

1

Navigating Great Power Competition in Southeast Asia

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INTRODUCTION

Southeast Asia has become a hotbed of strategic rivalry between China and the United States. China is asserting its influence in the region through economic statecraft and far-reaching efforts to secure its sovereignty claims in the South China Sea.¹ Under the Trump administration, the United States promoted a Free and Open Indo-Pacific (FOIP) strategy that explicitly challenged China's expanding influence, warning other countries that Beijing is practicing "predatory economics" and advancing governance concepts associated with rising authoritarianism in the region.² Meanwhile, the Association of Southeast Asian Nations (ASEAN) has developed its own "Outlook on the Indo-Pacific" based on inclusiveness and ASEAN Centrality, while regional powers like Japan and Australia are increasing engagement with the region through trade, investment, and deepening political and security ties.

Much is at stake for U.S. foreign policy and American interests in the region. Southeast Asia includes two U.S. allies in Thailand and the Phil-

ippines, important security partners like Singapore, and key emerging partners such as Vietnam and Indonesia. Taken together, the 10 ASEAN countries boast the third-largest population in the world at 650 million. In addition, ASEAN is the fifth-largest economy in the world with a GDP of \$2.8 trillion, and the top destination for U.S. investment in the Indo-Pacific at \$329 billion (more than the United States has directed to China, Japan, South Korea, and India combined). Almost 42,000 U.S. companies export to ASEAN, supporting about 600,000 jobs in the United States.³

U.S.-China competition has further intensified in this dynamic region since the onset of the global COVID-19 pandemic. In April 2020, during a meeting with ASEAN foreign ministers to discuss the coronavirus, U.S. Secretary of State Mike Pompeo blasted China for taking aggressive actions in the South China Sea, saying it was taking advantage of the pandemic to advance its territorial ambitions. Subsequently, in July, the United States declared for the first time that China's maritime claims in the South China Sea are "unlawful," and sent two aircraft carriers to the region to conduct military exercises.⁴ China then fired missiles into the South China Sea, demonstrating the potential cost of armed conflict in the region, and initiated a series of meetings and calls with ASEAN leaders offering COVID-19 recovery aid and economic cooperation. Most recently, during a virtual summit with ASEAN foreign ministers in September, Pompeo called on ASEAN to cut business dealings with Chinese companies that "bully ASEAN coastal states in the South China Sea" by helping to construct artificial Chinese outposts in the disputed maritime region.⁵

Many Southeast Asians are apprehensive about China's strategic intentions in the context of this escalating rivalry. At the same time, regional leaders have expressed unease over the Indo-Pacific strategy of the Trump administration, which has been perceived as presenting a choice between Washington and Beijing, even if that was not the intent. Indonesian President Joko "Jokowi" Widodo has called for a vision of the Indo-Pacific that includes China, declaring that ASEAN and China have no choice but to collaborate. For his part, Singaporean Prime Minister Lee Hsien Loong has said proposals for "Indo-Pacific cooperation" are welcome if they are inclusive and deepen regional integration, but they should not undermine ASEAN arrangements or "create rival blocs, deepen fault lines or force countries to take sides."⁶ In this connection, there is mounting concern in ASEAN about the increasing prominence of a quadrilateral security dia-

logue involving the United States, Japan, Australia, and India, also known as “the Quad,” widely seen as providing a counterweight to China’s growing power in the Indo-Pacific.

This overview chapter explores how these great power dynamics are reverberating throughout Southeast Asia, and how ASEAN countries and other regional partners are responding along different dimensions. The chapter begins by discussing the strategic landscape and contending visions for the region, followed by an exploration of economic developments and governance trends. The chapter also summarizes the thematic chapters that appear in this volume as well as discussions at a related trilateral dialogue, including recommendations on possible areas of cooperation among regional partners.

STRATEGIC LANDSCAPE AND CONTENDING VISIONS FOR SOUTHEAST ASIA

Setting the Scene

Since 2013, Beijing has been prioritizing a highly proactive form of “neighborhood diplomacy” with the aim of promoting a “community of common destiny” in China’s neighborhood areas.⁷ Economic statecraft, or the use of economic tools to pursue foreign policy goals, is fundamental to this evolving foreign policy doctrine. China is pursuing this statecraft through a host of new institutions and projects, especially the Belt and Road Initiative (BRI), an ambitious effort to strengthen infrastructure, trade, and investment links between China and other countries in the region and beyond. Prominent projects in Southeast Asia include hydropower dams, oil and gas pipelines, and extensive railway plans. China has also carried out aggressive moves to defend its expansive sovereignty claims in the South China Sea based on the “nine-dash line,” its historical claim that encircles roughly 90% of the contested waters.

The Trump administration’s FOIP strategy is a direct response to China’s more assertive approach to the region, especially in the maritime domain. The substantive content of FOIP has emerged slowly since 2017 through an assortment of speeches, fact sheets, and op-eds written by administration officials.⁸ The strategy was codified more comprehensively at the Shangri-La Dialogue in June 2019, when the Pentagon released its Indo-Pacific Strategy Report focusing on preparedness, partnerships,

and promoting a networked region. The report underscores Washington's commitment to a safe, secure, prosperous, and free region, and sets out four "common principles" that all countries in the region should uphold: 1) respect for sovereignty and independence of all nations; 2) peaceful resolution of disputes; 3) free, fair, and reciprocal trade based on open investment, transparent agreements, and connectivity; and 4) adherence to international rules and norms, including those of freedom of navigation and overflight.⁹ China is singled out for its aggressive and predatory behavior, particularly its militarization of the South China Sea. Beijing also uses economic leverage, influence operations, and "implied military threats to persuade other states to comply with its agenda," while seeking "regional hegemony" as a prelude to "global preeminence" over the long term.¹⁰

The FOIP strategy is also associated with the return of the Quad. Established in 2007, the informal grouping lost traction over the years but was revived in 2017 as President Trump launched his trade war and tech offensive against China. Its most recent ministerial meeting, convened in Tokyo in October 2020, was the first standalone gathering of the Quad as previous meetings have taken place on the sideline of other summits. In Tokyo, Pompeo expressed interest in formalizing and potentially broadening the Quad to "build out a true security network." He called this network a "fabric" that could "counter the challenge that the Chinese Communist Party presents to all of us."¹¹

As the Indo-Pacific concept has taken root, Southeast Asian countries have responded with efforts to develop a more ASEAN-centric approach. These efforts, led by Indonesia, came to fruition in June 2019 when ASEAN released its "ASEAN Outlook on the Indo-Pacific" (AOIP) at the 34th ASEAN Summit in Bangkok. Key themes reflected in the AOIP document are inclusiveness, economic development and connectivity, and ASEAN Centrality.¹² To this end, the document called for an "inclusive regional architecture" while emphasizing that ASEAN-led mechanisms like the East Asia Summit (EAS) should serve as platforms for dialogue and implementation of Indo-Pacific cooperation. Analysis from regional policy experts reflect concerns that the U.S. Indo-Pacific strategy is not only anti-China, but is dismissive of ASEAN, despite regular statements from the Trump administration voicing support for ASEAN Centrality. These concerns have been exacerbated by the revival of the Quad, triggering worries about how ASEAN fits into broader Indo-Pacific arrangements.

MAP 1-1. Map of the Indo-Pacific



Source: Modified from “USINDOPACOM Area of Responsibility,” USINDOPACOM, <https://www.pacom.mil/About-USINDOPACOM/USPACOM-Area-of-Responsibility/>.

In Australia’s assessment, meanwhile, China’s rapid growth is accelerating shifts in the relative economic and strategic weight of different countries in the Indo-Pacific, according to the government’s 2017 “Foreign Policy White Paper.” In Southeast Asia, for instance, the white paper notes that “China’s power and influence are growing to match, and in some cases exceed, that of the United States.” As competition for influence sharpens in the region, Canberra is determined to remain a leading economic and strategic partner of ASEAN and its member states, with the goal of supporting “an increasingly prosperous, outwardly-focused, stable and resilient Southeast Asia.”¹³ Prime Minister Scott Morrison has also affirmed that Australia’s “vision of the Indo-Pacific has ASEAN at its core.”¹⁴ Additionally, Australia has a substantial interest in the stability of the South China Sea and the norms and laws that govern this international waterway. Alongside these policies for Southeast Asia, Canberra is stepping up its en-

agement with the Pacific Islands and Timor-Leste. In this connection, it supports Timor-Leste's ambition to join ASEAN and achieve greater economic engagement with the region.¹⁵

Strategic Landscape Chapters

In the thematic chapters on this topic, three scholars reflect on the above trends with special attention to the policies and challenges of their own country or region.

In chapter 2, focusing on the Trump administration's FOIP strategy, Brookings scholar Lindsey Ford notes that the administration actually sustained most of the traditional building blocks of U.S. Asia strategy—such as promoting economic prosperity, encouraging good governance and shared principles, and creating security through a network of regional allies and partners. Yet, these aspects of the FOIP narrative “have been over-shadowed and at times undermined by broader muscle movements in U.S. foreign policy, including the downward spiral in U.S.-China relations and the president's own erratic instincts on alliance policy and international trade.” The administration's persistent use of punitive economic tools—notably investment restrictions, tariffs, and sanctions—have overwhelmed its narrative about free and open economic relations, Ford writes. In addition, while the administration's determination to push back more actively against China has become a rare point of bipartisan consensus in the U.S. Congress, it has also engendered regional perceptions that FOIP is more focused on containing China than on promoting stability and prosperity. As a result, close partners like South Korea and ASEAN “have been reluctant to fully endorse the Free and Open Indo-Pacific concept or be seen as aligning too closely with FOIP-branded initiatives.”

Writing from a Southeast Asian perspective, analyst and academic Richard Heydarian asserts in chapter 3 that China's rise over the past decade has represented both a rapid shift in the regional balance of power and a direct assault on the legitimacy of the U.S.-led liberal international order. China is not only introducing ambitious multilateral economic initiatives like BRI, but is also expanding its military muscle through land reclamation and weaponization of artificial islands in the South China Sea. He describes the U.S. FOIP strategy as a combination of diplomatic pressure, economic cooperation, and deepening military countermeasures

vis-à-vis China, carried out in tandem with like-minded powers that are likewise perturbed by Beijing's challenge to the existing order. As he notes, however, the Indo-Pacific and FOIP discourse is often viewed skeptically in Southeast Asia as a thinly veiled containment strategy against China by Washington and the other members of the Quad.¹⁶ ASEAN categorically rejects any narrow definition of China as a hegemonic threat that has to be contained by a counter-coalition of powers, and instead sees Beijing as an "indispensable stakeholder" that should be engaged on an institutionalized, if not conciliatory, basis through ASEAN mechanisms.

In this evolving regional context, Heydarian views the AOIP as a defensive attempt at reasserting ASEAN centrality. But instead of just asserting centrality, ASEAN should also achieve and earn a pivotal role in shaping the emerging 21st-century order in the Indo-Pacific. The reality, he writes, is that ASEAN's refusal to choose on key geopolitical issues "represents a choice itself, potentially leading to its peripherality in regional affairs."

Finally, in chapter 4, Herve Lemahieu of the Lowy Institute explores Australia's unique role as a middle power that bridges the Pacific, where it is the dominant resident power, and Southeast Asia, where it must work with and through equals. Far from being hapless victims, middle powers will become increasingly important in an age of great power competition. When two superpowers are gridlocked, he writes, "the actions of the next rung of powers will constitute the marginal difference," and the fate of the regional order (or disorder) will be determined by "the interests and choices of a 'long tail' of large and small powers in managing the ups and downs of U.S.-China competition." Furthermore, since neither the United States or China can dominate the other in the Indo-Pacific, middle powers like Australia have an opportunity to cooperate with Southeast Asian countries to build an inclusive alternative to both Sino-centric and U.S.-led versions of regional order.

Lemahieu is concerned, however, that Australia's signature foreign policy initiative since 2018—the Pacific Step-up—has come at the cost of a "Southeast Asia step back." Amid growing concerns about China and a marked deterioration in Australia-China relations" during the COVID-19 pandemic, Canberra should prioritize a broader and more ambitious regional strategy rather than withdrawing into a defensive "inner ring"

in the Pacific. What is needed, he writes, is a more nuanced approach to working with the middle powers of Southeast Asia—one that “takes greater stock of their development needs, and is not exclusively couched in term of competition with China.” Canberra should also commit to a post-pandemic recovery strategy for Southeast Asia, while facilitating cross-regional linkages between Southeast Asia and the Pacific to help diversify the international relations of Pacific island nations and minimize the risk that they become overly dependent on China.

Trilateral Discussions and Recommendations

U.S. Asia policy: These chapters also reflect discussions and debates among trilateral dialogue participants about U.S. policy, middle-power agency, and ASEAN’s capacity and role, among other topics. On U.S. Asia policy, ASEAN participants are troubled that it had become too narrowly focused on China, forcing Southeast Asian countries into a binary choice that they do not want to make. The Trump administration seemed to be focused exclusively on confronting China, they believe, while previous U.S. administrations had used a carrot-and-stick approach with Beijing that combined competition with cooperation. They also feel U.S. policy is too focused on defense and security, to the detriment of diplomacy and development, permitting China to fill the soft-power vacuum and capture the narrative through the BRI.

Binary choice and middle-power agency: Several trilateral participants also believe it is time for the region to move beyond a binary choice between the United States and China. At one level, this can be accomplished by disaggregating strategic competition issue by issue. Such an approach would allow for issue-based agency by individual countries in the region. Countries can maintain close security ties with the United States, for instance, while also having close economic ties with China. At another level is the broader question of middle-power agency, collective action, and the role and capacity of ASEAN. In other words, Southeast Asian countries can work with middle powers like Australia and Japan (admittedly a major power in economic terms) to expand middle-power agency and reduce the need for an all-or-nothing choice between China and the United States. Participants disagree about the feasibility of facilitating such collective or multilateral action, with one calling it “middle-power romanticism,” while

others think it may be realistic in discreet issue areas like choices over 5G technology.

ASEAN's role and capacity: Participants are also divided on whether ASEAN can itself function as a middle power or has the capacity to create independent strategic space in the region in the face of escalating U.S.-China rivalry. Some argue that ASEAN is currently confronting the gravest institutional crisis in its history. The association only experienced this level of great power competition when it had five or six members during the Cold War, but not since it has expanded to ten.¹⁷ Not surprisingly, the current geopolitical push and pull is exposing internal fissures in the larger grouping that are challenging ASEAN's consensus model of decisionmaking. Other participants, however, feel that ASEAN does not need to take sides and can overcome the present challenges by asserting ASEAN centrality.

In addition to discussing these issues, the trilateral discussions generated recommendations for possible cooperation among regional partners, or for the partners individually. These recommendations either appeared in the papers or came up in discussions, generally reflecting the perspectives of individual participants. They do not represent a consensus among the trilateral participants as a whole. Recommendations on strategic issues include:

■ **Clarify U.S. policy goals:** As noted in the preface, Washington should better define the end goal of U.S. Asia policy today: Is it to reestablish preeminence, construct a new balance of power, preserve the rules-based order, or some combination of these elements? Strategic competition should be a means to an end, not an end in itself. In addition, all parties should consider what a multipolar world might look like in Asia and what their respective roles would be within it.¹⁸

■ **Exchange candid assessments on China:** Washington and its partners should engage in more open and candid exchanges about how each country is managing the areas of cooperation and competition in its relationship with China. This will become increasingly important as the areas of rivalry and competition grow between Washington and Beijing. The United States needs to understand where partner priorities differ from its own, and why. At the same time, U.S. partners would benefit from a deeper

understanding of U.S. policy, to help assuage combined concerns about abandonment and entrapment.¹⁹

■ **Operationalize middle-power agency and regional cooperation:** To advance middle-power agency, middle powers need to become more proactive in developing alternative approaches to addressing regional challenges, such as the provision of public goods like infrastructure finance. At the same time, regional partners such as Australia and the United States should focus trilateral coordination less on external security and more on helping ASEAN achieve its sustainable economic development goals. For this to occur, partners outside of Southeast Asia need clearer guidance from ASEAN countries about the type of public goods they are looking for and where they prefer to find them.

■ **Advance ASEAN centrality:** ASEAN centrality cannot just be claimed; it has to be earned. To facilitate, ASEAN should conduct a formal dialogue to flesh out what this concept actually means in the current regional context and how to achieve it in practical terms. Alternatively, or perhaps in parallel, ASEAN countries could pursue new forms of minilateralism, whereby core, likeminded Southeast Asian countries adopt more expedient and



Malaysia's Transport Minister Anthony Loke Siew Fook (third from left) and China ambassador to Malaysia Bai Tian (third from right), gesture during the relaunch of the East Coast Rail Link (ECRL) project in Dungun, Terengganu, Malaysia, July 25, 2019.

REUTERS/Lim Huey Teng

robust responses to shared threats, including in cooperation with external powers.²⁰

■ **Engage individual Southeast Asian countries in their own right, not as a part of plan to counterbalance China:** There is an increasing tendency for security analysts in Washington, Canberra, and other Western capitals to see the relationship with ASEAN nations through the lens of competition with China. This is a mistake. As they struggle with profound historical tensions and domestic challenges, these countries often see their biggest challenges coming from inside, not outside. The best way to develop effective partnerships is thus to help them tackle their domestic challenges, not to push them to take on an international role with which they are uncomfortable.²¹

■ **Encourage ASEAN-Pacific Dialogue:** ASEAN and the Pacific Islands Forum (PIF) should develop a formal Dialogue Partnership, institutionalizing cross-regional dialogue and cooperation between their international secretariats. A number of ASEAN member states are already Dialogue Partners to the PIF. Both organizations also have a Dialogue Partnership with the European Union, which is helping to build greater understanding of the potential for enhanced multilateral governance in their regions.²²

ECONOMIC DEVELOPMENTS AND CHALLENGES

Setting the Scene

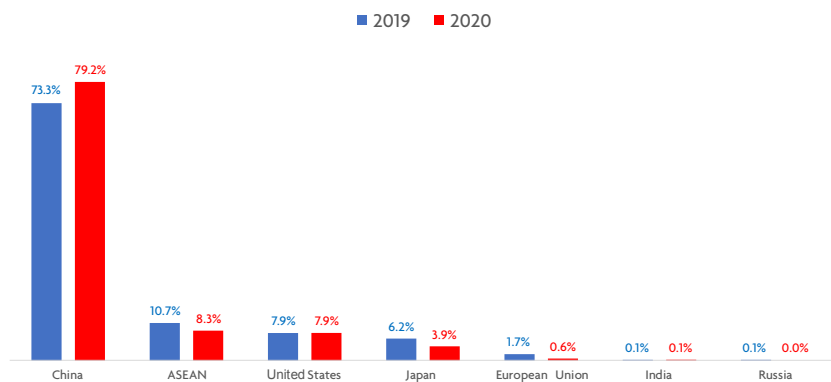
According to the Asian Development Bank (ADB), Southeast Asian economies will need \$210 billion per year in infrastructure investment from 2016 to 2030 just to keep up the momentum of economic growth.²³ In this context, Japan and China are by far the largest bilateral infrastructure financiers in Southeast Asia. Data compiled by Lowy scholar Roland Rajah indicate that China's financial commitments for infrastructure projects totaled \$42 billion from 2008 to 2016, compared to \$37 billion for Japan.²⁴ Meanwhile, recent data from Fitch Solutions indicate that Japanese-backed projects in the region's six largest economies—Indonesia, Malaysia, the Philippines, Singapore, Thailand, and Vietnam—are valued at \$367 billion, compared to China's tally of \$255 billion, although Fitch only counts pending projects, or those at the stages of planning a feasibility study, tender, and currently under construction.²⁵

Chinese economic activities are particularly conspicuous in mainland Southeast Asia, where Beijing has cultivated the Lancang-Mekong Cooperation (LMC) mechanism to coordinate BRI projects and advance its economic and political ambitions in this critical subregion on China's immediate periphery. Established in 2015 among the six countries that comprise the Greater Mekong subregion (Cambodia, China, Laos, Myanmar, Thailand, and Vietnam), the LMC promotes cooperation across a range of economic and cultural domains, but the driving force is infrastructure.²⁶ Beijing has set aside over \$22 billion under the mechanism to support projects focusing on technological connectivity and industrial development as well as trade, agriculture, and poverty alleviation. In Laos, for instance, Beijing is bankrolling the \$7 billion China-Laos railway project, extending almost 260 miles from the Chinese border to Vientiane, a project that amounts to almost half the country's gross domestic product (GDP).²⁷

The strategic implications of China's dam building along the Mekong are particularly daunting. China has built eleven mega-dams along the upper Mekong within China, apart from the hydropower dams it is financing in Laos and Cambodia, effectively giving it the power to "turn off the tap" for the five ASEAN countries that rely on the river for economic stability and security in the Lower Mekong subregion. A recent study from U.S.-based climate consultant Eyes on Earth has offered evidence that Chinese dams held back water in 2019—exacerbating drought in Vietnam, Laos, Cambodia, and Thailand.²⁸

China's rising economic influence has generated unease and push-back in Southeast Asia over contract terms, corruption, and possible debt traps. However, as reflected in Malaysia's successful renegotiation of the Chinese-financed East Coast Rail Link project in 2019, ASEAN countries appear to be getting smarter in the way they are managing BRI and negotiating with China.²⁹ Beijing is also showing a capacity to learn from its implementation mistakes, make adjustments, and preempt criticism from the region going forward. In sum, there appears to be a mutual learning dynamic at play that could make BRI more resilient and enduring in Southeast Asia over time.³⁰ Not surprisingly, Southeast Asian policy experts, businesspeople, and other stakeholders have an acute awareness and recognition of China's growing economic influence in the region, as reflected in Figure 1, even as they remain wary of its long-term strategic intentions.

FIGURE 1-1. In your view, which country/regional organization has the most influential economic power in Southeast Asia?



Source: The State of Southeast Asia: 2019 and 2020 Survey Reports (Singapore: ASEAN Studies Center, ISEAS-Yusof Ishak Institute, January 2019 and January 2020), http://www.iseas.edu.sg/images/pdf/TheStateofSEASurveyReport_2019.pdf and http://www.iseas.edu.sg/images/pdf/TheStateofSEASurveyReport_2020.pdf.

Finally, China's economic advance has encouraged other countries to reform and step up their own infrastructure plans for the region. The United States has transformed the Overseas Private Investment Corporation (OPIC) into the new International Development Finance Agency (DFC), doubling OPIC's \$30 billion investment ceiling to \$60 billion, while Australia has revamped its export credit agency, now called Export Finance Australia, giving it more leeway to finance overseas infrastructure projects. In late 2018, Australia and the United States also joined Japan to form a Trilateral Partnership for Infrastructure Investment in the Indo-Pacific in order to promote sustainable infrastructure based on high standards—notably good governance, open procurement, debt sustainability, and environmental and social safeguards. More recently, in November 2019, the three countries launched the Blue Dot Network, a multi-stakeholder initiative designed to evaluate and certify nominated infrastructure projects based on high quality standards and principles.³¹ Another key goal of these initiatives is to incentivize private-sector financing for infrastructure development throughout the region.

Economic Chapters

In chapter 5, Brookings scholar David Dollar investigates these developments by examining U.S. and Chinese infrastructure initiatives in Southeast Asia, seeking to combat common misconceptions and unsubstantiated rhetoric. Investing in infrastructure is a crucial aspect of a successful growth strategy, Dollar says, and traditionally ASEAN countries could rely on Western support through bilateral financing and multilateral development banks. However, Japan is now the only significant financier among Western donors. From 2015 to 2017, Japan committed \$13 billion to transport and energy infrastructure in ASEAN countries, whereas no other donor reached \$1 billion per year in these sectors.³² Meanwhile, China is rapidly expanding its infrastructure financing under BRI through two policy banks, the China Development Bank and the Export-Import Bank of China, motivated by both economic and strategic considerations.

Since China's money is mostly non-concessional, Dollar writes, Beijing has been accused of "debt-trap diplomacy"—that is, of saddling countries with higher-interest debt that they are unable to repay, giving China leverage over the borrowing country. However, looking at the data on external debt relative to gross national income (GNI) for ASEAN countries, he finds that most are in very good shape as of 2018. The exceptions are Laos, with an external debt to GNI of 90%, and, to a lesser extent, Cambodia at 68%. Laos highlights the risk of taking on too much debt too quickly, especially non-concessional debt, a problem exacerbated by the economic distress brought on by COVID-19. Dollar notes that Laos is eligible for the Debt Service Suspension Initiative promoted by the G20, but has chosen instead to negotiate directly with China, its main creditor, including a debt-for-equity swap in which the China Southern Power Grid Co. is taking a direct stake in Laos's power transmission company.

Continuing with the infrastructure theme, Roland Rajah examines in chapter 6 the renewed interest of the United States and Australia in the sustainable infrastructure agenda in Southeast Asia, and in coordinating their expanded and revamped infrastructure efforts with Japan. According to Rajah, the current approach of these partners is unlikely to provide a credible response or alternative to China's Belt and Road Initiative. The emphasis on mobilizing more private capital for infrastructure development, for instance, simply cannot deliver the dividends needed to compete with the scale of BRI. Nor is an emphasis on high infrastructure standards

likely to deter Southeast Asian governments from pursuing Chinese projects as long as China continues to be perceived as offering faster, less risk-averse, and more responsive support compared to alternatives available from traditional partners. Facing these challenges, says Rajah, the trilateral partners need to improve the competitiveness of their own infrastructure approaches to be more streamlined and fit-for-purpose. More ambition is needed as well. Contrary to the assumption that it is impossible to match China's financing scale, Rajah argues that the gap is actually not insurmountable and a moderate increase in official development assistance would be enough for the trilateral partners to keep pace.

Lastly, in chapter 7, Khuong Minh Vu of the Lee Kuan Yew School of Public Policy reviews the performance of ASEAN countries over the two decades since the Asian financial crisis in the late 1990s, as well as the countries' vulnerabilities to the U.S.-China trade war and the COVID-19 pandemic. He argues that these crises show that the world has reached an inflection point, requiring fundamental change in development thinking and approaches. This message is particularly relevant for ASEAN countries, which had made impressive economic achievements before



*U.S., Australia, Japan delegation travels to indonesia
to explore investment opportunities—*

U.S. embassy and consulates in Indonesia, August 28, 2019

<https://id.usembassy.gov/u-s-australia-japan-delegation-travels-to-indonesia-to-explore-investment-opportunities/>.

the COVID-19 outbreak. As all ASEAN countries have established aspirational goals for their development journeys over the next two to three decades, Vu says that “they should turn these emerging threats into a unique opportunity to raise the sense of urgency for change and deepen their commitment to fundamental and visionary reform efforts,” so as to be highly “prepared, competitive, and resilient” in the future development landscape. Furthermore, ASEAN will be stronger if it can position itself as an integrated market and a well-coordinated community, in which each country endeavors to enhance not only its own fitness, but also the fitness of the region in the post-COVID-19 global economic evolution.

Trilateral Discussion and Recommendations

Japan’s role in the region: A key theme in this topic area is Southeast Asia’s high regard and appreciation for Japan’s role in the region, especially in the infrastructure domain. In the words of one participant: “Japan asks little but provides a lot.” Japan is also seen as well-resourced, flexible, inclusive, and is willing to cooperate with China. When Prime Minister Shinzo Abe visited China in October 2018, for instance, fifty-two memoranda of understanding (MOUs) were announced, encouraging business cooperation in third-country markets in such fields as transportation, energy, and health care. Although implementation remains a work in progress, the MOUs have signaled to ASEAN countries that Japan is willing to engage China, and that its Indo-Pacific strategy is qualitatively different from the U.S. version.³³ According to the above-noted ISEAS survey, moreover, Japan is the most trusted major power in the region, with 61.2% of respondents indicating that they are confident or very confident that Japan will “do the right thing” to contribute to global peace, security, prosperity, and governance. Japan is the only major power to achieve an overall trust level above 50% in the 2020 survey, followed by the European Union (38%), the United States (30.3%), China (16.1%), and India (16%).

Politicization of aid and development: Trilateral participants are concerned that development assistance is increasingly becoming a proxy for great power competition in Southeast Asia. This requires recipient countries to factor in geopolitical considerations when deciding whether to accept or decline infrastructure financing, often causing them to hedge. The competition is most conspicuous and tangible in mainland South-

east Asia, or the Lower Mekong subregion, where China is promoting the LMC; the United States is supporting its new Mekong-U.S. Partnership, an expansion of the Lower Mekong Initiative (LMI); and Washington and Tokyo recently launched the Japan-U.S. Mekong Power Partnership (JUMPP). The trilateral infrastructure partnership of Japan, Australia, and the United States also appears to be eyeing this area. One participant describes the Mekong subregion as a “spaghetti bowl” of separate aid initiatives with little coordination between them. Participants encourage the United States and Australia to design and support development projects that Mekong countries actually want, urging them to better align their projects with homegrown initiatives, such as the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS).

Recommendations on economic issues include:

- **Improve coordination of development assistance in the Mekong:** The United States, Australia, and ASEAN are all engaging in the Mekong through different dialogue mechanisms. They should explore opportunities to better align their approaches by exchanging information on their respective activities, sharing country-level needs assessments, and developing coordinated initiatives on water and resource management.³⁴
- **Encourage the World Bank to focus more on infrastructure:** The World Bank should focus more on infrastructure and reduce processing times for its loans, giving developing countries competitive alternatives. In addition, multilateral development banks should assist ASEAN governments to consider and manage BRI projects, using existing infrastructure advisory facilities to provide technical assistance.³⁵
- **Dial down anti-China rhetoric and join AIIB (United States and Japan):** U.S. accusations of China’s “debt-trap diplomacy” do not resonate with much of the developing world and make the United States look insecure. Meanwhile, the Asian Infrastructure Investment Bank (AIIB) is transparent and multilateral and should be encouraged as an alternative to Chinese bilateral financing. Joining AIIB would demonstrate that Washington and Tokyo are not simply opposing all Chinese external efforts; it would also give credence to legitimate Western criticisms of China’s bilateral programs.³⁶

■ **Multilateralize BRI:** The United States, Japan, and regional countries should encourage China to multilateralize BRI on a project-by-project basis, mitigating strategic economic competition in the process. Growing economic challenges in China, coupled with increased borrowing and heightened risk, could persuade Beijing to move in this direction.

■ **Strike a balance between high standards and efficiency in infrastructure financing:** The current focus of the trilateral partners on “high standards” may prove ineffective in competing with China’s BRI. Efforts to streamline processes and strike a better balance between managing risk and delivering results are needed. This could provide a useful agenda for the Blue Dot Network.³⁷

GOVERNANCE TRENDS IN SOUTHEAST ASIA

Setting the Scene

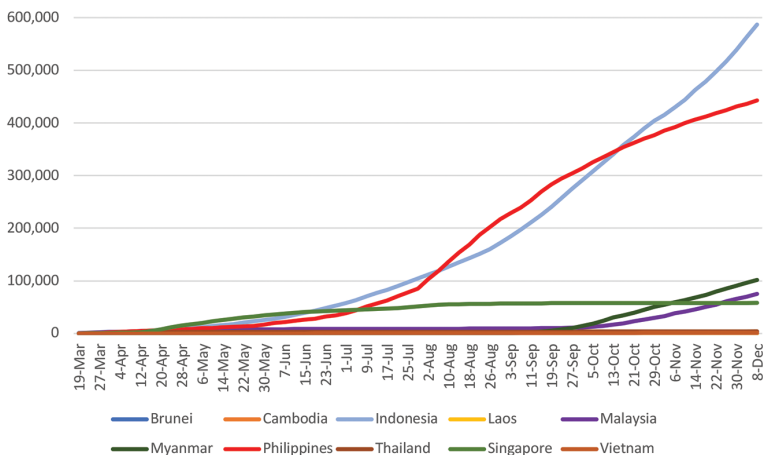
The conventional wisdom among Southeast Asia watchers is that democracy has been declining in the region for several years. Observers point to the military coup in Thailand in 2014, President Rodrigo Duterte’s drug war and extrajudicial killings in the Philippines, Prime Minister Hun Sen’s dissolution of opposition parties and muzzling of the media in Cambodia, and the rise of religious and political intolerance in Indonesia. Even the glow of Aung San Suu Kyi’s historic electoral victory in Myanmar in 2015, ending decades of outright military rule, is fading as nearly 750,000 Rohingya Muslims have fled to Bangladesh to escape ethnic cleansing by the Myanmar military. This “democratic decline,” or “regression to authoritarianism,” is typically attributed to such chronic problems as political corruption, weak electoral systems, and high levels of inequality.³⁸

Alongside these broader trends, Southeast Asian countries are now also coping with the significant governance challenges of responding to the COVID-19 pandemic. Viewed as a success story early in the crisis, the region was experiencing persistent and accelerating infections in several nations by fall of 2020. ASEAN countries had reported a cumulative 1,271,003 cases as of early December, with Indonesia and the Philippines comprising 81% of the total. While these numbers pale in comparison to those seen in the United States, India, and other regions, tens of thousands of infections are likely going undetected due to low testing rates, especially

in Indonesia, which has the world's fourth-largest population of over 270 million. The administration of President Jokowi has struggled to respond effectively to the contagion, implementing inconsistent lockdowns and minimal contacting tracing. Indonesia's testing rate is also among the lowest in the world.³⁹

Despite sharing an 800-mile border with China, Vietnam's response has been far more effective owing to a combination of early and decisive action, extensive surveillance, mass mobilization, and effective use of social media to publicize regulations and programs related to the pandemic. It has also carried out intricate and multilayered contact-tracing procedures.⁴⁰ As of December 8, 2020, this country of nearly 100,000 million had recorded only 1,377 cases and 35 deaths. While observers have attributed Vietnam's success to its authoritarian political system and toolkit, it also appears to have resulted from decades-long reforms aimed at improving governance and responsiveness at local levels—including steady advances in information access, corruption control, and healthcare—as well as improvements in central-local policy coordination.⁴¹ Although Vietnam experienced a minor flare-up in cases in late July and August, the government subsequently reestablished control over the pandemic. Efforts are now underway to gradually reopen the economy, which is projected to grow by 1.8% in 2020. All of the other major ASEAN economies are expected to remain in negative territory.

FIGURE 1-2. Total Reported Cases of COVID-19 in Southeast Asia



Source: Johns Hopkins University

Meanwhile, as discussed extensively at the trilateral dialogue, Southeast Asia is also witnessing a dramatic rise of Chinese power and influence throughout the region, as well as a significant escalation of U.S.-China rivalry. Analysis of this growing rivalry has focused largely on the security realm and divergent efforts to define the broader regional order. However, the evolving “pull of power” from Beijing and Washington may also be affecting political trends in individual Southeast Asian countries as China exemplifies, and perhaps even propagates, a political model that could appeal to leaders seeking economic growth opportunities without commensurate political liberties or constraints on their power.⁴² The chapters on this topic consider the potential impact of China’s rise on governance trends in the region, as compared to internal drivers and historical factors inherent to the countries themselves.

Governance Chapters

In chapter 8, Lowy scholar Ben Bland set the stage for this topic by investigating the intersection between contemporary governance challenges and long-standing historical tensions in Southeast Asia. While analysts and academics often ascribe the recent challenges to sweeping trends like the spread of divisive social media or the increasing appeal of China’s authoritarian model, Bland argues that it is more instructive to see the problems in their own unique historical context. In particular, he argues that many of the major governance problems faced by countries in the region—including Indonesia, Malaysia, Myanmar, the Philippines, and Thailand—are “the result of long-running tensions, which in some cases date back to the late colonial era and the struggle for independence.” For example, Indonesia has developed remarkably resilient, free and fair elections since the fall of Suharto in 1998, but according to Bland, it has failed to reform its political system to curb the dominance of Suharto-era elites. Indonesia is also still struggling to resolve the relationship between Islam and the state, a conundrum that dates back to its origins as an independent nation in 1945.

Bland also sees these themes reflected in Indonesia’s response to COVID-19. While often disregarding experts in public health, President Jokowi has looked to the military and police to lead the response. Indonesia is not faring well, as noted above, with a rising caseload and a government that has failed to set out a clear strategy for tackling the twin health and economic crises. This approach reveals “the enduring power of

the military, more than two decades after the post-Suharto reforms that ended its ‘dual function’ role in civilian government.” It also underlines the persistence of authoritarian figures and authoritarian thinking in the Indonesian government. Although the president is not actively trying to roll back democracy, Bland writes, he is reaching for the levers of power that he thinks will deliver quick results.

In a related trilateral paper, Philips Vermonte of the Centre for Strategic and International Studies (CSIS) Indonesia delved further into the Indonesian case by analyzing different trends and challenges that are affecting the process of democratic consolidation in the country. He notes that the April 2019 elections—which resulted in the reelection of Jokowi for a second term—should have been a propitious sign since it was Indonesia’s fourth direct presidential election and fifth parliamentary election since the country democratized in 1999. Yet, Vermonte points to recent political developments suggesting that Indonesia is far from a consolidated democracy today. These developments include the rise of identity politics, seen most vividly during the 2017 Jakarta gubernatorial election, when incumbent governor Basuki Tjahaya Purnama (Ahok), a non-Javanese Christian of Chinese descent, faced a debilitating smear campaign from conservative Muslim groups that invoked religious and racial sentiment. Counterbalancing this trend, however, is the rise of technocratic governors at the provincial level, suggesting that Indonesian voters are also looking for leaders focused on better governance and improved public service delivery.

Vermonte concludes on a pessimistic note, pointing out that successful economic growth in China and other non-Western economies has not been associated with democratic development and freedom. “What can spell trouble for developing countries like Indonesia,” he writes, “is that China might inspire and even be used as a working model that a certain level of economic development is indeed possible without opting for democracy.”

Finally, in chapter 9, Thomas Pepinsky of Cornell University widens the aperture and provides a panoramic overview of governance trends in Southeast Asia, offering two main findings based on existing empirical data. First, he finds no evidence of region-wide democratic erosion in either the short or medium term. Cases of democratic regression like Thailand have been matched by cases of opening and liberalization in Myanmar and Timor-Leste, however halting and incomplete. Other regularly cited cases of democratic backsliding, such as Cambodia under Hun Sen

or the Philippines under Rodrigo Duterte, are “simply the latest iterations of medium-term political processes specific to each country.” Second, Pepinsky finds little correspondence between democratic practices and civil liberties, on the one hand, and effective and capable governance, on the other. In other words, Southeast Asia as a region “is characterized by a decoupling of governance and regime type.” Governance indicators for Thailand have remained roughly constant, for instance, despite dramatic political change on multiple occasions.

Pepinsky recognizes that China’s rise is an inescapable reality for politicians and mass publics alike in Southeast Asia, and notes that the decoupling of democracy and governance could provide an opening for the “Beijing model” to take root in the region. With regard to COVID-19, for instance, a key point to watch is whether Southeast Asian countries focus on the U.S. narrative of culpability or the Chinese narrative of effective management. But for Pepinsky, China’s economic policies and diplomatic actions are not directly encouraging authoritarian capitalism or incentivizing countries to follow a particular national political or economic model. Instead, China’s primary objective for Southeast Asian countries is to “establish and maintain regional dominance, which is best accomplished by working with governments of any type within the region and pushing for issues in China’s strategic interest (that is, megaprojects, dams, South China Sea).”

Trilateral Discussion and Recommendations

China model: In this subject area, Southeast Asian participants see little evidence that China is actively promoting a new political model in the region based on authoritarianism or state capitalism, but they note that China is trying to undermine the appeal of the Western democratic model by highlighting its flaws. Additionally, although Beijing may have stepped up efforts to influence domestic outcomes or public opinion in Southeast Asia, this was being done to promote Chinese strategic interests in the region or to bolster the position of the Chinese Communist Party at home.

Indirect effects: Some participants detect indirect effects of China’s growing influence on governance trends in the region. In other words, even if China is not proactively promoting an authoritarian model of de-

velopment, it might still be reinforcing authoritarian tendencies or inhibiting democratic consolidation in some countries through the export of surveillance technologies, expansion of its state media footprint, or provision of financial support through development aid, infrastructure investments, and other modalities.

Socializing with Southeast Asia: Finally, participants observe that China is “socializing” with ASEAN countries to an increasing degree, sending a continuous flow of missions and groups to the region in recent years. The Chinese “are in listening mode compared to five years ago,” notes one participant, even contracting local think tanks to conduct studies on BRI implementation experiences, warts and all.

Recommendations on governance issues include:

■ **Take the long view:** The current governance challenges make it hard for Australia, the United States, and other Western governments to deepen engagement with ASEAN countries, especially as China expands its influence in the region. Still, Western governments should not succumb to resignation in the face of seemingly intractable problems; rather, they should endeavor to better understand the historical roots of Southeast Asia’s contemporary governance issues, craft their assistance accordingly, and commit for the long term.⁴³

■ **Approach governance reform and democracy promotion separately:** Instead of trying to re-couple democracy and accountability within Southeast Asia, based on the hypothesis that one will produce the other, it is important to acknowledge their decoupling and treat each as a separate issue worth pursuing in its own right. Donors looking to promote accountability, for instance, can look for areas of agreement with local counterparts, such as transparent frameworks, dispute-resolution procedures, and data transparency. In terms of democracy, it is important to recognize that Southeast Asians desire democratic rights for the same reasons as others around the world: because these rights provide voice and allow citizens to advocate for their own civil liberties.⁴⁴

■ **Promote transparency in infrastructure investments:** In connection with the economic discussion above, the United States and other donors should continue to offer assistance to select ASEAN countries in negotiating and

managing large infrastructure projects, from both Chinese lenders and private investors, to encourage transparency and reduce the corruption often associated with administering such projects.

CONCLUSION

The foregoing discussion, reflecting both the chapters in this volume and discussion among the trilateral participants, offers a rich and comprehensive analysis of key challenges facing Southeast Asia amid accelerating U.S.-China rivalry. Meanwhile, as this book goes to press in December 2020, the COVID-19 crisis appears to be bolstering China's position as the country recovers faster from the pandemic. While the U.S. economy remains mired in recession, the Chinese economy is rebounding and surged by 4.9% in the third quarter of 2020 compared to the same period last year. Chinese exports and imports are growing as well, showing a recovery in trade. In fact, ASEAN has recently become China's largest trading partner—not just the other way around—eclipsing the European Union and the United States for the first time.⁴⁵

The Chinese economy also faces serious challenges, of course, and could stumble.⁴⁶ Yet, as ASEAN governments try to recover from the pandemic, they are watching the Chinese economy closely for signs of a sustained recovery and possible knock-on effects. They recognize that China currently is the largest growth engine of the world economy, accounting for nearly 30% of global growth. ASEAN policymakers will be clear-eyed about these economic realities as they look to the future, estimate China's economic footprint, and calculate their likely interdependencies and opportunities with Beijing. These interdependencies may deepen and accelerate with the recent signing of the Regional Comprehensive Economic Partnership (RCEP), a free-trade agreement involving the ten ASEAN countries, China, Japan, Korea, Australia, and New Zealand. National University of Singapore Professor Khong Yuen Foong has aptly framed the strategic implications for ASEAN as the recovery unfolds: "I will not underestimate the United States' economic resilience and technological ingenuity, but if China were to do better on the economic front, its narrative about being the wave of the future will fall on receptive ears in Southeast Asia."⁴⁷

However, while Beijing may reap strategic benefits from the pace and sequencing of economic recovery, it could also face trip wires if Chinese diplomacy invokes nationalistic rhetoric or aggressively pursues its territorial claims in the South China Sea. The pandemic has already spurred some anti-Chinese sentiment and activities in the region, particularly in Indonesia, which has a long history of distrust and resentment between the ethnic Chinese community and the indigenous populations.⁴⁸ On social media, Filipinos also responded angrily to a Chinese music video—titled “One Sea”—that showcases China’s COVID-19 aid to the Philippines while simultaneously appearing to legitimize Chinese claims to waters that Manila views as its territory in the South China Sea. A few days before the music video was released, a Chinese warship had aimed weapons at a Philippine navy vessel near a disputed reef.⁴⁹

This maritime assertiveness will provide a continued opening for the United States to cultivate relations with ASEAN countries in the security domain. To be effective in sustaining American power and influence, however, Washington must also improve its economic standing in a region where economic factors are playing a prominent role in shaping the decisions of Southeast Asian leaders on critical issues that divide Washington and Beijing—including the deployment of 5G technologies. This will not only require operationalizing and expanding infrastructure coordination with allies and partners, as discussed in this volume, but also developing a comprehensive economic strategy that offers a positive message for multilateral engagement with the region. The reorganization of supply chains is another important variable, which could redound to the benefit of Washington or Beijing depending on how trends unfold.

In response to the pandemic, both China and the United States have expanded aid to ASEAN countries as they battle COVID-19 and try to manage the associated economic challenges. China sent shipments of masks and ventilators to the region early in the crisis and has promised ASEAN countries that they will be among the first to receive Chinese COVID-19 vaccines once they become available. Beijing has also pledged to support Indonesia’s efforts to become the center for vaccine production in Southeast Asia.⁵⁰ For its part, the Trump administration announced in September 2020 that it had provided \$87 million in U.S. government assistance to fight COVID-19 in ASEAN countries under the U.S.-ASEAN Strategic Partnership. In Thailand, for instance, the U.S. Centers for Dis-

ease Control and Prevention is providing training to physicians and lab technicians on performing COVID-19 testing.⁵¹

As the United States and China jockey for position in the region, both countries have been diminished globally by their domestic responses to COVID-19. The aura of American competence has been punctured, and the world will ultimately remember that China muzzled the whistleblowers and allowed the virus to spread across the globe—enabled by a governance system that values centralized, personalized power over transparency.⁵² Where the great powers have failed, however, middle powers have succeeded spectacularly in controlling the virus, particularly in Asia. These include democracies like South Korea and Taiwan and single-party systems like Vietnam. Their success does not appear to stem from regime type, but rather from transparent and effective governance that is guided by science—including the capacity of central authorities to mobilize and direct resources in a time of national crisis.

Finally, as Southeast Asia looks ahead to a post-COVID world, it is worth considering whether this is also a “middle-power moment” in geopolitical terms, when middle powers have a genuine opportunity to increase collaboration and influence as great power rivalry heats up in the region.⁵³ Will ASEAN play a central role, as it tries to navigate and manage great power competition in the region, or could we see the emergence of minilateral initiatives involving select ASEAN countries? This volume provides analysis and recommendations for policymakers as they address these questions not only in ASEAN capitals, but also in Washington, Canberra, and beyond. Grouped by subtopic, the ensuing chapters address these questions in greater depth—delving into the strategic, economic and governance challenges of a dynamic and strategic region, caught in the vortex of escalating great power competition.

Notes

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2. In a speech at the Brookings Institution in late 2019, David R. Stilwell, Assistant Secretary of State at the Bureau of East Asian and Pacific Affairs, said increasing authoritarianism is reflected in Beijing’s “New Type governance idea, in the region and beyond.” See Stilwell, “The U.S., China, and Pluralism in International Affairs”

(remarks, Washington, DC, December 2, 2019), <http://www.state.gov/the-u-s-chinaand-pluralism-in-international-affairs/>.

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6. For further analysis of these trends, see Jonathan Stromseth, “Don’t Make Us Choose: Southeast Asia in the Throes of U.S.-China Rivalry” (Washington, DC: The Brookings Institution, October 2019), https://www.brookings.edu/wp-content/uploads/2019/10/FP_20191009_dont_make_us_choose.pdf.

7. During a speech to the Indonesian parliament in October 2013, Chinese President Xi Jinping referred explicitly to a shared future involving China and ASEAN: “The China-ASEAN community of shared destiny is closely linked with the ASEAN community and the East Asia community. The two sides need to bring out their respective strengths to realize diversity, harmony, inclusiveness and common progress for the benefit of the people of the region and beyond.” See Xi Jinping, “Speech by Chinese President Xi Jinping to Indonesian Parliament” (speech, Beijing, October 2, 2013), http://www.asean-china-center.org/english/2013-10/03/c_133062675.htm.

8. In its current usage, “Indo-Pacific” was first put forward by Japanese Prime Minister Shinzo Abe in 2007, when he spoke of a “dynamic coupling” of the Indian and Pacific Oceans in a 2007 speech to the Indian parliament. See Jeff M. Smith, “Unpacking the Free and Open Indo-Pacific,” War on the Rocks, March 14, 2018, <https://warontherocks.com/2018/03/unpacking-the-free-and-open-indo-pacific>.

9. “Indo-Pacific Strategy Report: Preparedness, Partnerships, and Promoting a Networked Region” (U.S. Department of Defense, June 1, 2019), 1, 3–6, <https://media.defense.gov/2019/Jul/01/2002152311/-1/-1/1/DEPARTMENT-OF-DEFENSE-INDO-PACIFIC-STRATEGY-REPORT-2019.PDF>.

10. *Ibid.*, 7–9.

11. “Pompeo Aims to ‘Institutionalize’ Quad Ties to Counter China,” *Nikkei Asia*, October 6, 2020, <https://asia.nikkei.com/Editor-s-Picks/Interview/Pompeo-aims-to-institutionalize-Quad-ties-to-counter-China>. For background on the origins and development of the Quad, see Tanvi Madan, “What You Need to Know

About the 'Quad,' in Charts," The Brookings Institution, October 5, 2020, <https://www.brookings.edu/blog/order-from-chaos/2020/10/05/what-you-need-to-know-about-the-quad-in-charts/>.

12. The Pentagon's *Indo-Pacific Strategy Report* says the "United States continues to support ASEAN centrality in the regional security architecture, and the U.S. free and open Indo-Pacific strategy seeks to further empower it" (p. 46).

13. "2017 Foreign Policy White Paper," Australian Government (November 2017), <http://www.dfat.gov.au/about-us/publications/Pages/2017-foreign-policy-white-paper>.

14. Scott Morrison, "Where We Live" (speech, Sydney, June 26, 2019), <http://www.pm.gov.au/media/where-we-live-asialink-bloomberg-address>. In this foreign policy address, Australian Prime Minister Scott Morrison said Australia-U.S. relations have never been stronger and Canberra's "alliance with the U.S. is the bedrock of Australia's security." He also said Australia's "relationship with China has many strengths," particularly in the trade domain with two-way trade reaching \$215 billion in 2018.

15. "2017 Foreign Policy White Paper," Australian Government.

16. Regional perceptions of FOIP are reflected in a survey by the ISEAS-Yusof Ishak Institute in Singapore. For their 2020 survey report, released in January, ISEAS asked policy experts, businesspeople, and other stakeholders across ASEAN how they view the Indo-Pacific concept. Only 28.4% of respondents considered the Indo-Pacific concept to be a "viable option for a new regional order." Although this was up from 17.2% in their 2019 survey, the overall assessment of U.S. engagement in Southeast Asia is moving in an increasingly negative direction. In fact, respondents who think the level of U.S. engagement has either "decreased" or "decreased significantly" grew from 68% in 2019 to 77% in 2020. With respect to China, 38.2% of respondents viewed China as a "revisionist power" that "intends to turn Southeast Asia into its sphere of influence." See *The State of Southeast Asia: 2020 Survey Report* (Singapore: Asian Studies Center, ISEAS-Yusof Ishak Institute, January 2020), 32–39, http://www.iseas.edu.sg/images/pdf/TheStateofSEASurveyReport_2020.pdf.

17. ASEAN was founded on August 8, 1967, after the Foreign Ministers from the original five member states—Indonesia, Malaysia, the Philippines, Singapore, and Thailand—signed the ASEAN Declaration in Bangkok, Thailand. Brunei became ASEAN's sixth member in January 1984 following its independence from the United Kingdom. After the end of the Cold War in 1991, Vietnam was admitted in July 1995, Lao PDR and Myanmar in July 1997, and then finally Cambodia became ASEAN's tenth member in April 1999. See "About ASEAN," The ASEAN Secretariat, <https://asean.org/asean/about-asean/>.

18. In a major Asia speech delivered at the at The Brookings Institution in December 2019, Assistant Secretary of State David Stilwell said the United States welcomes "pluralism" and "multipolarity" in regional affairs and is not forcing countries to choose. See Stilwell, "The U.S., China, and Pluralism in International Affairs" (U.S. Department of State, December 2, 2019), <http://www.state.gov/the-u-s-chinaand-pluralism-in-international-affairs>.

19. Drawn from chapter 2 in this volume by Lindsey Ford.

20. The point on minilateralism is drawn from chapter 3 in this volume by Richard Javad Heydarian.

21. Drawn from chapter 8 in this volume by Ben Bland, who made this point with regard to Indonesia.

22. Drawn from chapter 4 in this volume by Herve Lemahieu.

23. ADB estimate cited in Michelle Jamrisko, “China No Match for Japan in Southeast Asia Infrastructure Race,” Bloomberg, June 22, 2019, <http://www.bloomberg.com/news/articles/2019-06-23/china-nomatch-for-japan-in-southeast-asia-infrastructure-race>. See also “Meeting Asia’s Infrastructure Needs” (Metro Manila: Asian Development Bank, 2017), xiv, 43, <http://www.adb.org/sites/default/files/publication/227496/special-report-infrastructure.pdf>.

24. Drawn from chapter 6 in this volume by Roland Rajah.

25. Jamrisko, “China No Match for Japan in Southeast Asia Infrastructure Race.”

26. Pongphisoot Busbarat, “Grabbing the Forgotten: China’s Leadership Consolidation in Mainland Southeast Asia through the Mekong-Lancang Cooperation,” *Perspective* 2018, no. 7 (Singapore: ISEAS Yusof Ishak Institute, February 6, 2018), 4, https://iseas.edu.sg/images/pdf/ISEAS_Perspective_2018_7@50.pdf.

27. Jitsiree Thongnoi, “Too Little, Too Late for US ‘Recommitment’ to Mekong Countries? China’s Already There,” *South China Morning Post*, June 16, 2019, <http://www.scmp.com/week-asia/politics/article/3014612/too-little-too-late-us-recommitment-mekong-countries-chinas>.

28. Alan Basist and Claude Williams, “Monitoring the Quantity of Water Flowing through the Upper Mekong Basin under Natural (Unimpeded) Conditions” (Bangkok, Thailand: Sustainable Infrastructure Partnership, April 2020, https://558353b6-da87-4596-a181-b1f20782dd18.filesusr.com/ugd/81dff2_68504848510349d6a827c6a433122275.pdf?index=true).

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30. See Stromseth, “Don’t Make Us Choose,” for further analysis of this dynamic.

31. “The Launch of Multi-Stakeholder Blue Dot Network,” U.S. International Development Finance Corporation (DFC), November 4, 2019, <http://www.dfc.gov/media/opic-press-releases/launch-multistakeholder-blue-dot-network>.

32. When initially set up, 70% of World Bank financing went to infrastructure. During 2015–2017, only 29% of World Bank support to ASEAN went to infrastructure. The figure for ADB was only slightly better at 39%. Drawn from chapter 5 in this volume by David Dollar.

33. For analysis of Sino-Japanese economic relations, including the prospects and challenges of cooperating in third countries, see Mireya Solís, “China, Japan, and the Art of Economic Statecraft” (Washington, DC: The Brookings Institution, February 2020), http://www.brookings.edu/wp-content/uploads/2020/02/FP_202002_china_japan_solis.pdf.

34. Drawn from chapter 2 in this volume by Lindsey Ford.
35. Drawn from chapter 5 and chapter 6 in this volume by David Dollar and Roland Rajah, respectively.
36. Drawn from chapter 5 in this volume by David Dollar.
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38. Joshua Kurlantzick, "Southeast Asia's Democratic Decline in the America First Era," Council on Foreign Relations, October 27, 2017, <http://www.cfr.org/expert-brief/southeast-asias-democratic-decline-americafirst-era>; and Huong Le Thu, "The Daunting State of Southeast Asian Democracy," Australian Strategic Policy Institute, May 8, 2018, <http://www.aspistrategist.org.au/the-daunting-state-of-southeast-asiandemocracy/>.
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40. Sang Minh Le, "Containing The Coronavirus (COVID-19): Lessons from Vietnam," World Bank Blogs, April 30, 2020, https://blogs.worldbank.org/health/containing-coronavirus-covid-19-lessons-vietnam?cid=SHR_BlogSiteShare_EN_EXT.
41. Trang (Mae) Nguyen and Edmund Malesky, "Reopening Vietnam: How the Country's Improving Governance Helped It Weather the COVID-19 Pandemic," The Brookings Institution, May 20, 2020, <https://www.brookings.edu/blog/order-from-chaos/2020/05/20/reopening-vietnam-how-the-countrys-improving-governance-helped-it-weather-the-covid-19-pandemic/>.
42. For analysis of China's potential impact governance trends in Southeast Asia, see Jonathan Stromseth and Hunter Marston, "Democracy at a Crossroads in Southeast Asia: Great Power Rivalry Meets Domestic Governance" (Washington, DC: The Brookings Institution, February 2018), http://www.brookings.edu/wpcontent/uploads/2019/02/FP_20190226_southeast_asia_stromseth_marston.pdf.
43. Drawn from chapter 8 in this volume by Ben Bland.
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45. See Keith Bradsher, "With Covid-19 Under Control, China's Economy Surges Ahead," *New York Times*, October 19, 2020, <https://www.nytimes.com/2020/10/18/business/china-economy-covid.html>; and Issaku Harada, "ASEAN Becomes China's Top Trade Partner as Supply Chains Evolve," *Nikkei Asia*, July 15, 2020, <https://asia.nikkei.com/Politics/International-relations/ASEAN-becomes-China-s-top-trade-partner-as-supply-chain-evolves>.
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50. See Yudith Ho, "China Backs Indonesia to Become Vaccine Hub of Southeast Asia," *Bloomberg*, October 11, 2020, <https://www.bloomberg.com/news/articles/2020-10-11/china-backs-indonesia-to-become-vaccine-hub-of-southeast-asia>; and Jane Cai, "Vaccine Diplomacy: China, Indonesia Agree to Cooperate in Fight Against COVID-19," *South China Morning Post*, October 10, 2020, <https://www.scmp.com/news/china/diplomacy/article/3104986/vaccine-diplomacy-china-indonesia-agree-cooperate-fight>.

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