



## City Research Online

### City, University of London Institutional Repository

---

**Citation:** Furse, T. (2023). The political economy of US maritime strategy in the Indo-Pacific. *The Pacific Review*, 36(3), pp. 662-690. doi: 10.1080/09512748.2022.2111455

This is the published version of the paper.

This version of the publication may differ from the final published version.

---

**Permanent repository link:** <https://openaccess.city.ac.uk/id/eprint/28701/>

**Link to published version:** <https://doi.org/10.1080/09512748.2022.2111455>

**Copyright:** City Research Online aims to make research outputs of City, University of London available to a wider audience. Copyright and Moral Rights remain with the author(s) and/or copyright holders. URLs from City Research Online may be freely distributed and linked to.

**Reuse:** Copies of full items can be used for personal research or study, educational, or not-for-profit purposes without prior permission or charge. Provided that the authors, title and full bibliographic details are credited, a hyperlink and/or URL is given for the original metadata page and the content is not changed in any way.

# The political economy of US maritime strategy in the Indo-Pacific

Thomas Furse

International Politics, City University of London, London, UK

## ABSTRACT

Political economy impacts and influences a state's military strategy. This article focuses on how the integration of the US political economy in the Indo-Pacific drives US Navy officers and the broader national security state to establish the Free and Open Indo-Pacific (FOIP). Investigating the strategic thought of senior Naval officers shows that they think far beyond military threats and engage with the United States and the Indo-Pacific political economy. Even as the US Navy competes with China's military, its FOIP strategy benefits corporate elites in both China and the US, whose cooperation creates a mutually supportive economic relationship. This argument leads to the finding that the US hegemony in the region is a strategy that avoids a bipolar 'New Cold War' of an entirely de-coupled US and China. The FOIP supported by the US Navy continues to integrate China into regional and global economies, even as it attempts to push back against China by gathering allies and partners. The emphasis on international political economy highlights how the region is a network of 'patchwork' relations, where states rely on one another for economic prosperity. Through investigating speeches and strategic papers from US Naval officials, this paper demonstrates how the US competes and cooperates with China in the context of relations in the region that are in constant flux.

**KEYWORDS** United States; China; political economy; Indo-Pacific; US Navy

## Introduction

The United States' strategic vision in the Indo-Pacific during the years 2008–2020 came from the distinctive place of the US political economy in the region. A dominant, near the all-encompassing feature of this strategic vision, is how the US competes against China, with whom it is so interdependent. For the US, China's regional security ambitions and its revisionist development

**CONTACT** Thomas Furse  [Thomas.furse@city.ac.uk](mailto:Thomas.furse@city.ac.uk)  International Politics, City University of London, London, UK.

© 2022 The Author(s). Published by Informa UK Limited, trading as Taylor & Francis Group

This is an Open Access article distributed under the terms of the Creative Commons Attribution-NonCommercial-NoDerivatives License (<http://creativecommons.org/licenses/by-nc-nd/4.0/>), which permits non-commercial re-use, distribution, and reproduction in any medium, provided the original work is properly cited, and is not altered, transformed, or built upon in any way.

for a Sinocentric order is an unmistakable threat to the US military and economic power. This raises a significant theoretical and empirical puzzle—How does the United States construct a strategy in the Indo-Pacific, specifically in the context of competition against China, with whom it is so economically interdependent? This article examines how political economy influences and impacts military strategy to examine this problem. This paper focuses on how the US Navy in the broader national security state establishes a US maritime strategy to manage this complex relationship. US Navy officials balance US economic interdependence with China and the Indo-Pacific with maritime security concerns about China's revisionist ambitions. The 'Free and Open Indo-Pacific' (FOIP) strategy is an elite political-economic idea as much as a military one. Through investigating speeches and strategic papers from these naval officials, this paper demonstrates that the US competes and cooperates with China in the context of relations in the region that are in constant flux. The central finding in this paper is that the FOIP strategy is a strategy to protect elite power that continues the syncretic relationship between the US and China, whose economies are reliant on each other. This mutual reliance does not itself foster warm relations, but the FOIP strategy does stand to avoid a rigid New Cold War between the US and China.

A state's political economy can substantially impact its military strategy. Homolar (2010, p. 410) goes as far as to say that 'international security and political economy are two sides of the same coin'. In general, however, IPE as a discipline has tended to avoid discussions of military strategy, strategic thought, and grand strategy and security to a lesser extent (Narizny, 2007). And Security Studies literature has broadly bypassed issues of political economy, global monetary stability, dollar hegemony, or bond market analysis, leaving this to political economists (Stokes, 2014, p. 1072). This article draws on both fields with a contemporary example of how the US national security state, specifically the US Navy, interprets the US political economy and US integration with the political economy of the Indo-Pacific to construct its military strategy for the region. This puts military officials at the center of analysis of the (international) political economy.

To do this, this article uses the political economy of global security approach (Gholz & Sapolsky, 2021; Patomäki, 2008; Zielinski, Schilde, & Ripsman, 2021). This approach recognizes that states provide security, and that economic actors and market forces create security and instability for states (see Zielinski et al., 2021, p. 1). This approach can help show us that economic actors and market forces (and interpretations of them) have shaped US maritime strategy. In addition to this approach is a careful addition of a J.A. Hobson-inspired analysis of political economy found in Klein and Pettis' *Trade Wars are Class Wars* (2020, see further Hobson, 2018) which provides an account of how imbalances in production and

consumption in the United States and China create a mutually supportive if dysfunctional relationship. Their analysis argues that the US and China are in a hybrid relationship of competition and cooperation because of their internal political economic arrangements. Essential features of their domestic politics and political economy rely on how the other power behaves. US consumption of cheap goods relies on China's overproduction. Likewise, China's employment of its huge population depends on the US, among others, importing its exports, which many of its population could not afford. For decades, American finance has spurred Chinese industrial growth, and Chinese investors have spent billions investing in the US and elsewhere in the West. The two states are in a cooperative and interdependent economic relationship, even accounting for tariffs and tensions over business. The US is not alone in this interdependency. Its allies and partners in the Indo-Pacific region are all deeply connected to the Chinese economy, even though many have free trade agreements with the US, such as South Korea. But this does not stop US and Indo-Pacific states from seeing China as a threat to their security.

This new theoretical approach highlights the dynamic interactions between international political economy and maritime and naval strategy (see further Booth, 1977; Bruns, 2018). The US Navy's speeches and strategic papers legitimize contemporary US relations in a complex region of mixed perceptions, mistrust, and historical and cultural tensions (see further Loke, 2019, p. 42). In the case of this paper, the US Navy's strategic ideas about American power have material foundations in the US political economy. They are foreign policy decision-makers that connect political-economic and security ideas to make a maritime strategy for the region. In looking at this, we can continue broadening strategic thought (Borgwardt, McKnight Nichols, & Preston, 2021). This also adds to Gholz and Sapolsky (2021; Narizny, 2007) argument that US foreign policy and defense spending is the aggregation of cooperative and competing salient, ascendent, and semi-dormant domestic interests, ideas, and practices.

The article is structured as follows. The first section presents the FOIP as a strategic idea that gives the US the legitimacy to be a regional economic and military power. The second section shows the value-added of thinking about the region through the political economy of the global security approach as opposed to other models from IR. The third section discusses alternative US strategic approaches and why the FOIP is the most feasible strategy that suits the US and China. The fourth section provides an analytical discussion of how US Navy officials think about protecting the political economy.

## The free and open Indo-Pacific strategy

The strategic concept of a 'Free and Open Indo-Pacific' allows the US to restrain China's geopolitical aspirations in a limited way and support the region's (including China's) economic growth. Initially, the FOIP originally came from Shinzo Abe's administration in August 2016, and the Trump administration assumed it into its regional ordering strategy as a hegemonic political-economic order (Envall & Wilkins, 2022; State, 2019; Szechenyi & Hosoya, 2019). Domestic and international determinants shape this Indo-Pacific maritime strategy. For military officials, as well as many politicians, a hub-and-spoke alliance structure is less appealing because the international alliance politics of the region does not appear to allow for it. This comes from their interpretation that states in the Indo-Pacific have various strategic ideas, national interests, material capabilities, and diverse global relations, so enforcing a hub-and-spoke model would produce negative effects. This focus on strategic ideas does not mean that this paper ignores the relative distribution of material—military and economic—power in the Indo-Pacific region. It is rather that the FOIP is an idea that is a dynamic relationship with the ascendant ideas and materiality of the US political economy—the general elite support for open trade, the US as a large importer of Indo-Pacific goods and a deposit of excess savings. This avoids the notion that the US and China are in a 'New Cold War' where states must pick a side in a bipolar struggle. US Naval officials routinely note the potential of these economies to advance US economic power and enhance its military reach (See Aquilino, 2021; Davidson, 2018b; Locklear, 2012, 2013).

The US political economy's integration in the region drives the US Navy's maritime strategy and the security dynamics in the region. Recently, a rich research thread called the political economy to security approach has developed, which foregrounds how the economy shapes state power (See Patomäki, 2008; Zielinski et al., 2021). This approach helps us delineate how the US political economy has impacted how the US military has designed its 'free and open Indo-Pacific' strategy and, thereby, its security relations in the region. Regional orders have specific features that emerged from political ideologies and discourse, the distribution of material power, technological innovation, and the defense industry (see Gholz & Sapolsky, 2021; Mansoor & Murray, 2016). Regional or international order and hegemony are not based simply on a given state's economic material power (See Mastanduno, 2005, p. 179; Saull, 2012, p. 328; Stokes, 2014). It is productive to think that states continually cooperate and compete in their building of trade regimes, cultural exchanges, and military alliances.

What does this strategic idea or vision protect? The CCP sustains the Chinese economy on exports to the US (and elsewhere in the world market). This traffic means that China has low domestic demand relative to its

economic capacity; Chinese workers are not rich enough to consume what they produce. At the same time, CCP elites (at national and regional levels) and Chinese corporations, enriched by exports, have accumulated vast savings that must be spent, and the US, because of its open capital market, functions as a place to put these savings into profitable investments (Austin, 2011; Klein & Pettis, 2020). This deepens inequality from the suppression of consumption within China, which has meant that the economy is a mass exporter of goods. Meanwhile, US elites and corporations that trade and invest in China have enriched themselves with access to cheap labor. This economic relationship requires open and safe sea lanes in the Indo-Pacific and the limitation of protectionism and piracy. The US Navy effectively fulfils this role, which continues this US-China corporate elite power sharing. Even when some Chinese elites, specifically in the security establishment and US economic and security nationalists, descent from this economic arrangement.

Strategic objectives of any armed branch of the state are directly and indirectly related to domestic (and transnational) intellectual currents and the shape of the political economy (Narizny, 2007). As Nancy Fraser (2015, p. 163) commented, capitalism requires 'extra-economic forms of political power ... capitalist economic production is not self-sustaining, but relies on political power'. The US maritime strategy of a 'Free and Open Indo-Pacific' is a form of armed 'extra-economic' power that stems from the US state to secure the features of the US political economy that the state and elites value: the world's richest domestic market, biggest importer, and a haven for global excess savings. Amongst the various security relations and alliances in the Indo-Pacific, specific ideas rise to prominence within states to form and justify foreign policies. For instance, the role of Japan in creating norms that are not rigidly linked with US foreign policy, such as making the region 'safe for democracy' (Envall & Wilkins, 2022, p. 8). Individuals and institutions can believe in ideas that reflect in some way their interests, but equally, they can find that their ideas could be at odds with their assumed interests. For example, the development of (non-US) military partnerships and alliances among Indo-Pacific allies could appear to conflict with US interests that seek a US monopoly or input in military relations and direct them against China. Yet, among many military officials, there is a consistent idea that US allies and partners (and China) should economically engage with each other.

A rich research agenda in economic and intellectual history has emphasized how ideas and social groups welded those ideas have shaped the macroeconomic policy of states or even entire regions (See Hall, 1989; Kumekawa, 2017; Morrison, 2016, 2021). Ideas are central to many histories of institutional and foreign policy change and continuity. Many have argued that ideas play an important role in IR theoretical perspectives and

US foreign policy (Bacevich, 2018; Goldstein & Keohane, 1993; Kitchen, 2010; Milne, 2015; Williams, 2004). The analysis of ideas and their normative characteristics in this paper shows that American maritime strategy or its relations in the region is not simply an *Innenpolitik* writ large (Ripsman, Taliaferro, & Lobell, 2016, pp. 3–8). Neither is this a constructivist analysis that posits ‘idea-ism’, which is that state behavior is the result of domestic ideas or identities (See Kitchen, 2010, pp. 122–123). The US military is not a utilitarian instrument for self-evident national interests. Instead, military officials and bureaucracies have crafted strategic thought to fit this region’s structural forces (Booth, 1977; Bruns, 2018). Their views of the US position in the region carry with them certain assumptions about the US political economy, for instance, that the prosperity of the US is reliant on the wealth and economic (corporate) interdependence of the region (Davidson, 2018b; Harris, 2017). The US Navy self-identifies as a pedagogical institution through its military training and assistance programs to allied countries (Bradford, 2011, pp. 194–202). INDOPACOM and CENTCOM, ad hoc military assistance programs, military exercises, and exchange programs provide the infrastructure for the US to engage with its allies, Japan, Australia, India, the Philippines, Vietnam, and others. From Advanced Boarding Officer Courses with the Philippine Coast Guard to the Army’s Pacific Pathways exercises that have included many Pacific states.

A Free and Open Indo-Pacific is the US Navy’s strategic contribution to safeguarding a US political economy premised on importing consumer goods from this region and US export of agricultural goods, services and FDI to Asia. The US Navy’s military protection of the FOIP keeps vital sea lanes open (Bradford, 2011). This invariably continues the integration of the Chinese economy with the world economy while maintaining US economic power. For the US to remain the largest economy, it requires China to produce for export and to maintain low wages to drive domestic consumption down (Klein & Pettis, 2020). The claim is that the US extrapolates its political economy onto the Indo-Pacific. It is not losing out in the economic sphere to China while maintaining its superior security capabilities. China’s economic growth, particularly in manufacturing, relies on US domestic demand. As Austin (2011) showed, this puts China in a ‘vulnerable, dependent position’, not one of absolute strength despite its substantial economic size. The transfers of goods and services in the Indo-Pacific is a net-positive feedback loop for the US, China, and others when we solely measure national economic growth. This is prescient for the Indo-Pacific, which has stark and uneven development between states and within them. There are different kinds of economic sizes and different political economies, from city-state services-based Singapore to the export-driven growth of China or Vietnam to the consumption economies of Australia and Japan. Inequality

has risen sharply in China, providing the state with a huge low-paid domestic workforce and a super-rich global elite. The US continually recycles capital back into the region by importing Indo-Pacific goods and through global investment banks. This form of globalization has meant that the US offshored and outsourced much of its industrial supply chains and manufacturing capabilities while maintaining its superpower status. This analytical strand points to further evidence of what Loke (2021, pp. 1219–1224) termed ‘coalitional and collaborative hegemonies’ in the Indo-Pacific, that is, the patchwork of shared interests, norms, and values in the complex competitive–cooperative nexus between the US and China that involves secondary powers.

### **Indo-Pacific regional politics and relations**

There has been a series of hedging and realignment in the region among Chinese and US allies and partners. In the latter half of the twentieth century, US military allies had close economic ties with the US. The economic and security interests of contemporary states in the Indo-Pacific do not run in parallel. China is their largest and most important trading partner for most states, while the US has diminished as both an export market and a source of imports. This situation continued unabated even as those same states rely on US security in varying ways and levels of commitment. Many states, such as Thailand, the Philippines, Australia, New Zealand, and Singapore, who have defense pacts with the US, have kept their distance from Washington at various times over defense and security issues. As Thomas S. Wilkins highlights, the evolving dynamics of middle power realignment with great powers in the Indo Pacific has meant that there is a constantly shifting alignment of patterns and tensions, and so static theoretical modeling, be it from realism or liberalism, struggles to accommodate this their analytical perspectives (Wilkins, 2019, p. 190). In a similar thread, Dian and Meijer (2020) find that the region transitioned from bilateralism to ‘networked security architecture’. Military alliances, like economic relations, are never entirely stable either. Australia remained a US key ally even as it withdrew from the Quad alliance in 2008; despite trade tensions with Japan and India, the US has kept security relations. Similarly, Thailand and the Philippines, with formal security relations with the United States, operate with considerable freedom. Thailand purchases Chinese weapons and President Duterte’s attempts to practice an independent foreign policy within the Mutual Defence Treaty, Enhanced Defense Cooperation Agreement, and the annual Balikatan military exercises.

The hub and spoke model has been the dominant perspective in analyzing US relations with Indo-Pacific states (Ikenberry, 2005). It has provided a

useful lens for the postwar and Cold War periods by emphasizing US security and economic power through bilateral relations. The architecture of this alliance system posits that the US is the 'hub' and that its East Asian allies are 'spokes', through a series of bilateral agreements. As Cha (2010, 2016) has shown, the US in the postwar period certainly engaged with East Asia through asymmetrical bilateral relations where the US sought to constrain South Korea and Taiwan and stop a demilitarized Japan from slipping into communist control. Moreover, Izumikawa (2020) shows that the adoption of the hub and spoke relations partially came from Japan, South Korea, and Taiwan, which were themselves cautious of multilateralism.

However, this hub and spoke model can obscure the Indo-Pacific's patchwork of partial hierarchies, social networks, variable transnational socio-economic linkages, and overlapping historical and more contemporary commitments (see further Loke, 2021; Atanassova-Cornelis, 2020). It can overemphasize bilateralism, special relationships, or client-patronage relationships in the contemporary Indo-Pacific. While leaving little explanatory power to describe or analyze multilateralism, trilateralism, or non-US security relations. It diminishes the importance of contemporary multilateralism, 'minilateralism' and coalition-building in the region (See Cha, 2010, p. 196; Tow, 2019). More to the point, it may not last as the region becomes more interconnected (Mastanduno, 2005, p. 178). The US does not provide the region's only possible hegemonic features (see Cooley & Nexon, 2020; Wilkins, 2019). Various non-US security, economic and cultural relations among Indo-Pacific states, for example, Regional Comprehensive Economic Partnership (RCEP), the Beijing Xiangshan Forum, or the Pacific Islands Forum, create or attempt to create regional order. But these alternatives, which can change, do not radically revise the regional order or decenter all US interests. The evolving dynamics of the region's relations and interests mean that scholars need analytical perspectives that account for it. These initiatives, however, are not explicitly against US power, nor do they necessarily stop the US from continuing to base its military in the region or continue to trade in goods and services. The hub and spoke model contrasts with the political economy model because the US actively encourages the region to become multilateral. Hence, the US portrays itself as a first among equal sovereign states rather than a neo-imperial power demanding subordination and declaring a 'New Cold War' against China. As Bradford (2011) claimed, multilateralism (even occasionally with China) is an efficient way for the US to protect sea lanes and maintain commercial relations.

As Mulich (2018) and others have invited us to think, international relations in the world are dynamic. Non-state actors such as corporations influence state-to-state relations. The Chinese state has aided (even when occasionally frustrating) American finance and tech firms to make China a

huge manufacturing exporter and dominant microchip producer (see O’Keefe, Somerville, & Jie, 2021). Big financial investment and manufacturing firms, which operate almost as oligarchical firms in some economic sectors, have fused the US and China’s economies. US and Chinese corporations, such as Amazon, Alibaba, WeChat, Facebook, Apple, Google, Huawei, Vivo, OPPO, AT&T, Sinopec Group, Wal-Mart, Exxon Mobil, and China National Petroleum, invest and work in both countries; Exxon Mobil spent billions on petrochemicals in Guangdong Province in China. Similarly, Sinopec Group has invested in shale gas fields in the US (Exxon Mobil, 2021; Tan, 2015). Moreover, the US and China negotiate climate change strategies and policies between each other to cut fossil fuels and improve domestic pollution regulations. This corporate environment is one way the US and China collaborate in the region’s continuously changing relations. These corporate connections mean the US Navy’s strategy cannot confront China with blunt military containment. It must account for US-China trade and US trade with other states in the region.

China has such a significant role in the world economy that the hub-and-spoke model cannot discern its role in regional relations in a thorough way. To apply this analytical perspective means that China is either a ‘spoke’ or entirely outside of the US regional order. Neither is adequate because it does not account for the constantly evolving dynamics of security relations, trade, and cultural exchanges (see Loke, 2021). In response, Ikenberry (2016, p. 2) conceptualized the ‘dual hierarchy’ to appreciate the emergence of Chinese economic and American security power in the region. US allies in the Indo-Pacific are economically interdependent with China and even as they rely on US security. While there is some division between economic and military spheres in the region. An analytical problem of the model is that it implies a static and hierarchical nature to bilateral relations. A part of this comes from how liberal internationalism and institutionalism relies on *Innenpolitik* through their argument that American foreign policy is constructed as if it was a social contract between the powerful protector sovereign and the consent of smaller allies (Ripsman et al., 2016, pp. 5–6). A liberal normative approach to hierarchy portrays how the United States has, at times, furnished its allies, and even the world, with a security community (Ikenberry, 2004, p. 615). But applying social contract theory can create a false separation between a legitimate multilateral order and tyrannical unilateralism in American foreign policy. The former is the liberal ideal as it relies on the consent of allies, whereas the latter is an illiberal aberration that draws on a virulent strain of militant nationalism and relies on the obedience of unwilling allies. However, these two strands are often mutually reinforcing and reliant on each other rather than distinct opposites (Porter, 2020). For instance, on the surface, the US-

led war in Iraq in 2003 came from militant unilateralism and nationalism, but it also depended on multilateralism. Many allied militaries worked in Iraq to secure, aid, and support US efforts to remove Saddam Hussein and spread democracy and the free market to the Middle East (Weitsman, 2013, p. 104).

In a public exchange with Indian military officials, Admiral Aquilino (2021) justifies US maritime strategy: 'The United States is a Pacific nation and have been there for 80 years. We've set and underwritten the security that has generated the prosperity and security and peaceful environment that we've set now for 80 years, post-World War II'. This strategy is not designing obedience among US Asian allies as an *Innenpolitik* model of relationships would theorize even from those officials who are most forward in their military assessments. Some long-standing allies actively pursue hedging rather than deference to the United States. The Philippines, for instance, has not divorced from the US by breaking the Mutual Defense Treaty. It has announced 'separation' from the US and, at times, attempted warmer commercial relations with China (Reuters, 2016). More recently, Singapore signed a modest defense agreement with China (Parameswaran, 2019). The behavior of these allies is no immediate evidence of states in the Indo-Pacific drawing away from the US or radically revising the international order. They are instead behaving within the US' free and open Indo-Pacific' strategy. Agency among allies and partners is not evidence of decline but rather a flexible hegemonic system that does not require complete subordination. Even during the Cold War, US allies were never entirely obedient to the US. So, this *Innenpolitik* standard that works within states cannot be applied to the contemporary Indo-Pacific.

Economic reach and military power are not entirely comparable as the 'dual hierarchy' posits. As US allies conform to US standards of military interoperability, the US basing and deployment rights, purchasing American-made and designed weapons, subscribing to US military doctrine, and sharing US security concerns about China, they broadly consent to the US as a military hegemon. There is, however, a more complicated picture in economics. Despite their substantial military competition, China's biggest export market remains the United States. Similarly, Australia and China have geopolitical tensions but continue to trade. Japan and South Korea trade with China despite tensions over history and culture remain between them. They formed the Trilateral Cooperation Secretariat, a forum for this end. Although China is a major trading partner for many Indo-Pacific states, it does not translate to it being an 'economic hegemon'. Its role as a mass exporter has not guaranteed it crucial diplomatic leverage over, for instance, Japan, South Korea, or Australia. It cannot influence smaller Indo-Pacific away from the US economy or security protection through its mass

exporting even though the economic growth of the region relies on China. The assumed linkage of economic size and hegemony negates state agency among smaller powers and assumes that US influence in the region is in decline. Although less integrated (by trade measures) into the Indo-Pacific compared to China, the US economy is a crucial site for excess savings (through the purchase of financial assets guaranteed by the US government) and exports from the region (Klein & Pettis, 2020, pp. 174–176). The low savings rate in the US is somewhat necessary to absorb China's excess savings (Austin, 2011, p. 84). The region's economy cannot function without these states having specific roles as importers, exporters, or absorbers of savings. China is not an economic (regional) hegemon that can exercise comparative power as the United States does with security and military power. This complicates but does not disqualify the argument of a naval arms race in Asia (Till, 2017).

There is a historical precedent in these kinds of relationships; Imperial Japan imported vital goods from the United States in the 1920s and 1930s, and in the years before the First World War, German industry invested heavily in British manufacturing (Barnhart, 1987, p. 45, 98; Edgerton, 2018, pp. 141–142). The point here is that regional order is in flux, and our analytical lens must maintain some flexibility to account for this phenomenon. The complexity of the regional relations is further added to by secondary states that continuously switch between hedging, bandwagoning, free riding or balancing against the US and China. For instance, Australia is bandwagoning with the US through its purchase of nuclear submarines, and, as Koga (2018) shows that Japan practices hedging to improve its position in the region, which effectively means economic engagement with China (a source of threat) while increasing its military capabilities to stave off a confrontation with China in the future. In the Philippines, Vietnam, and Malaysia, the rise of China as discourse is a political construct that benefits their self-defined national interests (Liang, 2018). This further complicates the competition and collaboration in the region.

US strategy for a 'Free and Open Indo-Pacific' is a strategic gambit for how the US seeks to maintain both economic and security power in the region and for it to draw allies and potential partners onside without antagonizing China, which requires a safe region to export goods of which its economy relies on. As sometimes assumed, there is no radical divergence or separation between the economic and security hierarchies in the contemporary Indo-Pacific. Contemporary US structural power and its relations in the Indo-Pacific are not easily placed in generalizable theoretical models, which can appear static when security and economic dynamics on the ground are constantly evolving (Loke, 2021; Mulich, 2018). World-spanning empires to regional networks are not discrete, nor can they avoid or block

out any so-called 'outside' influences; internal and external forces reconfigure them over time (Mulich, 2018, p. 696, 700). The social-relational perspective has made significant strides in capturing the evolving dynamics of international politics (Nexon, 2010).

The hub-and-spoke model has strong analytical capabilities but struggles to account for non-US alliances and the evolving security and economic dynamics. Indo-Pacific states, such as Australia, Indonesia, and Malaysia, have drawn closer to China's export-driven economic growth that demands a vast quantity of coal, uranium, metals, rubbers, and foodstuffs. This relationship supplies the United States, an importer market, with Chinese finished goods. The economic and security relationships in the region are not as separated as they first seem. Deindustrialization of the US has meant that the middle powers export first to China and manufacture the goods that then go to the US. The economies of the middle powers, China, and the US would all be disrupted and damaged if the relationships changed.

### **The politics of economic relations with China**

The economic interdependence between the United States and China means that neither can achieve domestic economic growth and invest military power without some compliance from the other. Trade wars are not primarily between states. Klein and Pettis (2020) show that trade wars are mainly between transnational finance and manufacturing titans versus ordinary households who are either shifted into making goods they cannot afford because of low pay (China), or they lose their jobs in manufacturing in deindustrialization (the US). They term it 'America's exorbitant burden', which is that the US, through decades of deindustrialization, absorbs the world's excess output from East Asia or Europe, often at cheap prices (2020, p. 221). This intractable economic situation means that American strategy, as displayed here through the US Navy, cannot pursue a rigid security containment of China. The People's Liberation Army Navy has developed significant A2/AD capabilities and influence within the First Island Chain that deter an American containment strategy. But more so, the US, through the US Navy, cannot pursue containment because of concerns of US and North American economic growth. The same is so for China, which relies on the US. This explains why Admiral Davidson (2018b) pointedly argued: 'we reaffirm with zero ambiguity the United States is an enduring Pacific power, and preserving a free and open Indo-Pacific is a core interest of the United States'. This is not a 'new' posture, the US has long held relations and interests in the Indo-Pacific. But the context of Davidson saying so reaffirms that the US is staking its place as a superpower on its commitment to engaging with the Indo-Pacific. It notes that the US Navy is (re)adopting a long-held

notion to secure US power. Admiral Samuel J. Locklear (2012) recognizes that the US and the region's political economy means that the US rebalance to the Pacific is not a military operation alone, 'the rebalance draws on the strengths of the entire US government, including policy, diplomacy, trade and of course, where I am mostly focused, security'.

Nevertheless, the DoD (2019, p. 2) *Indo-Pacific Strategy Report* regards the Indo-Pacific in existential proportions for the United States: 'The past, present, and future of the United States are interwoven with the Indo-Pacific'. US security and economic disengagement seem less likely within the current discourse. The report goes on to call the US a 'Pacific nation' whose ties 'to the Indo-Pacific are forged by history, and our future is inextricably linked' (DoD, 2019, p. 2). In an evening speech, Admiral Davidson (2018a) clearly stated: 'that the United States is a Pacific nation ... both in geography and outlook'. The idea that the United States is a 'Pacific nation' to some extent challenges the US as just a hegemon in the Western Hemisphere or a North Atlantic financial power or as a military power in the Middle East. Davidson essentially (re)adopts a long-held view in the US strategic community and its domestic politics that the US should focus on Asia over other regions. In the early Cold War, the Republican Party and conservative intellectuals developed an 'Asia First' policy to secure US commercial interests and contain communism, often through military power (Mao, 2015). Examining US maritime strategy in the Indo-Pacific from 2008 to 2020 enhances our understanding of how strategic ideas influence or are influenced by political-economic ideas in states. This perspective adds to the discussion about how international liberalism combats Chinese authoritarianism as a ruling global ideology (Yan, 2018). In a word, the US cannot adopt a different maritime strategy other than a 'free and open' Indo-Pacific, even though it allows China to prosper because its political economy is so integrated with the Indo-Pacific. Thus, the Navy and the DoD develop policy not for 'security' reasons but to maintain the complex political economy of the region that benefits political and corporate interests in the United States. It is not just US Navy commanders in the Indo-Pacific that think about resources and the economy. Southcom Commander Army General Laura Richardson spoke of the Western Hemisphere's vast resources with the implication that the US can protect economic development in Latin America (Roulo, 2022). Pivoting on political economy issues means aiding the armed branches in legitimatizing their presence in foreign lands.

The implication here is that for the US to adopt a different strategy, for example, deep security containment against China it would require substantial changes to the materiality of the US political economy and, on that, for the US national security state to make different interpretations of its political economy and that of the Indo-Pacific. Among some insurgent figures

on the Trumpian right and among some democratic socialists, there is a preference for a less economically globally integrated US to rebuild the US manufacturing base (Hawley, 2020; Sanders, 2011). This 're-industrialization' would reduce dependence on China and thereby make Australia or Indonesia export more of their raw materials directly to the US (or Europe) to manufacture finished goods. It would force a substantial change in US corporate interests. As Klein and Pettis show (2020, p. 70, 175, 201–205), the US has been and still is a safe place of global savings elsewhere. Its open and lightly regulated economy means foreign governments, corporations, and pension holders invest in dollar assets and US property. This has been another contention amongst Republicans, Representative Chip Roy introduced a bill that would block members of the CCP from buying land in the US, particularly for agriculture and renewable energy (Roy, 2021). Chinese investors hold very little US land, but there is a growing retreat among lawmakers and the federal bureaucracy from having such an open property market. If these ideas become dominant, it would change the shape of the US political economy, and therefore it would have different strategic interests in the Indo-Pacific. Nevertheless, these ideas are generally on the edge of the national security policy-making exercises.

IPE and IR scholars have often rendered mercantilism as a retrograde zero-sum strategy for a state to gain leverage over others. In this frame, it makes trade wars more likely and, eventually, fighting wars. Some officials and politicians have attempted to reform the US political economy into more of a North American continental economy and de-couple it from China. Yet as some historians of economic thought have shown, mercantilism is a family of ideas that broadly attempts to position the state as a force of security for its national economy (Helleiner, 2021). As Shovlin (2021) shows, the British and French states in the 18<sup>th</sup> Century weathered commercial tensions to avoid costly wars. The narrative entrepreneurs who advocate that a rising China inherently threatens the West do not account for how China provides a bedrock for contemporary Western prosperity and standards of living (see further Hagström & Gustafsson, 2019). Trade tensions, even trade wars, are not necessarily the beginning of a violent war. This intellectual history has argumentative similarities with IR theoretical frameworks from realist to Marxist accounts to Hobson-inspired approaches to the political economy and has stumbled upon the key point that China, the US, and the other states are competing and cooperating at the same time (Atanassova-Cornelis, 2020; Klein & Pettis, 2020; Parmar & Furse, 2021; Schweller, 2018; Wu, 2019). The clash between competition and cooperation is between private and public interests (Zielinski et al., 2021, p. 3). US-China corporate collaboration is driven by private interests, whereas the US Navy is thinking and acting its strategy for public interests.

The FOIP is a blend of these private and public interests to guard US corporate investment, trade, and US national security interests.

The complex interconnections of the US political economy with China and the rest of the Indo-Pacific have meant US security relations in the region in 2008–2020 took various positions with several states. Its alliance formation was inherently open because allies and partners had varying degrees of autonomy to choose military equipment, opt-outs for training exercises, shared doctrine, and strategic intentions. The strategic cultures in Australia and Japan opted for close relations with the US, while the Philippines and Vietnam have attempted to balance relations with the US and China. The US has plausibly denied that it has helped construct an explicitly anti-China alliance or that is a hierarchical military power in the region. As Envall and Wilkins (2022, pp. 7–11) argue, Japan has begun to operate as a pro-active pillar in the 'Free and Open Pacific' and made novel and general contributions to a new regional order outside of US-led hierarchy. The security dynamics in this region is not a rigid hierarchy but multiple co-existing and competing ideas and figures which bargain with each other to find some commonality on various issues, including China's maritime ambitions (Loke, 2021). The focus on the political economy of the US Navy's maritime strategy shows clearly that the region has dynamic and complex relations that cannot be so easily fathomed in static IR theories.

China does not have a full maritime response to the FOIP that can replace it and gain subordination or consent from allies or partners. It has recent years adopted various strategies to bolster its national power. President Xi declared that food self-sufficiency is a national security objective (Pao, 2021). China remains the largest market for US agricultural goods. It will rely on Russian and Middle Eastern hydrocarbons as it builds its domestic green energy industries to become more self-sufficient in energy. Simultaneously, the Chinese domestic market continues to rise and will begin to consume what would have been exported. This lessens its reliance on the US and possibly other parts of Asia (Cheng, 2021). These ideas within the state are not a grand strategic move toward autarky or self-sufficiency. But they are designed to give China more leverage to be coercive. Specifically, securing its near seas to guard its economy and supply chains (Wu, 2019, p. 669). This coercion is displayed in 'wolf-warrior diplomacy', which is partly an extension of a conservative intellectual wave that favored centralized power, anti-democracy (after Tiananmen Square 1989), and nationalist ideology (Zheng, 2003, pp. 163–166). The Chinese leaders and bureaucrats who favored opening China's economy to the world in the 1980s and 2000s were not 'liberal', but often largely within this nationalist intellectual movement, such as CCP leaders Jiang Zemin, Chen Yun or Qiao Shi. This shift is largely an elite ideational movement to secure the regime

rather than coming from the Chinese people (Johnston, 2017). Thus, the state leaders who seek economic and corporate collaboration with the world (and specifically the US) may also seek to compete with the US in security and geopolitics. China has had a two-decade discourse that advocated a more competitive approach to military issues and economic nationalism (see Song, Zangzang, Zhengyu, Bian, & Qingsheng, 1996 in Guang, 2005, pp. 497–498). This thought remains within the general intellectual milieu of the Chinese state and parastate elites, even if it is not the most dominant attitude.

The US Navy makes a concerted effort to act with allies and partners rather than subordinate them. As Admiral Davidson (2021b) argued at the AFCEA TechNet Indo-Pacific Conference: ‘At the heart of it, our forces must be maneuverable – agile if you will – and have the depth of multi-domain fires needed to achieve positional advantage; we must leverage an array of interoperable and compatible allies and partners, and we must regularly demonstrate the “deterability” to deny and defeat’. Moreover, his speech (see also Aquilino, 2021; Harris, 2016, 2017) highlights the importance of allies in the region. It is this agility that Admiral Davidson (2018b) hinted at this when he argued that ‘the credibility of the combat power within US Indo-Pacific Command’ was essential to American power. Credibility to use force, rather than the number of warships, was key to ensuring that the US remained the dominant military power in the region.

In moments of crisis, the US has gained allies’ consent to engage in the region. Patomäki (2008, p. 149) claims that when financial crises hit countries outside the Anglosphere, funds rally toward New York and London, which the IMF protects, further strengthening their position. Similarly, when security crises have broken out in the Indo-Pacific, many small and middle states have tended to make assurances to the United States rather than China. For instance, China’s island-building in the South China Sea and its military buildup on these islands have not yet led states such as Vietnam or the Philippines to side with China against the United States despite their proximity with the former. Wu (2019, pp. 670–673) finds that China might be more assertive in the ‘near seas’ that it directly borders the first island chain while cooperating in the open seas, those areas outside of its A2/AD capabilities and supply routes.

To some extent, this challenges Yoshihara and Holmes,’ (2018) neo-Mahanian thesis in *Red Start over the Pacific* that China will soon forcefully confront the US to become a hegemony. However, their argument is accurate: there is a growing strategic vision and politics in China, particularly among elites, to pressure US military power. Naval power in the vast Indo-Pacific would prove prohibitively costly without a network of bases and stations in foreign countries. This means that China and the United States

must forge mutually beneficial relations with various states whose interests conflict with their own and neighbors. China will struggle to obtain hegemonic power without allies and partners. The US remains a hegemony because it has allies and partners even in delicate relations, such as the defense agreements between the Philippines and the US. The maintenance of the US-led Free and Open Indo-Pacific relies not just on US power or its allies but on China's behavior and the doctrine governing its naval power. This further highlights how the US and China are in simultaneous cooperative and competitive relationships where there is little possibility of altering unless significant economic changes exist.

### **The US navy's maritime strategy in a networked region**

The junction between the material interests of the US political economy and its zero-sum interpretation of US-China security rivalry is the reasoning behind the complex and, for some, convoluted relationship. The principal working idea for the US is to maintain power projection in this complex region through the FOIP. The strategic vision that the US with its allies should maintain open economic travel in the sea lanes of the Pacific is a balance between military and economic relations (Davidson, 2021a). Senior naval staff constantly comment that the US military must be active in the Indo-Pacific because of the region's economy. In a speech titled 'China Power: Up for Debate', Admiral Davidson makes the forceful point that 'An "Open" Indo-Pacific includes open investment environments, transparent agreements between nations, protection of intellectual property rights, fair and reciprocal trade – all of which are essential for people, goods, and capital to move across borders for the shared benefit of all' (Davidson, 2018b). The US expresses its political economy through this strategic idea. Through their statements, US Navy leaders are, in a sense, manipulating the policy-making system to support their budgetary (and security) interests (Rej, 2021). They understand that tying their goals to those of the legislature, the executive, the foreign policy establishment, and the political economy will support their calls for additional funding and input in strategic deliberations.

The scale of the Indo-Pacific can stymie US power. US Admiral Harry Harris Jr. (2016) remarked that 'the tyranny of distance in the PACOM theater is cruel'. Similarly, Admiral Locklear (2013), the former commander of United States Pacific Command, is hesitant to call the Indo-Pacific even a region 'because that tends to over-simplify and really under-represent not only the size, but the complexity, and really the diversity of opportunities that are in this part of the world. But it also under-represents the significant security challenges that we all face today or that we see today and will see

in the future'. More recently, in 2021, Admiral Aquilino, Commander of the Indo-Pacific Command, argued that his institution 'is actively taking steps to strengthen our alliances, develop new relationships, and integrate our forces into a broader network of partnerships (Aquilino, 2021). Yet the vast space of the Pacific and Indian Oceans has not meant that states struggle to form networks of close, loose, and overlapping relations (Atanassova-Cornelis, 2020). Locklear (2012) explicitly argues that relations are complex in the region, 'there is no Pacific NATO. Will there be someday? I don't know. I'm not clairvoyant. ... But what exists instead is a "patchwork quilt" of interwoven security relations'. The US national security state, particularly the Navy, must anticipate threats from the problems of power projection over a vast region and insecurity from alliance networks. This hegemonic structure in the Indo-Pacific is evidence that the US military attempts to create a legitimate order with the buy-in from allied states by pursuing a strategy that pivots on a 'free and open Indo-Pacific', which inevitably means that some US allies will go against some US interests. This, however, is not clear evidence of US decline. Total obedience is not the standard to compare. Rather, inter-state relations in the Indo-Pacific in the 21<sup>st</sup> century are in constant flux, and the US-led 'Free and Open Indo-Pacific' is the most flexible strategy available to allow for it.

The globalization in the region between 2008 and 2020 is an epochal moment in how Sino-US relations became hybrid. The US and Chinese states have continually sought to balance competing ideas and interests from various corporate and governmental figures, military and security interests and threats, and preferences about the models of their economies. The integrated relationship between China and the US (and the rest of the region) means that neither can operate as the nationalist economic entities of the 19<sup>th</sup> century (see Yoshihara & Holmes, 2018). Chinese and US corporate elites have benefited from the mass industrialization of China and the debt-fueled consumption in the United States. Unless these elites significantly lose political space in their respective states and economic protectionism and potentially militant nationalism become consensus, the syncretic relationship between parts of the Chinese and US economies remain functioning and interdependent. It forced China to decide whether to be subordinate to the US-led TPP or work outside it. By 2015 and 2016, however, critical voices found a warm reception among voters. Bernie Sanders, Hillary Clinton, Larry Summers, and Donald Trump criticized US entry into TPP from various standpoints. The Trump administration harnessed this as much as possible to rebalance bilateral trade between the two states. But it did not, or could not, reverse the network system of economic and security relations in the region. As Till (2017) shows, a naval arms race can coincide with economic interdependence. And as Loke (2019,

2021) and others have shown, states in the region have compartmentalized various state features leading to a complex region of relations. This problem is not unrecognized in Washington. Biden's 'Indo-Pacific Economic Framework' tries to develop a broad economic bloc to change economic dynamics, specifically supply chains, away from China's influence. This attempts to counter the China-led Regional Comprehensive Economic Partnership, which includes many of the same countries.

A month after the Trump administration withdrew the US from TPP, Admiral Harris, commander of the then Pacific Command, stated: 'In a networked world that is changing dramatically, we must craft methods of war-fighting that link our hard-power technology, our smart-power capabilities, and our rock-solid commitment to security with our allies and partners. And nowhere is this more urgently needed than in the Indo-Asia-Pacific, a region which I believe is inextricably linked to America's future prosperity and security' (Harris, 2017). The Sino-US trade war was not a hangover from an earlier time but a 21<sup>st</sup> Century solution to what the Trump administration comprehended as US economic weakness. It was not, for them, the US leaving the region or their allies. The Department of Defense's Strategy Report on the region in 2019 states: 'The United States must be prepared by sustaining a credible combat-forward posture; strengthening alliances and building new partnerships; and promoting an increasingly networked region. These actions will enable the United States to preserve a free and open Indo Pacific where sovereignty, independence, and territorial integrity are safeguarded' (DoD, 2019, p. 3). The Trump administration and the US Navy intensified the US military power in the region *with* allies. As Admiral Davidson (2021a) argued, 'our [the US] constellation of allies and partners is the backbone of the free and open international order, providing a powerful force to counter malign activity and aggression'. In sharp contrast to his view that the CCP coerce states. In 2015, Admiral Swift, who had been a commander of Carrier Strike Group 9, and of the US 7th Fleet argued that there was a localized arms race among states in the South China Sea that stemmed from China's 'so-called military zones' close to artificial islands (Perlez, 2015; see also Till, 2017). Aquilino outlined that the core reason for the US Navy's interest in the region is that 'militarily, seven of the world's ten largest armies, five of the world's declared nuclear nations, and some of the most sophisticated navies reside in the Indo-Pacific' (Aquilino, 2021).

For Admiral Locklear in 2013, the US was not relying on the Cold War alliance but on reshaping US interests and the region for the 21<sup>st</sup> Century. The struggle against the Soviet Union and even the Vietnam War helped cement US relations with Japan, South Korea, or Australia, but Locklear does not equate to these alliances being relics. As he (2013) argued, 'while modernizing and strengthening our bilateral relationships... we will also

strengthen our commitment to multilateral forums such as ASEAN and the East Asia Summit'. Consciously, this is not about the US preferring multilateralism or bilateralism but a combination of instruments. These new relationships and the network of states in the Indo-Pacific means that the US is constantly recalibrating the security dynamics that underpin its power projection. US allies and partners do not operate their foreign policies as complete subordinates in a US-led hierarchical system. This makes a networked region of collaboration, cooperation, and competition where political economy and security are not rigidly distinct but interact. US Naval and national security staff frame Chinese assertiveness as a threat to US national security, but more often to regional order. In his speech on China's power, Admiral Davidson reminds his audience that the global institutions of world order, such as the World Health Organization, are increasingly unaware of China's political reshaping of them for the CCP's interests (Davidson, 2021a). Aquilino (2021) states that the purpose of his speech is to argue 'the absolute necessity for all like-minded nations to defend the rules-based international order for the benefit of all'.

In comparison, they recognize that the US is not a sole competitor against China and that it wants the purchase of a collection of allies to create legitimacy for its 'Free and Open Indo-Pacific' strategy. When US allies, such as Australia or South Korea, pursue economic relations with China, it is illustrative of this 'free and open Indo-Pacific', not their revision of the regional order. Loke's (2019) point that US and China struggle to be full regional leaders is accurate because of the complex tensions and mistrust in the region. However, the US-led FOIP is the most available source for the US to exercise power and gain a semblance of legitimacy from allies and partners (and others) who have reservations about the US and China power struggle. The context of Aquilino's military assessment is one of a networked regional order that, in its current form, makes distinct bipolar rivalries difficult to discern. For a Cold War 2.0 bipolar struggle, as Yoshihara and Holmes (2018) argue, the US political economy would have to decouple from China in a significant way. This possibility is, however, impractical because their respective economies are arranged as the mass exporter and the mass importer.

Admiral John Aquilino forcefully remarked, 'revisionist, autocratic powers seek to disrupt and displace the current system in ways that benefit them at the expense of all others. They used coercion and intimidation to achieve their objectives and justify their actions with a philosophy of might makes right. They create domestic laws and then attempt to portray them as new international rules' (2021). Aquilino's speech and others like it legitimize the 'free and open Indo-Pacific' as a working framework for the US to engage in great power politics. Despite strategic fears in the government

and foreign policy think tanks, the US, for the time being, comes from a position of material strength and has a degree of regional legitimacy because it is the status quo against China (see further Beckley, 2021). These fears, however, not unfounded or irrational. China's economic growth and corresponding military technology advancement significantly strain the US claim as an undisputed regional hegemon. The legitimacy of the 'free and open' regional order is broadly agreed on across the political spectrum in the US and its national security state. As a result, a variety of US foreign think tanks often argue that Chinese aggressive behavior stems from internal dysfunction, corruption, or autocratic domestic politics, as seen in the CCP and President Xi's nationalism, 'Wolf-Warrior' diplomacy and the People's Liberation Army's political power rather than emphasize the external pressures on it (Brands & Beckley, 2021; Carter, 2019; Cunningham, 2021; Pence, 2021). This pivot onto internal factors and 'diversionary aggression', rather than external ones found in the international or regional order, are another way of justifying it.

The political spectrum of the US foreign policy rebranded the US as an almost entirely 'Pacific nation' with considerable geographical and historical involvement there (Clinton, 2011; DoD, 2019, pp. 1–2; Rubio, 2014). This is a rhetorical cue to describe the transition from the US as a Middle Eastern military power to one in the Indo-Pacific. This shift to a new US military strategy emphasized maritime capabilities and power, missile deployment, and stationary troop deployment in allied states. Robert C. O'Brien (2021), the assistant to President Trump for National Security Affairs, boldly states that the US 'is and always has been an Indo-Pacific nation'. The intention was clear: the US had to maintain primacy and enhance the credibility of its alliances to deter revisionist powers. But this military assessment must be seen in the political economic context. For Admiral Locklear (2013; see also 2012) 'Asia ... as we all know ... is the engine that drives the global economy ... the economic center of gravity and becoming more so every minute'. As the global economy grows more in the Indo-Pacific, so the US Navy must secure it. So much so that US and China have developed military-to-military relations, particularly on anti-piracy measures in the wider region to guard the economy (Bradford, 2011, pp. 186–187, 190).

Globalization in the Indo-Pacific combines conflict, competition, cooperation, and interdependence in space. China's economy can sustain, for a time, a yawning trade surplus with the rest of the world because it has low domestic demand, as others, such as the United States or Europe, are willing importers of its goods (Klein & Pettis, 2020). This benefits some Chinese and American corporations that gain profits from creating this transnational trade interdependence. Stephen Roach, Morgan Stanley's former chief economist, spearheaded US financial elite's optimism about China in the

1990s and 2000s. But his two books *Unbalanced* (2014) and *The Next Asia* (2009) point to how interdependence between the US and China has bred economic conflict. It keeps wages low in China, spurring FDI as the US deindustrializes. Simultaneously, many US and Chinese corporations compete for a wider share of the world market for consumer electronics, heavy industries, arms-making, and textile sectors. Meanwhile, almost 96 academics, former military staff, and businesspeople (Fravel, Stapleton Roy, Swaine, Thornton, & Vogel, 2019) wrote in the *Washington Post* that China is not a dire economic threat. Liberal internationalism is ideologically flexible enough to encompass Aquilino's 'hawkish' assessment and the point in Fravel and others (2019) that the US economy and its allies require a close relationship with China. The US, as the world's richest domestic market, and China as the biggest exporter, mean that the US military strategy must compete against China to contain its geopolitical ambitions and create an environment so it does not stop exporting to the US.

## Conclusion

This article's approach highlights how the FOIP is the strategic idea that gives the US legitimacy to contain China's geopolitical ambitions and collaborate with its economic growth. As the US is the biggest importer of exports from this region, the 'free and open Indo Pacific' is a US strategic idea that fits with China's immediate economic and material interests. The entwinement of political economy and security ideas in the US national security state has fostered an ideational worldview that struggles to recognize what the international order does to the internal dynamics of states. This argument shows that this maritime strategy balances its various ideas and causes. For instance, US allies Australia, India, Japan, South Korea, and Vietnam do not collectively unite against the United States in military or security matters even when their material and economic interests are increasingly connected to China. None of this claims that war is unfathomable because the region is so 'networked'. Instead, the argument is more specific in that the US and China would struggle to fight a sustained war as both economies rely on the other and many Indo-Pacific states. It is beyond the scope of this paper, but among some in the US, political ideas about a more continental political economy are surfacing. This would significantly influence and impact US military strategy in containing China if these ideas become consensus. The region's contemporary security and economic environment do not allow for a distinctive containment of China by the US and its allies and partners. Conflictual security and economic ideas and interests among Indo-Pacific states, the US, and China are unavoidable in the region.

The US-China relationship is a phenomenon of the 21<sup>st</sup> century that has no historical parallel. The Peloponnesian War between Sparta and Athens was resolved when Persia, a giant power, sided with Sparta. The Soviet Union and US economic growth during the Cold War were not reliant on each other. The proportions of the US-China economic relationship are huge and have meant substantial inter-elite and corporate connections that led to prosperity and inequality in both countries. Contemporary China has embedded into the prosperity of the global economy in ways that the Soviet Union, Imperial Japan, or Nazi Germany never managed. US military and civilian officials tend to explain that Chinese aggressive behavior stems from the inherent dysfunction of autocratic domestic politics rather than external pressures. This argumentative thread among the foreign policy decision-makers has generated and justified the 'free and open Indo-Pacific'. US Naval officers are working within a broader national security state that hosts many competing priorities and ideas at once and where the 'free and open Indo-Pacific' broadly covers the general needs of the US political economy among its allies. They outline how the international order works and even rely on states such as China to avoid the connecting political, economic and security needs as the US does. China's 'responsible stakeholder' notion in the US-led liberal international order is devoid of security interests but economically connected with the region. Security or the rankings of military power were not the only motivating factors in how senior US Naval officers formed strategic thought for the Indo-Pacific.

An underlying argument within this article is that this 'open and free' regional order is not evidence of the much-anticipated American decline (see further Stokes, 2014), and commercial antagonism is not necessarily the beginning of a war. The Trump administration's *Strategic Framework for the Indo-Pacific* (Trump administration, 2021) did however notice that this relationship cannot last if China implements its revisionist military and geopolitical ambitions; it only lasts if China maintains its economic model. If the future holds continual deindustrialization of China and a possible 'reindustrialization' of the US, then there are fewer immediate economic benefits for either state to maintain open bilateral relations. The 'free and open Indo-Pacific' provides a maritime strategy to satisfy domestic political-economic needs for the United States.

## **Acknowledgements**

The author would like to thank Jeppe Mulich who saw a much earlier draft and the reviewers for their helpful contributions.

## Disclosure statement

No potential conflict of interest was reported by the authors.

## Notes on contributor

*Thomas Furse* is a PhD student at City, University of London.

## References

- Aquilino, C. (2021, November 22). Importance of allies and partners in the Indo-Pacific. *U.S. Indo-Pacific Command*. Retrieved from <https://www.pacom.mil/Media/Speeches-Testimony/Article/2851117/importance-of-allies-and-partners-in-the-indo-pacific/>.
- Atanassova-Cornelis, E. (2020). Alignment cooperation and regional security architecture in the Indo-Pacific. *The International Spectator*, 55(1), 18–33. doi:10.1080/03932729.2020.1712132
- Austin, K. (2011). Communist China's capitalism: The highest stage of capitalist imperialism. *World Economics*, 12(1), 79–94.
- Bacevich, A. (Ed.). (2018). *Ideas and American foreign policy: A reader*. New York, NY: Oxford University Press.
- Barnhart, M. A. (1987). *Japan prepares for total war: The search for economic security, 1919–1941*. Ithaca, NY: Cornell University Press.
- Beckley, M. (2021). Conditional convergence and the rise of China: A political economy approach to understanding global power transitions. *Journal of Global Security Studies*, 6(1), 1–9. doi:10.1093/jogss/ogaa010
- Booth, K. (1977). *Navies and foreign policy*. Abingdon: Routledge.
- Borgwardt, E., McKnight Nichols, C., & Preston, A. (2021). *Rethinking American grand strategy*. New York, NY: Oxford University Press.
- Bradford, J. (2011). The maritime strategy of the United States: Implications for Indo-Pacific Sea Lanes. *Contemporary Southeast Asia*, 33(2), 183–208.
- Brands, H., & Beckley, M. (2021, November 1). How war with China begins. *American Enterprise Institute*. Retrieved from <https://www.cfr.org/blog/understand-chinas-aggressive-foreign-policy-look-its-domestic-politics>.
- Bruns, S. (2018). *US Naval Strategy and National Security: The evolution of American maritime power*. Abingdon: Routledge.
- Carter, E. B. (2019, January 22). Diversionary aggression in Chinese foreign policy. *The Brookings Institute*. Retrieved from <https://www.brookings.edu/articles/diversionary-aggression-in-chinese-foreign-policy/>.
- Cha, V. (2010). Powerplay: Origins of the US alliance system in Asia. *International Security*, 34(3), 158–196. doi:10.1162/isec.2010.34.3.158
- Cha, V. (2016). *Powerplay: The origins of the American alliance system in Asia*. Princeton, NJ: Princeton University Press.
- Cheng, E. (2021, January 29). Chinese consumer spending is set to double by 2030, Morgan Stanley predicts. *CNBC*. Retrieved from <https://www.cnbc.com/2021/01/29/chinese-consumer-spending-to-double-by-2030-morgan-stanley-predicts.html>.
- Clinton, H. (2011, October 11). America's pacific century. *Foreign Policy*. Retrieved from <https://foreignpolicy.com/2011/10/11/americas-pacific-century/>.
- Cooley, A., & Nexon, D. (2020). *Exit from hegemony: The unraveling of the American global order*. New York, NY: Oxford University Press.

- Cunningham, M. (2021, August 18). We need to understand China's domestic politics. *The Heritage Foundation*. Retrieved from <https://www.heritage.org/asia/commentary/we-need-understand-chinas-domestic-politics>.
- Davidson, P. (2021a, January 12). 33rd annual SNA national symposium. *U.S. Indo-Pacific Command*. Retrieved from <https://www.pacom.mil/Media/Speeches-Testimony/Article/2469844/33rd-annual-sna-national-symposium/>.
- Davidson, P. (2018a, June 25). United States - Republic of Korea alliance night. *U.S. Indo-Pacific Command*. Retrieved from <https://www.pacom.mil/Media/Speeches-Testimony/Article/1555998/united-states-republic-of-korea-alliance-night/>.
- Davidson, P. (2018b, November 29). China power: Up for debate. *U.S. Indo-Pacific Command*. Retrieved from <https://www.pacom.mil/Media/Speeches-Testimony/Article/1702301/china-power-up-for-debate/>.
- Davidson, P. (2021b, March 1). AFCEA TechNet Indo-Pacific conference. *U.S. Indo-Pacific Command*. Retrieved from <https://www.pacom.mil/Media/Speeches-Testimony/Article/2520995/afcea-tech-net-indo-pacific-conference/>.
- Dian, M., & Meijer, H. (2020). Networking hegemony: Alliance dynamics in East Asia. *International Politics*, 57(2), 131–149. doi:10.1057/s41311-019-00190-y
- Edgerton, D. (2018). *The rise and fall of the British nation: A twentieth-century history*. London: Allen Lane.
- Envall, H. D. P., & Wilkins, T. S. (2022). Japan and the new Indo-Pacific order: The rise of an entrepreneurial power. *The Pacific Review*, 1–32. [online first] doi:10.1080/09512748.2022.2033820
- Exxon Mobil. (2021, November 8). ExxonMobil to invest in petrochemical complex in China. *Exxon Mobil*. Retrieved from [https://corporate.exxonmobil.com/News/Newsroom/News-releases/2021/1108\\_ExxonMobil-to-invest-in-petrochemical-complex-in-China](https://corporate.exxonmobil.com/News/Newsroom/News-releases/2021/1108_ExxonMobil-to-invest-in-petrochemical-complex-in-China).
- Fraser, N. (2015). Legitimation crisis? On the political contradictions of financialized capitalism. *Critical Historical Studies*, 2(2), 157–189. doi:10.1086/683054
- Fravel, M. T., Stapleton Roy, J., Swaine, M. D., Thornton, S. A., & Vogel, E. (2019, July 3). China is not an enemy. *Washington Post*. Retrieved from [https://www.washingtonpost.com/opinions/making-china-a-us-enemy-is-counterproductive/2019/07/02/647d49d0-9bfa-11e9-b27f-ed2942f73d70\\_story.html](https://www.washingtonpost.com/opinions/making-china-a-us-enemy-is-counterproductive/2019/07/02/647d49d0-9bfa-11e9-b27f-ed2942f73d70_story.html).
- Gholz, E., & Sapolsky, H. M. (2021). The many lines of defense: The political economy of US defense acquisition. *Journal of Global Security Studies*, 6(1), 1–10. doi:10.1093/jogss/ogaa007
- Goldstein, J., & Keohane, R. O. (1993). *Ideas and foreign policy: Beliefs, institutions, and political change*. Ithaca, NY: Cornell University Press.
- Guang, L. (2005). Realpolitik nationalism: International sources of Chinese nationalism. *Modern China*, 31(4), 487–514. doi:10.1177/0097700405279355
- Hagström, L., & Gustafsson, K. (2019). Narrative power: How storytelling shapes East Asian international politics. *Cambridge Review of International Affairs*, 32(4), 387–406. doi:10.1080/09557571.2019.1623498
- Hall, P. A. (1989). *The political power of economic ideas: Keynesianism across nations*. Princeton, NJ: Princeton University Press.
- Harris, H. (2016, August 3). Department of defense intelligence information systems worldwide conference. *U.S. Indo-Pacific Command*. Retrieved from <https://www.pacom.mil/Media/Speeches-Testimony/Article/901793/departement-of-defense-intelligence-information-systems-worldwide-conference/>.
- Harris, H. (2017, February 21). WEST 2017 keynote: "The view from the Indo-Asia-Pacific. *U.S. Indo-Pacific Command*. Retrieved from <https://www.pacom.mil/Media/>

- Speeches-Testimony/Article/1089966/west-2017-keynote-the-view-from-the-indo-asia-pacific/.
- Hawley, J. (2020, May 5). The W.T.O. should be abolished. *The New York Times*. Retrieved from <https://www.nytimes.com/2020/05/05/opinion/hawley-abolish-wto-china.html>.
- Helleiner, E. (2021). *The neomercantilists: A global intellectual history*. Ithaca, NY: Cornell University Press.
- Hobson, J. A. (2018) [1902]. *Imperialism: A study*. Abingdon: Routledge.
- Homolar, A. (2010). The political economy of national security. *Review of International Political Economy*, 17(2), 410–423. doi:10.1080/09692291003623682
- Ikenberry, J. G. (2004). Liberalism and empire: Logics of order in the American unipolar age. *Review of International Studies*, 30(4), 609–630. doi:10.1017/S0260210504006254
- Ikenberry, J. G. (2005). Power and liberal order: America's postwar world order in transition. *International Relations of the Asia-Pacific*, 5(2), 133–152. doi:10.1093/irap/lci112
- Ikenberry, J. G. (2016). Between the eagle and the dragon: America, China, and middle state strategies in East Asia. *Political Science Quarterly*, 131(1), 9–43. doi:10.1002/polq.12430
- Izumikawa, Y. (2020). Network connections and the emergence of the hub-and-spokes alliance system in East Asia. *International Security*, 45(2), 7–50. doi:10.1162/isec\_a\_00389
- Johnston, A. I. (2017). Is Chinese nationalism rising? Evidence from Beijing. *International Security*, 41(3), 7–43. doi:10.1162/ISEC\_a\_00265
- Kitchen, N. (2010). Systemic pressures and domestic ideas: A neoclassical realist model of grand strategy formation. *Review of International Studies*, 36(1), 117–143. doi:10.1017/S0260210509990532
- Klein, M., & Pettis, M. (2020). *Trade wars are class wars: How rising inequality distorts the global economy and threatens international peace*. New Haven, CT: Yale University Press.
- Koga, K. (2018). The concept of "hedging" revisited: The case of Japan's foreign policy strategy in East Asia's power shift. *International Studies Review*, 20(4), 633–660.
- Kumekawa, I. (2017). *The first serious optimist: A. C. Pigou and the birth of welfare economics*. Princeton, NJ: Princeton University Press.
- Liang, C. (2018). The rise of China as a constructed narrative: Southeast Asia's response to Asia's power shift. *The Pacific Review*, 31(3), 279–297. doi:10.1080/09512748.2017.1371209
- Locklear, S. J. (2012, December 6). A combatant commander's view on the Asia-Pacific Rebalance: The patch-work quilt. *US Indo-Pacific Command*. Retrieved from <https://www.pacom.mil/Media/Speeches-Testimony/Article/565148/a-combatant-commanders-view-on-the-asia-pacific-rebalance-the-patch-work-quilt/>.
- Locklear, S. J. (2013, February 21). Asia-Pacific Rebalance: Defending the shared domains. *U.S. Indo-Pacific Command*. Retrieved from <https://www.pacom.mil/Media/Speeches-Testimony/Article/565145/asia-pacific-rebalance-defending-the-shared-domains/>.
- Loke, B. (2019). China's rise and U.S. Hegemony: Navigating great-power management in East Asia. *Asia Policy*, 26(3), 41–60. doi:10.1353/asp.2019.0032
- Loke, B. (2021). The United States, China, and the politics of hegemonic ordering in East Asia. *International Studies Review*, 23(4), 1208–1229. doi:10.1093/isr/viaa096

- Mansoor, P. R., & W. Murray (Eds.) (2016). *Grand strategy and military alliances*. Cambridge: Cambridge University Press.
- Mao, J. (2015). *Asia first: China and the making of modern American conservatism*. Chicago, IL: University of Chicago Press.
- Mastanduno, M. (2005). Hegemonic order, September 11, and the consequences of the Bush revolution. *International Relations of the Asia-Pacific*, 5(2), 177–196. doi: [10.1093/irap/lci124](https://doi.org/10.1093/irap/lci124)
- Milne, D. (2015). *Worldmaking: The art and science of American diplomacy*. New York, NY: Farrar, Straus and Giroux.
- Morrison, J. A. (2016). Shocking intellectual austerity: The role of ideas in the demise of the gold standard in Britain. *International Organization*, 70(1), 175–207. doi: [10.1017/S0020818315000314](https://doi.org/10.1017/S0020818315000314)
- Morrison, J. A. (2021). *England's cross of gold: Keynes, Churchill, and the governance of economic beliefs*. Ithaca, NY: Cornell University Press.
- Mulich, J. (2018). Transformation at the margins: Imperial expansion and systemic change in world politics. *Review of International Studies*, 44(4), 694–716. doi: [10.1017/S0260210518000074](https://doi.org/10.1017/S0260210518000074)
- Narizny, K. (2007). *The political economy of grand strategy*. Ithaca, NY: Cornell University Press.
- Nexon, D. (2010). Relationalism and new systems theory. In M. Albert, L.-E. Cederman, & A. Wendt (Eds.), *New systems theories of world politics* (pp. 99–126). London: Palgrave Macmillan.
- O'Brien, R. C. (2021, January 5). A free and open Indo-Pacific. *The White House*. Retrieved from <https://trumpwhitehouse.archives.gov/wp-content/uploads/2021/01/OBrien-Expanded-Statement.pdf>.
- O'Keeffe, K., Somerville, H., & Jie, Y. (2021, November 12). "U.S. companies aid China's bid for chip dominance despite security concerns. *The Wall Street Journal*. Retrieved from [https://www.wsj.com/articles/u-s-firms-aid-chinas-bid-for-chip-dominance-despite-security-concerns-11636718400?st=5zkkmcukwpy2162&reflink=desktopwebshare\\_permalink](https://www.wsj.com/articles/u-s-firms-aid-chinas-bid-for-chip-dominance-despite-security-concerns-11636718400?st=5zkkmcukwpy2162&reflink=desktopwebshare_permalink).
- Pao, J. (2021, December 14). Xi's food self-sufficiency call marks latest turn inward. *Asia Times*. Retrieved from <https://asiatimes.com/2021/12/xis-food-self-sufficiency-call-marks-latest-turn-inward/>.
- Parameswaran, P. (2019, October 23). Why the new China-Singapore defense agreement matters. *The Diplomat*. Retrieved from <https://thediplomat.com/2019/10/why-the-new-china-singapore-defense-agreement-matters/>.
- Parmar, I., & Furse, T. (2021). The Trump administration, the far-right and world politics. *Globalizations*, [Special Issue: The Far-Right in World Politics], 1–15. [Online First] doi: [10.1080/14747731.2021.1991660](https://doi.org/10.1080/14747731.2021.1991660)
- Patomäki, H. (2008). *The political economy of global security: War, future crises and change in global governance*. Abingdon: Routledge.
- Pence, E. (2021, October 8). To understand China's aggressive foreign policy, look at its domestic politics. *Council of Foreign Relations*. Retrieved from <https://www.cfr.org/blog/understand-chinas-aggressive-foreign-policy-look-its-domestic-politics>.
- Perlez, J. (2015, December 15). U.S. Navy commander implies China has eroded safety of South China Sea. *The New York Times*. Retrieved from <https://www.nytimes.com/2015/12/16/world/asia/us-navy-commander-implies-china-has-eroded-safety-of-south-china-sea.html>.
- Porter, P. (2020). *The False Promise of Liberal Order: Nostalgia, Delusion and the Rise of Trump*. Cambridge: Polity.

- Rej, A. (2021, March 3). INDOPACOM commander outlines 4 focus areas in new speech. *The Diplomat*. Retrieved from <https://thediplomat.com/2021/03/indopacom-commander-outlines-4-focus-areas-in-new-speech/>.
- Reuters. (2016, October 20). Philippine President Duterte announces 'separation' from United States. *Reuters*. Retrieved from <https://www.reuters.com/article/us-china-philippines/philippine-president-duterte-announces-separation-from-united-states-idUSKCN12K12Z>.
- Ripsman, N. M., Taliaferro, J. W., & Lobell, S. E. (2016). *Neoclassical realist theory of international politics*. New York, NY: Oxford University Press.
- Roach, S. (2009). *Stephen roach on the next Asia: Opportunities and challenges for a new globalization*. Hoboken, NJ: Wiley & Sons.
- Roach, S. (2014). *Unbalanced: The codependency of America and China*. New Haven, CT: Yale University Press.
- Roulo, C. (2022, July 21). Southcom commander: 'This is our neighborhood'. *Department of Defense News*. Retrieved from <https://www.defense.gov/News/News-Stories/Article/Article/3100865/southcom-commander-this-is-our-neighborhood/>.
- Roy, C. (2021, June 11). Rep. Roy introduces legislation to bar China from buying up American land. *Chip Roy, U.S. Congress*. Retrieved from <https://roy.house.gov/media/press-releases/congressman-roy-introduces-legislation-bar-china-buying-american-land>.
- Rubio, M. (2014, July 11). Bipartisan maritime security resolution for the Asia-Pacific region approved by U.S. senate. *Marco Rubio Senator*. Retrieved from <https://www.rubio.senate.gov/public/index.cfm/2014/7/bipartisan-maritime-security-resolution-for-the-asia-pacific-region-approved-by-u-s-senate>.
- Sanders, B. (2011, October 12). Sanders to vote 'no' on trade agreements. *Bernie Sanders: U.S. Congress*. Retrieved from <https://www.sanders.senate.gov/press-releases/sanders-to-vote-no-on-trade-agreements/>.
- Saull, R. (2012). Rethinking hegemony: Uneven development, historical blocs, and the world economic crisis. *International Studies Quarterly*, 56(2), 323–338. doi:10.1111/j.1468-2478.2012.00720.x
- Schweller, R. (2018). Opposite but compatible nationalisms: A neoclassical realist approach to the future of US–China relations. *The Chinese Journal of International Politics*, 11(1), 23–48. doi:10.1093/cjip/poy003
- Shovlin, J. (2021). *Trading with the enemy: Britain, France, and the 18th-century quest for a peaceful world order*. New Haven, CT: Yale University Press.
- Song, Q., Zangzang, Z., Zhengyu, T., Bian, Q., & Qingsheng, G. (1996). *China can say no*. Beijing: Zhonghua gongshang lianhe chubanshe.
- State. (2019). A free and open Indo-Pacific advancing a shared vision. *Department of State*. Retrieved from <https://www.state.gov/wp-content/uploads/2019/11/Free-and-Open-Indo-Pacific-4Nov2019.pdf>.
- Stokes, D. (2014). Achilles' deal: Dollar decline and US grand strategy after the crisis. *Review of International Political Economy*, 21(5), 1071–1094. doi:10.1080/09692290.2013.779592
- Szechenyi, N., & Hosoya, Y. (2019). Working toward a free and open Indo-Pacific. *Carnegie Endowment for International Peace*. Retrieved from [https://carnegieendowment.org/files/ChinaRiskOpportunity-Open\\_Indo-Pacific.pdf](https://carnegieendowment.org/files/ChinaRiskOpportunity-Open_Indo-Pacific.pdf).
- Tan, F. (2015, June 16). China's sinopec hunting U.S. shale deals, but prices high. *Reuters*. Retrieved from <https://www.reuters.com/article/us-sinopec-usa-oil-idUSKBN0OW1ZW20150616>.

- The Department of Defense. (2019, June 1). *Indo-Pacific strategy report: Preparedness, partnerships, and promoting a networked region*. Washington, DC: Department of Defense.
- Till, G. (2017). *Asia's naval expansion: An arms race in the making?* Abingdon: Routledge.
- Tow, W. (2019). Minilateral security's relevance to US strategy in the Indo-Pacific: Challenges and prospects. *The Pacific Review*, 32(2), 232–244. doi:10.1080/09512748.2018.1465457
- Trump Administration. (2021). Strategic framework for the Indo-Pacific. *The White House*. Retrieved from <https://trumpwhitehouse.archives.gov/wp-content/uploads/2021/01/IPS-Final-Declass.pdf>.
- Weitsman, P. A. (2013). *Waging war: Alliances, coalitions, and institutions of interstate violence*. Sanford, FL: Sanford University Press.
- Wilkins, T. (2019). *Security in Asia Pacific: The dynamics of alignment*. Boulder, CO: Lynne Rienner.
- Williams, M. C. (2004). Why ideas matter in international relations: Hans Morgenthau, classical realism, and the moral construction of power politics. *International Organization*, 58(04), 633–665. doi:10.1017/S0020818304040202
- Wu, Z. (2019). Towards naval normalcy: 'Open seas protection' and Sino-US maritime relations. *The Pacific Review*, 32(4), 666–693. doi:10.1080/09512748.2018.1553890
- Yan, X. (2018). Chinese values vs. liberalism: What ideology will shape the international normative order? *The Chinese Journal of International Politics*, 11(1), 1–22. doi:10.1093/cjip/poy001
- Yoshihara, T., & Holmes, J. R. (2018). *Red Star over the Pacific: China's rise and the challenge to U.S. maritime security*. Annapolis, MD: Naval Institute Press.
- Zheng, Y. (2003). *Globalization and state transformation in China*. New York, NY: Cambridge University Press.
- Zielinski, R. C., Schilde, K., & Ripsman, N. (2021). A political economy of global security approach. *Journal of Global Security Studies*, 6(1), 1–5. doi:10.1093/jogss/ogaa005