



FRIENDS OR FOES? CHINA AND JAPAN'S SOUTHEAST ASIAN BATTLEGROUND

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The “[Free and Open Indo-Pacific](#)” (FOIP) is a foreign policy dictum presented by Japanese Prime Minister Shinzo Abe in 2016 with the aim of offering an alternative to China’s “Belt and Road Initiative” (BRI). On the one hand, the FOIP promotes connectivity, free trade and infrastructure development across Asia, Africa and the Middle East. On the other, the policy renews Japan’s efforts to uphold a rule-based order.

Uncertainties surrounding Japan’s Indo-Pacific strategy are located in Southeast Asia, which is at the core of the FOIP. As it connects the Indian and the Pacific Oceans linking Asia and Africa, the sub-region is a strategic battleground for Japan and China. One of the main objectives of the FOIP is to assist Africa in becoming a ‘global main player’ by offering the same model for development designed for Asia to Africa and the Middle East.

Moreover, Tokyo’s FOIP is applied in the maritime domain, and Southeast Asia is home to some of the world’s busiest sea-lanes of communication (SLOC). The United Nations Conference on Trade and Development (UNCTAD) [estimates](#) that roughly one-third of global shipping passes through the South China Sea, while the Malacca Strait is the [busiest](#) waterway worldwide. The Sulu Sea is one of the maritime areas in the world that is most afflicted by illegal activities, to the extent that Indonesia, Malaysia and the Philippines were forced to form a consortium against transnational crime in 2017 – i.e., the [Trilateral Cooperative Agreement](#) (TCA), which was recently joined by Brunei and Singapore as observer members.

The sub-region is home to the [Association of Southeast Asian Nations](#) (ASEAN). ASEAN, however, has yet to adopt a common approach to the FOIP in view of ASEAN’s differing policies and strategies towards Tokyo’s plans to include ASEAN countries

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in the concept. The main problem is ASEAN's lack of a shared strategy and response to Tokyo's FOIP (which also includes security and defence cooperation between Japan, Australia, the US and India in the framework that is referred to as the "Quad"). Furthermore, there are also concerns among ASEAN countries that the FOIP has the potential to erode their centrality in the sub-region. In 2018, Indonesia was particularly [vocal](#) on this point both within the framework of the official meeting between ASEAN foreign ministers in Singapore that resulted in the announcement of an ASEAN-centred "[Indo-Pacific \(Cooperation\) Concept](#)". To make matters more complicated, at the ASEAN foreign ministers' retreat in Chiang-Mai, Thailand, in January 2019, ASEAN member states adopted a different stance towards the Indo-Pacific Strategy. As the [press statement](#) issued after the meeting explains:

"We [The foreign ministers of ASEAN member states] noted the progress of the deliberation on the ASEAN collective approach on the Indo-Pacific Outlook that reinforces ASEAN centrality and that is based on key principles of openness, transparency, inclusiveness, rules-based approach, mutual trust, mutual respect and mutual benefit. We believe that such an approach would generate concrete benefits for the peoples of the region and complement existing regional and sub-regional frameworks of cooperation. In this regard, we looked forward to further development of this Outlook, with a view to finalising it for adoption by ASEAN."

This statement inspires some considerations on the contemporary strategic outlook of the Indo-Pacific as well as its future shape and relevance for ASEAN. First, although ASEAN member states harbour doubts with regard to China's rise in the sub-region, Beijing's strong economy as well as the openness it recently displayed in negotiating a [code of conduct](#) for the South China Sea (SCS) inspired ASEAN member states to as-

sume a cautious attitude in response to invitations to contain China that were issued by the "Quad" countries.

Second, Southeast Asian countries reacted differently to the FOIP, thus creating a highly fragmented institutional framework for ASEAN. This disaggregation poses a real threat to the balance of power in the Indo-Pacific as ASEAN faces two challengers to their central role as a driver of economic and political integration in Southeast Asia.

Indeed, ASEAN member states reacted to the FOIP along [three main lines](#). Indonesia, Malaysia, Singapore and Vietnam adopted a positive attitude to the Indo-Pacific Strategy, while Cambodia and the Philippines voiced negative opinions. Brunei, Laos and Myanmar joined in discussions only when additional information on the specificities of the Indo-Pacific strategy was provided. Moreover, it is worth noting that the countries that took a positive attitude with regard to the FOIP did so in an effort to shape the strategy in accordance with their national interests as the subsequent national conceptualization of the Indo-Pacific notion.

Third, the cases of BRI infrastructural projects in Southeast Asia heightened the awareness of ASEAN countries about the implications of going into debt with China (as many recipient countries of Chinese funds in South Asia and Africa have done). The Hambantota Port in Sri Lanka, for instance, provided a pushback for Southeast Asian countries, as well as a stimulus to adopt a better-regulated investment system. Last year the Sri Lankan government was obliged to make territorial concessions to Beijing when it became clear that Sri Lanka would be unable to repay the debt it has with China. At the time China reduced the amount of debt by \$1 billion in return for Sri Lanka allowing China to lease the Hambantota Port for 99 years. A preference that is bound to lead ASEAN



countries into FOIP's open arms. Nonetheless, Malaysia offered an additional option. Instead of cancelling China's projects in the country, Malaysia has in fact re-negotiated the extent of Beijing's presence in its territory.

Although there is undoubtedly competition between China and Japan over influence and leverage over countries in Southeast Asia, Japanese and Chinese contractors collaborate nonetheless on some infrastructural projects in the region. While ASEAN member states do not have a common FOIP stra-

tegy, Tokyo's FOIP has nonetheless the potential to be inserted within the institutional framework of ASEAN. If and when that happens, there will undoubtedly be implications for the relations between China and ASEAN, including the dynamics regarding territorial disputes in the South China Sea. Moreover, what transpires is that the BRI no longer has the monopoly over infrastructure development in Southeast Asia. On the contrary, ASEAN member states are required to maintain an open dialogue with both Japan and China in order to make the most of their ties with their respective trade and investment partners.