Prologue

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China, Southeast Asia, and the United States

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Abstract

Southeast Asia has historically been a meeting point between East Asia and South Asia before Western colonialism opened the region to the West and to the winds of global modernization. Since Japan's coercive decolonization during the Second World War, the dominant outside influences have come from the United States and from the People's Republic of China. The post-Cold War era began with a withdrawal of both China's and US power projection from Southeast Asia, facilitating the configuration of a triangular ménage à trios, with ASEAN expanding to include all of Southeast Asia and introducing a number of extended forums intended to socialize the rest of East Asia into the ASEAN way. The "rise of China" occurred within this friendly context, though beginning around 2010 its strategic implications began to appear more problematic with the mounting dispute over the issue of the South China Sea.

Keywords: *China, ASEAN, United States, post-Cold War era, strategic triangle*

JEL classification: *F15, F51, F52, F55*

1. Introduction

Southeast Asia has historically been a cultural and economic meeting point between South Asia and East Asia. It is geographically divided into maritime Southeast Asia (the Philippines, Malaysia, Brunei, East Timor, Papua New Guinea and Indonesia) and mainland Southeast Asia, also known as Indochina (Vietnam, Laos, Cambodia, Myanmar/Burma, Singapore and Thailand). In terms of religious impact, the region owes South Asia the influence of Theravada Buddhism, Hinduism and Islam; from Northeast Asia derives Mahayana Buddhism and Confucianism; from the West, Christianity. Influential modern idea systems include democratic liberalism, capitalism and communism. Linguistically, economically and ethno-culturally it is perhaps the most diverse region on earth, ranging from Singapore, a highly developed city-state with a per capita Gross Domestic Product (GDP) approaching that of Japan or the United States (US), to largely agrarian developmental dictatorships like Cambodia or Laos. All but two of the sovereign states of the region (East Timor and Papua New Guinea) are members of Association of Southeast Asian Nations (ASEAN), a 10-nation intergovernmental organization (IGO) established in 1967 (and they are both candidates). With a combined gross domestic product of US$2.4 trillion in 2013 and a combined population of 625 million, Southeast Asia now has the third largest GDP in Asia after China and Japan and the 7th largest in the world. The GDP of ASEAN is projected to grow by more than 5 per cent per annum over the next five years, while intra-ASEAN trade is expected to exceed US$1 trillion.

While Southeast Asia was previously intersected by the political and cultural influences of India and China, the influence of the former was largely broken during the colonial era, when both South and Southeast Asia fell under the sway of Western imperialism. Since post-World War II decolonization, the predominant outside influences on the region have

come from the north (China) and the east (the US). Of course other great powers have also been influential: Japan, after militarily overrunning the region during World War II, has limited its post-war presence to diplomatic and commercial engagement, particularly after the 1985 Plaza accord revaluation of Japanese currency made it an attractive investment opportunity. Russia's (then Soviet Union's) influence during the Cold War on the other hand was mostly strategic, with a submarine-launched ballistic missile fleet in the Sea of Okhotsk (based in Vladivostok) and mutual defense alliances with China, North Korea and Vietnam. After gaining independence in 1947 India was a leader (with China, Indonesia, and Burma) of the nonaligned movement in such forums as the Bandung Conference, but tended to neglect Southeast Asia during much of the Cold War. Beginning in 1991 the Rao government sought to revive interest with a "Look East" policy; in 1996 India was included in the ASEAN Regional Forum (ARF), signed ASEAN's Treaty of Amity and Cooperation (TAC) in 2003 and was included in the East Asian Summit (EAS) in 2005.

In view of the dominant outside influence of China and the US, international politics in Southeast Asia takes place in three arenas: the intra-regional or intra-ASEAN arena, Sino-ASEAN relations, and ASEAN-US relations. Hence the organization of this article will consist of three parts. The first part will outline the political identities of the three principals: ASEAN, China, and the US. The second presents and justifies the triangular format that will be used to analyze the interaction between ASEAN, China, and the US. The third part reviews each of the three patterns of interaction in turn. A synthetic conclusion follows.

2. Political Identities

A national identity consists of a limited set of collective narratives, values, assumptions and transcendant symbols. It is important in the development of a nation-state (or indeed any collective actor) because it provides a raison d'être for that entity's existence – why it came to be, what purposes it serves for its members, what it hopes to accomplish, and how it fits into a world comprised of other such units. Without a larger collective personality to identify with citizens would not be motivated to pay taxes, obey laws not in their personal interest, or risk their lives in the armed forces. Of course there is also perpetual conflict over the content of national identity as different constituencies project different material and ideal interests into it, but once it takes coherent form it can be used (or sometimes misused) to build consensus and sanction deviants as "un-American", "un-Chinese" and so forth. It can also in some cases define a foreign policy orientation by dint of the assumption of a "mission" to proselytize one's identity to others, or to assume defensively that one's identity is secure among other similar identities.

To begin with the most challenging and controversial case, Southeast Asia is the heir of an ancient literate civilization in which vast empires long contended for dominance. The region succumbed to imperialist domination (with the lonely exception of Thailand) in the 19th century but this was not a unifying experience as each European power carved out its own colony: the Dutch in Indonesia, the British in Burma and Malaysia, Spain then the US in the Philipppines, the French in Indochina, the Germans in Papua New Guinea. The Japanese invasion "freed" these colonies from Western imperialism only to impose one of their own, but the 1945 Japanese defeat did not end hostilities. The return of European imperialism was violently but successfully resisted, followed by ethnic and ideological insurgencies and other conflicts (e.g.,

the 1962-1966 Konfrontasi between Indonesia and the newly created Malaysia). The creation of the Association of Southeast Asian Nations (ASEAN) in 1967, initially consisting of the five leading nations, then including Brunei, and after the Cold War extending to the four northern-tier autocracies (Vietnam, Cambodia, Laos, and Burma), was to some extent an emulation of the European Union but less ambitious. Never explicitly aiming at a fully integrated superstate, ASEAN aspired to facilitate economic growth, social progress, regional peace and stability and mutual defense among its members. ASEAN is an anarchic regime based on consensual democracy, sometimes derided as a "talk shop" that has many meetings but gets nothing done. Yet ASEAN has also aspired to act as a collective identity by socializing its members and associates to adhere voluntarily to a set of norms. These norms are set forth in the treaties, declarations and agreements in ASEAN, starting with those outlined in the 1967 Bangkok Declaration and elaborated in subsequent declarations and agreements. This so-called "Asean Way" was defined by Malaysian acadamician Noordin Sopiee as the "Principle of seeking agreement and harmony, the principle of sensitivity, politeness, nonconfrontation and agreeability, the principle of quiet, private and elitist diplomacy versus public washing of dirty linen, and the principle of being non-Cartesian, non-legalistic". This spirit suffuses all ASEAN statements of diplomatic principles, such as the 2002 Treaty of Alliance and Cooperation (TAC): (1) respect for sovereignty and territorial integrity; (2) non-interference in internal affairs; (3) settlement of disputes by peaceful means; and (4) renunciation of threat or use of force. And the transformation has been quite impressive: since 1967 no interstate wars have been fought in Southeast Asia, a respectable rate of growth has been achieved and economic cooperation has increased, symbolized most recently by the establishment of a Southeast Asian Economic Community (SEAEC) with common tariffs.

The American national identity is of course rooted in Western Judeo-Christian political traditions but has grown more heterogeneous, like Southeast Asia a "melting pot" of diverse ethno-cultural and religious elements. It is tenuously held together in a collective identity based on: (1) the American dream of boundless opportunity and freedom; (2) free markets and pluralist politics, regulated by a legal framework based on a central constitution; (3) the myth of American exceptionalism, a "city on a hill" destined for exemplary global leadership. This regulatory framework is constantly contested by individualism and by a Faustian spirit, which propelled American civilization westward into the frontier, subduing the Indians and pushing aside the Mexicans in the south and the British in the north, and thence beyond into the Pacific. Though fascinated by the exotic character of the Orient the principal attraction was mercantile: American shippers joined the opium trade as "free riders" taking advantage of the "unequal treaties" imposed by the European victors. A late-comer to imperialism, the Americans nonetheless acquired colonies in Guam and the Philippines after the 1898 Spanish-American War. After World War II the US initially supported the decolonization process, only to backtrack after the 1950 invasion of South Korea to become the main cheerleader and bankroller of Western anticommunist resistance. But while the US has had a growing economic engagement in the region – ASEAN is the leading Asian recipient of US foreign direct investment (FDI), more than China, India, South Korea, Taiwan and Hong Kong combined, and America's 4th largest export market has a total two-way trade in goods and services of US$260 million (as of 2015) – its political interest has been episodic and ephemeral.

China's national identity is also exceptionalist, but based on collectivist values (e.g., a superior civilization). It bears the impact of two formative factors: an ancient imperial tradition, and a great

communist revolution. Since the revolution the national identity has swung spasmodically between these influences with the interesting qualification that the oscillations are relatively sweeping, so that PRC identity tends to be relatively homogeneous at any given time but heterogeneous over time. Since the advent of reform and opening at the 11th Plenum of the 11th Congress in December 1978, and particularly after the 1989 Tiananmen 天安門 Incident, the leadership has sought to moderate these oscillations and impose a stable synthesis. Although the impact of the communist ideological system on China's economic identity has declined amid the eclectically pragmatic drive for rapid GDP growth, it is still visible in the basically Leninist political structure and in the teleological drive for a socialist utopia morally superior to democratic capitalism. China is geophysically adjacent to Southeast Asia, sharing borders with Vietnam, Laos, and Burma/Myanmar, and its relations with its neighbors have all involved border disputes (most now resolved) and a certain ethno-cultural affinity. China has historically been invaded or threatened from the west, the north, and most recently the east, it has never been invaded from the south, while contrariwise it has often represented a security threat to its southern neighbors. China invaded and occupied Vietnam for nearly a thousand years, launched four wars with Burma during the 18th century, and in the post-WWII period rendered logistic support to communist insurgencies in Burma, Vietnam, Malaysia, the Philippines, and Indonesia. On the other hand, most Southeast Asian states were respectful tributaries of imperial China and vast waves of Chinese migrated to the region in the aftermath of the seven voyages of 15th century Ming Dynasty Admiral Zheng He 鄭和, many of whom still render residual loyalty (including cash remittances) to the homeland. China has historically been viewed as more advanced and hence a source of enlightenment to its neighbors, an image that China's post-Mao economic miracle has helped to revive. In sum,

China's political identity vis-à-vis Southeast Asia is that of a culturally superior neighbor, entitled to respect and (hopefully) obedience.

3. A Strategic Triangle?

A strategic triangle may be said to be operational if three conditions obtain: (1) all three participants are sovereign (i.e., free to decide their own national interests and foreign policy preferences), rational actors (i.e., ideology, religion, etc. does not limit linkage options); (2) each actor takes into account the third actor in managing its relationship with the second; and (3) each actor is deemed essential to the game in the sense that its defection from one side to the other would affect the strategic balance. If we assume that relations among actors may be classified as either "positive" or "negative" (a simplification, but sometimes a necessary one), there are only four possible configurations of the triangle. These are the unit veto, consisting of negative relationships among all three actors; the "marriage", consisting of a positive relationship between two partners against a third "pariah"; a "romantic triangle", consisting of positive relationships between one "pivot" and two "wing" actors, who have better relations with the pivot than they have with each other; and finally the ménage à trois, consisting of positive relationships among all three actors. The individual actor's logical objective in this triangle is to have as many positive and as few negative relationships as possible. The implications are that first, each actor will prefer to have positive relations with both other actors; second, failing that, each will prefer to have positive relations with at least one other actor; and third, that in any event each actor will try to avoid incurring negative relations with both other actors. This in implies a fairly clear rank order, with the pivot position in a romantic triangle being the optimal choice, followed by an actor in a ménage à trois,

followed by wing player in a marriage, followed by any actor in a veto triangle, with the position of pariah in a stable marriage being the least preferred option. Thus the dynamics of change from one triangular configuration to another might thus be conceived to ensue from competition for the limited number of favorable positions, so that as actors maneuver the configuration shifts shape. But changes in configuration might also be viewed as a response to growth in the capabilities or ambitions of one or another actor and the consequent need to adapt to the redistribution of threats.

Can the relationship between ASEAN, China, and the US be conceived as a strategic triangle? The second and third conditions clearly obtain: each actor takes into account the third in its relation to the second (e.g., ASEAN takes into account the interests of China in dealing with the US, and vice versa), and each actor is essential in the sense that a defection would imply a critical shift in the balance of power. The relationship however runs into difficulty with the first condition. China and the US are clearly sovereign actors, but ASEAN is a not a unitary actor but a collection of smaller actors concerting together to attain greater influence in a region otherwise dominated by great powers (e.g., China, Japan, India). When ASEAN can cobble together an internal consensus it can make binding decisions like any sovereign actor, as it did for example in the formation of the ASEAN Free Trade Agreement (AFTA) in 1992-2015, eliminating all internal formal tariff barriers, or when it forced Burma/Myanmar to adopt democratic elections. But without consensus it cannot, as it is sometimes difficult to define what the "ASEAN Way" is in a specific case. But is this a difference in kind or a difference in degree? Sovereign actors also face this dilemma in the sense that there may be divisions among domestic participants in the foreign policy making process, resulting in ambiguous policies or even protracted policy paralysis. It is important to note that ASEAN does try

to synthesize a consensus to act as a sovereign, because it is subject to many of the same problems and conscious that as a unit it has more international influence than it would as an assortment of small countries. In terms of intra-ASEAN relations the bloc functions as a consortium with many meetings to flesh out consensual positions; in its relations to the US, Japan, China, India and Europe it functions as a unitary actor. ASEAN can thus be considered an *aspirational sovereign* in the triangle, which shares many interests and threats and hence can often (but not always) muster a concerted response to them.

Having set forth the analytical framework, let us now outline a rough periodization. Stage I was the period of the Cold War, from 1950-1980; stage II the post-Cold War period, from 1980-2010; and stage III, the "rise of China" period, from 2010 to the present. We next examine each period more closely to determine the basis for the triangular configuration at that time, how it came into being and why it eventually changed.

1. The Cold War period constituted a "marriage" between the US and Southeast Asia against the People's Republic of China (PRC) as a "pariah". The basis of the antagonism was the communist revolution that was successfully concluded in China in 1949, which constituted a major shift in the world balance of power and created a "domino effect" for continuing revolution throughout the world that communist elites in Moscow and Beijing eagerly endorsed with both organizational and material support. This was viewed with great (in retrospect, exaggerated) trepidation in both the US and in the fragile new nations of Southeast Asia. As in China, favorable conditions for communist revolution were originally created by the Japanese invasion and creation of a short-lived "Greater East Asian Co-Prosperity Sphere", which turned out to be even more rapacious than Western imperialism. Communist insurgencies

began in Southeast Asia (sc., Burma, Malaya, Vietnam, the Dutch East Indies, the Philippines) against Japanese occupation forces, often in united front coalitions with US and European (erstwhile colonial) forces. When Japanese occupation forces departed in 1945, resistance continued against returning Western colonial authorities. The Chinese communist revolution followed roughly the same pattern, combining class struggle at the grassroots with nationalist mobilization against the Japanese invaders, and as the largest and among the first to establish an independent new regime after Japan's defeat, aspired to leadership of "national liberation movements" in the developing "colonies and semi-colonies" that became known as the Third World. Even before victory the Comintern "advised the other Communist parties in the colonial world to study the experience of the Chinese Communist Party". The assertion of the leading role of the communist revolution became a vehicle for the consolidation of Mao Zedong 毛澤東 's Thought as a winning formula for launching peasant insurgencies in developing countries (and for his personal ascendancy in the Chinese Communist Party as well). Mao was said to have created a revolutionary "theory" applicable not only to the special characteristics of China, but to other new nations in similar circumstances. The crowning public assertion of the Chinese Communist Party (CCP)'s unique leadership role was made by Liu Shaoqi 劉少奇 in his Report to the Party's 7th Party Congress in 1945, in which he referred to Mao Zedong or his thought no less than 105 times: "the Thought of Mao Zedong … will … make great and useful contributions to the cause of the emancipation of the peoples of all countries, and of the peoples of the East in particular." In the revised Party Constitution (which Liu also drafted), Mao's Thought was put on the same footing with Marxism as a "guiding principle for all the works of the Party". After the "Liberation" of China was proclaimed in October 1949 Stalin delegated Mao to lead similar revolutionary movements

throughout the Third World, where conditions were deemed analogous to those in China. These efforts were greeted by indigenous supporters of revolution in all the new nations of Southeast Asia. Only Japan, South Korea and Taiwan were proof against this revolutionary appeal by virtue of being occupied by American forces in the closing phases of World War II.

After "Liberation", the CCP leadership made international revolution with a particular focus on the Third World the centerpiece of Chinese foreign policy, employing the full resources of the state including extremely generous foreign aid (proportionate to China's GDP) in this endeavor. The Chinese model of peasant war surrounding the cities was successfully implemented in Vietnam, Cambodia and Laos, the former constituents of French Indochina, and unsuccessfully applied in the Philippines, Burma, Indonesia, Thailand, Singapore, and Malaysia. The resulting conflicts defined the contours of the Asian Cold War cleavage for more than three decades; it also created two mutually exclusive economic blocs in which the Council of Mutual Economic Assistance (CMEA), formed in 1949 as a communist counterpart to the Marshall Plan and the European Economic Union, faced an informal arrangement in which developing Asian nations were given privileged access to American consumer markets in return for their support for the US anticommunist coalition. The conflict was deeply divisive and protracted. In triangular terms this was a Southeast Asian-US "marriage" against a "pariah" of communist forces (the PRC, the Union of Soviet Socialist Republics, and the Socialist Republic of Vietnam).

A simplified bottom-line verdict would be that the pariah "lost" and the US-Southeast Asian "marriage" ultimately "won" the Southeast Asian Cold War (as one would expect from the relative size and strength of the two coalitions): indeed, even in cases of communist victory the outcome was not necessarily helpful in terms of Chinese foreign policy

(e.g., vide Vietnam, with which the PRC had a fierce border war only four years after revolutionary victory). Critical to this victory were not only the superior power and resources of the US as anticommunist coalition leader but failures of coordination within the communist coalition. Ironically, although the communist ideological appeal transcended nationalism to focus on internationally shared class interests, repressed nationalism split the communist camp between its leading powers so deeply that there was armed conflict among communists. At the end of the Cold War the repudiation of Marxism-Leninism in the former Soviet Union and its revision in the PRC finally crippled the already weakened trans-national revolutionary argument. Circumstances in Southeast Asia were also less favorable: communist revolution succeeded in the Chinese case not only because of its superior military strategy of "people's war" but because at critical junctures revolutionary forces were able to form united fronts with "bourgeois nationalist" forces, but in Southeast Asia this proved more difficult. In Burma, the Philippines and Malaysia, the revolutionary appeal was limited to ethnic minorities, only in Indonesia could a combination of grassroots class struggle and elite united front be achieved (and there only until the alleged "coup" attempt in 1965).

Although the post-Mao leadership in 1979 opted to repudiate the unsuccessful, even counterproductive "export of revolution", the experience was not bereft of positive consequences. First, the threat of revolution seems to have inspired land reform, education and labor reform in noncommunist neighbors in order to coopt communist appeals. Second, it coined an image of China as the champion of the poor and oppressed and a tribunal of the interests of developing countries that has proved surprisingly resilient, despite the evolution of a far more hierarchical distribution of wealth, power, and other values in China in the course of its economic development. This image of China having a

unique moral mission in the world has arguably endured in China as well, even as the content of that mission has evolved. Third, China's generous aid to other developing nations in the course of promoting international class struggle established few proletarian dictatorships but it did prove useful in generating the 1971 majority vote in the United Nations General Assembly to evict Taiwan from the China chair in the UN and install the PRC on the Security Council.

2. The Cold War ended earlier in Asia than in Europe, thanks largely to Sino-American détente. The post-Cold War period, from around 1980 to 2010, was a ménage à trois, in triangular terms, in which the US, the PRC, and the ASEAN countries enjoyed mutually cordial interrelations. This new configuration did not suddenly appear ex nihilo; the seeds to the transformation were planted by the 1972 Nixon visit to China, the "week that changed the world". But the repercussions were not instantaneous. It initiated a Sino-American détente that was narrowly limited at the outset to the strategic necessity of thwarting the perceived rise of a Soviet Union that was deemed a threat to both countries, but most acutely to the PRC. In terms of this "great strategic triangle" (between great powers the US, China, and the USSR) the US tacitly agreed to protect China from a Soviet preemptive nuclear attack while at the same time maintaining détente (and strategic arms limitation talks) with the USSR, this engendered a "romantic triangle" with the US at the pivot position balancing two antagonistic "wings". Although this was strategically necessary for China, the Maoist leadership was wary of US manipulation and determined to limit détente to the strategic dimension. Thus although the two countries opened trade missions in each other's capitals and limited trade began (including nonlethal security technology) China's ideological crusade against Soviet "socialist imperialism" – a threat which had grown to eclipse anti-capitalism –

continued and even intensified, now with US support. Thus in 1974 Deng Xiaoping 鄧小平 outlined Mao's "three worlds theory" in a speech to the UN General Assembly, in which the world was seen divided into a First World of maleficent "hegemons" (the US and the USSR), a Second World of medium powers that might tilt either way, and an entitled Third World of developing countries led by the PRC.

The impact on Southeast Asia, a geographically accessible piece of the Third World, was ambiguous. "Proxy wars" continued through the 1970s and well into the 1980s, in which the PRC and the USSR sought to undermine each other's clients and defend their own. China's rhetorical support (e.g., radio broadcasts) for guerrilla insurgencies in Burma, Malaysia, Thailand and the Philippines continued uncontested by the USSR through the 1980s, but in former French Indochina Hanoi came to distrust Chinese patronage after the Nixon visit and drifted increasingly to the Soviet camp. Chinese strategic advice to Hanoi had been to continue the guerrilla insurgency indefinitely but Vietnam, now with predominantly Soviet logistic and advisory assistance, disregarded Chinese counsel and shifted to a more conventional military offensive for its crowning victory over the south in 1975. When China's genocidal client Khmer Rouge regime in Cambodia precipitated border conflict with Vietnam and the latter countered by invading Cambodia and overthrowing the Khmer Rouge regime in 1979, China made the evacuation of Vietnamese forces from that country one of three "fundamental obstacles" to reconciliation with the USSR in its 1982-1989 "normalization" negotiations with Moscow (in other words Moscow was expected to force its "proxy," Vietnam, to leave Cambodia before full Sino-Soviet normalization could take place).

Yet the overall trend during this period was in the direction of greater peace and prosperity. It was to be sure an ironic détente, based more on supervening outside priorities than on any explicit

understanding among the powers. Under pressure of domestic anti-war sentiment, in 1969 President Richard Nixon announced the "Nixon doctrine", urging US allies to rely on their own self-defense efforts and less on US protection. Although Vietnamization, the most prominent exemplar of this doctrine, failed with the collapse of the Saigon republic in 1975, the US did reduce its military commitment to East Asia and urge its allies to defend themselves (with the help of rising US weapons sales). Former "proxies", no longer urgently needing security protection from the great powers, began to withdraw from their strategic umbrellas. The US was pushed out of its bases in Clark Air Force Base (1991) and Subic Bay Naval Base (1992) in the Philippines, while the Soviet Navy was evicted from Cam Ranh Bay in Vietnam in 2002. Meanwhile Sino-Soviet normalization talks created the necessary Soviet diplomatic pressure to facilitate Vietnamese withdrawal from Cambodia, ultimately resulting in the emergence of a pro-PRC neo-Khmer regime under Hun Sen. FDI from Japan, Taiwan and the West flooded into Southeast Asia after Tiananmen and the 1990s were boom years for the "small dragons". There may have been some sense of abandonment about this withdrawal of the powers from Southeast Asia but the overall feeling was one of relief.

Southeast Asia, for the first time in decades disencumbered of external security threats and now under more coherent leadership, proceeded in the next two decades to implement a bold new East Asian architecture based on "ASEAN centrality". They selected an elite of wise men ("Eminent Persons Group") to formulate an ambitious "Vision 2020" and proceeded to act to integrate the rest of East Asia peacefully to ASEAN norms. Beyond the original five members, Brunei Darussalam became the sixth member in January 1984, barely a week after becoming independent. Vietnam became the 7th member in 1995; Laos and Myanmar joined in 1997 and Cambodia in 1999; PNG and

Timor-Leste are candidate members seeking accession. This will include all 12 Southeast Asian nations in the organization. But the ASEAN vision has been to go beyond Southeast Asia to restructure all of East Asia around the ASEAN way. The ASEAN Regional Forum (ARF) was established in 1994; ASEAN plus 3 (APT, meaning China, Japan and Korea) was established in 1997 and institutionalized to form an FTA in 2010; the ASEAN Charter came into force in 2008, as well as the East Asian Summit (EAS), including the "plus 3" plus Australia, New Zealand and India (adding Russia and the US in 2011). The ASEAN Economic Community (AEC) was established in December 2015, which will eliminate all internal duties and create a common market. Going beyond Asia-Pacific Economic Cooperation (APEC), ASEAN also undertakes to delve into sensitive security issues as well in expanded meetings of defense and foreign ministers and by approving a nonbinding 2002 "Declaration on the Conduct of Parties in the South China Sea". All these attempts to broaden the compass of ASEAN are based on the "ASEAN Way", however, meaning many meetings and discussions but no decisions except by unanimous consent and little executive power to enforce decisions. This has entailed the ability of a determined dissident to stymie majority consensus, as in the protracted failure to negotiate a follow-up legally binding code of conduct for the South China Sea.

3. The period from 2010 to the present can be characterized as a romantic triangle, with ASEAN in a *passive pivot* position. Although ASEAN continued its outreach, this metamorphosis was set in train by the "rise of China". During the 10-year term of the leadership of Hu Jintao 胡錦濤 and Wen Jiabao 溫家寶 , China achieved the highest sustained growth rate in its recorded history, averaging 10.4 percent nominal GDP growth per annum and 10.1 percent per capita growth.

This achievement was particularly impressive in the global context: the bankruptcy of Lehman Brothers in 2008 had a devastating effect on the US, on Europe, on financially linked developed economies. But in China, although trade dived deep into negative territory in 2009, in late 2009 China launched a 4 trillion yuan (US$640 billion) stimulus package, largely in the form of loans from the banking sector to state-owned enterprises (SOEs). The short-term impact was to offset falling exports with domestic infrastructure investment, and it spared China from any single year of recession throughout the crisis period, with an understandable bracing effect on public opinion – China surpassed Japan in aggregate GDP in 2010 and the US (calculated in PPP) in 2014, convened the ballyhooed 2008 Beijing Olympics, Shanghai Expo, etc. – China had arrived, much faster than anticipated; the century of humiliation was forby. Of course it is also true that the Hu-Wen decade saw little political or economic reform, leading Wen to issue his famous March 2007 warning that the economy was "unbalanced, unstable, uncoordinated, and unsustainable". But the ascendance of Xi Jinping习近平 in 2012 inspired Chinese confidence that these problems too could be quickly overcome.

The upshot for Southeast Asia of China's rise was two trends, one welcome, the other less so. The first was an increase in Sino-Southeast Asian trade and economic intercourse. China first became economically interested in Southeast Asia around the time of the Asian Financial Crisis in 1997-1998, to which it responded with loans of US$4 billion to Thailand and Indonesia and by refraining from devaluing its currency, to the relief of these stricken export economies. General discontent with the terms of International Monetary Fund (IMF) loans aroused interest in regional financial solutions, which China encouraged, and in 1997 ASEAN plus three talks were initiated, out of which grew the China-ASEAN free trade agreement. CAFTA came into effect in 2010 as the

most populous FTA in the world and third largest in GDP, encompassing some two billion customers. China displaced Japan as ASEAN's leading trade partner in 2009, with two-way trade surpassing US$366 billion by 2014, according to ASEAN trade figures. The United States was fourth in 2015 behind the European Union and Japan, and Southeast Asia was America's fourth-largest export market. Chinese investment in the region followed the trade surge, suddenly making China the region's second largest FDI source (American companies poured US$32.3 billion into Southeast Asia from 2012 to 2014, according to ASEAN data, followed by US$21.3 billion from China). Chinese FDI, mostly by SOEs, tends to be focused on infrastructure (e.g., high-speed rail) and mining. Although Chinese FDI runs second (to the US) it has been growing more rapidly. To wit: in 2014 China unveiled a gigantic infrastructure building scheme called "One Belt, One Road" (OBOR). This initiative is composed of two primary projects: the "Silk Road Economic Belt" and "21st-Century Maritime Silk Road", a network of road, rail and port routes that will connect China to Central Asia, South Asia, the Middle East, and Europe. The Silk Belt includes the BCIM (Bangladesh, China, India, Myanmar) economic corridor from Yunnan through Myanmar to Dhaka to Kolkata, as well as plans for a Khunjerab Railway from Kashgar in Xinjiang through Kashmir to the Gwadar port China is constructing in Pakistan. Also included is a high-speed rail line from Xi'an to Moscow and on through Belarus to Duisburg, Germany. The 21st-Century Maritime Silk Road will start from Fujian and link littoral countries in Southeast Asia to the Persian Gulf and the Mediterranean Sea through the Indian Ocean. The chain of infrastructure projects is projected to create the world's largest economic corridor, covering a population of 4.4 billion with an economic output of US$21 trillion. To fund this vast project Beijing provides several financial instruments. The China Development Bank (CDB) will receive US$32

billion, the Export Import Bank of China (EXIM) will take on US$30 billion, and the Chinese government will also pump additional capital into the Agricultural Development Bank of China (ADBC), altogether totaling some US$62 billion. To underwrite the China-Pakistan Economic Corridor is a US$46 billion fund. Funding will also be provided via two new multilateral banking projects, the Asian Infrastructure Investment Bank (AIIB), to which China has committed at least US$50 billion toward a projected total of US$100 billion, and the BRICS bank or New Development Bank (NDB), which also aims for a US$100 billion currency reserve pool. The total funding China has put on offer in this visionary project approaches US$1 trillion, on financial terms yet to be negotiated. While the latter is limited to the BRICS countries (Brazil, Russia, India, China and South Africa), others were invited to join AIIB and, after a year's hesitation, some 57 founding members jumped in, including 12 North Atlantic Treaty Organization (NATO) members. Though these new institutions replicate the functions of the IMF and World Bank, the crucial difference is that they are controlled by Beijing.

The second facet of China's rise is China's more "assertive" attempts to claim exclusive ownership of over 80 percent of the South China Sea. The legal basis of this sweeping claim is: (1) the claim that these were Chinese waters "since ancient times", as demonstrated by the discovery of potshards and diary or logbook mentions of the islets by earlier travelers (none of whom ever laid claim to the islands on behalf of previous Chinese dynasties), (2) a maritime map with a (then 11-dash, now 9) or "cow's tongue" line sketched on it by the Chinese Nationalist regime in 1947, which apparently derived from a similar map drawn by Imperial Japan after conquering the surrounding territories from European colonial powers.[1] China claims to have inherited it from the defeated Nationalists, who still claim it in Taiwan, but neither made

energetic attempts to enforce this claim until recently. Though the map overlaps the 200-nautical mile exclusive economic zones (EEZs) of four littoral states as well as maritime areas previously considered high seas, China has attempted to drive away other claimants and enforce exclusive sovereignty.

There are at least three reasons for China's more energetic recent enforcement efforts. First, in 1968 rich subsurface hydrocarbon deposits were discovered by the UN Commission for East Asia and the Pacific (UNSCAP) – the exact size of these deposits is still controversial, but China takes the most optimistic view – and other littoral states have since begun to exploit these deposits, often in joint ventures with major international oil companies. China, having convinced itself of the validity of its claims, has expressed outrage at this infringement of sovereignty. Second, from a strategic perspective, at least since the rise of Admiral Liu Huaqing 劉華清 China has evinced an interest in establishing sovereign control over its "near seas", including the East China Sea, the South China Sea, and the Yellow Sea, then breaking through the "island chains" to the high seas and becoming a world naval power. The South China Sea became particularly important after the People's Liberation Army (PLA) Navy established a major naval base on Hainan Island, which it seeks to protect from enemy surveillance. Third, since the Tiananmen crackdown in 1989, there have been double-digit increases in the military budget every year but one, giving China the largest budget in Asia and the second largest in the world. Now, with the second largest defense budget in Asia and an impressively modernized and powerful navy and air force, Beijing boasts the capability to enforce its "A2/AD" (anti access/area denial) capabilities and has proceeded to do so, proceeding however cautiously ("salami-slicing") in order to avoid provoking the superpower which alone has the capability to block its ambitions. Chinese maritime vessels, technically not naval warships

but belonging to the coast guard and fisheries police and three other maritime agencies, began detaining fishing vessels, confiscating fish, cutting cables, setting up oil drilling rigs and in effect annexing small islets in areas of disputed sovereignty by patrolling them and blocking other vessels from trespassing on China's "sovereign territory". China's claims were further reinforced in 2015 by the "reclamation" of many of these tiny islets, dredging land from the surrounding ocean floor to greatly expand their size, after which harbors, air strips, and most recently anti-aircraft missile systems were added.

The dominant Chinese foreign policy discourse since the late 1990s had been that of "peaceful development" and "harmonious world", hoping thereby to disarm the network of bilateral alliances with the US left over from the Cold War, which Beijing deemed to be based on an anachronistic "China threat" narrative and hence no longer relevant. But in the late 2000s a more militant narrative began to surface publicly that was more consistent with the tougher enforcement behavior Beijing had adopted since 2010. First, there was a rising emphasis on "core interests", which could not in principle be compromised, one of which was the defense of sovereignty over China's various territorial claims but particularly Taiwan, Tibet and Xinjiang (and, it was implied, the South China Sea). Second, after a long period of identification with the internationally oppressed developing countries China's leaders around 2012 began asserting that China was a "great power", with "great power relations" with other great powers, which included mutual respect for respective core interests. The implication was that different rules applied to relations with other great powers than to asymmetric relations with "small countries". Third, the hallmark of Xi Jinping's rise was the invocation of the "great rejuvenation" and the "China dream". Although this rhetoric presumed a rising prosperity that would lift all boats, the subject and chief beneficiary of the China Dream was of course China.

Underlying this change in behavior and rhetoric was the implicit awareness that China had indeed become a "major power", that the American "superpower" was now in terminal decline, and that this shift in the balance of power warranted respectful acceptance.

The response of the other two wings of the triangle to Beijing's attempt to expand its sphere of influence was indeed respectful (in the sense that China's attempts to enforce its claims were not met with greater or equal force), although no one actually agreed with the 9-dash line except Taiwan (who distanced itself from China's attempts to enforce it). In Southeast Asia, Vietnam and the Philippines were vociferous in their objections, and Manila, after failing to generate support for a Code of Conduct at ASEAN in 2011, took its claims to the United Nations Convention on the Law of the Sea (UNCLOS) Court of Arbitrarion in 2012. Vietnam, having lost naval battles with China in 1974 and 1988, tried to find a balance between resistance and negotiation. China's position was for shelving sovereignty issues and engaging in bilateral joint development, but those who tried to negotiate were told that joint development was premised on concession of sovereignty. Those states whose EEZs were interdicted sought to mobilize joint resistance by ASEAN because Beijing's joint venture terms were unattractive and they were too weak to contest them bilaterally. But other ASEAN countries, e.g. Cambodia, Laos and Myanmar, had no maritime territorial claims and enjoyed expanding economic relations with the PRC. More importantly, the integration of China into such expanded forums as the ARF and ADMM plus gave Beijing a voice in the question of whether to constrain Beijing, which it used skillfully. Thus Southeast Asia proved unable to concert a united resistance to China's incremental advances.

The US, on the other hand, reacted with unusual sharpness. The US position on the question of sovereignty had hitherto been consistently

neutral. The US had no maritime territorial claims and avoided involvement. When China defeated Vietnam in 1988 and then effectively occupied the Paracels, the US said little and did nothing; when China stealthily occupied and then fortified Mischief Reef in 1995, well within the EEZ of US's ally the Philippines, the US objected verbally but did nothing. But in 2010, Secretary of State Hillary Clinton at a meeting of the ARF in Hanoi asserted that the US had a "national interest" in the defense of "freedom of navigation" in the South China Sea and urged disputants to reach a peaceful multilateral settlement. The following year President Barack Obama announced a "pivot" (later "rebalancing") of US forces designed to strengthen the US military and economic commitment to the western Pacific. This rebalance included beefing up US forces in Singapore and establishing new defense facilities in northern Australia; economically, the focus was on crafting a Trans-Pacific Partnership (TPP), to which China was not invited. The US strengthened its bilateral alliances with Japan, the Philippines, Thailand and Australia, and made port visits, weapons sales, and naval exercises with front-line states. All of this clearly indicated one-sided support for the anti-China position, a departure from customary neutrality, and Beijing was understandably annoyed. Beijing's rhetoric became even more antagonistic to US "interference" than to Southeast Asian resistance.

Thus the triangular configuration shifted from a ménage to a romantic triangle, in which ASEAN had better relations with both the US and the PRC than the latter had with each other. This was somewhat paradoxical in that the US has no territorial claims in the dispute, even the complaint of constraint on "freedom of navigation" met Chinese insistence that they had no intention of interfering with commercial shipping. From the American perspective, Sino-US polarization arose from the Chinese determination to push the American navy out of the

South China Sea, an area it had hitherto dominated. This evoked fears of "power transition" and a shift in the global power balance. From a Chinese perspective the focus on the US was because the US alone had the military power to block Chinese ambitions. ASEAN thus paradoxically became "pivot" balancing between two polarized wings even though ASEAN has a major stake in the game. Southeast Asia benefits both from Beijing's economic largesse and from American security protection; it could not afford loss of protection nor was it willing to forgo Chinese economic inducements. Both were useful, while the outbreak of war between these two giants would be an unmitigated disaster in which ASEAN lost both. Thus for ASEAN as a whole, the need for balance and harmony (the "ASEAN way") outweighed its interest in defending maritime sovereignty claims. That said, in the long run exclusion from local high seas will severely cripple developmental prospects for these trade-dependent economies; Vietnam for example derives some 25 percent of GDP from offshore commodity exploitation.

4. Conclusions

Southeast Asia has always been a meeting point. Historically it was a meeting point between East Asia and South Asia, absorbing Hinduism, Theravada Buddhism and Islam from the south and Confucianism and Mahayana Buddhism from the north. Western colonialism opened the region to the West and to the winds of global modernization. Since Japan's coercive decolonization during WWII the dominant outside influences have come from the US and from the PRC. The US, as the strongest world power to emerge unscathed from the war, represented an odd mix of democratic liberalism and the defense of lingering Western imperialist interests, while China sought to divest itself of its tributary traditions and represent the forces of world revolution (with Chinese

characteristics). Both tended to ignore the force of indigenous nationalism, which shaped events in unexpected ways.

While the Chinese revolutionary project was a vastly ambitious one aimed at transforming the entire Third World but Southeast Asia in particular for reasons of geographic proximity and historic influence, and it significantly impacted postwar developments in Indonesia, Burma, Malaysia, the Philippines, Thailand, and Vietnam, in the long run it however succeeded only in Vietnam. And it was here that Chinese interests clashed most directly with US interests, as the US stumbled into a defense of a holdover neocolonial regime. ASEAN came into being in 1967 independently but with Western support, in part in reaction to the perceived communist threat. This confrontation with China over former French Indochina was ultimately resolved in a bilateral compromise in which both tacitly agreed to withdraw, a solution that was however sabotaged by Vietnamese nationalism. This outcome not only created enduring friction for the Socialist Republic of Vietnam with both China and the US but split Southeast Asia between south and north, a cleavage that was not resolved until the end of the Cold War.

The post-Cold War era began with a withdrawal of both PRC and US power projection from the region, facilitating the configuration of a triangular ménage à trois. ASEAN took advantage of the power vacuum to expand vigorously, resolving the breach with the northern-tier states to include all of Southeast Asia and introducing a number of extended forums intended to socialize the rest of East Asia into the ASEAN way. On the basis of "ASEAN centrality", the ARF, CAFTA, EAS and other forums were instituted to engage Japan, Korea and China and ultimately Russia, the US, India, and Australia-New Zealand as well. The "rise of China" as a geopolitical juggernaut occurred within this friendly context, as China joined ARF in 1990 and helped innovate the APT and CAFTA

at the end of the decade. Beijing's generous assistance to stricken Southeast Asian economies during the Asian Financial Crisis helped to dispel lingering mistrust of the communist giant and economic intercourse took off, benefitting both parties.

But beginning around 2010 the strategic implications of the rise of China began to appear more problematic. The crux of the problem is of course China's mounting determination to turn the South China Sea into a Chinese lake, converting tiny subsurface islets into naval and air bases commanding their own EEZs. China has not yet attempted to take over land features already occupied by other Southeast Asian claimants, but it has attempted to settle previously unoccupied islets and grasp fishing and petroleum bounties. Yet the incorporation of China into various ASEAN forums has afforded Beijing the political wherewithal to prevent a majority from forming that could question its claims or oblige it to negotiate a more acceptable compromise. China has utilized an active diplomacy and economic statecraft to prevent any such majority from forming, including One Belt, One Road and other such mega-investment projects. This has for the time being succeeded in blocking any Code of Conduct or multilateral sanctions and thrown ASEAN Centrality into serious question. ASEAN emerges as a passive pivot between an ambitiously expansionist China and an alarmed US, which sees the geopolitical balance in Asia shifting to its enduring disadvantage.

Notes

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1. Personal communication from Wang Gungwu 王賡武 (who saw the Japanese map).

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