US, CHINA, AND THE BALANCE OF INFLUENCE IN AND AROUND SOUTHEAST ASIA

FINDINGS AND RECOMMENDATIONS FROM AN ONGOING MACARTHUR FOUNDATION PROJECT ON “EMERGING US SECURITY PARTNERSHIPS IN SOUTHEAST ASIA”

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March 3, 2016
MYANMAR: STRATEGIC CONTEXT

• Strong preference for neutralism/non-alignment

• Myanmar’s principal security challenges are not from other countries, but are internal: “state-building” and national unification—principally dealing with ethnic armed groups around its land borders remains the primary security task

• Resumption of constructive ties with US/West, emergence from isolation, and economic opening, all leading to the historic elections of November 2015 = substantial impact on the country’s strategic outlook, including loosening dependence on China
MYANMAR-CHINA RELATIONS

• Traditional “kinship” formally defines the relationship, including an official “comprehensive strategic partnership” established in May 2011

• However, current Myanmar-China relations are at their lowest since the late-1980s when Beijing supported the Communist Party of Burma

• This nadir a result of three key developments:
  • Difficult political relations owing to Chinese ties to certain ethnic armed groups in Myanmar, especially the Kokang
  • Mistrust and negative perceptions about an overdependence on Beijing and China’s “predatory” economic influence
  • Remarkable shift since 2011 in the Myanmar-US relationship
VIETNAM: STRATEGIC CONTEXT

• Key domestic challenges: preserve regime legitimacy and foster economic development

• Generally good external security environment, but important near- and long-term security challenges involve China: disputes over the Paracels and the Spratlys in the South China Sea and the existential concern of bordering an enormous and powerful country

• Diversify foreign relationships as means to deal with these challenges. This includes opening to the US and increased US-Vietnam cooperation across political, economic and security affairs
VIETNAM-CHINA RELATIONS

• Complex relationship: proclaimed affinity, especially between the Communist parties, but at same time China historically cast as perpetual threat in Vietnam

• Per Womack, Vietnam deals with China for the most part through cautious “neutralizing and ritualizing”

• However, post-Mao era especially troubled in security sphere, SCS coming in to particular focus since 2014

• Territorial dispute with China especially noisome as it undermines CPV standing

• 2014 oil rig deployment appears to have caused profound re-think in Hanoi about China relations
INDONESIA: STRATEGIC CONTEXT

• “Free and active” foreign policy

• Relatively benign security environment

• No serious direct threat of invasion or intervention against Indonesia territory

• However, top three security challenges involve China:
  • US-China conflict in the region
  • South China Sea disputes among claimants
  • Indonesia’s territorial disputes with neighbors (no dispute with China over islands or other features, but China’s “nine-dashed line” appears to overlap with Natuna EEZ
INDONESIA-CHINA RELATIONS

- Indonesia traditionally has had far closer relations with the United States (in spite of significant differences between Jakarta and Washington)
- True across diplomatic, economic, military ties
- Lingering mistrust strong amongst Indonesian elites
- While trade relations are growing, investment has not (yet) and substantial constraints will continue:
  - China still playing “catchup” with US-Indonesia relationship
  - On balance, a more powerful China will be viewed as more of a threat than the more familiar US presence
  - Over-dependence on China or perceptions of strong Chinese political and economic influence will face a public backlash
AUSTRALIA: STRATEGIC CONTEXT

• Relatively benign security environment, but highly sensitive to regional power balances, disruptions to trade, and dependent on US alliance relationship

• Growing recognition that Australia is closer than ever to the world’s strategic center of gravity, which brings both greater opportunities and greater challenges

• Australia likely to become increasingly important security partner to the United States, with expanded US military and intelligence presence in Australia

• Increasing concern over how to strike the right balance between Washington and Beijing
AUSTRALIA-CHINA RELATIONS

• Strong trade ties—China largest trade partner with a third of Australian exports and a fifth of Australian imports to/from China—but investment lags

• Lowy polling shows mixed picture: 66% think Australia should do more to resist Chinese assertiveness and 56% do not think China’s growing power is stabilizing, but majority does not see China as a military threat

• Strategic re-think taking place as Chinese economy slows, economic activity in China gets tougher, and South China Sea heats up
CHALLENGES FOR CHINA

• Varying levels of distrust toward a rising China, particularly in countries such as Myanmar and Vietnam

• Economic ties: trade dominates, investment lags, fears of over-dependence/predation; Vietnam and Australia in TPP and Indonesia interested to join

• China misreading (or ignoring?) domestic political scenes

• In different ways, each country seeks to strategically align with Washington while diversifying their security partnerships in response to China’s rise
CHALLENGES FOR UNITED STATES

- Regional concerns over degree of commitment in spite of devoting some significant diplomatic, economic and military resources

- US domestic politics a hindrance in some cases

- Countries in region not united vis-à-vis China--under intense economic pressure to maintain constructive ties with Beijing

- Proximity a powerful asset for China
US POLICY OPTIONS

• Foster greater “strategic alignment” (vs. “security alignment”) with partners across the region
• Move forward with TPP to diversify economic opportunities in the region
• On SCS, work to reduce tensions, demilitarize, support frameworks for peaceful resolution
• With exception of Australia, temper expectations in some US quarters for significantly stepped up security ties with these three countries
• Devote greater resources to understanding domestic sociopolitical dynamics in SE Asia, especially impact of growing middle class
• “Engage but hedge”