



By Invitation

Growing US-China conflict may not be bad for Asia

Smaller countries stand to gain from the contest for influence despite its risks



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For The Straits Times

"We don't want to choose between America and China" – that has been the mantra in East Asia for the last decade as the contest between Washington and Beijing intensified. It's less a declaration of strategy than a prayer for the continuation of the relatively harmonious relationship between America and China that helped stabilise the region for more than four decades. But China's neighbours in Asia never had the agency to shape, let alone control the structure of its relationship with America. Now with the arrival of a new dynamic on their door step, they have no choice but to cope. As the adage goes, the strong do what they would; and the weak endure what they must. Yet, as Asia navigates the unfolding contestation between America and China, the new circumstance might not turn out to be too bad. If the past, the Cold War, is any guide, Asia will find much new room for manoeuvre.

If South-east Asia, for example, had slipped into China's sphere of influence, uncontested by America, the choices for the region would have shrunk significantly. The region's leaders have good reason to welcome renewed great power competition and the prospect for a bipolar or multipolar Asia.

SMILE DIPLOMACY

One benefit has become evident quite quickly. Consider, for example, Beijing's new smile diplomacy towards Tokyo and Delhi.

In the pre-Trump era, China appeared uncompromising towards Japan and India. In the past few months, though, we have seen China reach out to both its large but troublesome neighbours. In April, President Xi Jinping hosted India's Prime Minister Narendra Modi at a special summit in Wuhan. Soon after, in May, Mr Li Keqiang became the first Chinese premier to visit Tokyo in eight years. And Japan's Prime Minister Shinzo Abe will visit Beijing soon.

Sceptics would say this might be merely tactical on China's part. But there is no denying its immediate calming effect on China's two difficult relationships.

It is not just China's regional rivals that gain from US President Donald Trump's push-back.

Mr Trump's surprising warmth towards North Korean leader Kim Jong Un quickly nudged Mr Xi to end

his haughty neglect of Mr Kim, who came to power in 2011. Mr Xi, who refused to meet Mr Kim through the first six years of his presidency, met him thrice this year. Meanwhile, on the world stage, the North Korean leader turned from a political pariah into "Chairman Kim", with countries around the world vying to host him.

The conventional wisdom that cold wars are bad for everyone does not stand up to close scrutiny. The history of US-Soviet confrontation in the second half of the 20th century does offer a very different narrative. The economies

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of America's Asian allies, for example, prospered by supporting America's wars in Korea and Vietnam, and thrived on open market access to the United States.

'SUCKLING FROM TWO COWS'

More broadly, Third World leaders basked in the competing attention they got from rival superpowers. Depending on their geopolitical location and regional weight, they could demand a price for their political affections.

Economic assistance, military aid and weapons at friendship prices were all there for the asking.

Even with all the support, the canny leaders from Africa and Asia could not be taken for granted.

Egypt's Anwar Sadat switched sides from Russia to America with great fanfare in the 1970s and, as a result, Egypt remains one of the major recipients of America's declining aid budget.

India, which refused to join formal military alliances and claimed the freedom to make merit-based decisions during the early decades of the Cold War, became the biggest recipient of economic assistance of both Washington and Moscow. Some called it "suckling from two cows".

For the past several years, China's Belt and Road Initiative (BRI) was celebrated as the only game in town. Until recently. Even the limited competition for

infrastructure development from Japan under the Free and Open Indo-Pacific strategy is increasing the bargaining room for the recipient countries.

Although America has not put much money on the table, its political challenge to the BRI compels China to improve its terms. Prime Minister Imran Khan of Pakistan, one of the most uncritical supporters of the BRI, has found that he has negotiating room with Beijing on the terms and conditions of the projects.

Others are joining the competition as well. Alarmed by China's growing economic penetration of its South Asian neighbourhood, India is putting down more money for connectivity projects in the sub-continent.

Australia, which had taken its South Pacific neighbours for granted, is now coughing up resources to fend off Chinese influence. Canberra recently outbid Beijing in a project to construct a military base in Fiji.

Earlier, it nudged China out of a contract to build an undersea cable in the South Pacific. And the European Union has just announced plans to offer help for infrastructure projects across Europe and Asia.

PUSH-BACK FROM NEIGHBOURS

Competition between the great powers limits their impunity to intervene in the internal affairs of other countries. China's rising strategic profile in the global South, and Russia's assertion in Europe have begun to compel the Western powers to tone down their rhetoric on human rights that seemed cost-free in the post-Cold War years.

India and Australia are also showing much greater patience and tolerance towards their smaller neighbours that have learnt to play the China card.

Meanwhile, China is discovering the costs of getting drawn too deeply into the domestic politics of other nations. As the recent debate in Australia shows, influence operations can produce a sharp and costly backlash. In Sri Lanka and Malaysia, China has found the costs

of aligning too closely with one leader or formation within the political spectrum.

When regimes change, Beijing has struggled to manage the new situation. China is hopefully rediscovering the virtues of its past emphasis on non-intervention in the internal affairs of other states.

If domestic support in the West has declined for democracy promotion in the world, voices of dissent are reportedly emerging in China against global overreach of its current leadership.

Thanks to the surprising challenge from Mr Trump, at least some in the Chinese leadership might be regretting the decision to discard Deng Xiaoping's advice on keeping a low profile on the regional and global stage.

GREAT FINESSE NEEDED

As in the world of commerce, so in the geopolitical market place, competition is a good thing. It is any day better than one player enjoying a monopoly.

For the sharp-witted and nimble-footed in Asia, the unfolding rivalry between America and China offers multiple opportunities for advancing their individual national interests. Great power contestation also demands considerable diplomatic discipline that treads the thin line between provoking a great power and exploiting it.

Although the weaker players can take advantage of the great game, they can't control it. They must be prepared for sudden compromises or unexpected escalation in the conflict between the great powers at the expense of their friends and partners.

Even as they tilt one side or the other in pursuit of their national interests, the lesser powers must continue to invest in their national capabilities, build local coalitions, avoid illusions of collective security and work for a stable balance of power system.

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