Dealing with the Dragon:
Southeast Asian Strategic Relations with China[*]

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Perhaps more than any other region, Southeast Asia has long been susceptible to great-power influence and intrusion. Although the ending of the Cold War brought relative peace and security to Southeast Asia, the geopolitical milieu of the region, since the early 1990s, has been largely shaped by two key developments, namely American ambivalence regarding its strategic commitments to the region (Acharya and Tan 2006), and the rise of China as an economic and military power (Goldstein 2005; Swaine and Tellis 2006). A third development is the rise of regionalism in the form of the Association of Southeast Asian Nations (ASEAN), but a crucial part of the ASEAN story has been about facilitating regional ties with external powers as much as it had been about ensuring intraregional stability (Indorf 1987). In this regard, Southeast Asian strategic relations with great powers are principally about managing their respective vulnerabilities and dependencies vis-à-vis those considerably more powerful than them (Ba 2005).

Nowhere is the foregoing assessment truer than in strategic ties between Southeast Asian nations and their colossal neighbour to the north, China. If anything, the sheer enormity of the Chinese presence in the region is something that could neither be ignored nor, for that matter, refused by China's considerably smaller and/or weaker regional counterparts. As Michael Mandelbaum once mused about America: "If you are the 800-pound gorilla, you are bound to be concentrating on your bananas and everyone else is concentrating on you" (Sanger 1999). In the same way, no amount of protestations to the effect that

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China's rise is "peaceful" would be likely to convince all Southeast Asians to be completely reassured about Chinese intentions, not least when China's prodigious growth might, or for some, has already come at Southeast Asia's expense. Beijing is already aware of the region's concerns, and has taken pains to soothe nerves and win friends through diplomatic engagement with Southeast Asian countries.

In response, all ten ASEAN states seem eager to develop closer economic and political ties with China. This said, all ten states also seem to share a preference for continued US military and strategic commitment to the region – although it is also clear that Southeast Asians differ in their views over the exact terms of that commitment – if only to insure themselves against possible failure in their engagement of China. In this respect, Southeast Asian strategic approaches vis-à-vis China are aimed at avoiding situations where regional countries would be forced into choosing between great power – China or America, in this instance – with which to ally themselves, thereby considerably increasing their vulnerability and dependence on one particular power (Ba 2005).

Yet regional differences clearly exist within this common hedging strategy. This should not surprise us as Southeast Asia is by no means unified as a region; witness, for example, the many failed attempts by ASEAN to cobble a political consensus that represents more than just the lowest common denominator (Acharya 2001; Caballero-Anthony 2005; Emmers 2003), or the divergences that have long characterised regional strategic perceptions (Tilman 1987). Shaped by geography, history and politics, these differences highlight the distinctiveness of each Southeast Asian state's hedging approach.

POINTS OF CONGRUENCE

Where the strategic views and policies of Southeast Asian states towards China are concerned, at least four areas of congruence are noteworthy.

1. China's rise: a challenge, not a threat

No Southeast Asian state has yet to identify China, not publicly at least, as a threat (Goh 2005a). For the Philippines, which had experienced rocky relations with China as a result of the Mischief Reef incident of 1995, the signing of the Declaration on the Conduct of Parties in the South China Sea between China and ASEAN – short of an actual code of conduct which some had originally hoped for (Buszynski 2003) – was seen positively by Manila as a Chinese concession to the need for self-restraint in territorial disputes over the South China Sea (Kraft 2005). Along with the joint push towards economic cooperation between China and ASEAN, particularly in the area of energy resources, the edge has been taken off any extant notion of China as a clear and present threat (Pablo-Baviera 2007).

Regional security discourses are more likely to refer to the "challenges" or "concerns" a rising China poses to Southeast Asian states (Tan 2006). All the ASEAN members see China as an engine for economic growth in the Asian region, although their estimations of the respective economic opportunities each stands to gain from cooperation with China differ from country to country (Tan forthcoming). At the same time, China is also perceived, correctly or not, as a voracious economic competitor for foreign direct investment (FDI) that would otherwise have gone to Southeast Asian countries. This is not to imply that Chinese bilateral relations with individual ASEAN states have been unequivocally smooth-sailing; witness, for example, the brief war of words between Beijing and Singapore in the summer of 2004 when the former was visibly irked by a visit to Taiwan by Singapore's then deputy prime minister, Lee Hsien Loong (Tan and Liow 2004). Yet incidents such as this clearly did not constitute threats, not sufficiently at least, to warrant coercive action.

2. China's rise invites ambiguous views

Although Southeast Asians concur that the rise of China poses a challenge to all of them, it is equally obvious, however, that the jury is still out on whether they see a rising China as a benign or a hostile development. On the one hand, Southeast Asian leaders readily acknowledge China's notable economic and diplomatic engagement with the region. On the other hand, they rarely fail to express concerns over the territorial disputes in the South China Sea, despite Beijing's support for a declaration of conduct for the South China Sea. In other words, the strategic ambiguity with which most if not all Southeast Asian states perceive China raises the question of whether the former, as an analyst has put it, "in fact 'buy' the idea of China's 'peaceful rise'" (Goh 2005a: 4).

3. Engage not contain China

In their relations with China, all Southeast Asian states, bar none, have principally relied on strategies of vigorous engagement and attempted socialisation of the regional power (Goh 2005a). Various analysts have pointed to China's impressive participatory record in regional institutions, be it the ASEAN Regional Forum, the ASEAN Plus Three, the Shanghai Cooperation Organization, and other Sino-ASEAN ventures, although others regard this as a time-buying strategy for the intermediate period whilst the nation continues developing and strengthening its economic and strategic capabilities (Goldstein 2005).

Indeed, so supportive has Beijing been of regional institutionalism that, in comparison to the evident penchant of the United States for unilateralism, China for some could arguably be called a status quo power (Johnston 2003a; Van Ness 2002). For that matter, the sophistication and beguilement with which China has approached regionalism in Southeast Asia has even raised questions as to who precisely is socialising whom (Ba 2006), despite the popular contention that it is ASEAN that has successfully socialised

China, notably, by bringing it in from the cold, as it were, and into the fold of the region's institutions (Johnston 2003b). For example, a study of Track 2 security dialogues held in the 1990s has shown that in contrast to the idiom of containment preferred by many Taiwanese academics and analysts in reference to China, the idiom of choice for most ASEAN-based security intellectuals was that of engagement (Tan 2006). More specifically, it is a form of "complex engagement", which is deliberately "informal, non-confrontational, open-ended and mutual", that has arguably persuaded China to reconsider its relations with ASEAN, to view ASEAN more positively and to be more responsive to ASEAN's concerns (Ba 2006: 160).

4. Engage China via "hedging"

According to political realist theories, states relate to stronger powers either by balancing the latter (opposing the stronger power by joining a countervailing alliance or coalition), or by bandwagoning with the latter (allying with the stronger power). The question of whether Asian nations have opted to balance against or to bandwagon with China was the subject of a recent debate (Acharya 2004; Kang 2003). But the reality for Southeast Asian states is considerably more complicated than simply an either / or choice between balancing and bandwaggoning. To be sure, regional states harbour reservations about China's intentions, but as highlighted earlier, their circumspection has not impelled any of them to strategically oppose China.

Importantly, hedging as understood and practised by Southeast Asian countries is not the so-called "arms-length approach" two US-based scholars recently described as the essence of American-style hedging vis-à-vis China, as opposed to what they would regard as true engagement (Shambaugh and Inderfurth 2007). Nor is Southeast Asian hedging between engagement with China, on one hand, and reliance on the US strategic presence on the other the same thing as non-alignment. Rather, it involves a sort of "omni-directional" outreach to various great powers – or "bi-directional", at least where China and the US are concerned – whose interests and policies could have significant

impact on the hedger. As discussed below, the depth and extent of engagement by Southeast Asian hedgers likely differs between the two respective great powers in question. Yet the overall effect of such an approach is a kind of incessant deferral of having to choose one side at the expense of the other.

POINTS OF DIVERGENCE

Still, the way Southeast Asian nations hedge against China tends to differ from country to country. According to Goh (2005a), it appears that at least two key fault lines (if they could be termed as such) exist. The first more or less follows the geographical divide between mainland and maritime Southeast Asia. The second cuts through maritime Southeast Asia along the political divide between strategic allies and security partners of the United States, and those whose relations with the United States reflect, if not outright strategic non-alignment then certainly political ambivalence.

1. In China's shadow

It is probably safe to say of the mainland Southeast Asian states that having to live directly within China's immediate sphere of influence has essentially meant getting accustomed to being constrained strategically. Vietnam, impeded for various reasons in the way of closer strategic ties with the US, has had to rely on ASEAN as well as diversify its relations with the great powers, including engaging China despite the historical animosity that has long dogged China-Vietnam ties. Arguably, the mutual fear of possible regime instability could have resulted in concessions in Sino-Viet territorial disputes in exchange for joint economic development of the shared border areas (Fravel 2005). Still, Vietnam's engagement of China, according to an analyst, has seesawed between a desire for greater integration of its economy with the Chinese economy, on one hand, and anti-imperialist sentiment on the other (Vuving 2007).

Likewise, Cambodia has been constrained by the relative conditionality of US aid and assistance and Phnom Penh's acknowledgement of a Chinese strategic dominance. This has led to a proactive engagement of China, although much of that has occurred at the multilateral level through ASEAN processes rather than at the bilateral level (Chanto 2005: 89). As for Myanmar, its occupation of a strategic space where the spheres of influence of both China and India overlap has arguably provided the Burmese some strategic latitude. Thailand's case is by far the most intriguing: a military ally of the US, Thailand has nonetheless volitionally embraced China. It clearly places great emphasis on the economic opportunities afforded by China – opportunities fundamental to Bangkok's continued aspiration to be the lynchpin of Southeast Asia's "marketplace" (Chinwanno 2005). For instance, Thailand's free trade deal with China was the first between an ASEAN country and China (Storey 2006). Moreover, the signing of the Sino-Thai Plan of Action for the 21st century reflects the importance if not centrality of China in Thai strategic thinking (Tow 1999).

2. Maintaining equidistance

Taking the *via media* between China and the United States has been and remains the preferred choice of Indonesia and Malaysia, the two Southeast Asian states with Muslim majorities. While both countries have at one time or another enjoyed good strategic ties with America, the war on terror and anxieties over purported US unilateralism have understandably produced unease about the wisdom of such an orientation. In this respect, both Jakarta and Kuala Lumpur seem to share the view that American influence in the region ought to be balanced with Chinese influence (Ahmad 2005; Lanti 2005).

To that end, Malaysia strongly advocated the inclusion of China as a dialogue partner of ASEAN in 1994, the (unrealised) formation of an East Asia Economic Caucus in 1990 – which arguably culminated in the East Asia Summit in 2005 – to which the US would not be invited to participate, and so forth (Liow 2005). Crucially, during Chinese Premier Li

Peng's visit to Malaysia in 1997, both Li and Malaysia's Mahathir jointly articulated a vision that argued for the emergence of alternative power centres, whether Asian or European, in order to balance US preponderance (Osman and Liow 2007). But despite the incessant sniping between Kuala Lumpur and Washington, Malaysia's security relationship with the United States has long been and remains robust (Mak 2004).

On its part, Indonesia has looked upon China favourably as a consequence of post-Suharto democratisation and China's charm diplomacy towards the region. The Yudhoyono administration views China as an important economic partner that could help facilitate Indonesia's recovery from the 1997 financial crisis – a view reinforced by China's assistance following the 2004 tsunamis (Sukma 2007). This said, Indonesia's vastly improved strategic ties with the US especially following the peaceful resolution of the Aceh conflict suggest the continuous cultivation of US support. At the same time, residual circumspection over Chinese intentions lingers; indeed, it clearly contributed to Jakarta's insistence that the membership of the East Asia Summit be opened to Australia, New Zealand and India, ostensibly to balance potential Chinese dominance of the Summit (Tan and Emmers 2005). Furthermore, the future of Sino-Indonesian ties could well be shaped by Indonesia's persistent perceptions of its ethnic Chinese minority (Sukma 2007).

3. Sticking with America

Finally, countries such as Singapore and the Philippines engage China, but essentially place greater emphasis and reliance on their ties with the United States (Goh 2005a). For the Philippines, relations with the United States have gone full circle from a cooling off period following the withdrawal of US forces as a result of the Philippine Senate's decision not to ratify the Philippine-American Cooperation Treaty in 1991, to a brief and arguably futile experiment with multilateralism in the ASEAN Regional Forum in the mid-1990s, and back into the American embrace by the turn of the century in a revitalisation of Philippine-US security relations (Castro 2004). Despite residual

nationalist reservations over the relationship, Manila's 1995 Mischief Reef experience did much to nudge it back to a situation of reliance on the US, not withstanding Washington's reluctance to intervene in the South China Sea. The global war on terror has only served to enhance the bilateral ties between Manila and Washington.

For its part, Singapore has sought a policy of deep engagement with China (Goh 2005b). Singapore has proved a rather aggressive investor in China, making the latter the top country of Singaporean FDI at the end of 2001 (Teo 2005). All said, Singapore continues to worry over whether China's rise would be peaceful – a question that Singaporean leaders believe is a function of how the great powers, in particular America, treats China. China's public criticism of then deputy premier Lee Hsien Loong's visit to Taiwan in 2004 was seen by Singaporean leaders as fair indication of China's possible willingness to use force as a last resort against countries traditionally viewed as "friendly" towards China, not least Singapore (Teo 2005: 45). Hence Singapore's continued reliance on the US strategic presence in the region, which it regards as vital since, as a Singaporean leader once put it, "only the United States has the strategic weight, economic strength and political clout to exercise leadership in the Asia-Pacific region" (cited in Chin 2004: 176-77). In the recent past, Singapore has sought to further cement its already strong strategic ties with Washington, including the formulation of an extensive framework for a US-Singapore strategic partnership. Moves such as this underscore the long acknowledged fact that Singapore's strategic relationship with the United States is likely the most robust among Southeast Asian states, including official allies such as Thailand and the Philippines (Smith 2005).

CONCLUSION

The strategic relations of Southeast Asian nations with China and other great powers (in this case the United States) have been about managing the respective vulnerabilities and dependencies of the former vis-à-vis the latter. For many security analysts, hedging as a strategic policy is ultimately dissatisfying for all parties involved for the simple reason

that it sends conflicting signals to the powers against which the hedgers hedge, resulting in potentially disastrous outcomes for the latter (Shambaugh and Inderfurth 2007). The deep pragmatism of the Southeast Asian countries in acknowledging the core role played by the United States in ensuring the security of Southeast Asia is likely to persist in the foreseeable future (Kwa and Tan 2001). If so, the rise of China and the many concerns that it raises means that hedging will, for the various reasons adumbrated above, remain the strategic approach of Southeast Asia towards China.

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