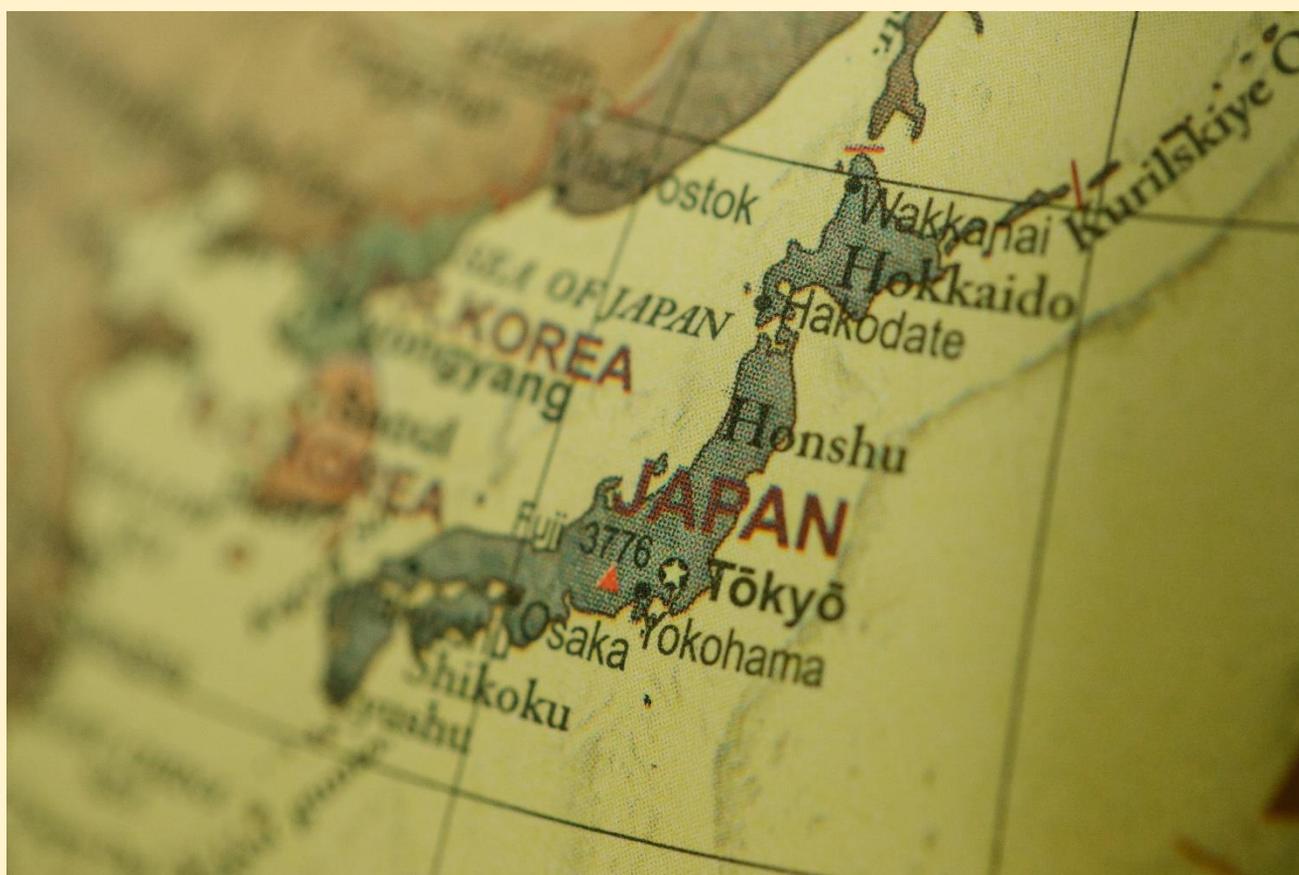


# Issue Paper

## Asia Pacific, Where Political Blocs Gather



The Strategic Implications of the 2023 G7 Hiroshima Summit: Emergence of the Indo-Pacific Anti-China Front?

Alan Hao Yang, Ph.D.

Building Rules-Based International Order in the Midst of U.S.-China Geostrategic Rivalry? Views from Southeast Asia

Chyungly Lee, Ph.D.



## Issue Paper

CTPECC holds a number of forums and seminars annually based on current issues in the global political economy. Inspired by these events, the *CTPECC Issue Paper* seeks to address opportunities and challenges in future regional development. *Issue Paper* also provides valuable information and perspectives, delivering the insightful views of experts.

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# 1.Introduction

Asia-Pacific is regarded to be one of the most influential region in the next few decades<sup>1</sup> and it shares 44.3% global GDP.<sup>2</sup> However, several countries have issues that bring instability to this region, such as territorial disputes, ideological conflicts, etc. Interests also draw Great Powers' attention. The main actors in this region is not only Asia-Pacific countries, but European as well. Geopolitics, then, plays an important part in the progress of the development and interaction in this area.

To discuss the current situation in Asia-Pacific, we have invited two experts in the field of international relations to share their insights into the trend of Asia-Pacific in 2023. Professor Alan Hao Yang is going to share his observation of the G7 summit in Hiroshima and his suggestion to Taiwan. Then, Professor Chyungly Lee delivers the discussion of the term “rules-based order” based on her participation in the meeting of Council for Security Cooperation in the Asia-Pacific (CSCAP), and provides an overview of ASEAN's opinion on the term.

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1. McKinsey Global Institute, “Asia's future is now”, 2019/7/14,  
<https://www.mckinsey.com/featured-insights/asia-pacific/asias-future-is-now>.

2. According to the World Economics date from 2012-2022,  
<https://www.worldeconomics.com/Regions/Asia-Pacific/>.



## **2-1. The Strategic Implications of the 2023 G7 Hiroshima Summit: Emergence of the Indo-Pacific Anti-China Front?**

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The COVID-19 pandemic has gradually dissipated as the World Health Organization (WHO) declared the end of the global public health emergency; nevertheless, the current international crisis has not yet come to an end. Today, the unresolved standoff between the United States and China as well as the ongoing war between Russia and Ukraine still existed. These two crises have had a profound impact on global political and economic development, and have also affected the configuration and reorganization of global power politics. In effect, these two crises have shared common connotations. The first is the global sentiments of crisis awareness, especially the US-China rivalry. It affects the stability and resilience of the semiconductor chips-focused global supply chain. The second is that both of these two major crises have the threat of malicious infiltration and coercion, which will also trigger major changes in international politics. Therefore, various alliances and cooperation frameworks that followed in response to the new changing dynamics are continuously brewing, especially the cooperation among major powers across geographical boundaries, which is highlighted by the concerns and progress of G20 and G7 meetings, which reveal the future roadmap of peace, prosperity of the global politics. Among them, compared with Russia, which has been attracting public criticism since its invasion against Ukraine in 2022, China is the elephant (or the dragon?) in the room that even worries the world more than Russia.

This article is aimed at scrutinizing the strategic implications of the recently held G7 summit in Hiroshima. Earlier this year, at the G7 foreign ministers' meeting held



in mid-April, most of the discussion among G7 foreign ministers focused on the Russo-Ukrainian War and the situation in the Indo-Pacific, including China and North Korea. The wrap-up communique revealed foreign ministers' concerns over the Russo-Ukrainian War, while its concern and position on China was diversified with prospects for interests, and worries about risks and challenges, particularly those concerns related to China's coercive behavior on the East China Sea, South China Sea and Taiwan issues. Compared with the concerns and directions raised by the G7 foreign ministers meeting in April, the G7 summit in July appeared to be more united and focused on specific issues and concrete steps on building partnerships to achieve de-risking, (rather than de-coupling). Although the leader's statement did not directly criticize China's coercion, it remained cautious between the lines about the risks related to China and expect this giant would abide by international norms.

The G7 Summit was held in Hiroshima, Japan on July 21, 2023. In addition to Japanese Prime Minister Fumio Kishida, the international leaders attending the meeting also included many heavyweights, such as Canadian Prime Minister Justin Trudeau; French President Emmanuel Macron; German Chancellor Olaf Scholz; Italian Prime Minister Giorgia Meloni; British Prime Minister Rishi Sunak; and U.S. President Joe Biden. Besides, the representatives of the European Union(EU), such as the European Commission President Ursula von der Leyen and European Council President Charles Michel, leaders of Australia, Brazil, Comoros (chair of the African Union), Cook Islands (chair of the Pacific Islands Forum), India (G20 president), Indonesia (chair of Association of Southeast Asian Nations), South Korea and Vietnam are invited as well, reflecting Japanese Prime Minister Fumio Kishida's emphasis on the importance of reaching out to developing countries, as well as US allies and international partners.

Japan holds the rotating presidency of the G7 this year, with a focus on strengthening "defense of a free and open Indo-Pacific region." In addition to meeting with the leaders of the major members of the G7, the Japanese Prime Minister also held a summit with U.S. President Biden. The summit's leaders' statement reaffirmed the importance of maintaining peace and stability across the Taiwan Strait. In addition



to the cooperation between the United States and Japan, the United Kingdom and Australia officially signed the so-called “Reciprocal Access Agreement” (Reciprocal Access Agreement, RAA), which allows the two sides to deploy armed forces to each other.



Picture1 : G7 summit

Source: <https://www.g7hiroshima.go.jp/en/photos/>

The current G7 meeting has three important strategic importance. First, the role of Japan has become more active. The Kishida cabinet not only inherited the concept of the arc of peace and prosperity of late Prime Minister Abe, but also specifically utilizes international diplomacy to transform this vision into action which facilitates Japan’s enhanced role as a key stakeholder for international security. As for Japan’s solid partnership with the U.S. for realizing the security and economic cooperation in the Indo-Pacific region, Japan become more initiative in advancing its interests. Although the recent international concerns have questioned if Japan plays a more active role in the Taiwan Strait crisis. Due to the potential security risks to national security imposed by Russia and North Korea, regardless of the possibility, Japan’s commitment to stand on the frontline of Indo-Pacific democracy like Taiwan and counter the authoritarianist export and military threats must be affirmed.



Second, the United Kingdom has clearly transformed into an important stakeholder to the Indo-Pacific region. In addition to being an important member of AUKUS, the UK has already found an entry point for it in the Indo-Pacific security architecture. After London is approved to join the CPTPP in 2023, it will be more active in engaging Australia during the G7 period to strengthen bilateral military cooperation and security cooperation structures. The signing of the RAA will allow British and Australian armies to have mutual access, and it can also be regarded as an important exemplar of military security cooperation among democratic countries. This RAA is of great significance to the deployment of the force of the allies in the Indo-Pacific region. The recent dynamics and progress of security cooperation in the Indo-Pacific region signals that once China's aggressive military expansion breaks through the first island chain and even threatens Taiwan by force, a corresponding response or preparedness framework for interoperability based on the existing networks/architecture of security cooperation among the democratic allies should be ready to manage the crisis.

Third, since the EU already proposed the concept of the "Indo-Pacific Regional Cooperation Strategy" as early as April 2021, as the Russo-Ukrainian War continues, how to integrate the EU's Indo-Pacific strategy with the existing Indo-Pacific security and stability efforts. There are more specific connectivity developed among them, among which, the most critical is to identify the source of threat or the risks in the Indo-Pacific region, whether it is China or not. As for the aforementioned Japan and the United Kingdom, the former is a thread of needles and the latter is a specific operation. It will gradually become possible for the EU to participate in a free and open Indo-Pacific under the rules-based international order. Although China may not be the direct enemy of the EU in the Indo-Pacific, China's aggressive expansionism and oppression of democratic Taiwan becomes a major source of regional and global risks, and this also allows the EU to advance a strong position under the enhanced G7 efforts in the Indo-Pacific region.



Finally, it is worth noting that as China's "economic coercion" is operating around the world, affecting the economic security and social stability of regions, countries and societies, the concerns of the G7 leaders has shown how international democracies can cooperate to resist against the "economic coercion" of specific power, while South Korea, Taiwan and other middle power's collaboration on how to advance the economic resilience and economic security, including resilient supply chains, key infrastructure construction, security in the digital field, and the advancement of international standards. These efforts will not only conform to the interests of the G7, but lead to the shaping of an international democratic alliance beyond merely rhetoric.

In other words, the closer cooperation of the G7 is not for a targeted anti-China alliance, but for a more concrete establishment of a rules-based international order and with concrete de-risking steps to manage rising powers and emerging risks.

### **Implications to Taiwan**

Some of the abovementioned dynamics and crisis are very far away from Taiwan, while others are imminent. Regardless of the distance, the ongoing crises have significant impacts on Taiwan. In particular, China has never given up on aggression against Taiwan by force, so that to secure Taiwan's state survival needs to be vigilant and prepared all the time. Frankly speaking, Taiwan cannot feel overly pessimistic about China's constant aggression and be self-restrained. In contrast, although Taiwan welcomes the concern among the international community and the commitment made by like-minded democratic partners for securing Taiwan's sovereignty as well as regional peace and stability, while being positive to see concrete actions by international democratic partners to support Taiwan, Taiwan cannot be overly optimistic to solely rely on the international invention into the cross-strait crisis, to put it pragmatically, Taiwan needs to continue strengthening its capabilities. Not only must it be well prepared to ensure its sovereignty and national security, but it must also make itself an indispensable partner in the global high-tech supply chain. Specifically, Taiwan must continue to strengthen the ongoing New Southbound Policy(NSP),



as being at the core of Taiwan's Indo-Pacific strategy articulated by President Tsai Ing-Wen, the seven-year achievements of the NSP advanced by the Public-Private-People Partnership (P-P-P-P) has helped to embed Taiwan in the Indo-Pacific regional community and facilitate Taiwan's connectivity with the shaping of the regional survival chain in Asia. With the relevancy of Taiwan, the social and economic resilience of the Indo-Pacific regional would be better revitalized.



Picture2: President Tsai attending the 2022 Yushan Forum and articulated the NSP is at the core of Taiwan's Indo-Pacific Strategy

Source: the author and TAEF.



## 2-2. Building Rules-Based International Order in the Midst of U.S.-China Geostrategic Rivalry? Views from Southeast Asia

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In recent years, world leaders, across the spectrum of political ideology from democracy to authoritarianism, have often mentioned the term “rules-based order” (RBO) to support their foreign policies or state behaviors. The frequency of the RBO referred to in government documents also has risen sharply. Nevertheless, in the midst of U.S.-China geostrategic rivalry, do words of leaders mean the same thing? Can this common terminology be used as a buffer against exacerbation of geopolitical tensions? Or it has actually triggered off another domain of competition?

International rule-making is indeed a game of the playing field of the great powers. However, rule-makers alone, without followers, can hardly build rules-based international order (RBIO). In addition to physical capacities, attracting rule-followers and expanding the sphere of influence by rule-setting are indeed essential determinants for great powers to win international primacy. Responses and choices of small and medium states<sup>1</sup> thus also play critical roles in shaping “the structure of influence”, as opposed to the traditional notion of “the structure of power”. The rise of ASEAN in Asia-Pacific regional institutional building has attracted major powers to engage with ASEAN and its members. To some extent, small and medium states in Southeast Asia become targets in the major powers’ game of competing the sphere of influence. What are their takes on the current controversies of the RBIO asserted by major powers?

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1. I deliberately use the term “medium state” rather than “middle power” to refer states with the medium size and capacities. “Middle power” does have its distinctive definition. One of its features is related to its support of the rules-based international order. Nevertheless, not all the medium states can be called as middle powers. The hope is to call for more small and medium states to join the efforts of promoting RBIO.



This short article will discuss views and comments of experts in the network of the Council for Security Cooperation in the Asia-Pacific (CSCAP). CSCAP provides an informal mechanism for scholars, officials, journalists and other experts in their private capacities to discuss political and security issues and challenges facing the region. CSCAP aims to serve the function of a regional think tank that provides policy recommendations to regional organizations.<sup>2</sup> The CSCAP Study Group of Rules-Based Order was initiated in 2019. The primary objectives are to establish the extent to which there is a common understanding on what constitutes the RBIO and on the functions and roles it performs. It also seeks to examine areas where there is controversy or difference and to explore areas where there might be a consensus for change.<sup>3</sup> During the pandemic period, the Group invited scholars and experts to comment on the RBIO and published their views in the 2022 CSCAP Regional Security Outlook (RSO). The latest physical meeting of this study group then was held in Hanoi, Vietnam on May 26-27, 2023. The following discussion is my take of on-site observations. Please note that the meeting was conducted under the Chatham House Rule, that is, participants are free to use information received, but neither the identity nor the affiliation of speakers, nor that of any other participants, may be revealed.<sup>4</sup> Therefore, citations provided in this article are only from those published in the public domain.

In the words of the editor of 2023 CSCAP RSO, “the term “rules-based order” refers to clusters of norms, laws, rules and regulations that seek to regulate the behavior of states when their activities intersect, particularly outside their borders. Broadly speaking, the intent behind the development of these clusters has been to encourage predictability and something resembling a level playing field where the activities of states overlap.”<sup>5</sup> A more practical definition provided by a Vietnamese

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2. For more information about the CSCAP, please see its official website at [cscap.org](http://cscap.org)

3. For more information about the Group, please see

<http://www.cscap.org/index.php?page=study-group-on-rules-based-order-strengthening-consensus-on-the-rules-and-principles-underpinning-international-order>

4. <https://www.chathamhouse.org/about-us/chatham-house-rule>

5. Ron Huisken, 2023 CSCAP Regional Security Outlook, p. 5

<http://www.cscap.org/uploads/CSCAP%20Security%20Outlook%202023%20FA.PDF> 10



colleague is that “the international RBO refers to a shared commitment of countries to conduct their behavior and interaction in accordance with agreed rules and principles, explicitly articulated in various forms of international cooperation documents.”<sup>6</sup> Therefore, the RBIO should not be seen to be fully equivalent to interactions based on the existing international laws or treaties.

It is hoped that the RBIO can be built as an alternative to international coercion by confrontational superpowers. Unfortunately recent discussions of the RBIO have been trapped into the context of on-going intensified U.S.-China rivalry. China’s rise and its revisionist role to the West’s liberal international order (LIO) has been well noted. We have witnessed how the incongruence of interests between original Western rule-makers and China-led late comers started to lead to amendments in the international political economy regimes such as World Trade Organization (WTO) or International Monetary Fund (IMF). In order to consolidate China’s leadership in the developing world, in recent Xi Jing Ping has promoted what he calls “Chinese-style modernization” as a concept better suited to developing countries than the West’s “rules-based” order and established new institute of Asian Investment Infrastructure Bank (AIIB). Most observers would agree that China has transformed itself from a revisionist of existing rules to a provider of new model.

What’s more alarming to the defenders of the LIO is China’s inconsistent posture on international security regime. In response to recent US-led unilateralism in its Indo-Pacific Strategy, such as the Quadrilateral Security Dialogue (QUAD) and the Australia-United Kingdom-United States Partnership (AUKUS), China repeatedly asserts the importance of upholding the UN-centered international system and the international order should be based on international law. Ironically, however, its deeds in the South China Sea have disappointed many of its sea neighboring countries. In addition to building artificial islands in the South China Sea and quipping military facilities on them, China continues to flex its military muscles, including conducting grey zone operations, in the disputed water and to offend sovereign rights of other

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6. Dang Cam Tu, 2022, “Greater Role for Smaller States in the Rules-Based Order”, in the 2022 CSCAP Regional Security Outlook, p.81.



claimants regardless the UN-based arbitration ruling of 2016, which was submitted by the Philippines and awarded not in China's favor.

To major powers, the RBIO has instrumental functions. It can just be a slogan with visions or be flexibly used in different modes of foreign relations. In the pursuit of national interests, major powers sometimes neglect existing rules and are accused to undermine the global order. In contrast, small and medium states continue to keep the hope that the RBIO can be a neutral platform where they are able to stand on equal footing with major powers and be protected from intimidation or coercion of major powers. In the midst of U.S.-China geostrategic competition, small and medium states are concerned the order and stability they have been enjoying could be put at risk. Some stress the importance of continuing compliance with the West's RBIO. Nevertheless, the emphasis itself indeed states or implies that some others are stepping outside the existing West RBIO. In Southeast Asia, the cohesion among ASEAN member states is often questioned.

As what has been suggested by Singapore's Foreign Ministry Bilahari Kausikan, "Singapore (and other ASEAN members) would place much more stress on the trade-economic aspects, but would not be comfortable with some of its political-security aspects,"<sup>7</sup> most of Southeast Asian countries prioritize trade and economic interests over security concerns in their foreign policies. For medium democracies such as Malaysia and Indonesia, governments would have to respond to people's mandate and balance domestic demands of economic growth and development against security interests in their external policies. For small counties such as Cambodia and Lao, the authoritarian regimes are more likely to reject the West's LIO.

When it goes to a specific issue, such as the South China Sea disputes, the division of posture among ASEAN member states is clear. Non-claimants naturally take no position on the merits of the various claims but stresses the general need for them to be settled peacefully and in accordance with international law. ASEAN as a whole is negotiating the Code of Conduct in the South China Sea with China.

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7. Bilahari Kausikan, "What (and Whose) Rules-Based Order (RBO)?", in 2022 CSCAP Regional Security Outlook, p.70.



Although neither ASEAN nor China is confident to conclude the negotiation soon, ASEAN members remain to see the importance of continuing negotiations as a peace process. The negotiation, however, exemplifies a case of building the RBIO under an asymmetrical power structure. As often argued by experts from sovereign claimants such as Vietnam and the Philippines, China only selectively applies the parts of UNCLOS that serve its interests in the negotiation and ignores or misinterprets those that do not. What's more disappointed to parties involved is that China often imposes its distorted reinterpretation on other ASEAN members while Vietnam and the Philippines are actually endeavoring to uphold and reinforce existing rules.

The notion of ASEAN centrality has been recognized and accepted among major powers in the region's institutional building. The ASEAN-centered regional mechanisms such as the ASEAN Regional Forum (ARF), the East Asia Summit (EAS), and the ASEAN Defense Ministerial Meeting Plus (ADMM Plus) all adopt the principle of "inclusiveness" in membership and successfully include both the United States and China in the process of institutional building. Nowadays, experts try to push the idea further and argue that the core of building the "sustainable RBIO" is adopting the principle of "inclusiveness" in the process of rule-making. It is suggested that a coalition of middle powers among ASEAN members (and then extended to middle powers in other region) should be built to take a bigger role as honest brokers to mediate the revision of international order.<sup>8</sup>

Concerns about great powers' rivalry have also resulted in a call for a less power based and more participatory RBIO among small and medium states. In addition to the inclusion of major powers with diverse political and security interests, the other side of the principle of inclusiveness is to include voices of small and medium states in the process of rule-making. Ultimately, the RBIO should be an adaptive framework that must be constantly (re)negotiated to accommodate the needs of both established and

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8. Lina A. Alexandra, "Rules-Based Order- More Than Words", in 2022 CSCAP Regional Security Outlook, p. 72. In this article, the author uses "middle power", not "medium states".



rising powers, as well as small and medium states.<sup>9</sup> For a long time ASEAN member states have strived for not aligning with any major powers but developing independent foreign policies to serve their own national interests. In the building of the participatory RBIO, small and medium states should also avoid positioning themselves in exclusive groupings led by major powers. Instead, they should be prepared to champion in a broader context and proactively work in the issue-specific rule-making processes such as tackling challenges from climate change.

Highlighting the importance of the participatory RBIO does not tend to escape from the complication of geopolitics. After all, any successful revision of rules would require compliance of major powers. What can be hoped for is that major powers do not overuse their influence in rule-making at the expense of the interests of small and medium states. If major powers keep accusing each other as a rule-breaker without examining the applicability or the suitability of existing rules, or if major powers simply use the RBIO concept for political condemnation against each other, voices of small and medium states can hardly be heard.

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9. Joel Ng, Sarah Teo, and Benjamin Ho, “Rules-Based Order? Strengthening Consensus on the Rules and Principles Underpinning the International Order”, in 2022 CSCAP Regional Security Outlook, p. 76.



### 3. Conclusion

As conflict between China and the United States has become severe, geopolitics in the Asia-Pacific region is getting more complicated. Moreover, conflicts in this region is not just political. On the contrary, it involves economic, technology, cultural, social issues and intervention of powerful countries. In addition, since the Russo-Ukrainian War began in 2022, Japan has imposed sanctions and claimed its position against Russia, which enrages the Russian government. To secure national interests in Asia-Pacific, not only Japan reveals its willing to ensure regional stability, the United Kingdom and the European Union also declare their participation in this geopolitical chaos. Besides, the mechanism and discussion of “rule-based order” play an important role in this U.S.-China geostrategic rivalry, since the U.S. represents itself as the rule-maker, and China serves as the revisionist of existing rules.

Both the United States and China are key member economy of the APEC. APEC has created platforms for members to discuss issues, and leads the development of the Asia-Pacific region for decades. As the confrontation between democracy and authoritarian regimes is becoming more and more strong, it is observable that some political issues are being discussed in APEC meetings, especially in these two years. However, APEC commits to improve the connection and inclusion in the Asia-Pacific, we still can see the silver lining beyond political conflicts.