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**Three Faces of the Indo-Pacific:
Understanding the "Indo-Pacific" from an IR Theory Perspective**

Abstract

This paper examines the three faces of the Indo-Pacific from an IR theory perspective. It suggests that the realist face of the Indo-Pacific is a "balancing strategy" against China. The liberal face of the Indo-Pacific aims to form a new "institutional setting" that facilitates cooperation among states across the Pacific and the Indian Oceans. According to constructivism, the Indo-Pacific offers an "ideational construct" for promoting value-oriented and norm-based diplomacy in the region. This paper argues that these three faces of the Indo-Pacific concept are theoretically problematic and practically flawed. There are two ways of institutionalizing the Indo Pacific, though. One is exclusive institutionalization with China as an outside target, which follows the realist logic of making China a common threat in the region. The success of this approach mainly depends on how China behaves in the future. The other is the inclusive approach of institutionalizing the Indo Pacific by embracing China and other states into a new Indo-Pacific institution. It will not be easy, but the endeavour of the inclusive institutionalization of the Indo-Pacific will produce positive externalities of peace and stability to the region.

Keywords: Indo-Pacific; Realism; Liberalism; Constructivism; Institutionalization; Institutional Balancing; US-China Relations

Three Faces of the Indo-Pacific: Understanding the “Indo-Pacific” from an IR Theory Perspective

The “Indo-Pacific” has become a popular discourse in some states’ foreign policy lexicon since 2010. In her article entitled, “America’s Pacific Century”, in *Foreign Policy*, then US Secretary of State Hillary Clinton mentioned that the US intended to expand its “alliance with Australia from a Pacific partnership to an Indo-Pacific one, and indeed a global partnership” [11]. In its 2013 Defence White Paper, Australia defined the “Indo-Pacific strategic arc” as its zone of strategic interest [14]. India’s Prime Minister Manmohan Singh also used the term, “Indo-Pacific,” to define the region in his public speech in Japan in May, 2013 [39]. When Japan’s Prime Minister Shinzo Abe delivered a speech entitled “Japan is Back”, at the Center for Strategic and International Studies (CSIS) in the United States, he emphasized that “when the Asia-Pacific or the Indo-Pacific region becomes more and more prosperous, Japan must remain a leading promoter of rules” [3].

However, the term “Indo-Pacific” remains less popular in other Asian capitals. Based on a keyword search of media headlines through a full-text news search engine *Factiva*, the term “Indo-Pacific” appears 2899 times in news headlines around the world from 1988 to June 2017. The term is most often mentioned in the headlines in India (1130 times), the United States (905), China (674), Australia (646), and Japan (465). In other states, such as Indonesia (125), Singapore (64), and Vietnam (74), it is mentioned much less frequently in the headlines.¹ This result suggests that the term Indo-Pacific seems more appealing for major powers than for smaller ones in the region. However, the concept of “Indo-Pacific” seems to become popular

¹ I conducted the keyword search in the *Factiva* through Griffith library on June 29, 2017.

again after the United States adopted it in the latest National Security Strategy published in December 2017.

Scholars have heatedly debated the conceptualization, boundary, rationale, and implications of this new concept for regional security [e.g. 27, 41, 35, 7]. There are two tasks in this paper. On the one hand, it applies three mainstream IR theories to evaluate policy utilities of the “Indo Pacific” concept. On the other hand, it extends institutional balancing theory to answer the question of “how to institutionize Indo Pacific” raised by Mark Beeson in his article. According to realism, the Indo-Pacific concept is mainly understood as a “balancing strategy”, which offers a strategic rationale for other states to form a military alliance against China’s rise, especially in the maritime security domain. Based on liberalism, the Indo-Pacific term can be seen as a new “institutional setting”, which aims to facilitate cooperation among states across the Pacific and the Indian Oceans. For constructivism, the concept of the Indo-Pacific is a new “ideational construct” based on shared values and a common identity in the region.

The argument in this paper is that these three faces of the Indo-Pacific concept are theoretically problematic and practically flawed. As a balancing strategy, the realist understanding of the Indo-Pacific faces a dilemma of “threat deficiency” among member states, which precludes building a coherent and effective alliance among them against China’s rise. As an “institutional setting”, the liberal face of the Indo-Pacific needs to address its weak economic and institutional foundations for successful cooperation across the two Oceans. As an “ideational construct”, the constructivist underpinning of the Indo-Pacific on values and identities is also shaky in nature due to the decline of liberal values and democracy in the region.

Borrowing insights from institutional balancing theory [20, 21], this paper suggests two ways to institutionalize the Indo-Pacific in the future. One is “exclusive institutionalization” to forge an exclusive Indo-Pacific institution to target China. The success of this “exclusive

institutionalization” depends on China’s foreign policy behaviour in the future. If China cannot manage its increasing might properly, instead making itself a common threat in the region, then the balance of power policy by Indo-Pacific countries (especially Australia, India, and Japan) will reflect realist assumptions to build an exclusive institution against China, through either a minilateralism approach or a multilateral effort. Here minilateralism refers to “a smarter, more targeted approach...bring[ing] to the table the smallest number of countries needed to have the largest possible impact on solving a particular problem” [32, 40]. However, it will be dangerous for the Indo Pacific region to evolve in this direction. Another way to institutionalize the Indo-Pacific is to form an inclusive institution to include China into the Indo-Pacific institutional building efforts. This will not be easy because of different views among the Indo-Pacific advocates as well as the lukewarm and even negative attitude from China. Despite the difficulties, an inclusive approach of institutionalizing the Indo-Pacific is more conducive to regional stability and peace.

There are three sections in this paper. In the first sections, I focus on the theoretical problems and weaknesses of three prevailing IR theories, realism, liberalism, and constructivism, in understanding the Indo-Pacific concept. In the second section, I discuss two approaches to institutionalization by echoing Mark Beeson’s suggestion for institutionalizing the Indo-Pacific in this volume. I highlight the importance of leadership as well as the division of labour in leadership in achieving the inclusive institutionalization of the Indo-Pacific in the future. In the conclusion, I suggest that China’s foreign policy is the key to defining the future of the Indo-Pacific concept. An active inclusive institutionalization of the Indo-Pacific should be considered by policy makers in order to manage the rise of China, especially in the Indo-Pacific region.

Three Faces of the Indo Pacific

Realism and a New Balancing Strategy

Different stripes of realism in IR theory suggest that the balancing of power is normal state behaviour under anarchy [43, 42, 26]. As some scholars point out, the strategic anxiety caused by the rise of China is the major reason for Australia, India, Japan, and the United States to promote this new concept of the “Indo-Pacific” in regional security [33]. In particular, the Indo-Pacific concept entails three realist rationales for states in the region.

First, the Indo-Pacific highlights the strategic importance of India in regional security. As a rising power India is a natural balancer against China [37, 10, 36]. However, India was seemingly excluded from the Asia Pacific in the post-Cold War era since India has yet to become a member of APEC. Although India joined the ASEAN Regional Forum (ARF) in 1996 and became a member of the EAS in 2005, its role in regional security remains limited. The Indo-Pacific concept, however, offers a strategic opportunity for India to play a more important role in counter-balancing China’s increasing power and influence in regional security. As Green and Shearer [19] point out, “the rise of India is itself an inherently stabilizing development in the security order of Asia”. To a certain extent, this realist face of the Indo-Pacific frames India as an important balancer against China in the future regional security architecture. Moreover, the expansion of the scope of regional security from the Asia Pacific to the Indo-Pacific also effectively dilutes China’s potential dominance in regional affairs if the United States retreats from the region.

Second, the Indo-Pacific concept provides a strategic rationale or strategic space for a potential alliance formation beyond the US hub-and-spokes system. In 2010, China passed Japan to become the second largest economy in the world after the United States [6]. In 2013, China overtook the United States to become the largest trading nation in the world [31]. In 2014, the IMF announced that according to Purchasing Power Parity (PPP), China’s economy had passed the United States as the largest economy in the world. Although the Chinese

government seems reluctant to celebrate its economic success publicly, it is obvious that Chinese economic performance is relatively better than the rest of the world, especially compared to the West. The rising influence of China in the Asia Pacific has caused strategic suspicions from other states, especially the United States. It is an underlying reason behind the “US pivot” or “rebalance” toward Asia after 2010 as well as the recent revival of the “Indo Pacific” concept in Trump’s national security strategy.

In its “pivot” or “rebalance” policy, the United States has strengthened its military cooperation with its traditional allies as well as other strategically important countries, especially India [25]. The Indo-Pacific concept, therefore, becomes a legitimate rationale to extend the US pivot-and-rebalance strategy to the Indian Ocean. In 2012, the United States upgraded its defence cooperation with India through the “Defense Trade and Technology Initiative” (DTTI). In 2014, the two countries signed a joint statement placing defence cooperation at the core of bilateral relations [12]. As the former India Ambassador to the US, Rosen Sen [37, 38] pointed out, “there is a clear convergence between India’s Look East policy and the more recent US rebalancing in the Indo Pacific region”.² In Prime Minister Narendra Modi’s recent visit to the United States, Trump described “the relationship between India and the United States as having never been stronger, has never been better” [18]. In the joint statement the United States supported India’s opposition against China’s “One Belt One Road” or “Belt and Road Initiative”. It is widely seen as a “triumphant moment” in Modi’s Washington trip [34]. US-Indian relations, especially bilateral security cooperation, therefore, will likely be significantly strengthened under the Trump administration.

However, three potential problems can distort this balancing function of Indo-Pacific dynamics. First, although India is rising, it still hesitates to formally balance against China. On the one hand, India is a founding member of the Non-Alignment Movement (NAM). The

² Rosen Sen (2013, 8) is cited by Scott (2012, 169).

NAM-embedded foreign policy principle precludes India from forging a formal military alliance with any country, including the United States. On the other hand, the Sino-Indian territorial dispute mainly focuses on land demarcation, not on the maritime domain. Although China has expended its naval activities to build up a so-called “string of pearls” in the Indian Ocean, its military projection capability in the Indian Ocean is still limited [19]. Moreover, China has become India’s largest trading partner in recent years. It would be a very costly decision in the economic sense if India decides to form an anti-China alliance with other states given its deep economic involvement with China.

Second, the United States has not placed its strategic priority in the Indian Ocean. Although US leaders, such as then Secretary of State Hillary Clinton and some defence officials occasionally mentioned the term “Indo-Pacific” in their public statements, US strategic priority still lies in the Asia Pacific, especially Northeast Asia and Southeast Asia [19]. Japan, Korea, Thailand, the Philippines, plus Australia and New Zealand, are traditional military allies in the “hub-and-spokes” security system in the Asia Pacific. In comparison, there is no equivalent ally or security architecture for the United States to manoeuvre in the Indian Ocean. As Bisley and Phillips [8] argue, the Indo-Pacific concept is “recipe for overextension” for the United States because “the cost of a more expansive strategic vision is a loss of focus on vital interests”.

In reality, the United States embraces the concept of the Indo-Pacific with reluctance because the broad strategic scope of this concept can potentially undermine US leadership in the same way as it reduces China’s influence. Although the United States recognizes the strategic utility of India to balance against China, it is not prepared to sacrifice its own leadership to support India’s dominance in the Indian Ocean. Therefore, Navy Admiral Samuel Locklear, commander of US Pacific Command, used the term “Indo-Asia Pacific” to

emphasize that “the US is a Pacific nation” as well as the strategic significance of the US hub-and-spokes system in Asia [29].

Last, but not least, there is no “common threat” among Asian countries toward China, which is the basis of potential alliance building in the Indo-Pacific. Since the 2008 Global Financial Crisis (GFC), China has become one of the economic powerhouses in the region. As the largest trading nation in the world, China is also the largest trading partner for most Asian countries. Although economic interdependence will not prevent military conflicts between states, the deepened economic ties between China and other Asian countries make it difficult to form an anti-China military alliance in the region. This is why the US pivot or rebalance efforts cannot match up to US containment against the Soviet Union during the Cold War.

To substantiate the “balancing strategy” function of the Indo-Pacific concept, there should be a strategic consensus among the Indo-Pacific states that China is a common threat. The Chinese “assertiveness” in foreign policy after 2010 caused some regional suspicions and worries. However, as Johnston [22] points out, the “China’s assertiveness” meme in 2010–2011 actually exaggerated the change of China’s foreign policy. In reality, China has improved its bilateral relations with most countries in the Asia Pacific even during its “assertiveness” period despite some flare-ups in the South China Sea [46]. In other words, China is far from being a common threat for other states in the region to activate the Indo-Pacific concept’s “strategic balancing” function.

However, it does not mean that an anti-China alliance is impossible in the Indo-Pacific. According to Walt’s balance of threat theory, states are more likely to balance against a common threat [42]. Although some scholars like David Kang have suggested that Asian countries are more likely to accommodate than to balance against China’s rise, we cannot rule out the possibility for Asian states to form an anti-China alliance if China’s rise eventually threatens security interests of other states. The border dispute between India and China in the Doklam

and the deterioration of Sino-Indian bilateral relations might push India to change its non-alignment policy and seek further military cooperation and even alliances with the United States [16]. Minilateralism or a militarized alignment between India and US allies, such as the “Asia’s Quad” including the United States, Australia, Japan, and India, might reshape regional security.

So far, India seems sensitive to China’s reactions on security cooperation between India and US allies, because it has refused Australia’s request to join the 2017 *Malabar* military exercise with Japan and the United States. However, just a few weeks after India said “no” to Australia, it conducted a week-long, bilateral naval drill with Australia called AUSINDEX, off the coast of Western Australia in June, 2017. It is clear that India will actively engage in military and defence cooperation with the US hub-and-spokes system in Asia, no matter whether the Indo-Pacific concept is accepted by other states or not. The convergent perception of the “China threat”, therefore, will become a critical factor in determining the success of the “balancing strategy” function of the Indo-Pacific concept in the region.

Liberalism and a New “Institutional Setting”?

Liberalism has two major schools of thought. Economic liberalism emphasizes the role of economic interdependence among states while institutional liberalism highlights the importance of institutions in facilitating state cooperation [24]. The liberal face of the Indo-Pacific concept, therefore, follows two logics: an economic one and an institutional one, by focusing on potential cooperation among states across the two Oceans.

As Australia’s 2012 White Paper points out, the Indian Ocean has replaced the Atlantic as the globe’s busiest and most strategically significant trade corridor, carrying two thirds of the world’s oil shipments and a third of the world’s bulk cargo [13]. This economic logic,

according to the Indo-Pacific proponents, is “making the Indo-Pacific the world’s economic and strategic centre of gravity” [27].

In addition, proponents of the Indo-Pacific concept argue that there is existing institutional support behind the Indo-Pacific connotation. For example, Medcalf [27] suggests that when the EAS accepted India, Australia, and New Zealand as members in 2005, “the contemporary Indo-Pacific era began, even if few noticed it at the time”. Moreover, “in any event, by 2011, when the USA and Russia took their seats at the [EAS] summit in Bali, any notion that East Asia’s strategic future could be managed in isolation from the wider region was strictly for the history books”. It appears that the institutional logic backing the Indo-Pacific concept stems from the EAS expansion. In other words, the Indo-Pacific can be seen as an extension of the existing institutional setting in the Asia Pacific.

There are two analytical flaws regarding this liberal face of the Indo-Pacific concept. First, the economic center of gravity in the world is still in the Asia Pacific, around China, not in the Indian Ocean. Although India’s economic rise is impressive, it was still about one-fifth of China’s real GDP in 2016. Moreover, economic interdependence in South Asia is much lower than in East Asia. According to the World Bank, the intra-regional trade in South Asia is less than 5% of total trade, compared with East Asia’s 35% and Europe’s 60%.³ With such a low level of regional economic integration, South Asia—the main part of the Indo-Pacific—is hardly comparable with East Asia in particular, and the Asia Pacific in general. It is possible that India will become the next economic miracle after China in the next 20 years. However, it is hard to imagine in the near future, with the current momentum, that the economic development of the Indian Ocean, especially South Asia, will replace East Asia or the Asia Pacific as the new economic center in the world. Therefore, the economic logic behind the

³ See <http://www.worldbank.org/en/news/infographic/2016/05/24/the-potential-of-intra-regional-trade-for-south-asia>.

Indo-Pacific concept lacks a solid foundation of economic development in the Indian Ocean (see Wilson in this collection).

The institutional logic of the Indo-Pacific concept is even more problematic. On the one hand, proponents of the Indo-Pacific concept argue that the Indo-Pacific is “too vast to be managed through a single multilateral institution” [28]. On the other hand, as mentioned before, the EAS is seen as the beginning of an institutional building effort in the Indo-Pacific although it is actually an offspring of ASEAN-led multilateral institutions in the Asia Pacific. It is still debatable whether the EAS actually reflects the institutional logic of the Indo-Pacific, or it just offers India a seat in Asia’s multilateralism. Moreover, the limited impacts of ASEAN-oriented multilateralism, including the EAS, in regional affairs have also casted doubts about the future of multilateralism in the Indo Pacific region.

To further justify the institutional utility of the Indo-Pacific concept, scholars need to find a solid institutional foundation based on the geographic area around the Indian Ocean, especially in South Asia. Unfortunately, the India-Pakistan diplomatic frictions and rivalries seriously challenge the utility of the South Asia Association for Regional Cooperation (SAARC), the major indigenous multilateral institution in South Asia [30]. With a low level of economic integration among South Asian countries, the future of multilateralism or multilateral institutions in the Indian Ocean is unpromising. In the short run, proponents of the Indo-Pacific may temporarily steal the thunder of the EAS to justify the institutional legitimacy of the Indo-Pacific. In the long run, however, the genuine institutional logic in the Indo-Pacific should be based on flourishing multilateralism in both the Indian Ocean and the Pacific Ocean, instead of solely relying on one multilateral institution in either region.

Constructivism and the New Indo-Pacific Construct

Social constructivism emphasizes the role of ideas, values, and norms in constituting state behaviour and world politics [44]. According to social constructivism, the concept of the “Indo-Pacific” reflects a new social construct based on shared values and identities. Democratic values and identities, therefore, have become a new social glue to connect states in the Indo-Pacific.

For example, in his 2007 speech at the Indian Parliament, Abe explicitly emphasized that the “shared values such as freedom, democracy, and the respect for basic human rights” are the foundation of the “Strategic Global Partnership” between Japan and India [1]. In December, 2012, Abe proposed the establishment of the “democratic security diamond”, a strategic alliance of like-minded states in the Indo-Pacific, to balance against China’s growing naval might [2]. Democracy becomes a keyword to link Japan with the United States, India, Australia, and probably the Philippines in this “security diamond” against China. Similarly, Australia’s 2016 Defence White Paper highlights that Australia is committed to “working with the United States and like-minded partners to maintain the rules-based order” [15]. In addition, it explicitly emphasizes that Australia shares democratic values with Japan and India in the White Paper. It is obvious to what the “like-minded partner” and “rules-based order” refer.

Besides shared democratic identities, the Indo-Pacific is also seen as a platform for Australia to exercise its norm entrepreneurship. As Andrew Carr and Daniel Baldino [9] point out, Australia has identified itself as a “norm entrepreneur” who can “play a critical part in the emergence of certain types of norms as a means of conflict prevention and crisis management in the Indo-Pacific region”. Here Australia’s norm entrepreneurship is closely linked to the rules-based order, something that has the potential to develop an Indo-Pacific security community, or even a “zone of peace”, in the future.

There are three obstacles to the fulfilment of this constructivist dream of the Indo-Pacific concept. First, in recent years democracy has been in decline around the world,

including in the Indo-Pacific region. As Larry Diamond [17] points out, “Between 2000 and 2015, democracy broke down in 27 countries, among them Kenya, Russia, Thailand, and Turkey”. To make things worse, “democracy itself seems to have lost its appeal. Many emerging democracies have failed to meet their citizens’ hopes for freedom, security, and economic growth, just as the world’s established democracies, including the United States, have grown increasingly dysfunctional”. The decline or stagnation of democracy in Asia renders a value-oriented diplomacy counterproductive in enhancing regional integration in the Indo-Pacific. Although Japan’s “democratic diamond” is still possible, most non-democracies in the region will either be excluded or intentionally stay away from this proposal. Therefore, the scope of this value-based Indo-Pacific concept will be limited both geopolitically and geostrategically.

The second problem of this constructivist face of the Indo-Pacific lies in the shaky ideational foundation of shared norms and principles in the region. Due to the limited institutional development in South Asia, there are barely any common values and practices in maintaining regional order and cooperation. Even though Australia might be able to serve as a norm entrepreneur in the Indo-Pacific, it cannot build a castle on sand. It is true that ASEAN has developed a unique “ASEAN way” as the shared norm and principle in managing regional security in the Asia Pacific [4]. But it is unrealistic to hope that the “ASEAN way” can extend or spill over to the broader Indo-Pacific region. Moreover, the ASEAN way has been widely criticized as “making process, not progress” in dealing with regional challenges, especially the South China Sea disputes [23]. The future of multilateralism in the Asia Pacific is full of uncertainties because of China’s rise and potential power transitions between the United States and China. If the constructivist vision of the Indo-Pacific is built on the shared norms or principles in the Asia Pacific, its future seems even gloomier.

More importantly, there is no ideational consensus on the true function of the Indo-Pacific concept. For the United States, the Indo-Pacific is treated as an extension of its hub-and-spokes system in the Asia Pacific. Australia would like to play a central and critical role in this newly imagined strategic arena, shaping the future multipolar world. For India, the Indo-Pacific concept is a double-edged sword. On the one hand, it offers a golden opportunity for India to become a great power in the world. On the other hand, India is pushed by other states to the front line to face China's challenge no matter whether it is ready or not. Ideally, India would prefer to exclude China from the Indo-Pacific formulation so that it can become the center of strategic gravity in the Indo-Pacific. However, this exclusive understanding of India is opposed by both the United States and Australia [41]. For Japan, it is an open secret that Abe's "democratic security diamond" in the Indo-Pacific targeted China's rise. However, its role in promoting this soft containment against China across the Indian and Pacific Oceans is limited. The contested understandings among these four core states regarding the rise of China as well as the meaning of this "ideational construct" complicate and blur the constructivist face of the Indo-Pacific concept.

How to Institutionalize the Indo Pacific?

As Mark Beeson (see this collection) argues in his paper, the key to assessing the success or failure of the Indo Pacific idea is to see whether it can be institutionalized or not. Although the Indo-Pacific idea is both theoretically problematic and practically flawed now, there are still two approaches to realizing a possible institutionalization in the future. In explaining the proliferation of multilateral institutions in the Asia Pacific in the 1990s, Kai He [20, 21] proposes an institutional balancing theory, which argues that states can conduct two types of institutional balancing, inclusive institutional balancing and exclusive institutional balancing,

to pursue their power and influence in the anarchic international system. Inclusive institutional balancing refers to a strategy of including a target state into an institution so that it will be constrained and undermined by the rules and principles of the established institution. Exclusive institutional balancing means to exclude a target state from a new institution so that states within the institutions can rely on the cohesion and unity of the institution to say “no” to the target state.

Borrowing this institutional balancing argument, I propose two approaches to institutionalizing the Indo Pacific. It is worth noting that it is not the intention of this paper to advise policy makers what to do for the Indo Pacific concept. Instead, I examine two possible trajectories as potential alternative pathways to institutionalize the Indo Pacific according to institutional balancing argument. The first one is “exclusive institutionalization”, which means that the core Indo-Pacific advocates, such as Australia, India, Japan, and the United States form an exclusive institution to target China. This follows the realist logic discussed above. Although it seems problematic in theory and practice right now, it might be realized if China makes itself a common enemy of the region. A common threat perception regarding China will be a necessary condition for the institutionalization of the Indo-Pacific. Although India might still be reluctant to forge a military alliance with others, it seems flexible enough to develop minilateralism or upgraded security cooperation with Australia and Japan. Australia has struggled with the so-called “China choice” for a long time [45]. It deeply worries as it considers China’s rise as a security threat, reasonably or not. At the same time, Australia has to rely on China for its own economic development. However, this dilemma will be easily resolved if China indeed threatens regional security by, for example, militarily occupying and blocking the freedom of navigation in the South China Sea.

As Walt’s balance of threat theory suggests, states facing a common threat are more likely to form a military alliance or at least a diplomatic alignment to countervail the outside

threat. Therefore, a threatening China will encourage the exclusive institutionalization of the Indo-Pacific by relevant countries as a necessary means to cope with the common threat from China. Again, all these arguments are based on an assumption that China's foreign policy indeed moves to an aggressive direction in the future and all other states then share the "China threat" perception. So far, it is not likely to happen given China's charm offensive in the region through its massive investment initiatives, such as the Asian Infrastructure Investment Bank and the Belt Road Initiative. This is not to suggest that China will not be seen as a threat by others in the background of its massive investment programs. Rather, it seems hard for outside countries to have a *shared* "China threat" perception, which will trigger an exclusive institutionalization of the Indo-Pacific against China. In other words, China holds the key to making itself a common enemy as well as the key to institutionalizing the Indo-Pacific exclusively.

Another approach to institutionalizing the Indo-Pacific is called inclusive institutionalization. It means to include China into an Indo-Pacific institution through which China's behavior will be shaped and constrained by the rules and norms of the institution. This type of institutionalization does not require a common threat perception. However, as discussed above, it will not be easy due to the lack of economic and institutional foundations. In addition, the different identities between China and other democratic states also undermine the constructivist logic for building a regional community with shared norms and ideas. Despite these problems, I suggest that this inclusive institutionalization of the Indo-Pacific might be still possible if relevant states can address two difficulties properly.

First, the proposed Indo-Pacific institution needs to have a specific function that can differentiate it from the EAS. Relying on the EAS to promote the Indo-Pacific is not a wise choice because of the overlapping membership between the two. It is a legitimate question from ASEAN states regarding the rationale of establishing a new Indo-Pacific institution if the

EAS has covered all states in the Indo-Pacific region. Therefore, institution-wise, the new Indo-Pacific institution needs to find a new niche function so that it can market its added values to the region effectively.

Second, as Oran Young [47] suggests, leadership is a “critical determinant of success or failure in the process of institutional bargaining that dominates efforts to form institutional regimes”. Besides finding a niche function to institutionalize the Indo-Pacific, a more challenging task is to address the leadership problem inside a new Indo-Pacific institution because capable leadership is a prerequisite to locate the niche function for the institution. Young suggests that there are three forms of leadership in the context of institutional building. One is structural leadership, referring to “the ability to translate structural power into bargaining leverage as a means of reaching agreements on the terms of constitutional contracts in social settings of the sort exemplified by international society” [47]. In other words, successful institutional building needs a state with the capability to act as a strong structural leader to help other states reach the agreements in a contracting manner.

The second form of leadership is “entrepreneurial leadership”, meaning the negotiating skill that can “foster integrative bargaining and to put together deals that would otherwise elude participants endeavoring to form international regimes” [47]. The last form of leadership is the “intellectual leadership” that produces “intellectual capital or generate systems of thoughts” to facilitate the realization of agreements among states inside institutions [47]. Both these kinds of leadership are qualities of individual leaders rather than a state’s material capabilities. It may be possible for all three form of leadership to come together as constellations of smaller dyads or triads, in which one state’s leaders provide structural leadership while others provide entrepreneurial and intellectual leadership. Collectively they would operate as a nucleus for institution-building on a grander scale with other states.

Given the distribution of power in the Indo-Pacific international system, it seems that only the United States and China could play a structural leadership role in institutionalizing the Indo Pacific. However, a competition for the leadership between the United States and China will be fatal for any institutional building efforts. A co-chair model might be a possible solution in the future although it may be too optimistic to come true. As for “entrepreneurial leadership,” it seems that Japan and India might be good candidates to fill this role due to their masterly management skills in multilateral institutions. Australia, on the other hand, could be an intellectual leader to offer some novel ideas, identify common interests, and foster cooperation among states.

Still, this division of labour for the leadership role in institution-building is just a theoretically-driven mental exercise so that we can envision possible prospects and difficulties in institutionalizing the Indo Pacific. As Young [47] suggests, to establish an effective international institution, at least two forms of leadership are required. For the Indo-Pacific case, it will more promising if all three forms of leadership can come into play in the effort to find a specific function for the institutionalization of the Indo-Pacific.

Compared to the exclusive approach to institutionalizing the Indo Pacific, the inclusive way is by no means easy. However, one positive aspect of the inclusive option is that it is less likely to cause rivalry and antagonism between nations, especially between China and the outside world. Graham Allison [5] has wisely warned that the United States and China should consider avoiding the “Thucydides trap”, which refers to an inevitable conflict between a rising power and a ruling power in history. Other regional powers, especially Australia, Japan, and India, also need to stay away from the “Thucydides trap”. By forming an exclusive Indo-Pacific institution with China as the outside target, these states will actually entrap themselves into the US-China competition. On the contrary, an inclusive approach to institutionalize the Indo-Pacific will not have this entrapment problem, although there would be intense bargaining,

negotiation, and competition inside the Indo-Pacific between China and other states. As He [20, 21] suggests, even though institutional competition is still one form of power struggle, the means for this competition will be more peaceful than the different types of military competition outside institutions.

Conclusion

Based on three schools of thought in IR, this paper has examined three faces of the Indo-Pacific concept from the official discourses in the region, especially in Australia, the United States, India, and Japan. It argues that the realist face of the Indo-Pacific entails a balancing strategy against the rise of China. The major difficulty in realizing this realist function of the Indo-Pacific concept is rooted in the divergent strategic interests and threat perceptions regarding China. The liberal face of the Indo-Pacific aims to facilitate cooperation among states across the Indian and Pacific Oceans. However, the limited economic interaction between the two regions and the low institutional density in South Asia have precluded fruitful institutional cooperation in the Indo-Pacific region, especially between the Asia Pacific and South Asia. Last, but not least, the constructivist face of the Indo-Pacific is even more blurred due to lacking shared norms and values as well as the “we-feelings” of a collective identity within South Asia and between the Indian and Pacific Oceans.

There are two approaches to institutionalizing the Indo-Pacific. One is to form an exclusive Indo-Pacific institution with China as an outside target, compatible with the realist understanding of the Indo-Pacific concept. One necessary condition for this type of institutionalization will be a region-wide consensus on the “China threat”. Although China’s assertiveness in the South China Sea has caused some regional suspicions and provoked naval cooperation among the “democratic diamond” countries, a formal alliance between India and

the US hub-and-spokes system might not be realistic in the short term. If China continues its strategic penetration in the Indian Ocean as well as assertive expansion in the South China Sea, an Asian NATO or an anti-China minilateralism will be more likely to emerge in the Indo-Pacific region. China, however, holds the key to making it a reality in practice or keeping it an illusion in discourse.

Another avenue for institutionalizing the Indo Pacific is to form an inclusive institution to embrace China as well as other states in the region. There are two practical difficulties. First, states need to find a niche function for this new Indo-Pacific institution so that it will not step on the toes of ASEAN and EAS. Second, successful institutional building needs to have a clear division of labour for different forms of leadership: structural leadership, entrepreneur leadership, and intellectual leadership. It is not an easy job to find the right leader for the right job. It will be more promising if the United States and China can work together to share the structural leadership to form a material foundation of cooperation in the region. However, it will depend on other states, especially Australia, Japan, and India, to contribute to entrepreneurship as well as to offer innovative ideas so that the United States and China can be convinced about the institutional value of the Indo-Pacific. This division of labour regarding institutional leadership might or might not succeed. The externality of this inclusive endeavour, however, will be more conducive to regional stability than a strategy of exclusive institutionalization in the Indo-Pacific.

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