

## VIEWS

## ASIAN VIEWPOINTS

# China steps in as the US steps aside

BY DERWIN PEREIRA



Chinese President Xi Jinping's recent visits to Vietnam, Malaysia and Cambodia made a profoundly simple point: Do not worry, Southeast Asia, because China is here to stay.

Although those visits were probably planned before US President Donald Trump's tariff announcements threatened the global economy, Xi's presence in the three countries offered him a Made-in-America opportunity to reassure Southeast Asian nations that China is a long-term country.

That is to say, Chinese foreign and economic policies are not based on the revolving doors of domestic politics that the West calls liberal democracy, but on a stable system of power at home (including leadership transitions) that allows Beijing to plan far ahead and avoid sudden shifts in policy that destabilise the rest of the world.

In Hanoi, where 45 agreements were signed, Xi noted that the two countries should oppose unilateral bullying and that they should increase cooperation in production and supply chains. This was a clear reference to the deleterious international consequences of the imposition of American tariffs, not least on Vietnam, most of whose imports are from China and most of whose exports are to the US.

In Kuala Lumpur, Xi said: "In the face of shocks to global order and economic globalisation, China and Malaysia will stand with countries in the region to combat the undercurrents of geopolitical ... confrontation, as well as the counter-currents of unilateralism and protectionism."

The Malaysian response to Xi's visit is instructive. Prime Minister Anwar Ibrahim said: "What we are witnessing today is not an honest reckoning with the imperfections of globalisation, but a retreat into economic tribalism. Market access is being weaponised. In these trying times, the world yearns for steadiness, reliability and a common purpose. We see this in China's conduct."

This was both veiled criticism of American policies and heartfelt welcome of China's steadying hand at a very difficult time for Southeast Asian countries such as Malaysia, Vietnam and Cambodia.

In Phnom Penh, Xi urged his hosts to "resist protectionism". Cambodia, a major exporter of clothing



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and footwear to the US, faces a tariff of 49%.

In all three capitals, Xi's message was the same but was tailored to fit local circumstances. The message was that Beijing is the international capital of financial stability in a world where Washington appears to have gone berserk.

The Chinese message is attuned to what has begun to happen to world affairs.

What has begun to happen is decoupling — not only the decoupling of America's economy from China's and the consequent disruption of global supply chains on which other countries depend, but also Southeast Asia's possible decoupling from its own post-World War II past.

What I mean is this: Southeast Asia is a subregion of Pacific Asia, a region that was transformed during the Cold War between the capitalist US and the communist Soviet Union, with communist China being on the Soviet side before its split with its ideological elder brother in the 1960s.

America's ultimate victory in the Cold War in Pacific Asia was supported in no small measure by Japan, South Korea and the five original members of Asean choosing the liberal international order over the communist international order, a choice contested bitterly in the Korean and Vietnam wars. The accession of the erstwhile non-capitalist states of Southeast Asia to Asean after the Cold War attested to the economic, political and strategic supremacy of the liberal international order over its rival communist order.

It is that ordered past from which Southeast Asia is being asked to disengage. In the wake of the steep American tariffs and the retaliatory

Chinese counter-tariffs, what is emerging is two rival economic and strategic subsystems, each subsystem intent on defeating if not ultimately destroying the other subsystem in Pacific Asia. Given the weaponisation of economics, Southeast Asian nations such as Vietnam, Malaysia and Cambodia will have to make a call on how close they want to get to China without breaking their ties with America.

There is no such thing as belonging to both sides equally because the two sides do not belong to the same global order any more. Choices will have to be made.

Choices are never cost-free. The US slap in the face of globalisation is a heavy one because Americans account for a full one-third of global consumption, compared to 13% for the Chinese (according to one assessment).

Given this substantial difference, it is not going to be easy for third nations to shift the focus of their exports away from the US to China substantially in the wake of the US tariffs. Instead, there is a risk of Chinese goods flooding Southeast Asian nations because of the US tariffs. Third nations will have circumscribed options while the two global economic heavyweights fight out the tariff war between themselves.

Nevertheless, it is welcome that Xi has promised Malaysia greater access to Chinese markets on his visit. America, which till the Trump turn in its affairs had thought of itself as the indispensable nation, and quite rightly so, should know that there are other nations waiting to claim the mantle of indispensability should the US shed its gilded garb in an act of imperial abdication. China may well be the next indispensable nation.

## The return of China

China's return to a marked degree of centrality in global affairs has been a long but predictable one. Till the advent of European colonialism in Asia in the 16th century, China (along with India to a different extent) was the preponderant power in Asia whose influence extended through the Nanyang, or Southeast Asia, to West Asia and thence all the way to Africa through the Indian Ocean.

Admiral Zheng He's seven fabled voyages exemplified the naval and diplomatic reach of the Ming dynasty before the voyages ceased in 1433, when China turned away from the seas to its economic and strategic detriment. That is what America appears to be doing today — turning away from the Pacific and Atlantic Oceans — with equally problematic consequences for itself, the primary power of the 21st century till now.

Consequently, a historic window of opportunity has opened for Xi's China, a window through which the first region in sight is Southeast Asia, the historical Nanyang. Whether hoped for by the Chinese or feared by others, Southeast Asia could be a rejuvenated China's border zone and strategic buffer with countervailing global powers, essentially America, Russia and Europe. If China does not succeed in Southeast Asia, it is unlikely to succeed farther away.

This does not mean that Southeast Asia is fated to come under China's exclusive hegemonic sway. Obviously, today's 21st-century world is not that of Zheng He in the 15th century. The intervening centuries of Western hegemony (the European one followed by the American variant after World War II) will not

be reversed in an instant by a set of American tariffs, no matter how punitive they are and how disastrous they could be.

It is not guaranteed that the entire structure of the Liberal International Order will collapse, an order that was created by America during the Cold War and which rested on four pillars: the military alliance system, the rule of law, multilateralism and globalisation, and democracy.

Parts of that old order — which will not be incarnated in its entirety given America's apparent strategic abandonment of the rest of the world — will still be incorporated into new Asian security and economic structures. Old systems of power have afterlives that new systems of power cannot ignore. The Chinese Empire, if there is to be one, will have to build on the American Empire.

In the meanwhile, Southeast Asia can help to mitigate the global disruption caused by the financial rise of China and the economic retreat of the US by remaining united. This might sound like a platitude, but it is not. Asean has benefited the economic and security infrastructure of Asia as a whole by providing a blueprint for regional cooperation that respects the powers of member-states but integrates them nevertheless into a greater whole. Asean's economic integration has given its members international heft that they would not have possessed otherwise. That heft has in turn been translated into strength in dealing with the great powers as their interests and aspirations interact in Southeast Asia.

It is right for China to reach outwards to Southeast Asia as the region comes under undeserved pressure from an America turning inwards. Vietnam, Malaysia and Cambodia are three key Southeast Asian nations whose choices will have a bearing on the direction that Asean will take. What must be remembered is that no Asean country wants to choose between the US and China. Indeed, they will do all that they can to postpone that choice indefinitely.

However, given the vibes from Trumpean America, Southeast Asia cannot but look closer home to see what solace China can offer. Beijing must not fail the challenge of leadership. Now is the time to prove, and not just declare, that the international order can exist even in times of acute uncertainty. Southeast Asia is all ears. **E**

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