

Reassessing Hedging: The Logic of Alignment in East Asia

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Abstract: *It is widely claimed that secondary states across East Asia are not purely “balancing” or “bandwagoning”, but rather “hedging” between the United States and China by combining policies of economic and political engagement with risk management. We argue that hedging behavior should not include costless activities that do not require states to face tradeoffs in their security choices. We redefine hedging as signaling that generates ambiguity over the extent of a secondary state’s shared security interests with great powers. This definition returns the focus to security relationships and better accounts for the tradeoff between autonomy and alignment. Based on this definition, we argue that hedging occurs in far narrower (but arguably more interesting) circumstances than is widely believed. In so doing, we identify important cross-national variation in state behavior and contribute to the larger research project on regional responses to China’s rise.*

¹ The authors wish to thank those who reviewed and provided feedback on previous drafts, including the anonymous reviewers, Omar Bashir, Victor Cha, Michael Green, John Ikenberry, Van Jackson, and attendees at the workshop on “Managing International Conflict in East Asia” held by the University of Tokyo’s Security Studies Unit in January 2014, the 2014 International Studies Association Annual Convention, the 2014 American Political Science Association Annual Meeting, and the 6th Oceanic Conference on International Studies.

I. Introduction: Hedging in East Asia

The term “hedging” is pervasive in contemporary security literature, and has been used by scholars and policymakers to describe the strategic behavior of a variety of states in a variety of situations.² The United States is described as hedging against China;³ China as hedging against the United States;⁴ Brazil, Russia, and France are hedging in their own ways, too.⁵ The term is particularly attractive to scholars grappling with China’s rise who observe that its Asian neighbors are not conforming to traditional security theories’ prediction that secondary states should either balance against or bandwagon with China as it grows more powerful.⁶ Instead, they argue that East Asian states are hedging by engaging with China on both economic and political levels while strengthening security links with the United States.⁷ These descriptions are accurate, but for a term that is used almost on a daily basis in discourses on Asian security, there has been little inquiry as to whether the hedging concept as commonly understood offers meaningful analytic value.

² See Van Jackson, “Power, trust, and network complexity: three logics of hedging in Asian security,” *International Relations of the Asia-Pacific* 14, no. 3 (2014): 331-356.

³ The 2006 U.S. National Security Strategy, for example, noted “Our strategy seeks to encourage China to make the right strategic choices for its people, while we hedge against other possibilities.” “The National Security Strategy of the United States of America,” The White House (March 2006), 32. Also see Evan S. Medeiros, “Strategic Hedging and the Future of Asia-Pacific Stability, *The Washington Quarterly* 29, no. 1 (Winter 2005/2006): 145-167.

⁴ Rosemary Foot, “Chinese Strategies in a US-Hegemonic Global Order: Accommodating and Hedging,” *International Affairs* 82, no. 1 (2006): 77-94; Wojtek M. Wolfe, “China’s Strategic Hedging,” *Orbis* 57, no. 2 (2013): 300-313.

⁵ Brock F. Tessman, “System Structure and State Strategy: Adding Hedging to the Menu,” *Security Studies* 21, no. 2 (2012): 192-231.

⁶ David Kang, “Getting Asia Wrong: The Need for New Analytical Frameworks,” *International Security* 27, no. 4 (2003): 57-85; Evelyn Goh, “Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies,” *International Security* 32, no. 3 (2007/2008): 113-157; Steve Chan, *Looking for Balance: China, the United States, and Power Balancing in East Asia* (Stanford: Stanford University Press, 2012).

⁷ Yuen Foong Khong, “Coping with Strategic Uncertainty,” in Jae-Jung Suh, Peter J. Katzenstein, and Allen Carlson, *Rethinking Security in East Asia: Identity, Power, and Efficiency* (Palo Alto: Stanford University Press, 2004); Denny Roy, “Southeast Asia and China: Balancing or Bandwagoning?” *Contemporary Southeast Asia* 27, no. 2 (2005): 305-322; Evelyn Goh, “Understanding ‘Hedging’ in Asia-Pacific Security,” *PacNet* 43 (August 31, 2006); Cheng-Chwee Kuik, “The Essence of Hedging: Malaysia and Singapore’s Response to a Rising China,” *Contemporary Southeast Asia: A Journal of International and Strategic Affairs* 30, no. 2 (2008): 159-185.

In this paper we investigate the concept of hedging and find it wanting. We argue that hedging as currently constructed inappropriately incorporates policies of economic and political engagement as components of security strategies and indicators of states' alignment choices. As a result, the frequent use of the term sheds little light on the security behavior of East Asian secondary states and obscures the fact that balancing has actually been the dominant response to China's rise.

As currently defined, all states in East Asia (with the exception of North Korea) are hedging. And yet, there are real and meaningful differences in the security strategies of Asian secondary states that the hedging concept cannot distinguish. To do so, economic and political engagement must be excised as evidence of security alignment. We propose that alignment should be seen as signaling by a state that it shares common *security* interests with one side in a great power rivalry. We therefore propose a redefinition of hedging as an alignment choice involving the signaling of ambiguity over the extent of shared security interests with great powers. Using this definition, we argue that many regional states are engaging in various forms of balancing, rather than hedging. We believe that this is an important and policy-relevant revision to a widely used theoretical concept in the literature on regional responses to China's rise.

The Logic of Hedging

Most scholars appear to agree with three propositions about China's rise. First, China's rapid economic growth is providing lucrative economic opportunities for every state in the region in the form of bilateral trade and investment, generating complex and deep economic interdependence. Second, China's rapid military growth is creating a growing security deficit

with neighboring secondary states.⁸ An individual state's perception of the threat from China depends primarily on the state's geographic location and the tone of bilateral relations. Particularly important are the state's perception of whether an active territorial dispute exists and how its interests in regional order are affected by China's rise.⁹ Third, the United States, as the established great power, retains a preference for the status quo and has maintained (to date) the capabilities to offset the security deficit otherwise faced by secondary states.

Turning specifically to the responses of East Asian secondary states to the above dynamics, scholars tend to agree that most are not pursuing the traditional dichotomous strategies of balancing¹⁰ or bandwagoning.¹¹ Instead, East Asian states are adopting strategies that fall in-between the balancing and bandwagoning poles. These policies tend to share three common elements. First, *economic engagement* capitalizes on China's rapid economic development through mutually beneficial trade and investment links. Second, *political engagement* seeks to reduce China's level of dissatisfaction with the status quo without compromising the integrity of the system.¹² This is pursued through building diplomatic and institutional links to socialize China to the rules and norms of the existing order;¹³ and offering (low-cost) concessions to accommodate China's expanding interests, acknowledge

⁸ Iain Johnston addresses whether Chinese assertiveness, in addition to military capabilities, has increased over time. Iain Johnston, "How New and Assertive Is China's New Assertiveness?" *International Security* 37, no. 4 (2013): 7-48.

⁹ At times China has sought to de-emphasize conflicts of interest, employing "charm offensives" with certain countries. See Joshua Kurlantzick, *Charm Offensive: How China's Soft Power is Transforming the World* (New Haven: Yale University Press, 2007).

¹⁰ Large and sustained increases in defense spending and/or the pursuit of countervailing alliances in order to bridge the security deficit: Kenneth Waltz, *Theory of International Politics* (London: Addison-Wesley, 1979).

¹¹ Aligning with the source of the danger through offering asymmetric concessions and accepting the illegitimate actions of the dominant ally: Stephen Walt, "Testing Theories of Alliance Formation: The Case of Southwest Asia," *International Organization* 42, no. 2 (1988): 275-316.

¹² Randall Schweller, "Managing the Rise of Great Powers: History and Theory," in *Engaging China: the Management of an Emerging Power*, ed. Robert Ross and Alastair Iain Johnston (New York: Routledge, 1999), 1-31.

¹³ David Kang, *China rising: Peace, Power, and Order in East Asia* (New York: Columbia University Press, 2007); Evelyn Goh, "Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies," 113-157.

its prestige, and reward positive behavior.¹⁴ Third, *risk management* mitigates the threat posed by uncertainty over China's future capabilities and intentions. Risk management techniques may include augmenting national capabilities and force posture; building bilateral security relations with the United States or otherwise fostering a favorable balance of power by encouraging U.S. involvement in the region;¹⁵ or using non-military means to check the more threatening aspects of China's expansion without being overly provocative, for example by establishing the ASEAN Regional Forum.¹⁶

Scholars researching secondary states' responses offer many labels to describe this combination of behaviors. "Hedging" is the most common and is essentially an umbrella term used to capture various strategies that seek to locate an equilibrium that embodies two (somewhat) contradictory policy responses.¹⁷ Japanese scholar Yasuhiro Matsuda, for example, writes that Japan's "perception of China as a threat has led the Japanese to incorporate a 'hedging' strategy into its policy of engagement with China."¹⁸ According to Matsuda, "This 'hedging' strategy has included strengthening Japan's alliance with the United States, and building a multilayered security framework that gives China incentives to conform its external behavior to 'international standards.'"¹⁹ Hedging therefore incorporates two different concepts. The first is fostering positive economic, political, diplomatic, and institutional relations with China through policies variously labeled as engagement,

¹⁴ Robert Zoellick, "Whither China: From Membership to Responsibility," Remarks to the National Committee on US-China Relations, September 21, 2005.

¹⁵ Denny Roy, "Southeast Asia and China: Balancing or Bandwagoning?" 305-322.

¹⁶ Yuen Foong Khong, "Coping with Strategic Uncertainty"; Evelyn Goh, "Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies," 113-157. For an alternative approach to hedging as a risk management strategy, see: Brock F. Tessman, "System Structure and State Strategy," 192-231.

¹⁷ Øystein Tunsjø makes a similar observation in the context of Chinese energy security. Tunsjø describes hedging as "a strategy aiming to reconcile conciliation and confrontation in order to remain reasonably well positioned regardless of future developments." Øystein Tunsjø, *Security and Profit in China's Energy Policy: Hedging Against Risk*, (New York: Columbia University Press, 2013): 2-3.

¹⁸ Yasuhiro Matsuda, "Engagement and Hedging: Japan's Strategy toward China," *SAIS Review* 32, no. 2 (2012): 109.

¹⁹ *Ibid.*

accommodation, enmeshment, and binding (we use the term “engagement” for simplicity).

The second policy response focuses on the need to maintain a favorable balance of power and deter destabilizing behavior amid an uncertain environment. These policies include complex-balancing, soft-balancing, and low-intensity balancing (we use the term “risk management” for simplicity).²⁰ The challenge for governments is to prevent one set of policy responses from undermining the other. “Hedging” is intended to capture this delicate exercise and is said to fall on a spectrum between the two ideal-type strategies of balancing and bandwagoning.²¹

Yet once hedging is disaggregated into its security and non-security components, one observes that the risk management policies closely resemble traditional balancing behavior. This prompts the following question: to what extent (if any) should policies of economic and political engagement modify this conclusion? In other words, does the incorporation of non-security elements into the hedging concept offer useful analytical traction on fundamental security questions? We argue it does not. Economic engagement is not motivated exclusively, or even predominantly, by security concerns, but rather by the lucrative gains from economic

²⁰ These labels appear in the studies cited above as well individual countries studies such as Björn Jerden and Linus Hagström, “Rethinking Japan's China Policy: Japan as an Accommodator in the Rise of China, 1978-2011,” *Journal of East Asian Studies* 12, no. 2 (2012): 215-250; Bjorn Gronning, “Japan’s Shifting Military Priorities: Counterbalancing China’s Rise,” *Asian Security* 10, no. 1 (2014): 1-21; Cheng-Chwee Kuik, “The Essence of Hedging: Malaysia and Singapore’s Response to a Rising China,” 159-185; Andrew Tan, “The US and China in the Malay Archipelago,” *Asia-Pacific Review* 17, no. 2 (2010): 26-55; See Seng Tan, “Faced with the Dragon: Perils and Prospects in Singapore’s Ambivalent Relationship with China,” *The Chinese Journal of International Politics* 5, no. 3 (2012): 245-265; James Manicom and Andrew O’Neil, “China’s Rise and Middle Power Democracies: Canada and Australia Compared,” *International Relations of the Asia-Pacific* 12, no. 2 (2012): 199-228; James Reilly, “Counting On China? Australia’s Strategic Response to Economic Interdependence,” *The Chinese Journal of International Politics* 5, no. 4 (2012): 369-394; Robert S. Ross, “Balance of Power Politics and the Rise of China: Accommodation and Balancing in East Asia,” *Security Studies* 15, no. 3 (2006): 355-395; David Kang, “Between Balancing and Bandwagoning: South Korea’s response to China,” *Journal of East Asian Studies* 9, no. 1 (2009): 1-28; Renato Cruz De Castro, “The Aquino Administration’s Balancing Policy against an Emergent China: Its Domestic and External Dimensions,” *Pacific Affairs* 87, no. 1 (2014): 5-27; and Ann Marie Murphy, “Beyond Balancing and Bandwagoning: Thailand’s Response to China’s Rise,” *Asian Security* 6, no. 1 (2010): 1-27.

²¹ To be clear, not every scholar describes every state as hedging, but almost all recognize the dualism in East Asian states’ policy responses embodied by the welcoming of the benefits from positive relations with China, combined with a need to address future risks.

links with China. Political engagement is similarly low-cost and does not undermine security alignment strategies. As a result, the umbrella concept of hedging cannot distinguish between states' alignment choices. To say a state is hedging offers little insight into critical alignment questions: for example, if a war broke out between the United States and China, which side would each secondary state support? Equally problematic is the fact that empirically every state in East Asia (with the exception of North Korea) is said to be hedging. The absence of variation in the dependent variable further erodes the analytical value of the concept. As presently constructed, the concept of hedging says little regarding variation in great power alignment choices *among those states that are said to be hedging*.

The emergence of hedging as a theoretical concept is a function of the fact that mainstream theories of international security do not offer determinate predictions regarding how secondary states should respond to a rising power beyond the balancing-bandwagoning dichotomy.²² To resolve this shortcoming scholars have employed the term hedging to describe phenomena occurring at different levels of analysis. One branch of theories focuses on domestic politics and how relations with China factor into the domestic legitimacy of governments.²³ Another branch focuses on the uniquely Asian features of the regional order and the strategies used to welcome China into that order.²⁴ A third employs a traditional focus on capabilities and the coercive power and influence in both military and economic spheres

²² The balancing-bandwagoning concept was fashioned for larger states and is most useful for analyzing alignment decisions during wartime. It is accordingly less helpful when conflict is not immediately apprehended. Glenn Snyder writes that the "balancing-bandwagoning dichotomy is ... unfortunate... [and] obscures the full range of choices within the alliance realm and inhibits more discriminating analysis." Glenn Snyder, "Alliances, Balance, and Stability," *International Organization* 45, no. 1 (1991): 121-142. Ann Marie Murphy argues we need to move beyond the dichotomy. Ann Marie Murphy, "Beyond Balancing and Bandwagoning: Thailand's Response to China's Rise," 1-27.

²³ Cheng-Chwee Kuik, "The Essence of Hedging: Malaysia and Singapore's Response to a Rising China," 159-185; Steve Chan, *Looking for Balance: China, the United States, and Power Balancing in East Asia*.

²⁴ David Kang, "Getting Asia Wrong: The Need for New Analytical Frameworks," 57-85; David Kang, *China rising: Peace, Power, and Order in East Asia*; Evelyn Goh, "Great Powers and Hierarchical Order in Southeast Asia: Analyzing Regional Security Strategies," 113-157.

that has accompanied China's rapid rise.²⁵ Surveying this literature, Chan criticizes efforts to accommodate the new evidence—by modifying or adapting theories of balancing—as adopting “the terminology of balancing without... adhering to its essential meaning.”²⁶ He dismisses such attempts as linguistic devices that help “salvage these theories from empirical challenge without adding any new theoretical content.”²⁷ Chan identifies “stable and distinctive categories, shared meaning and an adherence to conventional usage” as key to advancing the research program.²⁸

Our aim is to develop a simple model that admits variation in the security behavior of states that are routinely described as hedgers. We redefine hedging and argue that it occurs in far narrower (but arguably more interesting) circumstances than is widely believed. We re-establish meaningful distinctions between secondary states' security behaviors and identify important cross-national variation in state behavior, thereby contributing to the larger research project on regional responses to China's rise.

II. The Importance of Tradeoffs in Alignment Decisions

War is costly and rational states prefer to avoid the costs of conflict whenever possible. As Stephen Walt recognizes, even the most diametrically opposed strategies—balancing and bandwagoning—need not be mutually exclusive.²⁹ The optimal security strategy for most states facing two great powers is to forge an alliance with the least-threatening great power while maintaining reasonably good relations with the more-threatening great power. Accordingly, most states should be expected to follow this optimal security strategy

²⁵ Robert S. Ross, “Balance of Power Politics and the Rise of China: Accommodation and Balancing in East Asia,” 355-395.

²⁶ Steve Chan, *Looking for Balance: China, the United States, and Power Balancing in East Asia*, 51.

²⁷ *Ibid.*

²⁸ *Ibid.* See also Daniel Nexon, “The Balance of Power in the Balance,” *World Politics* 61, no. 2 (2009): 330-59.

²⁹ Stephen Walt, “Testing Theories of Alliance Formation: The Case of Southwest Asia,” 275-316.

whenever circumstances allow, and under such conditions one would observe little variation in state behavior.

Our major criticism of the theoretical basis of hedging—defined by the literature as a combination of engagement and risk management—is that it is precisely the type of optimal strategy Walt envisaged. When a secondary state can engage with a threatening great power economically and politically, while simultaneously managing risk by maintaining security links with a more friendly great power, it should *always* do so. Scholars describe hedging as a security strategy involving the non-security components of economic and political engagement. Yet, if there is no tradeoff between a strategy’s security and non-security components, rational states should do both. In other words, when states *can* hedge, they will, and there is no theoretical basis within this definition of hedging for any other response, nor any cross-national variation.³⁰

This flaw does not render hedging an inaccurate *description*. We accept that empirical evidence from East Asia confirms the descriptive predictions of the hedging literature. Our complaint is that with all states doing the same thing, hedging is reduced to a label rather than a substantive analytical concept with theoretical variation, falsifiable predictions, and concrete conceptualization and measurement.³¹ This shortcoming begs the question: how can

³⁰ Compare this to balancing and bandwagoning, which are legitimate alternatives. Hedging is not an alternative to balancing and bandwagoning, since it is optimal for a state to avoid balancing and bandwagoning and instead hedge wherever possible. Note that we do not argue that fostering positive political and economic relations can never further security interests. The strategies of “engagement” and “binding” described by Schweller are designed to reduce the risk that a dissatisfied power will resort to war. Our argument is that including these strategies as part of the hedging concept offers little analytical traction because they do not involve costly tradeoffs, admitting no variation in state behaviour and offering little insight into a state’s alignment choice: Randall Schweller, “Managing the Rise of Great Powers: History and Theory,” 1-31.

³¹ Gary King, Robert O. Keohane, and Sidney Verba, *Designing Social Inquiry: Scientific Inference in Qualitative Research* (Princeton, NJ: Princeton University Press, 1994). Cheng-Chwee Kuik makes a deft attempt to distinguish variation within hedging strategies, but even his identification of different behaviors admits to only minor variation and relies on policy differences between Malaysian and Thailand on one hand, and Singapore and Indonesia on the other, which in our view are marginal at best. Cheng-Chwee Kuik, “The Essence of Hedging: Malaysia and Singapore’s Response to a Rising China,” 166.

the concept of hedging be improved to admit theoretically interesting and analytically useful variation in state behavior?

We submit that a better definition of hedging is one that more explicitly recognizes it as a *costly* strategy. Balancing and bandwagoning admit clear tradeoffs—aligning with one great power places the state in opposition to the other. Studying how states evaluate the cost-benefit tradeoffs of balancing and bandwagoning yields important insights on bigger questions of deterrence, the security dilemma, power transitions, crisis bargaining, and war outcomes.³² As currently conceived however, hedging’s defining characteristic is the *avoidance* of tradeoffs, which says little about these critical questions.³³ The crux of the problem is hedging’s theoretical incorporation of economic and political engagement policies as components of states’ security strategies. These policies’ low costs make them poor signals.³⁴ Accordingly, we focus our redefinition of hedging exclusively on state behavior within the security realm.

In the following section, we propose a simple model of alignment prior to the outbreak of war. Hedging is defined as a class of behaviors which signal ambiguity regarding great power alignment, therefore requiring the state to make a tradeoff between the fundamental (but conflicting) interests of autonomy and alignment. In this model, the conditions under which hedging can be pursued are much narrower, but hedging is conceived as offering a concrete mix of costs and benefits which a state must evaluate against alternative strategic choices.

³² Daniel Nexon, “The Balance of Power in the Balance,” 330-59.

³³ Goh explicitly defines hedging as the avoidance of tradeoffs: Evelyn Goh, *Meeting the China Challenge: The U.S. in Southeast Asian Regional Security Strategies*, Policy Studies 16 (Washington: East-West Center, 2005), 22-23.

³⁴ On the need for signals to be costly to be credible see: Thomas Schelling, *Arms and Influence: With a New Preface and Afterword* (New Haven: Yale University Press, 2008); James Fearon, “Signaling Foreign Policy Interests Tying Hands versus Sinking Costs,” *Journal of Conflict Resolution* 4, no. 1 (1997): 68-90.

III. Alignment as Signaling: A Simple Model

Consider a region dominated by the presence of two great powers—a rising power with expanding interests that are inexorably coming into conflict with the interests of an established power that prefers the status quo.³⁵ The region is otherwise populated by secondary states that perceive each great power to be threatening or friendly. We describe our model from the perspective of a secondary state that lacks the capabilities to prevail alone in a conflict against either great power, but can offset its weakness by aggregating capabilities with one of the great powers.³⁶

We define alignment in this context as *signaling by a secondary state that it shares common security interests with a certain great power*. We cast alignment in terms of signals because the ultimate security decision does not arise until a crisis (possibly a war) breaks out. At that point, secondary states must decide whether to intervene in a dispute and on which side. Secondary states should only intervene when it is in their interests to do so, thus alignment is a signal of shared interests sent prior to a crisis materializing.³⁷

How does the act of alignment incentivize the established power to signal its willingness to intervene should the secondary state itself be attacked? To align itself with a great power, a secondary state must do two things. First, it must coordinate its policies

³⁵ In this construction, the potential for competition does not nullify bases for cooperation, but the potential for cooperation does not remove the risk of competition.

³⁶ James Morrow, “Alliances, Credibility, and Peacetime Costs,” *Journal of Conflict Resolution* 38, no. 2 (1994): 270-297; James Morrow, “Alliances: Why Write Them Down?” *Annual Review of Political Science* 3, no. 1 (2000): 63-83.

³⁷ This definition of alignment is simply a weak form of alliance, which Alistair Smith defines as a voluntary agreement between two states representing a non-binding commitment to help each other in the event of a conflict. Alistair Smith, “Alliance Formation and War,” *International Studies Quarterly* 39, no. 4 (1995): 405-426. See also James Morrow, “Alliances, Credibility, and Peacetime Costs,” 270-297. Alignments include alliances, but unlike alliances do not require an explicit commitment. However, because anything that an alliance accomplishes during wartime can also be accomplished without a pre-war alliance, alliances are still just a signal and thus can be thought of as a subset of the broader alignment phenomenon. See James Morrow, “Alliances: Why Write Them Down?” 63-83.

with and potentially make policy concessions to the great power. Second, it must signal its own willingness to support the great power in the event of external conflict.³⁸ Reciprocal signals indicate that the great power shares common security interests with the secondary state, raising the possibility that it will intervene if the secondary state is attacked.

What form do signals of alignment take? Table 1 lists a spectrum of alignment behaviors.³⁹ Moving from left to right in the table increases the strength of signals of shared interests between the secondary state and the great power. Public statements of support for security policies are the weakest alignment signal; criticism of a rival state's security policies (consistent with the interests of the aligned state) is also included in this category. Arms sales signal support by the great power for arming the secondary state and willingness by the secondary state to acquire capabilities about which the great power has detailed knowledge and control. A stronger signal is sent by joint training, exercising, or combat operations, which require some agreement over shared threats as well as combined operational planning and interoperability between military forces. Rotational deployments and military access agreements send a stronger signal because they require robust planning and cooperation between two countries and indicate capability for deeper cooperation during contingencies. Permanent military basing is an even stronger signal, demonstrating a high-degree of cooperation and agreement on shared long-term security interests. Finally, the strongest signal of alignment is a mutual defense treaty, which requires a public commitment to fight

³⁸ Our setup derives from the discussion of alliances by James Morrow. States have preferred ideal points over international issues, and their security is defined as their ability to maintain the status quo on issues currently in a favorable equilibrium. See James Morrow, "Alliances and Asymmetry: An Alternative to the Capability Aggregation Model of Alliances," *American Journal of Political Science* 35, no. 4 (1991): 904-933.

³⁹ The spectrum is informed by: John Ciorciari, *The Limits of Alignment: Southeast Asia and the Great Powers since 1975* (Washington: Georgetown University Press, 2010); Zachary Selden, "Balancing Against or Balancing With? The Spectrum of Alignment and the Endurance of American Hegemony," *Security Studies* 22, no. 2 (2013): 330-364.

on the other state's behalf, detailed planning for potential contingencies, and close cooperation between the great power and the secondary state.⁴⁰

Table 1: Spectrum of Security Alignment Behaviors

Weak Alignment		Moderate Alignment		Strong Alignment	
Statements of support for security policies (or criticism of rivals)	Arms sales or military aid	Routine joint training, exercising, or combat operations	Rotational troop deployments or limited access agreements	Permanent or semi-permanent military basing	Formal bilateral or multilateral treaty (plus alliance bureaucracy)

None of these behaviors is a binary “zero-one” proposition. Selling small arms is a weaker signal than selling large ships and aircraft. Joint combat operations can deepen interoperability or highlight areas of disagreement. A basing agreement or alliance can look robust on paper but in reality be an ongoing source of friction. Therefore, these categories offer an indication of the baseline strength of the alignment signal, but the form and degree of cooperation within each category matters. Accordingly, dynamic evidence of new or cancelled cooperative agreements, joint statements, and public opinion expressing support, criticism, or ambivalence toward the alignment, are all important indicators of a signal's strength.

For the secondary state, signaling alignment with a great power has both benefits and costs, creating a broad tradeoff between alignment and autonomy.⁴¹ Alignment enhances the state's *security* through two mechanisms. The first is strengthened defense through capability aggregation: if the secondary state is attacked and the great power intervenes, the great

⁴⁰ Formal alliances are normally accompanied by the building of alliance bureaucracies that provide a specific instrument to coordinate behavior thereby strengthening the signal of shared interests.

⁴¹ Brett Leeds and Burcu Savun discuss the cost-benefit tradeoff in the context of alliances. Brett Leeds and Burcu Savun, “Terminating Alliances: Why do States Abrogate Agreements?” *Journal of Politics* 69, no. 4 (2007): 1118-1132.

power's capabilities increase prospects for victory.⁴² The second benefit is deterrence: by signaling shared security interests, security alignments deter would-be aggressors by indicating that a great power is likely to offer assistance if the secondary state is attacked.⁴³

Signaling alignment comes, however, at the cost of the secondary state's *autonomy*, which is its capacity to pursue independent and flexible security policies. Alignment requires the coordination of policies with the great power, and sometimes the making of policy concessions. Failure to do so reduces the strength of the alignment signal, limiting the potential for the state's security to be enhanced. This loss of autonomy generates a risk of abandonment, which occurs when the great power patron does not provide security assistance when the secondary state is threatened.⁴⁴ In this situation, the secondary state has paid the costs of losing policy autonomy and flexibility but has not received security through capability aggregation in return. A third danger is that alignment itself can cause a loss of security, if the secondary state is perceived to be acting provocatively and becomes a target of the opposing great power. Note that as the strength of the signal increases, both the benefits and costs of aligning also increase.

The great power must also be willing to signal its acceptance of the secondary state's alignment and thus its willingness to provide security assistance in the event of conflict. It faces a complementary tradeoff between autonomy and alignment.⁴⁵ The great power gains influence over the secondary state's policy choices, but assumes the risk of entrapment in

⁴² Pre-war planning or coordination improves the expected outcome from fighting. Alignment may also bring positive (non-security) externalities, economically if it fosters trade or investment relationships, diplomatically if alignment increases the state's influence in international affairs, and domestically if the alignment generates prestige for government leaders. James Morrow, "Alliances, Credibility, and Peacetime Costs," 270-297.

⁴³ James Morrow, "Alliances: Why Write Them Down?" 63-83.

⁴⁴ Victor D. Cha, "Abandonment, Entrapment, and Neoclassical Realism in Asia: The United States, Japan, and Korea," *International Studies Quarterly* 44 no. 2 (2000): 261-291.

⁴⁵ In the alliance literature this is referred to as an "asymmetric alliance." James Morrow, "Alliances and Asymmetry: An Alternative to the Capability Aggregation Model of Alliances," 904-933.

conflicts to which, but for its alignment, it would be unwilling to contribute.⁴⁶ The great power would accordingly face either the cost of fighting, or of reneging on its alignment signals. The costs of reneging may include future policy influence over the secondary state, the great power's reputation,⁴⁷ and increased perceptions of its declining capabilities. The failure to uphold an alliance agreement (the strongest alignment signal), for example, may undermine the capacity of the great power to create and sustain future alliances,⁴⁸ or affect how states perceive the regional balance of power. Table 2 describes these logics, outlining the benefits and costs of security alignment for secondary states and great powers.

Table 2: Security Benefits and Costs of Secondary State-Great Power Alignment

	Benefits	Costs
Secondary State	• Capability aggregation • Extended deterrent	• Autonomy / policy concessions • Risk of abandonment • Risk of provocation
Great Power	• Capability aggregation • Influence over secondary state • Demonstration of resolve	• Cost of security provision • Risk of entrapment • Costs of reneging on alignment signal

⁴⁶ On the tradeoff between the fear of entrapment and the fear of abandonment inherent in all alliances, see Glenn H. Snyder, *Alliance Politics* (Ithaca, NY: Cornell University Press, 1977), chapter 6.

⁴⁷ The theoretical and empirical debate surrounding whether reputation inferences are drawn in international relations is vigorous. Do an opponent's past actions affect policymakers' expectations of how it will behave in the present? Some empirical studies question whether reputation matters: Ted Hopf, *Peripheral Visions: Deterrence Theory and American Foreign Policy in the Third World, 1965-1990* (Ann Arbor: University of Michigan Press, 1994); Jonathan Mercer, *Reputation and International Politics* (Ithaca: Cornell University Press, 1996); Darryl Press, *Calculating Credibility: How Leaders Assess Military Threats* (Ithaca: Cornell University Press, 2005). However more recent efforts offer both theoretical reasoning and empirical evidence re-establishing reputation's importance: Allan Dafoe, Jonathan Renshon and Paul Huth, "Reputation and Status as Motives for War," *Annual Review of Political Science* 17 (2014): 371-93; and Keren Yarhi-Milo and Alex Weisiger, "Revisiting Reputation: How do Past Actions Matter in International Politics," *International Organization* (forthcoming). We do not seek to decide this debate here, but observe that it matters what the great power's reputation is *for*—the circumstances in which resolve is at stake: see Defoe et al., "Reputation and Status as Motives for War," 380. Policymakers do seem to draw inferences regarding a country's reputation for being a reliable alliance partner.

⁴⁸ Douglas M. Gibler, "The Cost of Reneging: Reputation and Alliance Formation," *Journal of Conflict Resolution* 52 no. 3 (2008): 425-454; Marc J. Crescenzi, Jacob D. Kathman, Katja B. Kleinburg, and Reed M. Wood, "Reliability, Reputation, and Alliance Formation," *International Studies Quarterly* 56 no. 2 (2011): 259-274; Gregory D. Miller, *The Shadow of the Past: Reputation and Military Alliances before the First World War* (Ithaca: Cornell University Press, 2011).

As explained above, signals can also be sent with respect to *existing* alignments. When either the secondary state or great power perceives the cost of alignment to be too high, it can signal a scaling back of the relationship. As the strength of the alignment signal is reduced, the costs and the benefits of the alignment decrease. This in turn increases the uncertainty about the ultimate question of whether the two would fight together in the event of a conflict.⁴⁹

Accordingly, if a secondary state in an alliance with a friendly great power (the strongest form of alignment) wanted to improve its relations with the rival great power, its government could announce its intention to scale back alliance cooperation. Such a signal would have three effects. First, it would decrease the costs of alignment by enhancing the secondary state's autonomy. Second, it would decrease the benefits of the alignment by reducing the likelihood of security assistance from the friendly great power if the secondary state is attacked. Third, such a signal would increase uncertainty about which side the secondary state would support in a great power conflict, if any.⁵⁰

Equally important is what is excluded from our spectrum of alignment behaviors: policies of economic and political engagement. We argue these are poor signals of security alignment because they involve minimal tradeoffs. Scholars have previously argued that economic relations involve security externalities and allies are therefore more likely to trade with each other.⁵¹ While this may have been true during the Cold War, amid the deep economic interdependence of the 21st century, economic engagement in the form of trade and investment is commercially profitable and strategically costless (actually yielding strategic

⁴⁹ James Morrow, "Alliances: Why Write Them Down?" 63-83.

⁵⁰ Secondary states can still engage in policy disputes with great power alignment partners that have no bearing on alignment posture. The question is whether signals are being sent which undermine the scale of and commitment to security cooperation.

⁵¹ Joanne Gowa, *Allies, Adversaries, and International Trade* (Princeton: Princeton University Press, 1994).

benefits). Only in very narrow circumstances will international economic relations yield relative gains concerns (such as where sanctions are imposed against a pariah state, or where strategic industries such as weapons technology are involved).⁵² In a similar vein political engagement—diplomacy and socialization into institutions—also involves very few costly tradeoffs. Such engagement opens up new avenues of cooperation and reduces information asymmetries;⁵³ rarely is it a costly signal of shared security interests.

Our decision to exclude economic and political engagement from our hedging model necessarily comes at the expense of excluding certain behaviors that could impinge on security competition.⁵⁴ For example, China's moves in 2014 to create and lead an Asian Infrastructure Investment Bank (AIIB) were seen as constituting a direct challenge to the U.S.-led regional order and its institutional framework (led by the World Bank and Asian Development Bank).⁵⁵ The decision of secondary states to join was similarly characterized in the media as a tradeoff between satisfying Chinese or American interests.⁵⁶ Nevertheless, we feel on balance that the exclusion is justified because even in a salient case like the AIIB, the tradeoff for secondary states remained low and, importantly, joining did not observably affect signals of security alignment.⁵⁷ Our very motivation in excluding engagement policies was to introduce meaningful variation in the alignment choices of secondary states. As membership of the AIIB had no meaningful implications for states' alignment choices, joining offered little insight into the security dynamics motivating our reassessment of the hedging concept.

⁵² Jean-Marc Blanchard and Norrin Ripsman, "Measuring Economic Interdependence: A Geopolitical Perspective," *Geopolitics* 1, no. 3 (1996): 225-246.

⁵³ Robert Keohane, *After Hegemony: Cooperation and Discord in the World Political Economy* (Princeton, NJ: Princeton University Press, 1984).

⁵⁴ We thank an anonymous reviewer for cogently arguing this point.

⁵⁵ Ely Ratner, "Making Bank," *Foreign Policy*, October 23, 2014.

⁵⁶ Australia's Prime Minister Tony Abbott reportedly received a personal from U.S. Secretary of State John Kerry not to join the AIIB: "John Kerry to Tony Abbott: Steer Clear of China Bank," *Australian Financial Review*, October 23, 2014.

⁵⁷ Two founding members included the Philippines and Vietnam who, at the time, were engaged in serious and ongoing territorial disputes with China in the South China Sea.

IV. Hedging as a Costly Choice: The Alignment Choices of East Asian States

We now return to the motivation behind this paper which is to re-characterize hedging behavior in East Asia. Based on the logic of our model, we posit the following definition of hedging: *Secondary states hedge by sending signals which generate ambiguity over the extent of their shared security interests with great powers, in effect eschewing clear-cut alignment with any great power, and in turn creating greater uncertainty regarding which side the secondary state would take in the event of a great power conflict.*

This definition of hedging is an improvement on the existing literature because it accounts for the tradeoff between autonomy and alignment, therefore permitting cross-national variation in observed state behavior. If a state sends ambiguous signals regarding its alignment choice, it is opting to forego the security benefits of strong alignment in return for increased policy autonomy, including the flexibility to align more closely in future should it face increased security threats. Accordingly, in the context of East Asia, hedging occurs when a status-quo preferring secondary state refuses the security benefits of aligning with the United States and instead preserves policy autonomy in the great power competition between the United States and China.

Our redefinition of hedging also draws attention to the *path dependency* inherent in the alignment choices faced by two types of states for whom hedging involves higher costs or reduced benefits. The first category comprises states that already maintain an alliance with a great power. Alliances are the strongest possible signal of alignment and create a default signal of shared security interests.⁵⁸ Should great power interests come into conflict, the secondary state must support its great power ally to preserve the signal. Alliance partners are

⁵⁸ James Morrow, "Alliances, Credibility, and Peacetime Costs," 270-297.

not incapable of making the decision to hedge by sending signals at odds with the alliance relationship, but the cost of doing so is relatively higher than for non-allies. Signals of ambiguity undermine the strength and credibility of the alliance, raising doubts about whether the secondary state or the great power would intervene to assist the other. Moreover, alliances are typically buttressed by costly investments in shared security architecture, systems integration and policy coordination, which would be lost if the alliance ceased functioning.

A second category encompasses secondary states facing major and active security disputes with a great power. If the state seeks to lower the risk of conflict, it must accommodate the disputant great power over the security issues in dispute, at the cost of its own interests. If the secondary state chooses to signal its willingness to defend its interests against the disputant great power, the shadow of conflict threatens its security. Both the benefits of hedging and the costs of aligning with the friendly great power are reduced in this latter scenario because the secondary state has already placed itself in opposition to the disputant great power. Accordingly, while a security dispute does not preclude a hedging strategy, the cost/benefit trade-off of alignment improves once the state elects to defend its security interests.

For those states without alliance commitments or major security disputes with a great power, hedging becomes a more feasible alignment choice. Indeed, we expect such states to hedge because this allows the state to minimize tradeoffs by deferring its alignment choice until uncertainties surrounding intentions, potential threats, and the balance of power become clearer.

Table 3 classifies a number of East Asian states along these two dimensions of path dependency—(1) whether they have a major security dispute with the rising great power (China), and (2) whether they are treaty allies with the established great power (the United States). According to this categorization, many states in East Asia that are commonly

described as hedging are actually sending signals more consistent with balancing behavior because path dependency limits their strategic options.

Table 3: Path Dependency in Alignment Choices

	Major Security Dispute	Minor/No Security Dispute
US Treaty Ally	Resolute Allies: <i>Strong and increasing signals of U.S. alignment</i> Japan, Philippines	Reserved Allies: <i>Strong and stable signals of U.S. alignment</i> Australia, South Korea,⁵⁹ Thailand⁶⁰
Not US Treaty Ally	Emerging Partners: <i>Weak but increasing signals of U.S. alignment</i> Vietnam, Malaysia⁶¹	Hedging States: <i>Ambiguous signals of U.S. alignment</i> Singapore, Indonesia,⁶² Burma, Brunei⁶³

Based on this model, we predict the following alignment behaviors:

Resolute Allies - *strong and increasing signals of U.S. alignment*: These states face both forms of path dependency: security disputes with China and extant U.S. alliances. Once these states elect to defend their security interests and signal defiance towards China, their

⁵⁹ South Korea does have an overlapping claim with China over Socotra Rock (known as Ieodo in South Korea and Suyan Rock in China). We classify this claim as minor, however, due to statements by both sides downplaying the dispute and because the United Nations Convention on the Law of the Sea classifies the rock as a submerged reef that cannot be claimed as territory.

⁶⁰ Thailand's recent history of political upheaval and increasing skepticism of the United States raise questions at the time of writing (early 2015) about whether Thailand will alter its alignment in the future. Nevertheless, this domestic political instability makes it difficult for us to examine its alignment decisions in this treatment.

⁶¹ On Malaysia's perception of the security dispute with China, see Stuart Grudgings, "Insight – China's assertiveness hardens Malaysian stance in sea dispute," *Reuters*, February 26, 2014, <http://uk.reuters.com/article/2014/02/26/uk-malaysia-china-maritime-insight-idUKBREA1P1Z020140226>.

⁶² Indonesia's exclusive economic zone does overlap with China's "nine-dash line", but Indonesia has thus far maintained that it is not a claimant to disputes in the South China Sea. See Prashanth Parameswaran, "Indonesia Avoids Open Territorial Dispute, Despite Concerns," *China Brief* 14, is. 13, July 3, 2014, [http://www.jamestown.org/single/?tx_ttnews\[tt_news\]=42584&no_cache=1#.U_IChWMd3Sg](http://www.jamestown.org/single/?tx_ttnews[tt_news]=42584&no_cache=1#.U_IChWMd3Sg).

⁶³ Brunei has claimed the southern Spratly Islands as part of its continental shelf, but Brunei does not occupy any land features in the region and has not attempted to enforce its claims. See Tessa Jamandre, "Brunei snubs Phl, other on united stand vs. China," *The Philippine Star*, March 3, 2014, <http://www.philstar.com/headlines/2014/03/03/1296636/brunei-snubs-phl-others-united-stand-vs.-china>.

rational security strategy will be to strengthen the already strong alignment signals sent by the alliance. We predict these states will seek to deepen their alliance relationship to maximize the security commitment from the United States. Strengthening the already-strong signals is pursued to offset a perceived increase in threat posed by China's rapid military modernization and increasingly assertive behavior.

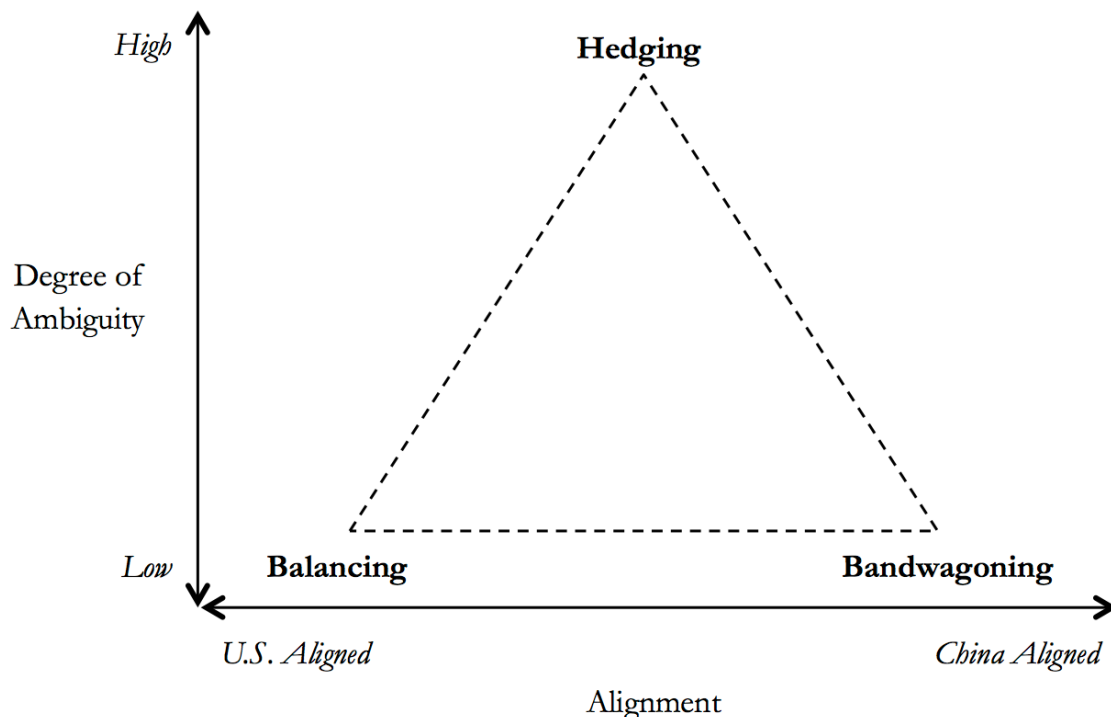
Emerging Partners - *weak but increasing signals of U.S. alignment*: These states lack an alliance relationship with the United States but face a real security threat from territorial disputes with China. The threat of conflict increases the security benefits of strengthening signals of alignment with the United States, and decreases the value of maintaining policy autonomy. Accordingly, we predict that these states will respond to the heightened threat by looking to build upon weak baseline signals of U.S. alignment as a means of aggregating capabilities and increasing their projected deterrent, thereby trading off some autonomy in return for increased alignment.

Reserved Allies - *stable signals of U.S. alignment*: These states enjoy existing security treaties with the United States but do not have a serious security dispute with China. The prohibitive cost of departing the alliance creates path dependency, but unlike alliance partners with security disputes, these states have less urgency in the need to strengthen their alignment signals, not least because of the benefits of maintaining positive relations with China, which can be achieved without substantially altering the status quo. There is no need for them to demonstrate significantly strengthened U.S. alignment, leading to a prediction of maintaining rather than maximizing their U.S. commitments.

Hedging States - *ambiguous alignment signals*: These states are unburdened by path dependency because they have no major territorial dispute, nor treaty alliances, with a great power. For these states hedging is optimal—maximizing policy autonomy and minimizing provocation of either great power while reserving the flexibility to align in future should

either great power come to constitute direct threat. We accordingly predict that these states will send ambiguous alignment signals and refuse to align strongly with either the United States or China. Ambiguity does not prevent any signaling of shared security interests, rather that the state shares security interests with both great powers, and avoids conduct which would clearly situate it with one power against the other. As Figure 1 shows, such alignment signals do not simply fall between balancing and bandwagoning, but rather represent another dimension in East Asian security choices based on their intentional ambiguity.

Figure 1: Conceptualizing East Asian Security Options



This redefinition shrinks the number of states that can be said to be hedging to include Singapore, Indonesia, Burma, and Brunei. These states are not affected by either form of path dependency and have real alignment options. They can effectively cultivate positive relations with both great powers while simultaneously sending ambiguous signals regarding their security interests and future alignment choices. Such hedging behavior reflects a choice to

maximize autonomy at the expense of strong alignment. These states retain the freedom to align with either great power should their future cost-benefit evaluation change.

V. The Evidence: Which States are Actually Hedging?

Given the preceding argument about the infrequency of hedging behavior, we now consider whether empirical evidence supports our model's predictions. We examine this question by analyzing the behavior of one state in each of the four categories described above: Japan (a U.S. ally with a territorial dispute), Australia (a U.S. ally without a territorial dispute),⁶⁴ Vietnam (a non-U.S. ally with a territorial dispute), and Singapore (a non-U.S. ally without a territorial dispute). Whereas each of these states has been described as "hedging" in the existing literature, our model predicts variation in their alignment signals, with only Singapore predicted to engage in hedging as we redefine it.

We consider the actions of these four states in response to the U.S. "rebalance" to Asia. Announced by President Barack Obama in November 2011, the rebalance was a strategic policy response to China's rise that reflected the United States' desire to preserve the existing order in East Asia, which it largely designed and underwrote.⁶⁵ The rebalance thus represents a clash of interests between the United States and China,⁶⁶ and provides the

⁶⁴ On its face, South Korea would seem an even better case study of a "Reserved Ally" than Australia, given its economic interdependence with China is arguably even deeper than Australia's and its proximity to the mainland increases its exposure to destabilizing activity in the region. However, we do not consider South Korea to be an appropriate case because its dominant security challenge arises not from managing great power relationships, but from a third party: Seoul remains focused on the danger of North Korean provocation, its nuclear and missile programs, and the potential for a political and humanitarian crisis if the regime in Pyongyang collapses. South Korea's arguable strengthening of security ties with the United States in recent years may accordingly have less to do with how it evaluated the tradeoffs of closer alignment with the United States or China, but be prompted by an increased threat from Pyongyang. The North Korea situation thus represents a potentially confounding variable that may bias any inference. The impact of third party security threats on hedging behavior thus lies outside the scope of our model. This is regrettable given the central policy importance of Seoul's efforts to balance its relationships with Washington and Beijing, and we hope future research can extend our framework to incorporate this security dynamic.

⁶⁵ Kurt Campbell and Ely Ratner, "Far Eastern Promises: Why Washington Should Focus on Asia," *Foreign Affairs* 93, no. 3 (2014): 105-116.

⁶⁶ Ely Ratner, "Rebalancing to Asia with an Insecure China," *Washington Quarterly* 36, no. 2 (2013): 21-38.

ideal opportunity to test our theory by evaluating the responses of regional actors to this singular region-wide dynamic. The rebalance presented East Asian secondary states with three broad choices: signal U.S. alignment by endorsing and enabling the rebalance, signal Chinese alignment by criticizing and opposing the rebalance, or avoid alignment by maintaining ambiguity in signaling. We test our theory's predictions by identifying and analyzing the responses of each state to the rebalance from its 2011 announcement through 2014. From this analysis we draw inferences regarding each state's alignment choice.

Japan

Japan is a long-time ally of the United States and also party to a significant dispute with China over islands and territory in the East China Sea that reemerged as an ongoing source of tension in 2010, before the rebalance was announced. Our model predicts that both path dependent factors will push Japan to strengthen its alignment with the United States in response to the increased perceived threat from China. The evidence is largely consistent with this expectation.

Japan warmly embraced the U.S. rebalance and sought to deepen alliance cooperation while simultaneously enhancing its own security capabilities in ways consistent with U.S. interests. In the months following President Obama's announcement, the government of Prime Minister Yoshihiko Noda relaxed restrictions on arms exports and enhanced the law enforcement powers of its Coast Guard to continue a trend, which arguably began in 2010 with the release of *National Defense Program Guidelines*, of adopting a robust security posture against China.⁶⁷ While the impetus for the "normalization" of Japanese security

⁶⁷ David Fouse, "Japan's New Defense Policy for 2010: Hardening the Hedge," *Korean Journal of Defense Analysis* 23, no. 3 (2011): 489-501; Axel Berkofsky, "Japan's December 2010 'National Defense Program Guidelines (NDPG)': The 'Big Bang' of Japanese Security and Defense Policies?," *Korean Review of International Studies* 14, no. 1 (2011): 33-52.

policy was undoubtedly heightened tensions with China, these efforts began to realize long-standing U.S. calls for Japan to increase the operability of its military and provided new opportunities to enhance cooperation with U.S. forces.⁶⁸

Following his ascension to the premiership in December 2012, Prime Minister Shinzo Abe continued this trend. The Japanese Ministry of Defense released a new *National Defense Program Guidelines* in 2013 that stated, “it has become more important than ever for Japan’s security to strengthen the Japan-U.S. Alliance.”⁶⁹ Statements from Japanese officials suggested that Tokyo expected its initiatives to complement the U.S. rebalance, particularly efforts to permit the exercise of so-called collective self-defense.⁷⁰ Policymakers in Tokyo expressed hope this would permit Japan to contribute more to its partnership with the United States by allowing Japan to take actions to protect U.S. forward bases and forward deployed forces.⁷¹ U.S. Secretary of Defense Chuck Hagel called this, “an important step for Japan as it seeks to make a greater contribution to regional and global peace and security.”⁷² In addition, Japan approved a long-stalled plan to realign U.S. basing on the island of Okinawa, eliminating a major impediment in alliance relations. A joint statement by the U.S.-Japan Security Consultative Committee in October 2013 outlined the centrality of the alliance to both Japan and the United States, noting that “As the United States continues to implement its rebalance to the Asia Pacific region it intends to strengthen military capabilities that allow

⁶⁸ For prior calls for a more robust U.S.-Japan alliance, see Michael J. Green and Patrick M. Cronin, ed., *The U.S.-Japan Alliance: Past, Present, and Future* (New York: Council on Foreign Relations Press, 1999).

⁶⁹ “National Defense Program Guidelines for FY 2014 and Beyond,” Japanese Ministry of Defense, December 17, 2013, http://www.mod.go.jp/j/approach/agenda/guideline/2014/pdf/20131217_e2.pdf.

⁷⁰ “Joint Statement of Japan-U.S. Security Consultative Committee,” United States Department of State, <http://www.state.gov/r/pa/prs/ps/2013/10/215070.htm>.

⁷¹ Echoing the importance of Japan’s ability to defend U.S. forces, U.S. Chairman of the Joint Chiefs of Staff General Martin E. Dempsey noted that, “The Japanese Self Defense Forces’ ability and willingness to not only protect themselves, but their closest partners ... is an important step for the region...” quoted in Jim Garamone, “Chairman Stresses Value of Military Partnerships,” *DoD News*, July 2, 2014, <http://www.defense.gov/news/newsarticle.aspx?id=122597>.

⁷² “Hagel Welcomes Japan’s New Collective Self-defense Policy,” United States Department of Defense, July 1, 2014, <http://www.defense.gov/news/newsarticle.aspx?id=122591>.

our Alliance to respond to future global and regional security challenges.”⁷³ These statements clearly indicate that embracing the rebalance was part of a conscious strategy by Tokyo to strengthen its alignment with Washington.

Japan’s efforts to enhance its own capabilities, including increasing its planned defense spending by issuing a new Mid-Term Defense Plan,⁷⁴ enabled closer cooperation with the United States. Japan has also been an active participant in bilateral development efforts with the United States, such as the SM-3 Block IIA missile, the Joint Strike Fighter, and recently the MV-22 tilt-rotor aircraft, among other joint procurement programs. Along with Japan’s inaugural National Security Strategy, which called for a “proactive contribution to peace,” Japan created a new National Security Council to improve coordination of its security policies. Prime Minister Abe’s decision to advocate a constitutional revision allowing Japan to exercise the right of collective self-defense indicates his commitment to altering Japan’s security posture to allow for greater internal balancing behavior and cooperation with external allies.⁷⁵ In addition, Japan passed a controversial state secrets law in December 2013, designed in large part to address U.S. concerns about intelligence threats.⁷⁶ On passage of the secrecy law, U.S. Ambassador to Japan Caroline Kennedy noted with approval that, “We support the evolution of Japan's security policies, as they create a new national security strategy, establish a National Security Council, and take steps to protect

⁷³ “Joint Statement of Japan-U.S. Security Consultative Committee,” United States Department of State, October 3, 2013.

⁷⁴ “A Lot of New Equipment Purchases in Latest 5-year Defense Plan,” *Asahi Shimbun*, December 14, 2013.

⁷⁵ See Michael J. Green and Nicholas Szechenyi, “Japan Takes a Step Forward on Defense Policy Reform,” Center for Strategic and International Studies, July 2, 2014, <http://csis.org/publication/japan-takes-step-forward-defense-policy-reform>.

⁷⁶ For Prime Minister Abe, the Secrets Law was important because its perceived value in advancing Japan’s commitment to great “information security,” as outlined in the October 2013 “2+2 Agreement” between the U.S. and Japan. The Secrets Law also indicates in Article 3 that such activities as “mutual defense support between Japan and the United States” would be designated as “special secrets. Also see: “*Tokutei Himitsu no Hogo ni kansuru Hōritsu* (Act on Protection of Specified Secrets),” Japanese Diet, December 6, 2013, <http://search.e-gov.go.jp/servlet/PcmFileDownload?seqNo=0000103648>.

national security secrets.”⁷⁷ Finally, the relaxation of restrictions on arms exports has created a platform for Japan to cooperate more closely not only with the United States, but also with states with shared regional security interests, most prominently Vietnam and the Philippines, who in 2014 were in the process of receiving patrol vessels from Japan.

As our framework predicts, Japan has chosen a strategy of balancing both externally (through the United States) and internally (via domestic strengthening) after it perceived China as posing a substantial and growing threat. Tokyo’s response to the U.S. rebalance provided the opportunity to enhance both these strategies by strengthening its alignment signals while augmenting its own capabilities. Therefore, we argue that Japan’s signals are not those of a hedging state, but rather a resolute ally of the United States.

Australia

Australia’s alliance with the United States has formed the core of its security strategy since the 1950s. Simultaneously, Australia’s bilateral relationship with China has remained largely positive and productive, avoiding the serious disputes over territory that have marred several of China’s bilateral relationships with other East Asian states. Our model therefore predicts that Australia’s security signaling will be strongly shaped by its U.S. alliance, but remain stable in light of a desire to maximize cooperation with China.

The empirical record partially confirms these predictions; if anything, Australia’s support of the rebalance has been stronger than our model would have predicted. It was in Canberra, Australia’s capital, where U.S. President Barack Obama announced the rebalance. The fact that the President made the announcement from Australia proved beyond doubt the strength of Australia’s support, with Prime Minister Julia Gillard stating: “Our alliance has

⁷⁷ Lucy Craft, “Japan’s State Secrets Law: Hailed By U.S., Denounced By Japanese,” *National Public Radio*, December 31, 2013, <http://www.npr.org/blogs/parallels/2013/12/31/258655342/japans-state-secrets-law-hailed-by-u-s-denounced-by-japanese>.

been a bedrock of stability in our region. So building on our alliance through this new initiative is about stability.”⁷⁸ Australia offered more than the platform for the announcement, also agreeing to host a new contingent of 2,500 U.S. marines on a rotating basis, who would train with local troops. While falling short of permanent basing, this enhanced military-to-military cooperation was a stronger manifestation of efforts to increase interoperability with the United States military, and an unambiguous signal of Australia’s support of the rebalance.

Canberra’s decision should not be surprising because of the significant benefits it draws from the alliance. Aside from the increased likelihood of American assistance if Australia were attacked, the alliance provides access to U.S. military technology, opportunity for joint training, integration with U.S. intelligence networks, and political connections in Washington.⁷⁹ Casting doubt on the continued strength of the alliance would reduce these benefits, at significant cost.⁸⁰ There have been some critics, such as Hugh White, who argue that Australia (and the United States) should take a more conciliatory tone in relations with China.⁸¹ But polls show high public support for the U.S.-Australia alliance, with 74% of Australians supporting the U.S. rotational deployment in 2012 and 78% describing the overall alliance as either very important or fairly important in 2014.⁸² Nevertheless, there have been some areas of tension in the U.S.-Australia relationship, most notably Australia’s limited defense spending and difficulties in cost sharing arrangements for new U.S. basing access.

⁷⁸ Julia Gillard, “Remarks by President Obama and Prime Minister Gillard,” The White House, November 16, 2011, <http://www.whitehouse.gov/the-press-office/2011/11/16/remarks-president-obama-and-prime-minister-gillard-australia-joint-press>.

⁷⁹ Nick Bisley, “‘An Ally for All the Years to Come’: Why Australia is not a Conflicted US Ally,” *Australian Journal of International Affairs* 67, no. 4 (2013): 403-418.

⁸⁰ Ross Babbage describes a possible defence policy option which would reduce dependence on the United States through heavy investments in military capabilities, but which would be highly costly, possibly requiring a 25-50 percent increase in defense spending over ten years. Ross Babbage, “Australia’s Strategic Edge in 2030,” Kokoda Paper, no. 15, 2011.

⁸¹ Hugh White, “Power Shift: Australia’s Future between Washington and Beijing,” *Quarterly Essay* 39 (2010): 1-74; Hugh White, *The China Choice: Why America Should Share Power* (Sydney: Black Inc., 2012).

⁸² Fergus Hanson, “The Lowy Institute Poll 2012,” Lowy Institute for International Policy, June 5, 2012; Alex Oliver, “The Lowy Institute Poll 2014,” Lowy Institute for International Policy, June 2, 2014.

Canberra has also been willing to oppose Beijing's interests over security matters in ways that support the goals of the rebalance even when Australia's direct security was not threatened. In late-2013 the newly elected Abbott government was publicly critical of Beijing's unilateral decision to declare an expanded Air Defense Identification Zone over disputed maritime areas in the East China Sea.⁸³ This move was surprising to many since it enhanced the perception within China that Australia was siding with Japan on the sensitive East China Sea territorial disputes, an issue on which Australia had previously taken no position. Under criticism for damaging relations with China, both Prime Minister Abbott and Foreign Minister Julie Bishop refused to back down.⁸⁴ In 2014, Prime Minister Abbott ignored Chinese protests and signalled an intention to cooperate more closely with U.S. ally Japan, including on regional security challenges.⁸⁵

Canberra's enthusiastic support for the U.S. rebalance leaves little doubt about Australia's alignment choices, and dispels any notion that the country is pursuing a hedging strategy. Not only has Australia served as announcement platform and host to U.S. troops, but it has also been willing to criticize Chinese actions that have threatened the interests of its ally. While it is clear Australia has not hedged, one might question whether Canberra's behavior has been noticeably different than those of a state like Japan with more directly conflicting security interests. It would not be unreasonable to interpret the Marines' deployment as a decisive increase in Australia's alignment signals. Yet, we view the deployment of U.S. Marines as an incremental increase in military cooperation within a stable alliance relationship—Australia has fought alongside the U.S. in every major war since World War I and U.S. forces make regular appearances on Australian soil. Recall that our

⁸³ The ADIZ announcement was described as "unhelpful" by Foreign Minister Julie Bishop: "Bishop Queries China over Air Rights Claim," *Australian Financial Review*, November 27, 2013, 6.

⁸⁴ "No Time to be Meekly Standing By, Placating Other Lands," *Australian*, January 4, 2014, 12.

⁸⁵ "PM's high wire act," *Australian Financial Review*, July 3, 2013, 52.

model predicts that Japan will strengthen its alignment signals while Australia will seek stability in its alliance signals. In our view, Australia's response to the rebalance has tended towards incremental improvements in cooperation rather than wholesale upgrading of its security capabilities, as is the case in the Japan. Australia has strengthened its alliance with the United States but it has not substantially increased defense spending nor has it engaged in the types of domestic strengthening that Prime Minister Abe has sought.

Despite much talk about Australia's efforts to avoid choosing between the United States and China, the choice has already been made. Australia's alliance with the United States predetermined its security approach toward the rebalance.

Vietnam

Neighboring China has been the central strategic challenge for Vietnam for almost all of its history, with the primary fault line in recent years being overlapping sovereignty claims in the South China Sea. Yet while the United States is the obvious partner to counter China's superior size, both the bloody legacy of the Vietnam War and sharp differences in political values have long prevented Vietnam and the United States from forging any kind of substantive security relations. This led Evelyn Goh in 2005 to describe Vietnam's China strategy as "weak hedging", marked by "deep pragmatism and the dark shadow of very asymmetrical power."⁸⁶ Since 2005 China's capabilities have continued to grow rapidly and, in combination with renewed frictions in the South China Sea, the Vietnamese government has come to perceive China in an increasingly threatening light.⁸⁷ Our model classifies

⁸⁶ Evelyn Goh, "Meeting the China Challenge: The U.S. in Southeast Asian Regional Security Strategies," 22-23.

⁸⁷ John D. Ciorciari and Jessica Chen Weiss, "The Sino-Vietnamese Standoff in the South China Sea," *Georgetown Journal of International Affairs* (Winter/Spring 2012): 61-69; Tomotaka Shoji, "Vietnam, ASEAN, and the South China Sea: Unity or Diverseness?" *NIDS Journal of Defense and Security*, no. 13 (December 2012): 3-21.

Vietnam as an “Emerging Partner” and predicts that Hanoi would respond to the China threat in part by seeking to strengthen (from a weak baseline) signals of shared security interests with Washington.

The evidence offers cautious support for this prediction. At the time of the announcement of the U.S. rebalance, U.S.-Vietnam security relations were already undergoing a gradual but consistent period of improvement. In 2010 several U.S. Navy vessels visited Vietnam to commemorate the 15th anniversary of the normalization of diplomatic relations and the two sides held their first ever meeting at the level of deputy defense minister.⁸⁸ This trend continued in 2011, signified in particular by the conducting of a joint non-combat naval exercise in July and dual visits in August by the U.S. aircraft carrier *USS George Washington* and the high-speed cargo ship *USNS Richard Byrd*. These incremental improvements coincided with heightened Sino-Vietnamese tensions in the South China Sea. In June 2011 Vietnam had accused China of a “premeditated and carefully calculated” attack after its oil exploration cables were cut in the western Spratly Islands, one of a series of incidents that year.⁸⁹

Even these modest activities raised Chinese suspicions, and throughout Hanoi took great pains to emphasize that its enhanced cooperation with Washington was not directed at Beijing.⁹⁰ Each action with the United States was matched with parallel efforts to build goodwill with China. For example, Deputy Minister of Defense Nguyen Chi Vinh publicly downplayed the 2010 collaborations with the U.S. as purely a product of the diplomatic anniversary celebrations. He described claims that Vietnam was strengthening ties with the U.S. in response to South China Sea developments as groundless and lacking understanding

⁸⁸ Ciorciari and Weiss describe these moves as “the most significant defense opening in decades”: Ciorciari and Weiss, “The Sino-Vietnamese Standoff in the South China Sea,” 64.

⁸⁹ Ciorciari and Weiss, “The Sino-Vietnamese Standoff in the South China Sea.”

⁹⁰ Tomotaka Shoji, “Vietnam, ASEAN, and the South China Sea: Unity or Diverseness?” 14.

of Vietnamese defense policy.⁹¹ Despite the 2011 escalation in tensions and heightened US cooperation, that same year the Chinese and Vietnamese navies conducted joint naval patrols, Vietnamese ships made port visits to China and General Secretary Nguyen Phu Trong visited Beijing in October for talks in which defense cooperation and the resolution of maritime issues featured prominently.⁹²

The care taken by Vietnam during this period to sustain positive and stable ties with China inevitably curtailed the signals it could send of shared security interests with the United States. The announcement of the rebalance did not appear to alter this pattern. Hanoi refrained from giving public endorsement of the policy, and throughout 2012 and 2013 the gradual trajectory of increased security cooperation continued in tandem with efforts to avoid antagonizing Beijing.⁹³ U.S. Secretary of Defense Leon Panetta visited Cam Ranh Bay in June 2012, and in July 2013 Washington and Hanoi entered into a “comprehensive partnership” that specifically included enhanced military-to-military cooperation. Meanwhile, U.S. ships, including the *USS John McCain*, continued port visits. However, Vietnam still retained a “strategic partnership” with China (one level higher than the U.S. comprehensive partnership), despite the ongoing maritime dispute.

Vietnam’s clear resolve to defend its territorial interests aside, this combination of behaviors has more in common with our redefined hedging concept than the model predicts. However, as tensions with China escalated further in May 2014 following the deployment of a Chinese state-owned oilrig in waters claimed by Vietnam, Hanoi responded by further

⁹¹ Ibid., 15.

⁹² Carlyle Thayer, “South China Sea Two-Step,” *Wall Street Journal Asia*, November 25, 2011, 12.

⁹³ Some examples are increases in high level diplomatic and military visits between the two nations and expanded security collaboration on issues like the use of Cam Ranh Bay. See Carl Thayer, “Vietnam Gradually Warms up to US Military,” *The Diplomat*, November 6, 2013, <http://thediplomat.com/2013/11/vietnam-gradually-warms-up-to-us-military/>; Greg Torode, “Hanoi Plays Up Beijing Ties Ahead of Panetta Visit,” *South China Morning Post*, June 3, 2012, 1.

increasing the strength of its alignment signals.⁹⁴ One observer notes that shortly thereafter Vietnamese leaders held “an unprecedented public forum on the topic of ‘Thoat Trung’ (escaping from China’s orbit),” and the next month “61 party members signed an open letter addressed to the party and its Central Committee in particular warning of the danger of Vietnam becoming a ‘new-type of China’s vassal,’ and calling for drastic reforms to reduce the country’s dependence on China.”⁹⁵ Prime Minister Nguyen Tan Dung also stated publicly that Vietnam attached great importance to its relationship with the United States and requested Washington to continue to support cooperation between the two countries.⁹⁶ Vietnam joined the Proliferation Security Initiative, giving it the opportunity to work with the United States on maritime surveillance. Agreements with the Philippines created the scope for U.S. Navy maritime surveillance aircraft based in the Philippines to be temporarily deployed to Vietnam.⁹⁷ Following a three-day visit to Hanoi, U.S. Chairman of the Joint Chiefs of Staff General Martin Dempsey commented “we should have a steady improvement in our relationship with the Vietnamese military.”⁹⁸ While these moves should not be interpreted as robust alignment, they nevertheless constituted a clear strengthening of the signal that Hanoi shared security interests with the United States.

The evidence therefore suggests that as the threat from China grows, Vietnam is becoming increasingly willing to trade off policy autonomy in return for the security benefits

⁹⁴ The extent to which May 2014 was a turning point is evidenced by the fact that just a few months prior Vietnamese media had been instructed to downplay grievances with China on the 35th anniversary of the Sino-Vietnamese border war in effort to sustain positive relations: “Vietnam Muted Ahead of Border War Anniversary”, *Voice of America*, February 12, 2014.

⁹⁵ Nguyen Manh Hung, “Chinese Oil Rig and Vietnamese Politics: Business as Usual?” *cogitASIA*, August 25, 2014, <http://cogitasia.com/chinese-oil-rig-and-vietnamese-politics-business-as-usual/>.

⁹⁶ Kristine Kwok and Julian Ryall, “Vietnam Edges Closer to Old US Foe as Maritime Dispute with China Heats Up,” *South China Morning Post*, May 29, 2014. In an interview with Bloomberg, the Nguyen said that Vietnam “hoped that the United States will make stronger, more practical and more effective contributions to peace and stability in the region”: “PM Nguyen Tan Dung grants interview to Bloomberg,” *Vietnam News Agency Bulletin*, May 31, 2014.

⁹⁷ Carl Thayer, “Vietnam Mulling New Strategies to Deter China,” *The Diplomat*, May 28, 2014, <http://thediplomat.com/2014/05/vietnam-mulling-new-strategies-to-deter-china/>.

⁹⁸ Jane Perlez, “In China’s Shadow, U.S. Courts Old Foe Vietnam,” *The New York Times*, August 16, 2014.

of closer alignment with the United States. Le Hong Hiep writes, “it is clear that one of the major drivers behind Hanoi’s efforts to forge closer ties with the United States is related to its growing rivalry with Beijing in the South China Sea.”⁹⁹ He goes on to note that U.S.-Vietnam ties, “have developed at a pace that has surprised many observers.”¹⁰⁰ Such actions are costly—the alignment signals attract concern in Beijing and are sharply criticized in Chinese media,¹⁰¹ which explains why, in a relative sense, this security cooperation continues to remain limited in comparison to regional parties that are in existing alliance relationships. Although Hiep and others continue to describe efforts by Vietnam to strengthen engagement with China economically and politically as part of a hedging strategy, this does not fully capture the choices and trade-offs inherent in Vietnam’s strategic circumstances. Hanoi has consistently sent clear signals of resolve to defend its security interests, and faces a trade-off between autonomy and alignment as it, albeit incrementally, strengthens ties with the United States.

Singapore

As one of a limited number of states in East Asia without a military alliance or serious security dispute with either China or the United States, Singapore is an obvious case for our narrowly redefined group of hedging states. Our model predicts that Singapore’s leaders will seek to avoid choosing between the two great powers by maintaining ambiguity in their alignment signals in order to protect the autonomy—independence and flexibility—of Singapore’s security policies. Independence and flexibility are indeed hallmarks of

⁹⁹ Le Honh Hiep, “Vietnam’s Hedging Strategy against China since Normalization,” *Contemporary Southeast Asia: A Journal of International & Strategic Affairs* 35, no. 3 (2013): 360.

¹⁰⁰ *Ibid.*, 359.

¹⁰¹ See, e.g., Greg Torode, “Keeping Ghosts at Bay,” *South China Morning Post*, June 10, 2012. Moreover, the oilrig incident sparked a populist backlash violent protests across Vietnam during which Chinese and other foreign-owned businesses were attacked, damaging Vietnam’s economic reputation: Chris Buckley and Edward Wong, “Chinese Oppressors, Chinese Patrons,” *New York Times*, May 17, 2014.

Singapore's grand strategy as regularly outlined in public statements by the city-state's leaders. Above all, according to former President S.R. Nathan, Singapore is motivated by its "inherent vulnerability" stemming in significant part from its small size and lack of natural resources which limit the state's development potential. This vulnerability motivates the three pillars of Singapore's core national interests—survival, independence, and growth.¹⁰²

The logic of Singapore's preference for autonomy is powerful. The city-state is located in a critical geostrategic location but could never hope to defend itself alone. As a supposedly impregnable British colony it fell to Japanese forces in World War II, demonstrating that the protection of a powerful patron is no guarantee of security. Singapore seeks to maximize its security by cultivating positive relations with all great powers while preventing itself from becoming too close to (or dependent on) any single power. Singapore thereby preserves its flexibility to adapt its security policies to changing dynamics, which explains why its leadership has avoided entering into security alliances and has instead signed lower-level security cooperation agreements with both China and the United States.¹⁰³

To maintain its autonomy from both great powers, Singapore has pursued a delicate balance in its alignment signaling, sending both supportive and critical signals to both great powers and never allowing itself to be too closely associated with either. This is reflected both in the statements of Singapore's leaders and its policy choices in response to the U.S. rebalance. During a visit to the United States in February 2012, Foreign Minister K. Shanmugam warned the U.S. not to try to contain China. He was also critical of antagonistic

¹⁰² Independence is one of a three-pillared strategy supporting Singaporean policy; the other two pillars mentioned by President Nathan were "survival" and "growth." S.R. Nathan, "Singapore's Foreign Policy: Beginnings and Future," Speech at the MFA Diplomatic Academy's Inaugural S. Rajaratnam Lecture, Shangri-La Hotel, Singapore, March 10, 2008.

¹⁰³ Singapore signed a Strategic Framework Agreement with the United States in 2005, and an Agreement on Defense Exchanges and Security Cooperation with China in 2008: "S'pore, US Deepen Security Partnership," *Straits Times*, July 13, 2005; "Sino-Singaporean Joint Exercise Boosts Military Ties: Defense Ministry," *Xinhua News Agency*, June 24, 2009. See also "Stealth Bomber Diplomacy," *Straits Times*, July 3, 2011.

rhetoric toward China in certain sections of the American security community and media, warning that it could give rise to unintended problems in the region.¹⁰⁴ In the next few months, however, Singapore's Defense Minister Ng Eng Hen made his own trip to Washington, during which he welcomed the U.S. commitment to the region and described the U.S. as Singapore's "closest security partner."¹⁰⁵ A few months hence an agreement was finalized for Singapore to host four U.S. littoral combat ships on a rotating basis.

While the scope and depth of Singapore's defense cooperation with the United States far exceeds that with China, Singapore has been careful to cultivate positive security relations with Beijing. Less than three weeks after announcement of the littoral combat ship agreement, Defense Minister Ng travelled to Beijing to laud Singapore's "special relationship" with China and its desire to deepen military cooperation.¹⁰⁶ In September 2012, Prime Minister Lee Hsien Loong made a successful visit to China where he had the rare honor of meeting five members of the Politburo Standing Committee.¹⁰⁷ Yet he also delivered a thought-provoking speech to the Central Party School arguing that the Chinese should not view the U.S. as a declining power.¹⁰⁸

On balance, Singapore has been supportive of the U.S. rebalance for its contribution to regional stability,¹⁰⁹ but the country's leaders have refrained from over-emphasizing this fact in public. For example, the littoral combat ship agreement received little attention in Singapore's local press, thereby remaining respectful of its relationship with China, and

¹⁰⁴ "Singapore on China Policy: Don't Call it Containment," *Washington Post*, February 7, 2012; "S'pore, China agree to draw closer," *Straits Times*, February 11, 2012.

¹⁰⁵ "US expected to keep up Asian military presence," *Straits Times*, April 7, 2012; "US closest defense partner of S'pore," *Straits Times*, April 7, 2012.

¹⁰⁶ "Sino-S'pore bond is special, says Ng Eng Hen," *Straits Times*, June 22, 2012.

¹⁰⁷ "Leaders Hail Close Ties, High Points," *Straits Times*, September 5, 2013.

¹⁰⁸ Lee Hsien Loong, "China and the World: Prospering and Progressing Together," Speech at Central Party School, Beijing, September 6, 2012.

¹⁰⁹ "Reply by Minister for Defence Dr. Ng Eng Hen to Parliamentary Question on the US Pivot towards Asia," Singapore Ministry of Defence, October 16, 2012.

followed quickly by efforts to improve relations with Beijing.¹¹⁰ Singapore has sought to keep a balanced ledger in its cooperative programs, never allowing its praise (or criticism) to become too one-sided. Singapore is following the predictions of our revised concept of hedging: by never allowing itself to become too close to either great power, Singapore creates ambiguity about the degree of its shared interests and with whom it would side in the event of great power conflict.

So what explains Singapore's relatively stronger security ties with the United States? See Seng Tan argues that, "Singapore's hedging approach towards China—deep engagement with Beijing certainly, but also with other powers as well—arises partly from wariness of Chinese intentions."¹¹¹ He argues that "Singapore has long advocated the need for a stable balance of power in the region, in the belief that it and other small states can survive and possibly thrive only when the region is unthreatened by great power conflict and upheaval."¹¹² Accordingly, even while vigorously guarding its autonomy, Singapore longs for great power cooperation. In the words of Prime Minister Lee Hsien Loong, "We want the U.S. to have constructive and stable relations with China. That makes it much easier for us. Then we don't have to choose sides."¹¹³

VI. Conclusion and Policy Implications

The security literature uses the term "hedging" to describe the responses of East Asian secondary states to China's rise. Typically hedging refers to engaging heavily with China on

¹¹⁰ The decision was mentioned in passing by the *Straits Times* in a story about broader U.S. force posture in the region: "US Navy to Move 60% of Warships to Asia," *Straits Times*, June 3, 2012. However, it had been discussed for some time: "U.S. Plans to Deploy Littoral Combat Ships in Singapore," *Singapore Government News*, June 4, 2011.

¹¹¹ See Seng Tan, "Faced with the Dragon: Perils and Prospects in Singapore's Ambivalent Relationship with China," *The Chinese Journal of International Politics* 5, no. 3 (2012): 254.

¹¹² *Ibid.*, 246.

¹¹³ Hsien Loong Lee quoted in "An Interview with Singapore Prime Minister Lee Hsien Loong," *The Washington Post*, March 15, 2013.

both economic and political levels while retaining or building security links with the United States to encourage its continued presence as a regional stabilizer. We argue that hedging, as presently constructed, is a purely descriptive term with marginal analytical value. The current usage of hedging as an umbrella concept cannot yield insight into fundamental security questions because it does not differentiate between different types of alignment nor recognize the tradeoffs inherent in competing strategic choices.

Our aim in this paper is to put forward a simple model that incorporates meaningful variation in the behavior of states that are routinely described as hedging. To do so, we redefine hedging behavior as a costly security strategy involving a tradeoff between alignment and autonomy. States hedge by sending signals that generate ambiguity over the extent of their shared security interests with great powers. This ambiguity results in the avoidance of clear-cut alignment with any great power, and in turn creates uncertainty regarding which side the secondary state would take in the event of a great power conflict. Our redefinition of hedging highlights the path dependency of many alignment choices, the effect of which is to reduce the benefits of sending ambiguous alignment signals. For states engaged in active security disputes against, or enjoying an alliance with, a great power, a clear tradeoff already exists between their autonomy and alignment. Our redefinition of hedging and recognition of the effect of path dependence together allow us to identify important cross-national variation in states' behavior and contribute to the larger research program on how states are responding to China's rise.

A brief review of the available evidence confirms that tradeoffs between alternative alignment choices are a core element of any analysis of secondary states' security policy responses to China's rise. Once tradeoffs are accounted for, we observe that fewer states are truly hedging (see Table 4 for an illustration of security alignment behaviors of our four cases). For many states, their great power alignment choices have been decided for them,

either by ongoing territorial disputes with China or by a pre-existing alliance with the United States. Secondary states unencumbered by such path dependency face lower costs to hedge, but we expect they will do so only as long as the threat posed to their security by either great power is relatively low. Although states can attempt to defer alignment decisions, all security policies eventually involve tradeoffs and the advantages of hedging are limited to a small number of states in East Asia.

Table 4: Summary of Illustrative Security Alignment Behaviors Since 2011

	<u>Pro-U.S. Alignment Signals</u>			<u>Pro-China Alignment Signals</u>		
	<i>Strong</i>	<i>Moderate</i>	<i>Weak</i>	<i>Weak</i>	<i>Moderate</i>	<i>Strong</i>
	<i>alliances and perm. basing</i>	<i>joint training, deployments</i>	<i>arms sales and public support</i>	<i>arms sales and public support</i>	<i>joint training, deployments</i>	<i>alliances and perm. basing</i>
<u>Japan</u> Resolute Ally	Revision of Bilateral Defense Guidelines	Guam relocation agreement with United States	Increasingly pro-U.S. and anti-China rhetoric	N/A	N/A	N/A
<u>Australia</u> Reserved Ally	U.S.-Australia Force Posture Initiative	Rotational deployment of U.S. Marines to Darwin	“Rebalance” support, Joint Strike Fighter purchase	N/A	N/A	N/A
<u>Vietnam</u> Emerging Partner	N/A	Participation in joint exercises and U.S. port visits	Entered into comprehensive partnership with U.S.	Retained strategic partnership with China	N/A	N/A
<u>Singapore</u> Hedging State	N/A	Hosting of U.S. Littoral Combat Ships in Singapore	Described U.S. as “closest security partner”	Described China as a “special relationship”	Bilateral Exercise Cooperation 2014	N/A

This research suggests that the United States is in a somewhat stronger geopolitical position than is sometimes claimed. Although some states are hedging by avoiding strong security alignment with either the United States or China, path dependency suggests that most have made their alignment decisions and that these decisions are likely to be relatively sticky. Thus, U.S. alliances and partnerships in East Asia are likely to grow deeper even as China’s

relative power grows, particularly if the United States is able use Chinese opportunism to strengthen these commitments. Increasingly assertive actions by China that appear to threaten the status quo are likely to intensify this re-alignment toward the United States.

On the other hand, this research suggests that Chinese policymakers should emphasize more cooperative elements of Chinese policy in order to avoid alienating East Asian neighbors. This finding provides an additional rationale for President Xi Jinping's call in May 2014 for a new Asian security framework via the Conference on Interaction and Confidence Building Measures in Asia (CICA), which excludes the United States.¹¹⁴ Chinese Foreign Minister Wang Yi has also called 2015 the year of China-ASEAN maritime cooperation, seeking to defuse the rising tensions over South China Sea claims.¹¹⁵ Although these cooperative, "positive sum" efforts are likely to continue, our research indicates that such initiatives will be unlikely to change strategic calculations among countries that maintain an alliance relationship with the United States or a have a significant territorial dispute with China.

Finally, this research suggests that the competition for non-aligned East Asian states—such as Singapore and Indonesia—may intensify, due to the limited number of states that we would describe as hedging. With fewer states truly non-aligned, the United States and China have increased incentive to compete for influence, raising the leverage that these states may have to win concessions from the major powers. Although Sino-American competition for influence over already aligned secondary states will likely continue (as evidenced most recently by Chinese outreach to Thailand and U.S. approaches to Burma), the remaining non-aligned secondary states are likely to have outsized regional influence.

¹¹⁴ "China's Xi Calls for Asia Security Framework at Summit," *Bloomberg News*, May 21, 2014, www.bloomberg.com/news/2014-05-21/china-s-xi-calls-for-asia-security-framework-at-summit.html.

¹¹⁵ "China-ASEAN strategic partnership enter a new state of development: Chinese FM," *Xinhua*, August 9, 2014, http://news.xinhuanet.com/english/china/2014-08/10/c_133544829.htm.

As East Asian power dynamics continue to shift, the responses of regional secondary states are likely to be a critical area of study and debate. For the last decade, hedging has been a central element of the literature on regional responses to China's rise. For leaders in both Washington and Beijing, this more refined conceptualization of hedging is critical to a proper understanding of and response to the evolving security environment in East Asia.