

Why Asia should worry as Nov 3 draws nearer

Sino-US tensions will likely intensify in the run-up to the US presidential polls, putting other countries at growing risk of becoming collateral damage

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For *The Straits Times*

In five months, Americans will elect their president. Predictions vary whether incumbent Donald Trump can win a second term. While much of the attention right now is on the Trump administration's responses to the Black Lives Matter protests, the effects of the United States electoral politics that can impact Asia are already emerging.

(NOT) ALL POLITICS IS LOCAL

Much of this relates to Sino-American relations, which are in free fall over everything from trade and technology to Covid-19 and the South China Sea. This defies the adage that all US politics is local.

The China factor is not abstract foreign policy but is viscerally seared to US domestic politics. Complex questions such as who is responsible for the death and destruction in Covid-19's wake or the fate of the US economy and the foundations of its recovery are all being reduced to one calculation – whether what is done helps Mr Trump's re-election.

China is in no mood to compromise and, as major power finger-pointing and shoving escalates, others in the region can end up hurt.

COVID-19 AND THE ECONOMY

Australia is the first victim. Asking for an investigation into the origins of Covid-19 may be logically necessary to strengthen systems against future recurrence. But, in the current context, it triggered Beijing's ire and Australian imports

have been cut. Australian leaders win sympathy when they will not cave in to "bullying". But few Asians will follow suit, especially those in need of medical supplies and assistance from China.

More sources of economic friction lie ahead. America wants future supply chains to exclude China, and many Asian countries are open to the idea. For years, both Japan and South Korea have wanted to diversify to avoid over-reliance on China. In Asean, countries such as Vietnam, Thailand and Indonesia hope to step up the value-added ladder in any non-China supply chain.

The problem is whether countries will be allowed to participate in both sets of supply chains or face a stark either-or choice. It is not just the US but China, too, which can retaliate.

If South Korea and Japan side with their ally, China could deny market access as punishment. Companies such as Lotte suffered when South Korea deployed the Thaad missile defence system as part of its US-backed security umbrella. For others, like Indonesia and Thailand, China could cut back much-needed investment and infrastructure assistance.

If it comes to an either-or choice, consider the post-pandemic situation. China seems to be reopening for business earlier and stronger. This can reinforce its ability to persuade fellow Asians to ignore the US, as most did when the Asian Infrastructure Investment Bank was started.

The case of Huawei could well bring this to a head. Many consider the rational choice is to take up the best technology at a better price. But the US is determined to press its allies and friends to exclude all

Chinese technology and to prosecute – or persecute, depending on your view – the company.

PROXY CONFLICTS

On top of economic frictions, confrontation is increasingly possible, whether direct or through surrogates. Post-lockdown Hong Kong is emerging as a proxy conflict zone.

We do not have to agree with allegations that Western elements are playing a "black hand" behind the demonstrations. The US and the United Kingdom are now openly rallying others against China's introduction of a national security law.

Some are genuinely concerned about the fate of the city, but the motives of the Trump administration seem mixed. This shows in its declaration that Hong Kong will no longer be considered autonomous from China. There is no immediate harm to the city, but if and when the US isolates and punishes China economically, those punishments will apply to Hong Kong too – as Iran and Russia have suffered.

Another proxy conflict brewing is Taiwan. Emerging early and confident from Covid-19, the Tsai government is active on a number of fronts where contention is emerging. In technology and supply chains, Taiwanese companies such as Foxconn are major players.

Additionally, Taiwan has long pushed for representation at the World Health Organisation, which Mr Trump attacks for being too close to Beijing. Taiwan's President Tsai Ing-wen is even poking a toe into the hot water of Hong Kong by offering to take in those who wish to leave the territory. Beijing does not

help the situation by stonewalling any discussion with the Tsai administration while its generals talk about reunification by force.

The US is also pushing on the South China Sea. Even before Covid-19, "freedom of navigation" patrols were stepped up, with US navy vessels intentionally entering areas that China considers its own. During the most recent US-Asean foreign ministers meeting, US Secretary of State Mike Pompeo was sharply critical of China and wanted Asean counterparts to join in chorus.

The joint ministerial statement did not align the group with American views on this hot-button issue. But Asean must expect more pressure in upcoming forums and summits, especially for Vietnam, the current chair of the group. Both China and Vietnam have competing claims over the Paracel Islands and oil exploration rights, and Vietnam has suffered from push-and-shove conflicts at sea.

Individual Asean member states may be closer to one great power or the other but should resolve not to bandwagon with either. As a group, Asean must maintain strategic autonomy and be united against bullying by either great power.

WAG THE DOG

In the months ahead, Sino-American skirmishing will increase. None of this may make any rational sense, given the real problems and market jitters caused by Covid-19. But they may seem to make US election sense. Even limited conflict cannot be ruled out, so long as Mr Trump can appear strong – witness his instinct to take action to "dominate" the current protests in the US itself.

US election lore recalls how then President Jimmy Carter lost the 1980 vote because he was ineffectual when the American embassy was seized during the Iranian revolution. An extreme conclusion was imagined in a movie called *Wag The Dog*, where a president wages war just to increase his popularity for an election.

We must hope that remains fictional. But the 2020 US presidential election will escalate tensions as electioneering intensifies towards the November vote.

In the coming weeks and especially come October, Asians must guard against surprises.

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US President Donald Trump speaking in the Rose Garden at the White House in Washington last month. Sino-American relations are in free fall, and as major power finger-pointing and shoving escalates, others in the region can end up hurt, says the writer. PHOTO: NYTIMES

