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A Tale of Two Regions:

Geopolitics, Hedging and Regionalism in Central Asia and Southeast Asia¹

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Central Asia and Southeast Asia are two distinct and distant regions in Asia. On the surface, they are very different, in terms of history, culture, language, and ethnicity. However, they share interesting geopolitical similarities that are worthy of closer inspection, particularly in today's volatile world, fraught with geopolitical tensions and great-power rivalry.

But first, a word on **regionalism**. Professor Louise Fawcett defined it “as a policy whereby states and non-state actors cooperate and coordinate strategy within a given region. Its aim is to

¹ This paper is adapted from his opening speech at the “Comparative Regionalism Workshop: VUCA World and Changing Regional Configuration” organised by the Faculty of Political Science and Public Administration, Chiang Mai University, on 8 February 2023 in Chiang Mai.

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pursue and promote common goals in one or more issue areas.”³ Regionalism was very much in vogue in the 1950s and 1960s with the creation of the European Economic Community in 1957 that later became the first pillar out of three of the European Union (EU) in 1993, while ASEAN was established by the Bangkok Declaration in 1967. Later, the term globalisation became the buzzword in the 1990s with the unprecedented global connectedness due to the end of the Cold War and the collapse of the Iron Curtain as well as the revolution in information communications technology, namely the internet. However, a new round of regionalism also took place with the establishment of MERCOSUR in Latin America in the first half of the 1990s and the launch of the African Union (AU) in 2002.

Moreover, the collapse of the Soviet Union gave rise to new regionalism in the post-Soviet space, the largest of which is the Commonwealth of Independent States (CIS). The CIS encompassed all the former Soviet republics except for the three Baltic states, but later saw Georgia and Ukraine leaving after conflict with Russia, while Turkmenistan was never a full member. The Shanghai Cooperation Organisation (SCO) is another important example of regionalism in this new Eurasian space. Formally established in 2003, it had its origins in the Shanghai Five grouping formed in 1996 between Russia, China, Kazakhstan, Kyrgyzstan and Tajikistan to settle their border issues. The SCO has since expanded and now, in addition to the original Shanghai Five, includes Uzbekistan, India, and Pakistan. Iran is also set to become a full member this April. Another important example is the Eurasian Economic Union (EAEU) which is an economic integration project that consists of Russia, Belarus, Armenia, Kazakhstan, and Kyrgyzstan. It has a combined population of 180 million and a combined GDP of nearly 2 trillion USD. Thailand,

³ Louise Fawcett, “Exploring Regional Domains: A Comparative History of Regionalism,” *International Affairs* 80, no. 3 (2004): 433.

like several other countries, is interested in concluding a Free Trade Agreement with the Union, seeing it as a big potential market.

In recent years, other buzzwords have been circulating the academic and analytical space, namely minilateralism and the Indo-Pacific. **Minilateralism** has been increasingly advanced as a complement or perhaps even an alternative to multilateralism in which rising geopolitical tensions between great powers has often brought impasse and ineffectiveness to multilateral fora, most notably the UN. Minilateralism can bring faster-paced diplomacy as it is informal, with select membership and narrower issue-based focus. This is particularly true within the **Indo-Pacific** region, a contested geopolitical and geoeconomic space between and linking the two oceans. This concept is being challenged by China and Russia who see it as a framework pushed by the US and its Western allies in order to contain Chinese power. ASEAN itself, stuck between escalating US-China rivalry, has tried to promote its own ASEAN Outlook on the Indo-Pacific, focusing on ASEAN's central role in the Indo-Pacific space, dialogue and cooperation, inclusiveness and prosperity for all.

Minilateralism can be a form of regionalism, some being regional or region-centred in nature such as the Lower Mekong Initiative and cooperation amongst the Greater Mekong Subregion countries. Members of the Quad – the US, India, Japan and Australia – can also be seen as part of the Indo-Pacific region, while members of the SCO represent Central Asia or Eurasia, but has since expanded to cover South Asia as well. BRICS and AUKUS, on the other hand, transcend regions and are groupings of like-minded countries be they in ideological, security or economic terms.

Regionalism, therefore, has many flavours and forms but this paper would now focus on two regions that deserve greater attention and comparison. This would be done through 3 prisms – the

geopolitical environment, the states' hedging behaviour, and regionalism efforts. Central Asia and Southeast Asia are both on the Asian continent, but historically and culturally they are very far apart. Central Asia has been under Russian rule for over 100 years under the guise of first the Russian Empire and then the Soviet Union. It was immensely Russified and arguably Europeanised with Central Asian culture and identity firmly suppressed for a long time. Since gaining independence at the end of 1991, these countries have increasingly tried to restore and reassert their national identity, culture, and language, though Russian influence is still pervasive. But despite this difference, one could say that both regions have experienced colonisation and are decolonising states with Southeast Asia beginning earlier in the post-World War Two period and Central Asia in the post-Cold War period.

Geopolitically they are also similar. Both regions are beset by great-power competition and rivalry, with China looming large in both regions as a massive and powerful neighbour which is spreading its influence economically through its Belt and Road Initiative, and also politically and militarily. In Southeast Asia, it is the strategic rivalry between the US and China that dominates. In Central Asia, where the loaded term the Great Game is often applied to, there was strategic competition between the West, on the one hand, and Russia and China on the other. However, since the withdrawal of US and NATO troops from Afghanistan and following the Taliban retake of the country in August 2021, the West's role in the region has been severely limited, compared to its post-9/11 peak. While Russia and China share strategic convergence and interests in countering US global predominance they are also, for now, in a strategic condominium in Central Asia, with a broad division of roles. Russia is seen as the traditional security guarantor in the region and plays the dominant political and military role, while China plays an increasingly influential economic role, gradually displacing Russia's previous economic dominance. For now, both powers seem to

be comfortable with this arrangement, but China's expanding security footprint in Central Asia, with bases established in Tajikistan and increasing arms exports to the region, arguably sets the stage for potential geostrategic rivalry between Russia and China in Central Asia. Russia's war on Ukraine and the subsequent Western sanctions have also made it increasingly isolated from the world economy and more reliant on China, making it increasingly the junior partner in the relationship. This strategic disbalance will likely breed tensions in the future.

Both regions also consist of states that vary from small states like Laos and Kyrgyzstan to medium states like Indonesia and Kazakhstan. Both regions' states are also in asymmetrical relationships with their respective region's great powers – Russia and China in Central Asia, and China and the US in Southeast Asia. The foreign policies of countries in Central Asia and Southeast Asia have, therefore, similar characteristics, but employ different terms. Central Asian states are often described as pursuing a multi-vector foreign policy, while Southeast Asian countries' foreign policies have often been described as omnidirectional or multidirectional. In aim and practice, they are essentially the same as they seek to diversify their foreign relations to secure as many security, political and economic benefits as possible. They also seek to enhance their bargaining position whilst minimising potential threats and challenges. Such a policy enables the successful implementation of a **hedging** strategy, neither balancing nor bandwagoning, which helps preserve their strategic autonomy and creates a stable environment for their economic development in an increasingly multipolar world.

Countries in both regions have tried to implement such a hedging policy to varying degrees and success. They have tried to avoid taking explicit sides, pursued opposing measures to offset different risks, and tried to diversify their relations to cultivate a fall-back position, particularly with middle-level powers like Japan, South Korea, India and the EU. But the degree to which each

state can pursue an effective hedging strategy varies according to their capability and their geostrategic environment. For instance, the case of Tajikistan and Kyrgyzstan is similar to Laos and Cambodia. Due to their limited economic capabilities and resources, geographical proximity to China, as well as overwhelming dependence on Chinese investment and loans, they have less room for manoeuvre vis-à-vis China. Due to these internal and external limitations, these states are more restricted in their pursuance of a hedging strategy, compared with more resourceful and advantageously-located countries like Kazakhstan and Uzbekistan in Central Asia, and Indonesia, Vietnam and Singapore in Southeast Asia.

Another factor that constrains the Central Asian states' strategic and foreign policy manoeuvrability is their geographic position as landlocked states that forces them to be dependent on their neighbours as transit states to access the global market. This is in sharp contrast to the countries of Southeast Asia where all, except Laos, are coastal states and strategically positioned along the important maritime routes of the South China Sea and the Malacca Straits, thereby with greater access to the world market and less constrained than the landlocked Central Asian states in both geography and strategic flexibility. Moreover, while their landlocked condition has forced the Central Asian states to try to pursue a multi-directional strategic orientation and to forge good relations with their neighbouring transit states, those who are major energy exporters such as Kazakhstan have succeeded more than their energy-poor landlocked neighbours, namely Kyrgyzstan and Tajikistan. Kazakhstan has been notably successful in pursuing a hedging policy by courting various foreign partners and investors and establishing multiple gas and oil pipeline routes to different markets in order to reduce their strategic vulnerability.

While Southeast Asia has been relatively successful in its ASEAN **regionalism** project, Central Asian states have been less so. Like Southeast Asian states, external threats and challenges

and common concerns and interests have prompted Central Asian states to try to cooperate with each other more and achieve a certain degree of regionalism. However, they have so far not been successful as their past attempts have often been hijacked by Russia who, for instance, displaced the Central Asian Cooperation Organization with the Russian-led Eurasian Economic Community that later became the EAEU. Central Asian regionalism attempts were also often derailed by mutual suspicion and rivalry, most evidently between Kazakhstan and Uzbekistan, the two regional powers, which was compounded by the personal animosity and rivalry of their leaders – Nursultan Nazarbayev and Islam Karimov. This changed with Uzbekistan’s new President, Shavkat Mirziyoyev, who opened up the country and improved relations with other Central Asian states. Recognising the need for greater regional cooperation, the Central Asian states are cooperating with each other more and there is discernible momentum towards an exclusive Central Asian regionalism, in which neither Russia nor China are part of. Four “consultative” summits have so far been held in Kazakhstan (2018), Uzbekistan (2019), Turkmenistan (2021) and Kyrgyzstan (2022), which seems set to be a regular dialogue platform. They also have in place so-called C5+1 dialogue formats, in which the five Central Asian states engage with external powers that include Japan, South Korea, the EU, India, the US and recently Russia and China.

Central Asian states recognise the need for such a dialogue platform in order to manage relations with external powers. This is similar to the use of ASEAN as a platform to manage relations with the great powers, through ASEAN-led fora such as the ARF, ASEAN+3, and East Asia Summit, to ensure that no individual power dominates and to enmesh them in a network of diplomatic and economic relations in which ASEAN can assert influence while insulating themselves from undue external influence. This “**hedging regionalism**” role of ASEAN, namely the use of regional cooperation or regional platforms as a hedging mechanism, is one of the

attractions of the ASEAN model for Central Asian states. Indeed, the first C5+1 dialogue format with Japan was based on the ASEAN+3 format. Another appeal is the normative factor where the ASEAN way of respect for sovereignty, non-interference, consensus, flexibility and informality, as well as the focus on regime security, economic development and stability over democracy promotion by several ASEAN members converge well with the norms, principles, and priorities held by Central Asian elites. Another attraction is ASEAN's "soft regionalism" approach, focusing on consensus, consultations, flexibility and weak institutions that do not override national sovereignty, as opposed to the "hard regionalism" of the EU with its formal integration and institutionalisation, leading to a supranational organisation. The ASEAN model is therefore one of the main examples of successful regionalism that Central Asian states often look to emulate.

The COVID-19 pandemic and the war in Ukraine have laid bare the uncertainties that states face in today's highly volatile, complex, ambiguous and dangerous world. The return of great-power conflicts in the form of US-China rivalry and Russia's conflict with the West adds another layer of complexity to other common challenges such as climate change, pandemics, and terrorism in today's already complex and multi-polar world. In a time when major multilateral institutions such as the UN are often too paralysed to act, the need for cooperation amongst countries that share the same region or the same values has become even more pressing in order to act swiftly in addressing their common challenges. That is why Comparative Regionalism studies is increasingly important. We need to look beyond our own immediate region; to learn from and to study other regions so that we gain insights and lessons learned which can be usefully applied to our own.