

Chinese behavior in Southeast Asia and the growth of Chinese military capabilities have aroused apprehension among countries of the Association of Southeast Asian Nations (ASEAN). How they react to a “rising China” could have major implications for U.S. interests, military requirements, and the USAF posture in the region.

This study examines the implications of a rising China for U.S. security strategy and defense planning in Southeast Asia. In particular, it addresses the following questions: What role are the ASEAN states likely to play in developing a hedge against the possible emergence of an overtly aggressive China? If China emerges as a hostile competitor, are the ASEAN states likely to contribute to a United States-led effort to deter or oppose a Chinese challenge to regional security? What is the most effective strategy for pursuing cooperative military arrangements with the ASEAN states?

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A host of internal and external factors will influence China’s behavior over the coming years, and it is difficult to predict which will be the primary determinants of Chinese foreign policy. Several alternative paths are open to China, ranging from aggressive nationalism and hostility to U.S. interests in the Asia-Pacific region and beyond to pragmatism and partnership with the United States.¹

¹For a discussion of the determinants of Chinese national security behavior, see Z. Khalilzad et al., *The United States and a Rising China: Strategic and Military Implications*, RAND, MR-1082-AF, 1999.

China currently has a strong stake in maintaining both good relations with its neighbors and the United States and a stable environment in the Asia-Pacific region. Nevertheless, China's intentions and ambitions could change over the longer term, particularly if China assumes its place among the world's leading economic and technological powers. Under these circumstances, other determinants of Chinese behavior, including the desire for regional hegemony and "national redemption," could lead a more powerful and hostile China to mount an aggressive challenge to the United States for global and regional primacy.

Much of the anxiety about a rising China and the potential Chinese challenge to American dominance of the Asia-Pacific region stems from Chinese behavior in Southeast Asia—in particular, its use of force to defend Chinese territorial claims and continued Chinese development of power projection capabilities. At the same time, the future direction of Chinese policy toward the region remains uncertain. Although territorial conflicts in the South China Sea could lead to armed conflict, the Chinese have strong incentives to resolve these disputes without the use of force. Accordingly, the Chinese have engaged in a pattern of "creeping irredentism," steadily pressing their claims while avoiding actions that might provoke a large-scale military engagement and the formation of an anti-Chinese bloc. A particular challenge for the United States will be to devise an effective strategy for responding to more limited and ambiguous Chinese military challenges.

"CONGAGEMENT" IN SOUTHEAST ASIA

Uncertainty over China's future geopolitical orientation complicates U.S. policy toward China and American defense planning in East Asia. On the one hand, the current U.S. policy of engagement seeks to take advantage of opportunities for cooperation with China but could leave the United States unprepared to deal with the emergence of a hostile China. On the other hand, a policy of containment, as some observers have advocated, might better prepare the United States to deal with the emergence of an adversarial China. But it may also squander the benefits of cooperation and, more important, by treating China as an enemy precipitate the very outcome the United States wishes to avoid.

Southeast Asia is likely to prove a critical testing ground for implementing a “third way” of dealing with China’s rising power—what might be called a strategy of “conengagement” that seeks to integrate China into the international system while both deterring and preparing for a possible Chinese challenge to it.² Given the uncertainties about China’s future strategic orientation and the divergent views of China within ASEAN, implementing the hedging part of the “conengagement” strategy will present difficulties for the United States and the ASEAN countries. The key issue is not whether the United States should seek to establish a prudent hedge in Southeast Asia against the possibility of an adversarial China, but rather how to manage the implementation of a hedge strategy—the priority, content, and timing of hedging actions, the appropriate balance between the engagement and hedging elements of U.S. strategy, and the resources that should be expended to establish a hedge.

IMPLICATIONS FOR U.S. DEFENSE PLANNING AND THE USAF

Applying the principles of the “third way” policy would have the following implications for the United States and the USAF:

- **Regional basing and access.** The United States faces political and resource constraints in creating a regional infrastructure to support large-scale conventional military operations. Nonetheless, it may be possible to secure cooperation from several ASEAN countries in establishing a more robust network of access arrangements. The Philippines and Singapore are the most promising candidates for such enhanced access.
- **Military operations and force structure.** The USAF should consider the merits of increasing exercises in and rotational deployments of combat aircraft to Southeast Asia. It might also be worthwhile to begin a quiet dialogue with friendly countries on joint cooperation in meeting USAF operational requirements for responding to contingencies of common concern in the region. Such a dialogue could include discussions of how U.S. arms transfers and combined exercises could promote interoperability with ASEAN forces.

²For a more detailed description of this strategy, see Khalilzad et al.

- **Shaping activities.** For at least the next 5–10 years, the United States will have an opportunity to cultivate stronger military ties with many ASEAN states. Military-to-military contacts should emphasize encouraging professionalism and modernization in a democratic context. This will be particularly important in Indonesia, where military-to-military contacts could help to “acculturate” the Indonesian armed forces (TNI) in democratic civilian control of the military and assist in the transition to a military doctrine consistent with Indonesia’s democratic evolution. Activities could include technical assistance for doctrine development, joint force operations, logistics and maintenance support, and training to combat smuggling, piracy, and drug trafficking. Regional states could be encouraged to develop an integrated air defense network.
- **A tailored strategy.** The United States should adopt an incremental approach to hedging. The initial phase of a hedging strategy should focus on peacetime military engagement, dialogue, reassurance, and trust-building. Given the constraints and uncertainties associated with expanded U.S. access to facilities in ASEAN countries, the United States/USAF should adopt a “portfolio” approach—in other words, the United States should diversify its regional military infrastructure as much as possible to hedge against loss of access in any one country and seek to strengthen military ties with the Philippines, Singapore, Thailand, Malaysia, Indonesia, and Vietnam.

The level of democracy and human rights practices in the respective ASEAN countries will pose potential political constraints on a U.S. engagement strategy with the ASEAN militaries. The military’s involvement in political and internal security activities in some ASEAN countries, particularly Indonesia, has created substantial barriers in the past to military-to-military cooperation with the United States. At the same time, the militaries in most ASEAN countries are important, and sometimes dominant, players in the political system, as well as in defense and security policy decisions. The United States therefore needs to walk a fine line between engaging ASEAN militaries in order to influence their values, security doctrines, and political actions and thereby advance U.S. strategic interests in the region and avoiding association with activities incompatible with U.S. val-

ues. At the same time, there should be a realistic understanding of the limits of U.S. influence and its ability to dictate outcomes on issues of paramount importance to regional governments and militaries.