

CHAPTER 2

The Struggle for Autonomy amidst Great Power Rivalry in Southeast Asia

Hunter Marston

Introduction

The world has witnessed the return to an era of great power competition with the United States and China both adopting increasingly zero-sum approaches to strategic rivalry.¹ In Washington, pundits openly call for the United States “to adopt an explicit policy of strategic decoupling” with China.² The Biden administration’s National Security Strategy depicts China as a revisionist power aiming “to reshape the international order” and “create an enhanced sphere of influence in the Indo-Pacific.”³ As such, it calls for a strategy of responsible competition. Increasingly, however, Southeast Asia worries that the “guardrails” that have so far restrained the United States and China from open-ended conflict may be eroding.⁴ Beijing for its part has solidified Xi Jinping’s more assertive foreign policy which explicitly rests on the mantra: “China is a big country and other countries are small countries, and that’s just a fact.”⁵ Flowing from this great power mindset, Beijing has deployed maritime coercion against smaller neighbours—most notably the Philippines and Vietnam, along with Malaysia—whose territories its controversial nine-dash line claim disputes. While Southeast Asians have concerns about China’s expanding economic and political power, they also see it as an inevitable reality and historical fact that cannot be willed away or contained with a more robust military response.⁶ At the same time, many Southeast Asian states like Singapore are acutely anxious about the potential disruptions as a result of economic decoupling, “friend-shoring,” and shifting supply chains.⁷

¹ Jessica Chen Weiss, “The China Trap: U.S. Foreign Policy and the Perilous Logic of Zero-Sum Competition,” *Foreign Affairs* (September/October 2022): 40-58.

² Robert E. Lighthizer, “The U.S. Needs to Change the Way It Does Business With China,” *The New York Times*, December 18, 2022, <https://www.nytimes.com/2022/12/18/opinion/united-states-china-economics-tariffs.html>.

³ The White House, *National Security Strategy*, October 2022, 23, <https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>.

⁴ Sharon Seah, “How Well Is China Advancing Its Interests in Southeast Asia?” *China File*, December 16, 2022, <https://www.chinafile.com/conversation/how-well-china-advancing-its-interests-southeast-asia>.

⁵ John Pomfret, “U.S. takes a tougher tone with China,” *Washington Post*, July 30, 2010, <https://www.washingtonpost.com/wp-dyn/content/article/2010/07/29/AR2010072906416.html>. Chinese Foreign Minister Yang Jiechi reportedly used the phrase in a stern warning to ASEAN counterparts at an ASEAN Regional Forum in 2010, specifically staring at Singaporean Foreign Minister George Yeo while speaking.

⁶ See Sharon Seah et al., *The State of Southeast Asia: 2022 Survey Report*, ISEAS-Yusof Ishak Institute, February 16, 2022, <https://www.iseas.edu.sg/articles-commentaries/state-of-southeast-asia-survey/the-state-of-southeast-asia-2022-survey-report/>.

⁷ Samuel Hardwick and Adam Triggs, “Friend-shoring no ready-made answer to Asian supply chain resilience,” *East Asia Forum*, November 27, 2022, <https://www.eastasiaforum.org/2022/11/27/friend-shoring-no-ready-made-answer-to-asian-supply-chain-resilience/>.

In light of growing apprehensions concerning Sino-U.S. rivalry, Southeast Asian countries have consistently favoured hedging strategies. Hedging refers to deliberately ambiguous alignment positions, signalling uncertainty to great powers regarding a small state's security position, relying on mutually counteracting acts or signals which maximize the state's strategic manoeuvrability and preserve the option to deflect, defer, defy, or adopt an altogether different position.⁸ Southeast Asian states hedge by engaging with multiple security partners, including China, the United States, Japan, and India. They also practice "limited deference and selective defiance" vis-à-vis the great powers, to preserve autonomy and signal the limits of their willingness to bandwagon with larger external states.⁹

Southeast Asia's size, growing economic power, and strategic significance have enhanced the region's bargaining power and collective gravitational pull. With a total population of around 650 million, ASEAN would be the third largest country in the world.¹⁰ Its economy, currently more than 3 trillion U.S. dollars, is expected to surpass that of both India and Japan by 2030, making it the fourth largest economy in the world.¹¹ Moreover, one third of the region's population is under twenty, positioning it for decades of growth with a massive rising middle class.¹² Such structural advantages ensure the region will continue to be consequential for quite some time, thus drawing outside powers to engage and compete for influence. Indonesia's population and size alone are staggering, comprising nearly 274 million people and 1.2 trillion U.S. dollars in gross domestic product (GDP) in 2021, according to the World Bank.¹³ The Philippines and Vietnam are the world's 13th and 15th largest populations respectively. To its credit, ASEAN has managed to avoid interstate conflict for more than three decades through its consensus-based approach to multilateral diplomacy, ensuring that all members have a voice in regional summits. ASEAN has also successfully convened a range of outside powers via its East Asia Summit, ASEAN Regional Forum, and ASEAN Defence Ministers Plus, thus retaining its cherished position of "ASEAN centrality" and remaining "in the driver's seat" as it is fond of saying. Nonetheless, ASEAN has fallen short of its aspirations to speak with a collective voice and respond in a timely and proactive manner to a variety of regional crises (not limited to the COVID-19 pandemic and the Myanmar coup of 2021), leaving individual states to formulate their own responses to Chinese dominance of the South China Sea as well as U.S. efforts to rally a containment coalition.

This paper argues that Southeast Asian states will continue to favour independent foreign policies, namely hedging, despite growing pressures to choose sides and increasing "gray zone" coercion in

⁸ Hunter Marston, "Navigating great power competition: a neoclassical realist view of hedging," *International Relations of the Asia-Pacific*, published online February 16, 2023, <https://doi.org/10.1093/irap/lcad001>. Also see Cheng-Chwee Kuik, "Getting hedging right: a small-state perspective," *China International Strategy Review* (2021), <https://doi.org/10.1007/s42533-021-00089-5>.

⁹ Cheng-Chwee Kuik, "Hedging in Post-Pandemic Asia: What, How, and Why?" *The Asan Forum*, June 6, 2020, <https://theasanforum.org/hedging-in-post-pandemic-asia-what-how-and-why/>.

¹⁰ East-West Center, *ASEAN Matters for America/America Matters for ASEAN 5* (2021): 3, accessed January 5, 2023, <https://www.eastwestcenter.org/publications/asean-matters-americaamerica-matters-asean-0>.

¹¹ *Ibid.*

¹² Scot Marciel, *Imperfect Partners: The United States and Southeast Asia* (Lanham, MD: Rowman & Littlefield, 2023), 2-3.

¹³ "Indonesia," The World Bank, 2023, accessed January 5, 2023, <https://data.worldbank.org/country/indonesia>.

the South China Sea. This preference is shaped both by prevailing uncertainties concerning U.S.-China rivalry as well as historical memories of colonial occupation and great power interference during the Cold War, which led to tremendous loss of life and a legacy of conflict and deprivation. In this new era of great power competition, external states that are seen as providing options which enhance Southeast Asian countries' autonomy will be most successful in achieving influence and buy-in for their vision for regional order. The paper proceeds in three parts: first, briefly outlining the historical record and noting how it informs Southeast Asian states' alignment choices today; second, offering a brief overview of contemporary hedging strategies with several examples; and finally, concluding with some remarks about what these dynamics mean for the future balance of power and regional order in Southeast Asia.

History rhymes

Southeast Asia is no stranger to great power competition. The region has long been an arena of struggle for rising powers, empires, and regional heavyweights. In the pre-modern era, European colonial powers variously subjugated, occupied, and ruled over most of Southeast Asia. The Dutch set up shop in Batavia (modern-day Jakarta), the capital of the Dutch East Indies, while the French ruled over Indochina (comprised of Vietnam, Cambodia, and Laos), and the British held Malaya, Singapore, Borneo, and Burma (along with India). During World War II, Southeast Asians lived through Japanese occupation and fierce fighting between the Allied Powers and Japanese forces to retake occupied states. The war took a heavy toll on the civilian populations of Southeast Asian states, variously forced into service by the Japanese or by guerrilla groups resisting occupation. By most accounts, the Battle of Manila caused the death of more than 100,000 Filipino civilians.¹⁴ Following World War II and the end of colonial rule across Southeast Asia over the following decade, the first generation of Southeast Asian nationalists in newly independent countries fiercely championed national autonomy and vowed that the region should remain free from hostile foreign powers. Early post-independence rulers like U Nu in Burma and Sukarno in Indonesia were active proponents of the Non-Aligned Movement (NAM), officially established in 1961. The NAM had its origins in the Bandung Conference of 1956, which brought together African and Asian leaders in Indonesia. The spirit of non-alignment continues to propel regional states in their efforts to protect their autonomy and national sovereignty.

Historical memories of colonial occupation continue to shape foreign policy decision-making in Southeast Asia today. As John Ciorciari explains, mutual defense treaties or formal alliances frequently entail some sacrifice of territorial sovereignty or foreign policy autonomy on the part of the junior ally to the larger power.¹⁵ A smaller power may be required to concede access to military bases or to

¹⁴ See for example, Richard Connaughton, "The War in the Pacific: The Liberation of Manila 1945 – A Philippine Perspective," in *The World Reshaped, Volume 2: Fifty Years After the War in Asia*, ed. Richard Cobbold (London: Macmillan Press Ltd., 1996), 55.

¹⁵ John D. Ciorciari, *The Limits of Alignment: Southeast Asia and the Great Powers since 1975* (Washington, DC: Georgetown University Press, 2010), 18.

support the larger power's security goals. For instance, the Philippines and Thailand both sent troops to the U.S. military occupation in Iraq, while others, including Malaysia and Indonesia, have faced fierce domestic resistance to their governments' support for Washington's counterterrorism agenda. As a result, Southeast Asian states opt for forms of limited alignment wherever possible in order to avoid tight security alliances which could entrap them or lead to unwelcome losses of strategic autonomy.

The most recent era of great power competition, during the Cold War, was very much a hot war in Southeast Asia. Fears of Soviet influence led the United States and anti-communist powers to brutally suppress regional democratic movements (and communist parties) that threatened to nationalize key industries, particularly natural resources. In Indonesia, the United States quietly endorsed the military's slaughter of thousands of Chinese ethnic minorities and many labelled as communist supporters. In Cambodia, Washington backed General Lon Nol's military coup in 1970, ousting popular leader Prince Norodom Sihanouk and ending Cambodia's neutrality. Similarly, in Laos, the United States gave its support to General Vang Pao's royalist faction of military cadres, while Beijing backed the Pathet Lao, fuelling civil war and ultimately undermining the country's fragile neutrality (recognized by the Geneva Conference in 1954). Deepening U.S. commitment to containing communism in Indochina led to the prolonged tragedy of the Vietnam War and unparalleled U.S. bombing of neutral Laos and Cambodia in violation of the Geneva Accords.¹⁶

Historical memories of this era of great power conflict continue to shape Southeast Asian leaders' alignment preferences and their commitment to independent and non-aligned foreign policies today. How political elites interpret the lessons learned in previous eras of great power competition varies and informs different responses to current Sino-U.S. rivalry. According to prominent Singaporean thinker Bilahari Kausikan, "Rivalry between major powers is an inherent condition of international relations. This reality was masked during a historically abnormal period immediately after the end of the Cold War. We are now back to a more historically normal period of a contested international and regional order. Dealing with this is complicated but possible. We have deal[t] with previous periods of great power rivalry."¹⁷ For other states, particularly those with maritime territorial disputes with China, the stakes are undeniably high, and they see few alternatives to coping with a neighbouring China. In the words of one oft-cited Vietnamese official, "Every Vietnamese leader must be able to get along with China and stand up to China. And if you can't do both at the same time, you don't deserve to be a leader."

¹⁶ Max Hastings, *Vietnam: An Epic Tragedy, 1945-1975* (New York: Harper, 2018).

¹⁷ Email correspondence with author, November 9, 2022.

Hedging to maximize strategic autonomy

As during the Cold War, the fundamental motivation behind small states' alignment decisions today remains the preservation of autonomy in an anarchical world system. For that reason, the majority of Southeast Asian states are committed to hedging.¹⁸ As already mentioned, small states prefer hedging or limited alignment to firm security commitments in the form of treaty alliances, because the latter often entail a sacrifice of autonomy or territorial sovereignty. This debate is alive and well in the Philippines, where the decision to expand U.S. military presence and access to bases has triggered an active debate over Philippine sovereignty three decades after the Philippine Senate voted not to renew the 1947 Military Bases Agreement which granted the U.S. military access to Subic Bay and Clarke Air Force Base. Following the People's Power movement in the Philippines which ousted Marcos in 1986 and the Aquino administration's decision to put the renewal of the U.S. bases agreement to the Philippine Senate, Singapore's foreign minister George Yeo in 1989 (acting at the behest of Lee Kuan Yew) announced that Singapore would allow U.S. forces to use the country's bases, in a bid to ensure continued American military presence in the region.¹⁹ This offer reflects Singapore's preference for limited alignment. Rather than adopt firm alliances or security commitments with other states, Singapore prefers to hedge its bets by engaging with a variety of partners, including the United States and China.

Singapore's simultaneous security cooperation with both Washington and Beijing is somewhat unique in the region. Most states' security cooperation with China remains quite limited, while many have longstanding agreements of defense partnership with the United States. This gap has propelled a fundamental bifurcation between security and economic domains across the region, though in the past decade and a half China has become the largest trading partner and a major source of foreign direct investment (FDI) for all Southeast Asian countries.²⁰ Singapore has engaged both great powers in defense partnerships, though that with Beijing remains nascent and far more superficial compared with its security cooperation with the United States, which dates back to the Vietnam War. Furthermore, Singapore depends on U.S. military technology, and interoperability as well as trust issues constrain its ability to import weapons systems from alternate providers such as China. Singapore's decision to purchase a new fleet of American F-35 jets (at a considerably high price) further confirms Singapore's (limited) alignment with the United States. At the same time, however, Singapore has gradually

¹⁸ Jürgen Haacke and John D. Ciorciari, "Hedging as Risk Management: Insights from Works on Alignment, Riskification, and Strategy," IPC Working Paper Series No.124, Gerald R. Ford School of Public Policy, University of Michigan (March 10, 2022); David Shambaugh, "U.S.-China Rivalry in Southeast Asia: Power Shift or Competitive Coexistence?" *International Security* 42, No.4 (2018): 85-127; Hunter Marston, "Abandoning Hedging: Reconsidering Southeast Asian Alignment Choices," *Contemporary Southeast Asia* 45, No. 1 (2023): 55-81.

¹⁹ George Yeo, *Musings* (Singapore: World Scientific Publishing Co., 2023), 06.

²⁰ This is an oversimplification of the extent of bifurcation in the region. For instance, the United States still invests considerably more in Southeast Asia compared to China (though the latter is quickly gaining ground in this regard), and the U.S. market remains a major destination for many Southeast Asian exports. Additionally, China is expanding its security cooperation and defence exchanges with some Southeast Asian counterparts such as Singapore, albeit on a vastly more limited basis than that with the United States.

deepened its partnership with the Chinese. For instance, in 2019 (less than a month after upgrading its existing 1990 MOU with the United States covering access to bases) Singapore and Beijing inked an enhanced Agreement on Defence Exchanges and Security Cooperation (ADESC), establishing a regular ministerial dialogue between, pledging to upgrade and regularise bilateral exercises, and creating a hotline between the two sides.²¹ By simultaneously upgrading its defence cooperation agreements with both rival superpowers, Singapore is able to preserve its reputation as an even-keeled hedger and preserve maximum fluidity in its foreign relations. Doing so allows Singapore to push back on pressures from the superpowers by giving it pretence to say it is working with both Washington and Beijing to champion “an open, inclusive and rules-based order.”²²

Indonesia and Malaysia also conduct joint military training exercises with both the United States and China. In recent years, Indonesia has expanded its annual Garuda Shield exercises with the U.S. military, established in 2009, to include Australian, Japanese, and Singaporean counterparts.²³ Malaysia has held joint military exercises, dubbed “Peace and Friendship,” with China since 2015, and in 2018, expanded the joint exercises to include Thailand as well.²⁴ According to Dr. Ngeow Chow Bing, Director of the Institute of China Studies at the University of Malaya,

In Malaysia’s judgement, having a good defence relationship with China serves several objectives. It is an important pillar for maintaining a stable bilateral relationship with China. It allows Malaysia to have direct access to the Chinese defence establishment, including its top commanders and officials. Such access forms an important part of confidence-building and mutual understanding.

It also reinforces Malaysia’s non-aligned position. It signals to China that, notwithstanding the South China Sea dispute, Malaysia does not see China as an adversary.²⁵

²¹ See Singapore Ministry of Defence, “Fact Sheet: Enhanced Agreement on Defence Exchanges and Security Cooperation (ADESC),” October 20, 2019, https://www.mindef.gov.sg/web/portal/mindef/news-and-events/latest-releases/article-detail/2019/October/20oct19_fs. Also see Prashanth Parameswaran, “Why the New China-Singapore Defense Agreement Matters,” *The Diplomat*, October 23, 2019, <https://thediplomat.com/2019/10/why-the-new-china-singapore-defense-agreement-matters/>.

²² Prime Minister Lee Hsien Loong, “Intervention by PM Lee Hsien Loong at the Virtual Launch of the Indo-Pacific Economic Framework,” Prime Minister’s Office Singapore, May 23, 2022, <https://www.pmo.gov.sg/Newsroom/Intervention-by-PM-Lee-Hsien-Loong-at-the-Virtual-Launch-of-the-Indo-Pacific-Economic-Framework>.

²³ Niniek Karmini, “U.S., Indonesia Hold Joint Military Drills Amid China Concerns,” *The Diplomat*, August 4, 2022, <https://thediplomat.com/2022/08/us-indonesia-hold-joint-military-drills-amid-china-concerns/>. See also Twinnie Siu and Ella Cao, “China and Indonesia to resume joint military training exercises,” *Reuters*, November 18, 2022. <https://www.reuters.com/world/asia-pacific/china-indonesia-resume-joint-military-training-exercises-2022-11-18/>.

²⁴ Prashanth Parameswaran, “China, Malaysia to Hold First Ever Joint Live-Troop Exercise,” *The Diplomat*, August 31, 2015, <https://thediplomat.com/2015/08/china-malaysia-to-hold-first-ever-joint-live-troop-exercise/>. See also Ngeow Chow Bing, “Malaysia-China Defence Relations: Disruptions Amid Political Changes and Geopolitical Tensions,” *ISEAS Perspective* 2021, No.57, ISEAS-Yusof Ishak Institute, April 29, 2021, <https://www.iseas.edu.sg/articles-commentaries/iseas-perspective/2021-57-malaysia-china-defence-relations-disruptions-amid-political-changes-and-geopolitical-tensions-by-ngeow-chow-bing/>.

²⁵ Ngeow Chow Bing, *Malaysia-China Defence Ties: Managing Feud in the South China Sea*, RSIS Commentary, May 26, 2022, <https://www.rsis.edu.sg/rsis-publication/rsis/malaysia-china-defence-ties-managing-feud-in-the-south-china-sea/>.

Such signalling via defence engagement is part of what Ngeow calls Malaysia and China's "unwritten mutual understanding for restraint."²⁶

Members of the Association of Southeast Asian Nations (ASEAN) have engaged in what Cheng-Chwee Kuik refers to as "collective hedging" to manage regional tensions and offset the risks of great power conflict.²⁷ For example, ASEAN has held multilateral maritime exercises with both China and the United States to appear even-keeled in its engagement with the great powers and promote an open and inclusive regional balance of power.²⁸ According to one Southeast Asia expert, ASEAN's continued assertions of neutrality have been critical to preserving the bloc's strategic autonomy and stated aspiration of "ASEAN centrality."²⁹ In recent years, ASEAN centrality has frayed as various members have either strayed from the centre or undermined the group's cohesion by obstructing collective diplomacy. The most frequently cited example is the 2012 ASEAN Summit in Phnom Penh, during which host Cambodia's truculence in the face of other members' desire to include reference to the South China Sea disputes led to ASEAN's failure to issue a joint communique for the first time in the bloc's history. Cambodia reportedly received financial rewards from Beijing for its willingness to block reference to maritime tensions.³⁰ More recently, members have diverged over how to respond to the current crisis in Myanmar as a result of the 2021 military coup. Mainland Southeast Asian states, including Cambodia, Laos, Thailand, and Vietnam, have taken a softer approach to the Myanmar junta, or State Administration Council (SAC), while maritime ASEAN nations, including Indonesia, Malaysia, the Philippines, and Singapore, have raised their concerns vocally and pressed for a more activist diplomatic approach to resolve the ongoing crisis.

While the majority of Southeast Asian states continue to demonstrate a clear preference for hedging strategies—rather than aligning themselves more closely with one or another great power. A small minority of ASEAN states may be abandoning this increasingly uncomfortable middle ground in favour of bandwagoning with China. Arguably, both Cambodia and Myanmar have shifted closer to Beijing's orbit for varying reasons.³¹ In Cambodia's case, Phnom Penh has gradually shifted away from an independent foreign policy most nearly resembling hedging to one of more overt alignment with China due to the interests of a single autocratic ruler facing little to no resistance from independent civil society organisations. Prime Minister Hun Sen has systematically dismantled political opposition parties and weakened the country's civil society institutions. Thus, he is able to assert unilateral control over

²⁶ Ibid.

²⁷ Cheng-Chwee Kuik, "Hedging via Institutions: ASEAN-led Multilateralism in the Age of the Indo-Pacific," *Asian Journal of Peacebuilding* 10, No.2 (2022): 355-386.

²⁸ See Hunter Marston, "The U.S. Navy and Southeast Asian nations held joint maneuvers for the first time. What are the key takeaways?" Monkey Cage blog, *The Washington Post*, September 13, 2019, <https://www.washingtonpost.com/politics/2019/09/13/us-navy-southeast-asian-nations-held-joint-maneuvers-first-time-what-are-key-takeaways/>.

²⁹ Ralf Emmers, "Unpacking ASEAN Neutrality: The Quest for Autonomy and Impartiality in Southeast Asia," *Contemporary Southeast Asia* 40, No.3 (2018): 349-370.

³⁰ "China gives Cambodia aid and thanks for ASEAN help," *Reuters*, September 4, 2012, <https://www.reuters.com/article/us-cambodia-china-idUSBRE88306I20120904>.

³¹ See Marston, "Abandoning Hedging."

Cambodian foreign policy. In the case of Myanmar, the country's domestic dysfunction and extreme state of insecurity as a result of the 2021 military coup and resultant violence between the military, People's Defence Forces (PDFs), and ethnic armed groups (EAGs), have led to significant isolation in the global arena.³² As a result, the SAC junta has found itself increasingly reliant on the diplomatic protection and economic patronage of Beijing (along with friendly authoritarian powers such as Russia and Thailand). In return for the junta's pledges to protect China's infrastructure investments and energy projects in Myanmar, Beijing has conferred a degree of legitimation on Commander-in-Chief Min Aung Hlaing's regime, referring to the senior general as "the leader of Myanmar" and sending a representative to meet with the junta's Union Election Commission in a signal of tacit support for the military's planned elections.³³ Junta spokesperson Zaw Min Tun has criticized ASEAN for succumbing to "foreign interference" in its decision to bar military representatives from high-level summits and has derided the United States for not allowing it a seat at the U.S.-ASEAN special summit in Washington in May 2022.³⁴ By contrast, Zaw Min Tun has called attention to the SAC's relations with "powerful" Beijing, a crucial partner for the regime's survival. While Myanmar has traditionally sought to minimize its dependence on China, with whom it has an asymmetric and transactional relationship, the junta has bolstered ties with Beijing out of necessity and an urgent need for Chinese economic investment to keep Myanmar's national electric grid functioning.³⁵

Yet beyond these two isolated cases, the majority of ASEAN states have overwhelmingly adhered to hedging strategies. This should not be surprising. After all, hedging is a common-sense "insurance-seeking behavior" aimed at minimizing risks and maximizing strategic autonomy in a highly fluid and uncertain regional environment.³⁶ According to Bilahari Kausikan, "It would take an act of collective stupidity [for Singapore to stop hedging and align itself with one of the great powers]. That is not going to happen."³⁷ As long as the balance of power remains contested and uncertain, states can be expected to hedge their bets and avoid firm alignments that undermine strategic autonomy.

However, such behaviour becomes more puzzling if one considers the increasing pressures on small states applied by both of the great power rivals to align with their camp and oppose the other. Most

³² Hunter Marston, "Many Sanctions, Few Friends: Junta Grapples with its Grip on Power," Stimson Center, October 11, 2023, <https://www.stimson.org/2023/many-sanctions-few-friends-junta-grapples-with-its-grip-on-power/>.

³³ Sebastian Strangio, "China Steps Toward De Facto Recognition of Myanmar's Junta," *The Diplomat*, June 7, 2021, <https://thediplomat.com/2021/06/china-steps-toward-de-facto-recognition-of-myanmars-junta/>; "UEC Chairman receives Chinese Ambassador," *Global New Light of Myanmar*, April 20, 2022, <https://www.gnlm.com.mm/uec-chairman-receives-chinese-ambassador-2/>.

³⁴ "Myanmar junta blames 'foreign intervention' for ASEAN summit exclusion," *Reuters*, October 16, 2022, <https://www.reuters.com/world/asia-pacific/myanmar-junta-blames-foreign-intervention-asean-summit-exclusion-2021-10-16/>. Also see AFP, "Myanmar junta slams U.S. summit snub, lauds ties with China," *Jakarta Post*, May 16, 2022, <https://www.thejakartapost.com/world/2022/05/16/myanmar-junta-slams-us-summit-snob-lauds-ties-with-china-.html>.

³⁵ Andrea Passeri and Hunter Marston, "The Pendulum of Non-Alignment: Charting Myanmar's Great Power Diplomacy (2011-2021)," *Journal of Current Southeast Asian Affairs* 41, No.2 (2022): 188-213, <https://doi.org/10.1177/18681034221081858>. Also see Enze Han, *Asymmetrical Neighbors: Borderland State Building Between China and Southeast Asia* (New York: Oxford University Press, 2019): 137-156.

³⁶ See Kuik, "Getting hedging right."

³⁷ Personal email communication with author, November 9, 2022.

academic studies of hedging predict that hedging becomes less feasible under conditions of bipolar rivalry or ideological competition.³⁸ Yet, despite these predictions which dominate the academic literature on the subject, hedging remains—and, I argue, will continue to be—the preferred alignment strategy of smaller regional states or ‘middle powers’ caught between the competing giants.³⁹ That is because they see hedging as the best way of preserving maximum room to manoeuvre while seeking to foster the conditions for a multipolar regional balance of power.

Southeast Asian states are hedging against a variety of outcomes or potential scenarios: possible Chinese domination of the region; U.S. withdrawal or abandonment; and/or an armed conflict involving the United States and China.⁴⁰ ASEAN states have also sought to create an inclusive and open regional order by diversifying their own network of partners and creating buy-in on the part of extra-regional powers, particularly including Australia, Japan, and the European Union. For this reason, Singapore’s strategy has been characterized as “multi-aligned.” According to Bilahari Kausikan, “We’ll be friends with anybody who wants to be friends with us, and that we think that is in our interest. But we also have been very clear from the very beginning and never shy about saying so: The necessary condition for being multi-aligned is to have a balance of power in our larger region, East Asia.”⁴¹ Such a balance of power requires engaging outside powers to proactively manage great power competition. Diversifying a state’s range of security partners gives small states more options so as to avoid over-reliance on any one power for economic or security guarantees.⁴²

Looking ahead

What do the prevalence and persistence of hedging mean for the future balance of power and regional order in Southeast Asia? In the near term, Southeast Asian states will remain highly vigilant and anxious concerning the return of great power conflict. They will continue efforts to bolster ASEAN centrality and cohesion in the hopes of coordinating a trans-regional response to Sino-U.S. rivalry, even as they enhance their own domestic defence capabilities as a deterrent. While a collective security response remains an unlikely scenario given Southeast Asia’s diversity and the dissolution

³⁸ Alexander Korolev, “Shrinking room for hedging: system-unit dynamics and behavior of smaller powers,” *International Relations of the Asia-Pacific* 19, No.3 (2019): 419–452; Cheng-Chwee Kuik, “The Essence of Hedging: Malaysia and Singapore’s Response to a Rising China,” *Contemporary Southeast Asia* 30, No.2 (2008): 159–185; Ciorciari, *The Limits of Alignment*, 235.

³⁹ Hunter Marston, “Navigating Great Power Competition”; Cheng-Chwee Kuik, “Shades of grey: riskification and hedging in the Indo-Pacific,” *The Pacific Review* 36, No.6 (2023): 1181–1214, <https://doi.org/10.1080/09512748.2022.2110608>.

⁴⁰ Evelyn Goh, “Meeting the China Challenge: The U.S. in Southeast Asian Regional Security Strategies,” The East-West Center, January 1, 2005, 4, <https://www.eastwestcenter.org/publications/meeting-china-challenge-us-southeast-asian-regional-security-strategies>. Also see Van Jackson, “Power, trust, and network complexity: three logics of hedging in Asian security,” *International Relations of the Asia-Pacific* 14, No.3 (2014): 348.

⁴¹ Bilahari Kausikan, “Balance of Power in Southeast Asia,” The Asia Chessboard, Center for Strategic & International Studies, January 3, 2023, <https://www.csis.org/node/68315>.

⁴² Le Hong Hiep, “Vietnam’s Hedging Strategy against China since Normalization,” *Contemporary Southeast Asia* 35, No.3 (2013): 333–368; Nicholas Chapman, “Mechanisms of Vietnam’s Multidirectional Foreign Policy,” *Journal of Current Southeast Asian Affairs* 36, No.2 (2017): 31–69.

of the Southeast Asia Treaty Organization (a Cold War attempt at collective security),⁴³ all regional states share concerns about the prospect of great power conflict dividing the region. If competition were to lead to interstate war, it would almost certainly mean an end to decades of economic growth and the relative peace that has prevailed since Vietnam's invasion of Cambodia in 1978. Based on the historical record, Southeast Asian countries have abundant reason to fear for their sovereignty and security in a "new Cold War" scenario. Therefore, most have strenuously advocated for peace and accommodation between the great powers.⁴⁴

In the medium-term, whether Southeast Asian states are more successful at maintaining autonomy than in the past (during the colonial era and Cold War, for example) depends on a variety of factors tied to the unresolved power contestation and/or transition currently playing out.⁴⁵ First, the obvious question of whether China can succeed in displacing the United States as the resident superpower: this remains extremely uncertain. For all intents and purposes, the current contestation between the two near-peer rivals may persist for decades, as China's economic growth continues to sustain a massive military build-up, and U.S. economic dominance allow it to prolong its relative advantage despite modest declines in overall power compared to China and a handful of other (rising) powers. Recent studies, taking account of the slowdown in China's economic growth, have suggested that its economy may not overtake that of the United States until 2060—if at all—contra earlier predictions that such an eclipse would occur as soon as 2030.⁴⁶ Whether or not such economic dominance would translate to military hegemony is another question entirely. China's current aim to push the U.S. military presence beyond the second island chain⁴⁷ and to displace the United States from what it perceives as its rightful sphere of influence will require sustained commitment to its defence budget and military modernisation, which have begun to erode the American military edge, particularly with regard to long-range missiles and the U.S. ability to deploy troops and assets from peripheral bases and island territories such as Guam.⁴⁸ It is conceivable that Beijing may succeed in reducing American

⁴³ The Eisenhower administration in Washington, working with Australia, France, New Zealand, Pakistan, the Philippines, Thailand, and the UK, signed the Manila Pact in 1954-1955, binding members to the collective defence of Southeast Asia. See The Avalon Project, *Southeast Asia Collective Defense Treaty (Manila Pact); September 8, 1954*, Yale Law School, accessed January 5, 2023, https://avalon.law.yale.edu/20th_century/usmu003.asp. For more on the history of SEATO, see Ang Cheng Guan, *The Southeast Asia Treaty Organisation* (New York: Routledge, 2021).

⁴⁴ See for example Lee Hsien Loong, "The Endangered Asian Century: America, China, and the Perils of Confrontation," *Foreign Affairs* (July/August, 2020): 52-64. Also see Lee Hsien Loong, Keynote Speech, Shangri-La Dialogue 2019, Singapore, May 31, 2019, <https://www.pmo.gov.sg/Newsroom/PM-Lee-Hsien-Loong-at-the-IISS-Shangri-La-Dialogue-2019>.

⁴⁵ Khong Yuen Foong, "The US-China Geopolitical Contest: Security Dilemma or Power Transition Dynamics?," Presentation to the Australian National University, May 3, 2023, <https://www.anu.edu.au/events/the-us-china-geopolitical-contest-security-dilemma-or-power-transition-dynamics>.

⁴⁶ Ruchir Sharma, "China's economy will not overtake the U.S. until 2060, if ever," *Financial Times*, October 24, 2022, <https://www.ft.com/content/cff42bc4-f9e3-4f51-985a-86518934afbe>.

⁴⁷ Andrew S. Erickson and Joel Wuthnow, "Barriers, Springboards and Benchmarks: China Conceptualizes the Pacific 'Island Chains'," *The China Quarterly* 225 (2016): 1-22.

⁴⁸ Damien Cave, "Why China Is Miles Ahead in a Pacific Race for Influence," *New York Times*, May 31, 2022, <https://www.nytimes.com/2022/05/31/world/australia/china-united-states-pacific.html>. Derek Grossman, "America Is Betting Big on the Second Island Chain," *The Diplomat*, September 5, 2020, <https://thediplomat.com/2020/09/america-is-betting-big-on-the-second-island-chain/>.

military dominance and the latter's ability to retain its sphere of influence in the Pacific.⁴⁹

The prospect of Chinese dominance of Southeast Asia does not sit well with regional states, either, the majority of which prefer a multipolar balance of power, which leaves them room for manoeuvre and mitigates the risk of competition breaking out into armed conflict between great powers. Therefore, Japan and India have a vital role to play in preserving this balance of power.⁵⁰ Chinese hegemony could also undermine Southeast Asian states' bargaining power and sovereignty and mean fewer alternatives to unsustainable levels of Chinese debt if the United States and Japan no longer have as much reason to invest in and provide loans for regional economies. This scenario would exacerbate already dangerous levels of inequality, likely leading to greater political instability as we have seen in Sri Lanka or Pakistan.

A related question is whether or not Washington would be willing to risk war to preserve its primacy and prevent China's rise. The Trump administration declared China a revisionist power and rival, centring its regional strategy on competition with Beijing aimed at preventing its emergence as the preeminent power in the Pacific.⁵¹ The Biden administration has largely continued this diagnosis of the challenge posed by China as well as the strategic response focused on competition. The throughline from previous administrations, including that of Obama, Trump, and now Biden, has been Washington's goal of preserving the prevailing "rules-based" or "liberal international order." According to U.S. policymakers, the United States is a status quo power, while China, Russia, and others bent on upending the reigning order and hierarchy, are cast as revisionist powers.⁵² In recent years, Washington has staked its credibility on its willingness to defend allies such as the Philippines or Japan in the event of an attack on their territory, in particular pertaining to maritime features disputed by China. President Biden has also pledged U.S. commitment to defend Taiwan in the event of an attack, ending a broadly bipartisan preference for strategic ambiguity which had held for several decades since the Congress passed the Taiwan Relations Act in 1979 after Washington switched its diplomatic recognition to Beijing.⁵³ Therefore, the United States *appears* resolved to risk war to defend its allies (or partners in the case of Taiwan) in the event of Chinese aggression or violation of their territorial sovereignty. However, rather than reassure many Southeast Asian partners, this heightened level of preparation for conflict has unnerved regional leaders and runs counter to what

⁴⁹ For more on spheres of influence and great power politics, see Benjamin Zala, "Interpreting great power rights in international society: Debating China's right to a sphere of influence," *Journal of International Political Theory* 16, No.2 (2020): 210-230; Van Jackson, "Understanding Spheres of Influence in International Politics," *European Journal of International Security* 5, No.3 (2020): 255-273.

⁵⁰ Lee, "The Endangered Asian Century," 62

⁵¹ The White House, *National Security Strategy of the United States of America*, December 2017, 25; U.S. Department of Defense, *Summary of the 2018 National Defense Strategy of the United States of America*, 2.

⁵² For more on status quo versus revisionist superpowers, see Van Jackson, "America is the Preeminent Revisionist Power," *Duck of Minerva*, January 1, 2023, <https://www.duckofminerva.com/2023/01/america-is-the-preeminent-revisionist-power.html>.

⁵³ David Brunnstrom and Trevor Hunnicutt, "Biden says U.S. forces would defend Taiwan in the event of a Chinese invasion," *Reuters*, September 20, 2022, <https://www.reuters.com/world/biden-says-us-forces-would-defend-taiwan-event-chinese-invasion-2022-09-18/>.

they actually want: a stable, prosperous, and peaceful regional order that includes *both* the United States and China.⁵⁴ This rationale explains why regional states (and U.S. partners) like Malaysia sometimes prefer that the United States and external powers like Australia *not* come to their defence, as doing so may inadvertently increase the chances of conflict rather than mitigate them.⁵⁵

In the long-term, Southeast Asia is likely to remain multipolar with outside powers playing a sustained and active role in region.⁵⁶ The Washington security establishment broadly shares the Biden administration's view of China as "the only competitor with both the intent to reshape the international order and, increasingly, the economic, diplomatic, military, and technological power to advance that objective."⁵⁷ As a result, "Many American observers therefore perceive any power shift as movement from a unipolar system toward a bipolar one, while Asian observers often perceive a transition from a unipolar to a multipolar system."⁵⁸ The latter view may be uncontroversial in Tokyo, but sitting in Canberra or Washington, differing perspectives of Asia's current and future balance of power contribute to a range of views on how best to respond to the challenges associated with rising China. The late Japanese leader Abe Shinzo's vision of a "Free and Open Indo-Pacific" rested on the premise of a multipolar regional order, in which multiple regional and external powers contributed to a stable and inclusive balance of power.⁵⁹ Abe was explicit that FOIP was not a China containment strategy. In Washington, however, several schools of thought, including those advocating the "responsible stakeholder" narrative, those advancing a more explicit containment strategy, and those soberly assessing that we must be prepared to live in a state of prolonged "competitive coexistence," all compete for their preferred strategies, thus muddling U.S. foreign policy.⁶⁰ During the Trump administration, it seemed that the containment hawks had won out. Under the Biden team, it seems that those advocating more responsible competition, espousing "guardrails," have prevailed for the time being. Ultimately, however, both U.S. and Chinese elites' focus on the respective great powers overlook the agency, diversity, and asymmetry inherent in Southeast Asia.⁶¹

⁵⁴ For more on allied credibility and reassurance, see Iain D. Henry, "What Allies Want: Reconsidering Loyalty, Reliability, and Alliance Interdependence," *International Security* 44, No.4 (2020): 45-83.

⁵⁵ Emirza Syailendra, "China, Indonesia, and Malaysia: Waltzing Around Oil Rigs," *The Diplomat*, August 18, 2022, <https://thediplomat.com/2022/08/china-indonesia-and-malaysia-waltzing-around-oil-rigs/>. See also Emirza Syailendra, "Malaysia's Third Way on the China Challenge," *The National Interest*, October 6, 2022, <https://nationalinterest.org/feature/malaysia%E2%80%99s-third-way-china-challenge-205209>.

⁵⁶ Tom Parks of The Asia Foundation makes this argument regarding Asia's multipolar future explicit in his forthcoming book, Thomas Parks, *Southeast Asia's Multipolar Future: Averting a New Cold War* (Sydney: Bloomsbury Publishing 2023).

⁵⁷ The White House, *National Security Strategy*.

⁵⁸ Zack Cooper and Emily Y. Carr, "U.S. perspectives on the power shift in the Indo-Pacific," *The Pacific Review* (2022): 2, <https://doi.org/10.1080/09512748.2022.2160793>.

⁵⁹ See Suzuki Hiroyuki, *Japan's Leadership Role in a Multipolar Indo-Pacific*, Center for Strategic & International Studies, October 2020, https://csis-website-prod.s3.amazonaws.com/s3fs-public/publication/201023_Suzuki_Japan%27s_Leadership_in_Indo-Pacific_1.pdf. Also see Satake Tomohiko and Sahashi Ryo, "The Rise of China and Japan's 'Vision' for Free and Open Indo-Pacific," *Journal of Contemporary China* 30, No.127 (2020): 18-35.

⁶⁰ Cooper and Carl, "U.S. perspectives on the power shift in the Indo-Pacific."

⁶¹ I credit Don Emmerson for this argument in Donald Emmerson, ed., *The Deer and the Dragon: Southeast Asia and China in the 21st Century* (Washington, DC: Brookings Institution Press, 2020).

Conclusion

Despite predictions that bipolar, ideological competition would spell an end for hedging, Southeast Asian countries have demonstrated resilience and agency in their commitment to independent and non-aligned foreign policies. In Washington and Beijing, policymakers have not yet come to appreciate the depth and implications of Southeast Asia's adherence to hedging. Deeper understanding of regional preference and the high value placed on autonomy and freedom from coercion—dating back to the colonial era and turbulence of the Cold War, which saw great power interference in small states' internal affairs, often with disastrous results—can lead to sounder policies on the part of outside powers, including China, the United States, and Japan. In the competition for influence, those seen as providing options which enhance regional states' sovereignty will be best placed to see their engagement welcomed and reciprocated.