

# RSIS WORKSHOP ON GEOPOLITICS AND TECHNOLOGY

Event Report

23-24 October 2019

**RSiS**

S. RAJARATNAM  
SCHOOL OF  
INTERNATIONAL  
STUDIES

Nanyang Technological University, Singapore



**NANYANG  
TECHNOLOGICAL  
UNIVERSITY**  
SINGAPORE

## **Event Report**

# **RSIS WORKSHOP ON GEOPOLITICS AND TECHNOLOGY**

**23-24 October 2019  
Conrad Centennial Singapore**

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This report summarises the proceedings of the workshop as interpreted by the assigned rapporteur(s) and editor(s) appointed by the S. Rajaratnam School of International Studies, Nanyang Technological University. Participants at the workshop neither reviewed nor approved this report.

This workshop adheres to a variation of the Chatham House Rule. Accordingly, beyond the presenters cited, no other attributions have been included in this report.

# EXECUTIVE SUMMARY

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1. From an American perspective, there are a number of areas of contention in the Sino-American technological competition. First, China is perceived as having circumvented international rules for its own advantage. Second, it is believed that China is misusing emerging technologies like 5G and artificial intelligence (AI) for domestic political purposes. The third issue pertains to the American perception that too many international supply chains are concentrated in China, which is problematic given the risks of corporate espionage.
2. These developments, among others, have fuelled a general consensus in Washington that China's technological ambitions and development represent a strategic threat. But there are also those who think that the US may have overreacted to China's technological plans, which they see as largely aspirational and not realistic in all aspects.
3. Despite the perceived threat from China, the US is not doing enough and will likely lose out in the long term if it does not make a concerted effort to implement domestic policies that maintain its edge in science and technology. Some in Washington are also entertaining the idea of a national industrial policy, a notion that the US traditionally has been ideologically opposed to.
4. From a Chinese perspective, the US-China technological competition is driven by a number of factors, including (i) a lack of basic trust between both countries; (ii) Washington's own paranoia and ideological opposition to the Chinese system of state-guided policymaking; and (iii) the belief that China is rapidly closing the technological gap and would eventually overtake the US. China has no intention of replacing US primacy in the global order, nor does it perceive the US as an inherent enemy. However American actions have led the Chinese to believe that the US is attempting to delay China's rise. The American accusation that China has developed through the theft of US technology is flawed because it underestimates or ignores Chinese capacity for innovation.

5. As a result of American actions, China has been compelled to turn to other countries for alternatives to US technology in the short run. But because the US maintains political leverage over many countries, over the longer term, China will have to double-down on efforts to develop its own technologies, a move that might contribute to further decoupling between both countries. Other measures taken by China include efforts to facilitate global mergers, seek greater collaboration with non-American research institutions, and pursue technology co-development with other countries.
6. 5G and AI technologies will be among the key battlegrounds in the US-China technological competition. A key issue for 5G concerns both the corporate and public sectors' risk exposure to a security breach in the underlying network infrastructure. Government agencies handling sensitive data are at particular risk as a single breach in the network is all it takes for confidential information to be leaked indefinitely. From a national security perspective, the robustness of 5D data networks is paramount.
7. It was noted that technology does not exist in isolation and is influenced by institutions, social context, political interests and ideology. Hence, technological advances can occur in different ways in different countries. In the EU, AI development has been influenced by an ethical approach that focuses on developing new enhancements without compromising civil liberties. In the US, the focus has been more on corporate trust and the provision of a conducive environment for private enterprises to thrive in a free and open market. For China, the state plays a central role in its technological development model, a paradigm that is also designed around the concept of cyberspace reflecting physical space. Here, state-driven AI initiatives integrate physical and virtual data through sensors, and are committed to strengthening civilian and military AI.
8. Will China overtake the US in technology? It was observed that China's technology sector is still largely focused on generating profits through incremental innovation based on ideas developed in the US and elsewhere. This does not mean, however, that China's capacity to out-innovate the US, particularly in the long term, should be underestimated. China's leadership is highly capable at allocating resources in pursuit of national strategic objectives while playing the long game.

9. The sheer size of China's population also gives it an advantage, in that it provides a ready and huge domestic base to market-test its technologies competitively before exporting them globally. Already, Washington has been caught by surprise at the pace of Chinese technological advances, and reports indicate that China is closing its technological gap with the US faster than expected.
10. There is a perception that China's top-down approach may stifle innovation, but some believe that its centralised system allows China to effectively enhance its investments in science and technology, as well as mobilise national resources to spur technology entrepreneurship. At base, the US-China technological competition also reflects an ideological competition, connecting to the broader question of whether a non-liberal system can succeed over a liberal one.
11. Another issue examined was the prospect and implications of a US-China decoupling scenario. American anxieties over China's growing prowess in technology have increasingly taken on a security dimension, and if this prioritisation of security continues in the US, a degree of decoupling between the two powers would be the logical conclusion.
12. It is believed that China does not favour decoupling from the US, although some in China believe that if China plays its cards right over the longer term, the current situation represents an opportunity for China to not just catch up with the US but also reach a position of significant advantage. This is the view that the current competition and threat of decoupling could compel China to make difficult reforms and changes that ultimately enable its economy to become more innovative and competitive.
13. Overall, the Chinese do not see the US-China technological conflict as a zero-sum game; it is seen as a negative-sum game where the world at large, including the US and China, would all lose in various ways. Decoupling would result in many areas where China could lose out, including access to American technology, its global market share of hi-tech products, working partnerships with other countries, as well as its stake in the existing international economic system. And although China could scale-back its dependence on US components, any reconstruction of its supply chains as well as the education of a workforce with the requisite skills would take time.

14. Concerning the questions of how US-China competition could impact ASEAN and how ASEAN can best respond, it was noted that great power contestation in Southeast Asia is hardly a new phenomenon. The important difference in today's context, however, is the increased questioning of US leadership. There has been a noticeable erosion of US moral leadership while relative American retreat from multilateralism has created a vacuum that needs to be filled. These developments have implications on the peace and prosperity of Southeast Asia, and could compel regional leaders to consider whether the region has reached an inflection point upon which difficult choices would have to be made.
15. The possibility of a US-China decoupling scenario is of major concern to ASEAN, particularly since the region's economic success has been predicated upon market competition and globalisation. Although a diversion of supply chains out of China and toward Southeast Asia could benefit ASEAN economies, over the longer term, sustained protectionism and trade wars would have a severe impact on regional countries and could force them to choose between American and Chinese economic pathways.
16. While it has been difficult to achieve any real strategic consensus among member states, there is still potential for ASEAN to exercise greater influence over trade and security developments in Asia. It is incumbent upon ASEAN to exercise flexibility and create the conditions needed to achieve strategic autonomy.

# THE NATURE OF THE US-CHINA TECHNOLOGICAL CONFLICT: AN AMERICAN PERSPECTIVE

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*(L-R): Mr Paul Triolo, Dr Adam Segal and Dr Ralf Emmers, who was the panel's moderator*

**Mr Paul Triolo (Eurasia Group) and Dr Adam Segal (Council on Foreign Relations)** gave an overview of the US-China technological conflict from an American perspective, breaking it down into three areas of contention.

The first issue is on trade and investments. There is bipartisan consensus in Washington that China has not lived up to its WTO obligations, that it does not “play by the rules”, and that it attempts to circumvent international rules and regulations for its own narrow self-interests. This has manifested in concerns over China’s plans to upgrade its economy, particularly through the Made in China 2025 initiative.

The second issue concerns technology transfers and control. There is widespread concern in Washington that China is misusing emerging technologies such as 5G and artificial intelligence (AI). Examples include how the Chinese government uses AI to support the military and public security officials to monitor and carry out surveillance on minority populations. The concern over Chinese ambitions to gain dominance over emerging technologies such as AI is also related to a belief that ties technological dominance to military dominance.

A broad package that the US Congress passed last year tried to tackle this issue through the Export Control Act (2018). This involved the US government updating what had been deemed outdated legislation in implementing controls over technology, affecting both incoming and outbound investment as well as technology transfers. It represented the first time that such controls were being put into law.

To be sure, the US government has been grappling with the issue of how best to implement controls over US technology for some time. Part of the difficulty stems from how to define emerging technologies. Congress had attempted to produce a list but this was met by a negative response from the industry. Currently, Congress is working on revising the list but this is expected to be a long-drawn process.

The third issue pertains to supply chains. There is a perception, particularly in the US military community, that too many supply chains are concentrated in China, which is problematic given its reputation for corporate espionage. The US department of defence (DoD) has released papers on how to regain control of trusted supply chains. However, studies have also shown that most global supply chains are connected to China and that a complete decoupling is difficult.

Arising from these developments, as well as existing concerns over China's political system and direction under Xi Jinping, there is a general consensus in Washington that China's technological ambitions and development represent a strategic threat. This is not to say, however, that there aren't those who think that the US may have overreacted to China's technological plans, which they see as largely aspirational and not realistic in all aspects.

There has been a US narrative that depicts current developments in terms of another "Sputnik moment". After Sputnik, the US spent 2.5 per cent to 6 per cent of its GDP on science and technology to ensure it would maintain its edge against the Soviet Union. But today, the reality is that the Trump administration's investments are nowhere close to this number. For example, on AI, the US did almost nothing for a year. And when the American AI initiative was established in February 2019, it had no metrics of success and specific outcomes to be achieved. The funding for this initiative is also insufficient; its declared budget of US\$1 billion pales in comparison to what is being spent in China where even provincial cities are planning to spend more. The lack of federal investment on quantum technologies is a similar story.

What would a substantial US policy to maintain its technological edge look like?

It should include four main pillars:

First, the US should increase federal spending on science and technology. Currently, the US is spending 0.6 per cent of its GDP on scientific research and development, below the historical average of 1.1 per cent. Hence current investments should be increased to match up.

The second pillar concerns the issue of talent. There is a shortage of university graduates who specialise in the sciences, technology, engineering and mathematics (STEM) disciplines in the US. This should be addressed with the inclusion of minority and female undergraduates as well as relevant immigration reform.

The third pillar involves ensuring that the flow of technologies between the civilian sector and the Department of Defence (DoD) happens at the right pace. A big part of this has to do with the defence budget while new strategies need to be devised to get the DoD to move on to new enterprises effectively.

The fourth pillar relates to nurturing an international technology alliance to foster common agreements on how government policy should respond to and inform the development of technology.

The strategy outlined above is not unlike steps taken by the US to bolster its innovation in science and technology in the past.

There have been suggestions that the US requires a national industrial policy, an idea that the US traditionally has been ideologically opposed to. But this requires a sound working relationship between the technology sector and government. For a while, technology companies were the heroes of American innovation. Now, there is a growing perception that companies like Google are encroaching upon the privacy of US citizens and undermining the values of democracy. For example, Google had a project with the DoD called “Project Maven”, which uses AI to sieve and analyse thousands of hours of drone video to identify military targets. When Google employees discovered this, they did not want to be involved and put pressure on Google to withdraw from the project. Similarly, when news broke that Google had been working on a censored search engine in order to re-enter the Chinese market, this led to a public backlash for Google in the US.

It is unclear how Sino-US tensions on the technological front will play out eventually. What is clearer, though, is that the US will likely lose out in the long term if it does not make a concerted effort to implement domestic policies that maintain its edge in science and technology. Domestic investment is fundamental in curtailing the disadvantages that are associated with an open system and in securing the necessary competitive advantage to succeed.

The American view of Chinese technological capabilities is a mixed one. There is the belief that China's top-down approach may stifle innovation. On the other hand, there is the view that China's centralised system allows it to effectively enhance its investments in science and technology while mobilising national resources to spur technology entrepreneurship.

## THE NATURE OF THE US-CHINA TECHNOLOGICAL CONFLICT: A CHINESE PERSPECTIVE

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*(L-R): Prof Jia Qingguo, Dr Chen Xi and Dr Teh Kok Peng, who was the panel's moderator*

**Dr Chen Xi (formerly of ZTE Corporation) and Professor Jia Qingguo (Peking University)** shared their views on the US-China technological conflict.

From a Chinese perspective, the US is intent on delaying China's technological development and treating it as an adversary. Washington appears to harbour a sense of paranoia toward China, and this fear has coloured how the US views China's actions, with a tendency to look at them in the worst possible light. The arrest of Huawei's chief financial officer in Canada at the request of the US government marked a turning point in US-China technological relations, demonstrating to the Chinese how hostile the US can be. Hence, a relationship that had been largely cooperative in the past, has now evolved into competition, even confrontation.

Most of the American accusations against China are unfair because they relate to practices which the US itself has been similarly guilty of. These include discriminatory US practices such as non-tariff barriers, legislation against technology transfers, employing state resources to drive strategic programmes such as outer space ventures, implementing measures that compromised cyber networks, and driving innovations with both military and civilian applications.

It is untrue that China has benefitted more from the global free market system than the US. The reality is that the US has benefitted from the existing system too. For instance, while the US has gained from its access to a bigger market, China has benefitted from the import of US components and products. It is also untrue that China has developed through the theft of US technology. This view underestimates Chinese capacity for innovation and its ability to develop its own technologies.

The US has an undue fear of Chinese advances in new technology. Part of this anxiety could be related to what has been termed ‘technophobia’ where parties become nervous due to the advent of new technology and resort to extreme measures in reaction to it. For example, on 5G, many people are worried about the implications that this technology may bring to various aspects of work and life.

More fundamentally, American anxiety is linked to the fact that (i) both countries lack a basic level of trust; (ii) that China is rapidly closing the technological gap and would eventually overtake the US; and (iii) that China is a large country that practices a different political system with a different ideology.

This anxiety is exacerbated when American opposition and incumbent political parties compete to be seen as tough on China, particularly during the election season. At the same time, a number of senior officials in the Trump administration see US-China relations in zero-sum terms, resulting in deliberate exaggeration about the implications of China’s technological advances. The political circumstances in the US, therefore, do not support a pragmatic approach toward China and the allure of decoupling has increased.

It does not help that certain Chinese behaviour has not been helpful in alleviating the situation. This includes some extreme nationalistic rhetoric in the online sphere; ineffective explanation of developments in China; and insufficient consultation with the US on China’s global initiatives.

American actions to maintain its technological primacy have hurt both sides. US sanctions and controls have made it difficult for Chinese companies to recoup their investments in existing and emerging technologies, while US businesses now have less access to the Chinese market. The Trump administration has also implemented policies — such as a more restrictive immigration policy — that hinder America’s ability to stay ahead in innovation.

As a result of American actions, China has been forced to turn to other countries for alternatives to US technology in the short run. But because the US has political leverage over many countries, over the longer term, China will double-down on efforts to develop its own technologies, a move that might contribute to further decoupling between both countries. Other measures taken by China include efforts to facilitate global mergers, seek greater collaboration with non-US research institutions, and pursue technology co-development with other countries.

These developments will have consequences for the rest of the world and whether countries prospered or suffered depend on their capacity to adapt to change.

It was opined that US-China technological conflict is likely to get worse before it gets better. Sooner or later, the US would realise that it is inefficacious to stay ahead by containing China's development, and that a better idea would be to seek greater access to the Chinese market to recoup its research investments. As for China, it would eventually realise that it need not try to overtake the US in all technological areas. A better approach would be to focus on some key technologies while cooperating with the US and other partners on other areas. Ultimately, it is better for all parties to cooperate and share a collective stake in global technological growth.

## THE TECHNOLOGICAL BATTLEGROUND: 5G AND AI

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*(L-R) Dr Raj Thampuran, Mr Hosuk Lee-Makiyama and Dr Shashi Jayakumar, who was the panel's moderator*

**Mr Hosuk Lee-Makiyama (European Centre for International Political Economy)** spoke about security issues concerning 5G technology.

5G deployment is central to the US-China decoupling conversation due to how the technology will increase the overall attack surface. Market forecasts show that the amount of data stored on Cloud will increase by a factor of eight, up to 160 zettabytes. The number of connected devices will triple in just three years as the Internet of Things connects 26 billion new devices, including gauges, vehicle components, business equipment and household items.

Since most connected items lack the processing power or physical dimensions to host any security applications, the confidentiality of these networks comes down to the 5G network that links the devices.

A key issue, therefore, is the corporate and public sectors' risk exposure to a security breach in the underlying 5G network infrastructure. Government agencies handling sensitive data are at particular risk as a single breach in the network is all it takes for confidential information to be leaked indefinitely.

But the risks are not attributable to just the amount of data – it is also about how the data is being used. 5G underpins all other layers of critical infrastructure, such as road transports, shipments, financial architecture or utility grids; it enables new industrial applications used for real-time control. While the rewards of cyber theft today are primarily valuable information (e.g., plans or blueprints), rivals will soon be able to obtain control over vital business or government functions; or even replicate entire organisations and processes with precise geo-locations, equipment settings and working methods. From a national security perspective, therefore, the robustness of the 5G data network is paramount.

How does one ensure robust 5G networks? This will require trained personnel and considerable patience. For example, the hardware for 5G networks needs to be physically tested by multiple engineers over a considerable period of time (at least 18 months). This is necessary because the software within networks that are provided by vendors can change over the course of the testing period.

Beyond tests and checks, there is also the issue of trust concerning the vendor or equipment supplier. In Europe, for example, it is essential that the provider of the 5G technology remains autonomous at all stages involved in establishing the network.

These challenges affect all actors and not just China and the US. Competitive industries in regional hubs or knowledge-intensive economies like Singapore are natural targets as well. Some estimates indicate that cybercrime can inflict an annual loss of up to US\$2 billion in GDP or economic output. If this number is correct, the losses in R&D and job opportunities are equivalent to losing 2,000 employees amongst a country's best and brightest each year to the competitors.

**Dr Raj Thampuran (A\*STAR)** noted that technology is the application of science that creates new products, improves processes and provides better services. It is now accepted that technology and by association innovation, has become an important basis in corporate competition and how firms interact with markets. That said, technology does not exist in isolation and is influenced by institutions, social context, political interests and ideology. Hence, technological development can occur in different ways in different countries.

In the case of AI, its trajectory has been different in China compared to Western countries. In the EU, AI development has been influenced by an ethical approach that focuses on developing new enhancements without compromising civil liberties. In the US, the focus has been more on corporate trust and the provision of a conducive environment for private enterprises to thrive in a free and open market, with support for business AI and deep learning investments. For China, the state plays a central role in its technological development model, a paradigm that is also designed around the concept of cyberspace reflecting physical space. Here, state-driven AI initiatives integrate physical and virtual data through sensors, and are committed to strengthening civilian and military AI.

It was pointed out that despite the differences between the China and Western models for AI development, leading Chinese companies have been relatively successful in gaining a foothold in numerous global markets, including in Africa, the Middle East, and Asia.

At the same time, many US technology companies still view China as a lucrative market that cannot be ignored. Companies like Google continue to attempt initiatives that try to adapt to the Chinese market and capture a segment of it. One example is Google's Dragonfly Project which sought to develop a censored search engine for use in China, though this was eventually discarded.

# KEY DISCUSSION THEMES

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## 1. Will China overtake the US in technology?

From a broader perspective, China is still a transitional power despite its rapid progress: it is both a developing and developed country. China therefore has two sets of interests on many issues, leading sometimes to contradictions and incoherence in its policy actions. It was felt that China may not be ready for full-fledged global leadership at the present moment, and is only able to protect its own interests within a stable international order.

China's technology sector is still largely focused on generating profits through incremental innovation based on ideas developed in the US and elsewhere. This does not mean, however, that China's capacity to out-innovate the US, particularly over the long term, should be underestimated. China's leadership is highly capable at allocating resources in pursuit of national strategic objectives while playing the long game. China will certainly attempt to be the leader in some technological sectors.

The sheer size of China's population also gives it an advantage, in that it provides a ready and huge domestic base to market-test its technologies competitively before exporting them globally. Already, the US has been caught by surprise at China's technological advances, including in AI, hypersonics, and space. Reports indicate that China is closing the gap faster than expected.

Comparing China and the US in AI development as a snapshot of the technological competition, it was observed that both countries have their respective strengths.

In the research domain, the US currently holds the edge although China is catching up fast. Relating to data, the Chinese are able to generate far more data due to a large population and lesser inhibitions to privacy concerns, while there are fewer constraints to developing applications to exploit data in China. The US, however, possesses significant access to data due to its command of global networks. Regarding computing power, the key driving force in the US is the private sector while for China, it is the public sector. In China's case, with export controls on US components like semi-conductors and graphics processing units, its ability to progress on this front will be slowed. In the area of talent, historically the US possessed an advantage but its edge in talent could be eroded by a more restrictive immigration policy in recent times. The US is also largely leaving to the free market to drive its AI development, and while this has its strengths, it may

not be enough to produce the talent pipeline needed to support technological growth. China, on the other hand, appears to have a much more systematic plan to develop its AI talent.

It was observed that at one level, the US-China technological competition reflects an ideological competition, connecting to the broader question of whether a non-liberal system can succeed over a liberal one. There is a perception that if the Chinese can prove over time that their system can succeed (particularly in technology where innovation is not commonly associated with a non-liberal model), then Western political systems will become more susceptible to challenge.

There is also a view that the parameters of the current narrative on the US-China technological conflict have shifted from that of the marketplace to the state, where issues are increasingly framed in terms of security concerns. Previously, the US had exhorted open and free markets as being essential to innovation but now some of its actions appear to run counter to that principle. It was suggested that an open system of innovation can be considered a relatively new process, and that real systems of innovation in the past – including in the US - took place in disciplined systems.

## **2. Will US-China decoupling happen and what are the implications?**

It was observed that the narrative about US-China decoupling has emerged in part because American anxieties over China's growing prowess in technology are increasingly taking on a security dimension. If this prioritisation of security continues in the US, a degree of decoupling between the two powers would be the logical conclusion.

One issue with the security argument is that Chinese actions have not been entirely dissimilar to what the US has been doing all along. For example, American law on cloud computing requires US technological companies to divulge information in its servers to the US government. US entities have also been known to be complicit in cases of privacy intrusion, but these actions are deemed more acceptable than when they are done by the Chinese. Furthermore, like China, America's present economic success was founded upon strong government planning that began after World War 2, although that foundation started to change with Reagan's presidency.

It is believed that China does not favour decoupling from the US. But there are inherent contradictions with its approach. On the one hand, China desires to stay connected to the US so as to benefit from the linkages, but it also desires to shield itself from external influences that it deems as harmful to its society and politics.

There are some in China who believe that if Beijing plays its cards right over the longer term, the current situation represents an opportunity for China to not just catch up with the US but also reach a position of significant advantage. This is the view that the current competition and threat of decoupling could compel China to make difficult reforms and changes that ultimately enable its economy to become more innovative and competitive. Moreover, there are certain conditions that are already advantageous to China. It has a huge domestic market as well as a disciplined labour force, factors that are inherently attractive to multinational companies. It has in place its Belt-Road initiative, which could help soften the impact of a US-China decoupling by providing an alternative market and source of resources. The Chinese system is also geared toward long-term planning which could help the country ride through short-term difficulties.

Overall, the Chinese do not see the US-China technological conflict as a zero-sum game; it is seen as a negative-sum game where the world at large, including the US and China, would all lose in various ways.

Decoupling would result in many areas where China could lose out, including access to American technology, its global market share of hi-tech products, working partnerships with other countries, as well as its stake in the existing international economic system. Although China could scale-back its dependence on US components, any reconstruction of its supply chains would take at least two years, while around eight to ten years would be needed to educate a workforce with the requisite skills.

The consequences of the current conflict are already being felt on the ground. Workers in international supply chains have lost jobs while Chinese companies are finding alternative supply chains that are outside of the US. Meanwhile, US companies like Nvidia are not unconcerned that their Chinese clients are looking for new partners. The fact that the US has been actively persuading some countries (such as Germany) to avoid using Chinese technology in areas including 5G has compounded the problem: it could lead to distinct spheres and systems of technology around the world, resulting in greater fragmentation of the global economic system.

### 3. What is the impact on ASEAN and how can it best respond?

It was noted that the possibility of a US-China decoupling scenario is of major concern to ASEAN, particularly since the region's economic success has been predicated upon market competition and globalisation. Although a diversion of supply chains out of China and toward Southeast Asia could benefit ASEAN economies, over the longer term, sustained protectionism and trade wars would have a severe impact on regional economies and could force them to choose between American and Chinese economic pathways.

Yet great power contestation in the region is not a new phenomenon, nor are coping strategies such as balancing, hedging, or enmeshment. The important difference in today's context, however, is the increased questioning of US leadership. There has been a noticeable erosion of US moral leadership while relative American retreat from multilateralism has created a vacuum that needs to be filled.

These developments have implications on the peace and prosperity of Southeast Asia, and could compel regional leaders to consider whether the region has reached an inflection point upon which difficult choices would have to be made. China's material power has been very visible and would be increasingly difficult to ignore, especially given its aggressive infrastructural policies from which Southeast Asian countries stand to benefit. There is a degree of buy-in for China's economic ideas within Southeast Asia. Another significant geopolitical factor is the proximity to China. As China improves its ability to project power, Southeast Asia will inevitably be affected. Already there are indications of this in the South China Sea (SCS) territorial disputes.

There is a relative vacuum of leadership in the region. Indonesia had previously provided tacit leadership—even if some in the new government are not entirely convinced about ASEAN's utility—while Singapore has remained an important driver for regional economic integration.

But while it has been difficult to achieve any real strategic consensus among ASEAN member states, ASEAN is not resigned to a subservient role vis-à-vis China. It was pointed out that the ASEAN's chairmanship is an annual rotational appointment, and it will be Vietnam's turn in 2020. The Vietnamese have shown that they are prepared to stand up to China, even if they may not want to rock the boat excessively due to a state of transition in their domestic politics. It was also suggested that Australia could play a bigger role as a partner of ASEAN to counterbalance Chinese regional influence.

Despite the challenges emanating from big power dynamics, there is still potential for ASEAN to exercise greater influence over trade and security developments in Asia. It is also important to find a way to strengthen the weakest links in ASEAN (in particular, the Mekong countries). If this could be done, it would signal to the big powers that ASEAN cannot be pushed around. It is incumbent upon ASEAN to exercise flexibility and create the conditions needed to achieve strategic autonomy.

## About the S. Rajaratnam School of International Studies

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The **S. Rajaratnam School of International Studies (RSIS)** is a think tank and professional graduate school of international affairs at the Nanyang Technological University, Singapore. An autonomous school, RSIS' mission is to be a leading research and graduate teaching institution in strategic and international affairs in the Asia Pacific. With the core functions of research, graduate education and networking, it produces cutting-edge research on Asia Pacific Security, Multilateralism and Regionalism, Conflict Studies, Non-traditional Security, Cybersecurity, Maritime Security and Terrorism Studies.

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