example for such behavior, and Iran has been suspected of following suit. It is possible that other African, Asian, and Latin American countries, many of which suffer from internal instability and regional threats, will adopt a similar approach.

The various components of the NPT regime—including the IAEA, the Nuclear Suppliers Group (NSG), and the Additional Protocol—do not constitute an adequate response to this challenge because the NPT does not

prohibit either the development of dual-use technologies or the accumulation of nuclear materials for peaceful purposes. The result is a series of weaknesses in the treaty. For instance, withdrawal from the NPT is quite legal pursuant to Article X, point 1. As a result, a state can acquire peaceful technologies and materials, in keeping with the treaty's provisions on international cooperation in Article IV, point 2, and then use them for military purposes upon withdrawal from the treaty, as North Korea did in 2003 (even if such behavior is not actually encouraged by the treaty). In theory, these articles could be strengthened (just like other treaty provisions), but this would require the agreement of all states that are party to the agreement, including potential proliferators.

Another possible solution to this problem would be the introduction of a standard clause in all nuclear cooperation contracts that compels states to return all dual-use nuclear technologies and materials purchased within the framework of the treaty in the event they withdraw from it. However, this step would require the agreement of all 45 NSG members, some of which compete for business in the international nuclear marketplace, where the terms of their contracts are protected as commercial secrets.

Many other NPT provisions need to be updated. Even very basic terms that appear in the treaty, most notably "nuclear weapons," as well as fundamental injunctions, such as not to "transfer" or "acquire" nuclear weapons, still do not have agreed definitions, resulting in many gray areas. For instance, can a large stockpile of highly-enriched uranium be equated to a nuclear-weapon capability if the state can provide a legitimate justification for the stockpile (for instance, its use in naval propulsion reactors)? Can a state that has just a few nuclear power plants be reasonably suspected of military goals if it expands its uranium enrichment capability and increases its low-enriched uranium stockpile to the level needed to quickly produce weapons-grade materials? What peaceful purposes can justify the secret construction of uranium enrichment plants deep underground in hardened facilities (as in Iran and North Korea)? None of these activities is explicitly prohibited by the treaty, and many non-nuclear-weapon states interpret that as permission to proceed.

Last but not least, what constitutes the unquestionable fact of a state's acquiring a nuclear weapon (which is prohibited by Article II) is also unclear. Is it a nuclear explosion, as stipulated by the NPT's Article IX, point 3? This defines a nuclear-weapon state if the date of the nuclear explosion was before January 1, 1967. However, India exploded a nuclear device in 1974 but was only considered a nuclear-armed state after its tests in 1998. Israel and South Africa acquired nuclear weapons without any tests (although there was a suspected explosion in the South Atlantic in 1979 that some theorize was the result of a joint effort between the two countries). North Korea's first test in 2003 was not accepted by many experts as proof of a nuclear capability. Iran's expanding nuclear program was not recognized as a military one by many states and specialists—as if to imply that only a nuclear test would provide clear evidence (when it would also be too late to take countermeasures). No doubt,

lack of certainty and states' disagreements on such important points provide gaping loopholes in the NPT and its regime.

The second basic principle underlying the NPT—the nonproliferation for disarmament quid pro quo—also causes many complications. According to Article VI, nuclear-weapon states "undertake to pursue negotiations in good faith on effective measures relating to cessation of the nuclear arms race at an early date and to nuclear disarmament." This sequence looked quite logical when the treaty was being negotiated. At that time, in 1968, the United States had just completed a crash ballistic missile buildup. The Soviet Union had to play catch-up until 1972, also at an accelerated pace. It was, therefore, commonly assumed that the arms race had to stop first for the arms reduction process to begin.

Reality turned out to be far more complicated. In the 1970s, the Soviet Union and the United States started increasing warhead numbers, after imposing restrictions on strategic delivery vehicles. During the 1980s and 1990s, they modernized their SNFs by introducing new weapon types while reducing the quantities they held.

In 2015, neither the United States nor Russia (nor any other nuclear-weapon state recognized by the NPT) competes in an arms race. Indeed, in the last twenty-five years the number of nuclear weapons has decreased almost by an order of magnitude thanks to Russian-American agreements and unilateral steps. Nevertheless, as Russian SNFs are being reduced, they are also being actively modernized; the United States will do the same after 2020. So, in a sense, the nuclear-weapon states have complied with Article VI: the arms race has ceased, and nuclear forces have been drastically reduced through a disarmament process. But paradoxically, with the development and deployment of new nuclear-weapon systems, the NPT objective of complete nuclear disarmament seems as distant as ever.

Developing new understandings of contentious nonproliferation issues (without revising the treaty's provisions, but through adopting more stringent interpretations and additional protocols) requires a consensus among all NPT member states, which is hard to come by in the current international climate. It has become even less realistic in light of the collision between Russia and the United States, the two key powers needed to enhance the nonproliferation regime.

Untangling the Knot

It is obvious that the world is presently facing the most serious and comprehensive crisis in the fifty-year history of nuclear arms control. This crisis may quite possibly result in the total disintegration of the existing framework of treaties and regimes. In this event, the arms race will probably resume—with the most dire military, political, and economic consequences for mankind.

Further proliferation of nuclear weapons and the technologies for manufacturing them to unstable countries involved in regional conflicts may lead

to the deliberate or accidental use of nuclear weapons in local wars, which could also involve great powers. Moreover, terrorist organizations might be able to obtain nuclear explosive devices, should nuclear materials proliferate to unstable or radical regimes. As some well-known experts point out: "Any use of nuclear weapons, the most indiscriminately inhumane ever devised, would have a catastrophic human and environmental impact, beyond the capacity of any state's emergency systems to address."[29]

Only political unity among the major global powers and alliances, coupled with urgent and effective action, can reverse this trend of disintegration and help to avoid the "end of history" of nuclear arms control. All of the strategic and technical problems can be resolved if politicians are willing to work them out, and if experts approach them creatively. If and when the current crisis in the Russian-U.S. relationship de-escalates, the parties should start untangling the tight knot of military and technical questions that have so far blocked any progress in nuclear arms control.

In the 1980s, the Soviet Union and the United States were able to resolve their differences in nuclear and space negotiations after separating discussions on intermediate-range missiles, strategic offensive weapons, and space weapons (especially space-based missile defense) into separate strands. Subsequently, the INF and START I agreements were signed, and the United States abandoned its space-based missile defense program, which did not resurface in the ensuing twenty-five years and will not be developed in the foreseeable future.

Russia and the United States could make use of this experience by separating further SNF reductions from limitations and confidence-building measures related to new missile defense systems. They could also discuss existing and future long-range high-precision conventional weapons separately. At the same time, but on a separate track, negotiations over nonstrategic nuclear arms could start. Forums and methods for involving third states in the arms control process should be elaborated on their own as well.

Because total nuclear disarmament is a distant aim, the parties' immediate goals should be less ambitious and more suited to the existing—and far from ideal—world order. Besides preserving New START and the INF Treaty, these objectives may be: achieving the next step in reducing the U.S. and Russian nuclear arsenals on a bilateral basis after 2020 (that is, down to around 1,000 deployed strategic warheads, including future long-range ballistic or boost-glide conventional systems), unconditionally committing to a no-first-use policy for nuclear weapons, lowering the alert levels of all legs of strategic forces mutually and in a verifiable manner, and transforming the arms control process from a bilateral into a multilateral one (at least through third states' voluntary transparency and confidence-building measures).

This framework would also help strengthen the nuclear nonproliferation regime and stop the spread of dangerous materials, technology, and know-how across the globe. It is obvious that there is a political link between disarmament

and nonproliferation, and progress in the former would stimulate positive developments in the latter.

Ensuring unity among Russia and the United States and their allies is a much more difficult undertaking. In this respect, the political rift between Russia and the United States poses the greatest threat. This rift will not resurrect the old bipolarity, because the world has fundamentally changed since the second half of the twentieth century. However, in many respects, today's confrontation could prove even more dangerous than the Cold War standoff, especially in terms of nuclear arms control. As bad as the Cold War was, at least it did not turn into a global hot war. There are no guarantees that this risk will be averted in the future.

How to change the existing world order for the better is a huge topic, which lies well beyond the scope of this paper. It is clear, however, that Russian, American, and European politicians should first of all achieve a reliable ceasefire and de-escalation in Ukraine, which must be not just monitored but also enforced with the help of the Organization for Security and Cooperation in Europe and the UN.

Simultaneously, the parties must stop excessive propaganda warfare, analyze candidly the reasons behind the current confrontation, and draw practical conclusions. All this and much more should be done in order to create a safer world order—an indispensable element of which would be a salvaged nuclear arms control regime, adapted to new political and technological realities.

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