

Singapore | 26 Dec 2012

Big Power Contest in Southeast Asia

By Daljit Singh

Obama's three-day visit in November 2012 to three countries in Southeast Asia, viewed by some as "swing states" in the contest for influence between the US and China, was portrayed by the US side as part of its process of pivoting or "re-balancing" to the Indo-Pacific region. Apparently, that process is a broad one requiring sustained diplomatic, economic and security engagement.

The visit highlighted again the increased importance of Southeast Asia in America's strategy in the Indo-Pacific region, stretching from Japan in northeast Asia, to Australia in the south, and to India in the west. Southeast Asia thus acts as a sort of geopolitical hinge between Asia-Pacific and the Indian Ocean, and sea lanes of great commercial and strategic importance pass through the region to connect the Pacific and Indian oceans.

Southeast Asia is also the third significant strategic chip on the East Asian chessboard, the other two being Japan and China. Whoever controls two of these chips is in effect in a good position to control the geopolitical game in East Asia.

With a population of over 600 million, a GDP of over US\$ 2 trillion, growing middle classes and ample natural resources, Southeast Asia is also economically attractive to the major powers for trade, investments and raw materials.

Yet, compared to northeast Asia, it is a region with relatively weak states, weak military capabilities and a history of intrusions by major powers. ASEAN has no doubt tried to manage outside involvement over the years, but with growing Sino-US rivalry and with the less-than-desirable degree of unity in ASEAN, this may prove more challenging in the future. Arguably though, the backdrop of US power in the Asia-Pacific had always provided the safety cushion behind which ASEAN multilateralism achieved most of what it has done so far.

China almost certainly views Southeast Asia as its natural sphere of influence and a sort of cordon sanitaire for its own security. In recent years it has made substantial economic and political inroads into the region, and has become its top trading partner. (The US position has declined to the fourth after being the first or second for a long time, which partly explains why enhanced economic engagement is a significant part of America's "pivot" to Asia). China's economic influence is likely to continue growing, with ASEAN-China trade predicted to double by the end of this decade and Chinese investments expected to keep flowing into the region.

In China's strategy, a China-ASEAN free trade area and bilateral economic arrangements with Southeast Asian countries, together with much enhanced land and maritime connectivity, will bind Southeast Asian economies strongly to China. This strategic/economic prong, combined with China's growing military power, forceful diplomacy and moves in the South China Sea may at some point change the balance of power in Southeast Asia and force individual Southeast Asian countries to make historic choices about where their destiny lies.

In this context, Obama's foray into three Southeast Asian countries signalled that America will be contesting China at the latter's southern borders. If the visits were in part meant to be seen in China as a riposte to China's assertive actions in the South China Sea, where some very serious and worrying developments have been taking place, Beijing showed no undue anxiety, at least outwardly.

America still enjoys certain important advantages over China: technological and military superiority and the important fact that it is better trusted and accepted by most East and Southeast Asian countries which want it around to balance China. But China has the advantage of geography, which may become decisive in parts of Southeast Asia as China's economic and military power keeps expanding. As the Chinese like to say to Southeast Asians, China is geography while America is just geopolitics.

The US seems to be following a three-part strategy: the political, economic and military "pivot"; intense high-level engagement of China; and helping and encouraging friends and partners to build their capabilities for self-defence. Allies like Japan and Australia will be expected to do more to help maintain the power balance in the Indo-Pacific region.

THE EAST ASIAN SUMMIT

Obama did all the right things during his Southeast Asian trip. In Asia, presence and symbolism matter much, something that seemed to have escaped Condoleezza Rice, Secretary of State in the previous Bush Administration, who, unlike Hillary Clinton, missed some ASEAN meetings. When America says it is pivoting to Asia but the US President and cabinet level officials do not show up at regional meetings where they should appropriately show up, while the Chinese leaders are in the region a number of times a year, America's friends and allies will feel the wind blowing in Beijing's direction. Visible presence of a

superpower is a form of reassurance perhaps no less important than statements and declarations.

Obama attended the East Asia Summit (EAS) in Phnom Penh, Cambodia, which is a forum of the leaders of the 10 ASEAN countries and eight of the dialogue partners of ASEAN, including the major powers China, India, Japan and the US. The US had joined the EAS in 2011 because it realized that failure to participate in the evolving regional architecture could be to its economic and strategic detriment. The EAS is one of the few official trans-Pacific forums that help to ensure that Asia-Pacific regionalism does not divide the Pacific into two. The American President played a careful role at the Phnom Penh meeting making clear through his presence that the US is part of the game, including in the South China Sea issue, but doing it low-key enough not to unnecessarily ruffle China or make ASEAN feel more jittery.

At this stage, strategic considerations seem to be playing a more important role in determining the shape and structure of future multilateralism and free trade areas than even economic ones, as demonstrated by behind-the-scene tussles in recent years between China, ASEAN, the western powers and Japan in and outside the ASEAN-centred forums.

THAILAND

Of the individual country visits, the eight-hour visit to Myanmar received the most media attention, but that to Thailand was no less important. Thailand is America's treaty ally, one of two such allies in Southeast Asia, the other being the Philippines. Obama did well in demonstrating that he values the bilateral relationship, which has suffered from neglect in recent years, and that he wants to strengthen it. Thailand hosts the annual Cobra Gold military exercise, which for long was a US-Thailand bilateral exercise but in which more countries are now participating. Thailand has close political and economic relations with China but its military-to-military relations with the US are more intense.

Having the second largest economy in Southeast Asia and a growing middle class, the country also has attractive potential for US exports, of which it already takes in about US\$ 35 billion a year. Thailand has agreed to take part in negotiations for the US-backed Trans-Pacific Partnership free trade arrangement, a plus point for the Obama Administration. However, it is not clear how the negotiations will proceed, given the fact that the two countries had failed to reach a free trade agreement during the Bush Administration.

Thailand occupies a geographically central position on mainland Southeast Asia and shares borders with Myanmar to the west, Laos and Cambodia to the east, and Malaysia in the deep south. Because of this, Thailand was often viewed as a pivot state during the Cold War. Geography has also given Thailand a South China Sea littoral (opening out from the Gulf of Thailand) as well as an eastern Indian Ocean one, two arenas of coming maritime rivalry between the major powers.

Obama's visit was timely in offering Thailand the opportunity to balance its proximity and strong relations with China with more robust relations with the US. The question in the mind of US leaders will be whether Thailand is willing and able to seize the opportunity to leverage its relations with other powers, given the preoccupation of its leaders with domestic politics and an apparent lack of serious thinking, even lassitude, over strategic and foreign policy issues. If Thailand's historical tendency to preserve its independence by bending to the strongest power in the neighbourhood is also a factor in play, then caution may ultimately be the order of the day in Bangkok.

MYANMAR

Myanmar is strategically important in its own right. It is where India meets the ASEAN region on land and through which enhanced connectivity is desired by both India and ASEAN. It will help to balance, in part, Southeast Asia's rapidly growing connectivity with China. Domination of Myanmar by China will increase India's sense of being contained by China on three sides—in Burma in the east, Chinese territory across the Himalayas in the north, and a pro-China nuclear-armed Pakistan on the west. For China, Myanmar is a vital strategic link to the Indian Ocean. Through it will flow energy supplies to Yunnan province from fields in southern Myanmar as well as from the Middle East. From China's perspective, this enables it to escape the "Malacca Dilemma". China needs a government in Myanmar that protects this interest that is vital enough for China to possibly regard it as a "core interest" in certain circumstances. After all, the Chinese Defence Minister had said at the 2010 Shangri-la Dialogue that China's core interests would include "anything that is related to China's national development".

Precisely for this reason the Pentagon in its war fighting scenarios, looking at the long Chinese energy supply lines across the Indian Ocean, probably sees Chinese vulnerability. Also, neither China nor the US has forgotten that during the Second World War, Myanmar, then Burma, and northeast India were the backdoor through which America and Britain supported Chiang Kai-shek's forces in their war with the invading Japanese military.

Myanmar has always had a strong sense of independence and has always resisted foreign domination. Western sanctions had forced it to become increasingly dependent upon China, and it is now trying to have more balanced relations with external powers. The US has an interest in ensuring that this attempt is sustained. However any hope of turning Myanmar into an ally or even a security partner like Singapore, may be premature, even misplaced. The country has a strong tradition of neutrality and in any case will want to remain on friendly terms with the rising superpower on its doorstep.

Myanmar is also undergoing an uncertain transition. The improvement in the lives of its people will take time. Meanwhile, deft management is required of the high expectations that have been generated among the Burmese. The very rapid shift from a highly repressive system to a free one, with freedom of speech, assembly and of the media, will make it difficult for the government to manage demands from various groups in society when the

institutions for managing them are still lacking. Strategic and political investments of outside powers have often foundered on the quicksand of domestic politics or the nationalism in developing countries.

Still, Obama's visit to the country, the first by a serving American president, was symbolically significant. It was an important gesture to the government and people of Myanmar that the US supports the direction it has embarked upon and the reforms it has undertaken thus far; even as the President was at pains to distinguish this from an endorsement of the government itself, a gesture calculated to appease liberal and human rights groups in the US. America, unlike China, does not have much money to offer. Still, the US can be enormously influential, through regional and international institutions and its network of allies and friends. These are able to provide support for Myanmar's hopeful, if rocky, journey to better things.

CAMBODIA

Cambodia was the third country on Obama's trip to Southeast Asia. This was principally to attend the ASEAN-US leaders meeting and the East Asian Summit. This was not an official visit to Cambodia. Cambodia is more aligned with China which has poured large amounts of financial aid and investments into it. Though geography favours China, nothing is certain. A lot depends on the vagaries of Cambodia's domestic politics. Although Obama was critical of the country's human rights record, Defence Secretary Leo Panetta initiated more links between the US and Cambodian militaries, in particular in anti-terrorism work. In other words, the US seems to assume that Cambodia is not "lost" for good.

SOUTH CHINA SEA

It is here that the separate southward Chinese prong is creating diplomatic waves and tides of anxiety. After soothing assurances of its intentions for a decade, China upped the ante in the past few years and now seems to be establishing a presence within its nine-dash line in the South China Sea. If this is the line of China's claims in the South China Sea, it would have no validity under international maritime law as understood by most countries. While the nine-dash line was known for a long time, most Southeast Asians had nursed the expectation that surely China could not be serious about it. China may yet compromise on the issue but given the nationalist sentiment in the country, in part nurtured and in part a genuine pressure, it may be wise for Southeast Asian countries not to be too optimistic. One should not rule out the possibility that China's moves are all part of a calculated grand design that the Chinese leadership is wedded to, and not due to difficult-to-control nationalism or competing agencies of government.

A curious and potentially dangerous situation exists. Neither the US nor ASEAN wants to see a military clash or confrontation between the US and China. Nor does China. Yet, instead of viewing this as an opportunity to find a diplomatic or legal solution to the impasse, China has chosen to see it as a tempting window of opportunity to advance its presence in the South China Sea in order to strengthen its claims—hence its reluctance to discuss a binding Code of Conduct at this stage.

Would not such a turn of events cause lasting resentment among various Southeast Asian countries and drive some into the arms of America? China may be calculating that the resentments will be short-lived and will be soothed by generous Chinese offerings of aid and investments in due course. Still, there are limits to how far this strategy, which is not in China's longer-term interests, can be pursued. At some point there will be repercussions, given the importance placed by other major powers on of the South China Sea.

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Daljit Singh is a Senior Research Fellow and Coordinator of the Regional Strategic and Political Studies Programme at ISEAS.

ISEAS Perspective is published electronically by the Institute of Southeast Asian Studies, Singapore.

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Editor: Ooi Kee Beng

Institute of Southeast Asian Studies
30, Heng Mui Keng Terrace
Pasir Panjang,
Singapore 119614
Main Tel: (65) 6778 0955
Main Fax: (65) 6778 1735

Homepage: www.iseas.edu.sg