

# Spheres of Influence and Axes of Illiberalism? China and Southeast Asia in the 21st Century

Greg Raymond

*Posted: 16 August 2018*

Greg Raymond is a research fellow in the Strategic and Defence Studies Centre at Australian National University. He is currently working on a research project looking at Thailand, the United States and China. Before joining ANU, he worked extensively in government, including in the Australian Department of Defence.

---

As Western Governments from Europe to the United States struggle to manage increasing economic enmeshment with China, trying to guard sensitive areas of technology and infrastructure from Chinese state control, there is a school of thought that consigns Southeast Asia to a destiny within a Chinese sphere of influence.[i] This narrative holds that Southeast Asian nations, by virtue of geographic proximity, weak governance and economic dependence will become virtual Chinese provinces, without a capacity to exercise independence in foreign and defence matters.[ii] Some point to the past Sinocentric order, in which China received tribute from its neighbours.[iii] In one wonderful expression, Australia's former Foreign Minister Gareth Evans labelled two Southeast Asian states, Cambodia and Laos, as "wholly-owned subsidiaries" of China.[iv] In this article I ask the question, to what degree do China's relationships with Southeast Asian states amount to a Chinese "spheres of influence"?

Spheres of influence, according to international relations scholar Hedley Bull, began as artefacts of the colonial era, and in particular the papal bulls which demarcated respective zones of influence for Spain and Portugal in the New World.[v] Spheres of influence reached their zenith in late colonialism, when powers like France, Germany and Britain, agreed to give the other a "free hand" in administering their respective claims in Africa. In the case of Southeast Asia, France and Britain agreed, in the Anglo-French treaty of 1896, to preserve Siam as a buffer state between their respective imperial possessions (Indochina for the French, Burma and India for the British). Spheres of influence evolved in the Cold War, to zones in which Great Powers might regularly resort to use of force. The Soviet Union reserved the right to intervene in Warsaw Pact countries, militarily if required, to prevent states from departing from communist political systems. The United States exercised a similar prerogative in the countries of Central and South America, albeit in the opposite political direction.

There is little that resembles Bull's descriptions in today's Southeast Asia. Firstly and most obviously, it is apparent that China has not been party to an agreement with any other Great Power to be given a 'free hand' in Southeast Asia, as a whole or in part. It has no colonies or protectorates. The sovereign states of Southeast Asia maintain relations with all Great Powers,

though relations may be closer with some than others. Indeed, two, the Philippines and Thailand, are treaty allies of the United States, notwithstanding that their bilateral relations with the United States can be rocky. Secondly, it is also fairly clear that China reserves no right to intervene militarily in Southeast Asian states should they choose governments it does not like. While Southeast Asian states were highly wary of Communist China during the Mao era, after 1979, when Deng renounced the export of revolution as a Chinese objective, fears subsided substantially. Today Southeast Asian states do not see China as threat to their governments or territorial integrity, except in one important exception: the South China Sea. Here the Southeast Asian claimants to the disputed islands and maritime territories, and in particular Vietnam and the Philippines, hold reasonable fears that China could use force against them in a battle at sea. The good news is that there has been no use of lethal force by China since 1988, and all parties continue to negotiate.

If Bull's notions of spheres of influence seem ill-suited to describing today's situation, perhaps the concept could be modified to better reflect current circumstances. One way this might be done is to posit that China and Southeast Asia are increasingly joint partners in an "axis of political illiberalism". Another way is to postulate an economic sphere of influence, where China's economic power is used coercively to deprive states of freedom in certain aspects of policy.

The idea that China might be fostering its own sphere of illiberal influence is supported by some recent trends. China is becoming more confident in extolling its model of "market Leninism", or authoritarian capitalism, as an option for developing countries wishing to increase their material prosperity.[vi] Alongside this, there has been world-wide decline in political freedom, with some monitoring organisations reporting this year that there has been twelve consecutive years of declines in fair elections, freedom of the press and civil liberties.[vii]

So is there a growing "Beijing Consensus" in Southeast Asia? There is no question that the authoritarian Southeast Asian states enjoy China's neutrality with regard to political system, and at times resent the intrusiveness of Western states who publicly criticise their performance on human rights. The thesis, however, that the political trajectories of Southeast Asian states towards or away from democracy, is significantly shaped by awareness of China's successful practice of one-party market Leninism, has trouble explaining the empirical reality of Southeast Asian politics.

To begin with, Laos and Vietnam, have party and state structures that are very similar to China's. But Vietnam is the Southeast Asian state most likely to go to war with China, suggesting that political system is no indicator of alignment. The axis of illiberalism thesis also cannot explain why Myanmar, closely linked to China economically and politically for many years, chose to embark on democratic reforms from 2008 culminating in elections in 2015. It cannot explain why Malaysia this year changed governments for the first time in its history, in an election where the victorious party campaigned strongly on a platform of placing greater controls on Chinese investment. The election of strongman President Duterte in the Philippines appears more linked to the rise of populism worldwide than to Chinese political thought.[viii] For the strongly religious states, such as Buddhist Thailand and Muslim Indonesia, the state atheism of China is highly unattractive. Interestingly, when China's self-made billionaire Jack Ma speaks

to Thais, he emphasises China's religions.[ix] Overall, the highly variegated nature of Southeast Asian politics suggests that internal dynamics are the more influential than China in determining political directions.

That leaves the notion of China possessing an economic sphere of influence in Southeast Asia. There is, *prima facie*, an argument here. Southeast Asian states have become increasingly reliant on China's continued economic growth for their own, especially since the Global Financial Crisis. Barring Singapore, which has reached Western standards of living, all others are either stuck in middle income traps (Thailand, Indonesia, Vietnam, Malaysia, Philippines, and Brunei), or are desperately poor (Laos, Cambodia and Myanmar). They need loans and infrastructure if their economies are to grow, and at present, the investment from Western and Japanese sources is insufficient by some trillions of US dollars according to economists.[x] With the need to find sources of economic growth, Southeast Asian non-claimant states are willing to remain relatively quiet on issues which matter to China, such as the dispute over sovereignty in the South China Sea. Cambodia shelved its military exercises with Australia and the United States in 2017, though evidence as to whether this was done to suit its dictator Hun Sen's agenda or China's is lacking.[xi] Most famously, the 2012 ASEAN meeting ended without a communique because Cambodia as Chair refused to allow language critical of China's actions in the South China Sea, while the claimant states refused to have a communique that ignored the issue.

The main problem with the Southeast Asia economic sphere of influence model is that it doesn't work geographically. The tendency to kowtow to China is much more determined by level of wealth or degree of reliance on China, than it is on proximity. Small countries in Africa or the Pacific are equally likely to trade their recognition of Beijing over Taipei at the United Nations, or silence on China's rejection of the 2016 Arbitral Tribunal ruling, for China's economic largesse as small states in Southeast Asia. And in fact China's economic pull as the largest trading partner for the United States and Australia, and second largest trading partner for the European Union means its capacity to influence is not even limited to small states. Australia, whose economic fortunes have become ever more tied to China's purchase of its mineral exports, has refused to join US-led freedom of navigation operations in the South China Sea. Even the European Union, like ASEAN, did not call for China to comply with the ruling of the 2016 UNCLOS Arbitral Tribunal.[xii] Like ASEAN the EU was prevented by its poorer members fearful of China's retaliation.

In the end, the language of spheres of influence obscures more than it reveals. In particular, it refracts only dimly the dynamics of contemporary China – Southeast Asian relations, in particular by denying the agency of Southeast Asian states to make choices in their own perceived interests. This is not to deny that Cambodia and Laos are increasingly reliant on China. Or that China can be diplomatically high-handed and even bullying toward Southeast Asian states, albeit without posing a military threat (except with regard to the South China Sea). But overall Western and Southeast Asian states, regardless of their dissimilar political systems, have arrived at a shared dilemma: how to benefit economically from a leviathan who is acutely sensitive on matters of sovereignty, territorial integrity and party legitimacy. Southeast Asian states, however, have one key difference with many Western states. They tend to see either little moral difference between the United States and China when it comes to their actions

as Great Powers pursuing their interests (a view expressed as recently by former senior Singaporean diplomat Bilahari Kausikan[xiii]) or are slightly less critical of China, noting that China has never pursued a colonial empire like Western countries (a view expressed by recently elected Malaysian Prime Minister Mahathir Mohamad[xiv]). Today applying the term “sphere of influence” exclusively to Southeast Asia appears somewhat simplistic and perhaps, even, selective. China’s influence is, in keeping with the definition of a Great Power, truly global.

[i] Peter Layton, ‘China is fighting a new battle for south-east Asia’, *Australian Financial Review*, 5 June 2017.

[ii] Ibid.

[iii] See for example, Martin Stuart-Fox, ‘Southeast Asia: the Role of History and Culture in Shaping Future Relations’, *Contemporary Southeast Asia*, Volume 26, Number 1, April 2004, pp. 116-139.

[iv] John Kehoe, ‘US report: China ‘debt trap’ on Australia’s doorstep’, *Australian Financial Review*, 14 May 2018.

[v] Hedley Bull, *The Anarchical Society: A Study of Order in World Politics*, (New York: Columbia University Press, 1977), pp. 207-215.

[vi] Bonnie S. Glaser, ‘Is China proselytising its path to success?’, *East Asia Forum*, 11 January, 2018.

[vii] Freedom House, *Freedom in the World 2018*, Downloaded at <https://freedomhouse.org/report/freedom-world/freedom-world-2018> on 14 August 2018.

[viii] Richard Heydarian, ‘The Rise of Duterte: A Populist Revolt against Elite Democracy’, public lecture Australian National University, 9 March 2018.

[ix] ‘Jack Ma: Thailand can step forward fast’, *China Daily*, 27 July 2017.

[x] Andrew Elek, ‘Gaps in Asia’s economic infrastructure’, *East Asia Forum*, 13 January 2018.

[xi] Aun Pheap and Michael Dickson, ‘In Further Shift, Military Cancels Drill with Australia’, *Cambodia Daily*, 1 March 2017.

[xii] ‘EU’s statement on South China Sea reflects divisions’, *Reuters*, 16 July 2016.

[xiii] Bilahari Kausikan, Ambassador-at-large, Singapore Ministry of Foreign Affairs, Inaugural Shedden Lecture, 5 May 2015, Department of Defence, Canberra, published as ‘Asia’s Strategic Challenges: Manoeuvring between the US and China’, Centre of Gravity Series, July 2015. p. 2.

[xiv] Zuraidah Ibrahim/ Bhavan Jaiprgas, 'Mahathir Mohamad Q&A: Malaysian PM on Beijing, Jack Ma and Why Battleships in the South China Sea are a bad idea', *This Week in Asia*, 20 June 2018.