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Navigating the great power rivalries of the 2020s: Exploring Southeast Asia's options

For the first time since the end of the cold war, the world order marked by American dominance in international affairs has been shaken. Against the backdrop of Russia's invasion of Ukraine, as well as the continued rivalry between the United States and China, the global geopolitical landscape is becoming increasingly multipolar. To put things into perspective, although tensions had by no means disappeared between the 1990s and the 2010s, the possibility of nuclear war was very remote until 2022. Now, however, we are entering a convoluted phase in the global geopolitical landscape.

As great powers flex their military and economic muscles across their spheres of influence, the 11 Southeast Asian countries are in a precarious position. Located strategically among global competing forces and amid rising global anxieties, the region is fast becoming an area ripe with opportunity and yet also rife with risk.

In recent years, the region has become the epicentre of the economic, strategic and military rivalry playing out between the global superpowers. Most states of the Association of Southeast Asian Nations (ASEAN), a political and economic union of ten member states in Southeast Asia, view the United States and its allies as indispensable partners. However, China is also seen as a vital source of economic and political partnership as many of its neighbouring Southeast Asian states have benefited from its investment. This has helped create a largely favourable investment climate in the Southeast Asian region – making it the first in line to benefit from investors' increased appetite for alternative destinations to China for foreign direct investment due to the latter's frequent pandemic lockdowns, for example.

So how should Southeast Asian countries respond to the ambitions of these great powers and to their actions, inaction and interaction?

Due to the region's limited political and military power to influence the current international order, it is clear that the Southeast Asian countries must find ways to manage global tensions. They must therefore seek to maintain a viable position to avoid full-blown

confrontation and, by extension, unintended negative consequences that would impact the nations socially, politically and economically.

Firstly, and importantly, there is the need to avoid falling into the binary trap of picking sides between the US and China. Instead, the Southeast Asian countries should have an independent foreign policy that is geared towards gaining resilience in economic development, defence and other areas in order to develop strategic autonomy. Strategies such as ‘hedging’ (as opposed to ‘balancing’ or ‘bandwagoning’) are very much under consideration by ASEAN countries and are being pursued vis-à-vis the competing powers.

Secondly, the region can and should move away from one-size-fits-all choices, and engage in a multi-layered and multi-aligned diplomacy that is inclusive, impartial and integrative. Regional dialogues have talked and deliberated about an ‘à la carte’ diplomacy, with countries having multiple strategies in their toolbox as a way of resolving conflicts. This requires a shift in mindset on the part of Southeast Asian states. Beyond simply rejecting the notion of picking sides between the US and China, ASEAN should not conceptualise geopolitics as a battle between western and Asian values. Instead of picking sides, the right approach could entail, for example, attracting enough investment from larger countries such as the US and China so that acts of aggression become counterproductive to their broader strategic plans. Concerning China specifically, Southeast Asian countries should recognise it as a multifaceted nation with its own internal logic rather than resorting to a stereotypical description of the power as a neo-totalitarian state and thus risking a self-fulfilling prophecy where China can no longer be engaged constructively.

Thirdly, to leverage ASEAN’s economic position as a crossroads between global superpowers and economic blocs – those of China, the EU and the US – the region is already beginning to assert its strategic position by entering into deeper economic partnerships with the great powers, including the US, via the Indo-Pacific Economic Framework, and China via the Regional Comprehensive Economic Partnership, a free trade agreement among 15 countries in the region. Economically, there is therefore great potential here for ASEAN states to coordinate further, not only to promote more intra-ASEAN trade on the back of stronger regional value chains, but also to strengthen ASEAN’s position as a trading bloc with bargaining power on the global stage.

Whether in foreign policy, defence or economics, Southeast Asia can and should stress its autonomy from the global superpowers. This will not happen out of thin air. Starting out as merely a geographical construct, ASEAN continues to evolve into a very important geopolitical bloc, with the notion of an ASEAN identity now trending in the region. The EU plays a role in this by building new norms that can challenge the current world order – for example, the EU’s potential closer economic engagement with ASEAN can be part of the EU’s strategy and effort to counter China and/or the United States’ growing geo-economic influence in the region. ASEAN countries, for their part, may warm to more such engagements as the EU is typically regarded as a ‘neutral’ party in the global superpower tussle. We have seen such efforts through the EU-ASEAN strategic partnership, and the EU’s pledge to support the ASEAN Digital Masterplan 2025 and the ASEAN Smart Green Cities programme, to name just a few. Further, acting as a balance amongst great power

rivalries, the EU also serves as an important example of how multilateralism works. Deeper collaboration with partners around the world, including the establishment of deeper economic relations, has the potential to strengthen relations between the EU and ASEAN, against the backdrop of overall geopolitical complexities.

The world as we know it has changed dramatically in a short period of time, from geopolitics and the economy to energy and food security. ASEAN will play a crucial role not only in navigating the great power rivalry but also in building new relationships in this regard. Geo-economic complexity provides more leverage for ASEAN to carve out some middle ground between global competing interests.

Ultimately, the Southeast Asia region finds itself at a crossroads amid the growing complexity of the multipolar world, and it needs to reinvent itself and find new strategies to manage its relationship with foreign powers. If it plays its part well, the region can benefit from global tensions and serve as a bridge between east and west.