

What Happens Next – Sunday June 6, 2021
Stopping Aging, IRS Audits, and China
Sebastian Strangio QA

Larry Bernstein:

We spoke with Rory Medcalf, who is the Dean of your Australian Naval War College. And he highlighted that in order to tame Chinese power, there would be four countries: India, Australia, the United States and Japan. Why did you decide to focus on the smaller, more peripheral players?

Sebastian Strangio:

Lying at the pivot of the Indo-Pacific, is the region of Southeast Asia: 11 nations of varying size and level of development, representing a vast diversity of cultures and languages and histories, and this region, given its geographic location, is bound to be central to any strategic competition between China and the United States, as an arena in which China and rivals, like the quad countries, will play things out.

Southeast Asia is a region of small nations. And it's a fragmented region in which Chinese strategists have long seen that they could extend their power. We're going to see in the years to come increasing competition between China and the quad countries.

Larry Bernstein:

I did a book club with Victor Cha, who's a Georgetown professor. And he tried to answer the question, why does the United States have individual alliances and relationships with each Southeast Asian country, as compared to in Europe where we have one large NATO European organization?

Cha thought that the Americans were much more concerned about actions by an individual Asian power that would result in the United States being forced into war. What I thought was interesting was in your chapter when the Philippines was considering its military alliance with the United States, it was more worried about being brought into war in Asia caused by the United States coming to someone else's help, than about China going after the Philippines. How do the individual Southeast Asian countries think about being dragged into conflict?

Sebastian Strangio:

There's a strong desire for a robust American presence in the Asia Pacific as a counterweight to China's growing power. But at the same time, the nations of the region are quite uncomfortable with any prospect of an armed conflict between the two sides.

The framing of the conflict as this ideological struggle between freedom and authoritarianism, strikes a lot of people in the region as a concern. As it's positing a situation in which countries might have to choose sides. Every nation in the region engages in huge amounts of trade with

China. And it's not an exaggeration to say that China is central to the economic health of the region and its future prosperity.

One of the reasons that the Southeast Asian version of NATO, the Southeast Asia Treaty Organization, established in the 1950s, never really got off the ground, is that the region did not want to be bound into an alliance structure that would oblige it to take part in an armed conflict.

Larry Bernstein:

How should we think about China's lack of interest in human rights and the limitations it puts on US actions in the region because of our fundamental desire to maintain democratic norms?

Sebastian Strangio:

Well, the general view in Southeast Asia, at least at the government level, is that Western pressures related to human rights and good governance are often hypocritical and condescending.

I think that references to human rights and lecturing other countries about how they should conduct their affairs, teases out the anti-colonial reflex that exists in many parts of Southeast Asia. These nations fought in some cases through armed insurgency to throw off the yoke of Western empires in the middle of the 20th century. And the idea that foreigners preaching free trade and the rights of man. They came in the 19th century using many of the same arguments as a justification for the colonization, the conquest of the region.

China is practical and doesn't lecture nations about their government actions, and it sort of states that whatever a country does within its borders is its business.

It's hard to describe any nation in the region as a consolidated liberal democracy. And you do have electoral democracies, like Indonesia and the Philippines, that have increasingly illiberal characteristics. And then you have one-party states, like Vietnam and Laos, an absolute monarchy in Brunei, and countries that are sort of semi-democratic that hold elections but that manipulate using the legal system to ensure that favored elites remain in power, countries like Thailand and Cambodia and, in a slightly different way, Singapore.

Larry Bernstein:

In the book, you discuss the fact that there's 35 million ethnic Chinese across Southeast Asia. Yet, oftentimes this results in friction between local populations. How do you think about how China views its ethnic Chinese in these other countries? And how is that going to create foreign policy?

Sebastian Strangio:

The presence of ethnic Chinese populations in Southeast Asia has been a sensitive question for more than a century, as has the particular relationship that the Chinese government has with these communities. The Chinese were brought in to work the tin mines and rubber plantations in Malaya, the sugar plantations of Java, et cetera.

And in many places, Chinese became sort of defined as an “other” who were fundamentally alien to the Thai community or the Malay community. And because of the numbers of Chinese that came in during this period, they altered the demographic balance in certain parts of Southeast Asia. They had a reputation of being economically prosperous.

I think it's worth noting that at the end of the late 1970s when China wound down its support for communist insurgencies across Southeast Asia and opened relationship with Southeast Asian nations, like Thailand and Malaysia, the Philippines, Indonesia, there were two questions that were really on the table. One was China's support for communism. If China stopped its support for communist insurgents, then it would help build relations between these countries. The other question was China's relationship with the ethnic Chinese. In 1980, China passed a new nationality law, which essentially drew a firm division between ethnic Chinese who were foreign citizens and Chinese nationals, speaking of passport-carrying PRC citizens.

And that laid the foundation for a resumption of diplomatic relations and an increasingly lucrative economic relationship between China and the nations of Southeast Asia. What we've seen in recent years is once again the Chinese government beginning to sort of speak of Chinese abroad as members of the Chinese nation. They've begun to blur that distinction that they created in 1980 with the passage of the nationality law. President Xi Jinping has spoken of ethnic Chinese abroad and in Southeast Asia as members of the great Chinese family who have a role to play in building the China dream and pursuing the great rejuvenation of the Chinese nation.

It's something that could potentially boomerang on ethnic Chinese populations in the region given long histories of prejudice and violence against them.

Larry Bernstein:

What is China's foreign policy objectives? Why are they being so aggressive in their military operations, building these islands, sending fishing boats and causing trouble and creating panic among these neighboring countries? And what is exactly do they want? These are their big trading partners. Why do they want to push the Vietnamese into American arms? What do they want, why is what they're doing make sense?

Sebastian Strangio:

It's a good question. If one was to sum it up, I think it would be the idea that China wants to reclaim the position of centrality and power and primacy that it is perceived to have once enjoyed, prior to the arrival of the Western imperial powers in Southeast Asia in the 18th and 19th centuries, before the so-called century of humiliation that the country experienced at the hands of these powers. So I think that sort of vague goal encompasses a large number of apparently contradictory actions and goals. I think China wants the small nations of the region, particularly the Southeast Asian nations, to sort of accept its primacy and to bow to its core strategic goals in exchange for prosperity within a Chinese orbit.

When it comes to something like the South China Sea, you see China's core security concern about maintaining control of these sea lanes of communication that run through the South China Sea and preventing them from being cut off by the US Navy, clashing or undermining its bilateral relationship with several of the Southeast Asian nations. But I think ultimately the Chinese, as good dialectical materialist, will probably say that money will eventually win the day and that China's economy and the economic ties that the region has with China will eventually ensure that these nations are acquiescent to China's demands.

Larry Bernstein:

You mentioned in the book that no one has benefited more from American hegemony than the Chinese. They benefit from global sea lanes. They benefit from the global multilateral institutions and they benefit from very low tariffs all over the world as it exports its goods. Why do they seem to be most aggressively challenging this US hegemony? Why don't they just say, "You want to protect all the sea lanes, including mine? That's great." Why are they creating this challenge when they're the chief beneficiary?

Sebastian Strangio:

No Chinese strategist can completely believe that the United States would not, at some point in the future, threaten to blockade China, or to use its control over these sea lanes of communication to assert its dominance over China. There's this constant lack of trust, which I think is arguably inherent to relations between states.

Larry Bernstein:

You mentioned the very important trade ties that go on between China and these nations. But if I were to guess who are the three biggies that China deals with, it would be the United States, Japan and Europe, and these actions undermine the most important relationships that it has. Also, you're right, they'll be able to control the waterways directly on its border, but they won't be able to protect the sea lanes for trade with those counterparts, and they'll also be exposed to potentially oil and gas shutoffs as it goes through the Indian Ocean. I just don't understand why they think that if they act aggressively in this one small sector that they've lost the larger strategic picture.

Sebastian Strangio:

I do think that there is an element of Chinese behavior that is counterproductive and self-defeating.

But over the past decade, Chinese actions have begun to elicit a strong and increasingly coordinated Western pushback, and it could end up being that China ends up undermining its own stated strategic goals. But it's also worth noting the large domestic dimension to a lot of what China does on the world stage. The fostering of nationalism as a substitute for democratic legitimacy has been a feature of the Chinese communist regime for several decades now, and it in turn creates nationalist commitments that the CCP cannot simply walk away from.

Larry Bernstein:

Let's talk about the Belt and Road initiative, the building of high-speed rail, highways, ports, massive Chinese investments in the region. It's causing concern that the enormous debt associated with it will result in loss of domestic sovereignty. Is it like temptation, for example, for the Laos government to get this tremendous investment? Is there fear, like what was experienced in Sri Lanka when the port was lost when the interest payments weren't made? How should we think about the benefits and costs associated with the Belt and Road initiative?

Sebastian Strangio:

I think the important thing to recognize about the BRI is that it really is not a cohesive and coherent strategy. The BRI includes large numbers of Chinese actors who've used this project to advance their own economic and political interests. It has also been taken advantage of by recipient governments, who have used this Chinese project as a way of gaining access to Chinese funds for the use of patronage within their own political systems. There are no two BRI projects that are exactly the same.

There are cases obviously in which taking on a huge amount of debt to any nation is potentially problematic. And we've seen in Southeast Asia, Laos recently was forced to sign over control in its national energy grid to a Chinese firm because COVID had impacted its ability to service its debts to China. The Sri Lankan case is a good example. China was very much responding to a request from the Rajapaksa brothers, who were in charge of Sri Lanka, for a project that served their own political and patronage interests.

The Belt and Road leverages China's strengths. It creates connectivity, fosters economic intercourse, and establishes China at the center of a geo-economic zone. It also provides very handy outlets for China's excess labor and manufacturing capacity, so Chinese steel and concrete, Chinese labor.

There's a lot of mixed feeling about the BRI in Southeast Asia, but it does answer legitimate development needs in many places.

Larry Bernstein:

I like to end on a note of optimism. What are you optimistic about?

Sebastian Strangio:

I think there are growing partnerships within the region that are strengthening the ability of various Southeast Asian nations to stand on their own two feet and to stand up to China when it is necessary to do so. I think the role of Japan in the region is very positive. The Japanese have offered Southeast Asia perhaps the closest thing to an alternative to what China is offering in the form of large-scale infrastructure. It has very good reputation in Southeast Asia for high quality and its durability.

And I think that we've even seen it just in the last couple of months, calls between the Japanese Prime Minister Suga Yoshihide and several Southeast Asian leaders sort of pledging to work to strengthen maritime security and to bolster these nation's ability to stand up to China in the South China Sea. I think that we're seeing sort of a dense web of bilateral relationships emerge

which could help the nations of the region stand up or manage the challenge posed by a rising China to get that balance right between benefiting from China's rise, but not succumbing to its power.

Larry Bernstein:

Sebastian, thank you very much.