Discussions of security order in Asia typically revolve around questions of geopolitics, the balance of power, the purported grand strategies of major powers, and the form and contribution of formal regional institutions or the so-called "regional security architecture". This essentially realist approach operates with a notion of states as coherent, territorially bounded, strategic actors. The chapter argues that this perspective misses important developments in regional security order associated with the transformation of states beyond this "Westphalian" model, such as transnational governance networks to address non-traditional security threats and the fragmentation and internationalisation of Chinese state apparatuses associated with China's Belt and Road Initiative.

5

Security order and state transformation in Asia

Beyond geopolitics and grand strategy

Lee Jones

Asian security: the statist debate

International Relations' (IR's) subfield of security studies has undeniably broadened in the post–Cold War era. Despite "realist" resistance, the concept of "security" has expanded well beyond a traditional focus on interstate military relations to include diverse "non-traditional" threats, while "human security" scholarship shifted attention from states to communities and individuals. New critical approaches from Marxism, feminism, post-colonialism and post-structuralism have pluralised the subfield, albeit at the cost of growing incoherence, as realists foretold.

However, this intellectual broadening has always been limited within Asian security studies and is arguably dwindling even further amidst intensifying great power competition. Nonetheless, Asian security scholarship has broadened somewhat, with considerable discussion of non-traditional security (NTS), and some attention to human security. However, the mainstream debate remained resolutely "traditional". The vast bulk of scholarship – and certainly discussions at international conferences – remained concerned with either interstate military dynamics or interstate cooperation through formal regional institutions, overwhelmingly those centred on the Association of Southeast Asian Nations (ASEAN).

The main problems (*problematiques*) in this approach concern great power rivalry and how/whether it can be institutionally contained. This focus has generated voluminous yet inconclusive (and highly repetitive) debates on ASEAN-centred institutions and their

shortcomings or alternatives – the so-called "regional security architecture". Even NTS and human security are overwhelmingly addressed through this prism, as scholars predominantly assess regional organisations' performance in managing these issues. Shortcomings identified are typically blamed on Asian states' attachment to sovereignty and non-interference, which precludes the emergence of more robust regional governance.

Growing Chinese power has only intensified this traditional focus and increasingly gloomy assessments of security dynamics. Optimistic 1990s/early 2000s scholarship suggesting the emergence of a "regional identity" that could dampen Hobbesian dynamics has given way to dark warnings about ASEAN's divisions when confronted with Chinese assertiveness in the South China Sea; China's supposed geopolitical gambit, the Belt and Road Initiative (BRI); and endless discussion of mounting Sino-US rivalry.

In short, East Asia is generally seen as a region of "Westphalian" states whose security relationships have progressed very little from the balance-of-power models developed in realist IR. Even when scholars are not explicitly realist, they implicitly use realist ontologies, particularly concerning the state: they portray states as unitary actors, possessing a singular worldview and security outlook, and pursuing a single, coherent foreign and security policy, guided by calculations of national interest or identity. It is entirely normal for scholars to make pronouncements about "China's" foreign policy, or what "the Philippines" is doing, for example, and this approach – ostensibly a linguistic shorthand, but actually expressing deep ontological assumptions – is rarely challenged.

Bringing state transformation in

Notwithstanding relevant insights provided by this statist approach, I argue that this overlooks how states are transforming in an era of globalisation and the attendant impact on Asian security.

Much of my research has challenged the realist conception of the state in IR, promoting a richer, more complex understanding, closer to empirical reality, which allows us to understand and explain security dynamics that are often invisible through realist lenses. Doing so has involved using Gramscian state theory, as developed by Nicos Poulantzas and Bob Jessop.[1] This approach sees states not as "things" – and, therefore, certainly not unitary "actors" – but rather as

condensations of social relationships. Because state apparatuses distribute power and resources, they are fought over between socio-political groups – most importantly social classes and class fractions but also state-based forces (e.g. bureaucratic and military groupings) and ethnic, religious and gendered groups – as part of their wider struggle for power and resources. Which institutions emerge, and how they operate in practice, is traceable to these conflicts.

This approach differs from other IR frameworks that attend to domestic politics – e.g. Liberalism, Neoclassical Realism or Foreign Policy Analysis – in two ways. First, it situates socio-political conflict within the broader context of continually evolving capitalist dynamics. The nature, composition and strength of forces contesting state power are intimately related to the development of productive forces in particular societies, which occurs within the wider development of global capitalism. This approach is grounded in political economy analysis.[2]

Second, the approach does not assume that domestic struggles are always resolved into a singular policy "decision", which then directs the entire state's behaviour. Instead, it is open to the possibility that different state apparatuses, reflecting their links to, or even capture by, different socio-political forces, may pursue quite distinct, or even contradictory, objectives. As Migdal states,

> The sheer unwieldy character of states' far-flung parts, the many fronts on which they fight battles with groupings with conflicting standards of behavior, and the lure for their officials of alternative sets of rules that might, for example, empower or enrich them personally or privilege the group to which they are most loyal, all have led to diverse practices by states' parts or fragments. . . . [These] have allied with one another, as well as with groups outside, to further their goals . . . [producing outcomes] often quite distinct from those set out in the state's own official laws and regulations. These alliances, coalitions or networks have neutralized the sharp territorial and social boundary that [Weberian state theory] has acted to establish, as well as the sharp demarcation between the state as preeminent rule maker and society as the recipient of those rules . . . the state is a contradictory entity that acts against itself.[3]

It is theoretically *possible* that political leaders may strive to impose a single strategic vision, reining in wayward state apparatuses, but this is always a political struggle, and success cannot be *taken for granted* as an analytical starting point. Thus, we must remain open to the possibility of different state-society compacts behaving in different ways internationally and actively study state managers' efforts to "impose a measure of coherence" on their conduct,[4] rather than merely assuming that states are either unitary actors or ultimately behave as such after domestic politics have "finished" with the production of a singular foreign policy.

My work with Shahar Hameiri has further complicated the picture by drawing attention to the dynamics of *state transformation*. Building on extensive scholarship in state theory, political geography, public policy, global governance and other subfields, we have foregrounded the transformation of state apparatuses and power by socio-political struggles under globalisation. Despite the Weberian/Westphalian state's frequent depiction in IR as a natural or transhistorical unit,[5] it is actually a recent historical achievement. It consolidated in Europe following the industrial revolution, after centuries of princely struggles to unify disparate territories into national formations, and in the global South only after decolonisation. The Bretton Woods settlement bolstered this form of statehood by supporting Keynesian compacts between capital and labour, which underpinned "the primacy of national economies, national welfare states, and national societies managed by national states concerned to unify national territories and reduce uneven development".[6] However, the Weberian-Westphalian state form has been substantially transformed since the capitalist crises of the 1970s. Led initially by new-right forces in the US and Britain, trade unions were defeated, wage growth was curbed, state assets were privatised and international trade and finance were deregulated.[7] Corporatist and developmentalist apparatuses were dismantled and replaced by new institutions focused on promoting global competitiveness.[8] Ruling elites adapted governance structures to promote and then respond to globalisation, fundamentally reworking the Weberian-Westphalian state in most jurisdictions worldwide.

We summarise the key dynamics under three headings: fragmentation, decentralisation and internationalisation.[9]

1   The *fragmentation* of state authority stems from decades of piecemeal state reform and moves towards regulatory governance. The top-down, command-and-control systems of Weberian-Westphalian states have given way to regulatory states, where executives use guidelines to loosely "steer" diverse public and private actors towards preferred outcomes.[10] This model has spread to developing countries through decades of Western development programmes and domestic efforts to increase global competitiveness.[11]

2   *Decentralisation* has arisen through the devolution of policymaking and control over resources and the rise of global cities and city-regions.[12] Decentralisation has also spread to developing countries through post-conflict state-building interventions and development projects.[13]

3   Many formerly domestic institutions and agencies have become *internationalised*. To support and govern increasing cross-border economic flows, and threats to these, regulatory and judicial bodies have formed "transgovernmental networks" to harmonise policies and standards.[14] Functional agencies have networked with their foreign counterparts to manage economic and security issues.[15] Rosenau dubs this "fragmegration": state fragmentation enabling new forms of transnational integration.[16] Many subnational governments now engage in quasi-autonomous "paradiplomacy".[17]

These developments render unitary actor models even less plausible. Moreover, they make it even more necessary for us to study how (and how successfully) state managers try to achieve coherence at a time when many more state-society blocs are internationally active than mainstream IR typically imagines.

Implications for Asian security (1): the emergence of transnational governance

The first major implication of this understanding of statehood for the study of Asian security dynamics is that security governance is now emerging beyond the intergovernmental institutions that mainstream, statist scholarship focuses on.

Mainstream approaches identify security problems, survey the main regional institutions supposed to address them, find them deficient and thus declare security governance to be "weak" or even absent in the Asia-Pacific.[18] Asian states' attachment to sovereignty is ostensibly the major obstacle, causing regional security order to stagnate or even regress. A typical judgement is Odgaard's claim that China offers "no viable alternative to the Cold War structure of international relations based on absolute sovereignty, non-interference and traditional power balancing".[19] This contributes to the broader sense that the international system is being dragged "back to Westphalia" by rising powers like China.[20]

Conversely, Hameiri and I show that transnational security governance *is* emerging in Asia – just not where, or in the form, that statists expect.[21] Functional agencies are increasingly networking across state borders to manage shared problems and create new governance systems that better "map onto" these. Such cooperation does not involve states ceding sovereignty to supranational institutions, which intervene directly to solve security problems. Instead, it involves efforts to transform how domestic institutions address particular issues according to internationally agreed standards, processes and rules. These processes are often promoted and supported by international organisations and/or powerful states' agencies, along with like-minded actors within societies targeted by these initiatives. However, because governance transformations involve altering the distribution and use of power and resources, actors who would stand to lose out resist such changes. The practical form and operation of security governance is thus determined by struggles between rival coalitions, rooted in the specific political economy dynamics of particular issue areas.[22]

Because these arrangements often do not map onto established regional organisations, mainstream statists may not even notice their existence. Our book, *Governing Borderless Threats*, considered how three NTS issues were governed in Southeast Asia. One of these, the haze (life-threatening environmental degradation originating in Indonesia), is indeed partly governed through ASEAN structures. However, rather than seeking to empower ASEAN to intervene in Indonesia, the anti-haze regime operates primarily through trying to change how Indonesia is governed internally. Our other issue areas – pandemic disease (avian influenza) and transnational crime/terrorism (money laundering) – were not governed through ASEAN at all. The bird flu case involved interventions led by the World Health Organization (WHO) and Food and Agriculture Organisation designed to transform domestic and animal and human health systems. Money laundering was addressed through the transformation of domestic governance according to the Financial Action Task Force's (FATF's) 40 Recommendations, supervised by the FATF-sponsored Asia Pacific Group, which includes over 50 different territories, cutting right across several traditional international organisations. The efficacy of these security governance regimes did not depend on whether states surrendered sovereignty to supranational enforcement agencies (which were rarely if ever envisaged or established), but rather on struggles between the forces promoting and opposing governance transformation, which also cut across the domestic/international divide.

Contrary to the "Westphalian" images of China repeated ad infinitum in statist scholarship, Hameiri and I have also shown that, reflecting state transformation dynamics, Chinese agencies are increasingly involved in transnational security governance designed to contain threats arising from increasing cross-border economic flows. For example, the health departments of two subnational governments, Yunnan province and Guangxi Zhuang autonomous region, have participated in the Mekong Basin Disease Surveillance (MBDS) network since 2001. MBDS is headquartered in the Thai health ministry and backed by international philanthropists, like Google and Rockefeller, the US Centers for Disease Control and Prevention, and the WHO. By building capacity, sharing intelligence and cooperating in pandemic preparedness and response, the MBDS implements the 2005 WHO International Health Regulations and its Asia Pacific Strategy for Emerging Diseases, which focus on transforming domestic governance to contain pandemics.[23] From 2006, multinational teams of

health, customs, immigration and border officials have been created, focusing on 37 cross-border sites. During "public health emergencies of international concern", an emergency operating centre is established and teams deploy to help contain pandemics. Examples include outbreaks of dengue fever (on the Thai-Laotian border), typhoid (Vietnam-Laos), avian flu (Laos, Thai-Laos), swine flu and COVID-19.[24] This is a far cry from the 2003 SARS epidemic when Chinese officials covered up the outbreak for months.

Nonetheless, reflecting state transformation dynamics, different state apparatuses were clearly operating at cross-purposes early in the COVID-19 outbreak. Reflecting fragmentation and decentralisation, local governments initially prioritised economic growth – and public security bureaux, regime stability – while whistle-blowing health officials were arrested. However, the Politburo quickly recognised the severity of the crisis and demanded full compliance with global protocols, directing regulatory agencies to crack down on decentralised party-state actors. Commissions for Discipline Inspection revealed the pathologies of decentralisation, criticising local officials for "Disobeying the unified command and control of epidemic prevention and control, refusing to execute the superiors arrangement [*sic*]", lying, "Fraud, concealment, misrepresentation, omission . . . delayed reporting . . . and covering up".[25] Only through this struggle to cohere the party-state was robust compliance with WHO rules was eventually achieved.

Chinese agencies are also involved in maritime security governance, a fact missed in studies focusing on naval or coastguard aggression in the South China Sea. Reflecting the fragmentation and internationalisation of state apparatuses, even after four separate coastguard agencies were amalgamated into the China Coastguard in 2013, the Ministry of Transport's Maritime Safety Administration (MSA) persisted independently and participates in many international initiatives. These include the US-led West Pacific Naval Symposium, the Container Security Initiative, the Proliferation Security Initiative, the Regional Maritime Security Initiative, the International Maritime Organisation's International Ship and Port Facility Security Code programme (IMO-ISPFS) and the Japanese-led Regional Cooperation Agreement on Combating Piracy and Armed Robbery Against Ships in Asia.[26] Several of these focus on developing shared regulations and practices for domestic implementation; i.e. they operate by promoting

state transformation.[27] For example, the US International Port Security Program (IPSP) involves member-states – including China – changing domestic governance to enact the IMO-ISPFS code, then submitting to inspections by the US Coastguard and US-authorised companies to ensure compliance. This harmonisation of port governance seeks to curtail the use of shipping for smuggling, trafficking in illegal goods, nuclear proliferation and terrorist activities. The MSA has also been involved in the IMO-led Cooperative Mechanism in the Straits of Malacca and Singapore, which has successfully built the coastguard capacity of littoral states to combat piracy there.[28]

Chinese security actors have also internationalised to combat banditry on the Mekong River, which threatens Chinese merchant shipping. Such activity has been led by China's Ministry of Public Security (MPS), a domestic policing agency. After a major incident in 2011, the MPS created a regional network with its counterparts in Thailand, Myanmar, Laos, Vietnam and Cambodia, headquartered at Yunnan's Guanlei Port, generating bimonthly multinational riverine patrols. Yunnan water police vessels participate in every patrol, with other states contributing ships on rotation.[29] A Chinese police official describes the vessels as operating like "one police force together".[30] Chinese participant-observers explain that the patrols effectively extend the Chinese police's jurisdiction beyond China's borders, enabling them to arrest suspected criminals, who are then handed over to the local authorities.[31] The network has also established river-side hotlines to allow sailors and local people to contact the police.[32] In 2016, the patrols reportedly yielded 9,926 arrests and 6,467 drug-related criminal cases, plus the seizure of 12.7 tons of drugs, 55.2 tons of precursor chemicals and large amounts of firearms and ammunition.[33] This network has recently been consolidated into the Lancang-Mekong Integrated Law Enforcement and Security Cooperation Centre (LM-LESC), based in Kunming. LM-LESC is a formal international organisation, headed by a Chinese secretary-general, with each member-state contributing a deputy secretary-general.[34] LM-LESC coordinates joint

patrols, joint operations, intelligence and investigation support, law-enforcement capacity-building and information sharing.[35]

Even Chinese companies have become involved in governing NTS issues. Most notably, they are the primary agencies through which China's opioid substitution programme (OSP) has been implemented in Myanmar and northern Laos. Chinese agribusinesses are given subsidies and import tax breaks to encourage them to establish plantations that provide alternative livelihoods for opium farmers, thus reducing drug production. This policy originated bottom up, pioneered by Yunnanese counties in the early 1990s before being scaled up to the provincial and then national level as part of the "people's war on drugs" from 2004. However, reflecting fragmentation, the OSP is coordinated not by the MPS but rather the Ministry of Commerce (MOFCOM); and reflecting decentralisation, policy implementation and financing is devolved to the Yunnan bureau of commerce.[36] This has allowed corrupt local officials to direct funding towards agribusinesses linked to the local party-state, which have abused the OSP to establish plantations through land grabbing and forced displacement, in cahoots with corrupt officials in Laos and Myanmar, often in areas where opium cannot even be grown.[37] Coupled with a collapse in the price of rubber, the main substitution crop, this has fuelled deprivation and resentment, particularly in Myanmar, opium production actually increased during the OSP's most intensive phase.[38] Coupled with the behaviour of other local government and corporate actors, this has undermined security in the Sino-Myanmar borderlands.[39] Such examples demonstrate the impact of the political economy context in shaping governance outcomes.

The claim here, then, is not that transnational security governance is working optimally and we have no cause for concern; the point is that it exists and demands research as part of any attempt to understand, evaluate and improve Asian security order. Importantly, these same initiatives coincide with aggressive conduct by other Chinese agencies in the same policy domain, especially concerning maritime security. Realist ontologies lead analysts to focus exclusively on the bellicosity, assuming that this represents "China"; consequently, they overlook inconsistent behaviour entirely or argue that "China" is clearly not serious about cooperation because "it" is being uncooperative simultaneously. Such conclusions only hold if

one (wrongly) believes that all actions taken by every party-state apparatus are tightly controlled and regulated by a top leadership with infinite oversight and control.[40]

A shift of optics, away from statist ontologies, is required to accurately describe, let alone evaluate, Asian security practices. Our conclusions may remain gloomy, but they will be reasoned from investigation and evidence, which is preferable to ignorance. Moreover, the existence of more cooperative actors and initiatives creates entry points for policy actors seeking to improve Asian security. They can work alongside agencies trying to collaborate with foreign counterparts, reinforcing them against their more hawkish compatriots. Conversely, a doom-and-gloom picture of "billiard-ball" states on a collision course is a counsel of despair, downgrading human agency and narrowing policy options to questions of deterrence and response – which may precipitate the very collision they are ostensibly seeking to avoid.

Implications for Asian security (2): the Belt and Road Initiative

The state transformation lens also provides a more accurate understanding of what statists generally gloss as "grand strategy". This task is particularly pressing today with respect to China's BRI.

Statists view the BRI as a new, more "proactive" Chinese "grand strategy", designed to produce "a more multipolar order, in Asia and globally".[41] This "well thought-out Chinese grand strategy" is ostensibly designed "to reclaim [China's] geopolitical dominance in Asia . . . [challenge] US dominance and . . . create a Chinese-centered order".[42] Described as a "geopolitical and diplomatic offensive",[43] or even "Chinese neo-imperialism",[44] the BRI aims at "nothing less than rewriting the current geopolitical landscape",[45] or even "world

dominance".[46] Through it, China seeks "to re-constitute the regional order – and eventually global order – with new governance ideas, norms, and rules".[47]

However, through a state transformation lens, the picture looks very different. Far from being a top-down grand strategy, we can trace BRI's emergence through extensive bottom-up lobbying, aggregated into remarkably vague national guidelines. As my research with Jinghan Zeng shows, the BRI began as a vague slogan ("one belt, one road") in late 2013 and was only subsequently fleshed out by politico-economic actors lobbying for power and resources.[48] Provincial governments populated the emerging policy platform with their pet projects, some dating back to the late 1980s, and all of which are primarily intended to stimulate local economic growth rather than advance some geopolitical plan.[49] Their competitive lobbying and self-interested interpretation of Xi's vague slogan – not Xi's strategic vision – caused the BRI to expand from a programme aimed primarily at neighbouring Asian states to a global initiative open to all countries.[50] It generated policy guidelines that are little more than a wish list, encompassing practically every part of the party-state and neglecting to prioritise policies or resources.[51] The BRI is so incoherent and lacking in top-down direction that not only is there no official map of the BRI, Beijing has even banned unofficial ones.[52] MOFCOM cannot even settle on a consistent definition of BRI countries, referring to both 59 and 61 "countries along the Belt and Road" in 2017, but 56 and 63 in 2018, for example,[53] despite the Office of the Leading Group for the BRI, under the State Council, listing 138 BRI countries.[54]

Unsurprisingly, the BRI's implementation does not follow the revisionist pattern suggested in statist accounts. Despite recurrent claims that BRI is about promoting "new norms" that challenge the liberal international order, one struggles in vain to identify *any* particular norms being developed or disseminated through the initiative. Official documents express values around economic integration and pluralism/multiculturalism, but this pro-market, "live-and-let-live" approach hardly constitutes an alternative China model, let alone a strident challenge to

liberal order.[55] Scholarly and official discussion in China centres on what norms China *could*

promote and what a specifically Chinese notion of global governance *could* involve.[56] The truth

is that they do not yet know; they are trying to fill the void following Xi's vague

pronouncements. So far, the debate contains "not much new".[57]

Nor does the economic activity at the real heart of the BRI demonstrate strategic

direction. Outbound Chinese investment is not even being guided by the six broad "corridors"

outlined in Beijing's main policy blueprint; it remains heavily concentrated in East Asia and

developed economies, and non-BRI investment has grown faster than BRI investment.[58]

MOFCOM states that only 13 per cent of outbound investment is going to BRI countries.[59]

Ye's analysis of project documents released from 2014 to 2016 also shows that BRI activities

were "not regulated or guided" by official policy frameworks.[60] Indeed, China's central bank

governor has openly complained about projects that "do not meet our industrial policy

requirements for outward investment", noting that "they are not of great benefit to China and

have led to complaints abroad".[61]

If BRI projects are not being driven by grand strategy, what *is* driving them? Ye's

analysis is again revealing: project documents show that "industrial overcapacities" were "the

main motivation".[62] This finding reflects the BRI's true nature as a strategic-seeming overlay

on an attempt to address structural contradictions in China's political economy, particularly

massive surplus capacity, faltering growth and profitability, and excessive debt. The BRI is a

"spatial fix" for these problems, seeking to externalise them and initiate a fresh round of capital

accumulation.[63] It acts as a second round of post-global financial crisis stimulus for Chinese

state-owned enterprises (SOEs), especially those in the saturated infrastructure sector, following

the exhaustion of the first round amidst burgeoning overcapacity and the de facto bankruptcy of

many local governments. Accordingly, construction contracts vastly outweigh productive

investment – US$256 billion versus US$148 billion from 2014 to 2018 – and SOEs account for

96 per cent of construction projects and 72 per cent of direct investment.[64] BRI financing has

even been appropriated for domestic use to "save loss-making SOEs".[65]

Accordingly, what is built in the name of the "Belt and Road" is determined not by a sinister geopolitical plan, but rather by the interests of Chinese (especially state-linked) corporate interests and how these intersect with interests on the recipient side. Chinese scholars and officials emphasise that the BRI is an initiative, an invitation to cooperate bilaterally, and not a strategy, which is unilaterally imposed. This is not mere sophistry. Even if there really was a secret blueprint of what "China" wanted to build (which there is not), it could not be built without the consent of foreign governments. Moreover, China's development financing really *is* recipient driven: would-be beneficiaries must identify the projects they want, then apply to Beijing for assistance. This model is explicitly reflected in the BRI, which involves would-be participants identifying their priorities, then bilateral discussions to see where Chinese interests and resources can contribute, generating a framework document setting priorities for cooperation. This document may be signed off by senior leaders, giving the impression of traditional, top-down interstate diplomacy; but its content and subsequent implementation are very much directed "bottom up" by actors on both sides. Chinese firms often lobby would-be recipients to seek Beijing's support for projects that they can implement, in the hope of winning the tied contract. Recipient governments may agree because the project is genuinely needed for economic development, but also as a means of dispensing patronage, accessing kickbacks or in combination with side payments like military assistance.[66]

These dynamics can generate diverse projects that, far from adding up to a strategic masterplan, are simply "incoherent": a "belt and road to nowhere", as one analyst observes.[67] Driven by need or greed, recipients can often pursue economically unviable projects. Meanwhile, weak and fragmented governance of outbound investment on the Chinese side permits irrational exuberance – particularly when risk is transferred through sovereign debt, creating serious moral hazard – while providing little meaningful assessment of economic or political risk in host countries and virtually no on-the-ground assessment of SOEs' conduct.[68] This explains the extravagance and irrationality of many high-profile BRI programmes and why several have gone

seriously awry, notably in cases like Sri Lanka, Malaysia, Kenya, Myanmar and the Maldives, where heavily indebted governments have been forced to try to renegotiate projects or restructure their debts.

The realist claim that this results from Chinese "debt trap diplomacy" is a classic instance of realist lenses occluding more than they reveal.**69** This thesis assumes that "China" is a rational, unitary actor, engaged in long-range strategic planning that drives all parts of the party-state. The Chinese leadership has deliberately decided to offer unsustainable loans to poor countries, knowing that recipients will eventually experience a debt crisis, allowing China to extract concessions and possibly even seize key infrastructure like ports, thereby extending China's naval reach. Such claims collapse under empirical scrutiny.

Consider the most prominent example cited in support of this statist interpretation: Sri Lanka's Hambantota Port. Far from symbolising cunning "debt-trap diplomacy", this was a prime case of shoddy investment practices amidst extensive corruption.**70** Hambantota Port was not proposed by China but by Sri Lanka's Mahinda Rajapaksa regime, as part of a post-war spending spree designed to cultivate political support and service patronage networks. Indeed, the idea of building it had been circulating for decades; it was included in the country's 2002 development strategy; and construction began before the words "belt and road" were even uttered. Chinese SOEs competed fiercely for this lucrative project, while China's Export-Import Bank stood to make a substantial profit on the loans, while Colombo shouldered all the risk. However, the port was poorly conceived, prematurely launched to coincide with Rajapaksa's birthday, and created vast surplus capacity, resulting in persistent losses. Meanwhile, the Sri Lankan government suffered a severe debt crisis caused by excessive borrowing from Western financial institutions after US-led quantitative easing – not due to Chinese loans, which comprised just 6 per cent of the state's debt-servicing costs. Sri Lanka sought Chinese help, resulting in China Merchant Ports (CMP) leasing the port for 99 years from 2017, along with 1,235 acres of land, in exchange for US$1.1 billion. Colombo used this to service non-Chinese debts and bolster its dwindling foreign reserves. There was no debt-for-asset swap, as widely claimed – the original loans remain in place. Far from a successful case of "economic statecraft", this is a poor outcome for China. CMP – ultimately backed by state-owned banks – is now saddled with a white elephant that it is struggling to make profitable. Nor can China's navy use

the port, as fancifully claimed: this is expressly forbidden in the lease agreement, and the Sri Lankan Navy's southern command is being relocated to Hambantota. Far from a case of skilful "debt-trap diplomacy", this is a case study of Chinese ineptitude, with an attempt to export surplus capacity and capital creating a "debt trap" for the Chinese state.

Nor is this case unique. As of 2014, China's overseas assets, totalling US$6.4 trillion, were yielding a net loss.[71] China is itself in a "debt trap" in countries like Venezuela, where it has lost US$20 billion of US$62.2 billion lent.[72] It will always be possible to apply a realist gloss to developments like this, by claiming that "China" would not endure such colossal losses without some long-term game plan; the theoretical assumptions of coherent, unitary, strategic state behaviour mean that, *somewhere*, *somehow*, there *must* be a strategic rationale. Through so-called realist lenses, the reality of fragmented, poorly coordinated and error-prone behaviour by Chinese party-state actors is transmuted into coherent, strategic behaviour. Such arguments reflect the triumph of deductive reasoning from faulty theory over empirical reality, and assumptions about how China's party-state operates that are belied by decades of scholarship by Chinese politics specialists.

A state transformation perspective, therefore, offers a vital reality check for statists when evaluating Xi Jinping's signature foreign policy. Far from being a "well-thought-out grand strategy", the BRI is revealed as a strategic sounding, but actually exceedingly vague and capacious, overlay for diverse, primarily economic interests. Given its personal association with Xi, the BRI certainly mobilises actors and resources across the party-state; but these actors are not simply following a top-down plan. They are debating, shaping and populating the party-state's loose policy platform, exploiting the initiative to pursue their own interests beneath the BRI's banner. The result is not coherent, strategic behaviour but rather in poorly coordinated, even incoherent conduct.

This view again implies a very different policy response from that proposed by realists. If the BRI is primarily shaped "bottom up", with prospective recipients playing a substantial role in designing projects, this creates an entry point for policy actors concerned about debt sustainability or the social and environmental consequences of mega-projects. Development agencies can intervene to help recipients better manage Chinese assistance and work with Chinese regulators to strengthen their oversight functions. NGOs and international organisations

can help recipients build appropriate governance structures to regulate Chinese firms and mitigate negative consequences. This may yield better outcomes than a balancing approach, which seeks to derail the belt and road.

Conclusion

This chapter has critiqued the tendency in Asian security studies to cleave to traditional conceptualisations of the state and security. The pluralising tendencies of the broader security studies subfield seem largely to have passed Asia by, resulting in the continued use of statist ontologies and realist or quasi-realist assumptions. This leads to a narrow fixation on questions of the balance of power, strategy (grand or otherwise) and formal intergovernmental organisations. By showcasing research based on non-realist ontologies of the state, I showed how this blinds scholars to important developments in Asian security. My point is not that things like the military balance or great power rivalry do not exist or do not matter, nor that states can never act strategically. My point is rather that these dynamics are only one possible part of the security landscape in Asia. A realist lens may bring into focus "assertive" or "aggressive" conduct, but blur out of sight more cooperative behaviour by different parts of the same state. What looks like "grand strategy" through realist lenses may look very different through the prism of state transformation.

The importance of "getting Asia right", or at least not getting it wrong, is more important now than ever.[73] Statist and realist ontologies are not innocent or harmless. A particular understanding of the state and security entails a particular understanding of what is happening today in Asia and entails particular policy responses. For scholars of Asian security who uncritically adopt realist or quasi-realist understandings, there is a real danger of fuelling the very conflictual dynamics that their frameworks are supposed only to analyse.

Notes

1 Nicos Poulantzas, *State, Power, Socialism*, New Left Books, London, 1978; Bob Jessop, *State Theory: Putting the Capitalist State in Its Place*, Polity, Cambridge, 1990; Bob Jessop, *State Power: A Strategic-Relational Approach*, Polity, Cambridge, 2008.

2 The closest mainstream equivalent is Etel Solingen's work, which sees politics as involving struggles between pro- and anti-globalisation coalitions, but avoids this reductive binary approach.

3 Joel S. Migdal, *State in Society: Studying How States and Societies Transform and Constitute One Another*, Cambridge University Press, Cambridge, 2001, pp. 20, 22.

4 Bob Jessop, no. 1, pp. 36–37.

5 John Agnew, "The Territorial Trap: The Geographical Assumptions of International Relations Theory," *Review of International Political Economy*, 1, (1), 1994, pp. 53–80.

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