

Trends and Trenches in the Indo-Pacific: A Southeast Asian View

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July 12, 2019. ADMM Plus. Vietnamese Minister of Defence General Ngo Xuan Lich talks with ASEAN Secretary General Lim Jock Hoi. Credit PAN.

ASEAN and Vietnam, as middle power entities, view the Indo-Pacific region with Southeast Asia at its very centre as having become one of the most outstanding areas of political, economic and strategic significance. This commentary argues that the increasingly complex external environment inclines regional countries toward more nuanced strategic planning processes including the propensity to both reduce dependency on major powers as well as build up internal capacities to adapt to change.

Looking at the big picture, there have been arguably five major trends shaping the regional security landscape in the last several years and into the foreseeable future. First, major power competition has become more acute with correspondingly major consequences, some unintended and unpredictable. Most notable is the increased Sino-US strategic competition. The cliché has long been that Sino-US relations are characterised by elements of both cooperation and competition. This has changed and, today, this relationship can be portrayed as follows:

1	2	3	4	5
Cooperation	Cooperation and competition	More Competition - Less cooperation	Rivalry	Adversary

The expanding competition between the two greatest economies on earth has reached level four of intensity. The two sides repeatedly say they are neither enemies nor adversaries. On the one hand, they no longer see each other as partners as they did in the Obama years. On the other, the term 'rivalry' means that, although competition now outweighs cooperation, compromise is by no means completely ruled out. The reason for possible (and desirable) cooperation is quite simple: common interests arising from economic interdependence and transboundary threats such as terrorism, proliferation of WMD, and cyber security. In terms of impact, the state of Sino-US rivalry serves as a foundational consideration for other nations across the region in framing their national security strategies.

Second, globalisation, once considered an inevitable and irreversible characteristic of the international system, has encountered questions, doubts and pushback. Free trade, a signature feature of globalisation, is no longer taken for granted. The World Trade Organization (WTO) has come under pressure as more questions have been raised about its capacity to craft new agreements and its ability to manage and resolve disputes. The United States under Trump, at best gives the WTO the benefit of the doubt, and at worst, wants to rewrite its rules. According to Trump's hard-line trade negotiator, Robert Lighthizer, various capitals in the region from Beijing to Seoul to Hanoi are facing a judgement day on US demands for free and fair reciprocal trade. The question of equitable trade is unfolding amid rising anti-globalisation movements sparked by widening

income gaps, social unfairness, and ultranationalism. The basic elements of globalisation such as the Internet and mobility of people are still there but now vie with the great digital firewalls and steel walls are being built in China and the United States respectively.

Third, the fourth industrial revolution, a favourite state-of-the-art catchphrase of both politicians and technocrats, is sweeping across the continents with new realities being born such as the internet of things, blockchain, big data, and artificial intelligence. Like most revolutions, however, it produces different impacts in different places. It appears more beneficial than detrimental for the more advanced nations of Japan, Australia and the Republic of Korea.

Other catching up countries such as Malaysia and Singapore have mixed results whereas the smaller nations of Laos and Timor Leste face the risk of being stranded and falling further behind. Even if these less developed countries make sensible decisions it will take some time for them to join the tech club. Another serious issue emerging out of this revolution is the digital divide. This divide, which used to refer mostly to the technological gaps between nations, now also points to the technological curtain or decoupling, potentially separating nations into fragmented technomic eco-systems. Whether a country adopts the 5G capacities developed by Huawei or by a Western country will likely lead to unintended consequences, including geopolitical ones.

Fourth, the democratisation of international relations, once touted as a promising trend following the end of the Cold War, is now curbed by the return of power politics and even hegemonic tendencies. The United Nations Security Council presents a striking example. Where the divisions and stalemates once

happened mostly between the United States, Russia and China, today they seem to occur between any pair of countries. Notions of unity and a collective will to democratise international relations have turned into luxurious or idealistic concepts rather than common practice as the world travels back to the future. Adding to the veto-wielding P5 in the Security Council is as unlikely as is the empowerment of the elected ten (E10). One path to democratisation has been multilateralism. While the spirit of multilateralism has not died, many of its forms, such as multilateral institutions, are increasingly challenged by great powers promoting their own schemes such as the US Free and Open Indo-Pacific strategy and China's Belt and Road Initiative. For now these schemes pose questions rather than provide answers to the economic and security needs of impacted countries. The propensity of the major powers to prefer bilateralism and even unilateralism is growing stronger. Take the United States withdrawal from various multilateral commitments such as UNESCO and INF or China's continued denial of the tribunal award rulings in the case of the Philippines in 2016.

Fifth, both traditional and non-traditional contemporary security challenges require more, not less, national resources to tackle. No durable solutions are in sight for any of the regional security flash points such as the Korean peninsula, East China Sea, South China Sea, India-China border dispute, and cross Taiwan-strait relations. Cybercrimes cost the region billions of dollars every year. Water security issues in the Mekong river basin are inflicting more severe damage on downstream countries, namely Cambodia, Laos, Thailand, and Vietnam. Climate change is an escalating threat (according to the United Nations) while terrorism, extremism, and

ultranationalism keep posing serious threats to different places in the region.

All these trends put regional countries in the situation of being compelled to change and adjust their security strategies. This even applies to great powers. The United States under the Trump administration will continue to operationalise its Free and Open Indo-Pacific strategy whereas China pushes forward the Belt and Road Initiative. The notion that these great powers are on a collision course has been circulated in the policy communities of both countries. Rather than greater caution, however, we have seen the two sides toughen their positions and resort to measures hitherto unthinkable. For instance, the enormous tariffs they impose on each other have created economic risks not only on themselves but also other countries. Given the scale of this competition and other factors such as 'black swans', unpredictability in the international system increases despite the fact that we today have much more information and data and science than before. And because of the amplified unpredictability, regional countries opt for strategies that favour safe bets over risk-taking, or digging trenches rather than opening the gates.

Against this backdrop, risk avoidance and management strategies featuring hedging and omni-directional diplomacy have become more attractive. Hedging strategies are helpful in the sense that regional countries can promote their ties with both the United States and China without raising the eyebrows of either of them. A common observation is that many countries are doing their best to keep or to obtain security assurances from Washington while maximising their economic linkages with Beijing. But that pathway alone is no guarantee for regional countries to mitigate the adverse



September 4, 2019. Gulf of Thailand, AUMX. USS *Montgomery* (LCS 8), RSS *Tenacious* (71), UMS *Kyansittha* (F-12), BRP *Ramone Alcaraz* (PS16), KDB *Darulaman* (OPV-08), and Vietnam Corvette HQ-18. Credit US Indo-Pacific Command / Flickr.

effects of the Sino-US competition. What if the United States asks regional countries to step up security cooperation by, for example, allowing more warships to dock in each other's ports? Prime Minister Mohamed Mahathir of Malaysia has said he wants to see more commercial ships, not warships, sailing in the region. What if China offers more projects under its Belt and Road Initiative and addresses the major shortcomings identified in the modalities of project selection and implementation? As a result, regional countries have to combine a hedging strategy with omnidirectional diplomacy. In order to avoid excessive dependence on either the United States or China, countries such as India, Japan, Korea, Australia, Indonesia, and Vietnam

step up cooperation with one another. This 'horizontal' cooperation is a way of lessening the pressure from major powers. In fact, these middle powers have a lot to offer each other. Vietnam-Korea bilateral trade, for instance, is expected to soon reach \$100 billion USD, a number that exceeds Vietnam's trade with Russia and many other European countries combined and even Vietnam's trade with the United States. Amid the tension between the United States and China over 5G networks, Vietnam opted for Ericsson as its pilot program in Ho Chi Minh City. At the same time, smaller nations such as Brunei and the Solomon Islands have fewer choices and are more likely to be forced to choose sides.

A discussion such as this must also examine how countries view the available multilateral mechanisms in the evolving regional security architecture. In this regard, there are at least three important points to consider. First, absent an overarching security arrangement that ensures peace and stability for the whole region, ASEAN aspires to enhance its role and centrality against the contingency that such an overarching arrangement begins to take shape. The East Asia Summit is still the only forum for leaders to discuss the strategic issues in play in the region. The Shanghai Cooperation Organization does not have the United States whereas the Quad does not include China. Second, in promoting its role, ASEAN must

address formidable challenges from the above-mentioned tension between the major powers. ASEAN centrality, as long argued by former Indonesian Foreign Minister Marty Natelagawa, must be earned. It has become increasingly difficult, for example, for ASEAN to reach consensus on the South China Sea issue. Third, in addition to ASEAN, the region also has other competing (and in some cases, complementary) multilateral arrangements such as APEC, SAARC, Shangri-La Dialogue, US-led mechanisms (FOIP, Quad, Lower Mekong Initiative, RIMPAC), and China-led mechanisms (BRI, AIIB, SCO, Xiangshan Forum). A new reality is dawning for ASEAN as it explores the interplay of these mechanisms, particularly whether points of intersection impede or support effective multilateral outcomes. In response to this outlook, ASEAN has recently adopted another set of principles called the ASEAN Outlook on the Indo-Pacific (AOIP) to help it navigate between major power rivalry. These principles are mainly adapted from the Treaty of Amity and Cooperation and other existing instruments for the purpose of giving ASEAN more flexibility and leeway in dealing with the major powers.

Regional governments are also trying to make sense of the implications of the intertwining of the proliferation of technology and the diffusion of power in their domestic political arenas. In the long run, despite inevitable resistance from conservative forces, representative democracy will have to give way to participatory democracy. In the most recent elections in the region, for example, in Indonesia or Thailand, the next generation (NextGen) has surged to political prominence, putting the 'old guard' on notice. An effective tool used by this generation is social media. Hundreds of millions of people in the region possess social media accounts and

express their views on topics that interest or concern them. During the stand-off between China and Vietnam in the waters surrounding Vanguard Bank in the South China Sea, one could easily see the strong reactions from Vietnamese Facebookers or Zalo (a locally developed platform) users.

The new capacity of domestic audiences to involve themselves in policy development and implementation, coupled with the turbulence of regional affairs is forcing regional governments to further streamline their decision-making processes. Good, or at least better, governance has turned into a compulsory requirement rather than just a policy aspiration. For example, when the Trump Administration imposed additional tariffs on Chinese goods and services, a number of businesses diverted their investment into third countries such as Malaysia and Vietnam. This, in turn, required Malaysia and Vietnam to improve their ability to absorb this redirected capital and to address quickly the other issues associated with making new businesses a reality. Quicker decision-making has become a new criterion in strategic planning.

In sum, the trends facing the region this year are not starkly different from the recent past. It is, however, noteworthy that some of the trends are getting sharper. One of those is the increased rivalry between the United States and China. Another is the swifter and wider impact that the fourth industrial revolution has on every walk of life. In terms of response, the countries other than the United States and China have stepped up cooperation and coordination among themselves to reduce their dependence on either of the major powers. ASEAN has been able to shield itself from the turbulence and to retain some perspective on where it is and where it needs to go. It remains the case,

however, that the challenges to the association become more acute with regard to the central role it wants to play in the construction of the regional security architecture. The major powers have shown more interest in promoting their own ways, the impact of which is different from one country to the other. Whether for ASEAN as a whole or individual members such as Vietnam, the need for independent strategic thinking and planning can be expected to grow stronger into the indefinite future.

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