

Part II

Great Power Rivalry and Regional Order

Chapter 4

ASEAN's Neutrality

A Survival Strategy amid U.S.-China Confrontation

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STRATEGIC COMPETITION between the two great powers, the United States and China, is intensifying globally, and among its “main battlegrounds” is Southeast Asia. Southeast Asia is located in the center of the Indo-Pacific region, at the nexus of the Pacific and Indian Oceans, and encompasses major maritime areas, such as the Malacca Strait and the South China Sea. In addition to having geopolitical importance, countries in the region have a growing international presence, achieving steady economic development supported by free trade areas centered on the Association of Southeast Asian Nations (ASEAN).

Given its strategic and economic importance, Southeast Asia is an essential partner for the United States and Japan to realize the “Free and Open Indo-Pacific” (FOIP). At the same time, such cooperation is not solely a U.S.-Japan agenda. China, too, accords importance to expanding its relationship with neighboring Southeast Asia where there are key maritime areas. In recent years, Beijing has provided infrastructure development assistance to the region as one of the main target areas of its Belt and Road Initiative (BRI). However, between China and some Southeast Asian countries are disputes over territorial claims in the South China Sea. For Southeast Asia, China thus represents both economic opportunities and serious security challenges. As the U.S.-China confrontation escalates, a rivalry to gain support from Southeast Asia is unfolding between the United States and Japan on the one side and China on the other.

How is Southeast Asia responding to and attempting to deal with wooing from the United States and China? Southeast Asia, with ASEAN taking the helm, has traditionally sought to manage its relations with the United States, China, and other external powers and ensure strategic autonomy. In other words, Southeast Asia has pursued a neutral position by way of ASEAN. Taking clues from this concept of neutrality, this chapter sheds light on Southeast Asia's approach to external relations and examines its survival strategy in the face of great power rivalry.

This chapter consists of four parts. The first part outlines ASEAN's quest for neutrality, covering the period from the Cold War to the end of 2022, and builds on this analysis to examine how Southeast Asia is dealing with the U.S.-China confrontation. The second part analyzes the relationship between Southeast Asia and the United States, focusing on the Southeast Asia policy of the Joseph Biden administration and the response of Southeast Asia. The third part examines China's diplomacy to consolidate its foothold in Southeast Asia while keeping an eye on U.S. actions. The fourth part discusses territorial disputes in the South China Sea and the challenges confronting ASEAN's multilateralism as “spin-offs” of great power rivalry.

ASEAN Neutrality: Clues to Southeast Asia's External Relations

ASEAN's Neutrality and ZOPFAN

It is not a recent phenomenon that the politics, economy, and security of Southeast Asian countries are subject to the substantial influence of the United States, China, among other external powers. Great powers have constantly influenced the external relations and domestic affairs of Southeast Asian countries, from the time they broke free from colonial rule and gained independence as nation-states and up to the present day. In this context, the nations have been in search for arrangements that would enable their independence and survival while maintaining stable and balanced relations with external powers. Ensuring strategic autonomy was a major condition for realizing their ideal regional order.

One of the purposes for launching ASEAN in 1967 was to collectively manage the external relations of Southeast Asian countries. At the time, the external environment was increasingly unstable, with China's influence expanding in East Asia, the Sino-Soviet conflict intensifying, and the Vietnam War escalating, and their repercussions were spilling over into Southeast Asia. Small to medium states in the region attempted to adapt to these changing circumstances by coming together as a unified entity. While the influence of external powers cannot be eliminated from the region, ASEAN encouraged great powers to take the strategic interests of Southeast Asian nations into consideration when making foreign policy decisions.¹

Subsequently, the notion of managing external relations to ensure autonomy materialized into the concept of neutrality.² In 1971, ASEAN unveiled the Zone of Peace, Freedom and Neutrality (ZOPFAN) Declaration, which aims to establish a zone that is free from any form of interference by external powers and is peaceful and neutral.³ ASEAN, which became mired in the East-West conflict during the Cold War, sought to safeguard its own security by declaring neutrality externally.

ZOPFAN is not a strict permanent neutrality akin to Switzerland's, which relies on self-defense capabilities, in addition to prohibiting alliances with other countries and use of force for non-defensive purposes. Rather, it aims to enhance strategic autonomy and has the following three characteristics. Firstly, ZOPFAN is an aspirational goal. To turn Southeast Asia into a genuine neutral zone, it required recognition from external powers, including the Communist camp. However, the prospects for obtaining such recognition were zero from the beginning.⁴ The significance of ZOPFAN lay in declaring to external powers ASEAN's political objectives of reducing external influence and increasing autonomy.

The second characteristic, which relates to the above incompleteness of neutrality, is that many ASEAN members maintained bilateral military cooperation with external powers. The Philippines and Thailand had no intention of severing their alliances with the United States. Malaysia and Singapore, too, continued to cooperate with Commonwealth countries under the Five Power Defence Arrangements (FPDA).⁵ Only Indonesia articulated the doctrine of national resilience and advocated for a security mechanism that does not rely on external powers. In practice, however, it did not have the consent of external powers, and cooperation with mainly former colonial powers remained vital for the security of ASEAN members. Thus, ZOPFAN could not be realized without following a path of compromise—that is, searching for ways to gradually strengthen autonomy while maintaining cooperation with external powers.⁶

Thirdly, ASEAN's external neutrality was closely linked to non-interference. Newly founded ASEAN members were in the early stages of national integration, and mainly their ethnic Chinese populations were susceptible to the influence of China and other external powers. Therefore, ASEAN extended the scope of ZOPFAN to reducing external influence not only in the Southeast Asian region but also in each member state.⁷

In around 1990, the Cold War ended, and the East-West ideological contest disappeared. Even then, great power rivalry for power and influence persisted in Southeast Asia. Against this backdrop, the spirit of ASEAN neutrality, as embodied by ZOPFAN, has been passed on from the post-Cold War era to the present. In fact, ZOPFAN is still considered one of the key principles that ASEAN should uphold in its pursuit of the Political-Security Community.⁸

What changed from the Cold War to the post-Cold War era was the approach to realizing ASEAN neutrality. As the establishment of the ASEAN Regional Forum (ARF) makes evident, ASEAN has evolved to play a central role in the Asia-Pacific region in pursuing inclusiveness: leveraging multilateral cooperation frameworks to encourage the engagement of external powers and promote regional stability. By pursuing inclusiveness, external powers would keep each other in check within multilateral cooperation frameworks, allowing ASEAN to benefit while ensuring its strategic autonomy.

Inclusiveness was also ASEAN's means to avoid being compelled to side with a certain great power.⁹ ASEAN members have been significantly influenced by great power confrontation and rivalry. Based on this experience, for ASEAN, neutrality has meant not favoring a specific external power, both historically and in the present day. This is borne out of ASEAN's "instinct for survival," one of its behavioral patterns.

As ASEAN multilateral frameworks for achieving inclusiveness were established from the 1990s to the 2000s, the concept of centrality crystallized as a theoretical basis for maintaining these frameworks with ASEAN at the center. Great power relationships are becoming more complicated with the U.S.-China confrontation as the focal point, coupled with the engagement of Japan, India, and Russia. In this context, ASEAN seeks to bring all external powers into the ASEAN-led cooperation architecture and prevent a regional system that excludes ASEAN from emerging.¹⁰ Through inclusiveness and centrality, the genes of ZOPFAN have been incorporated into the guiding principles of ASEAN.

Southeast Asia's Perceptions of Great Power Rivalry

Southeast Asia's relations with external powers are hierarchical. The two great powers with the most influence in Southeast Asia are, undoubtedly, the United States and China. With its military and economic power, the United States supported regional order in the Asia-Pacific, including Southeast Asia, from the Cold War to the post-Cold War era. However, from the latter half of the 1990s, the influence of a rising China began to permeate Southeast Asia. By the latter half of the 2010s, a full-scale U.S.-China struggle for sphere of influence played out in the region.¹¹ In this strategic environment, how to balance between the United States and China became a key challenge for Southeast Asia's external relations.¹² In other words, great power rivalry in Southeast Asia was a microcosm of the Sino-U.S. strategic rivalry.

External actors, such as Japan, India, and Russia, thus have secondary importance and influence in the great power rivalry in this region. However, Southeast Asia regards relations with major powers other than the United States and China as important as relations with the two great powers. Strengthening relations with these countries and regions is expected to diversify Southeast Asia's external relations and mitigate the negative impacts of U.S.-China confrontation.¹³

How does Southeast Asia perceive the great power rivalry? A very useful resource for exploring this question is *The State of Southeast Asia* published by the ISEAS-Yusof Ishak Institute in Singapore. It is an annual public opinion survey conducted by the institute since 2019. The survey is carried out with around 1,000 to 1,500 individuals from academia, think-tanks, or research institutions, business or finance, government, civil society, non-government organizations, or media, and regional or international organizations in Southeast Asian countries. It asks a comprehensive set of questions and analyzes perceptions regarding politics, diplomacy, and security in

Southeast Asia. One of the central concerns of the survey is the U.S.-China confrontation. While each year's survey findings are highly intriguing, the 2022 survey is referenced here to highlight the following three items related to Southeast Asia's perception of the U.S.-China confrontation.

The first is about China's overwhelming influence. According to *The State of Southeast Asia 2022*, when asked, "Which country/regional organization is the most influential economic power in Southeast Asia," 77% responded "China" (only 10% the United States). To the question, "Which country/regional organization has the most political and strategic influence in Southeast Asia," 54% responded China (30% the United States).¹⁴ In Southeast Asia, China is viewed as having the most influence in the region in all aspects—politics, economy, and security.

The second point is about ASEAN's view of the U.S.-China balance. The survey asked, "ASEAN is caught in the crossfire as Beijing and Washington compete for influence and leadership in Southeast Asia. How should ASEAN best respond?" Over 70% of the respondents supported and selected "ASEAN should enhance its resilience and unity to fend off pressure from the two major powers" or "ASEAN should continue its position of not siding with China or the US." It was perceived that choosing between either the United States or China was not a wise option.¹⁵

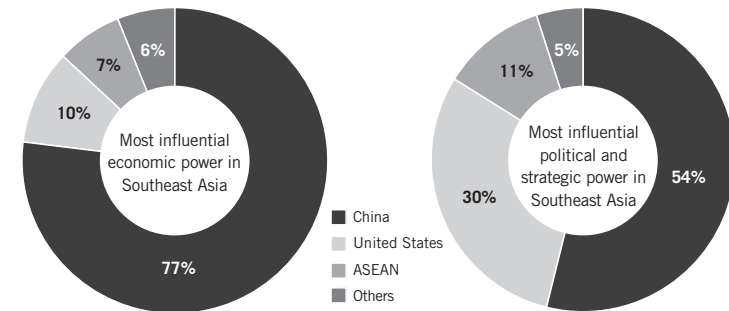
The last is about the strong underlying trust in the United States. To the question, "If ASEAN was forced to align itself with one of the two strategic rivals, which should it choose," around 15% more respondents chose the United States over China.¹⁶ While ASEAN perceives China as having an overwhelming influence in the region, it does not necessarily desire a new regional order led by China. Instead, ASEAN is urging the United States to lead a traditional "free and open" regional order.

***"Selective Adaptation" to the U.S.-China Confrontation:
ASEAN Outlook on the Indo-Pacific***

As the previous section showed, Southeast Asia perceives that choosing between the two countries is not appropriate, assuming China's overwhelming influence and Southeast Asia's trust in the United States. If so, how will Southeast Asia approach the U.S.-China confrontation? The intentions of ASEAN are outlined in ASEAN Outlook on the Indo-Pacific (AOIP) unveiled in June 2019.

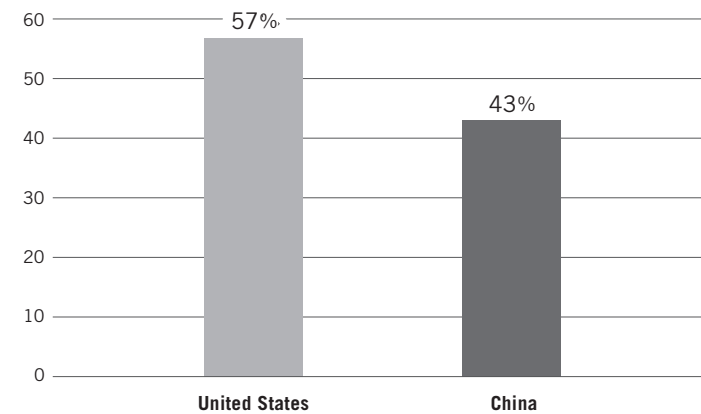
ASEAN's formulation of AOIP was prompted by Japan and the United States' proposal of FOIP and particularly the U.S. Donald Trump administration's explicitly confrontational posture toward China, which was indicated in the December 2017 *National Security Strategy*. Indonesia regarded

Figure 4.1. China's overwhelming influence in Southeast Asia



Source: *The State of Southeast Asia 2022: Survey Report* (Singapore: ISEAS-Yusof Ishak Institute, 2022), 20, 22.

Figure 4.2. United States or China?



Note: Decimal places are rounded to the nearest whole number.

Source: *The State of Southeast Asia 2022*, 32.

the Trump administration's Indo-Pacific concept as a challenge to ASEAN centrality as well as an exclusive approach aimed at isolating and containing China. Amid the intensifying U.S.-China confrontation, ASEAN decided to set forth its own Indo-Pacific concept that adopts a comprehensive, consensus-based, non-militaristic, and diplomatic approach.¹⁷ It meant choosing a "third way" that was neither the United States nor China.

Indonesia took the initiative to formulate AOIP. It prepared a concept paper on Indo-Pacific cooperation, which was presented to ASEAN members by Foreign Minister Retno Marsudi at the ASEAN retreat in January 2018

and by President Joko Widodo at the ASEAN Summit in April of the same year.¹⁸ The main points of Indonesia's concept were: (1) inclusiveness, transparency and comprehensiveness; (2) alignment with the long-term interests of all countries in the region; (3) based on a joint commitment by countries in the Indo-Pacific to uphold peace, stability, and prosperity; and (4) respect for international law and ASEAN centrality.¹⁹

In August 2018, ASEAN received another briefing from Indonesia at the ASEAN foreign ministers' meeting and agreed to further discuss the Indo-Pacific concept. In this connection, the joint communiqué of the meeting mentioned, "We looked forward to further discussion on the Indo-Pacific concept, which embraces key principles such as ASEAN Centrality, openness, transparency, inclusivity, and rules-based approach, while contributing to mutual trust, mutual respect and mutual benefit."²⁰

However, ASEAN members generally expressed reservations toward Indonesia's proposal. It was uncertain how the United States and China would react to ASEAN's own Indo-Pacific concept. Over the year-long discussion that followed, members struggled to converge their views on the concept's meaning, the principles to be included, and the specific areas of cooperation.²¹ Even when it came time for the concept's adoption, Singapore began to assert the need for further discussion, putting the adoption at the summit temporarily in jeopardy.²² The reasons for Singapore's sudden concerns are unknown. Singapore views its strategic partnership with the United States as essential to national and regional security, and may have hesitated to propose a concept that appeared to oppose the U.S. strategy.

After some twists and turns, AOIP was adopted at the ASEAN Summit on June 23, 2019. The U.S. Department of Defense had just released the *Indo-Pacific Strategy Report* on the first of the month. While AOIP had been discussed since 2018, chronologically it was ASEAN's response to the Indo-Pacific Strategy of the United States. AOIP is a concise document of about five pages, giving few details on what policies would emerge from ASEAN's own Indo-Pacific concept. Nonetheless, it marked a significant achievement in consolidating the diverging interests and intentions of the 10 member states and articulating the stance of ASEAN as a whole in a cohesive paper.²³

Indeed, ASEAN's position on the U.S.-China confrontation is made relatively clear. Firstly, AOIP differentiates itself from the Indo-Pacific Strategy of the United States—that is, AOIP distances itself from the confrontation with China. It begins with a summary of the regional dynamics in the Indo-Pacific in which it expresses concerns about the U.S.-China confrontation: "the rise of material powers, i.e. economic and military, requires avoiding the deepening of mistrust, miscalculation, and patterns of behavior based on a zero-sum game." Then, it mentions

ASEAN's aspiration for "An Indo-Pacific region of dialogue and cooperation instead of rivalry."²⁴

Secondly, AOIP seeks a closer alignment with China's BRI. AOIP underscores building win-win cooperation in the region, identifies connectivity as a key area of cooperation, particularly "connecting the connectivities," and pins hopes on the Regional Comprehensive Economic Partnership (RCEP) agreement. As regards maritime issues, AOIP does not specifically mention the South China Sea dispute and makes an abstract reference to peaceful settlement of disputes in conjunction with transboundary issues, such as trafficking and piracy. Furthermore, any discussion of maritime issues is focused on cooperation on resources, the environment, science and technology, among other areas.²⁵ The fact that focus is placed on economic more than security cooperation demonstrates the compatibility of ASEAN's Indo-Pacific concept with China's BRI.

Thirdly, ASEAN takes it upon itself to serve as an intermediary between the United States and China. ASEAN will "continue being an honest broker within the strategic environment of competing interests," and considers ASEAN centrality as a basic principle for promoting cooperation in the Indo-Pacific region. In addition, AOIP mentions the East Asia Summit (EAS), among the ASEAN-led multilateral cooperation mechanisms, as a platform for dialogue and implementation of the cooperation.²⁶ AOIP declared that ASEAN, based on its commitment to multilateralism, would assume the role of coordinating conflicting interests in great power rivalry—not bilateral networks emphasized by the United States, such as alliances and strategic partnerships.

The "third way" that ASEAN presented in AOIP was "selective adaptation." "Selective adaptation" means that ASEAN will collaborate with U.S. and Chinese proposals for cooperation that align with the values and policies of ASEAN and reject those that do not. In this regard, AOIP was ASEAN's "declaration of selective adaptation."

However, considering the considerable disparities in power and influence between the United States and China on the one hand and ASEAN on the other, it cannot be easy for ASEAN to selectively choose from U.S. and Chinese proposals. While ASEAN does not have a unilateral right to choose, there may be certain conditions that facilitate its selective adaptation. Firstly, ASEAN will be in a stronger negotiating position if the regional strategies of the United States and China accord importance to ASEAN. The ongoing U.S.-China rivalry to secure support from ASEAN is, in effect, leaving greater room for ASEAN's selective adaptation.

The second condition is to engage with the United States and China all the while maintaining ASEAN's unity. If ASEAN members fail to

coordinate their interests and if ASEAN as a whole lacks cohesion, ASEAN will have a difficult time unleashing its collective power. ASEAN unity is closely linked to the maintenance of ASEAN centrality.

Thirdly, ASEAN must diversify its external relationships to relativize the influence of the United States and China. This means deepening relationships with other key actors, such as Japan, India, Russia, Australia, and the European Union, and promoting inclusiveness within ASEAN's multilateralism.²⁷

AOIP has helped make ASEAN's unique view of the Indo-Pacific known to the United States. At the ASEAN-U.S. Foreign Ministers' Meeting held in September 2020, Secretary of State Mike Pompeo strongly criticized China's actions in the South China Sea, the Mekong sub-region, and Hong Kong, and at the same time, explicitly expressed U.S. support for AOIP.²⁸ Pompeo's remarks indicate that AOIP had some success in getting the United States to take ASEAN's strategic interests into consideration. This is an achievement that will contribute to ASEAN neutrality.

Southeast Asia and the U.S. Biden Administration: Conflicting Policies²⁹

Southeast Asia's Nostalgia for Obama, Disillusionment with Trump, and Expectations for Biden

With the inauguration of the Biden administration in January 2021, Southeast Asia expected that the United States would once again elevate its engagement in the region in a manner desired by Southeast Asia. According to the findings of a survey conducted by Singapore's ISEAS-Yusof Ishak Institute from late 2020 to early 2021, 77% of the respondents estimated that the level of U.S. engagement in Southeast Asia under the Trump administration decreased, while only 10% thought it increased. In contrast, under the Biden administration, the findings were the opposite, with only 7% expecting a "decrease" and 69% an "increase." Similarly, when asked, "Is the US a reliable strategic partner," the percentage of respondents expressing confidence surged to 55% from 35% in the previous year's survey.³⁰

The expectations for the Biden administration were closely interrelated with nostalgia for the Barack Obama administration. During Obama's presidency, the United States engaged with Southeast Asia in a manner desired by the region. The United States respected ASEAN's multilateralism, joining the Treaty of Amity and Cooperation in Southeast Asia (TAC)

in 2009 and becoming an official participant in the EAS from 2011. Furthermore, President Obama visited Southeast Asia almost every year to attend the EAS. In the economic cooperation realm, the United States led the Trans-Pacific Partnership (TPP) and sought to build a multilateral economic cooperation architecture that included Southeast Asian countries. Additionally, the Obama administration aimed to regain lost ground in Southeast Asia by "rebalancing toward the Asia-Pacific" and through TPP. Obama's emphasis on engagement more than confrontation with China was a more desirable state of the U.S.-China relationship from Southeast Asia's perspective.

Conversely, the Trump administration's policies went against the hopes of Southeast Asia in many respects. President Trump decided to withdraw the United States from TPP shortly after he took office. Furthermore, he demanded trade balance in the highly asymmetrical bilateral economic relations between the United States and Southeast Asian countries. The president also did not show interest in ASEAN's multilateralism and did not once attend the EAS. Moreover, the fact that he elevated the confrontation with China heightened concerns that Southeast Asia would be forced to make the ultimate choice between the United States and China.

Southeast Asia was at the mercy of the Trump administration. Then, it is only natural that the region expected Biden, who was vice president during the Obama administration, to reverse Trump's policies and return to Obama-era policies. In particular, Southeast Asia had strong expectations for multilateral economic cooperation and ASEAN's multilateralism.

Jumbled Messages Sent by the Biden Administration's Southeast Asia Policies

Despite Southeast Asia's high expectations for the Biden administration, it did not take any concrete diplomatic actions targeted at Southeast Asia in the first six months and left the region disappointed. Biden was initially preoccupied with other diplomatic agendas, such as rejoining the Paris Agreement on climate change and the World Health Organization (WHO), realigning relationships with Europe, and strengthening relationships among the Quad countries—Japan, the United States, Australia, and India—leaving limited resources to allocate to Southeast Asia. As this suggests, Southeast Asia was not a top priority in Biden's foreign policy.³¹

Following "neglect" for the first six months, the Biden administration's Southeast Asia diplomacy finally began in earnest. It revolved around attendance at ASEAN multilateral meetings and visits to Southeast Asian

countries by senior government officials. The schedule was intensive, almost as if to make up for the initial slow start.

Firstly, in July 2021, Secretary of State Antony Blinken held the Special ASEAN-U.S. Foreign Ministers' Meeting virtually. Late that month, Secretary of Defense Lloyd Austin visited Singapore, Vietnam, and the Philippines. In the Philippines, he and President Rodrigo Duterte officially confirmed the continuity of the Visiting Forces Agreement (VFA). In August, Vice President Kamala Harris also visited Singapore and Vietnam. President Biden himself attended the ASEAN-U.S. Summit and the EAS in October, albeit virtually. Furthermore, Secretary Blinken visited Indonesia and Malaysia in December, as if to correct the bias in the countries visited.³² In a speech delivered in Singapore in July, Secretary Austin showed consideration for Southeast Asia's position, stating, "we are not asking countries in the region to choose between the United States and China."³³

On the one hand, the United States engaged in intensive diplomacy with Southeast Asia. On the other hand, it strengthened minilateral cooperation in the Indo-Pacific region and stepped up democracy diplomacy globally. Some of these moves threw Southeast Asia off balance.

During the virtual Quad Leaders' Summit held in March 2021, the four countries of Japan, the United States, Australia, and India agreed to advance practical cooperation on quality infrastructure and non-traditional security issues. At the same time, the leaders agreed to establish working groups on COVID-19 vaccines, climate change, and critical and emerging technologies, redefining the Quad framework from a security-centered to a more comprehensive cooperation paradigm. Additionally, the leaders affirmed strong support for AOIP as well as for ASEAN unity and centrality.

In general, Southeast Asian countries reacted favorably to the redefinition of Quad and the consideration given to ASEAN. According to the 2022 survey conducted by the ISEAS-Yusof Ishak Institute, nearly 60% of the respondents viewed that "the strengthening of the Quad and the prospects of tangible cooperation in areas like vaccine security and climate change is positive and reassuring for Southeast Asia," whereas a mere 13% expressed clear disagreement.³⁴ The qualitative shift in the Quad, which lessened focus on containment of China, was viewed as an outcome of the Quad giving appropriate consideration to the strategic environment and interests of Southeast Asia.³⁵

Meanwhile, in September 2021, the United States, the United Kingdom, and Australia declared the establishment of the Australia-U.K.-U.S. security partnership (AUKUS), a cooperation framework centered around the provision of nuclear-powered submarine technology from the United States and the United Kingdom to Australia. Malaysia and Indonesia considered

AUKUS as a new concern for regional security. They feared that AUKUS would undermine ASEAN's goal to keep Southeast Asia a nuclear weapon-free zone and heighten military tensions between the United States and China, which would destabilize the entire Indo-Pacific region including Southeast Asia. By contrast, Vietnam and the Philippines, which are in a dispute with China over the South China Sea, as well as Singapore, which seeks increased U.S. military engagement, have indicated their support or acceptance of AUKUS.³⁶

Furthermore, the Biden administration's emphasis on democracy has resulted in the "sorting" of Southeast Asian countries. When the United States hosted the Summit for Democracy in December 2021, only four Southeast Asian countries were invited: Indonesia, Malaysia, the Philippines, and Timor-Leste. The exclusion of Thailand and Vietnam may have been unavoidable. The military still has political control in the former, and a one-party communist dictatorship continues in the latter. However, Singapore, which has a similar political system as Malaysia and has concluded the Strategic Framework Agreement with the United States, was not invited. The U.S. assistant secretary of state was quick to play down the matter, stating that the summit was not a commentary on the strength of the relationship between the United States and its partners. Nonetheless, the democracy versus non-democracy dichotomy of the United States sent out a negative message for ASEAN unity and U.S.-ASEAN cooperation.³⁷

In February 2022, the White House released the *Indo-Pacific Strategy of the United States*. In a sudden reversal of U.S. policy, the document underlined the importance of ASEAN. It stated that the United States welcomes a strong and independent ASEAN that takes initiative in Southeast Asia, supports ASEAN's centrality, and helps ASEAN bring about sustainable solutions to the region's most acute challenges. It also clarified that the United States will deepen its traditional partnership with ASEAN, while embarking on new high-level engagements in areas such as health, climate change and environment, energy, transportation, and gender equality, and will explore opportunities for cooperation between the Quad and ASEAN.³⁸

In summary, during its first year and a half, the Biden administration engaged in intensive diplomacy at the Southeast Asian, Indo-Pacific, and global levels. As a result, conflicting messages were sent out to Southeast Asia. U.S. foreign policies at the different levels are characterized by imbalances in ideals and realities of democracy; hard and soft responses to China; and multilateralism, minilateral partnership, and bilateral cooperation. For instance, the objectives of minilateral partnership at the Indo-Pacific level did not necessarily align with the objectives of Southeast Asia diplomacy. In other words, the first year and a half of Biden's diplomacy was a process

of trial and error in search for a balance between the mix of approaches.³⁹

The complex set of messages sent by the Biden administration caused confusion over U.S. intentions and willingness to engage with Southeast Asia. In fact, according to the survey findings of ISEAS-Yusof Ishak Institute, the percentage of respondents who said the level of U.S. engagement with Southeast Asia under the Biden administration “increased” was 46% compared to 71% in the previous survey, while Southeast Asia’s confidence in the United States declined to 43% from 55% in the previous survey.⁴⁰

Convergence at the ASEAN-U.S. Special Summit

The complex set of messages that the United States sent to Southeast Asia was temporarily brought clarity by the ASEAN-U.S. Special Summit and the release of the Joint Vision Statement. The summit, which had been repeatedly postponed since its planning during the Trump administration, finally took place in Washington in May 2022. This was the second in-person summit inviting ASEAN leaders since President Obama hosted it in February 2016. The meeting was attended by leaders of ASEAN member states, including Prime Minister Hun Sen of Cambodia, the ASEAN chair for 2022. Myanmar’s military junta was not invited. President Duterte of the Philippines was absent on the grounds of the presidential election, and Foreign Secretary Teodoro Locsin attended on his behalf.

The Joint Vision Statement released at the summit outlined the basic vision for cooperation between the United States under the Biden administration and Southeast Asia. The statement covers eight comprehensive areas of cooperation, namely, fighting the COVID-19 pandemic, economic cooperation and connectivity, maritime security, people-to-people exchanges, the Mekong sub-region, science and technology, climate change, and building trust. Fighting the COVID-19 pandemic and economic cooperation and connectivity were listed first, followed by maritime security including the South China Sea dispute. It was an order that took ASEAN’s preferences into consideration.⁴¹

Furthermore, the leaders agreed on the wording concerning the situations in Myanmar and Ukraine. Regarding the former, the statement urges the military junta’s timely and full implementation of the ASEAN Five-Point Consensus and demands the release of all political prisoners, including foreign people. Regarding the situation in Ukraine, the statement does not explicitly condemn Russia but reaffirms the respect for sovereignty, political independence, and territorial integrity.⁴²

In addition, like China and Australia, the United States took steps toward an early conclusion of the Comprehensive Strategic Partnership with

ASEAN. Additionally, the United States appointed an ASEAN ambassador, a position that had been vacant since the Trump administration, which was welcomed by ASEAN.⁴³ Through the Special Summit and the Joint Vision Statement, U.S.-ASEAN mutual understanding deepened at the leader level, and an agreement was reached regarding the basic vision for cooperation, which was conceivably the most optimal under the given circumstances.

In November 2022, the ASEAN-U.S. Summit was held in Cambodia with President Biden attending. At the summit, the relationship between the two sides was elevated to Comprehensive Strategic Partnership.⁴⁴ The president’s visit to Southeast Asia and attendance at ASEAN-related meetings brought the United States closer to the level of engagement desired by ASEAN and cemented their cooperation.

Expectations and Concerns of Southeast Asia

Southeast Asia and the United States laid out the basic vision for cooperation against the backdrop of the U.S.-China confrontation. Southeast Asia, for its part, has both expectations and concerns. It has expectations, especially for multilateral economic cooperation led by the United States. Shortly after the ASEAN-U.S. Special Summit, another summit-level meeting was held for the launch of the Indo-Pacific Economic Framework for Prosperity (IPEF) joined by seven Southeast Asian countries (Brunei, Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam). Southeast Asia had awaited an economic cooperation framework led by the United States, the world’s largest economic power and the largest investor in the region. This is testified by the fact that many Southeast Asian countries quickly announced their intention to join IPEF and attended the launch meeting.

IPEF does not cover free trade, such as the opening of the U.S. market, making it a dissatisfying framework for Southeast Asia. However, with China taking substantial leadership in RCEP and applying to join the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP), Southeast Asia hopes that IPEF can effectively serve as an economic hedge against China.

Alongside the above expectations, a more fundamental issue rooted in the American political system is a source of angst for Southeast Asia—that is, frequent inconsistencies in the U.S. policy toward the region. The personal preferences of the president also dictate basic U.S. policies, including foreign policy, and they change drastically with each administration. The Trump administration withdrew the United States from TPP, insisted on bilateral trade imbalances, and disregarded ASEAN’s multilateralism. His policy has virtually traumatized Southeast Asia. As of 2022, the policy direction of the

Biden administration is generally in alignment with regional preferences. Nonetheless, the U.S. policy toward the Indo-Pacific and Southeast Asia, including IPEF, may still undergo substantial changes. The changes will depend on the presidential election and other domestic circumstances and are a cause of concern for Southeast Asia.

China's Push to Consolidate Its Foothold in Southeast Asia

Comprehensive Strategic Partnership, Vaccine Diplomacy, and Belt and Road Initiative

While China keeps an eye on the proactive U.S. policy toward Southeast Asia, it has diligently consolidated its own foothold in the region. This has a dual meaning. On the one hand, the two countries are engaged in a struggle for influence in Southeast Asia, an important region for both countries. On the other hand, Beijing perceives the Quad and AUKUS as U.S. measures to contain China, and therefore, is solidifying support in Southeast Asia to break free from containment. China, having a different political system than the United States, maintains a consistent Southeast Asia policy. China participates in ASEAN's multilateralism but focuses principally on bilateral relations, striving to leverage economic cooperation to strengthen ties with Southeast Asian countries.

China's focus on Southeast Asia was first made apparent by Foreign Minister Wang Yi's intensive tours of the region. Wang visited Southeast Asia three times from 2021 to 2022 (see Table 4.3).

Table 4.3. Southeast Asia tours by Foreign Minister Wang Yi of China (2021–2022)

Date	Countries visited
January 2021	Myanmar, Indonesia, Brunei, Philippines
September 2021	Vietnam, Cambodia, Singapore
July 2022	Myanmar, Indonesia, Philippines, Thailand, Malaysia

Note: Countries are listed in the order they were visited.

After visits were put on hold in 2020 due to the COVID-19 pandemic, Foreign Minister Wang Yi stepped up diplomatic visits from 2021 and covered almost all Southeast Asian countries on three tours.⁴⁵ Particularly noteworthy were the visits to Vietnam and Singapore in September 2021, shortly after Vice President Harris of the United States visited these

countries. As the itinerary reveals, China was highly mindful of U.S. moves.⁴⁶ In addition to the visits, Foreign Minister Wang Yi invited to China the foreign ministers of Singapore, Malaysia, Indonesia, and the Philippines in a concentrated period of time from late March to early April 2021 and held bilateral meetings. It is not difficult to imagine that, through the exhaustive visits and invitations in a concentrated period, China sought to maintain and strengthen relations with a broad spectrum of Southeast Asian countries. Moreover, in November 2022, President Xi Jinping visited Indonesia and Thailand to attend the G20 and Asia-Pacific Economic Cooperation (APEC) summits.

China's Southeast Asian diplomacy culminated in its Comprehensive Strategic Partnership with ASEAN. During the ASEAN-China Special Summit to Commemorate the 30th Anniversary of ASEAN-China Dialogue Relations held virtually in November 2021, both sides declared the elevation of their relationship to a Comprehensive Strategic Partnership.⁴⁷ It showcased that China had become the first country to have the highest level of external relations with ASEAN, and more importantly, that China achieved this feat ahead of the United States. President Xi Jinping attended the summit, despite Premier Li Keqiang usually attending ASEAN-related summits. This, too, reflected China's commitment to strengthening its relationship with ASEAN.

Supporting Southeast Asia's COVID-19 response was another important component of the Chinese engagement strategy. In the initial stages of the global pandemic, while the United States was occupied with its domestic COVID-19 response, China recovered quickly and took moves to support Southeast Asia. When China called for the Special ASEAN-China Foreign Ministers' Meeting on COVID-19 in February 2020, foreign ministers from all 10 ASEAN member states gathered in the Laotian capital, Vientiane, highlighting China's strong mobilization capability.⁴⁸ Subsequently, China held frequent meetings of all levels to discuss information sharing and capacity building, in parallel with its large-scale mask diplomacy and vaccine diplomacy. Partly due to China's aim to strengthen its influence in neighboring areas, it provided substantial support to continental countries, particularly Cambodia, Laos, and Myanmar, including provision of free vaccines and deployment of medical teams from the Chinese People's Liberation Army.

Amid the COVID-19 pandemic, a slew of BRI related investments continued to be made in Southeast Asia. China has been ASEAN's largest trading partner since 2009, while ASEAN became China's largest trading partner since 2020. It signifies that the economic importance of ASEAN is increasing for China as well. With the expansion and deepening of their

economic relationship, investments related to the BRI have also intensified. Despite a drop in total BRI related investments due to the pandemic, Southeast Asia was the BRI's largest investment destination in 2020.⁴⁹ As of 2021, seven of the top 10 countries for BRI related non-financial inbound investments were in Southeast Asia. In December 2021, the Laotian section of the China-Laos Railway, one of the major projects of the BRI, was opened, connecting the capital city of Vientiane and Boten, a border town with China, in only three hours. Construction of smart hospitals and digital infrastructure is underway across Southeast Asia, as an initiative combining the COVID-19 response and digital technology. Under the banners of the "Health Silk Road" and "Digital Silk Road," the BRI is taking on new developments in Southeast Asia.⁵⁰

Will Southeast Asia Accept a China-centric Regional Order?

As discussed above, China surpasses the United States in all three aspects: relations with ASEAN; support for the COVID-19 response; and economic cooperation. Nowadays, China is seen as having an overwhelming influence in Southeast Asia. Furthermore, Southeast Asia's perception of China is improving,⁵¹ presumably due to its swiftness in supporting the region's COVID-19 response. Despite its less effective vaccines, China started to supply them more quickly than Western-made vaccines and successfully portrayed itself as providing the most vaccine support to Southeast Asia.⁵² Additionally, China's active engagement in the establishment of RCEP and application for CPTPP membership have enhanced its positive image as a "guardian of free trade."⁵³

Will Southeast Asia accept China, which has an overwhelming influence, to take the lead in shaping the region, and by extension, the Indo-Pacific? Will Southeast Asia accept China to replace the United States, which at times appears to be going astray in its Southeast Asia policy? The region remains cautious on these questions. In principle, it desires the maintenance of a United States-led regional order. As the developments in the South China Sea and the Taiwan Strait reveal, China is eroding the rules-based regional order and attempting to unilaterally change the status quo by force. China proposes new alternative options to the values advocated by the United States, such as the new security concept and the Global Security Initiative (GSI). Its actual actions, however, make it hard to believe that China respects the sovereignty and territorial integrity of other countries.

In this sense, Southeast Asia's basic approach to great power rivalry is to be neutral, pursue external relations based on inclusiveness, and

selectively adapt to the U.S.-China confrontation. In practice, Southeast Asian countries are attempting selective adaptation at the national level, such as in the areas of information and communication technology and COVID-19 response. China, which promotes the Digital Silk Road, is eager to export 5G infrastructure of Huawei and other Chinese companies. Some Southeast Asian countries partner with Chinese companies. Others rely on Western technology, or adopt a mixture of both. They reflect Southeast Asia's pursuit of strategic autonomy, so as not to be fully encompassed within China's technological and economic spheres.

As regards COVID-19 vaccines, all Southeast Asian countries, including Cambodia, procured not only China-made but also Western-made vaccines. These policies are illustrative of Southeast Asia's attempt to hedge against medical risks and to ensure that the health of their people, which is a strategic interest of national importance, is not excessively dependent on China.

"Spin-offs" of Great power Rivalry: Structuralization of the U.S.-China Rivalry

The South China Sea Dispute and the Narrowing of ASEAN's Maneuvering Space

The impact of the U.S.-China confrontation extends beyond Southeast Asian countries' struggle to balance their relationships with the two great powers. The U.S.-China rivalry structure has permeated the region and is shaking the security and regional order of Southeast Asia. In other words, great power rivalry has led to "spin-off" events in the region.

The first spin-off is the South China Sea. The territorial disputes between Southeast Asian countries and China emerged in the 1990s and have become a focal point of the U.S.-China confrontation since the 2010s. China has proceeded to build and militarize islands in the South China Sea, while the United States has countered with Freedom of Navigation Operations (FONOPs) and joint exercises. The Biden administration has conducted FONOPs regularly, and in July 2022, sailed missile destroyer USS Benfold through the Paracel Islands.⁵⁴ In the same vein, there are concerns that the deteriorating situation across the Taiwan Strait may adversely affect the situation in the adjacent South China Sea. The People's Liberation Army has repeatedly conducted exercises and training in Taiwan's periphery and ramped up activities in the South China Sea. This has raised fears about increasing tensions with the U.S. Navy, which, too, is intensifying activities

through FONOPs and other means.⁵⁵

The U.S.-China confrontation is playing out in the South China Sea, and the space for Southeast Asia's engagement is shrinking. Since the 1990s, ASEAN has aimed to create a code of conduct (COC) with China and thereby appropriately manage the South China Sea dispute. More than 20 years after the COC negotiations started, ASEAN is still discussing the first draft with China. There is no clear timeline for when the COC will be finalized. Some argue that ASEAN's inability to effectively address the South China Sea dispute has led to the rise of U.S.-led minilateral cooperation.⁵⁶

Concerns about Drifting Multilateralism

The second spin-off is found within ASEAN's multilateral cooperation framework. Both internal and external factors are shaking ASEAN's multilateralism and putting its effectiveness at risk.

The external factor is the discord between Japan and the United States (and Europe) on the one hand and China and Russia on the other as a result of Russia's invasion of Ukraine. The confrontation between the two sides has become evident, with some countries walking out from G20 and APEC meetings in protest against Russia. In response, in April 2022, a joint press release was issued by the foreign ministries of Cambodia, Indonesia, and Thailand, which were the chairs of ASEAN, G20, and APEC, respectively. The press release expressed their intention to ensure inclusiveness and invite all member states, including Russia, to their meetings.⁵⁷ The ASEAN-related meetings in Cambodia in August 2022 were held with no participants boycotting. However, at the EAS Foreign Ministers' Meeting, for instance, the Japan-U.S. side and the China-Russia side criticized each other over Ukraine and Taiwan, and the atmosphere was far from cooperative and not conducive to solving regional issues.

For ASEAN's multilateralism, a more serious issue is Myanmar, an internal factor. In response to the series of crises stemming from the coup in February 2021, ASEAN put forward the Five-Point Consensus, which included calls for the cessation of violence, humanitarian assistance, and mediation by a special envoy of the ASEAN chair. However, the military junta did not attempt to fulfill the agreed-upon terms, leading frustrated ASEAN to refuse the junta delegates' participation in the Summit, Foreign Ministers' Meeting, and the ASEAN Defense Ministers' Meeting Plus (ADMM Plus). Consequently, ASEAN unity and internal inclusiveness were compromised.

In contrast, China, which had previously exerted influence over Myanmar, took a wait-and-see approach in the immediate aftermath of the coup but

later announced support for the military junta. China urged Cambodia, the ASEAN chair in 2022, to advance the Five-Point Consensus in line with the junta's policy. Beijing also invited the regime's Foreign Minister Wunna Maung Lwin to China and pledged \$100 million in support.⁵⁸ Russia has provided equipment support for the regime's crackdown on dissidents. Combat aircraft supplied by Russia have been used for indiscriminate bombings in the dissidents' areas of activities.⁵⁹ As a "reciprocal gesture," the military junta expressed support for Russia's invasion of Ukraine and indicated it would import Russian oil.⁶⁰

In this way, China and Russia have veered toward supporting Myanmar's military junta. Such unilateral support for the military regime goes against not only the policies of Japan and the United States but also of ASEAN. The great power rivalry has not only given rise to conflicting views regarding Myanmar among external powers, but is also undermining ASEAN unity. The erosion of ASEAN unity may threaten its centrality and, in turn, cause multilateralism to become dysfunctional.

Conclusion

The ongoing great power rivalry, particularly the U.S.-China confrontation, is often described as a "new Cold War." Southeast Asia, which is facing this great power confrontation, has consistently pursued its idea of neutrality since the Cold War era. By doing so, the region has sought to manage its external relations, including with great powers, and ensure strategic autonomy.

Southeast Asia's pursuit of neutrality through ASEAN is also reflected in AOIP. In the face of the U.S.-China confrontation, ASEAN has attempted selective adaptation, and a similar approach is being taken by Southeast Asian countries.

As the regional strategies of the United States and China place more importance on Southeast Asia, the region has seen its options expand. Its relationship with the Biden administration has stabilized temporarily following some ups and downs. On the other hand, China has enhanced its diplomatic offensive to consolidate its relationship with Southeast Asia. Amid the struggles to balance relations with the United States and China, Southeast Asia desires the maintenance of a United States-led regional order, even while recognizing China's overwhelming influence in the political, economic, and security realms.

ASEAN neutrality from the post-Cold War era to the present has been a pursuit of inclusiveness, which encourages the involvement of external powers and strives to achieve regional stability through a multilateral

cooperation framework with ASEAN at the core. However, the Japan-United States versus China-Russia confrontation, along with the internal and external destabilizing factor of Myanmar, have placed Southeast Asia's survival strategy at a crossroads. ASEAN's policy decisions and Southeast Asia's pursuit of neutrality will require flexible and creative approaches, and the region's capacity to do so is being put to the test.