

# Chairman's Note

Private and Confidential  
For SIIA Corporate Members and Advisors  
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## **Third Voices Amid a Changing World Order**

Recent geopolitical developments have further deepened cracks in the global economic and international rules-based order. Russia's invasion of Ukraine has rekindled national security concerns and raised the issue of Taiwan. Sino-American tensions have also taken a turn for the worse, with the new arena of contestation manifesting in the Indo-Pacific, as both countries attempt to create a new economic order which excludes the other. With the threat of bifurcation looming and the precepts of openness and inclusivity challenged, how are third voices responding? Is ASEAN's Outlook on the Asia-Pacific (AOIP) still relevant, and if so, how can ASEAN continue playing a central and strategic role in the region whilst navigating its relationship between the U.S. and China? Drawing on my recent discussions with the SIIA's network of academic and diplomatic contacts, and my recent trip to the U.S. earlier this month, I would like to share some of my thoughts with you as our member and friend.

### *Great Power Rivalry*

**U.S. Position:** The U.S. has reiterated its commitment to the Indo-Pacific recently at the Shangri-La Dialogue (SLD). Multilateral partnerships were the main conduits for this, although minilateral agreements emerged as a new form of cooperation in areas of mutual interest. Unsurprisingly, national security concerns formed a large part of the agenda, with Secretary of Defense Lloyd J. Austin III explicitly criticizing China's "more coercive and aggressive approach to its territorial claims" in the East and South China Sea, as well as their approach to Taiwan. The launch of the (U.S.) Indo-Pacific Framework for Prosperity (IPEF) earlier in May is said to be an effort to set standards but is being received by Beijing as yet another strategy of containment, this time in economic rule making. The U.S. has since convened the first meeting between IPEF Senior Officials and experts for the four IPEF pillars in Singapore with thirteen partner countries in July, signalling its commitment in advancing the framework through engagement and discussions with its partners.

**China's Vision:** Amid global volatility and worsening relations with the West, China has launched several initiatives in line with its vision for regional order. In addition to its Dual-Circulation Strategy (DCS) which seeks to prioritise its domestic market while balancing foreign engagement, it has also reaffirmed its commitment to the Global Development Initiative (GDI) which was first launched last September. Re-prioritizing and renewing global commitments aligned with Sustainable Development Goals (SDGs) are top of mind and the recent high-level dialogue with its partners in May saw Chinese Foreign Minister Wang Yi pledge concrete financial commitments with specific initiatives. The GDI is thought to complement the Belt and Road Initiative (BRI) as China continues to seek allies to counter growing U.S. influence in the region. Its stake particularly in the Indo-Pacific is evident through its participation in multilateral partnerships like the Regional Comprehensive Economic Partnership (RCEP), as well as sustained engagement, evidenced by Wang Yi's trips across Southeast Asia earlier this year.

### *Third Voices – Asia-Pacific*

**Japan's Alignment:** PM Kishida has reiterated Japan's stance as a U.S. ally during the Shangri-La dialogue, placing greater emphasis in the realm of security cooperation and assistance. In his speech, he raised the question of whether "Ukraine today may be East Asia tomorrow", alluding to the growing security threat posed by North Korea and China. This commitment is supported by monetary contributions and reinforcing the Japan-U.S. military alliance in order to promote security and peace in the region. Although he did not explicitly align Japan with U.S.

interests, his reference to a 'Free and Open Indo-Pacific' (FOIP) for peace similarly echoes U.S. vision of an Asia-Pacific that excludes China.

**South Korea's New Administration:** South Korea's position appears to have shifted closer towards the U.S., amidst increasing 'bullying' behaviour from China over the years. The agreement to align the ROK's New Southern Policy and the U.S. Indo-Pacific strategy in the joint summit last year marked a turning point for the country which previously sought to balance between the two superpowers. More recently, the Yoon administration has taken strides to improve soured bilateral ties with Japan, listing it as a top foreign policy priority. This is evident in renewed participation and greater engagement with Japan in mutual areas of interest – like a more provocative North Korea. In the recent trilateral talks during the G20 meeting, South Korea agreed to collaborate with Japan and the U.S on regional deterrence through defense cooperation. These are positive signals indicating further collaboration between the two nations, especially given looming security threats from North Korea and China, and the intensifying Sino-American rivalry.

### *Third Voices – ASEAN*

**On ASEAN Centrality:** It remains to be seen how ASEAN will respond to U.S. initiatives, particularly IPEF. While the U.S. has reaffirmed its commitment to the region, the IPEF still lacks practical implementation and participation may be misconstrued to mean categorically picking a side. On China, ASEAN recognises its strategic economic importance as a key trading partner. However, trust in the superpower is on the decline. Beijing's record of resorting to economic coercion and using trade for political sanctioning to penalize countries' foreign policy does not reflect its commitment to upholding a rules-based order. According to a study by The Institute of Southeast Asian Studies (ISEAS) in 2022, while majority of countries recognise that China is the most influential economic power in SEA (76.7%), it is one of the least trusted (26.8%). Countries embroiled in the South China Sea conflict will likely see their relationship deteriorate over time as China continues to extend its territorial claims. This can be seen in the Philippines, where its new administration has committed to upholding the Hague ruling more strictly. As peripheral affairs are increasingly being viewed with a Sino-American lens, the role of ASEAN and the usefulness of the AOIP comes into question. While big powers acknowledge the AOIP in name, there is no impetus for them to uphold its principles. Ultimately, ASEAN countries need to make their own calculations and determine what is best for them. Upholding an international rules-based order undoubtedly takes precedence, as highlighted by General Prabowo and Dato Tun Hussein during the SLD, but exercising agency through forging bilateral and minilateral agreements in areas of mutual interest is equally important and should be pursued. These arrangements should not be perceived as challenges to ASEAN centrality, but crucial to navigating this increasingly uncertain climate.

**Singapore's Stance:** Singapore has consistently adopted a strategy of engagement and economic functionality in approaching the U.S.-China rivalry. However, exclusive partnerships operating on the premise of 'friend-shoring' and rising domestic pro-China sentiment has rendered its stance a lot more tenuous. Defence Minister Ng Eng Hen's response when questioned on the impartiality of the SLD received criticism on online forums, echoing the results from a Pew Research Centre survey in June 2021, where a favourable view of China was shared by 64% of Singaporeans, the only country to view China more positively than the U.S. Thus, its stance emerges as both a foreign and domestic issue that policymakers must consider in their response and subsequent strategies.

I hope this note may be of interest to you and I would be happy to hear your views.

Yours sincerely,



Simon Tay  
Chairman