

Why Attempts to Build a New Anti-China Alliance Will Fail



Abstract The biggest problem with the “Quad” is that the big strategic game in Asia isn’t military but economic. The countries that make up the Quad are far too diverse in their economic interests and historical vulnerabilities to make it a tenable long-term alliance.

Australia, India, Japan, and the United States have perfectly legitimate concerns about China. It will be uncomfortable living with a more powerful China. And it’s equally legitimate for them to hedge by cooperating in the Quadrilateral Security Dialogue, informally known as the Quad. Unfortunately, the Quad will not alter the course of Asian history for two simple reasons: First, the four countries have different geopolitical interests and vulnerabilities. Second, and more fundamentally, they are in the wrong game. The big strategic game in Asia isn’t military but economic.

Australia is the most vulnerable. Its economy is highly dependent on China. Australians have been proud of their remarkable three decades of recession-free growth. That happened only because Australia became, functionally, an economic province of China: In 2018–2019, 33% of its exports went to China, whereas only 5 percent went to the United States.

This is why it was unwise for Australia to slap China in the face publicly by calling for an international inquiry on China and Covid-19. It would have been wiser and more prudent to make such a call privately. Now Australia has dug itself into a hole. All of Asia is watching intently to see who will blink in the current Australia-China standoff. In many ways, the outcome is pre-determined. If Beijing blinks, other countries may follow Australia in humiliating China. Hence, effectively, Australia has blocked it into a corner.

And China can afford to wait. As the Australian scholar, Hugh White said: “The problem for Canberra is that China holds most of the cards. Power in international relations lies with the country that can impose high costs on another country at a low cost to itself. This is what China can do to Australia, but [Australian Prime Minister] Scott Morrison and his colleagues do not seem to understand that.” Significantly, in November 2019, former Prime Minister Paul Keating warned his fellow Australians

Originally published in *Foreign Policy*, Jan 27, 2021

that the Quad would not work. “More broadly, the so-called ‘Quadrilateral’ is not taking off,” he told the Australian Strategic Forum. “India remains ambivalent about the US agenda on China and will hedge in any activism against China. A rapprochement between Japan and China is also in evidence ... so Japan is not signing up to any program of containment of China.” While India has clearly hardened its position on China since Keating spoke in 2019, it is unlikely to become a clear US ally.

Japan is also vulnerable but in a different way. Australia is fortunate to have friendly neighbors in the Association of Southeast Asian Nations. Japan only has unfriendly neighbors: China, Russia, and South Korea. It has difficult, even tense, relations with all three. It can manage difficult relations with Russia and South Korea; both have smaller economies. But the Japanese are acutely aware that they now have to adjust to a much more powerful China again. Yet this is not a new phenomenon. With the exception of the first half of the twentieth century, Japan has almost always lived in peace with its more powerful neighbor, China.

As the East Asia scholar Ezra Vogel wrote in 2019, “No countries can compare with China and Japan in terms of the length of their historical contact: 1500 years.” As he observed in his book *China and Japan*, the two countries maintained deep cultural ties throughout much of their past, but China, with its great civilization and resources, had the upper hand. If for most of 1500 years, Japan could live in peace with China, it can revert to that pattern again for the next 1000 years. However, as in the famously slow Kabuki plays in Japan, the changes in the relationship will be very slight and incremental, with both sides moving gradually and subtly into a new *modus vivendi*. They will not become friends anytime soon, but Japan will signal subtly that it understands China’s core interests. Yes, there will be bumps along the way, but China and Japan will adjust slowly and steadily.

India and China have the opposite problem. As two old civilizations, they have also lived side by side over millennia. However, they had few direct contacts, effectively kept apart by the Himalayas. Unfortunately, modern technology has no longer made the Himalayas insurmountable. Hence, the increasing number of face-to-face encounters between Chinese and Indian soldiers. Such encounters always lead to accidents, one of which happened in June 2020. Since then, a tsunami of anti-China sentiment has swept across India. Over the next few years, relations will go downhill. The avalanche has been triggered.

Yet China will be patient because time is working in its favor. In 1980, the economies of China and India were the same size. By 2020, China’s had grown five times larger. The longer-term relationship between two powers always depends, in the long run, on the relative size of the two economies. The Soviet Union lost the Cold War because the US economy could vastly outspend it. Similarly, just as the United States presented China with a major geopolitical gift by withdrawing from the Trans-Pacific Partnership (TPP) trade agreement in 2017, India did China a major geopolitical favor by not joining the Regional Comprehensive Economic Partnership (RCEP). Economics is where the big game is playing. With the United States staying out of TPP and India out of RCEP, a massive economic ecosystem centered on China is evolving in the region. Here’s one statistic to ponder on: In 2009, the size of the retail goods market in China was USD 1.8 trillion compared with USD 4 trillion

for that market in the United States. Ten years later, the respective numbers were USD 6 trillion and USD 5.5 trillion. China's total imports in the coming decade will likely exceed USD 22 trillion. Just as the massive US consumer market in the 1970s and 1980s defeated the Soviet Union, the massive and growing Chinese consumer market will be the ultimate decider of the big geopolitical game.

This is why the Quad's naval exercises in the Indian Ocean will not move the needle of Asian history. Over time, the different economic interests and historical vulnerabilities of the four countries will make the rationale for the Quad less and less tenable. Here's one leading indicator: No other Asian country—not even the staunchest US ally, South Korea—is rushing to join the Quad. The future of Asia will be written in four letters, RCEP, and not the four letters in Quad.

Open Access This chapter is licensed under the terms of the Creative Commons Attribution-NonCommercial-NoDerivatives 4.0 International License (<http://creativecommons.org/licenses/by-nc-nd/4.0/>), which permits any noncommercial use, sharing, distribution and reproduction in any medium or format, as long as you give appropriate credit to the original author(s) and the source, provide a link to the Creative Commons license and indicate if you modified the licensed material. You do not have permission under this license to share adapted material derived from this chapter or parts of it.

The images or other third party material in this chapter are included in the chapter's Creative Commons license, unless indicated otherwise in a credit line to the material. If material is not included in the chapter's Creative Commons license and your intended use is not permitted by statutory regulation or exceeds the permitted use, you will need to obtain permission directly from the copyright holder.

