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Contested Regional Order in the Indo-Pacific and Small States' Diplomacy

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Executive Summary

- ❖ The regional order in the Indo-Pacific is under stress, facing volatility and uncertainty as the region undergoes a power shift from a US-centric regional order to a regional order driven by multiple actors.
- ❖ Small states matter, to a certain degree, in constructing regional order in three ways: engaging major powers by implementing hedging strategies (both unilaterally and multilaterally), strengthening multilateralism, and promoting norm creation and diffusion.
- ❖ Small states in Southeast Asia have to adjust their foreign policy approaches so as to survive and emerge from complex and unpredictable global security and economic systems. Hedging strategies have been practiced across the region to varying degrees depending on the diplomatic capacity of each state.
- ❖ ASEAN is regarded by small states in Southeast Asia as a security shield as well as an effective multilateral mechanism to ward off the adverse effects of major power rivalry and to promote an open, inclusive, and rules-based regional order.

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Introduction

This paper discusses the evolving, contested regional order in the Indo-Pacific, the foreign policy responses of four small states in Southeast Asia (Brunei Darussalam, Cambodia, Lao PDR, and Singapore), and their perceptions of and approaches towards regional order. It argues that small states matter, to a certain degree, in constructing regional order in three ways: engaging major powers by implementing hedging strategies (both unilaterally and multilaterally), strengthening multilateralism, and promoting norm creation and diffusion. These small states share a common foreign policy priority, which is to promote their international status while leveraging their roles in the wider regional and global community through the promotion of economic and strategic diversification, strengthening international institutions, and advocating for a rules-based international order. These small states pursue hedging strategies to varying degrees depending on their diplomatic capacity and leadership.

Evolving Regional Order in the Indo-Pacific

The Indo-Pacific is here geographically defined as a region consisting of the eighteen members of the East Asia Summit (ten ASEAN member countries and eight dialogue partners of ASEAN). The US, China, India, Russia, and Japan are the four major powers in the region. East Asia Summit is therefore the core regional institution that can socialise norms and rules, coordinate actions, and implement practical cooperation.

Regional order in the Indo-Pacific is under stress, facing volatility and uncertainty as the region undergoes a power shift from a US-centric regional order to a regional order driven by multiple actors including China, India, Japan, Russia, Australia, South Korea, and ASEAN. The Indo-Pacific is a complex region where state and non-state actors dynamically interact and all states, regardless of their size and power, have a role to play. Regional issues are becoming more complex and intertwined. No country appears to be able to build a regional hegemony, in terms of comprehensive power. The relative decline or even retreat of the US (especially under President Donald Trump) and the rise of the rest (especially China and India) will lead to a new regional order that will be shaped by multiple state actors.

North Korea's nuclear and missile programme remains far from resolved. The disputes in the South and East China Seas are far from settled. Non-traditional security threats such as terrorism, human trafficking, climate change, and natural disasters remain complex security challenges. Moreover, the power competition between China and the US further complicates the regional security environment. Heightening geopolitical competition has forced some small states to fall into a security dilemma. They are vulnerable to being coerced or forced to take sides and could potentially become embroiled in proxy conflicts between major powers, which could result in wider regional instability.

Small states in the Indo-Pacific are striving to stay neutral and relevant amidst these power shifts and geopolitical uncertainties. Cheng-Chwee Kuik argues, "For smaller and weaker states in Southeast Asia—a region where big powers' interests and actions converge—there are more reasons to hedge... Hedging is the prevalent melody, albeit sung in different octaves across countries (and across time)."¹ Hedging has become even more relevant for small states in the context of rising geopolitical

uncertainties and volatilities. Putting hedging strategies into practice is a matter of diplomatic capacity and resources, not the issue of political will or strategic choice.

Regional order can be understood as the “processes that regulate interstate relations and expectations toward common goals; and outcomes in terms of systemic attributes, particularly the distribution of power” and it is constructed by a combination of factors such as “institution building, balancing, and modified hegemony.”ⁱⁱ Putting it more broadly, Muthiah Alagappa opines that the pathways that sustain the present regional order are hegemony, a balance of power or a concert of powers, multilateralism, bilateralism, and self-help.ⁱⁱⁱ These concepts on regional order focus on a power-based regional order.

Although the international order is chiefly defined by state-centric or state-based international politics and greater power politics, small states have a certain role to play in collectively shaping the regional order mainly through flexibly engaging with major powers and strengthening multilateralism. Evelyn Goh posits that the regional order is defined by “choices made by major powers.” Small states can individually and collectively shape the evolving regional order by making certain policy and strategic choices easier and less costly for major powers as “willing allies” and “military partners,” political “middlemen,” “institutional brokers,” and “the suppliers of legitimacy.”^{iv}

The regional order in the Indo-Pacific is characterised as “a multi-layered web of relationships, institutions, and forums through which nations develop shared norms and take actions to advance international security.” These rules and norms, in conjunction with interstate power dynamics, serve as the foundation of regional order.^v Norm diffusion is critical to shaping a regional order in which local agencies play a role in developing ideas and norms. The region is constructed mainly “from within” and “from below,” rather than “from outside” and “from above.”^{vi}

The Indo-Pacific regional order is under significant transformation as the balance of power shifts from the US-centric order to a multipolar order. The US’s retreat from multilateralism, particularly the withdrawal of the US from the Trans-Pacific Partnership (TPP), paves the way for China to expand its regional influence faster than expected. The Belt and Road Initiative (BRI), initiated by China in 2013, is the key vehicle for the expansion of China’s economic statecraft in the region. ASEAN is thriving to find its right place by strengthening its so-called “centrality” in shaping the evolving regional architecture in the Indo-Pacific.

Other catalysts of geopolitical changes, according to Acharya, are civil society and transnational movements, emerging powers, and regionalism. It is argued that local forces and actors play important roles in collectively constructing the regional order in the post-hegemonic world order. Regional order needs to be understood from an “inside-out,” as opposed to an “outside-in.” Moreover, regions have become the contesting ground for global level actors and ideas.^{vii}

Regional order is collectively shaped by major powers, middle powers, and a coalition of small states. The small states in Southeast Asia generally view ASEAN as an essential multilateral institution to enmesh major powers in international norms and practices that serve the interests of both weaker and stronger states. The ‘ASEAN Way’, largely referring to the principles of non-interference and consensus-based decision-making, have become basic norms of international relations, although the ‘ASEAN Way’ is under increasing strain.

The ASEAN-driven regional security architecture is multi-layered and inclusive, which challenges the traditional regional order based on the ‘balance of power’ and ‘regional stability’. The institutional practices of ASEAN-led mechanisms—which are non-binding, consensus-driven, and adopt non-confrontational approaches—are the strengths but also the weaknesses of ASEAN-driven regional security architecture such as the ASEAN Regional Forum, the ASEAN Defence Ministers Meeting (ADMM), and the ASEAN Defence Ministers Meeting Plus (ADMM-Plus).^{viii} The role and support of major powers are critical to strengthening this ASEAN-driven regional architecture.^{ix}

Promoting a rules-based regional order is also critical to serving long-term common international interests and the survival of ASEAN. A rules-based regional order refers to the respect and enforcement of international laws and rules in governing inter-state relations. Every country, regardless of size and power, benefits from a rules-based order.^x However, states and actors across Asia do not share a common view on what constitutes a rules-based order, depending on their historical experiences and memories, core national interests, and positions of power within the international system. In addition, the enforcement of rules and norms is weak due to fluid regional multilateral institutions.

Concerning the perceptions and strategic interests of weaker states regarding a rules-based order, the findings from the expert meeting organised by Wilton Park in Singapore in March 2017 suggested that “smaller powers may be developing more of an interest in working together to shape and constrain the actions of major powers, including by ensuring that larger costs are incurred by powerful states that violate rules.”^{xi}

To conclude here, the Indo-Pacific order remains unsettled and fast evolving, characterised by uncertainty and complexity. This evolution is the process by which multiple actors interact based on their interests and power position in the international system. The region depends on how the state actors socialise and enforce norms and rules through international institutions and mechanisms. Major powers are the most influential in constructing or deconstructing the regional order, followed by middle powers, and then small states. By building a coalition and enhancing multilateral institutions, small states can increase their leverage and influence in the international system.

Small States’ Diplomacy

There are various definitions of a small state. Rothstein contends, “A small power is a state which recognises that it cannot obtain security primarily by use of its own capabilities, and that it must rely fundamentally on the aid of others.” Keohane argues, “A small power is a state whose leaders consider that it can never, acting alone or in a small group, make a significant impact on the system.”^{xii} Small states are generally understood in terms of the level of vulnerability to external changes and shocks, the level of dependency on external sources for security and development, and national role perceptions. Small states are constrained by their size, location, access to natural resources, and population. Small states do not pose a threat to neighbouring countries and other states.

Some common foreign policy behaviours that small states adopt, as argued by Jean Hey, are pursuing a low level of participation in world affairs, addressing a narrow scope of foreign policy issues, focusing on immediate geographic area and economic diplomacy, emphasising international rules and norms, promoting multilateralism and international cooperation, maintaining neutral positions (some weak

states rely on superpowers for protection), and spending a disproportionate amount of foreign policy resources on ensuring political security and survival.^{xiii}

Within the context of a fast-changing regional order, power shifts, and a complex and unstable geopolitical environment, small states become more vulnerable to external changes and shocks. To mitigate these risks, small states either choose to “act behind the back of the major powers”^{xiv} or pursue an “enmeshment strategy” individually and through regional multilateral institutions. To varying degrees and with different purposes and objectives, enmeshment strategies includes “the imperative of strategic diversification, the desire to boost regional leadership, and ambitions of transforming great power behaviour.”^{xv}

Cheng-Chwee Kuik argues that with the absence of an “immediate threat,” “ideological fault-lines,” and an “all-out Great Power rivalry,” small states tend to hedge rather than purely bandwagon and balance. A small state’s strategy towards a rising power is largely, though not exclusively, driven by an “internal process of regime legitimisation” to strengthen the authority of the governing elites at home.^{xvi} Similarly, Van Jackson posits that structural uncertainties caused by major power rivalry, unpredictable future consequences of present-day commitments, lack of trust in multilateral institutions, and complex networks of geopolitical dynamics explain why Southeast Asian countries prefer to adopt hedging strategies.^{xvii}

To engage major powers, small states in Southeast Asia are not adopting pure forms of balancing or bandwagoning, but a middle position that is termed ‘hedging.’^{xviii} Such behaviour of small states is “a function of regime legitimisation through which the ruling elite seek to capitalise on the dynamics of the rising power for the ultimate goal of justifying their own political authority at home.”^{xix} Hedging can be understood as a way of coping with uncertainty; it is a strategy of pursuing opposing or contradictory actions as a means of minimising or mitigating the risks associated with balancing or bandwagoning.^{xx}

Engaging major powers is a viable strategic option for small states to advance regional integration. For instance, small states will benefit from integrating China into the existing rules-based multilateral system. However, it is hard to do so, as David Shambaugh argues, “China’s capacity to disrupt and destabilise international security, the world economy, global environment, and human welfare are substantial.”^{xxi} The dispute in the South China Sea is a case in point. The ASEAN claimant states are unable to push China to an early agreement on the Code of Conduct (COC). It took fifteen years for ASEAN and China to conclude the framework agreement on the COC, after the adoption of the Declaration of the Conduct of Parties in the South China Sea (DOC). It may take another decade to conclude a meaningful and legally binding COC.

The primary objectives of small states are to ensure their survival and strengthen their position and relevance in the international system. Small states in Southeast Asia have adopted slightly different foreign policy strategies towards regional order. To manage relations with major powers, they have adopted hedging strategies to varying degrees. Economic pragmatism, strategic diversification, denying a regional hegemonic power, and regime legitimisation are key components of hedging strategies. Small states share a common view that ASEAN-driven multilateral institutions and mechanisms play a critical role in constructing the regional order, which is expected to be open and inclusive. Small states

contribute to constructing the regional order by engaging major powers through adopting hedging strategies and strengthening multilateral institutions.

Brunei Darussalam

Brunei Darussalam (hereafter Brunei) is constitutionally an absolute monarchy. With a total land area of 5,765 square kilometres and a total population of less than 0.5 million, Brunei is the smallest country in Southeast Asia. Brunei is rich in natural resources (oil and gas) and has the second highest income in Southeast Asia, with a GDP per capita of over US\$ 26,000. Brunei has an open economy favourable to foreign trade and foreign direct investment (FDI) as it is striving to realise economic diversification efforts away from its long reliance on oil and gas exports. Brunei's national strategy, *Wawasan Negara* (National Vision) 2035, emphasises attracting FDI as an important driver of growth.^{xxii}

Brunei's foreign policy focuses on strengthening, diversifying, and sustaining sources of economic growth while enhancing regime legitimacy by promoting social welfare, cultural values and identity, multilateralism, and security provisions.^{xxiii} The official objectives of Brunei's foreign policy are to (a) maintain its sovereignty, independence, and territorial integrity, (b) preserve the political, cultural, and religious identity of the country, (c) enhance regional and global peace, security, prosperity, and stability, and (d) enhance the prosperity, economic, and social well-being of the country.^{xxiv}

The guiding principles are (a) mutual respect for the territorial integrity, sovereignty, independence, and national identity of all nations, (b) recognising the equality of all nations, large and small, (c) adhering to the principle of non-interference in the internal affairs of other nations, (d) advocating for peaceful settlement of disputes, and (e) promoting cooperation for mutual benefit. The bilateralism-multilateralism nexus, regionalism, international institution building, and internal laws and rules are the main components of Brunei's foreign policy strategy.^{xxv}

After joining ASEAN in 1984, ASEAN has become the cornerstone of Brunei's foreign policy. By joining ASEAN, Brunei's interest is to strengthen its relations with big neighbours on an equal basis, under the principle of equal sovereignty and non-interference. Membership of ASEAN also helps safeguard Brunei against threats from big neighbours and extra-regional powers. Brunei has a strong interest in extending its influence, although to a limited extent, among its neighbours through and within ASEAN.^{xxvi}

Brunei is actively involved in a range of regional and multilateral forums, including ASEAN-led regional mechanisms, Asia Pacific Economic Cooperation (APEC), the Asia-Europe Meeting (ASEM), the Forum for East Asia-Latin America Cooperation (FEALAC), the Asia Cooperation Dialogue (ACD), the Asia-Middle East Dialogue (AMED), the Commonwealth, and the Non-Aligned Movement (NAM). It is a member of the Organization of Islamic Cooperation (OIC) and the World Trade Organization (WTO) and joined the United Nations (UN) when it became independent in 1984. In addition, Brunei is also a participant of the Trans-Pacific Strategic Economic Partnership (P4)—which involves Chile, New Zealand, and Singapore—and the Trans-Pacific Partnership (TPP).

Brunei's foreign policy approach towards China is mainly driven by economic interest. China plays a critical role in helping Brunei to diversify its sources of economic development. For instance, Chinese

firm Guangxi Beibu Gulf International Port Group Co. set up a joint venture to manage Brunei's port in 2016 and both countries signed an agreement on creating the Brunei-Guangxi Economic Corridor in 2014. The value of exports from Brunei to China increased from US\$ 34 million in 2003 to US\$ 1.7 billion in 2013.^{xxvii}

Brunei-US relations are more comprehensive, covering both economic cooperation and security and defence partnerships. The annual Cooperation Afloat Readiness and Training (CARAT) is the key area of defence cooperation. In 2011, Brunei and the US held an inaugural Senior Officials Dialogue, creating a new forum for high-level coordination and communication. In 2015, there was a high-level officials meeting in London, which covered issues including trade, security, human rights, defence, regional cooperation, and academic exchanges. Bilateral trade volume in 2016 totalled US\$ 628 million. The main economic cooperation areas relate to the energy sector and financial services.^{xxviii}

Cambodia

Cambodia, according to its constitution, pursues a liberal multi-party democracy. It is a lower-middle income country, with a GDP per capita of about US\$ 1,400. It has a land area of 181,035 square kilometres, with a population of about 16 million. Geopolitically, Cambodia is sandwiched between two big neighbours (Thailand and Vietnam). Historically, Cambodia's existence and sovereignty were at risk of being compromised by these two big neighbours. Cambodia sought support from regional and extra-regional powers to counterbalance the threats posed by neighbours, meanwhile striving to be independent and neutral. Until the 15th century, Cambodia was a regional power, but by the late 18th century it faced extinction as a sovereign state. Under the French Protectorate established in 1863, Cambodia managed to escape from the predatory states of Siam and An Nam but lost its internal and external independence and sovereignty to France.^{xxix}

After gaining independence from France in 1953, Cambodia adopted a foreign policy of neutrality and non-alignment. However, it failed and became the victim of great power politics during the Cold War. After the end of the Cold War and the establishment of the Second Kingdom in 1993, Cambodia has pursued a pragmatic foreign policy (not bound by ideology) and practices omni-directional approaches. A hedging strategy has been lightly implemented, which involves four main components, namely economic pragmatism, limited bandwagoning, binding engagement, and soft-balancing.^{xxx} Foreign policy is a tool to serve Cambodia's national economic development as economic interest is regarded as one of the core national interests besides sovereignty and territorial integrity.

According to the 1993 Constitution, Cambodia's foreign policy centres on the principles of neutrality, non-alliance, and peaceful co-existence. As stipulated in the constitution, there are six principles. First, Cambodia adopts a policy of permanent neutrality and non-alignment. Second, it follows a policy of peaceful co-existence with its neighbours and with all other countries throughout the world. Third, it shall not invade any country, nor interfere in any other country's internal affairs—directly or indirectly—and shall solve any problem peacefully with due respect for mutual interest. Fourth, it shall not join any military alliance or military pact which is incompatible with its policy of neutrality. Fifth, it shall not permit any foreign military base on its territory and shall not have its own military base abroad, except within the framework of a United Nations request. Sixth, it reserves the right to receive

foreign assistance in military equipment, armaments, ammunition, training of its armed forces, and other assistance for self-defence, to maintain public order and security within its territory.

The Kingdom generally pursues strategic diversification, supports multilateralism, maintains equidistant relationships with all major powers, strengthens ASEAN centrality, upholds a rules-based international order, and promotes peace through dialogue and negotiation. In a statement to commemorate the 20th anniversary of Cambodia's membership in ASEAN, Prime Minister Hun Sen stressed the importance of ASEAN in Cambodia's foreign policy:

Cambodia will endeavour to play a proactive and responsible role to ensure that ASEAN remain the fulcrum of regional architecture-by upholding the 'ASEAN Spirit' and a 'Rules-Based ASEAN.' Harmonising its national interests with those of ASEAN, striking a reasonable balance amongst external partners, and reinforcing connectivity to realise a people-centred community will be the salient characteristics of Cambodia's regional integration strategy.^{xxxii}

Cambodia is striving to stay neutral with regard to international sovereignty disputes and conflicts, especially the South China Sea dispute.^{xxxiii} Diversification, self-reliance, and sovereignty are the three key words explaining Cambodia's foreign policy. Sovereignty is understood by the Cambodian ruling elite as the exercise of absolute and legitimate rights over its territory and people, free from foreign coercion or interference.^{xxxiii}

As a small and poor country, Cambodia is vulnerable to great power politics. Cambodia has adopted a 'beauty of ambiguity' strategy on certain sensitive regional issues to avoid hurting any country or being trapped into great power politics. It also focuses on a rules-based international order as international laws and institutions best protect the interests of a small state. International rules and institutions can constrain the power of major countries and prevent coercive or aggressive acts.

Cambodia supports a multipolar world in which multiple major powers and regional institutions such as ASEAN are enabled and empowered to work together to build a new world order. China and Russia, or to a larger extent, BRICS countries, are believed to be the emerging global powers that challenge the US-led global order.^{xxxiv} Within the context of global power shifts, diversifying strategic and economic partners would help Cambodia to better maintain its neutrality and maximise its interests.^{xxxv} ASEAN is regarded as the cornerstone of Cambodia's foreign policy. Although ASEAN is not resilient enough to ward off the adverse impacts of great power politics, it has a critical role to play in promoting a habit of regional cooperation, trust and confidence building, and preventive diplomacy.

Cambodia's Foreign Minister Prak Sokhonn wrote:

Cambodia has always been consistent on our neutrality because it is our constitutionally inherent policy and because we believe that the peace that ASEAN has developed so far can only be achieved through trust, dialogue and consultation and not through polarisation or worse still agitation over the already heated tension... It

*is for all of us to engage and to take a more active role in setting the agenda for ASEAN.
Let us consciously grow with ASEAN that is made by and for all of us.*^{xxxvi}

In terms of its relations with major powers, Cambodia is embracing China partly due to an increasing fear of economic superiority and the security threat posed by its two big neighbours. Cambodia perceives its neighbours as “historic predators of Khmer territories, and China as playing a pivotal role in ensuring its own survival”.^{xxxvii} Political trust and economic interests explain Cambodia’s embrace of China. Cambodia’s relations with the US have been affected and constrained by differing perspectives on human rights and democracy issues.

Lao PDR

Lao PDR (hereafter Laos) is a landlocked country and one of the least developed economies in Southeast Asia. It has a land area of 230,612 square kilometres, with a population of 6.7 million. The GDP per capita income is slightly higher than US\$ 2,300. China, Vietnam, and Thailand all have strong political influence and economic leverage in Laos.

Laotian foreign policy during the Cold War was defined by an ideological alliance with Vietnam and the Soviet Union. Vietnam has had a strong influence on the making of Laos’ foreign policy.^{xxxviii} After the Cold War, Laos started to diversify its economic partners, striving to transform Laos from a landlocked to a land-linked country. Economic pragmatism is the key foreign policy strategy and economic interest is the core national interest.^{xxxix} China has gradually gained more influence in Laos through economic engagement and presence.

Laos has adopted ‘limited bandwagoning’ with China for strategic and economic interests. Striking a strategic balance between China and Vietnam has been the main challenge for Laos. China is regarded as the strategic actor for Laos in its attempt to reduce Vietnam’s influence and counter the pressures of Western countries’ criticisms concerning democracy and human rights issues.^{xl}

If Laos is trying to stake out a more independent geopolitical position, the reason appears simple: economics. Laos plans to graduate from ‘least-developed country’ status by 2020 and become an ‘upper middle-income country’ by 2030. To realise that vision, Laos needs to maintain its economic growth rate at 7.5%. It is argued, “The survival of the communist party rests in providing economic growth and financial stability to a populace devoid of democracy and human rights. If Laos is going to achieve this it will need significant investment, and not just from China, which will require a more multilateral foreign policy.”^{xli}

Amidst the rising tension in the South China Sea, Laos has done quite well to balance the interests of all parties concerned, particularly between China and Vietnam. “Lao diplomacy has long aimed at balancing the influence of stronger neighbours, with the goal of preserving national independence and encouraging development aid.”^{xlii} Carl Thayer contends that Laos adopts its policy aiming at balancing the three most important political and economic influential powers in Laos: China, Vietnam, and Thailand.^{xliii}

China's economic presence and leverage in Laos is a significant factor in the making of Laos' foreign policy. China is the largest investor, with accumulated investment surpassing US\$ 6 billion in 2016. China is also the largest aid donor, providing approximately US\$ 200 million in grants. Laos signed a Memorandum of Understanding (MOU) with China in 2010 to build a high-speed rail line from Kunming to Vientiane, all the way down to Singapore, passing through Thailand and Malaysia. China's Belt and Road Initiative (BRI) is believed to be the catalyst to transform Laos from a land-locked to land-linked country.

Edgar Pang observes that "Chinese investment and aid play a critical role in maintaining the country's high growth rates so that it can meet the goals of graduating from LCD status by 2020. China not only offers investment and aid on a scale unmatched by others [...] but it can, more importantly, provide direct investment and projects to strategic growth sectors of the economy." He argues that, "The risks of over-reliance on China appears to be comparatively lower for Laos which is able to hedge with Vietnam."^{xliv}

Singapore

Singapore is an island city-state in Southeast Asia, with a land area of 719 square kilometres and a population of 5.6 million. It is the most developed economy in Southeast Asia, with a per capita income of more than US\$ 50,000.

To cope with small-state vulnerabilities, Singapore has adopted a three-fold approach, namely promoting economic interdependence, pursuing armament and alliances, and cultivating a regional balance of power. These approaches, in turn, are subject to maintenance of the regional-status-quo in: (a) freedom of navigation at sea, (b) a cohesive ASEAN, and (c) a stable distribution of power.^{xlv}

Singapore faces structural external threats and risks, the "culture of siege and insecurity which dates from the traumatic experience of unanticipated separation from Malaysia in August 1965."^{xlvi} Singapore's key interests are to survive and prosper as a nation. Its foreign policy approach can be associated with "a quixotic mixture of principles of anxiety, nationalistic zeal, and an earnest attempt to dovetail the national interest with some universalist principles circulating in the international order."^{xlvii}

Singapore not only approaches the matter of foreign policy from the conventional realist perspective of a small state,^{xlviii} but also implements a liberal policy which focuses on economic development and interdependence, globalism, and regionalism.^{xlix} The main objective of its foreign policy is "to create economic, political and strategic space."^l Singapore particularly regards multilateral institutions as avenues to exert sustained influence, express its interests, and court cooperative partners in political, economic and security dimensions.^{li}

In terms of its relations with major powers, Singapore has adopted a robust hedging strategy. Singapore firmly supports the presence of the US in the region, viewing it as a "reassuring and stabilising force." Additionally, Singapore actively engages China both through bilateral and multilateral mechanisms, perceiving China as an opportunity, not a threat. Cai Deixian posits that, "Singapore will engage and enmesh China while simultaneously continuing her strategic relationship with the US as well as her

own military development... Southeast Asia's multitude of regional institutions will therefore be useful for keeping the great powers engaged."^{lii}

Singaporean Foreign Minister Vivian Balakrishnan stated in July 2017 that, "Bigger powers will still have more influence and say, but bigger powers do not get a free pass to do as they please. In exchange, they benefit from an orderly global environment, and do not have to resort to force or arms in order to get their way." He added, "This delicate balancing act is easier in good and peaceful times, but obviously more difficult when superpowers and regional powers contend with one another. Nevertheless, our basic reflex must be to aim for balance and promote an inclusive architecture."^{liii}

He outlined the foreign policy strategy of Singapore as follows. First, it has to be founded upon a successful economy, a stable political system, and a united society. Second, it needs a credible Singapore Armed Forces to defend the country and ensure that it will not be bullied or become a vassal state. Third, Singapore must develop "a wide network of relations" based on mutual respect. Fourth, Singapore must also promote a global order governed by the rule of law and international norms. Lastly, Singapore must also be a "credible and consistent" partner.^{liv}

In March 2019, Foreign Minister Vivian highlighted four challenges Singapore is facing. Firstly, the US-China relationship is shifting from engagement to strategic competition and the rivalry between the two powers will grow especially in the technological arena. Secondly, digital disruption poses significant challenges and threats to socio-economic foundations as well as the security of many societies. Thirdly, nationalism and protectionism are on the rise. Fourthly, a rules-based multilateral system is under assault. Against such a background, he set out four approaches for Singapore: (1) promoting a rules-based international order, (2) be an "honest broker," (3) keeping itself relevant, and (4) be a friend to all and enemy to none.^{lv}

Conclusion

Small states are facing mounting challenges in adjusting their foreign policy amidst rising geopolitical uncertainty and risks, largely stemming from major power rivalry. Southeast Asian states are adjusting their foreign policy approaches to survive and emerge from the complex and unpredictable global security and economic systems. Small states in Southeast Asia can influence the regional order through strategic engagement with major powers and the strengthening of regional institutions. The key question is how these small states make themselves relevant.

Small states' strategic alignment with major powers partly shapes the Indo-Pacific regional order through implementing hedging strategies. With stronger institutional capacity and leadership, Singapore has pursued a hedging strategy more robustly than Brunei, Cambodia, and Laos. Small states have slightly different perceptions of engagement approaches with major powers. Economic dependency leads to political influence. For instance, Chinese political influence in Cambodia and Laos is stronger than in Singapore and Brunei.

ASEAN is perceived as a critical actor in serving the security and economic interests of small states. ASEAN creates and maintains regularised institutional links with major powers to socialise and diffuse norms, especially the 'ASEAN Way' and a rules-based international order, and to institutionally and

morally encourage major powers to behave peacefully and responsibly. ASEAN also assists small states to better connect and integrate their economies regionally, which in turn reduces the level of dependency on any particular major power. ASEAN enables small states to exercise strategic and economic diversification strategies.

The opinions expressed are the author's own and do not reflect the views of the Asian Vision Institute.

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