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US-China Strategic Competition and ASEAN's Regional Challenges

By Lawrence Anderson

SYNOPSIS

The regional security outlook in Asia is mixed. While COVID-19 appears to be under control, recovery is uneven and fragile. The risk of further pandemics, the climate crisis, food security problems, spiralling fuel costs and finance are just some of the transboundary challenges threatening the regional order. They will be with us for years to come. None can be resolved by any one country alone. The deteriorating relationship between China and the US will have a significant impact on the role ASEAN can play to promote regional stability and prosperity.

COMMENTARY

The strategic competition between China and the US runs through the spine of the region's security challenges. Recent developments have only accentuated that divide. The 12 October 2022 release of the Biden Administration's National Security Strategy and the passage of the 2022 CHIPS Act have led many analysts to conclude that the US has moved from a policy of competition and containment to a concerted effort with its major allies to degrade China's capabilities to achieve self-sufficiency in critical sectors and its ability to project its military forces abroad.

A significant component is the 'decoupling' of their respective economies. For now, the focus of the US is on national security export controls to deprive China of the high-end semiconductor parts and the tools to manufacture those component parts. Since global manufacture of the most advanced chips and the tools to make them are mostly by companies from South Korea, Taiwan and the Netherlands, the Biden Administration has been trying to persuade those respective governments to block China's access.

China, on its part, has contributed to rising tensions. President Xi Jinping's speech at the 20th Party Congress reiterated the Communist Party's commitment to self-sufficiency in high-tech semiconductors and other industries, as well as its pursuit of advanced dual use technologies, which have heightened global concerns over "decoupling".

While sectors dealing with and related to national security will certainly be affected, the question is how many more will be added if tensions between the US and China continue to worsen? Although further decoupling of the two superpowers' economies can be expected, it is unlikely to reach the sort of separation between the West and the USSR that characterised the Cold War era. Both the US and China are currently tied to one globalised economic system. Despite China's attempts at self-sufficiency and to diversify its trading partners, it remains highly dependent on EU, US, and markets in East Asia for access to advanced technologies. The same could be said of those countries' dependence on China's purchases and their access to its huge domestic market.

President Xi's call at the Party Congress for faster military development and the defence of China's interests abroad sparked allusions to the Taiwan issue and has done little to allay regional concerns. Xi's economic, military and foreign policy related pronouncements did not raise anything startlingly new but coming at the same time as his election to a third five-year term as Party general secretary, lent added significance to what he said.

Furthermore, the decision to surround himself with close allies with the emphasis on loyalty rather than knowledge and competency has raised doubts whether Xi is open to hearing contrary views or even those slightly nuanced to his own.

Allies of a Kind

An added dimension to the tensions is the increasing involvement of their respective allies. Asia-Pacific countries are wary of China, and several have joined US-led alliances such as the Quad (India, Japan, Australia and the US) and AUKUS (Australia, United Kingdom and the US). China, on the other hand, has joined Russia in a strategic partnership that "has no limits" which is an alliance in all but name.

Washington enjoys a distinct advantage because even though US power might have diminished relative to China's, Washington can call on allies who command significant economic weight and materiel resources to supplement its own. The US has over 60 security partnerships around the world, while China has only a scattering of security relationships with Russia, North Korea, Djibouti, and some others. Moreover, China's "wolf-warrior" diplomacy and its launching of missiles near Taiwan and Japan last July have pushed Japan and South Korea to work more closely with the US.

ASEAN's Role

ASEAN has a role to play in regional stability and prosperity. Collectively, ASEAN has a population of 661 million, 60 per cent under the age of 35, and a combined GDP of US\$3 trillion. Yet, it is no longer taken seriously as a strong and united organisation. China and the US have tried to pull individual ASEAN member states into their

respective spheres, weakening ASEAN further. While its members need to resist these pulls, ASEAN itself needs to get its house in order. What ASEAN needs are a mindset change and concerted efforts to undertake meaningful reforms to persuade external powers to uphold the inclusive and rules-based multilateral system.

First, ASEAN member states must decide what they are prepared to do together, as well as what they are not prepared to do with the big powers. They then need to communicate this to the big powers. It need not entail forging an ASEAN consensus on all issues. But it does mean having ASEAN member states agree to stand firmly together on certain matters, despite intense outside pressure.

To be credible and respected, ASEAN must uphold the principles enshrined in the UN Charter, ASEAN Charter and the ASEAN Treaty of Amity and Cooperation. They include respect for sovereignty, territorial integrity and the rule of law, the non-use of force to settle conflicts, and non-interference in the internal affairs of all nations. ASEAN should work closely with its Dialogue Partners to affirm, defend and abide by these principles.

Second, ASEAN manages relevant regional security platforms such as the ASEAN Regional Forum (ARF), ASEAN Defence Ministers' Meeting (ADMM) Plus and the East Asia Summit (EAS) to enable their Leaders, Foreign and Defence Ministers to meet their counterparts from beyond the region. More importantly, these ASEAN processes facilitate quarrelling countries to meet in private besides enabling regional states to provide alternative perspectives to what the Leaders of the big powers might be receiving from their advisers. ASEAN and the big powers should therefore continue to use these platforms as they were intended and not as "talk shops".

Third, ASEAN must show that it has the collective will to deal decisively with thorny intra-ASEAN issues, chief of which is Myanmar. There needs to be political reconciliation between all parties in good faith. As Singapore's Foreign Minister Dr Vivian Balakrishnan has said, "this is an internal Myanmar matter and ASEAN was never set out to interfere in internal matters. What we can do is to encourage, to cajole, to facilitate and our (ASEAN) Special Envoy will do his best to try to bring the parties to at least talk to each other across the table in good faith."

Conclusion

Faced with the current trajectory in regional developments, an upturn in China-US relations to reach a new understanding on their core differences is unlikely in the foreseeable future. However, the prospect of war between them or between their respective allies and proxies seems remote. Accidents might happen, but the US and China will have compelling instincts to contain them. For ASEAN, US-China rivalry implies having to endure continuing anxiety and sustained efforts to build ASEAN resilience, which includes finding a solution to the current Myanmar crisis. Tensions will ensure that the region's best efforts to build stability, peace and a sense of predictability will continue to bear mixed results and be fraught with uncertainty.

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