“Belt and Road” vs. “Free and Open Indo-Pacific”: Competition over Regional Order and ASEAN’s Responses*

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Abstract
This paper compares ASEAN’s responses to the Belt and Road Initiative (BRI) led by China and the visions on the Free and Open Indo-Pacific (FOIP) promoted by Japan and the United States. ASEAN has actively accepted the BRI with the objective of strengthening regional connectivity, and various infrastructure projects are proceeding in ASEAN countries with support received from China. Malaysia and Myanmar renegotiated several projects with China against the backdrop of increasing concerns about “debt bombs,” and China showed a flexible stance on review. There is a sense that the BRI development in ASEAN is currently back on track. On the other hand, in regard to FOIP, ASEAN is particularly expressing strong concerns about the United States’ confrontational stance with China. ASEAN presented its own outlook on the Indo-Pacific, and indirectly disavowed the United States’ initiative. In general, ASEAN sees more concrete prospects through the BRI, and forecasts the arrival of a new age in which China shoulders the regional order.

Introduction
The power struggle between the United States and China is currently unfolding not only in Asia but also on the global stage. Amidst extensive disputes ranging from the military to economics, the trade war is attracting the most attention from the international community, as well as rivalry for IT hegemony, including for 5G. However, the competition concerning the regional order in a more abstract and wider sense is intensifying. China has been strongly promoting the BRI in recent years. The initiative is one of wide-area economic cooperation aimed at development of the sphere by maintaining a “Silk Road Economic Belt” stretching from China to Europe through Central Asia, as well as a “Twenty-first Century Maritime Silk Road” stretching from China to the Mediterranean Sea through Southeast Asian maritime areas and the Indian Ocean. Based on the initiative, China is strongly supporting infrastructure development in various countries mainly through loans from government-affiliated financial institutions. By contrast, Japan and the United States are advocating FOIP. From the perspective of connecting Asia and Africa via the Indian Ocean and Pacific Ocean, this vision implements economic development in the region through free trade and infrastructure improvement. The initiative also promotes security cooperation among countries in the region in order to maintain regional order and freedom of navigation based on the

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rule of law. Although Japan and the United States do not necessarily have the same recognition of FOIP, they share the basic concepts of placing importance on the rule of law and freedom of navigation as well as participating in regional development.

Southeast Asia occupies the central position both geographically and strategically in both the BRI and FOIP competing regional order initiatives. It forms the nexus of the Pacific and Indian Oceans, and is also a geopolitically important region that possesses internationally vital sea lanes, such as the South China Sea and the Strait of Malacca. To China, Southeast Asia is not only in a strategic position for maritime transportation between itself and the Middle East, Africa, and ultimately Europe, but also has important significance for China’s security particularly because continental Southeast Asia neighbors southern China. For the FOIP vision, both Japan and the United States have identified the importance of the Association of Southeast Asian Nations (ASEAN) based on recognition of both its geopolitical importance as well as the fact that cooperation with ASEAN countries, which are continuing to maintain strong economic development, is essential for realizing the vision.

The United States and China are taking part in the power struggle over the future regional order. Amidst the battle of the two initiatives about regional order, how has ASEAN responded, and what position it is trying to occupy in the Indo-Pacific region? With this awareness of the issues, this paper compares ASEAN’s recognition and responses to the BRI and the FOIP visions. For the comparison, this paper focuses on “balance,” a major characteristic seen in ASEAN’s foreign policy. ASEAN has balanced economics and security thus far. It has advanced economic cooperation with China with the aim of contributing to its own economic development, and endeavored to protect the strategic interests of ASEAN countries related to regional security issues concerning China, including the South China Sea. On the other hand, ASEAN has avoided choosing between the United States and China, seeking balance between its relations with the two great powers. Particularly from the perspective of the rise of China’s military, ASEAN has pursued methods of checking China while retaining security-related involvement by the United States.1 This paper explores ASEAN’s responses to the two rival regional order initiatives from the perspective of balance concerning areas and foreign relations.

1. The BRI and ASEAN: Aiming to Strengthen “ASEAN Connectivity”

I will first consider the concept of “ASEAN connectivity” in exploring ASEAN’s recognition of China’s BRI. ASEAN Connectivity is part of building the ASEAN Community established at the end of 2015, and aims to realize a more resilient and well-connected ASEAN. ASEAN Connectivity is based on the three pillars of the ASEAN Community (Political-security Community, Economic Community, and Socio-cultural Community), made up of physical, institutional, and people-to-people linkages.2 In this way, the concept of strengthening connectivity has been integral to community-building projects pursued by ASEAN since 2003, and has been a continuous initiative to enable closer cooperation among member states following the establishment of the ASEAN Community.

ASEAN issued the ASEAN Leaders’ Statement on ASEAN Connectivity at the summit in Hua Hin, Thailand in October 2009, announcing the concept about ASEAN Connectivity for the first time in an official, comprehensive manner. The statement presented a concept of connectivity, and clarified the basic policy for advancing various projects on both hard and soft aspects based on the concept. Bearing in mind the geopolitical importance of Southeast Asia occupying the central position in the Indo-Pacific, the statement firstly indicated the importance of building a network of various transportation methods and infrastructure improvement for roads, railroads, and maritime routes physically connecting areas inside Southeast Asia as the policy to contribute to strengthening connectivity. The purpose was firstly to promote trade, investment, and tourism development within ASEAN by improving transportation infrastructure, particularly contributing to economic development of “CLMV” (Cambodia, Laos, Myanmar, and Vietnam), four ASEAN countries that joined late. The primary objective of strengthening connectivity was to eliminate the so-called “ASEAN divide” of economic disparity between these four countries and the five countries that established ASEAN (six countries with the addition of Brunei). In other words, efforts to strengthen connectivity were positioned as part of building the ASEAN Economic Community (AEC), one of the three pillars of the ASEAN Community.

In addition to the benefits for economic development brought about by strengthening connectivity, the Leaders’ Statement also indicated expectations that physical and other forms of connectivity would promote regional integration and foster a sense of unity in the region. The statement also mentioned promotion of people-to-people exchanges within the region, and stated that increased people-to-people contacts would contribute to building the ASEAN Community. This assertion was based on the idea that strengthening connectivity would promote building the ASEAN Socio-Cultural Community (ASCC), one of the three pillars of the ASEAN Community.

The statement also clarified that ASEAN would actively pursue support from its dialogue partners, including China, and international aid organizations in relation to strengthening connectivity and foreign relations. It particularly emphasized infrastructure improvement in relation to external support, of course mentioning not only technical support for this but above all strong expectations for financial support. However, the actors specified in the statement for its strong expectations for support were the Asian Development Bank (ADB), the United Nations Economic and Social Commission for Asia and the Pacific (UNESCAP), and the Economic Research Institute for ASEAN and East Asia (ERIA). It can be said that mentioning the ADB and ERIA by name showed the stance of placing particular importance on and expectations for Japan’s role mainly played in those organizations. In other words, at that time, expectations for China were not relatively that high.

Based on the Leaders’ Statement in 2009, the Master Plan on ASEAN Connectivity was announced at the 2010 ASEAN Summit held in Hanoi. The master plan laid out three directions for strengthening connectivity that ASEAN should realize for community building in 2015, which were infrastructure improvement (physical connectivity), effective institutions, mechanisms and

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3 ASEAN, “ASEAN Leaders’ Statement on ASEAN Connectivity,” Cha-am Hua Hin, Thailand, October 24, 2009.
4 Ibid.
5 Ibid.
processes (institutional connectivity), and empowered people (people-to-people connectivity). Among them, physical connectivity would be composed of three fields of transportation, information and communication technology (ICT), and energy.

Among the aforementioned three fields, the master plan raises the ASEAN Highway Network (AHN) and the Singapore-Kunming Rail Link (SKRL) as projects that should particularly be promoted in the transportation field. “Missing links” across wide areas are cited as issues for both projects. For example, the 230 km-long undeveloped area in Myanmar was cited as an issue for the AHN, as well as immediate development of the unmaintained roads totaling 5,300 km throughout ASEAN countries. For the SKRL, there were particularly undeveloped areas spanning 4,100 km centered on underdeveloped countries in continental Southeast Asia, and it was declared important to secure technical and financial support from ASEAN’s dialogue partners and international organizations. Furthermore, regarding ports, ASEAN designated 47 ports centered on its maritime nations of Indonesia, Malaysia, and the Philippines as major ports in the “trans-ASEAN transport network,” and emphasized the importance of prioritizing improvement of them.

In this way, the master plan specified seven priority issues as the “key strategies to enhance physical connectivity,” centered on transportation and also including ICT and energy fields: (1) completion of the AHN, (2) completion of the SKRL, (3) establishment of an efficient and integrated inland waterways network, (4) establishment of an integrated, efficient and competitive maritime transport system, (5) establishment of integrated and seamless multimodal transport systems to make ASEAN the transport hub in the East Asia region, (6) improvement of ICT infrastructure in the member states, and (7) resolution of institutional issues in energy infrastructure projects. In the master plan, it can be said that ASEAN generally placed importance on improvement of roads, railroads, and ports, and had strong expectations for technical and financial support from its dialogue partners.

At the end of 2015, ASEAN announced the establishment of the ASEAN Community. In November 2015, ahead of its establishment, the ASEAN Summit was held in Kuala Lumpur, and the member states agreed to continue efforts to build the community even after its establishment. ASEAN announced the ASEAN Community Vision 2025 as the basic policy through 2025, and stated that further efforts would be made for strengthening connectivity particularly in relation to building the economic community.

As the revised version of the 2010 master plan based on the ASEAN Community Vision 2025, in August 2016, the Master Plan on ASEAN Connectivity 2025 was issued, summarizing efforts for strengthening connectivity thus far and stipulating future project plans. The new master plan kept the three concepts of physical, institutional, and people-to-people connectivity presented in the 2010 master plan, and also established five strategic areas of (1) sustainable infrastructure, (2) digital innovation, (3) seamless logistics, (4) regulatory excellence, and (5) people mobility. Because maintaining “sustainable infrastructure” was raised first, it can

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7 Ibid., p. 2.
8 Ibid., pp. 11-13.
9 Ibid., p. 38.
be said that the new master plan again designated improvement of physical infrastructure such as roads, railroads, and ports as a matter of utmost priority. In addition, as part of the specific project plans, the plan specified its estimate that over $110 billion in investment would be needed annually in the region to respond to infrastructure demand in ASEAN’s member states. The plan also emphasized the necessity of various means to procure such massive funds, including support from countries outside the region.12

2. Connection between the BRI and ASEAN Connectivity: Active Acceptance in the Context of Strengthening Connectivity

As stated above, strengthening connectivity as promoted by ASEAN emphasizes physical infrastructure improvement as a matter of utmost priority. At the same time, infrastructure improvement requires massive financing, and presumes active support from non-ASEAN countries to secure funding. In this sense, the BRI, which promotes infrastructure improvement in various countries and regions through assistance, such as finance provision, from China can be said to have a substantial “connection” with connectivity for ASEAN. This is why ASEAN immediately welcomed the BRI when it was proposed, and has taken a position of actively accepting it.

ASEAN actually expected support from China for regional infrastructure improvement before the BRI was officially raised by China. The Chairman’s Statement of the ASEAN-China Summit, which occurred on the margins of the Hua Hin Summit in October 2009 when ASEAN first formulated connectivity, stated regarding expectations for cooperation from China, “The ASEAN Leaders, therefore, strongly welcomed China’s initiatives to promote infrastructure development.” It also mentioned Chinese financing for ASEAN, including $10 billion in investment cooperation for the China-ASEAN Fund on Investment Cooperation. The statement also expressed strong expectations for Chinese support for development of the Mekong Basin, particularly highway construction in Myanmar and Cambodia and construction of double-track railways between Singapore and Kunming.13

After China launched the BRI in 2015, the ASEAN basic stance was to actively participate in it. The Joint Statement of the ASEAN-China Summit held in September 2016 in Vientiane, the capital of Laos, stated the following:

We will continue to strengthen cooperation in the area of connectivity that will bring mutual benefits, including through capacity building and resource mobilisation for the Master Plan on ASEAN Connectivity 2025 (MPAC 2025), exploring ways to improve connectivity between both sides by synergizing common priorities identified in the MPAC 2025 and China’s “Belt and Road” initiative, and encourage the active involvement of relevant multilateral financial institutions.14

12 Ibid., pp. 24, 43.
13 ASEAN, “Chairman’s Statement of the 12th ASEAN-China Summit,” Cha-am Hua Hin, Thailand, October 24, 2009.
The Chairman’s Statement stated the following:

The ASEAN Leaders appreciated China’s continued support for enhancing connectivity within ASEAN and the region, through supporting the implementation of the Master Plan on ASEAN Connectivity 2025. We looked forward to the active involvement and contribution of the Asian Infrastructure Investment Bank (AIIB) in promoting enhanced ASEAN and regional connectivity. We were further determined to maximise the utilisation of existing mechanism and committed resources as well as to explore cooperation to enhance connectivity between ASEAN and China.\(^{15}\)

In this way, ASEAN clearly connected connectivity and China’s BRI, and clarified its intent to implement its project plans within China’s initiative. ASEAN’s stance to accept China’s initiative was also seen in its participation in the AIIB. All of the ASEAN member countries participated from the start in the AIIB established under the initiative of China at the end of 2015. This included the Philippines under the Aquino administration, which had had a pointed confrontation with China concerning the South China Sea at the time. ASEAN’s stance showed the irresistible appeal of China’s economic clout.

<table>
<thead>
<tr>
<th>Country</th>
<th>Investment amount (unit: $100 million)</th>
<th>Investment rate (%)</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei</td>
<td>0.52</td>
<td>0.054</td>
</tr>
<tr>
<td>Cambodia</td>
<td>0.62</td>
<td>0.064</td>
</tr>
<tr>
<td>Indonesia</td>
<td>33.6</td>
<td>3.48</td>
</tr>
<tr>
<td>Laos</td>
<td>0.43</td>
<td>0.045</td>
</tr>
<tr>
<td>Malaysia</td>
<td>1.1</td>
<td>0.11</td>
</tr>
<tr>
<td>Myanmar</td>
<td>2.65</td>
<td>0.27</td>
</tr>
<tr>
<td>Philippines</td>
<td>9.8</td>
<td>1.01</td>
</tr>
<tr>
<td>Singapore</td>
<td>2.5</td>
<td>0.26</td>
</tr>
<tr>
<td>Thailand</td>
<td>14.3</td>
<td>1.48</td>
</tr>
<tr>
<td>Vietnam</td>
<td>6.63</td>
<td>0.69</td>
</tr>
<tr>
<td>China</td>
<td>297.8</td>
<td>30.8</td>
</tr>
</tbody>
</table>

Source: AIIB website

Against the backdrop of the connection between ASEAN connectivity and the BRI, leaders of ASEAN’s member countries were showing a stance of actively accepting support from China on a bilateral level. The Najib Razak administration in Malaysia and the Hun Sen administration in Cambodia were particularly active. In an interview conducted when he participated in the Belt and Road Forum for International Cooperation held in May 2017 in Beijing, Prime Minister Najib of Malaysia expressed his approval of “win-win” cooperation emphasized by China. He also listed BRI-related railroad construction projects of the railroad connecting China and Laos, the high-speed railways of Indonesia and Thailand, and Malaysia’s East Coast Rail Link (ECRL), and

praised China’s support for these “game-changing infrastructure projects.” Particularly in regard to the ECRL, he expressed strong expectations by stating, “The rail line will drive connectivity and economic growth for Malaysia’s underdeveloped east coast, and act as a land-bridge enabling cost-and time-efficient transport of goods between Africa, the Middle East and Asia.”16 Prime Minister Najib’s statement represented ASEAN’s view of strongly supporting the BRI.

Leaders of the continental Southeast Asian countries of Cambodia, Laos, and Myanmar also expressed support for the BRI in succession. Prime Minister Hun Sen of Cambodia said at a press conference before attending the forum that the BRI advocated by China gives hope to developing countries for infrastructure development. President Bounnhang Vorachith of Laos stated in his speech at the forum, “The Lao PDR highly values the importance of the initiative and supports the Belt and Road strategy.”17 Furthermore, State Counsellor Aung San Suu Kyi of Myanmar met with President Xi Jinping of China at the forum and praised the BRI by saying that it would “bring peace, reconciliation, and prosperity to the region and the world.”18

Table 2. List of ASEAN Leaders who Attended the Belt and Road Forum for International Cooperation (May 14-15, 2017, Beijing)

<table>
<thead>
<tr>
<th>Country</th>
<th>Name</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>Prime Minister Hun Sen</td>
</tr>
<tr>
<td>Indonesia</td>
<td>President Joko Widodo</td>
</tr>
<tr>
<td>Laos</td>
<td>President Bounnhang Vorachith</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Prime Minister Najib Razak</td>
</tr>
<tr>
<td>Myanmar</td>
<td>State Counsellor Aung San Suu Kyi</td>
</tr>
<tr>
<td>Philippines</td>
<td>President Rodrigo Duterte</td>
</tr>
<tr>
<td>Singapore</td>
<td>Minister for National Development Lawrence Wong</td>
</tr>
<tr>
<td>Thailand</td>
<td>Minister of Foreign Affairs Don Pramudwinai and four ministers</td>
</tr>
<tr>
<td>Vietnam</td>
<td>President Tran Dai Quang</td>
</tr>
</tbody>
</table>


BRI development in ASEAN has the following three characteristics. The first characteristic is the many concurrent large-scale projects for railroad construction and port development spanning the region. Examples of railroad construction include the above-mentioned high-speed railway connecting Kunming, Yunnan Province, China with Laos’ capital city of Vientiane, as well as the high-speed railway connecting Thailand’s capital city of Bangkok with the northeastern city of Nakhon Ratchasima. These routes linking Laos and Thailand that are currently in the planning stages, as well as the high-speed railway connecting Malaysia and Singapore, are major plans for a great railway route that will someday run from southern China to Singapore. Railway projects within countries include the ECRL in Malaysia, the Phnom Penh-Sihanoukville high-speed railway in Cambodia, and the Jakarta–Bandung high-speed railway in Indonesia. Examples of

16 South China Morning Post, May 12, 2017.
port development include Koh Kong and Sihanoukville in Cambodia, Kyaukpyu in Myanmar, as well as Kuantan and Malacca in Malaysia. In this way, the status of implementation of BRI-related projects correspond with the policy of ASEAN connectivity of placing importance on infrastructure development for railroads and ports. The connection between the BRI and ASEAN connectivity has become an opportunity to make cooperative relations between ASEAN and China even closer.

The second characteristic of BRI development is the diversity and composite nature of the projects. In addition to the abovementioned large-scale projects, various countries have planned much relatively small-scale infrastructure, involving constructing general roads and power plants, some of which are currently under construction. A large number of composite integrated development projects are currently underway, including development of special economic zones that have railroad construction and port development as a set, development of resort complexes with casinos, hotels, and residences, and smart city plans.

The third characteristic is the uneven distribution of BRI-related development in Southeast Asia. BRI-related projects have not been undertaken uniformly throughout the 10 ASEAN countries, but rather have been concentrated specifically on Malaysia, Cambodia, Laos, and Myanmar. This uneven distribution indicates the tendency of China to place importance on cooperation with continental countries in Southeast Asia. They also reflected China’s good relations with the leaders of certain countries, such as Prime Minister Najib of Malaysia and Prime Minister Hun Sen of Cambodia.

However, it is not the case that the maritime countries of Indonesia and the Philippines had no interest in the BRI. The countries also showed major interest in Chinese support like the countries that actively advance cooperation. This stance was expressed in the attendance by these countries’ leaders – President Joko Widodo of Indonesia and President Rodrigo Duterte of the Philippines – at the First Belt and Road Forum for International Cooperation.

Although the developed country of Singapore does not particularly need support from China for its infrastructure development, it has discovered major business opportunities in the BRI. China has actually greatly utilized Singapore as an international financial center. According to Alan Chong, Singaporean scholar on international relations, one third of China’s foreign investment is routed through Singapore, and in particular, Singaporean financial institutions have participated in two thirds of BRI-related financing in ASEAN.\(^\text{19}\) By implementing BRI financing via Singapore, China has raised the level of international confidence in its financing, and hopes there will be effects to raise the level of credibility of the BRI itself.

Like the other ASEAN countries, Vietnam supports the BRI and has indicated that it would like to participate in the initiative. However, unlike other countries, Vietnam is maintaining an extremely cautious stance toward concretely implementing large-scale infrastructure development projects through receipt of financial support from China. Amidst ongoing tensions with China in the South China Sea, particularly following the striking fall in Vietnam’s political trust in China due to the oil rig incident in 2014, Vietnam has become more cautious of deepening its economic dependence on China. This is why Vietnam places importance on other options, such as Japan, to avoid increasing its dependence on China in regard to support it receives from other countries to

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**Table 3. Examples of BRI-Related Large-Scale Infrastructure Projects**

<table>
<thead>
<tr>
<th>Country</th>
<th>Projects</th>
</tr>
</thead>
<tbody>
<tr>
<td>Cambodia</td>
<td>Koh Kong Port development</td>
</tr>
<tr>
<td></td>
<td>Sihanoukville Port area development</td>
</tr>
<tr>
<td></td>
<td>Phnom Penh-Sihanoukville highway</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Jakarta–Bandung high-speed railway</td>
</tr>
<tr>
<td>Laos</td>
<td>Vientiane-Boten high-speed railway</td>
</tr>
<tr>
<td>Malaysia</td>
<td>East Coast Rail Link (Kelantan-Kuantan-Klang)</td>
</tr>
<tr>
<td></td>
<td>Kuantan Port development</td>
</tr>
<tr>
<td></td>
<td>Malacca Gateway</td>
</tr>
<tr>
<td>Myanmar</td>
<td>Kyaukphyu Port development</td>
</tr>
</tbody>
</table>

Source: Compiled by the author from various materials.

![Figure 1. BRI Development in ASEAN](image)

assist its infrastructure improvement. Vietnam particularly aims to ensure political and diplomatic leverage against China to avoid harming its strategic interest in the South China Sea.²⁰

### 3. Strategic Implications of the BRI: Suspicions about Construction of Chinese Naval Bases

Rumors have circulated about China’s hidden agenda for the BRI besides economic cooperation centered on infrastructure development. There are suspicions that China’s agenda is to improve harbors in various countries under the pretext of supporting infrastructure development, acquire the exclusive right to use some harbors, turn those harbors into naval bases for the People’s Liberation Army (PLA) in future, and thus support the Chinese navy’s global expansion. Suspicions have

focused on Gwadar in Pakistan, Hambantota in Sri Lanka, and Vanuatu in the South Pacific as representative examples. American, Indian and Australian experts have expressed strong suspicions about China’s hidden agenda for the BRI in South Asia and Pacific Island Countries.

In Southeast Asia, the United States has linked China’s movements, particularly its increasing military presence including its militarization of islands in the South China Sea, to the expansion of its economic clout represented by the BRI. China’s comprehensive influence has become dominant in the region, and the United States has strong concerns that it could possibly threaten the regional order that has been led by the United States. Suspicions about Koh Kong in Cambodia have arisen as the backdrop for such concerns. Construction of a large-scale deep water port was planned as a BRI-related project in Koh Kong Province, and concerns arose that it could be diverted for use as a base by the Chinese navy. On November 15, 2018, the Asia Times reported that there was a possibility that U.S. Vice President Mike Pence, who was visiting Singapore and Papua New Guinea to attend the ASEAN-related meetings and the Asia-Pacific Economic Cooperation (APEC) Economic Leaders’ Meeting, might bring up the issue at either of the meetings.21 Although it seems that he did not actually raise the issue at the meetings, it is said that on his way back from Singapore after attending the ASEAN-related meetings, Prime Minister Hun Sen of Cambodia received a letter from Pence which expressed the United States’ concerns regarding its suspicions.22

Regarding the United States’ concerns, Prime Minister Hun stated that Cambodia’s constitution stipulated that foreign military bases could not be located in Cambodia, and completely denied the suspicions.23 Moreover, people related to the Cambodian government concluded that the United States’ suspicions were “psychological warfare” to keep Cambodia in check, and that they were groundless.24 Overall, regarding rumors in Cambodia that China might place a military base in Koh Kong, the truth is not clear.

Despite the repeated denials by Cambodia and China, the United States’ suspicions have not been completely dispelled. In addition to Koh Kong, the United States has suspicions about Ream Naval Base in Sihanoukville, Cambodia. According to reporting by the Wall Street Journal, Cambodia and China concluded a secret agreement to allow China to use Ream Naval Base for 30 years.25 Deputy Assistant Secretary of Defense for South and Southeast Asia Joseph Felter of the U.S. Department of Defense conveyed the United States’ concerns in a letter to Minister for National Defense Tea Banh, but Tea Banh denied the suspicions.26

In this way, if we extract the conditions that emerge for suspicions about construction of Chinese naval bases to compare with other cases, the following points can be raised: (1) port development is conducted with receipt of support from China as part of the BRI, (2) China and the country where development is conducted are keeping good relations, including the personal relationships between the political leaders of the countries concerned and China’s political leadership (conversely, relations with the United States are not good), (3) the financing and development

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22 Ibid.
24 The Phnom Penh Post, November 26, 2018.
scale are excessive compared to the economic rationale, and (4) the locations are strategically important for China, particularly for the presumed future global expansion of the Chinese navy.

If we re-consider the suspicions about bases in Cambodia bearing the above conditions in mind, conditions (1) and (2) are compatible. Regarding condition (3), China’s direct investment in Cambodia reached about $13 billion by 2017, with a significant portion directed to development in Koh Kong and Sihanoukville. It cannot be said that it is unsuspicious in terms of economic rationality to carry out large-scale development simultaneously in two nearby areas.

The problem is condition (4). Dara Sakor Port in Koh Kong is being developed as a large-scale port, and it is believed that it could be equipped with sufficient facilities for Chinese naval vessels to stop at the port and receive logistical support. It is certainly true that Cambodia’s coast is close to the South China Sea, which raises China’s strategic objective to strengthen its control of the South China Sea. However, although Koh Kong and Ream are close to the South China Sea, they do not face it. As China attempts to militarize the islands in the South China Sea and strengthen its control over this maritime area, it is worth considering whether it would be strategically necessary for China to possess a new naval base in Cambodia.

In addition, Koh Kong and Ream are not located in positions that would resolve China’s so-called Malacca dilemma. There is an argument that if a canal traversing Thailand’s area of the Malay Peninsula were to be developed with China’s support, the “Malacca dilemma” would be eliminated, and the strategic significance of the Chinese navy having a base in Cambodia would rapidly rise. However, at the present point, it is believed that there is a low probability of development of the immensely costly canal actually being carried out.

In general, while it could make sense for China to have a permanent base in Cambodia as one of its strategic options, it would be hard to call this a strategic necessity. Enormous costs would be incurred in maintaining the base (Cambodia does not have the financial capacity to bear the costs), and the option would cause fierce opposition from related countries, especially the United States and Vietnam. Establishing a base could also worsen Cambodia’s relations with the United States, Vietnam, and Thailand. Although it is necessary to pay attention to China’s (naval) developments in the medium to long term, there is not necessarily a high

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28 South China Morning Post, January 13, 2019.
probability that a Chinese naval base will be built in Cambodia at present. For example, if the developed port were to be utilized for military and civilian uses, it would be possible that stops by Chinese navy vessels would become more frequent. However, due to the recent escalation of the confrontation between the United States and China, it cannot be denied that there is a possibility that the Chinese navy’s overseas expansion will be proceeding fully at an earlier date, and that its activities will increase near the South China Sea. In this case, Cambodia’s strategic importance would rapidly increase.

4. Review of BRI-related Projects and ASEAN’s Re-adaptation

ASEAN had been actively participating in the BRI, but policy changes that can be called a backlash to its previous positive stance occurred in several countries in 2018. One major factor that affected the countries’ policies was that Sri Lanka’s Hambantota Port came under Chinese control based on the 99-year long-term lease agreement due to Sri Lanka reaching a standstill in repaying its debt. With the Sri Lankan example before their eyes, ASEAN countries began to think about the BRI in connection with their territorial sovereignty, and reconsider the profitability and their potential to repay their debts for related projects based on fears of a “debt bomb.”

A representative example is Malaysia. During the Najib administration, Malaysia concluded agreements with China for several large-scale infrastructure development projects, including the ECRL. Although these projects included ones whose profitability was doubted, Prime Minister Najib would repeatedly declare that there were no problems. The first change in government in Malaysia’s history occurred as a result of the general election in May 2018, and former Prime Minister Mahathir Mohamad became Prime Minister again after his retirement in 2003. Prime Minister Mahathir raised settlement of the “negative legacy” of the previous administration, including finance reform, as a matter of utmost priority for his policies, and began review of BRI-related projects.

The matter prioritized for review was the ECRL. Immediately following his inauguration, Prime Minister Mahathir renegotiated the ECRL with China, and indicated that he would suspend the Kuala Lumpur-Singapore high-speed railway project itself. He visited China in August 2018 and met with President Xi Jinping and Premier Li Keqiang. At the meeting, he conveyed to China that he would suspend several projects, including the ECRL.29

*The Wall Street Journal* reported on January 7, 2019 about the connection between corruption suspicions involving former Prime Minister Najib and the BRI. According to the article, the former Prime Minister misappropriated funds for his personal use, and requested help from China when the state-run investment company 1MDB, which was suspected of being used for money laundering, fell into financial difficulties. As compensation, the Malaysian government offered to conclude contracts for many infrastructure construction projects with Chinese state-run businesses. After this, Malaysia concluded contracts for railroad and pipeline construction projects totaling over $34 billion, with financing from Chinese financial institutions and construction by Chinese laborers.30

In late January 2019, the Malaysian government voided the contract for the ECRL with China.

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Communications Construction Company Limited, and decided to solicit a new contractor.\textsuperscript{31}

After this, the renegotiations concerning the ECRL between Malaysia and China were settled in a far more beneficial manner than before. In April 2019, Prime Minister Mahathir announced the new plan agreed upon with China. According to the announcement, the general costs would be cut by roughly one third compared to the initial plan, and the Malaysian government’s liabilities would be reduced. China also agreed to import palm oil from Malaysia in an arrangement beneficial to the Malaysian side.\textsuperscript{32} The renegotiations on the ECRL showed the international community Prime Minister Mahathir’s diplomacy skills, and that China was prepared to respond very flexibly in order to eliminate countries’ concerns about the BRI and keep them participating in the initiative.

Although it is not certain whether there was influence from Malaysia, a similar movement occurred in Myanmar. Due to concerns that the project costs for development of Kyaukpyu Port were too high, the Myanmar government renegotiated with China. As a result, in November 2018 the Myanmar government signed a basic agreement with the group of companies including CITIC Group Corporation Ltd. The initial plan agreed upon in 2015 had general construction costs of $7.2 billion, with the phase 1 plan costing $1.6 billion. However, the project this time will have a total of four phases, and be revised in a manner that confirms its profitability at each stage. In addition, the phase 1 general construction costs were estimated at $1.3 billion, and the Chinese investment rate fell from 85\% to 70\%.\textsuperscript{33}

Against the backdrop of the renegotiations by Malaysia and Myanmar at the time, various issues concerning BRI-related projects in ASEAN were scrutinized, including the substantial delay in the construction time for the Jakarta–Bandung high-speed railway in Indonesia and the tough financing negotiations for the railroad project in Thailand. However, these reviews and raising of issues concerning BRI-related projects ultimately entailed re-examination of projects based on profitability and the ability to repay debts, occasionally resulting in renegotiations, and did not denote reducing economic cooperation with China.

In reality, the new Malaysian government’s review of BRI-related projects garnered attention, and although moving away from the initiative was discussed, China steadily advanced related projects with other ASEAN Member States. One of the most favorable projects in ASEAN is the railroad construction in Laos. The project’s plan is to link Kunming, China with Vientiane, the capital of Laos, by high-speed railway, and the current construction project spans a total of 420 km. The construction began in 2016 with the goal of launching operations in 2021. As of December 2018, construction has been completed on a series of tunnels in Xishuangbanna Dai Autonomous Prefecture, Yunnan Province, China on the border of Laos.\textsuperscript{34} The general construction costs for the railroad are estimated at about $5.8 billion, which is nearly half of Laos’ GDP. However, Prime Minister Thongloun Sisoulith stated at an international conference in Tokyo, “On the part of the Lao government, we will have one-fifth of the budget for the construction. I am not concerned much about the burden of debt.” He displayed an optimistic outlook that the debt borne by Laos would not become a “bomb.”\textsuperscript{35}

\textsuperscript{31} \textit{The Straits Times}, January 23, 2019.
\textsuperscript{32} \textit{Channelnewsasia}, April 15, 2019.
\textsuperscript{33} \textit{Mainichi Shimbun}, November 8, 2019; \textit{Irrawaddy}, November 9, 2018.
\textsuperscript{34} \textit{Xinhuanet}, December 1, 2018.
In addition to the Jakarta–Bandung railroad construction, Indonesia has also approached Chinese companies about contracts as part of the BRI in relation to various infrastructure projects totaling $60 billion. In addition, in September 2018, Myanmar and China signed a memorandum on establishment of the China-Myanmar Economic Corridor (CMEC). The corridor would extend for 1,700 km from Kunming to Kyaukpyu Port via the central Myanmar cities of Mandalay and Yangon, and both countries assumed various cooperation fields ranging from infrastructure to agriculture to finance. As part of the CMEC, in addition to planning construction of a special economic zone in China’s border zone, consultations began on a new railroad construction project. Malaysia, which had agreed on the ECRL with China, also reversed course and began to indicate the desire to again participate in the BRI. In addition to resuming development of Malaysian cities by China, Prime Minister Mahathir is also positive about adopting Huawei’s 5G technology.

The Duterte administration of the Philippines, which promotes cooperation with China, also has announced active participation in the BRI, and various bilateral economic cooperation agreements were signed when President Xi visited the Philippines. The Duterte administration is currently promoting its large-scale infrastructure improvement plan called the “Build, Build, Build (BBB) Program.” The program aims to achieve balanced employment and economic growth throughout the Philippines and contribute to resolving poverty issues by improving transportation infrastructure of highways, bridges, railroads, and airports. The total cost of the infrastructure improvement plan has climbed to $180 billion, for which support from other countries is presumed because the Philippines naturally cannot cover the financing itself. One of the assisting countries is clearly China. When he attended the Second Belt and Road Forum for International Cooperation held in Beijing in April 2019, President Duterte held a private meeting with President Xi and Premier Li, and received China’s agreement to provide financial support for the BBB Program. During President Duterte’s visit to China, China and the Philippines also agreed on transactions totaling $12 billion for energy development, infrastructure improvement, food production, telecommunications, and more. Furthermore, in June 2019, the Power Construction Corporation of China announced a plan to contribute a total of $3 billion to 11 development projects, including for energy development, railroads, and highways, in relation to the BRI.

In this way, there is a sense that BRI development in ASEAN is back on track. Like the first forum, the Second Belt and Road Forum for International Cooperation held in April 2019 was participated in by nearly all the government leaders of ASEAN countries. Even simply comparing the lists of attendees, the second forum had a higher level of participation by country leaders than the first forum, which clearly shows the importance of the BRI to ASEAN. China is also aiming to

36 The Straits Times, December 6, 2018.
38 The ASEAN Post, April 20, 2019.
41 Manila Standard, April 27, 2019.
secure the support of related countries for the BRI through means such as showing a stance with an emphasis on transparency in projects. The BRI, which can change to more refined assistance schemes, is contributing to strengthening ASEAN-China relations from the perspective of ASEAN connectivity as well.

Table 4. List of ASEAN Country Leaders who Attended the Second Belt and Road Forum for International Cooperation (April 25-27, 2019, Beijing)

<table>
<thead>
<tr>
<th>Country</th>
<th>Leader/Title</th>
</tr>
</thead>
<tbody>
<tr>
<td>Brunei</td>
<td>Sultan Haji Hassanal Bolkiah</td>
</tr>
<tr>
<td>Cambodia</td>
<td>Prime Minister Hun Sen</td>
</tr>
<tr>
<td>Indonesia</td>
<td>Vice President Jusuf Kalla</td>
</tr>
<tr>
<td>Laos</td>
<td>President Bounnhang Vorachit</td>
</tr>
<tr>
<td>Malaysia</td>
<td>Prime Minister Mahathir Mohamad</td>
</tr>
<tr>
<td>Myanmar</td>
<td>State Counsellor Aung San Suu Kyi</td>
</tr>
<tr>
<td>Philippines</td>
<td>President Rodrigo Duterte</td>
</tr>
<tr>
<td>Singapore</td>
<td>Prime Minister Lee Hsien Loong</td>
</tr>
<tr>
<td>Thailand</td>
<td>Prime Minister Prayut Chan-o-cha</td>
</tr>
<tr>
<td>Vietnam</td>
<td>Prime Minister Nguyen Xuan Phuc</td>
</tr>
</tbody>
</table>

Source: “Second Belt and Road Forum Top-level Attendees,” The Diplomat, April 27, 2019

5. FOIP and ASEAN

FOIP advocated by Japan aims to enhance the connectivity of Asia and Africa through the Indian Ocean and promote stability and prosperity throughout the region. It is composed of three pillars of establishment of the rule of law, pursuit of economic prosperity, and commitment for peace and stability. One of the main aims of FOIP is supporting infrastructure development. In June 2018, Prime Minister Abe announced a plan to establish a $50 billion investment framework to improve regional infrastructure.

Japan is developing vigorous diplomatic activities to receive support from ASEAN countries for FOIP. According to materials by the Japanese Ministry of Foreign Affairs (MOFA), reactions by ASEAN countries can be briefly listed as follows.

- Brunei: Welcoming (July 2018 Foreign Ministers’ Meeting)
- Cambodia: Welcoming and supportive (August 2017 Summit Meeting)
- Indonesia: Expressed interest in collaboration with the Indian Ocean Rim Association (IORA), which Indonesia chairs (January 2017 Summit Meeting)
- Laos: Stated that the leadership of Japan is important, and that Laos also intends to participate actively in the discussions in ASEAN (June 2018 Summit Meeting)
- Malaysia: Stated that confrontation and tension are not desirable, and ensuring freedom of navigation is important (June 2018 Summit Meeting)
- Myanmar: Expressed gratitude for Japan’s support while acknowledging that the various supports from Japan are important to Myanmar’s nation-building (December 2017 meeting

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44 Nikkei Shimbun, June 11, 2018.
between Prime Minister Abe and President Htin Kyaw)
• Philippines: Mentioned strengthening cooperation (May 2019 Summit Meeting)
• Thailand: Mentioned support (November 2017 Foreign Ministers’ Meeting)
• Vietnam: Expressed support for Japan’s initiatives, which contribute to the peace, stability and prosperity of the region and the world (June 2017 Summit Meeting)

ASEAN countries basically have indicated approval for the connectivity enhancement and economic development aspects of FOIP. There are some cases in which ASEAN countries avoid giving commitment to clear approval or do not directly and clearly give their approval, giving a glimpse of ASEAN’s cautious stance. Also, as stated by Minister for Foreign Affairs Kono in an interview with *The Straits Times*, Singapore has not completely approved of FOIP Strategy as of now.45

The United States has polished its own Indo-Pacific Strategy while indicating approval of Japan’s concept. At the U.S.-ASEAN Summit held in Singapore in October 2018, Vice President Pence stated that the United States intended to realize the FOIP vision, and advance it with a focus on prosperity, security, and shared principles. Vice President Pence’s speech sought cooperation rather than control in relation to ASEAN, and emphasized that ASEAN would be an indispensable and irreplaceable strategic partner with a central presence in realizing the FOIP vision. On the other hand, in his speech, Vice President Pence implicitly criticized China’s activities in the South China Sea by stating, “We all agree that empire and aggression have no place in the Indo-Pacific,” and, “Our vision for the Indo-Pacific excludes no nation. It only requires that every nation treat their neighbors with respect; they respect the sovereignty of our nations and the international rules of order.” He also stated that the United States would spur investment in digital infrastructure in Southeast Asia, showing wariness about China’s advances in the digital field.46

The United States has also started institutional improvement to support infrastructure development in the region, including in ASEAN. The U.S. government passed the Better Utilization of Investment Leading to Development (BUILD) Act in October 2018. The act established the U.S. International Development Finance Corporation (DFC) through the merging of the Overseas Private Investment Corporation (OPIC) and the Development Credit Authority of the United States Agency for International Development (USAID), and enabled the U.S. government to take leadership and make investments through more strategic and efficient private companies. The United States focuses on cooperation with Japan and Australia for supporting regional infrastructure improvement.47

So what was ASEAN’s reaction to being named and expected to cooperate by Japan and the United States? ASEAN basically wants Japan and the United States to actively participate in the region from the perspective of balancing the rise of China. In this sense, the competition of the BRI and FOIP is currently serving as a method of pursuing a balance in relations with the major powers, which ASEAN seeks.

However, ASEAN has been concerned about the United States’ Indo-Pacific Strategy. The

cause of these concerns has firstly been the United States’ confrontational stance with China, which has clearly taken shape in the process of refining the strategy. ASEAN certainly needs the United States’ absolute power for regional security, and has particularly depended on U.S. participation as China’s influence in the South China Sea has grown. That being said, ASEAN has been deeply involved in the BRI promoted by China, and China is now an essential partner for ASEAN particularly in economic terms. For this reason, ASEAN has been sought by the United States in its confrontations with China, and has fallen into a dilemma in which it cannot take sides with either the United States or China.

ASEAN has tended to correlate FOIP with the Japan-U.S.-Australia-India Quadrilateral Security Dialogue (QUAD). The objective of FOIP is not to contain China, but rather to work collectively to ensure that growing Chinese power is not used to challenge, circumvent or ignore the rules-based order, and ultimately encourage China and other powers to abide by existing rules and principles. However, together with China’s wariness, ASEAN is also wary that the security cooperation framework represented by QUAD could be perceived as part of FOIP and thought to have the purpose of containing China. For ASEAN, this represents deviation from its conduct principle of balancing external relations.

The second cause of ASEAN’s concerns is worries about damage to its centrality and unity. The United States places importance on cooperating with its allies, and ASEAN is not in the position to take a central role. For ASEAN, which prides itself on having developed various multilateral cooperation frameworks for security and economics centered on itself as a regional concept centered on the traditional “Asia-Pacific,” the Indo-Pacific Strategy is seen as something that could lower ASEAN’s role in the region. The “Indo-Pacific” regional concept also has an aspect of shared values. If the countries participating in the Indo-Pacific Strategy must share the values raised in the strategy, then the participation of all the ASEAN member states would not necessarily be assured. There is no guarantee that FOIP would secure the unity of ASEAN as well as its centrality, which is made possible by ensuring ASEAN’s unity.

ASEAN has taken a three-pronged response to FOIP. First is the presentation of an independent proposal. At an ASEAN informal summit in Singapore in April 2018, Indonesia put forward the “Indo-Pacific Cooperation” strategy, a unique strategy that differs from FOIP. Its basic principles are: (1) establishment of an inclusive, transparent, and comprehensive framework, (2) beneficial for 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 laws and ASEAN centrality. In this way, Indonesia explores a third path between FOIP advocated by Japan and the United States, and the rising China.

Second is waiting for Japan and the United States to reconsider FOIP based on ASEAN’s response. Prime Minister Lee Hsien Loong of Singapore, the Chair of ASEAN for 2018, has stated that FOIP is in the process of evolving, and “We hope that the eventual outcome will be an inclusive and open regional architecture, where all countries engage one another peacefully and constructively. We do not want to end up with rival blocs forming or countries having to take one

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side or the other.” The Prime Minister revealed that he wishes for FOIP to transform in a manner that is sensitive to ASEAN’s hopes.\textsuperscript{50} Both Japan and the United States are aware of ASEAN’s cautious posture. For example, at the series of ASEAN meetings in August 2018, Secretary of State Pompeo and Minister for Foreign Affairs Kono underscored the importance of cooperating with ASEAN under the FOIP framework, and that ASEAN centrality would be secured.\textsuperscript{51}

Third is expressing ASEAN’s positions. The Joint Communiqué of the ASEAN Foreign Ministers’ Meeting in August 2018 states, “We discussed some of the new initiatives proposed by ASEAN’s external partners to deepen engagement of our region, such as the concepts and strategies on the Indo-Pacific, the BRI and the Expanded Partnership for Quality Infrastructure. We agreed to explore mutually beneficial cooperation and create synergies with these initiatives, on the basis of ASEAN centrality, particularly with a view towards promoting peace, stability as well as deepening trade, investment and connectivity in our region. We reaffirmed the need to strengthen an ASEAN-centric regional architecture that is open, transparent, inclusive and rules-based.”\textsuperscript{52}

ASEAN expressed interest in cooperating with FOIP, particularly on infrastructure development and economic cooperation.

Furthermore, the Joint Communiqué states, “We noted the briefing on Indonesia’s Indo-Pacific concept. We looked forward to further discussion on the Indo-Pacific concept, which embraces key principles such as ASEAN centrality, openness, transparency, inclusivity, and a rules-based approach, while contributing to mutual trust, mutual respect and mutual benefit.” ASEAN thus expressed its intention to advance discussions based on Indonesia’s initiative.\textsuperscript{53}

In this way, ASEAN avoided directly taking up the initiative by Japan and the United States at the time, limiting itself to declaring that it would advance its discussions based on Indonesia’s initiative. The background for these remarks was ASEAN’s concerns that the Indo-Pacific vision might overemphasize security and that the United States might intend to exclude China from the vision. ASEAN was also concerned that President Trump was uninterested in ASEAN’s multilateralism due to the fact that he did not attend the series of ASEAN-related meetings in autumn 2018.

6. ASEAN’s Indo-Pacific Concept: Response to the United States

The U.S. Department of Defense issued the Indo-Pacific Strategy Report on June 1, 2019. The report stated that China is a “revisionist power” that is “eroding the values and principles of the rules-based order,” and concluded that China is using its military and economic power to seek Indo-Pacific regional hegemony in the near-term and global preeminence in the long-term.\textsuperscript{54} The report raises partnerships as an important policy for the United States to implement the Indo-Pacific Strategy as its current hegemony is challenged by China. It classifies and lists many ASEAN countries in the following way as target countries for maintaining and strengthening partnerships.

\textsuperscript{50} The Australian, March 18, 2018
\textsuperscript{51} The Straits Times, August 4, 2018; Ministry of Foreign Affairs, Japan-ASEAN Ministerial Meeting, August 2, 2018.
\textsuperscript{52} ASEAN, “Joint Communiqué of the 51st ASEAN Foreign Ministers’ Meeting,” Singapore, August 2, 2018, p. 23.
\textsuperscript{53} Ibid.
\textsuperscript{54} The Department of Defense, Indo-Pacific Strategy Report: Preparedness, Partnerships, and Promoting a Networked Region, June 1, 2019, pp. 7-8.
• Allies: Philippines and Thailand
• Strategic partnership: Singapore
• New partnership: Vietnam, Indonesia, Malaysia
• Countries to explore strengthening cooperation with in the future: Brunei, Laos, Cambodia

In this way, the report provided detailed separate explanations on how cooperation will be strengthened in future based on the current conditions in all ASEAN countries with the exception of Myanmar. This demonstrates ASEAN’s importance in the United States’ Indo-Pacific Strategy.

Although the United States advocates strengthening bilateral cooperation with ASEAN countries, it also understands ASEAN’s concerns about centrality and seeks to assuage its worries. The report mentions strengthening regional organizations through multilateral cooperation for “promotion of a networked region” as a policy for implementing the strategy. For this, it positions ASEAN as a key partner to promote values and policies included in the U.S. Indo-Pacific Strategy of freedom of the seas, market economics, good governance, and respect for an order based on clear and transparent rules. The United States also respects ASEAN’s consensus-based decision-making model as well as its basic principles, and emphasizes U.S. participation in ASEAN’s multilateral cooperation frameworks of the East Asia Summit (EAS), the ASEAN Regional Forum (ARF), and the ASEAN Defense Minister’s Meeting-Plus (ADMM-Plus).

In contrast with the U.S. approach, as the confrontation between the United States and China intensifies, ASEAN has aimed to ensure its own strategic independence and chosen a third path of neither the United States nor China. ASEAN has presented its own Indo-Pacific concept. Indonesia took the initiative to compile the concept. As stated earlier, President Joko Widodo of Indonesia put forward the “Indo-Pacific Cooperation” strategy at an ASEAN informal summit in Singapore in April 2018. Due to Indonesia’s proposal, ASEAN agreed to conduct discussions on the Indo-Pacific concept at the ASEAN Foreign Ministers’ Meeting in August 2018.

On June 23, 2019, the ASEAN Outlook on the Indo-Pacific was announced at the ASEAN Summit. The outlook can be called a major compilation of discussions within ASEAN that took full shape from 2018. It appears to be ASEAN’s response to the United States’ Indo-Pacific Strategy Report based on the date, and actually has passages that can be read as responses to the United States. Although the outlook’s content of under five pages is general and abstract, and offers scant concrete details compared to the 50-page report, it is also unavoidable if thought about as the comprehensive compilation of the views of 10 countries in ASEAN with their own different interests and motivations.

The characteristics of the outlook can be described in the following three points. The first is indirect refusal to participate in containment of China. The outlook begins by summarizing the Indo-Pacific regional situation, expressing concerns about the confrontation between the United States and China by stating that “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.” It argues that “ASEAN also needs to continue being an honest broker within the strategic environment of competing interests” as the response ASEAN should take to strategic competition.

55 Ibid., pp. 28-40.
56 Ibid., pp. 46-47.
57 ASEAN, “Joint Communiqué of the 51st ASEAN Foreign Ministers’ Meeting.” Singapore, 2 August 2018.
among the major powers, and calls for the creation of “an Indo-Pacific region of dialogue and cooperation instead of rivalry.” It repeatedly states ASEAN’s impression of the Indo-Pacific region that runs counter to the United States’ positions, including mentioning building strategic trust and win-win cooperation rather than a zero-sum game.58

The second characteristic is reaffirmation of the importance of ASEAN centrality and ASEAN’s multilateral cooperative frameworks. The outlook positions ASEAN centrality as a basic principle for promoting cooperation in the Indo-Pacific, and calls for utilizing the EAS particularly among ASEAN’s multilateral frameworks as an opportunity for promoting cooperation.59 This is not the networked bilateral security cooperation frameworks of allies and partnerships emphasized by the United States, but rather ASEAN’s reaffirmation of the ideal regional cooperation it has sought thus far of having ASEAN play a central role in relations with major powers and coordinate their interests. In addition, ASEAN unity ensures ASEAN centrality. Although the reasons are unclear, the United States’ Indo-Pacific Strategy Report does not mention Myanmar. This is a reason for ASEAN’s concerns about ensuring ASEAN centrality by the United States.

The third characteristic is a focus on economics rather than security. This reflects the outlook’s basic course of emphasizing cooperation rather than confrontation. The outlook places importance on connectivity enhancement and sustainable growth centered on promotion of infrastructure development. It also expresses expectations for synergies with the regional economic integration frameworks centered on the Indian Ocean Rim Association (IORA), the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), the Brunei Darussalam-Indonesia-Malaysia-Philippines East ASEAN Growth Area (BIMP-EAGA), and the Regional Comprehensive Economic Partnership (RCEP). ASEAN is thus aiming for a multifaceted regional cooperation order through cooperation with diverse cooperation frameworks. In regard to maritime-related matters, ASEAN focuses on cooperative aspects for resources, connectivity, environmental pollution measures, and science and technology cooperation, rather than security-related confrontation.60

The wording used in the outlook is extremely carefully selected compared to conventional ASEAN documents, and its expressions are vague. This is evidence of ASEAN’s nervousness about addressing the confrontation between the United States and China. There is no mention of the South China Sea, and even the country names of the United States and China do not make an appearance. The outlook, which is vaguer than conventional documents, shows ASEAN’s strong concerns about antagonizing the intense confrontation between the United States and China, and reaffirms ASEAN’s position and method of not taking sides with either the United States or China. However, if we consider the emphasis on win-win relations and economics, expectations for the RCEP, and avoidance of mentioning security issues such as the South China Sea, ASEAN’s vision has more affinity with China’s BRI. According to the Indonesian authorities, Singapore requested further discussions for adopting the outlook at the ASEAN Summit, and the adoption process was temporarily delayed.61 Although the reasons for Singapore’s cautious approach are not clear, as its strategic partnership with the United States is closely tied to its security, this probably showed

58 ASEAN, ASEAN Outlook on the Indo-Pacific, pp. 1-3.
59 Ibid., p. 1.
60 Ibid., pp. 3-4.
61 Asia One, June 16, 2019.
Singapore’s hesitation to approve of wording that could seem to disavow the United States’ strategy. ASEAN’s current stance is remarkably China-oriented in terms of orientation toward the United States or China. The survey conducted by the ISEAS-Yusof Ishak Institute of Singapore at the end of 2018 primarily among government, academic, business, and mass media-related experts in ASEAN countries shows very interesting, shocking results in regard to ASEAN’s perceptions of the United States and China. According to the survey, in response to the question “How do you view the U.S.’ global power and influence today compared to one year ago?”, over half of the responses were that this has “deteriorated” or “deteriorated substantially.” In response to the question about the “level of U.S. engagement with Southeast Asia under the Trump Administration,” close to 70% of respondents answered that is has “decreased” or “decreased substantially.” Furthermore, in response to the question “How confident are you of the U.S. as a strategic partner and provider of regional security?”, over 30% of respondents answered “no confidence” or “little confidence,” and about 30% answered that they were “unsure.” The survey directly showed that the level of confidence in ASEAN toward the United States is noticeably lower. In contrast, a sense of caution is shown regarding China, with about half of the respondents answering that ASEAN is entering China’s sphere of influence due to development of the BRI, and 70% answering that caution should be taken about getting into debt with China. 70% of respondents answered that China is the country with the most economic influence in Southeast Asia. For the country with the most political and strategic influence, 30% answered the United States and over 40% answered China. 62 ASEAN considers China, not the United States, to be the power that will shoulder the future regional order, whether it likes it or not. The challenge for Japan and the United States will be to recover from this disadvantage.

Conclusion
This paper has examined ASEAN’s responses to the BRI and FOIP. ASEAN has generally actively participated in the BRI. Although momentum for reviewing and renegotiating related projects emerged in some countries in 2018, China had a flexible posture and the issues were handled appropriately between China and each country concerned. Although caution about “debt bombs” has not been completely dispelled, there is a sense that ASEAN’s active participation in the BRI is back on track. At the root of this is ASEAN’s basic recognition that it is unrealistic and impossible to exclude China as a prominent source of funds for the infrastructure improvement that it craves. In this sense, the BRI and ASEAN connectivity are strongly linked.

On the other hand, in regard to FOIP, ASEAN’s current response is generally cautious and passive, and it has not shown a willingness to accept the strategy proposed by the United States and Japan as is. By formulating its Indo-Pacific Strategy, the United States has made clear its confrontational stance with China, which makes it even more difficult for ASEAN to show its approval. However, China’s promotion of the BRI and the growing inclusion of ASEAN in China’s economic sphere of influence also means the decline of ASEAN’s autonomy in terms of political security. In addition, the regional vision presented by China is not always attractive to ASEAN, and the vertical order that China is (considered to be) aiming for is not compatible with ASEAN’s principles of equality and consensus. ASEAN thus has some expectations for FOIP in the sense

that ASEAN must ensure that the United States and Japan are engaged in a way that is appropriate for ASEAN.

This is an issue that ASEAN has long faced in its external relations, namely, how to achieve balance in its relations with the United States and China. ASEAN’s basic principle for its external conduct has been balance, especially balance between the United States and China. In that sense, rather than being unilaterally included in China’s BRI, the path ASEAN should pursue has become to explore the possibilities of simultaneously participating in the FOIP advocated by Japan and the United States. The debate over whether ASEAN’s method of maintaining good relations with both sides without backing one over the other is feasible is an issue of whether two regional order initiatives can coexist in a single region.

For this, ASEAN has set forth its own Indo-Pacific concept. However, this does not mean that ASEAN has an ingenious plan to resolve the conflict between the United States and China and achieve peace and stability in the Indo-Pacific region. It is also not certain how much ASEAN believes in the efficacy of the idea of utilizing the EAS as a place to reconcile the interests of the major powers, as stated in the ASEAN outlook on the Indo-Pacific. ASEAN’s resilience is being tested on whether it can maintain its strategic autonomy amidst the regional order initiatives respectively promoted by the two superpowers of the United States and China.