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US-China Relations Study Group

Intensifying US-China Conflict and Southeast Asia in the Midst of the Novel Coronavirus Crisis

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The novel coronavirus (COVID-19) pandemic has proved to be a major test for the world, and the Association of Southeast Asian Nations (ASEAN) countries are no exception. In addition to the increasing number of people who have been infected with and died from COVID-19, the pandemic has placed enormous burdens on the countries of the world in the form of economic stagnation due to the interruption of trade, investment, and human movement, as well as in the form of worsening economic circumstances caused by major financial outlays that were made in order to compensate for economic losses. Thus, the world is experiencing what has come to be referred to as the “coronavirus crisis.” In the midst of this crisis, the US–China conflict has intensified, and, as a result, both the United States’ and China’s involvement in Southeast Asia has increased. Thus, the ASEAN countries have found themselves in an unprecedentedly difficult environment in which they are forced to proceed with their development of a well-balanced diplomacy, which entails maintaining their relationships with the major powers, such as the United States and China, while simultaneously preserving diplomatic independence by ensuring that there is distance between themselves and the major powers.

US and Chinese COVID-19 assistance measures and the ASEAN countries

Among the collaborative efforts to combat COVID-19, China’s proactive involvement with the countries of Southeast Asia has been particularly prominent. By the end of January, China had already begun cooperative efforts with ASEAN by providing specialists and

administrative assistance. In early February, an ASEAN Plus Three Senior Officials Meeting, attended by government officials involved in health and medical care, was held. On February 20, the China–ASEAN Special Foreign Ministers’ Meeting was held in the city of Vientiane, during which there was discussion about ways to cooperate with regard to COVID-19 measures. As specialists and experts in various fields engaged in technical cooperation and shared information via the China–ASEAN framework, in March, the Chinese government began to put major effort into supplying the countries of Southeast Asia with masks, personal protective equipment (PPE), and testing kits and other medical supplies, and they dispatched medical experts to various ASEAN countries in what came to be called China’s “mask diplomacy.” Alibaba and other private corporations, as well as the Industrial and Commercial Bank of China, also provided assistance. These highly “visible” forms of public and private assistance gave the impression that China’s influence in the region was increasing. Some ASEAN countries have expressed doubts regarding the quality of the relief supplies sent by China, but overall they have welcomed China’s help.

The United States announced that by March it would commit US\$1,000,000,000 of COVID-19 assistance to countries throughout the world, US\$76,900,000 of which was earmarked for Southeast Asia. Nevertheless, in March, U.S. Secretary of State Mike Pompeo stated that, because of the need to deal with the infection within the United States, this funding would be for the purpose of training medical personnel, improving screening capabilities, and making improvements in the recipient countries’ health systems, rather than for the purpose of providing medical supplies, such as masks. It was also indicated that some of these assistance measures would be provided through international organizations, such as the World Health Organization (WHO). When viewed over the mid- to long-term, assistance designed to improve the capabilities of countries’ public health systems is certainly important, but in comparison to China’s “visible” forms of assistance it made a modest impression. Furthermore, these forms of assistance were insufficient to remove the Southeast Asian countries’ distrust of the United States due to the Trump administration’s policies, such as refusal to participate in the South Asia Summit. In addition, President Trump has repeatedly and forcefully criticized WHO for being “China-friendly,” and the

United States' withdrawal from WHO was disappointing to the ASEAN countries.

Increasing friction over the South China Sea

However, it cannot be said that the COVID-19 crisis has led to China's influence becoming overwhelming in Southeast Asia such that ASEAN countries were swayed to China. The ASEAN countries, in fact, were divided in their responses to China. Some countries, such as Singapore, Viet Nam, the Philippines, and Indonesia, implemented strict measures against China as a result of the COVID-19 outbreak by, for example, restricting travel from China; however, other countries did not, and in February prime ministers and other ministers from countries such as Thailand and Cambodia even made visits to China. Furthermore, the fact that China expanded and strengthened its de facto control of the South China Sea even while the world was in the midst of the COVID-19 crisis led to increased friction between China and some of the ASEAN countries.

At the beginning of April, a Vietnamese fishing vessel was struck by a Chinese Coast Guard vessel and sank in the region surrounding the Paracel Islands. As a result, the Vietnamese government released a statement of protest in which it demanded that China take measures to prevent the reoccurrence of such an accident in the future and that China compensate Vietnam for the loss. In late April, the Chinese government announced the establishment of the Xisha and Nansha districts as a part of Sansha City in Hainan Province, which is an administrative district established in 2012. In response, the Vietnamese Foreign Ministry issued a statement of protest. The Philippines has taken a pro-China stance in recent years under the Duterte administration, as President Duterte has demonstrated an anti-US position and has placed importance on assistance and investments from China. However, even the Philippines has shown a slight shift in its stance toward China in regard to the South China Sea issue. Philippines Secretary of Foreign Affairs Teodoro Locsin presented a statement of protest to the Chinese Embassy in the Philippines with respect to China's establishment of the abovementioned Xisha and Nansha districts. On June 1, the government of the Philippines informed the United States that it would postpone the termination of the Visiting Forces Agreement (VFA), which was previously announced to

be taking place in February, for a period of six months. Delfin Lorenzana, Secretary of National Defense of the Republic of the Philippines, attended the early June ceremony marking the completion of a dock constructed by the government of the Philippines on the island of Pag-Asa, which is one of the Spratly Islands, an island chain that is under the Philippine's de facto control. In his address at this ceremony, he mentioned plans for additional construction on the site, including a runway. Indonesia, the largest of the ASEAN countries, went on alert when China entered into the exclusive economic zone (EEZ) around the Natuna Regency. Indonesia sent notice to the United Nations (UN) Headquarters in May that China's insistence on the so-called "nine-dash line" was without any basis. In late July, Indonesia increased efforts to restrain China's movements in the South China Sea by, for example, conducting military exercises in the region.

Intensifying US position on China and the ASEAN countries' cautious stance

The United States, which was unable to dispel the image that its COVID-19 assistance measures for Southeast Asia were paltry in comparison to China's, took a strong position against China in light of the situation in the South China Sea. In early July, the US aircraft carriers the USS Nimitz and the USS Ronald Reagan engaged in large-scale military exercises in the South China Sea. On July 13, Secretary of State Pompeo stated that China's maritime expansion into the South China Sea was illegal and that "The world will not accept China treating the South China Sea as if it were part of its own maritime empire." He emphasized that the ruling by the International Court of Arbitration in July 2016, which rejected China's insistence that it has territorial rights to the South China Sea, was consistent with the United States' stance on the issue. On July 14, the US guided missile destroyer USS Ralph Johnson conducted a "freedom of navigation" mission in the vicinity of the Spratly Islands. On July 15, Secretary Pompeo made it clear that the United States' position was to provide support to all the countries of the world that were trespassed upon because of China's insistence on its territorial rights. This series of events was recognized as a turning point in the United States' stance on the issue of territorial rights in the South China Sea, which previously had been one of neutrality. The United States, which has been

intensifying its attempts to restrain China, has increasingly emphasized its Indo-Pacific strategy and made clear that its stance is to prevent China from making moves into the South China Sea, while simultaneously reinforcing cooperation with countries in the region with which it has alliances, such as Japan and Australia.

This US stance is seen as a kind of support for Viet Nam, the Philippines, and Indonesia, which have been making their own attempts to prevent China from expanding its maritime presence. However, it would be premature to conclude that the ASEAN countries, including those indicated above, have welcomed the strict stance the United States has taken against China and are following the United States' lead. For example, in a policy speech delivered in late July, President Duterte of the Philippines emphasized that the Philippines "has no intention of confronting either the US or China." In addition, US attempts to pressure others into not adopting China's 5G technology and decoupling from involvement with China are not in line with the economic realities of the ASEAN countries, which are geographically close to China; have strong ties to China in the form of a cross-border production network, investment, and human travel (e.g., tourism); and derive profits from these endeavors. One cannot overlook the fact that, in the midst of the COVID-19 crisis, trade between China and ASEAN has actually increased.

Toward ensuring independence and centrality

As both the United States and China have intensified their involvement in Southeast Asia during the COVID-19 crisis, the ASEAN countries have been attempting to maintain their traditional balanced diplomacy by not showing a preference for either side, while simultaneously gaining what they can from both. While it may seem, at first glance, that the options available to the ASEAN countries have decreased, ironically, the more the United States and China show unwavering stances of increased involvement in the region and the more they attempt to align the ASEAN countries with themselves, the better positioned the ASEAN countries are to gain increased influence on the order in East Asia, since the ASEAN countries' actions have a direct effect on the results of the strategies being employed by the United States and China. For example, during the currently ongoing

discussions between China and ASEAN on the formulation of a code of conduct (COC) to govern behavior in the South China Sea, rules that are consistent with the “ASEAN model,” such as respect for sovereignty, compliance with international law, peaceful resolution to conflict, and non-use of force, have been included. In addition, while still maintaining their relationships with the United States, the ASEAN countries have indicated that they will not cooperate with the United States’ intensification of its already excessive criticism of China, and they have called for the United States to exercise self-restraint in regard to actions that may escalate the conflict between the two major powers in order to maintain the stability of the regional order. ASEAN has involved extra-regional players in its efforts to ensure the stability of the regional order. These efforts have taken the form of the East Asian Summit (EAS), ASEAN Plus Three (APT), the ASEAN Regional Forum (ARF), and the ASEAN Defense Ministers Meeting Plus (ADMM-Plus). These efforts have utilized the ASEAN architecture to the fullest extent in order to facilitate the exchange of views among member states, as well as the sharing of information and the provision of venues for discussion and cooperation during this age of the COVID-19 crisis. It is difficult for ASEAN countries to implement specific policies that maintain their independence and influence. Thus, it can be said that the ASEAN countries have reached a critical stage.

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