

Strengthening Pluralism in Indo-Pacific and the Role of the ASEAN*

Lau Sim Yee⁺, Zhou Peng⁺⁺

Abstract

Indo-Pacific covers a vast area; it houses 24 countries, as defined by the United States (US) and its allies. There are about 2.8 billion inhabitants, and they produce approximately US\$30 trillion of goods and services a year. The economic scale is even larger if China — the second largest economy in the world — was included in this geopolitical and economic space. The region was and still is flourished with diversity. This paper aims to elucidate the role of ASEAN in strengthening pluralism in Indo-Pacific where every member country of the 24-allies-group mutually agree to advance reconciliatory and harmonious coexistence with China.

The insistence of decoupling China or offshoring from China is contentious at best. The criteria for making decisions to decouple from China are more than the computation of the expected cost and benefit. Evidently, the rivalry between the US allies and China will not bring about a larger greater good to every country. A non-cooperative game theory can neatly explain the rivalry. Worst of all, in reality, every prediction in each camp is influenced by the strategies executed in earlier iteration. As a consequence, the final payoff at the end is — at best a win-lose, if not — at worst — a lose-lose situation. The threat is avoidable by bringing the following conjecture to the table: how can a group of countries regardless of the dictation of political, economic, and social cultural aspects work together to build a long-lasting realization-focused view of justice – propounded by Sen (2009, p. 10) – in Indo-Pacific and beyond?

Diversity is not the premise, instead it is the pre-condition for the promotion of pluralism. The enhancement of plurality must start with conversation by groups of diverse backgrounds. Conversations must be open-ended; a pre-determined boundary

limits the scope in exchanging constructive ideas. Multiple conversations in tandem and in sequence will our journey to the situation where mass people will feel comfortable, positive, and constructive in embarking on the quest for archiving “realization-focused, and transcendental institutionalism,” which in and by itself not only is a strong instrument for minimizing conflicts, but also a practical and reliable guide to the creation of prosperity, stability, and peace in Indo-Pacific.

Keywords: Indo-Pacific, Pluralism, Diversity, Conversation.

Interdisciplinary fields: International economics, International relations, Area studies.

INTRODUCTION

Indo-Pacific covers a vast area; it houses 24 countries, as defined by the United States (US) and its allies. There are about 2.8 billion inhabitants, and they produce approximately US\$30 trillion of goods and services a year. The economic scale is even larger if China — the second largest economy in the world — was included in this geopolitical and economic space. The exclusion obviously is because of orthodoxy instead of diversity. The region was and still is flourished with diversity. The ocean of history, religion, culture and custom, language, political setting, social economic well-being, cross-border exchange, and the like is vast and deep.

Mesopotamia, Ancient Egypt, Ancient India, and Ancient China were the four cradles of civilizations developed independently four millennia ago. These civilizations covered a huge territory. The long history of civilizations had many cycles of war and peace. Civilizations flourished along with the rise and fall of empires and kingdoms. In each civilization, many wars have divided an empire into several kingdoms on

* Both authors responsible for the design of research framework and analysis of civilization aspects. Lau collected empirical data, whereas Zhou provided observation and discussion of evidence. Both authors provided insights of the importance of strengthening dialogues and conversations among Indo-Pacific member states, including China.

⁺ Reitaku University, Faculty of Global Studies and Graduate School of Economics and Business Administration, corresponding author.

⁺⁺ CEO, AUM Co., Ltd.

the one hand, and kingdoms were conquered to become an empire on the other.

Civilizations did not merely persist because of war and peace. They prospered with the greater good and wellbeing of humanity with a variety of exchanges between one another. Religions, philosophy, science and technology, trade, culture, and the like cemented the linkages between civilizations.

Lewis (1995, p. 28) underlines that Karl Jaspers said “the period between 600 and 300 BCE as an “axial age” in human history, when people in remote and apparently unrelated lands achieved major spiritual and intellectual breakthroughs. This was the time of Confucius and Lao-Tse in China, of Buddha in India, of Zoroaster or his major disciples in Iran, of the prophets in Israel, and the philosophers in Greece. These were to a very large extent unknown to one another”.

Moreover, Silk Route – connected continental Asia and Europe two millennia ago – facilitated the bondage between civilizations. Similarly, sea routes in South China Sea, Malacca Straits, and India Ocean facilitated a wide spectrum of exchanges among China, Southeast Asia, India, and West Asia from about 200 BCE. The exchanges between ancient civilizations created their distinct differences that are still influencing international relations in the present days.

The resemblance of Jews, Greeks and Romans caused the divide between human groups of similarity and others in the West and the Middle Asia. The separation was by and large determined by ethnicity (Lewis, *ibid.*, pp.11-12). This dichotomy inevitably framed the mindset of the competitive conflict style against each other. On the contrary, frequent exchanges among China, India, and the continental Southeast Asia (Vietnam, Laos, Cambodia, Thailand, and Myanmar) and Southeast Asian Archipelago induced the fusion of Chinese and India civilizations in the Southeast Asia region. Furthermore, the enhanced interaction created the tributary system of relations from countries in Southeast Asia to China. The tributary system produced resilience capacities for reconciliation and harmony. Just as impressive, in thousands year of long history, ancient and present China did not invade or conquered foreign territories except in the period of Yuan Dynasty (the extension of the Mongol Empire). Thus, reasonable people can say clearly the claim of China is aggressive, or offensive power is simply an unfounded claim.

Although Ancient China and Ancient India civilizations did not invade other countries, both had many wars within their own homeland. The wars were inevitable because they fought for changes from one dynasty to another in search of better one. On the other hand, there were many wars in the Mesopotamia and Ancient Egypt civilizations. Those wars were between kingdoms in one civilization, and between empires from each civilization. The dominant power in each ancient civilization in ancient West Asia was either for land or maritime power, which was respectively determined by ancient geostrategic

advantage. These historical facts distinctly differentiated two competitive views — namely, competitive conflict style against others, and reconciliatory and harmonious style — that separate the behaviors of powers in international relations in present days.

Unlike the competitive style, the reconciliatory and harmonious tributary system had less tension between kingdoms in Far East and Southeast Asia. Although there were wars within Ancient China and Ancient India, most wars were between the rise of a new power and the ruling kingdom and empire. As mentioned earlier, history clearly shows that apart from the Yuan dynasty, China did not invade another country outside its own civilization. Hence, it is fair to say China will not be likely to advance acts of aggression to other sovereign states.

Against this backdrop, this paper aims to elucidate the role of ASEAN in strengthening pluralism in Indo-Pacific where every member country of the 24-allies-group mutually agree to advance reconciliatory and harmonious coexistence with China. Presently, despite the reality, Indo-Pacific has become a place where 24 allies have joined forces against their alleged challenger, China. The division clearly is an intention that likely to ignite competitive confrontation between them and China. The present approach of creating impediments under the guise of “Free and Open Indo-Pacific” is synonymous with the Containment Strategy during the Cold War. Containment strategy propounded by Kenan (1947) was effective to a certain extent. However, subsequent competitive conflict approaches after the Cold War executed by the US and its allies, humanitarian interventions in failed states, freedom and prosperity expounded by liberal democracy and capitalism, and the Biden’s assertion of the rivalry between US and China — “is a battle between the utility of democracies in the 21st century and autocracies”— are conventional wisdoms that add fuel to the fire. The clear and present danger is real. Concerted efforts, at least to suppress, if not to extinguish the flame, are crucial for peace, stability, and prosperity in and beyond the region.

This is easier said than done. The sailing to the land of peaceful coexistence in the vast ocean areas always encounter rough sea and run into bad weather. Nonetheless, ASEAN has a crucial role in navigating the sail. Unity in diversity is the identity of the ASEAN. The diversity of Southeast Asia region started from its interactions with Indian and Chinese civilizations, Islam, and Christianity. It is characterized with deep pluralistic distinctions. That said, hence, ASEAN with a remarkable pool of diversity is a trustworthy alliance to serve as the main navigator for guiding the sail to the post-Covid peaceful coexistence in Indo-Pacific.

POPULATION AND ECONOMY

Population size is one of the crucial elements in determining

power. Maddison (2003) shows China and India have had larger population size than Western Europe, USA, and Japan since the year 1000 (Table 1). For easier comparison, Figure 1 illustrates the differences (population figures were normalized to the range of 0-1). Whereas most countries will continue to grow in population size, their difference with China and India is still, and the disparity will continue to widen. Furthermore, both countries are late industrializers, thus they have the advantage of short-circuiting the process of technological advancement. Technical progress in these largely populated countries surely is a vital booster for persistent growth.

Economic differences in the same group of countries/ between groups of countries are astounding too. Table 2 shows China and India combined had about 60% and about 50% of world output in 1000 and 1820 respectively. China was the largest economy – about one third of world output – in 1820. In 2020, China produced the most output in the world, followed by the US. Population, to a certain extent (because of the law of diminishing returns) has direct influence on output size. *Ceteris paribus*, China will certainly become the largest economy in 2030 and beyond. This is assumed based on business-as-usual scenario. Technical progress in China has been outstanding in recent years. Hence, one cannot rule out a better economic outlook in China in the coming period.

In international transaction of goods, China has prevailed remarkably well (Table 3). China was the largest exporter in the last 5 years. Its world exports share was 13.3% and 15.0% in 2016 and 2020 respectively, followed by the US (9.1%, 8.3%), Germany (8.4%, 8.0%), and Japan (4.1%, 3.7%). In similar years, US was the largest importer. World imports share of the US was 14.0% and 13.7%, followed by China (9.9%, 11.7%), Germany (6.6%, 6.7%), and Japan (3.8%, 3.7%). Persistent huge trade imbalance is the key discontentment between China and the US.

Figures 2(a)-2(d) illustrate the growth of exports and imports, and the concentration of exporting countries vis-à-vis average distance with their destination countries. China's performances in exports and imports are outstanding. US, Germany, and other allies performed reasonably well, but they are less impressive than China. In exports, China and the US both have similar performance – but China had greater export volume – in terms of concentration and relative long average distance with their destination countries (Figure 2(c)). The US had a longer average distance with their destination countries than China (Figure 2(d)).

The world total FDI inflows grew on average 3.2% from 2005 to 2019. The US was the largest recipient followed by China in 2019 (Table 4). It is not difficult to predict both countries will continue to attract more FDI inflows in years ahead due to each respective economic size. However, the concern is whether both countries will become non-cooperative rivals in soliciting more FDI inflows in the coming period.

This is a difficult but crucial question; will a cooperative relation ideally bring about a win-win solution instead of a zero-sum outcome?

Just as important, it is of good stimulant if future FDI inflows to China were of greater share in producing higher value-added goods and services. However, one still is cautiously optimistic in this regard because of probable obstacles that will likely to be advanced by the US and its allies. This situation will certainly raise the stake of competing conflicts. What kind of preventive measures will need to be instituted is the crucial question that needs a win-win solution?

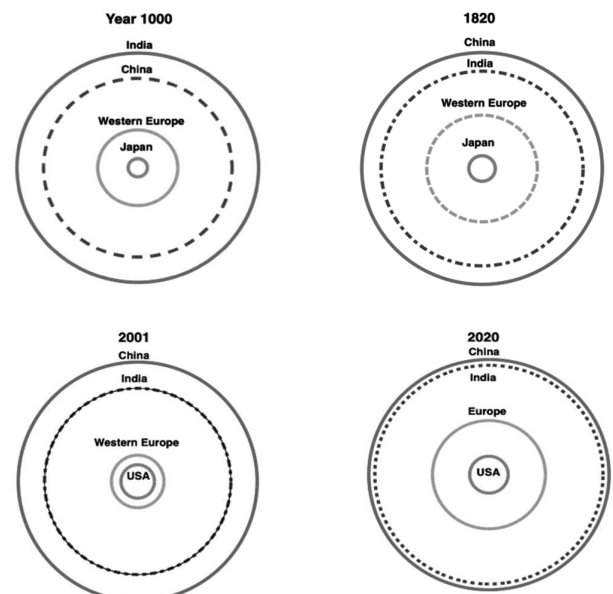
In international travel sphere, France attracted 89.4 million international tourists in 2018. The US has the largest inbound tourists in 2019 (79.3 million), followed by China (65.7 million), Germany and the United Kingdom (about 39.5 million each), Thailand, Japan, and Malaysia each was 39.8 million, 32.2 million and 26.2 million, respectively. To draw realistic implications of how international relations influence the choice of travel destination, more detailed analysis especially of the

Table 1 Population (1,000)

	1000	1820	2001	2020
Western Europe	25,413	73,778	382,101	747,636
USA	1,300	1,500	285,024	331,002
Japan	7,500	18,500	126,024	126,476
China	59,000	160,000	1,275,392	1,439,323
India	75,000	135,000	1,023,590	1,380,004
Asia (excluding Japan)	173,400	360,000	3,526,612	4,641,054
World	265,573	1,041,834	6,149,006	7,794,798

Source: 1000, 1820, and 2001 from Angus Maddison (2003) *The World Economy: Historical Statistics*, OECD-Development Centre Studies; 2020 from Worldometers, URL: <https://www.worldometers.info/world-population/#region> (accessed 25 June 2021)

Figure 1 Comparison of population



Note: Population sizes are normalized from 0 to 1. Source: Table 1, *ibid*.

Table 2 GDP (million Geary-Khamis dollar)

	1000	1820	2001	2020
Western Europe	10,165	160,145	7,550,272	19,922,968
USA	--	12,548	7,965,795	20,936,600
Japan	1,200	20,739	2,624,523	5,328,033
China	26,820	228,600	4,569,790	24,273,360
India	33,750	111,417	2,003,193	8,907,028
Asia (excluding Japan)	79,830	392,194	11,481,201	--
World	102,619	695,346	37,193,868	132,646,849

Note: Figures in 2020 are million PPP dollar (current). Geary-Khamis dollar is equivalent to PPP dollar.

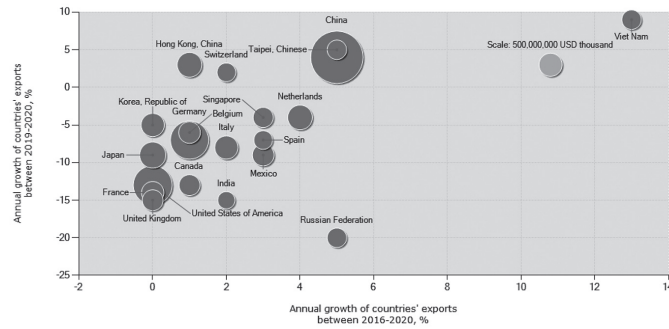
Source: 1000-2001, Table 1, *ibid.*, 2020 from World Bank, World Development Indicators DataBase.

Table 3 Top 10 Exporters and Importers (USD1,000)

Exporters	2016	2017	2018	2019	2020	Comp. growth rate
1 China	2,118,980,582	2,271,796,142	2,494,230,195	2,498,569,866	2,590,607,686	0.052
2 USA	1,451,459,684	1,546,462,344	1,665,992,032	1,645,174,335	1,431,406,392	-0.003
3 Germany	1,332,489,067	1,444,776,367	1,556,622,939	1,486,877,250	1,377,863,429	0.008
4 Japan	645,589,410	698,021,623	738,164,252	705,842,013	640,953,137	-0.002
5 Netherlands	468,176,328	527,907,822	587,893,084	576,784,455	551,597,804	0.042
6 Hong Kong, China	516,588,131	549,861,455	569,105,740	535,711,019	551,515,756	0.016
7 Korea, Republic of	495,465,606	573,716,618	605,169,190	542,333,337	512,788,606	0.009
8 Italy	461,667,625	507,430,236	549,906,996	537,748,429	495,976,960	0.018
9 France	490,188,457	523,809,550	569,138,524	555,100,606	475,071,675	-0.008
10 Belgium	398,106,571	429,795,747	468,625,467	446,923,910	419,473,855	0.013
World	15,932,233,084	17,570,078,937	19,324,247,710	18,733,766,014	17,308,947,541	0.021
Importers	2016	2017	2018	2019	2020	
1 USA	2,249,113,117	2,406,362,556	2,612,379,157	2,568,396,449	2,407,543,964	0.017
2 China	1,588,695,867	1,840,957,060	2,134,987,265	2,068,950,255	2,055,590,612	0.067
3 Germany	1,056,664,804	1,164,586,085	1,286,008,402	1,236,217,435	1,171,622,058	0.026
4 Japan	608,071,912	672,100,069	749,092,205	720,964,445	634,678,167	0.011
5 United Kingdom	636,367,936	640,907,689	671,694,258	692,494,170	631,221,475	-0.002
6 Hong Kong, China	547,124,448	589,317,440	627,327,031	578,590,151	573,061,310	0.012
7 France	559,283,575	609,088,414	660,155,685	637,949,069	568,329,124	0.004
8 Netherlands	408,052,966	461,902,679	521,035,628	514,857,688	482,763,693	0.043
9 Korea, Republic of	406,059,974	478,413,948	535,172,391	503,259,397	467,540,264	0.036
10 Italy	406,670,670	453,583,034	503,581,134	474,957,328	422,648,102	0.010
World	16,076,368,942	17,795,256,703	19,690,567,742	19,112,305,885	17,536,493,025	0.022

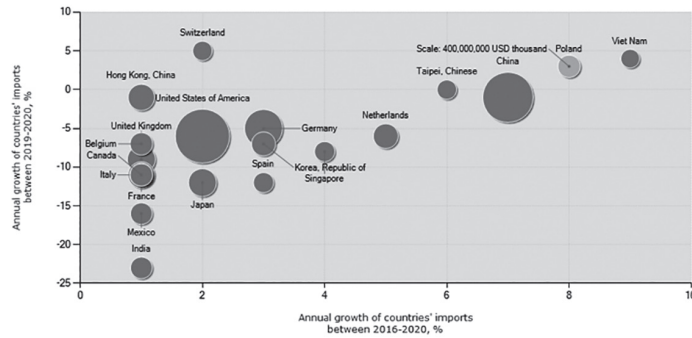
Source: ITC calculations based on UN COMTRADE and ITC statistics.

Figure 2(a) Growth of countries' imports (Total all products)



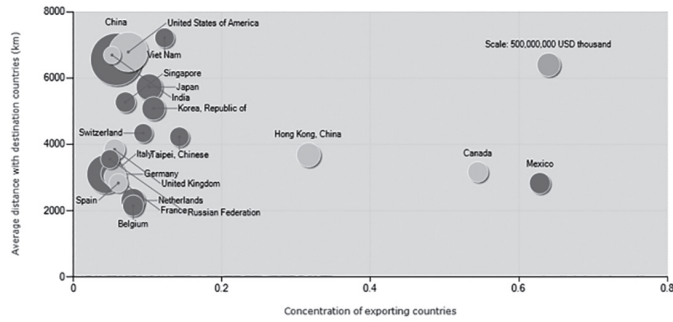
Source: Compiled by International Trade Centre, URL: <https://www.trademap.org/> (accessed: 25 June 2021)

Figure 2(b) Growth of countries' imports (Total all products)



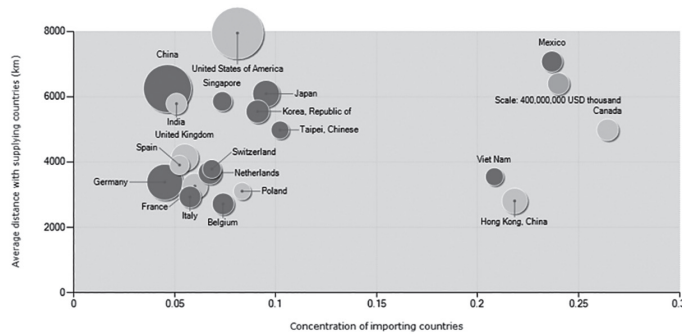
Source: Figure 2(a), op. cit.

Figure 2(c) Concentration of exporting countries and average distance with their destination countries (Total all products)



Source: Figure 2(a), op. cit.

Figure 2(d) Concentration of importing countries and average distance with their destination countries (Total all products)



Source: Figure 2(a), op. cit.

Table 4 FDI inflows (selected countries)

USD millions	2005	2019
Australia	-28,223	36,151
Brazil	15,066	65,386
Canada	25,693	47,829
China	104,109	187,170
France	33,209	33,964
Germany	47,421	54,061
India	7,606	50,610
Indonesia	8,337	23,883
Italy	19,960	18,145
Japan	2,778	14,548
Korea	6,066	9,634
Mexico	26,056	34,097
Netherlands	45,063	42,238
Russia	14,375	32,076
United Kingdom	182,894	45,445
United States	116,656	282,053
Total World	979,899	1,530,492

Source: OECD (2021) "FDI in Figures April 2021".

composition of nationality of tourists is required in order to have a clearer understanding of international tourists' tendency of interests with respect to their travel destination is required.

COOPERATION OR COMPETITIVE CONFLICT

Despite the reality, Indo-Pacific has become a place where the US-led 24 allies are against China. The rivalry is, as highlighted earlier, the result of competitive conflict style of a group of allies against the alleged enemy. The contention is shaky. Wang Yi (2021) says that "the root cause of various confrontations, conflicts and difficulties in governance in the world is that multilateralism is not effectively maintained, and the international norms based on the UN Charter are not fully respected. Upholding and practicing true multilateralism is the right direction to solve complicated problems in today's world and effectively respond to various traditional and non-traditional security challenges. It is also the only way to break zero-sum game, resist unilateral bullying, and truly achieve lasting peace and common security"

On the other hand, Antony Blinken (2021) criticizes China is acting "more repressively at home and more aggressively abroad". He then followed up by saying "It's profoundly against the interests of both China and the United States to, to get to that point, or even to head in that direction". The latter might be a gesture, or a wishful thinking, to soften confrontation tone.

Wang and Blinken did not pluck their opposing views out of the air. The West has had a long history of contesting in the East. Orientalism was the classic forceful dictation from Europeans on Asians. Said (1979, p. 7) eloquently pointed out: "[Orientalism] puts the Westerner in a whole series of possible

relationships with the Orient without ever losing him the relative upper hand". He then characterized Orientalism:

"is rather a distribution of geopolitical awareness into aesthetic, scholarly, economic, sociological, historical, and philological texts; it is an elaboration not only of a basic geographical distinction (the world is made up of two unequal halves, Orient and Occident)....., but rather is produced and exists in an uneven exchange with various kinds of power, shaped to a degree by the exchange with power political....., power intellectual....., power cultural....., power moral (as with ideas about what "we" do and what "they" cannot do or understand as "we" do)" (Said, op. cit., p.12)

The prejudice still persists today. Britain is inclining to show the Union Flag in South China Sea too. Lynn Kuok stresses Britain must commit to 4Ps, namely, "a presence that is persistent, principled and purposeful". Furthermore, Kuok insists that ASEAN member states are unable to bridge the geopolitical gap on the basis of "rule-based" intermediation between China and the West or the US-led allies (Kuok, IISS, 11 August 2021). Her view might not necessarily share by many legislators in Westminster after the US started its troop withdrawal from Afghanistan without prior consultation with the British government. The situation has complicated the trust of Anglo-American relation.

Just as contentious, Niall Ferguson points out that the US has four deficits — a manpower deficit, a fiscal deficit, an attention deficit, and a history deficit — that is undermining her ability to preserve international peace and stability. Churchill said: "the end of empire is seldom, if ever, a painless process" (Ferguson, 21 August 2021).

Japanese domestic public opinion survey on Japan's diplomacy in October 2020 shows: 81.6% of respondents presently do not feel friendly to China; 78.2% answered that Japan and China relationship is important for the development in Asia and Pacific region. These responses are mixed; however, many Japanese feel the Japan-China bilateral relation in future is crucial in the Asia-Pacific region.

International trade gives a clearer view of exchanges of goods between China and the world. Table 5 shows China's exports to a selected group of countries that also the US allies in Indo-Pacific region. China exports volume in 2010, 2015, 2019 was around \$1,578 billion, \$2,274 billion, \$2,499 billion, respectively. Annual average growth rate from 2010 to 2019 is 4.7%. On the other hand, China imported about \$1,396 billion, \$1,680 billion, and \$2,069 billion from the same group of countries (Table 6). World exports recorded \$19,054 billion, \$21,325 billion, and \$24,819 billion, respectively, in 2010, 2015, and 2019. World imports stood at \$18,475 billion, \$20,822 billion, and \$24,348 billion.

Table 5 China's exports to major trading partners (USD billion)

	2010		2015		2019			
World	1,577.8	Share	World	2,273.5	Share	World	2,498.6	Share
US	283.8	0.180	US	410.0	0.180	US	418.6	0.168
Japan	121.0	0.077	Japan	135.6	0.060	Japan	143.2	0.057
Korea	68.8	0.044	Korea	101.3	0.045	Korea	111.0	0.044
Germany	68.0	0.043	Germany	69.2	0.030	Viet Nam	98.0	0.039
Netherlands	49.7	0.032	Viet Nam	66.0	0.029	Germany	79.7	0.032
India	40.9	0.026	United Kingdom	59.6	0.026	India	74.9	0.030
United Kingdom	38.8	0.025	Netherlands	59.5	0.026	Netherlands	73.9	0.030
Singapore	32.3	0.021	India	58.2	0.026	United Kingdom	62.3	0.025
Italy	31.1	0.020	Singapore	51.9	0.023	Singapore	55.0	0.022
France	27.9	0.018	Malaysia	44.0	0.019	Malaysia	52.5	0.021
Australia	27.2	0.017	Australia	40.3	0.018	Australia	48.1	0.019
Malaysia	23.8	0.015	Thailand	38.3	0.017	Mexico	46.4	0.019
Viet Nam	23.1	0.015	Indonesia	34.3	0.015	Indonesia	45.7	0.018
Canada	22.2	0.014	Mexico	33.8	0.015	Thailand	45.6	0.018
Indonesia	22.0	0.014	Canada	29.4	0.013	Philippines	40.8	0.016
Thailand	19.7	0.013	Italy	27.8	0.012	Canada	36.8	0.015
Mexico	17.9	0.011	France	27.1	0.012	Italy	33.4	0.013
Philippines	11.5	0.007	Philippines	26.7	0.012	France	33.1	0.013
New Zealand	2.8	0.002	New Zealand	4.9	0.002	New Zealand	5.7	0.002
Total	932.6	0.591		1,317.9	0.580		1,504.7	0.602
Top-5	591.3	0.375		782.1	0.344		850.5	0.340
World exports	19,054			21,325			24,819	

Source: Comtrade, <https://comtrade.un.org/data/> (retrieved on 14 September 2021)

Table 6 China's imports from major trading partners (USD billion)

	2010		2015		2019			
World	1,396.0	Share	World	1,679.6	Share	World	2,069.0	Share
Japan	176.7	0.127	Korea	174.5	0.104	Korea	173.6	0.084
Korea	138.3	0.099	US	148.7	0.089	Japan	171.5	0.083
US	102.7	0.074	Japan	142.9	0.085	US	123.2	0.060
Germany	74.3	0.053	Germany	87.6	0.052	Australia	119.6	0.058
Australia	61.1	0.044	Australia	73.5	0.044	Germany	105.0	0.051
Malaysia	50.4	0.036	Malaysia	53.3	0.032	Malaysia	71.6	0.035
Thailand	33.2	0.024	Thailand	37.2	0.022	Viet Nam	64.1	0.031
Singapore	24.7	0.018	Viet Nam	29.8	0.018	Thailand	46.1	0.022
India	20.8	0.015	Singapore	27.6	0.016	Singapore	35.2	0.017
Indonesia	20.8	0.015	Canada	26.2	0.016	Indonesia	34.0	0.016
France	17.1	0.012	France	24.6	0.015	France	32.6	0.016
Philippines	16.2	0.012	Indonesia	19.9	0.012	Canada	28.0	0.014
Canada	14.9	0.011	Philippines	19.0	0.011	United Kingdom	23.8	0.012
Italy	14.0	0.010	United Kingdom	18.9	0.011	Italy	21.4	0.010
United Kingdom	11.3	0.008	Italy	16.8	0.010	Philippines	20.2	0.010
Viet Nam	7.0	0.005	India	13.4	0.008	India	18.0	0.009
Mexico	6.9	0.005	Mexico	10.0	0.006	Mexico	14.3	0.007
Netherlands	6.5	0.005	Netherlands	8.8	0.005	New Zealand	12.5	0.006
New Zealand	3.8	0.003	New Zealand	6.6	0.004	Netherlands	11.2	0.005
Total	800.8	0.574		939.3	0.559		1,126.1	0.544
Top-5	553.2	0.396		627.2	0.373		693.0	0.335
World imports	18,475			20,822			24,348	

Source: Table 5, op. cit.

Table 7 Trade intensity index (TII)

	TII (China and G5)			TII (G5 and China)		
	2010	2015	2019	2010	2015	2019
Australia	1.6	1.8	2.1	Australia	1.7	2.7
Germany	0.8	0.6	0.6	Germany	0.7	0.6
Japan	2.0	2.0	1.9	Japan	2.1	2.7
Korea	1.9	2.1	2.1	Korea	2.0	2.4
US	1.7	1.6	1.6	US	2.9	3.4

Note: G5 comprises Australia, Germany, Japan, Korea, US.

Source: computed from Comtrade, Table 5, op. cit.

China's trade with the 19 countries is outstanding. the share of exports and imports of these 20 countries in the world in 2019 is about 60% and 54.5%, respectively. Exports share with the top 5 countries in 2019 is about 34.0%, whereas imports share is 33.5%. Trade volume of these 20 countries as a whole demonstrates their interdependency is as important as the breadth of international division of labor.

Trade intensity index (TII) provides similar explanation in bilateral trade. TII is the ratio of the share of exporting country's exports in its total exports and the share of importing country's total imports in total world imports. TII shows "whether the value of trade between two countries is greater or smaller than would be expected on the basis of their importance in world trade. A value of more (less) than one indicates a bilateral trade flow that is larger (smaller) than expected, given the partner country's importance in world trade" (World Bank, 2021). Table 7 shows TII between China and five selected countries, namely, Australia, Germany, Japan, Korea, and Japan (G5). TII between China and Australia, Japan, Korea, and the US was greater than 1 in 2010, 2015, and 2019, whereas TII between Australia, Japan, Korea, the US and China is also greater than 1 in similar years. This is the evidence of the importance of bilateral trade between China, Australia, Japan, Korea, and the US in world economy.

China's GDP in 2020 is about \$14,720 billion. Assuming the economy will grow at an annual average of 5% in the next decade, its GDP in 2030 would be \$23,980 billion. If annual private final consumption was 60% of GDP, then the size will rise from about \$880 billion to about \$14,390 billion. Not only in purchasing power, but the market also has the attractiveness of 1.4 billion people. Equally important, assuming gross capital formation is 30% of GDP, then it will rise from about \$440 billion to \$720 billion. China will import more final finished products and intermediate goods in coming years. Furthermore, the advancement of development in general and urbanization in particular will also require large quantity of imported and domestically produced construction materials. Business and investment opportunity in the next decade and beyond is huge. China can attract more imports as much as foreign inward investments. In this context, the confrontation between the US allies and China in coming years will not benefit everyone.

Reasonable people could not deny the crucial relation between China and the group of 20 countries and G5 — most of these countries are the US allies in Indo-Pacific — from the evidence in Tables 5, 6 and 7. It is worthy to note the analysis does not use trade values in 2020 because of global economic shock caused by Covid-19. Therefore, it is not difficult to argue that the aforementioned trade intensity will diminish in the post-pandemic time. The insistence of decoupling China or off-shoring from China is contentious at best. Moving manufacturing bases from China to another countries is not only costly, but the shift must overcome the search of appropriate alternative and the capability of internalizing new foreign direct investments in alternate countries. The criteria for making decisions to decouple from China are more than the computation of the expected cost and benefit.

Furthermore, He, Mau, and Xu (2021) explain that US-China trade war affects job-vacancy postings. Their analytical result shows bilateral trade war causes spilled over negative effects to other countries. The panel data analysis confirms that firms responded after six months of the rise in tariff by posting fewer job postings. The study gives the following implication: "Given the bilateral (i.e., discriminatory) nature of most tariffs during this trade war, many alternative suppliers might reside in foreign countries – creating trade diversion – so that positive employment effects remain uncertain even at the industry level. It is therefore questionable that a return to protectionism brings real benefits for any of the countries involved".

The findings of Anukoonwattaka, Romao and Lobo (2020) estimates that the rise of tariffs in US-China trade war caused \$75.5 billion and \$21.4 billion tariff value on China's and the US exports, respectively. These extra tariff values were paid by importers in both countries. Hence, protectionism in the US and China in particular and in many other countries in general reduces economic welfare in the countries concerned. Hence, the cost is greater than benefits.

Evidently, the rivalry between the US allies and China will not bring about a larger greater good to every country. A non-cooperative game theory can neatly explain the rivalry. The "us-versus-China" belief not only does not reconcile the difference, but it forces uniformity instead of strengthening pluralism. In theory as well as in the observed reality, non-cooperative players try to predict each other strategies and

payoff to find Nash equilibria, which is “if no player can do better by unilaterally changing his strategy”.

Therefore, in the case of US allies versus China rivalry game, US allies and China separately try to predict each other's strategies and payoff that maximize each camp's payoff that is mutually exclusive. Equally worse, every prediction in each camp is influenced by the strategies executed in earlier iteration. As a consequence, the final payoff at the end is — at best a win-lose, if not — at worst — a lose-lose situation. The worst case is consistent with the finding of Anukoonwattaka, Romao and Lobo (2020). The Cold War or the Containment strategy was the win-lose outcome, whereas the Iraq War, the War in Afghanistan, and other similar interventions in several failed states were lose-lose results. With the wisdom of hindsight, the present “us-versus-China” rivalry will not create a win-win outcome for both conflicting camps.

Notwithstanding, instead of all out confrontation, US allies are embarking on “salami slicing” tactics to push the tolerance level of China. The US and several of her allies are strengthening their relationship with Taipei, Taiwan in recent months is “salami slicing”. Similarly, their claim of Free and Open India-Pacific and enhanced interaction with the member countries of ASEAN in the light of China's rising presence in South China Sea are two geopolitical problems that would cause serious concern if they became a non-cooperative reality. How can we avoid the calamity? This is a crucial question that must be resolved to bring about stability and peaceful coexistence that give a higher level of well-beings in every country in the Indo-Pacific region and beyond.

Therefore, the US and its allies must invite China and other countries to establish a cooperative game that would produce a win-win outcome which enshrines peaceful coexistence and mutual prosperity in the pluralistic Indo-Pacific. The advocates “us-versus-China” will demand conformity to a set of normative principles regardless of pluralism. Such claim in itself is prejudice that must be dismissed through trust building among the group of countries that are diversified in politic, economic, society, and culture. This is certainly not an easy task, but even the process is time consuming, the attempt is surely better than not doing it.

The initial goal of trust building process is to enhance mutual understanding of the diversity in Indo-Pacific where China and other countries have rich historical and cultural landscape. By and large, Southeast Asians and mass people in other countries in Indo-Pacific in reality do not understand enough of their own history and culture. Thus, the strengthening of mutual understanding of own country and other countries in Indo-Pacific is the first step for alleviating unnecessary prejudice toward one another. The enrichment of mutual understanding need not narrowly confine to government and business representatives, but the process must engage the participation of wide spectrum of representatives

from grassroot civil organizations, journalism, education and labor unions. Most of these representatives or individuals have specific knowledge — which is practically useful — in their own fields.

The argument above is not competitive logic between two different camps. It is neither the comparison of cultural hegemony. Instead, it is the basis of the conjecture: how can a group of countries regardless of the dictation of political, economic, and social cultural aspects work together to build a long-lasting realization-focused view of justice – propounded by Sen (2009, p. 10) – in Indo-Pacific and beyond? Sen (2009, p.9) succinctly argues:

“an exercise of practical reason that involves an actual choice demands a framework for comparison of justice for choosing among the feasible alternative and not an identification of a possibly unavailable perfect solution that could not be transcended”.

The task at hand is surely complex but doable. ASEAN member states must initiate a continuous process of regular conversations among as many countries – including the competing ones – in building mutually agreeable institutional arrangements that are inclusive and beneficial, which in turn will bring better well-beings, and peaceful coexistence for all countries in Indo-Pacific. This role is pivotal. With the benefit of hindsight, Ali Alatas (1994) was correct: “We could begin to design, establish and maintain the habits and processes of cooperating and of interacting for peace and stability as well as for common progress and prosperity so that the world, or at least the neighborhood in which we are, may become a better place to live in”.

In this context, the dialogue is a powerful means for minimizing – if not for eliminating *a priori* prejudice of one another. Just as important, the dialogue must focus on a set of crucial questions to be answered. In this respect, it is more constructive for the dialogue to work toward the “realization-focused, and transcendental institutionalism” (Sen, 2009). That surely will bring about the establishment of the pragmatic and mutually acceptable architecture of enhanced plurality for long-lasting peaceful coexistence in Indo-Pacific.

For this purpose, it is vital to initiate exercises revolving around dialogue/conversation/exchange in the promotion and the enhancement of pluralism in Indo-Pacific region. This study contends not to execute the promotion and the enhancement in tandem, instead it is more constructive to work out in the promotion first, follow by the enhancement activities. This paper suggests starting with conversations for the promotion of pluralism.

CONCLUSION

The promotion of vibrant pluralism is not easy. The endeavor

will surely encounter obstacles, but concerted efforts in overcoming the challenges will undoubtedly be rewarding, i.e., cooperative rivalry for deepening and widening the greater good that will have a built-in shared destiny of coexistence in the prosper, stable, and peaceful Indo-Pacific region.

In earlier sections, this paper highlighted diversity of Southeast Asia. However, just like the US and several countries in the European continent, Southeast Asia is still a region where the flourished diversity yet to bring about pluralistic fabrics of livelihood in each country and mutually beneficial relations between countries and societies. That said, however, diversity is not the premise, instead it is the pre-condition for the promotion of pluralism.

The promotion of plurality must start with the revisiting of diversity to reaffirm that the majority has sufficient understanding of a broad spectrum of diverse political, economic, social, and cultural spheres. Otherwise, the tasks to promote plurality is not only extremely difficult, but time consuming as well. Conversation by groups of diverse backgrounds is the starting point of this journey.

Conversations must be open-ended; a pre-determined boundary limits the scope in exchanging constructive ideas. Equally crucial, every conversation can end with mutually agreeable propositions as well as agree to disagree suggestions. Critical thinking must play a key role in the dialogues too. The proposed dialogues must also be undertaken in multi-level to strengthen justice, equality, inclusiveness, tolerance, and the like. These are the foundation of pluralism.

Multiple conversations in tandem and in sequence will certainly help to make our journey to the situation where mass people will feel comfortable, positive, and constructive in embarking on the quest for archiving “realization-focused, and transcendental institutionalism,” which in and by itself not only is a strong instrument for minimizing conflicts, but also a practical and reliable guide to the creation of prosperity, stability, and peace in Indo-Pacific.

(Received: December 5, 2021

Accepted: February 20, 2022)

REFERENCES

- Alatas, Ali (1994) The ASEAN Regional Forum and Asia-Pacific Security, Remarks at the First Meeting of the ASEAN Regional Forum, Bangkok, 25 July 1994 (reproduced in *ASEAN Regional Forum at Twenty: Promoting Peace and Security in the Asia-Pacific: A Commemorative Publication for the 20th ARF*, World Affairs Press, 2013).
- Anukoonwattaka, Witada, Romao, Pedro, Lobo, Richard S. (2020) If the US-China trade war is here to stay, what are the risks and opportunities for other GVC economies outside the war zone? Asia-Pacific Research and Training Network on Trade Working Paper No. 209/2020, ESCAP. Retrieved from <https://www.unescap.org/sites/default/d8files/knowledge-products/AWP%20209%20Witada%20Pedro%20Richard.pdf> (15 September 2021).
- Blinken, Anthony (3 May 2021) <https://www.dw.com/en/blinken-china-is-acting-more-aggressively-abroad/a-57406455>, accessed 3 July 2021.
- Ferguson, Niall (20 August 2021) Why the end of America's empire won't be peaceful *The Economist* <https://www.economist.com/by-invitation/2021/08/20/niall-ferguson-on-why-the-end-of-americas-empire-wont-be-peaceful>, accessed 22 August 2021.
- He, Chuan, Mau, Karsten and Xu, Mingzhi (Jimmy) (2021) The effects of the US-China trade war on firms' vacancy postings 15 July 2021, retrieved from <https://voxeu.org/article/effects-us-china-trade-war-firms-vacancy-postings> (15 September 2021).
- International Trade Center, URL: <https://www.trademap.org/>.
— URL: <https://www.trademap.org/>.
- Japan's Domestic Public Opinion Survey on Japan's Diplomacy (October 2020) <https://survey.gov-online.go.jp/r02/r02-gaiko/index.html>, accessed 3 August 2021.
- Kenan, George F. (1947) The sources of Soviet conduct, *Foreign Affairs*, 25 (July 1947), 566-82 (It was published by the name “X”).
- Kuok, Lynn (2021) From withdrawal to Indo-Pacific ‘tilt’: Southeast Asia welcomes enhanced British security presence, <https://www.iiss.org/blogs/analysis/2021/08/southeast-asia-british-security-presence-indo-pacific-tilt>, accessed 17 August 2021.
- Lewis, Bernard (1995) *The Middle East*, Phoenix Press Paperback.
- Maddison, Angus (2001) *The World Economy: Historical Statistics*, OECD-Development Centre Studies.
- OECD (2021) “FDI in Figures April 2021”, <https://www.oecd.org/investment/FDI-in-Figures-April-2021.pdf> (retrieved on 25 June 2021)
- Said, Edward W. (1979) *Orientalism*, Vintage Books Edition.
- Sen, Amartya (2009) *The Idea of Justice*, The Belknap Press of Harvard University Press.
- Wang, Yi (2021) https://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1889628.shtml, accessed 3 July 2021.
- Worldometers, URL: <https://www.worldometers.info/world-population/#region>.
- World Bank, 2021, https://wits.worldbank.org/wits/wits/witshelp/Content/Utilities/e1.trade_indicators.Htm (accessed 14 September 2021).
- World Bank, World Development Indicators DataBank, <https://databank.worldbank.org/source/world-development-indicators>.
- UN Comtrade Database, <https://comtrade.un.org/>.