

China's Response to FOIP and the Quad Stimson-CIGS Next Generation Roundtable Series April 14, 2021

## SUMMARY

Panelists Eric Heginbotham Amane Yamazaki Yuki Tatsumi (moderator)

On April 14, 2021, the Stimson's Japan Program hosted a roundtable via WebEx Meeting to discuss Japanese and American perspectives of China's response to the Free and Open Indo-Pacific (FOIP) and the Quad. Yuki Tatsumi, director of the Japan Program, moderated the roundtable with Dr. Amane Yamazaki (Research Fellow, CIGS) and Dr. Eric Heginbotham (Principal Research Scientist, Center for International Studies, Massachusetts Institute of Technology) joining as guest speakers. The discussion began with Tatsumi introducing both of the speakers.

Tatsumi asked the speakers to discuss, from their own country's perspective, how they assessed China's reaction to the FOIP and intensifying efforts among Quad partners to deepen engagement. Yamazaki discussed the origin of the FOIP, which former Prime Minister Shinzo Abe proposed in 2016, as a concept focused on economic development, rule of law, freedom of trade and navigation, and maritime security across the Indo-Pacific region. Each member of the Quad has likewise incorporated "Indo-Pacific" in their official policies. China's response to this concept and the Quad formulation has been cautious and relatively restrained at first, but over the past few years, Beijing has watched the evolution of the Quad carefully to assess whether its members will keep their stated intentions of not excluding China. Yamazaki noted China's oblique criticism of the FOIP framework as an exclusionary tactic, similar to Beijing's concerns about other U.S.-led activities in the region that it has viewed as encirclement or exclusion, such as the Trans-Pacific Partnership trade deal, which is now led by Japan as the CPTPP. But he also observed that there is a view in China that doubts whether the FOIP and the Quad can be effective in countering China's regional influence, given a lack of coordination and mismatched priorities among the members.

As the security environment across the Indo-Pacific has shifted in multiple dimensions in recent years, with the introduction of the Belt and Road Initiative and increased tensions between China and some of its neighbors, the Quad is under close scrutiny by Beijing. Japan, the United States, and India have all experienced downturns in relations with China recently. Differing perspectives and claims about regional activities, such as the U.S. criticizing China's maritime activities as destabilizing and China arguing that the United States is an interloper in the region, reflect the high level of tension between the U.S. and China in particular. For Japan, Yamazaki noted, part of the issue is parsing how China might act if it perceives that Japan is trying to target China through the Quad or the FOIP. He pointed to the example of China's swift economic retaliation against South Korea after Seoul approved the THAAD anti-ballistic missile defense system. While relations between Japan and China have cooled since the summer of 2020, there is still room for the relationship to worsen. Yamazaki also noted that the U.S. should show its support for Japan more readily to bolster Japan's confidence in the alliance and vis-à-vis China.

Heginbotham discussed the changes in U.S. leadership in the region over the past few years. Criticism of alliance burden-sharing and utility by the Trump administration created uncertainty among allies and partners regarding the U.S. commitment to the region. But there was also a renewal of Quad meetings. With allies like Japan and South Korea increasing their defense budgets to hedge against uncertainty, as well as more robust discussions of an Indo-Pacific framework, China has been critical of the Quad and the FOIP. China itself has been cultivating extensive economic, diplomatic, and security across the region, and though the results have been mixed, Beijing has persevered with its multipronged strategy to increase China's influence. This is key to China's perception of the FOIP and the Quad as concepts that could reduce or mitigate China's efforts across the region.

The next steps taken by the Biden administration will be important to watch, as Biden has promised to repair relations with allies. One component will be underperforming Japan-ROK cooperation, which challenges the idea of a unified democratic front in the Indo-Pacific. From the U.S. perspective, the lack of progress between Japan and South Korea in effectively managing areas of friction is a weak point that affects both alliances with the U.S. Moreover, China views this weakness as an opportunity to drive a wedge in U.S.-ROK relations, subtly exploiting South Korea's tendency to balance between China and the United States.

Heginbotham noted that China has been warning the United States against starting a "new Cold War," though the current situation bears no resemblance to the sharply divided U.S. and Soviet blocs of the Cold War. The U.S. and China have deep economic ties, as do the other members of the Quad and the West more broadly; China's vast economic relations with the U.S. make a threat of full economic decoupling unlikely and undesirable for China. Heginbotham pointed out that the reality of imperfect relations and competing interests by the Quad—which is by no means a unified group—and other countries encompassed by the FOIP belies China's response that these are encirclement strategies designed to isolate China.

Tatsumi noted that a joint statement issued after a U.S.-Japan a 2+2 meeting on March 16, 2021, mentioned concerns with China and the importance of Taiwan, which were also likely to be discussed during Suga and Biden's upcoming visit in Washington. Yet, both the United States and Japan have a complex bilateral relationship with China. Tatsumi asked the speakers what challenges they see for the U.S. and Japan as each country navigates its own relationship with Beijing.

Both speakers addressed the complexity of the Taiwan issue. Yamazaki noted that Japan must determine a way to work with Taiwan, as it is a critical part of the first island chain. He cautioned that there may be obstacles to overcome between Japan and Taiwan—for example, Taiwan, like China, claims the Senkaku islands, while Japan argues that there is no territorial dispute of the islands which are under Japanese control. However, the idea that Taiwan's security is relevant to Japan's security—that if China were to decide to attack Taiwan, Japan could also be a target—is being discussed more frequently in Japan. In the context of the FOIP, Taiwan shares the democratic values and commitment to international norms that are at the heart of the concept. Still, Taiwan's situation is still seen as a subregional issue, primarily the concern of East Asia, so the other Quad members, India and Australia, are less interested in getting involved with the Taiwan issue.

Heginbotham observed that, along with growing, strong bipartisan support for Taiwan in the U.S. Congress, there has been an ongoing discussion recently in the United States about clarifying the policy of "strategic ambiguity," with some arguing in favor of telling Beijing that the U.S. would assist Taiwan if Beijing were to use force against it. This idea supposes that, in a time of increased tensions, clarity would reduce the likelihood of misunderstandings or mis-signaling that could escalate to a conflict. Heginbotham cautioned that strategic ambiguity still has benefits for preserving the status quo, since a new variable could be interpreted by Beijing as emboldening Taiwan or forcing China's hand.

Following the main discussion, Tatsumi invited questions from the audience. In response to questions about the roles of Japan and the United States in the Indo-Pacific, the importance of trade deals, and Taiwan contingencies, the speakers elaborated on their main points. Tatsumi thanked the speakers and audience for joining the discussion and ended the roundtable.