

Amidst US-China Strategic Competition, Can ASEAN Countries Avoid Taking Side?

Koh King Kee
President of Centre for New Inclusive Asia

Ladies and Gentlemen

A very good afternoon to everyone.

First and foremost, I would like to thank Dr Chandra Muzaffar for inviting me to speak at this very timely webinar, as tensions between China and the Philippines over the South China Sea rises and US-China strategic competition continues.

It is my privilege and an honour to share with you my perspective on whether ASEAN countries can avoid taking side amidst US-China strategic competition.

My presentation will cover three areas:

1. China-ASEAN and US-ASEAN relations
2. The historical background of US-China strategic competition
3. Can ASEAN countries avoid taking side amidst US-China strategic competition

As a matter of expediency, I will use the term ASEAN countries and Southeast Asian countries interchangeably in my speech.

According to Professor David Shambaugh, an eminent US scholar on contemporary China and international relations of Asia, Southeast Asia is where the great powers meet. The US and China are engaged in a broad-gauged competition in this subregion, vying for position and influence.

Vis-a-vis such competition, “Don’t make us choose sides” has been the mantra of ASEAN nations, indicating ASEAN member states’ quest to strike

a balance between counting on China for prosperity and looking to US for security.

ASEAN countries are of vital importance to both China and the US, economically and geo-strategically.

For China, ASEAN countries are its close neighbours with long historical ties. Due to their proximity to China, ASEAN countries have actually benefitted enormously, if not the most, from China's economic rise over the last 30 years.

This is substantiated by the fact that since becoming ASEAN's Dialogue Partner in 1991, trade between China and ASEAN has jumped about 85 times in 30 years, increasing from USD8.36 billion in 1991 to USD 685.28 billion in 2020.

ASEAN overtook EU in 2020 as China's largest trading partner, and they have since remain the largest trading partner of each other. The total China-ASEAN trade has reached a historical high of USD 975.3 billion in 2022.

Geo-strategically, the South China Sea is China's most important waterway to the world and gateway to its national security. It is China's vital artery of trade and lifeline of energy supply.

According to the United Nations Conference on Trade and Development, in 2016, more than 64% of China's maritime trade and about 90% of China's maritime crude oil shipments were transported through the South China Sea.

The first island chain, which is a strategic maritime containment plan conceived by the US during the Korean War aimed at restricting China's sea access, remains a vivid reminder of the strategic importance of the South China Sea to China's national security, as US-China rivalry continues.

Historically, US' core interests lie with Europe. Its primary concerns are the Pan-Atlantic relations. However, the US also claims to be an Asia-Pacific power, stressing that the region is vital to its security and prosperity as it accounts for more than two-thirds of the world economy.

At the US-ASEAN Special Summit held in Washington in May 2022, President Joe Biden told ASEAN leaders that US-ASEAN partnership is “critical”. This is particularly true. Given ASEAN’s strategic location, the Indo-Pacific Strategy, a US-designed grand strategy to contain China, will be toothless without the support of ASEAN.

Economically, the US is ASEAN’s second largest trading partner after China. Its trade with ASEAN is about half of China-ASEAN trade. However, the US ranks top in terms of investments in ASEAN. It is the largest source of foreign direct investment in ASEAN, contributing approximately 22.5 percent of the total FDI in the bloc. Besides, US’ treaty allies, Japan and Korea, also have long and extensive economic presence in ASEAN.

Ladies and Gentlemen

To understand how ASEAN countries navigate the complex power rivalry in the region, we need to know the historical background of the US-China strategic competition, why and how it took place.

After the Cold War ended, the US emerged as the sole superpower. Since then, maintaining its global supremacy has been America’s unchanged strategic goal.

In 1992, the US National Security Council came out with the Defense Planning Guidance for 1994-1999. It categorically declared that US’ global strategic goal after the collapse of Soviet Russia is to prevent the emergence or resurgence of any rival power anywhere in the world that would constitute a threat to its global primacy.

To accomplish this goal, the Defense Planning Guidance further stressed that “US Forces must continue to be at least a generation ahead in weapon technology and investment in innovation must reach and sustain at levels necessary to assure the US dominates the military technology revolution now and the foreseeable future.”

Simply put, after the end of the Cold War, US abandoned the collective governance system it architected post World War 2, as it sought to perpetuate America’s global primacy.

This strategic goal adopted by the Bush administration in 1992 was followed by successive US presidents, from Bill Clinton to Joe Biden. Such views are also widely shared by Washington elites until today.

However, China's meteoric rise has irreversibly changed the global power dynamics. China joined WTO in 2001 and within a span of less than 10 years, overtook Japan as the world's second largest economy in 2010. China became the world's manufacturing powerhouse and surpassed the US as the world's largest trading nation in 2013.

US' overt containment of China began with Obama's Pivot to Asia strategy in 2011, which was later relabelled as "Rebalance to Asia and the Pacific". Under this strategy, the US shifted its stance on the South China Sea dispute from not taking side to lending its support to the Southeast Asia claimant countries in the dispute.

This marked the beginning of US' involvement in the South China Sea dispute, which eventually turned the South China Sea into the battlefield of US-China strategic competition.

US-China relations plummeted under President Trump as he launched a trade war with China and stigmatised COVID-19 as Chinese virus. He described China as a strategic "competitor", and a "revisionist" power trying to "shape a world antithetical to US values and interests".

Joe Biden took an even tougher position on China after assuming office in 2021. The US National Defence Strategy 2022 asserted that "The PRC is the only country with both the intent to reshape the international order, and, increasingly, the economic, diplomatic, military and technology power to do so".

According to the US Secretary of State, Anthony Blinken, as the US cannot rely on Beijing to change its trajectory, it will shape the strategic environment around China to advance US geopolitical interests and vision.

The South China Sea is obviously a perfect spot "to shape the strategic environment around China". Destabilizing the South China Sea will stir up nationalist sentiments of China and ASEAN countries, thereby hurting their relationships.

ASEAN countries must, therefore, be mindful and careful not to become an inadvertent actor in helping US “to shape the strategic environment around China”.

Ladies and Gentlemen

The Xi-Biden meeting in San Francisco on November 18, 2023, appears to have stopped further decline in US-China relations and paved the way for the normalization of strained relations. However, owing to the divergent nature and goals of the political and economic systems of the two countries, strategic competition between the US and China is unlikely to abate.

In fact, US-China strategic competition may intensify as Washington regards China as a “pacing challenge” and the “most consequential strategic competitor of the US for the coming decades”. ASEAN countries must, therefore, be ready to endure a protracted period of intense US-China strategic competition.

ASEAN countries’ attitude of not taking sides in the US-China rivalry appears to align with its best interests, for now. However, maintaining such neutral stance has become increasingly more challenging. Southeast Asian countries live at the intersection of the interests of various major power. It is difficult to totally avoid making a choice that could have geoeconomic or geopolitical implications. For example, picking Huawei 5G technology may be deemed as taking side.

In the name of building a more resilient global supply chain, the US is pursuing a strategy of derisking from China through friend-shoring or near-shoring. This could destabilise the regional integration trend in the Asia-Pacific as China’s efficient manufacturing ecosystem is not duplicable.

US’ relentless suppression of Chinese technology companies through blacklisting, sanctioning or outright ban of advance technology such as high-end chips, EUV lithography machines and smart phone operating systems, will push China to be technologically self-independent. This may eventually lead to the bifurcation of the technology world, with China on one side and the US on the other. Under this scenario, ASEAN countries would be forced to make a stark choice of which camp to join.

With the steady rise of China and gradual decline of the US, Asia-Pacific is going through a period of power transition. A more confident China will likely pressure others to align with it and so will US, thus making the ASEAN countries' "balance of power" stance even more stressful.

An added dimension of the US-China strategic competition is the role of US' close allies acting as surrogates or proxies for the US, which may tilt the balance in favour of the US. Japan has long and extensive presence in Southeast Asia. It is ASEAN's third largest trading and the second-largest source of foreign direct investment for ASEAN.

After the trilateral Camp David Summit of the US, Japan and Korea in August 2023, Japan has been particularly active in engaging with Southeast Asian countries, including the supply of weaponries. Japan joined the 10 ASEAN members countries in the first ever joint military drills, dubbed the ASEAN Solidarity Exercise (ASEX 23) in September 2023.

Ladies and Gentlemen

Coming back to the issue of ASEAN member countries' quest to strike a balance between "counting on China for prosperity and looking to US for security", I would argue that it is unlikely any major military conflict will take place amongst Southeast Asian countries.

All ASEAN members and dialogue partners, including the US and China, are signatories to the Treaty of Amity and Cooperation in Southeast Asia. And historically, China has never invaded any Southeast Asian countries. Therefore, the chances of any serious military conflict taking place in ASEAN is rather remote. In this regard, looking to the US for security appears to be a pseudo proposition.

US is a country thousands of mile away from Southeast Asia. Its interest in ASEAN is mainly geopolitical, thus its relationships with Southeast Asian countries are transactional.

For China, ASEAN countries are its immediate neighbours, its interest in Southeast Asia is comprehensive, both economic and strategic and must necessarily be long term and win-win. China and ASEAN are a natural community with a shared future.

ASEAN and China upgraded their relationship to Comprehensive Strategic Partnership in November 2021, and have started negotiation on the third version of the ASEAN-China Free Trade Agreement. The RCEP, of which China and ASEAN countries are members, have also taken effect on January 1, 2022.

Meanwhile, China, Malaysia, Singapore and Thailand have mutually waived visa requirements for visits by their citizens. ASEAN and China have also agreed on the guidelines to accelerate negotiations for the Code of Conduct in the South China Sea.

All these positive developments, without question, will strengthen people-to-people bond, accelerate economic integration, and enhance political trust between China and ASEAN countries.

Ladies and Gentlemen

Amidst tension between the US and China, ASEAN countries often express their fear of having to choose one over the other.

"I hope it does not happen soon," said Mr Lee Hsien Long, Prime Minister of Singapore at a press conference held at the close of the ASEAN Summit in 2018.

Judging from the fast-changing geopolitical landscape in Asia-Pacific, the day that ASEAN countries have to choose sides may come much sooner than expected.

Thank you.

Note: Speech delivered at Webinar "Indo-Pacific Power Dynamics: The China and United States Relationship and Its Implications for Southeast Asia" on January 13, 2024. Organised by International Movement for a Just World (JUST).