

REPORT DOCUMENTATION PAGE				Form Approved OMB No. 0704-0188	
Public reporting burden for this collection of information is estimated to average 1 hour per response, including the time for reviewing instructions, searching data sources, gathering and maintaining the data needed, and completing and reviewing the collection of information. Send comments regarding this burden estimate or any other aspect of this collection of information, including suggestions for reducing this burden to Washington Headquarters Service, Directorate for Information Operations and Reports, 1215 Jefferson Davis Highway, Suite 1204, Arlington, VA 22202-4302, and to the Office of Management and Budget, Paperwork Reduction Project (0704-0188) Washington, DC 20503.					
PLEASE DO NOT RETURN YOUR FORM TO THE ABOVE ADDRESS.					
1. REPORT DATE (DD-MM-YYYY) 16-06-2019		2. REPORT TYPE Capstone Project		3. DATES COVERED (From - To)	
4. TITLE AND SUBTITLE Reinforcing Hub-and-Spoke: Addressing People's Republic of China Influence within U.S. Indo-Pacific Alliances				5a. CONTRACT NUMBER	
				5b. GRANT NUMBER	
				5c. PROGRAM ELEMENT NUMBER	
6. AUTHOR(S) Day, William, P, LT, USN Norton, David, R, MAJ, USA Therrien, Lisa, MAJ, USA				5d. PROJECT NUMBER	
				5e. TASK NUMBER	
				5f. WORK UNIT NUMBER	
7. PERFORMING ORGANIZATION NAME(S) AND ADDRESS(ES)				8. PERFORMING ORGANIZATION REPORT NUMBER	
9. SPONSORING/MONITORING AGENCY NAME(S) AND ADDRESS(ES) Civilian Institutions Office (Code 522) Naval Postgraduate School 1 University Circle, Herrmann Hall Rm HE046 Monterey, CA 93943-5033				10. SPONSOR/MONITOR'S ACRONYM(S) NPS CIVINS	
				11. SPONSORING/MONITORING AGENCY REPORT NUMBER	
12. DISTRIBUTION AVAILABILITY STATEMENT Approved for public release; distribution is unlimited					
13. SUPPLEMENTARY NOTES					
14. ABSTRACT The People's Republic of China under the Chinese Communist Party has come to view the United States' system of bilateral alliances in the Indo-Pacific region as a strategic threat to its interests. China has therefore developed a broad strategy of co-opting U.S. allies deeper into China's sphere of influence by pragmatically exploiting friction in the United States' bilateral relationships. Although China has utilized a coercive approach in the past with Japan, the Republic of Korea, and the Philippines, it has subsequently (and suddenly) switched to co-option in all three cases. Each transition coincides with the emergence of structural friction in each country's relationship with the United States, indicating that China is reacting to strategic opportunities to gain leverage. The friction in the United States' relationships with its bilateral alliance partners has emerged as a consequence of policy divergence, concerns over burden sharing, and as a result of the nature of the "Hub-and-Spoke" alliance system. U.S. allies in the Indo-Pacific lack institutions for security cooperation among themselves, with each instead relying upon its bilateral relationship with the United States. This system is inherently brittle, as it relies upon one nation as the sole linchpin. While a formal, institutionalized, multilateral alliance structure is not currently viable in the Indo-Pacific, the United States and the region can benefit from increased multilateral security cooperation. The development of this architecture among U.S. allies can strengthen the region's ability to resist negative Chinese influence, while also enabling the United States to eventually reduce its resource and manpower commitments.					
15. SUBJECT TERMS People's Republic of China, Grand Strategy, Hub-And-Spoke, Alliance Structure					
16. SECURITY CLASSIFICATION OF:			17. LIMITATION OF ABSTRACT UU	18. NUMBER OF PAGES 33	19a. NAME OF RESPONSIBLE PERSON
a. REPORT U	b. ABSTRACT U	c. THIS PAGE U			19b. TELEPHONE NUMBER (Include area code)

THIS PAGE INTENTIONALLY LEFT BLANK

Reinforcing Hub-and-Spoke:
Addressing People's Republic of China Influence within U.S. Indo-Pacific Alliances

by
William Day, David Norton, and Lisa Therrien

08 June 2019

prepared in fulfillment of the requirements for
GPCO 483: MAS-IA Capstone

Note: The research and opinions expressed in this paper are those of the authors only, and do not represent the views or position of the United States Military, the Department of Defense, or the United States Government.

Abstract

The People's Republic of China under the Chinese Communist Party has come to view the United States' system of bilateral alliances in the Indo-Pacific region as a strategic threat to its interests. China has therefore developed a broad strategy of co-opting U.S. allies deeper into China's sphere of influence by pragmatically exploiting friction in the United States' bilateral relationships. Although China has utilized a coercive approach in the past in which it linked a security issue to its broader relationship with Japan, the Republic of Korea, and the Philippines, it has subsequently and suddenly switched to cooption in all three cases. Each transition coincides with the emergence of structural friction in each country's relationship with the United States, indicating that China is reacting to strategic opportunities to gain leverage.

The friction in the United States' relationships with its bilateral alliance partners has emerged as a consequence of policy divergence, concerns over burden sharing, and as a result of the nature of the bilateral "Hub-and-Spoke" alliance system. U.S. allies, partners, and friends in the Indo-Pacific lack institutions for security cooperation among themselves, with each instead relying upon its bilateral relationship with the United States. This system, while offering important benefits to the United States, is also inherently brittle as it relies upon the United States serving as a lynchpin. While a formal, institutionalized, multilateral alliance structure is not currently viable in the Indo-Pacific, the United States and the region can benefit from increased multilateral security cooperation. The development of increased cooperation among U.S. allies can strengthen the collective ability of the region to resist negative Chinese influence, and therefore enable the United States to reduce its resource and manpower commitments to the region.

Background and Theory

China has come to view the United States' alliance system in the Indo-Pacific as a threat to its interests. Government-affiliated publications assert that the alliances are a tool of the United States to "contain" China's rise, and minimize the role of the alliances in preserving stability.¹ To fix the problem, China has advocated an "Asia for Asians" since 2014 that eschews "Cold War-era thinking" and in which the people of Asia run their own affairs, solve their own problems, and uphold their own security.² Implicit in this statement is that the United States, and consequently the U.S. alliances, will cease to play a meaningful role in the affairs of Asia. It is therefore only reasonable to assume that China will, at a minimum, exploit opportunities to weaken U.S. alliances.

Within the Indo-Pacific, the U.S. maintains five treaty alliances: Japan, South Korea, Australia/New Zealand, Thailand, and the Philippines.³ Other than an alliance between Australia and New Zealand, all of these nations maintain only bilateral defense agreements with the United States and not with one another. For the purposes of this analysis, we have chosen to remove Australia and New Zealand for two reasons. First, the trilateral ANZUS treaty and multinational Five Eyes alliance make it difficult for China to strategically engage with one country while not countering the others – as such, their strategy will be inherently different than dealing with bilateral treaties. Second, their independent geographic location is outside of contentious U.S.-Chinese posturing (Oceania vs. South & East China Seas/Korean Peninsula), and thus case

¹ Liff, Adam P. "China and the U.S. Alliance System." University of London. April 2017. Pg 139. <<https://doi.org/10.1017/S0305741017000601>>. Accessed 18 April 2019.

² Jakobson, Linda. "Reflections from China on Xi Jinping's 'Asia for Asians'." Asian Politics and Policy. 2016. Pg. 219.

³ U.S. Collective Defense Arrangements. United States Department of State. <<https://www.state.gov/s/l/treaty/collectivedefense/>>. Accessed 18 April 2019.

studies generally show a reliance on only shaping domestic politics in both countries. We have also chosen to remove Thailand from the analysis due to its military-led government and lack of a stable democracy. For the purposes of this research, we will only be examining allies currently governed democratically, whereby the government must balance both popular opinion and global politics.

Emboldened by these respective alliances, U.S. allies have challenged Chinese sovereignty and security, which requires a swift and forceful coercive response by China in order to restore balance. However, prolonged use of coercion is more likely to strengthen alliances rather than weaken them, and risks China losing leverage in the relationship. China therefore pragmatically exploits strategic opportunities to transition to a broad strategy of cooption, seeking to gradually draw U.S. allies deeper into the Chinese sphere of influence and away from the United States, thereby increasing Chinese leverage in the relationship. These strategic opportunities arise from weaknesses in the U.S.-ally relationship, which are a result of the structure of the alliances.

From a U.S. policy perspective, it is necessary to understand why friction exists within these Indo-Pacific alliances. All three alliances in our case studies were developed in the 1950s, when all parties faced similar interests: recovery from war, domestic stability, and preventing communist expansion. Policy alignment produces good alliances. However, in recent years the policy interests have diverged. While all three allies share U.S. concerns over China's rise, their geographic proximity to China and the lure of Chinese economic opportunities incentivizes some measure of cooperation. China does not represent the same threat to these allies as Soviet-era communism did in the 1950s.

A consistent argument among academics and pundits alike is a focus on the Trump administration's foreign policy. One need not look far to find over-simplistic explanations:

"The Trump administration ... [is] detrimental to the US position in the region and, above all, for the management of its bilateral alliances with Seoul and Tokyo."⁴

"The "American factor" will be diluted in the Asia Pacific as promulgated and implemented by the new president [Trump]"⁵

"The Trump effect hit Canberra within days of Trump taking office. The phrase "shock and awe" springs to mind—rendered in the alliance realm as "shake and appall."⁶

While it is true that the current U.S. administration has had an effect on the Japanese and Korean alliance structures, it does not explain President Duterte's distancing from President Obama in 2016. Our proposed answer is that – as with most issues – policy divergences are far more nuanced than election cycles imply. Instead, we offer two primary reasons for these long-term policy drifts and friction within the alliance structure.

First, the economic conditions of all three countries have changed dramatically since the 1950s. In the Cold War decades, all three economies were recovering from war and lacked the capacity to provide for their own defense. Not only did this make them wholly dependent on the United States for security, and therefore more willing to assume U.S. policy positions, but it also

⁴ Dian, Matteo. Trump's Mixed Signals toward North Korea and US-led Alliances in East Asia, *The International Spectator*, 53:4, 112-128, DOI: 10.1080/03932729.2018.1519961. Accessed 1 Jun 2019.

⁵ Tow, William T. "President Trump and the Implications for the Australia–US Alliance and Australia's Role in Southeast Asia." *Contemporary Southeast Asia: A Journal of International and Strategic Affairs* 39, no. 1 (2017): 50-57. <https://muse.jhu.edu/article/657977>. Accessed 1 June 2019.

⁶ Dobell, Graeme. "Australia-East Asia/US Relations: Turnbull, TPP, and Trump." *Comparative Connections* 18, no. 2 (2016): 145. <https://search-proquestcom.usnwc.idm.oclc.org/docview/1822034368?accountid=322>. Accessed 1 Jun 2019.

lessened the United States' expectations of burden sharing. Today both Japan and South Korea have both advanced economies and militaries, and thus the United States expects greater burden sharing. In Korea, the value of the Special Measures Agreement (SMA) has not kept pace with Korean economic growth, causing resentment in the United States and Japan, whose burden sharing SMA is much larger. This resentment creates strain on the relationship and is vulnerable to exploitation.

Second, the very structure of the alliance system contains inherent weaknesses. Unlike in Europe, where the United States participated in the creation of a multilateral security alliance, in the Indo-Pacific the United States created a series of bilateral alliances. Such a system is vulnerable to bilateral disruptions because there are no other countries to absorb the shock when a tension arises between two of the member states. However, we do not intend to make a normative judgement on whether or not the United States was correct – in the long term – to pursue bilateral alliances. At the time, there were good reasons for choosing bilateral alliances. As Victor Cha argues, a bilateral structure gave the United States unfettered influence in the relationship by which to exert control and prevent rogue allied action against neighbors.⁷ Additionally, to help rebuild post-war economies within the region, the United States would need to provide defense investments directly. Not only would it have been economically unfeasible for the Philippines and South Korea to help support to Japanese Self Defense Force, the recent memory of imperial subjugation made a NATO-style alliance politically impossible.

⁷ Cha, Victor D. "Powerplay: Origins of the U.S. Alliance System in Asia." *International Security* 34, no. 3 (2009): 158-96. <<http://www.jstor.org.usnwc.idm.oclc.org/stable/40389236>> Accessed 1 Jun 2019.

In each of our three cases—Japan, Korea, and the Philippines—a U.S. ally challenged China on a security or sovereignty issue. China responded swiftly and harshly, linking the singular issue to the broader relationship, and coercively leveraging all elements of its national power to restore balance. Existing literature already offers sound explanations for the Chinese response, with M. Taylor Fravel suggesting that China responds harshly when it feels that an important position is threatened and its negotiating position is weak.⁸ China does so, Lucas Danner explains, in order to maintain both internal (domestic) and external (international) credibility.⁹ Coercion is a high-risk strategy, as China risks losing leverage by damaging its bilateral relationship and pushing the target country closer to the United States. However, as Fravel and Danner explain, it is seen as a necessary crisis response to a shock event.

Our research, as shown in Table 1, has demonstrated that at some point in each of these cases China decides – relatively suddenly – to transition from coercion to cooption. From a political economy standpoint, cooption is arguably a better long-term strategy as it induces the target country to more closely align with China’s policy interests, and also generates leverage as ties between the two countries increase. However, in each of these cases the underlying security issue which triggered a coercive response remains unresolved, and in the case of Japan and Korea, China’s position is weaker than it was before. Furthermore, by changing its approach China assumes risk to both its internal and external credibility. Fravel and Danner’s theories therefore do not explain this new behavior. Our case studies will examine why this shift occurred, as well as analyze the ongoing security issue between the ally and PRC through the lens of allied-U.S. relations.

⁸ Fravel, M. Taylor. “China’s Assertiveness in the Senkaku (Diaoyu) Dispute.” MIT Political Science Department. June 2016. Pg 7. <<http://dx.doi.org/10.2139/ssrn.2788165>>. Accessed 19 April 2019.

⁹ Danner, Lukas K. “China’s Grand Strategy: Contradictory Foreign Policy?” Palgrave-Macmillan. 2018. Pg 4.

Table 1: Research Methodology and Findings

Case		Dependent Variable	Independent Variable		
Country	Period	Chinese Strategy	Status of U.S. Bilateral Relationship	Status of Underlying Security Dispute w/China	China's Relative Strength in Security Issue
Case 1 Japan	2010-2017	Coercion	Stable	Unresolved	Weak
	2017 – Present	Coooption	Structural Friction (Trade Policy, Burden Sharing)	Unresolved	Weaker
Case 2 South Korea	2016-2017	Coercion	Stable	Unresolved	Weak
	2017 – Present	Coooption	Structural Friction (Trade Policy, Burden Sharing)	Unresolved	Weak
Case 3 Philippines	2012-2016	Coercion	Stable	Unresolved	Weak
	2016 - Present	Coooption	Weakened (Domestic Policy, Alliance Policy)	Unresolved	Strong, but challenged

Case Studies

Case One: Japan

Chinese Coercion in Response to the Senkaku/Diaoyu Dispute (2010-2017)

The active dispute between Japan and China over the Senkaku/Diaoyu Islands is approaching its ninth year with no signs of potential resolution in the foreseeable future. While the genesis of the dispute dates back to the First Sino-Japanese War, the current conflict is generally considered to have begun in 2010 when the Japanese Coast Guard (JCG) detained the crew of a Chinese fishing vessel that collided with JCG ships near the islands. China responded with diplomatic pressure by cancelling bilateral talks and exchanges, and by speaking out against Japan at the United Nations, before leveraging its information power to discourage Chinese

tourism to Japan.¹⁰ When Japan refused to acquiesce, China escalated by detaining several Japanese citizens and by threatening to halt exports of rare-earth elements to Japan; whether or not China actually acted upon the export ban is now unclear, but it was widely perceived as fact at the time.¹¹ Following these events the Japanese government released the crew to prevent further escalation, but bilateral relations remained cool.

Tensions flared again in 2012 when Japan nationalized the islands in order to prevent the islands' purchase by the nationalist governor of Tokyo. Though viewed by the Japanese government as the lesser of two evils, China saw the act as a blatant effort to change the status quo.¹² Once again, China used diplomatic pressure, threats and implementation of economic sanctions, and also discouraged tourism. However, this incident saw a much more aggressive anti-Japanese information campaign in state media, the subsequent tolerance of anti-Japanese rioting and vandalism against Japanese companies in China, and the deployment of military and paramilitary forces to the islands.¹³ Since 2012 both countries have maintained an active military and paramilitary presence in the vicinity of the islands, though the situation has remained relatively stable since 2013. However, with the exception of a 2018 agreement to establish a hotline for dispute resolution, China and Japan have made little progress on resolving the dispute.¹⁴

¹⁰ Zhao, Suisheng. "Beijing's Japan Dilemma." in *Uneasy Partnerships*, edited by Thomas Fingar. Stanford University Press. April 2017. Pg 81-82.

¹¹ Fravel, M. Taylor. "China's Assertiveness in the Senkaku (Diaoyu) Dispute." Massachusetts Institute of Technology. Political Science Department. June 2016. Pg 7. <<http://dx.doi.org/10.2139/ssrn.2788165>>. Accessed 19 April 2019.

¹² Zhao. Pg 83-85.

¹³ Zhao. Pg 85-86, and Fravel. Pg 11-12.

¹⁴ Chanlett-Avery, Emma. et.al. "Japan-U.S. Relations: Issues for Congress." RL33436, ver 92, updated 19 October 2018. Congressional Research Service. Pg 8-9. <<https://crsreports.congress.gov>>. Accessed 27 April 2019.

During both crisis events China leveraged multiple elements of national power in an effort to coerce Japan into acknowledging China's position. In both cases the Chinese response is notable for its intensity, but also for the explicit linkage of a security issue with broader diplomatic and economic interests. Although disputes over Japanese history textbooks, visits to the controversial Yasukuni Shrine, and perceived Japanese remilitarization already plagued the Sino-Japanese diplomatic relationship, the Senkaku incidents appeared to show that China was willing to sacrifice its broader economic relationship with Japan to achieve its ends. M. Taylor Fravel offers a convincing explanation for this behavior as a rational response to perceived weakness in China's position regarding the disputed islands.¹⁵ However, while this theory explains China's escalation and subsequent tolerance of a new status quo, it does not explain China's decision to suddenly delink this issue with Japan in 2017.¹⁶

Chinese Shift to Cooption (2017 – Present)

China appears to have significantly altered its strategy towards Japan since 2017. After nearly seven years of allowing the Senkaku/Diaoyu dispute to dominate the Sino-Japanese bilateral relationship, in July 2017 President Xi told Prime Minister Abe that “political issues” should not hinder economic relations.¹⁷ Thus far the statement seems to be genuine, as less than a year later Chinese Prime Minister Li joined PM Abe and South Korean President Moon in Tokyo for a trilateral summit, where the three sides affirmed free and open trade while pledging to pursue a trilateral free trade agreement, as well as negotiations on China's Regional Comprehensive Economic Partnership (RCEP)—China's counter to the former Trans-Pacific

¹⁵ Fravel. Pg 14.

¹⁶ Feigenbaum, Evan. “Is Coercion the New Normal in China's Economic Statecraft?” Carnegie Endowment for International Peace. 25 July 2017. Pg 1. <<https://carnegieendowment.org/2017/07/25/is-coercion-new-normal-in-china-s-economic-statecraft-pub-72632>>. Accessed 27 April 2019.

¹⁷ Feigenbaum. Pg 1.

Partnership.¹⁸ Later in October 2018, during the first visit to Beijing by a Japanese PM in nearly seven years, Xi and Abe signed 52 memoranda of economic cooperation.¹⁹ While this rapprochement has yet to materialize into more tangible results, the shift in rhetoric and diplomacy between the two countries is marked. Curiously, however, the shift in the Chinese approach did not accompany a shift in the East China Sea situation, nor the broader security relationship, which has remained relatively tense. Therefore, this must represent a deliberate Chinese decision to delink security issues from diplomatic and economic issues.

Not only have tensions in the East China Sea remained constant, Japan has noticeably increased its military power projection into the South China Sea. Just prior to Abe's October visit to Beijing, the Japanese Maritime Self Defense Force (JMSDF) deployed the largest flotilla in its short history to the South China Sea, where three vessels to include a controversial helicopter destroyer conducted a cumulative 35 days of unilateral training, port calls, and bilateral training with the United States and other Southeast Asian navies.²⁰ Simultaneously the JMSDF also deployed an attack submarine, which conducted anti-submarine warfare training in the South China Sea and a port call in Vietnam.²¹ Furthermore, the Japanese Ground Self Defense Force's (JGSDF) newly activated Amphibious Rapid Deployment Brigade—a unit created to defend and liberate captured Japanese islands—joined the U.S. and Philippine

¹⁸ Hurst, Daniel. "China-Japan-South Korea Trilateral (Finally) Meets Again." *The Diplomat*. 12 May 2018. <<https://thediplomat.com/2018/05/china-japan-south-korea-trilateral-finally-meets-again/>>. Accessed 19 April 2019.

¹⁹ Wijaya, Trissia and Osaki, Yuma. "Is This a True Thaw in Sino-Japanese Relations?" *The Diplomat*. 16 February 2019. <<https://thediplomat.com/2019/02/is-this-a-true-thaw-in-sino-japanese-relations/>>. Accessed 19 April 2019.

²⁰ JMSDF. "Indo Southeast Asia Deployment 2018." Japanese Maritime Self Defense Force. 18 November 2018 <<http://www.mod.go.jp/msdf/en/operation/operation2018.html>>. Accessed 19 April 2019.

²¹ Rich, Motoko and Inoue, Makiko. "With a Submarine, Japan Sends a Message in the South China Sea." 18 September 2018. <<https://www.nytimes.com/2018/09/18/world/asia/japan-submarine-south-china-sea.html>>. Accessed 19 April 2019.

militaries in the Philippine Sea for an amphibious landing exercise.²² Only a few years earlier any one of these actions would have drawn harsh criticism and warnings from Beijing, yet each exercise passed almost without comment.²³ China ignored Japan's arguably provocative behavior in the South China Sea in favor of reviving diplomatic and economic ties, whereas it had previously linked security, diplomatic, and economic relations.

These events illustrate a shift in Chinese strategy towards Japan from coercion to cooption. During the Senkaku/Diaoyu dispute, China chose to deliberately link security, diplomacy, and economy in a coercive approach to Japan. Yet in the last two years China has chosen to delink the security issues from its foreign policy toward Japan and pursue a strategy of co-opting Japan into its sphere of influence. China has favorably shifted its diplomatic rhetoric towards Japan, and most notably is offering bilateral and multilateral economic cooperation, all while seemingly ignoring Japan's expanding military power projection.

One explanation for this shift could be the relative stabilization of the Senkaku/Diaoyu dispute. Although tensions near the islands remain high, Chinese and Japanese naval and air patrols in the area have become somewhat routine. While indeed neither side has made any moves in recent years to directly challenge the new status quo, China's relative strength in the dispute has grown significantly weaker. Responding to the new threat posed by China, Japan has made significant organizational and doctrinal changes to the Self-Defense Force, reorienting from a Cold War heavy armor defense of Hokkaido to a mobile and more joint defense of the

²² Morales, Alyssa. "U.S. Marines and Armed Forces of the Philippines Launch Exercise Kamandag 2." United States Marine Corps. 1 October 2018. <<https://www.marines.mil/News/News-Display/Article/1649568/us-marines-and-armed-forces-of-the-philippines-launch-exercise-kamandag-2/>>. Accessed 19 April 2019.

²³ Zhao, Laura. "Japan Challenges China with Submarine Military Exercise in South China Sea." South China Morning Post. 17 September 2018. <<https://www.scmp.com/news/china/military/article/2164580/japan-challenges-china-submarine-military-exercise-south-china>>. Accessed 27 April 2019.

Southwest Islands. These changes include the development of an amphibious assault force—with ground, air, and maritime components—for the expressed purpose of recapturing lost islands; the expansion of garrison forces in the Southwest Islands, to include Surface-to-Ship Missiles; and the modernization of the Air Self Defense Force with fifth generation F-35 aircraft.²⁴ These changes in both strategy and capability reduce the already limited ability of the People's Liberation Army to forcibly capture the islands, while also signaling Japanese intent to maintain sovereignty. China's relative position in the dispute is therefore weaker today than it was in 2012 and does not explain the change in Chinese strategy towards Japan.

The Japan—United States Relationship

In some respects, the United States-Japan Security Alliance is stronger than ever. Japanese legislation passed in 2015 enabled the Self Defense Force to engage in limited collective self-defense when operating with the U.S. Military, and in the same year the two sides negotiated a new framework for interoperability that deepens cooperation between the two militaries.²⁵ The United States also routinely provides public reassurance that Japanese administration of the Senkaku/Diaoyu Islands falls under the Security Treaty, cementing the utility of the treaty for Tokyo.²⁶ With the United States' increased focus in the Indo-Pacific, Japan is serving as both a vital basing platform for projecting national power, and is also proving to be an important partner in the region. Yet despite the deepening of the security relationship, underlying structural issues have resurfaced in the broader relationship.

²⁴ Japanese Ministry of Defense. "National Defense Program Guidelines for FY2019 and Beyond." 18 December 2018. <https://www.mod.go.jp/e/d_act/d_policy/national.html>. Accessed 28 February 2019. Pg 8-10; 26-29.

²⁵ Emma Chanlett-Avery and Ian E. Reinhard. "The U.S. Japan Alliance." Congressional Research Service, RL33740, ver. 22, updated 27 July 2016. <<https://fas.org/sgp/crs/row/RL33740.pdf>>. Accessed 01 June 2019. Pg. 2.

²⁶ Japanese Ministry of Defense. *Defense of Japan 2018*. Pg. 478-480.

The alliance is currently struggling with divergent views on foreign policy. Formed near the beginning of the Cold War, the U.S.-Japan Alliance was built upon a shared interest in containing the spread of Soviet communism, a policy which relied in no small part on multilateral support for a rules-based liberal international order. As a maritime nation with few natural resources, and lacking offensive military capabilities, Japan has come to rely heavily on this system and thus favors a multilateral approach. In contrast the United States has begun to question the value of many of the institutions that comprise the international system, and has come to eschew multilateralism in favor of bilateral interaction. This difference in outlook is placing a strain on the relationship.

This divergence has already become salient through the United States' withdrawal from the Trans-Pacific Partnership (TPP). Though initially reluctant, the Japanese government expended significant political capital to join TPP, and subsequently became one of the agreement's strongest advocates.²⁷ The TPP not only promised economic benefits, it aligned well with the multilateral approach to economic prosperity and international security proscribed in Japan's National Security Strategy.²⁸ The United States' abrupt withdrawal and subsequent insistence on a bilateral free trade agreement with Japan thus came as a blow to Japanese foreign policy. The Japanese government assumed a leadership role in a revised TPP and strongly resisted U.S. calls for a bilateral FTA in the hopes of pressuring the United States back into the agreement, but appears to now be conceding and has entered into trade negotiations.

²⁷ Emma Chanlett-Avery, et al. "Japan-U.S. Relations: Issues for Congress." Congressional Research Service, RL33436, 16 February 2017. < <https://fas.org/sgp/crs/row/RL33436.pdf> >. Accessed 01 June 2019. Pg 2.

²⁸ Japanese Ministry of Defense. *Defense of Japan 2018*. Pg. 444

Coinciding with this foreign policy divergence, alliance burden sharing has also become an issue. Written when Japan did not have a military force owing to a strict interpretation of Article A9A of the Japanese Constitution, the U.S. – Japan Mutual Defense Treaty is somewhat unique in that it obligates the United States to defend Japan, but not the reverse.²⁹ Today Japan has a highly capable military force and a somewhat looser interpretation of its constitution, though its ability — and some might argue its willingness — to support the United States in operations beyond the defense of Japan remains limited.

Concerns have also arisen in the United States about Japan's commitment to its own defense. By legislative policy, not law, Japan's annual defense spending remains capped at roughly one percent of GDP, whereas the United States contributes 3.1% of its GDP to defense spending. Given that the two countries are now both advanced economies with similar GDP per capita, this creates a perception of Japanese free-riding in the United States.³⁰ In fairness, Japan does contribute \$2-4 billion annually to support U.S. basing in Japan through the Special Measures Agreement and Facilities Improvement Program, an amount greater in both size and share than any other U.S. ally.³¹ However, this amount remains relatively insignificant when added to total defense spending. In the wake of increasing fiscal concerns in the United States, it is not surprising that burden sharing has become salient.

²⁹ "Treaty of Mutual Cooperation and Security Between Japan and the United States of America." Japanese Ministry of Foreign Affairs. < <https://www.mofa.go.jp/region/n-america/us/q&a/ref/1.html> > Accessed 01 June 2019.

³⁰ Barry Posen. *Restraint: A New Foundation for U.S. Grand Strategy*. Cornell University Press, 2014. Chapter 1, Pg 36, Table 3.

³¹ Tatsuhiro Yoda. "Japan's Host Nation Support Program for the U.S. – Japan Security Alliance." *Asian Survey*, vol. 46, No. 6, Nov/Dec 2006. < <https://as.ucpress.edu/content/46/6/937> > Accessed 01 June 2019. Pg. 942. Note: Estimates for the total amount of the SMA and FIP vary significantly owing to the complexity of the agreements.

In the interest of completeness, we will briefly address the controversy over basing in Okinawa, but this is largely a tactical issue. U.S. military bases in Okinawa are hotly disputed by the local population, which believes that it bears an unfair burden in hosting roughly 25% of U.S. military forces in Japan.³² This is a symptom of larger domestic problems, namely economic stagnation and Okinawan perception of being second-class in the eyes of mainland Japan. While the basing issue does create tension in the alliance, both the United States and the government of Japan share a common policy view that U.S. forces and bases need to remain on Okinawa due to its geostrategic location. Therefore, this problem remains a tactical issue that the two countries can solve together, rather than a potential fracturing point.

The disagreements over policy alignment and burden sharing generally take the form of economic friction in the U.S.–Japan relationship, and it is this friction that China currently seeks to exploit. With the United States pressuring both Japan and China on trade, it is an opportune moment for China to change its policy towards Japan and seek common cause on economic cooperation. This takes the form of both bilateral cooperation in the form of the 52 memoranda of agreement, and multilateral cooperation in the form of RCEP, the latter tapping into Japan's desire for multilateral engagement. Given their geographic proximity, it may be argued that it is only natural for Japan and China to cooperate economically. However, increased economic entanglement increases China's leverage over Japan, and therefore creates the potential for increased policy divergence with the United States.

³² Emma Chanlett-Avery and Ian E. Reinhart. "The U.S. Military Presence in Okinawa and the Futenma Base Controversy." Congressional Research Service, R42645, 20 January 2016. <<https://fas.org/sgp/crs/row/R42645.pdf>>. Accessed 01 June 2019. Pg 10-11.

While increased Chinese influence over Japan is troubling, there is no risk of serious fracture in the U.S.–Japan relationship in the foreseeable future. The security relationship is stronger than ever, and the two countries cooperate across a wide range of areas. The concern is that increased Chinese economic entanglement could one day negatively influence Japan’s decision making. Precedent exists in Japan’s slow response to economic sanctions against Russia after the events in Ukraine. Japan only agreed to sanctions after pressure from the United States, because Prime Minister Abe was in the middle of an engagement strategy with Russia to induce a return of the disputed Northern Territories.³³ Though a relatively minor issue, this event demonstrates the rather obvious point that a country will ultimately seek to pursue its own interests over those of an ally when those interests conflict. The United States is not going to lose Japan, but it may see policy divergence if Japan is pulled deeper into China’s sphere of influence.

Case Two – Republic of Korea

Chinese Coercion in Response to the THAAD Dispute (2016-2017)

In July 2016 the Republic of Korea agreed to the deployment of the U.S. Terminal High-Altitude Air Defense System (THAAD) on Korean soil, ignoring objections from Beijing that the move threatened Chinese security. Reversing a positive trend in Sino-Korean relations, over the next year China leveraged its diplomatic and economic power to both punish and coerce South Korea with the goal of forcing a cancellation of the THAAD deployment. Initially, China suspended all official military-diplomatic interaction, from high-level ministerial meetings to

³³ Maria Shagina. “Japan’s sanctions policy vis-à-vis Russia.” Sasakawa USA Forum Issue No. 15, 25 September 2018. < <https://spfusa.org/wp-content/uploads/2018/09/Forum-No.-15-Shagina-Sep-25.pdf>> Accessed 01 June 2019. Pg 2-4.

low-level academy visits. It also restricted imports of Korean entertainment and culture, with state television broadcasters banning Korean programming and cancelling appearances by Korean entertainers.³⁴ The Chinese government did not publicly link these actions to the THAAD dispute, but the timing left little doubt.

The greatest pressure came from Chinese economic actions. Following an agreement by Lotte — a major South Korean conglomerate — to provide land for a THAAD battery, in December 2016 China launched an investigation into Lotte holdings in China. Amid a wave of editorials in Chinese state media threatening Lotte with repercussions unless it cancelled the land deal, the investigation culminated in April 2017 with the closure of 75 out of 99 Lotte-Mart stores in China due to alleged safety violations. Additionally, in March 2017 the Chinese National Tourism Administration ordered travel agencies to suspend the sale of tour packages to South Korea. This led to a 66% drop in Chinese tourists, who had during the previous year accounted for nearly half of all tourism in Korea.³⁵ These tactics resembled those used against Japan in 2010 and 2012: punishing foreign firms inside China, restricting tourism, and enacting targeted trade sanctions. Also, like in the case with Japan, China leveraged its economic relationship with South Korea in response to a diplomatic and, ostensibly, a security-related problem.

China appears to have carefully selected its means of economic coercion to ensure that its actions pressured Korea without significantly damaging the Chinese economy. A report from the Hyundai Research Institute estimated a \$7.5 billion loss to South Korea, but only \$880 million

³⁴ Meick, Ehtan and Salidjanova, Nargiza. “China’s Response to U.S.-South Korea Missile Defense System Deployment and its Implications.” U.S.-China Economic and Security Review Commission. 26 July 2017. <https://www.uscc.gov/sites/default/files/Research/Report_China%27s%20Response%20to%20THAAD%20Deployment%20and%20its%20Implications.pdf> Pg 7-8. Accessed 27 April 2019.

³⁵ Meick and Salidjanova. Page 7-8.

loss to China.³⁶ Although the attack on Lotte forced the firm to eventually abandon all holdings in China, Lotte did not account for a significant portion of the retail market in China. Its departure may have even reduced competition for Chinese firms. China also ensured that it did not sanction Korean exports of items that China needed, such as electronics and medical equipment.³⁷ China's strategy in this case appears to be both highly pragmatic and carefully considered.

The standoff over THAAD reached a ceasefire in October 2017 with both sides agreeing to repair the relationship, though not without concessions. China is tolerating the THAAD deployment for the time being, but Korea implicitly gave Beijing three assurances in exchange: no further THAAD deployments, no additional use of U.S. Ballistic Missile Defense (BMD) systems, and no consideration of a U.S.-Japan-ROK trilateral alliance.³⁸ These concessions may appear trivial, as none of the assurances represented plausible outcomes in the foreseeable future anyway, but they nonetheless represent a policy split with Washington. Despite South Korea's claim that these three statements merely represent a long-standing position and not promises to China, China has nonetheless interpreted them as assurances.³⁹ This means South Korea now cannot agree to any further U.S. BMD systems without facing severe backlash from Beijing, and although a trilateral alliance with Japan hardly seemed possible, increased trilateral cooperation has been a prominent U.S. initiative for some time. South Korea's announcement potentially

³⁶ Glaser, Bonnie and Collins, Lisa. "China's Rapprochement with South Korea." *Foreign Affairs*. 7 November 2017. <<https://www.foreignaffairs.com/articles/china/2017-11-07/chinas-rapprochement-south-korea>> Accessed 28 April 2019.

³⁷ Zheng, Ketian V. "Chinese Non-Military Coercion – Tactics and Rationale." Brookings. 22 Jan 2019. Pg 6. <<https://www.brookings.edu/articles/chinese-non-military-coercion-tactics-and-rationale>>. Accessed 19 April 2019.

³⁸ Panda, Ankit. "China and South Korea: Examining the Resolution of the THAAD Impasse." *The Diplomat*. 11 November 2017. <<https://thediplomat.com/2017/11/china-and-south-korea-examining-the-resolution-of-the-thaad-impasse>>. Accessed 19 April 2019.

³⁹ Glaser and Collins.

complicates those efforts. Although Beijing may have failed to prevent the THAAD deployment, it succeeded in forcing a small wedge into the U.S.-ROK Alliance.

Chinese Shift to Cooption (2017 – Present)

Beijing's willingness to reach détente on the THAAD issue and its subsequent rapprochement with South Korea suggests a preference for a cooption strategy. The THAAD dispute remains unresolved to China's satisfaction, yet during a South Korean state visit to China in December 2017, President Xi agreed to normalize relations and revive economic, diplomatic, and security cooperation. Xi reiterated China's opposition to THAAD, but suggested that the bilateral relationship could improve so long as a similar problem did not arise.⁴⁰ Where only a few months prior Beijing chose to link the security issue to the broader relationship, it was now willing to delink the issue in favor of renewed bilateral ties.

China is also pursuing cooperation with South Korea on negotiations with North Korea. During the December 2017 summit, Xi and Moon agreed on "four principles to ensure peace and stability on the Korean Peninsula," one of which included the "denuclearization of the Korean Peninsula."⁴¹ This language echoes the North Korean position, which is problematic for Washington due to its ambiguity: denuclearization could potentially include U.S. extended nuclear deterrence and nuclear powered naval vessels. At the China-ROK-Japan trilateral summit in 2018, China and Korea also agreed that the international community should offer economic incentives to North Korea rather than demanding unconditional denuclearization.⁴²

⁴⁰ Office of the President of the Republic of Korea. "Korea-China Summit Discusses Ways for Peace and Stability on Korean Peninsula." 14 December 2017. <<https://english1.president.go.kr/BriefingSpeeches/Briefings/152>>. Accessed 28 December 2019.

⁴¹ Office of the President of the Republic of Korea.

⁴² Hurst, Daniel. "China-Japan-South Korea Trilateral (Finally) Meets Again." *The Diplomat*. 12 May 2018. <<https://thediplomat.com/2018/05/china-japan-south-korea-trilateral-finally-meets-again/>>. Accessed 19 April 2019.

This directly contradicts Washington's current position calling for Complete, Verifiable, Irreversible Dismantlement (CVID). China's efforts to seek common ground with South Korea on DPRK policy positions in opposition to Washington further suggest a strategy of cooption.

The South Korea—United States Relationship

Much like the U.S.–Japan alliance, the U.S.–ROK alliance has in some regards grown stronger in the last decade. Since 2009 the two countries have increased the amount of high-level dialogues to include 2+2 meetings, and have expanded alliance cooperation beyond traditional security to include cooperation on issues from space to climate change. Although the South Korean military is now fully capable of unilaterally defending South Korea from conventional threats, Seoul still views the alliance as an essential component of its security, especially with regards to U.S. extended nuclear deterrence.⁴³ However, also similar to the U.S.–Japan alliance, tensions owing to structural issues have become salient in recent years.

The United States and South Korea forged their alliance in response to a shared perception of the threat of North Korean invasion of the South, and more broadly the threat of Soviet-era communism. However, that threat perception has changed following the collapse of Soviet communism, the shift in the power balance between South and North, and North Korea's development of a credible nuclear threat to the United States. The United States now views denuclearization of North Korea as the most important objective on the Peninsula, whereas South Korea, at least under the current Moon Jae-in administration, views peace and prosperity on the Korean Peninsula as its most important objective.⁴⁴ These positions did not seem mutually

⁴³ Mark E. Manyon, et al. "U.S. South Korea Relations" Congressional Research Service, R41481, 23 May 2017. < <https://fas.org/sgp/crs/row/R41481.pdf>> Accessed 01 June 2019. Pg. 18-20.

⁴⁴ Benjamin A. Engel. "Who's Driving the Wedge into the US-South Korea Relationship?" The Diplomat. 22 November 2018. < <https://thediplomat.com/2018/11/whos-driving-the-wedge-into-us-south-korea-relations/>> Accessed 01 June 2019.

exclusive at first, but have led to a policy split between the United States and South Korea with regards to negotiations with the North. Essentially, the United States views denuclearization as a pre-condition to peace, where the Moon administration is willing to pursue peace as a pre-condition to denuclearization—a position more closely aligned with North Korea. With both U.S.–North Korea and South–North negotiations stalled, this policy divergence has become increasingly relevant.

Economic competition, both direct and in the form of alliance burden sharing, is also creating friction in the alliance. Although both the trade and investment relationships are of mutual importance, South Korea's emergence as a major industrialized economy has led to increased competition with the U.S. domestic market, prompting protectionist responses in the United States.⁴⁵ This eventually led to a contentious renegotiation of the Korea – U.S. Free Trade Agreement (KORUS), which somewhat eased tensions but is generally seen as having marginal significance.⁴⁶ Economic tension is likely to linger, particularly as South Korea increases its economic cooperation with China, its number one trading partner.

Related to economic concerns is the imbalance in alliance burden sharing. Much like Japan, South Korea now possess an advanced military force capable of defending South Korea from conventional threats. However, Seoul still relies heavily upon support from the United States military, particularly for ballistic missile defense and extended nuclear deterrence.⁴⁷ Unlike Japan, South Korea pays far less to support U.S. forces on the peninsula in terms of both

⁴⁵ Mark E. Manyon, et al. "U.S. South Korea Relations" Congressional Research Service, R41481, 23 May 2017. <<https://fas.org/sgp/crs/row/R41481.pdf>> Accessed 01 June 2019. Pg 31-35.

⁴⁶ Mark E. Manyon, Emma Chanlett-Avery, and Brock R. Williams. "South Korea: Background and U.S. Relations." Congressional Research Service, IF10165, rev. 20, updated 20 May 2019. <<https://fas.org/sgp/crs/row/IF10165.pdf>>. Accessed 01 June 2019.

⁴⁷ Mark E. Manyon, et al. "U.S. South Korea Relations" Congressional Research Service, R41481, 23 May 2017. <<https://fas.org/sgp/crs/row/R41481.pdf>> Accessed 01 June 2019. Pg. 18-20.

share and amount, which has prompted the United States to seek a substantial increase in payments during renegotiation of the Special Measures Agreement.⁴⁸ This creates additional strain on the economic – and to some extent security – relationship between the two countries. While it might be fairly argued that Korea has historically contributed to U.S. security through its support in the Vietnam War and in operations in the Middle East, from the United States’ perspective, U.S. forces in South Korea underwrite South Korean security without the benefit of power projection offered by bases in Japan.

Similar to the case with Japan, China is exploiting the policy alignment and economic friction in the U.S.–South Korea relationship. China has already supplanted the United States as South Korea’s top trading partner, a position it exploited in the THAAD dispute. Though the economic relationship remains frosty following THAAD, Chinese FDI in South Korea is rising with the recent opening of a Huawei lab in Seoul.⁴⁹ This is especially significant given the U.S. campaign to restrict Huawei’s involvement both domestically and with U.S. allies. China is also seeking common cause with South Korea with regards to North Korea, encouraging a reciprocal action approach of offering economic incentives rather than insisting on denuclearization. While the shift to cooption with South Korea is less stark and remains in its early stages – at least when compared to Japan or the Philippines – it seems clear that China has adopted a new approach to South Korea.

⁴⁸ Mark E. Manyon, Emma Chanlett-Avery, and Brock R. Williams. “South Korea: Background and U.S. Relations.” Congressional Research Service, IF10165, rev. 20, updated 20 May 2019. < <https://fas.org/sgp/crs/row/IF10165.pdf>>. Accessed 01 June 2019.

⁴⁹ “Huawei Launches 5G lab in South Korea.” Reuters. 29 May 2019. < <https://www.cnbc.com/2019/05/30/huawei-launches-5g-lab-in-south-korea-keeps-it-low-key-after-us-ban.html>>. Accessed 02 June 2019.

Despite the friction in the alliance, U.S. – South Korea relations remain strong, and there is no significant risk of a major alliance fracture in the foreseeable future. However, the THAAD case clearly illustrates the risk of increased South Korean entanglement with China. Fortunately, Chinese leverage over South Korea did not prove sufficient to force a major policy split with Washington. However, it is not difficult to imagine a similar scenario playing out differently in the future if Seoul drifts deeper into China's sphere of influence.

Case Three: The Philippines

Chinese Coercion in Response to the Scarborough Shoal Dispute (2012-2016)

In April 2012, the ongoing dispute between the Philippines and China over sovereignty of the Scarborough Shoal escalated into a crisis when a Philippine naval frigate intercepted Chinese fishing vessels and attempted to detain them. China responded with unarmed and eventually armed coast guard vessels, leading to a roughly two-month military and diplomatic standoff between the two countries. The Chinese coast guard initially protected Chinese fishing vessels and then began harassing Philippine civilian vessels,⁵⁰ relying on military coercion to force the Philippines to back down.

When military coercion failed, China expanded the conflict into the economic relationship. In May, China imposed a quarantine and trade restrictions on Philippine banana exports to China. The state-run International Travel Service also suspended tourism to the Philippines citing security concerns. Although the Chinese government did not explicitly link the sanctions with the Scarborough Shoal dispute, the Chinese ambassador to ASEAN did

⁵⁰ Green, Michael, et.al. "Countering Coercion in Maritime Asia," Center for Strategic and International Studies. May 2017. Pp 99-121. <https://csis-prod.s3.amazonaws.com/s3fs-public/publication/170505_GreenM_CounteringCoercionAsia_Web.pdf?OnoJXfWb4A5gw_n6G.8azgEd8zRIM4wq>. Accessed 28 April 2019.

suggest that if the dispute continued to escalate, the bilateral trade relationship would surely be affected.⁵¹ These actions demonstrate a linkage of a security issue to the broader bilateral relationship, and China's willingness to leverage its economic and military position to coerce the Philippines into accepting the Chinese position.

Chinese Shift to Cooption (2016-Present)

Although the Philippines eventually backed down militarily and withdrew from the Scarborough Shoal, it continued to earn China's ire for taking the case to the International Court of Arbitration. In response, China continued to discourage tourism and investment in the Philippines. This continued for four years until the election of President Duterte in 2016, who despite strong rhetoric about sovereignty during his campaign, chose not to capitalize on the Philippine's victory at the Hague and sought rapprochement with China. Though China could not have predicted the sudden reversal, it quickly shifted its strategy, delinking the ongoing security dispute to seek improved relations with Duterte.⁵² Beijing launched a charm offensive, inviting Duterte to a state visit, praising his policies, and offering economic assistance. In exchange, Duterte chose not to capitalize on the Hague ruling regarding Scarborough Shoal.

The Sino-Philippine economic relationship has improved dramatically since 2016. China agreed to provide the Philippines with \$73 million in unspecified economic and infrastructure assistance, in addition to named infrastructure projects. According to the Philippine government, Chinese businesses have also signed individual and joint-venture deals worth an estimated \$9

⁵¹ Lai, Christina. "Acting One Way and Talking Another: China's Coercive Economic Diplomacy in East Asia and Beyond." *The Pacific Review*. Vol 31-2. 2017. Pp 178-179. <<https://doi.org/10.1080/09512748.2017.1357652>>. Accessed 19 April 2019.

⁵² Gracie, Carey. "Duterte in China." BBC. 18 October 2016. <<https://www.bbc.com/news/world-asia-37681560>>. Accessed 19 April 2019.

billion.⁵³ This represents a marked departure from China's previous strategy of freezing out the Philippines from Chinese investment. It is particularly striking given the ongoing maritime territorial disputes, which flared as recently as April 2019 when the Philippines denounced Chinese vessels operating in disputed waters.⁵⁴ Whereas China previously linked economics and diplomacy to security issues in order to exert coercive leverage, it now seems willing to isolate the security dispute and allow the economic relationship to flourish. China is now choosing to tolerate a degree of misbehavior by the Philippines as it pursues deeper economic integration. In 2018 the United States and the Philippines conducted a combined military exercise near contested waters, simulating an amphibious landing to retake occupied territory⁵⁵. However, China did not take any punitive action against the Philippines, and is continuing its economic integration through energy, infrastructure and tourism.

The U.S. Philippine Relationship

The relationship between the United States and the Philippines is based on strong historical and cultural links along with a shared commitment to human rights and democracy. The Manila Declaration, signed in 2011, reaffirmed the 1951 U.S.-Philippine Mutual Defense Treaty as the foundation for a robust, balanced, and responsive security partnership.⁵⁶ These shared commitments served as a strong base for the long-term beneficial relationship that the United States and the Philippines enjoyed until the election of President Duterte. However, the

⁵³ Tiezzi, Shannon. "Duterte's China Convergence Continues." *The Diplomat*. 13 April 2018.

<<https://thediplomat.com/2018/04/dutertes-china-convergence-continues/>>. Accessed 19 April 2019.

⁵⁴ Gomez, Jim. "Philippines Slams China's South China Sea Flotilla." *The Diplomat*. 08 April 2019.

<<https://thediplomat.com/2019/04/philippines-slams-chinas-south-china-sea-flotilla/>>. Accessed 28 April 2019.

⁵⁵ 2nd Lt. Morales, Alyssa. "U.S. Marines and Armed Forces of the Philippines Launch Exercise Kamandag 2." *The United States Marine Corps*. 1 October 2018. <<https://www.marines.mil/News/News-Display/Article/1649568/us-marines-and-armed-forces-of-the-philippines-launch-exercise-kamandag-2/>>. Accessed 19 April 2019.

⁵⁶ U.S.-Philippine Relationship. United States Department of State. <<https://www.state.gov/countries-areas/philippines/>>. Accessed 24 May 2019.

Philippine's human rights standards are in question given President Duterte's war on drugs, which involves the extrajudicial executions of persons involved in using and selling drugs. Estimates claim that at least 7,000 people have been killed under this policy. The United States, unable to tolerate these human rights violations, has withheld large sums of foreign military financing (FMF) funds from the Philippines as a result. China, conversely, is less concerned with human rights, going so far as "providing rifles, ammunition, and sniper cones to assist in the Philippines' security operations."⁵⁷

Although this is troubling to the overall U.S.-Philippine relationship, most Filipinos still favor the United States, as highlighted in the Social Weather Survey (SWS) poll conducted in September 2016. The poll found that 84% of adult Filipinos rejected Duterte's policy surrounding the South China Sea, while also recording a negative trust rating of China among Filipinos.⁵⁸ Despite these poll results, there is a general perception in recent years of insufficient U.S. support of the Philippines. This perception is one reason that Philippine leaders cite for an apparent realignment toward China.⁵⁹ These shifts in perception – and a perceived withdrawal of U.S. support – can become one of the greatest dangers to the hub-and-spoke alliance structure if left unchecked. This is a situation that the United States will need to address in clear terms moving forward.

⁵⁷ Tiezzi, Shannon. "Duterte's China Convergence Continues." *The Diplomat*. 13 April 2018.

<<https://thediplomat.com/2018/04/dutertes-china-convergence-continues/>>. Accessed 19 April 2019.

⁵⁸ Fonbuena, Carmela. "Welcome Xi Jinping? Filipinos give China 'poor' trust ratings." *Rappler*. 20 November 2018. <<https://www.rappler.com/nation/217085-filipinos-poor-trust-ratings-china-sws-survey-september-2018>>. Accessed 26 May 2019.

⁵⁹ Cooper, Zack. "Pacific Power: America's Asian Alliances Beyond Burden-Sharing." *War on the Rocks*. 14 December 2016. <<https://warontherocks.com/2016/12/pacific-power-americas-asian-alliances-beyond-burden-sharing/>>. Accessed 13 May 2019.

Despite increasing Chinese economic investment in the Philippines, the United States and Japan continuously invest more.⁶⁰ Economic investment by China will not supersede territorial disputes of the Scarborough Shoal in the end. Filipinos want their sovereignty protected and also distrust China – as evidenced in the SWS poll conducted last year. The future of the U.S.-Philippine alliance will continue to be a strong source of security partnership in the region and will, hopefully, further strengthen under the next Filipino President. The United States has an opportunity to strengthen the alliance in its own right by determining how to manage or include the disputed South China Sea region and extending the agreement to include the results from the Hague tribunal. This would further allow for the Philippines to control and provide defense for all of their territory against increasing assertiveness by China within the region.

U.S.-Philippine ties are likely to remain a pillar of U.S. security policy for years to come. Duterte risks backlash from both the Philippine military and political establishment if he cuts ties with the United States, and thus the chances of this happening are extremely unlikely in the near term. The relationship with the Philippines is crucial and the alliance is among the United States' five defense pacts in the region, and remains a bedrock of U.S. foreign policy.⁶¹ However, it requires sustained involvement by the United States to ensure smaller issues do not weaken the alliance over time.

⁶⁰ Dr. Cabalza, Chester. "Xi Jinping Capitalizes on 'Rainbow After the Rain' in the Philippines." *The Diplomat*. 21 November 2018. <<https://thediplomat.com/2018/11/xi-jinping-capitalizes-on-rainbow-after-the-rain-in-the-philippines/>>. Accessed 19 April 2019.

⁶¹ Albert, Eleanor. "The U.S.-Philippines Defense Alliance." *Council on Foreign Relations*. 21 October 2016. <<https://www.cfr.org/backgrounders/us-philippines-defense-alliance>>. Accessed on 20 April 2019.

Implications and Recommendations

As evidenced by our case studies, we can see that China is responding to a deterioration in U.S. alliances. Despite security issues remaining unresolved, the PRC has chosen to adopt a strategy of cooption against U.S. allies when it detects a weakness in the bilateral alliance. We are not arguing, however, that this strategy of cooption will lead to an alliance breakaway in the near future. As with many geopolitical issues, this strategy utilized by China – and its implication for the United States – is nuanced and long-term. While these issues can be precipitated by leadership and policy shifts on both sides of the alliance, they are symptoms of broader, underlying structural issues. Strong debate exists as to what constitutes adequate burden sharing in these allied relationships. Certainly, countries such as Japan and South Korea are no longer the war-torn economies of 1950 and have developed capable militaries of their own. Furthermore, we must also examine whether bilateral agreements are still the most effective solution in a shifting geopolitical landscape of the Indo-Pacific.

These alliance issues and associated consequences are inherently speculative. However, developing an associated response strategy requires adapting to a range of future possibilities – from most-likely best-case to most-likely worst-case. While one could argue that Chinese economic growth is merely a bubble that will burst in the next 10-15 years, it is equally possible that it will continue to rise as a regional hegemon. Perhaps this rise will eventually cause China's vital interests to come into greater alignment with the United States. However, under CCP leadership, this is extremely unlikely: geopolitical friction between the two superpowers will continue to increase. As such, it is necessary to plan for this likely future.

The United States' strategy of "maintaining a free and open Indo-Pacific"⁶² hinges upon strong alliances in the region to check the growing influence of a CCP-led revisionist power. While the U.S. is tempted to quickly draw back support in the region under the argument of burden sharing, doing so too rapidly can have consequences for the alliance. As we have shown in our case studies, the CCP is willing to exploit these gaps via its own preference for bilateral relationships. We are therefore not arguing against a rebalancing of these alliance burdens, but rather that any actions must be measured, planned, and conscious of potential drawbacks. To promote policies that lead to strong alliances, the U.S. must look beyond the near-term financial gains and attempt to predict what a stable Pacific theatre would look like in 25-50 years. Some of these investments are in the form of materiel, such as robust shipbuilding programs which match existing force structure assessments (FSA) of 355 capital ships.⁶³ While we certainly agree that a predictable budget to support this goal is necessary, policies already exist for reaching requisite military capacity. In the realm of solving structural issues within our alliances, however, these policies are less clearly articulated.

Under current policies, the United States has indicated that it sees the status quo structure of burden sharing as inherently lopsided. Along with this shift has come a renegotiating of positions with allies as well, both within Europe (NATO) and Asia. This is less problematic in the former case, which enjoys a lesser threat in the form of a weakened and declining Russia, as well as a multilateral security alliance. Though NATO would be dramatically less powerful with reduced U.S. commitment, member countries still have a system for security cooperation. Asia,

⁶² "National Security Strategy of the United States." The White House. December 2017. Pg 46. <<https://www.whitehouse.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>>. Accessed 1 Jun 2019.

⁶³ Navy Force Structure and Shipbuilding Plans: Background and Issues for Congress. Congressional Research Service. 7 May 2019. <https://fas.org/sgp/crs/weapons/RL32665.pdf>. Accessed 7 Jun 2019.

however, must not only contend with a greater threat from China, but must also rely on a bilateral system with the U.S. as its sole underwriter. As such, U.S. allies in Asia do not have strong mechanisms for cooperation with each other, and in some cases – such as Japan and Korea – outright animosity. Lacking a multilateral security cooperation architecture, these allies (and the region as a whole) is vulnerable to Chinese influence in a way that NATO countries are not as vulnerable to Russia.

Under the current arrangement, therefore, the United States has no choice but to underpin these defense relationships with each ally. This hub-and-spoke model, as previously discussed, has long been successful in the region – but primarily because the United States was the only Pacific superpower. As the CCP continues to exploit weaknesses in bilateral relationships, the United States must constantly respond to every regional contingency to maintain its footing. This is what made NATO so effective against the USSR: while issues would inevitably arise among member countries, the relationship between all of the nations prevented the Soviets from effectively peeling off an ally into their sphere – despite over 40 years of posturing. While we are not arguing for an east-Asian NATO, we see strong potential in a very similar concept: networked security cooperation.

It is unrealistic to ever expect that South Korea and Japan will sign a trilateral mutual defense treaty with the United States. Historical strife runs far too deep for this type of inroad to be made in the near future. However, a far more likely possibility is a network of security partners who are committed to the same set of principles and goals in the region: namely, a free and open Indo-Pacific. While animosity still exists between Japan and South Korea, the first step in building cohesive relationships could be the signing of a multilateral free trade agreement among the treaty allies. Prior to the U.S. withdrawal from the Trans Pacific Partnership in 2016,

all of these allies had either agreed to the treaty or showed strong interest.⁶⁴ With adequate U.S. leadership in these “small step” agreements, there is high potential for increased trust and – over time – decreased animosity. Strong cooperation among the U.S. treaty allies in the region – such as joint exercises, technology sharing, and policy alignment – would allow for a united approach that is similar to the strengths which NATO has leveraged. While it stops short of mutual defense agreements, thereby reducing unnecessary chessboard politics, it gives U.S. allies in the region a platform and method for pursuing mutually beneficial aims.

Not only does this help reduce the burden on the United States of being “all places at all times”, it further hampers CCP efforts to undermine alliance structures. The current coercion/cooption strategy on bilateral alliances is effective because these alliances are isolated from one another. The United States, under the current structure, is the node through which all diplomacy and military cooperation must flow. If all of the allies were networked, however, the CCP would find it difficult to leverage a strategy against only one partner. Rather than exploiting fraying bilateral ties, their new strategy would have to account for networked cooperation and mutual policy alignment.

To pull back in the future, the United States needs to engage now. This engagement, however, is not only through increased military spending and more deployments to the region. Rather, it must focus on creating a regional security architecture, as well as developing institutions of cooperation that will enable allies to better resist a CCP-led China. While the ultimate goal is for East Asia to “contain” China on its own, the United States will still underwrite its alliances for the foreseeable future. The geostrategic nature of the region, and the

⁶⁴ Solis, Mireya. “South Korea’s Fateful Decision on the Trans-Pacific Partnership.” Brookings Institute. No. 31, September 2013. Page 16. <https://www.brookings.edu/wp-content/uploads/2016/06/0918-south-korea-trans-pacific-partnership-solis.pdf>. Accessed 7 Jun 2019.

growing great-power competition, make this an inevitability. Nevertheless, by promoting networked cooperation amongst its partners, the United States can both shore up its bilateral alliance structure and address certain areas of burden sharing. Lest there be any doubt, this revised strategy is still a hub-and-spoke, bilateral model. However, ensuring a free and open Indo-Pacific requires that those “spokes” be connected to one another in areas that are mutually beneficial – and is a process that will require concerted and sustained U.S. leadership for years to come.