

## **CONTOURS OF THE GLOBAL WORLD: COUNTRIES OF SOUTH-EAST ASIA BETWEEN BEIJING AND WASHINGTON**

ASEAN countries of the South-East Asia are going through a very complicated period of their history, when their unity, cohesion and prosperity are being challenged like never before. Seems like nothing has been left from the regional independence and liberation from external influences, which had been the cornerstone of this region's independence. There's no talk of pushing out foreign influences and establishing the principles of ASEAN centrality, so much loved by the countries of the block. The problem is to keep ASEAN as a whole and united regional organizations in the conditions of the fight for South-East Asia and more generally East Asia between the US and China, which is becoming increasingly harder and principled.

This opposition had first emerged in the early 1990s, when a stronger China proclaimed a program to return the territories and influences that the country had supposedly lost during the "era of historical weakness." It was then that China began expanding actively into the region. In essence, this policy was aimed at gradually squeezing out the US as a traditional dominant force in the region after WWII, with considerable military, commercial and socio-cultural influences.

It was not until later that the US recognized the scale of China's intentions, so when in 1974 the Chinese took over the Paracel islands from American allies – the South Vietnamese – the US did nothing to protect these islands. At that time, after

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<sup>1</sup> Head of the Center for Southeast Asia, Australia and Oceania Studies at the Institute of Oriental Studies of the RAS, DSc in History, Professor. Head of the Department of Regional Studies of the Moscow University for the Humanities. Author of more than 150 scientific publications, including monographs: *New and Recent History. Modernization and Globalization of Eastern Societies; Socio-Political Development of Cambodia in the Twentieth Century. Village and Power; The History of Southeast Asia; Southeast Asia: The Problems of Formation of a Civilizational Community; The History of Cambodia. 20th Century; China's Policy in Southeast Asia in the Past and the Present*, etc. Organizer of the project *Monitoring of Modern History of Southeast Asian Countries*. Lectures at Kazan State University, Yale University (USA), Hosei University (Japan), etc. Member of the Editorial Board of the journal *Asia and Africa Today*.

the signing of the Shanghai Communique and a meeting of Nixon and Kissinger with Mao and Zhou Enlai in Washington, the US was putting hope into the so-called “engage policy,” trying to pull China into the zone of American interests. Back at the time, the American government viewed relations with China as more important than the protection of semi-deserted islands, especially after China allowed the US to install their tracking stations to monitor Soviet launches from Baikonur in Xinjiang.

It was only later that Washington realized that the capture of Paracel had had tremendous importance for the Chinese Navy, who received access to the seas further South from Spratley Islands. In the late 1980s - early 1990s they started capturing one reef there after another, creating a base for their military presence in Southeast Asia. Their progress there was what I’d call discrete: after each southward expansion worried ASEAN countries started negotiating with the Chinese, signing agreements with them on the rules of behavior in SEA, and even regional security declarations.

The pressure in the waters of the South China Sea was combined with active economic expansion, when China offered ASEAN countries very profitable economic projects. The Chinese approach can be described as “carrot and stick” policy. On the one hand, they offered unrelenting military pressure with Chinese fishermen appearing under military protection near the Mischief Reefs (Philippines), and Natuna Islands (Indonesia), controlled by Vietnam. On the other hand, they promoted economic projects with its nucleus being the CAFTA (China-ASEAN) free trade agreement, which was very successful. By 2005 the mutual sales turnover between China and ASEAN exceeded \$100 bn. In 2006 it reached \$160.8 billion and by 2010 – \$292.8 billion. By 2013 the volume of trade turnover with ASEAN reached \$443.6 bn and by 2020 it is expected to grow to \$1 trillion. China has been a solid number one among the major trading partners of ASEAN, which is the third largest trade partner for China, fourth in export and second in import. In this cooperation project China is facing a challenge to find a point when

the economic potential and supremacy of China as ASEAN's main economic partner could be painlessly converted into the American sphere of political domination. China had tried to accomplish this on many occasions, with no success. ASEAN countries have been cautiously maneuvering to reduce the economic influence of China so that it could not be converted into political influence. The furthest powerful ASEAN countries would go is to sign ritualistic agreements on a "special nature of the partnership" with the PRC that do not obligate them in any way.

China has demonstrated increased displeasure with the ASEAN countries' efforts to oppose Chinese expansion and retain their influence. Beijing has been especially irked by the fact that ASEAN elite is constantly appealing to the US for protection and counterbalance, and their calls for regional cohesion and unity. These topics have been continuously raised by Indonesia, the largest and most influential country of the region. In the sphere of economy ASEAN countries have tried to balance the China Free Trade Zone by establishing a wider free trade zone, making China dependent on the action of other ASEAN partner countries, such as Japan, South Korea and even Australia.

. Recently China had unsuccessfully tried to promote the Mekong project as yet another direction of regional expansion. However, Chinese offers of investments and construction of new dams were met here with much caution, especially since after China had built six major dams on the Upper Mekong, winter runoff decreased considerably, worsening navigation on the river. China has done better establishing bilateral relations with the poorest ASEAN countries, such as Cambodia and Laos. The electoral revolution in ASEAN countries today has been in the interests of China as well, with the role of old and traditional political elites and clans declining, opening a path to power for pragmatic populists like the current Thai President Taksin Chinnavat and the Philippine President Duterte. The Chinese influence here rests on profitable loans, increased sales and local manufacturing, in addition to a significant role of the local Chinese diaspora.

I would say that the Americans have found themselves unprepared to China's level of activity in the area. They were, it seemed, too late to take the historic turn in their Asia policy, and to introduce the idea of the so-called "Pacific Home." As Philippine politicians and Singapore business pleaded with the US to return, America was under impression that the US were in for a welcome there, and that with a bit of goodwill and lots of money they could create a "sanitary cordon" in the region against the expansion of China. In theory, the Philippines, Vietnam, Thailand and Burma were to oppose this expansion with American support, and this added another powerful lever of influence on China. In all these countries Americans have been pursuing a very active policy. Last year, when then President Obama visited the Philippines, the two countries signed an agreement on US military presence in that country, and confirmed the security treaty of 1951 guaranteeing American protection of Philippine sovereignty. In Thailand the US has been putting pressure on local authorities to remove the military junta from power, and turn the government over to civilians. In Burma Americans have been manipulating the fears of top military brass over Chinese expansion by pushing the figure of their own making, Aung San Suu Kyi, a Nobel Prize winner and a dedicated friend of the US, to become an informal leader of the Burmese, and trying to make her friend the president of the country. They have also been pushing the Burmese military to exacerbate the border conflict with China. Recent altercations near Kokang, when over 40,000 Chinese settlers had to flee into China after Burmese artillery shelling, show that here too Americans are doing well to convince the local government to act against China, and thus promote their course of action gradually.

It is, however, obvious that the US had been used by ASEAN countries to build their own system of counter-balances. There is no talk of any "sanitary cordon" anymore. If previously the Philippines and Singapore had been considered America's staunch allies, today this is not so. Of ASEAN countries only the likes of Cambodia, the main conductor of Chinese interests in the region, are looking to find a balance in their relations with the US.

Today even Vietnam, which had very recently been almost a regional ally of the United States, is returning to a multi-directional foreign policy. The country is now looking for a balance in its relationship with the US and China. This trend is especially evident in the field of the economy. US-Vietnam trade volume today exceeds \$36 billion, with Vietnam holding a significant surplus (about 80% of that figure is the Vietnamese export). This allows to balance off somewhat the deficit on Vietnamese trade with China (with the total turnover reaching \$54 billion). The US invests more than \$11 bn a year in China, but this is much less than the contribution by China. It is hard to say how long Vietnam is going to enjoy this double advantage, but as of today this country, like other ASEAN countries, is finding a good balance between the interests of the countries that shape the main contours of the contemporary world order.

I would say, nevertheless, that ASEAN's counter-game is quite risky, despite the fact that they managed to bring the US back into the region, and to create a fairly well-functioning system of checks and balances between the two leading players. The American military presence in the region is continuing to grow, and as recent statements by President Trump have demonstrated, this process will continue. The Chinese influence has been growing as well, however, with China relying more on modern submarines, and the US – on aircraft carrier groups. The two countries are raising their stakes in the military confrontation, and I am doubtful that ASEAN countries will be able to continue influencing the regional situation in their favor or, more than that, have control over it.