“Covid-19, US-China Relations, and ASEAN”

Interview with Prof. Kishore Mahbubani

A veteran diplomat, student of philosophy, and celebrated author, Kishore Mahbubani is currently a Distinguished Fellow at the Asia Research Institute, National University of Singapore. Mahbubani is also a former President of the UN Security Council (Jan 2001, May 2002) and the Founding Dean of the Lee Kuan Yew School of Public Policy (2004-2017). Mahbubani writes and speaks prolifically on the rise of Asia, geopolitics and global governance. His eight books and articles in the New York Times, Washington Post, Financial Times and Foreign Affairs have earned him global recognition as “the muse of the Asian century.” He was inducted into the American Academy of Arts and Sciences in October 2019. His latest book, “Has China Won?”

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Introduction

Along with the rising cases of coronavirus infection around the world, the political tensions between global major powers are also growing significantly. Experts from all over the world start to discuss the geopolitical and geo-economics aspects of the COVID-19 outbreak. From the fragility of the globalized system, the changes in global economic directions until the analysis of US-China power race competition during and after the coronavirus pandemic. Many also debate on the failure of regional cooperation like the European Union and ASEAN in handling the spread of COVID-19. Therefore, to get more understanding of such issues, I interviewed Prof. Kishore Mahbubani, a world top foreign policy expert to discuss specifically on the US-China coronavirus tension and its impact on the geopolitical dynamics of Southeast Asia.

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1. Professor Kishore Mahbubani, thank you for your time. In your recent article in Foreign Policy “How the World Will Look After the Coronavirus Pandemic”, you mentioned that the pandemic only accelerates a trend that had already begun which is a world with China-centric globalization.

Is this trend inevitable? What do you think can derail this trajectory?

I think the trend is inevitable for very profound historical reasons. The first reason is that we are reaching the end of the era of western domination of world history. I emphasize that because from the year 1 to the year 1820, the two largest economies of the world were always those of China and India. The last 200 years of Western domination of world history have been an aberration. All aberrations come to a natural end. It’s perfectly natural to see the return of China and India. The center of gravity of the world economy is going to shift to East Asia. It’s something you cannot stop. Despite the return of Asia, the United States could have carried on remaining a strong power and the most globalized power. Indeed, the United States is still by far the strongest country and the strongest economy in the world.

But as you know, when China decided to open up and engage the world, the United States, especially under President Trump, is closing up to the world. President Trump doesn’t like globalization. He is cutting off the links to the world. He refuses to sign free trade agreements like
the Trans-Pacific Partnership (TPP). This is a consequence of two longer-term factors. First is the inevitable return of China and India. Second, the withdrawal of the United States from global engagement. The country that does more trade with most countries in the world is China and no longer America. The consequence of that is that it will accelerate China-centric globalization. Therefore, we will see China-centric globalization emerge.

2. There is a spat going on between Beijing and Washington DC, with President Trump actively using the term "Chinese virus" or "Wuhan Virus," and some Chinese officials have accused the US as being responsible for the virus.

How does this tension affect the global efforts in containing the pandemic? Do you see any hopes for these major powers to work together in battling this global health crisis? How does this prevent multilateral cooperation between countries in the international stage?

I think it’s very unfortunate to have this spat between the United States and China. In some ways this spat was predictable. Today, on March 31st, I released a new book called “Has China Won?” In that book, I discuss the deeper structural forces that are driving the US and China towards a geopolitical contest. But I was actually hoping that as the result of COVID-19 emerging, both the US and China would set aside their geopolitical differences and focus on their common interests in protecting their own populations. Unfortunately, the geopolitical tensions are still carrying on. Nonetheless, I hope that at the end of the day, both US and China will realize that it is in their mutual interest to work together. One key point I make all the time is that as a result of globalization, as a result of the world shrinking, all of the 190 countries in the world are no longer on separate boats. All of the 190 countries are in separate cabins on the same boat. And since they are in cabins on the same boat, they all have an interest in working together to keep the global boat floating and strong.

The reasons for cooperation are very strong. If you don’t cooperate, you will end up being like the cruise ship of Japan, the Diamond Princess, where once when an infection starts, all cabins are infected, no matter where you are. I hope that once the US and China realize the fact that we are on the same boat, they will realize that they should cooperate rather than quarrel with each other during this virus outbreak.

3. In your analysis, you stated that the COVID-19 pandemic will not fundamentally alter global economic directions. However, almost every country now — Indonesia included — is revising their economic calculations and assuming a short-term scenario that is a lot worse than they had originally thought.

Do you think that global economic recession is imminent or still avoidable? How much do you think the $2 trillion economic stimulus agreed in the US will help safeguard the US economy and the world economy?

I think it’s impossible for anyone, even if you ask the best economist in the world, to predict whether there will be a major global economic recession. Because nobody knows how long this infection will last. President Trump initially was very optimistic. He stated that by April 12, Americans could go back to work. Now he has postponed it to April 30th. When you listen to the Prime Minister of Singapore, he says it may take up to a year for normalcy to return. If global trade, global exchanges, global tourism, global aviation, all are cut down for a year, there will certainly be a global economic recession. We are in uncharted waters now. This is because we cannot predict how bad is this going to be. At the same time, this is another reason for the US and China to work together rather than working against each other.

4. As the Chinese economy dropped and disrupted the global supply chain, the global economy has been threatened dramatically. Many foreign corporations and businesses have been reconsidering their operations in China or doing any trade with China, as a result of avoiding a strong dependence on the Chinese economy and doubting the safety of doing business with China.

Do you predict that this can alter the economic projections of the world? What strategy does China need to undergo in order to repair the severely damaged international image as the influential and top global economic partner?

American business had begun withdrawing from China even before the COVID-19 outbreak. In fact, if you look at my book “Has China Won?”, my first chapter is about China’s biggest strategic mistake. There, I argued that China’s biggest strategic mistake was to alienate the American business community. This alienation of the American business community explains their silence when President Trump launched the trade war against China. Normally, American businesses would say “Stop, stop, stop, I have got business in China.” But, most of them kept quiet when this trade war broke out.
The reduction of reliance on China by American businesses had started even before the COVID-19 happened.

Many other countries also are beginning to realize it's not safe to be over-reliant on one country, in this case, China. China was supposed to be the factory of the world. But this doesn't mean that if countries reduce their reliance on China, the global economy will suffer a shock. It means that Malaysia, Indonesia, Vietnam and Thailand, India can get more investment. If these countries get more investment, their economies grow, and this will be good for the Chinese economy. It's not necessarily a zero-sum game. If investment moves outside of China, it may benefit China also in the long run. It will create bigger markets for Chinese products. I don't see the diversion of investment as a big problem. Today, China has tremendous capital and financial resources. The Chinese can keep up the level of investment in their economy with or without foreign investment.

Overall, I would say that the respect and global understanding of China has gone up all over the world, except in the United States. COVID-19 has not changed the geopolitical contest, as I discuss in my book "Has China Won?".

6. As said by many experts, Beijing has portrayed itself as a leader of the global fight against the coronavirus outbreak after the decreasing rate of new COVID-19 cases domestically. President Xi Jinping's move to give aid to Southeast Asian countries such as Cambodia, Philippines, Malaysia, and Indonesia have shown the generosity of China to ASEAN countries. Meanwhile, the U.S. has not been offering any meaningful assistance in the region until now.

How should ASEAN respond to this situation? What does it reveal about the geopolitical dynamics of Southeast Asia?

I am a great believer in ASEAN, as I co-authored in a book called "The ASEAN Miracle", which has also been translated into Bahasa Indonesia. As someone who is very passionate about ASEAN, who believes in ASEAN, I say in my latest book that ASEAN will have a very difficult time if the US-China geopolitical contest worsens. And the biggest danger that ASEAN faces is that ASEAN could be broken up as a result of the US-China geopolitical contest.

Within the ASEAN family, you have countries that are relatively pro-China, like Cambodia and Laos, and some countries that are relatively pro-America like Vietnam. With the whole range of countries in ASEAN, it's very important for ASEAN countries to stay united together during this difficult period. I acknowledge the different systems of each ASEAN country, but they should continue working with the US in the areas where the US has been helpful for ASEAN. For example, many of our students are studying in American universities. They should carry on with these education programs with the US. They also need to carry on cooperating with China. As China has been very helpful, for example in the COVID-19 outbreak.

But we should not see this as a zero-sum game. We should not choose. We should not be forced to choose between China and the United States. We should have good relations with both China and the United States.

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5. As the coronavirus spreads throughout the world, anti-Chinese sentiment has also risen significantly. It has been worsened by the provocative official statements given by President Trump who has brought up the term “Chinese virus”—a term that has been reemphasized by even the Official White House twitter.

Will the coronavirus alter the way countries maintain a strong diplomatic relationship with China in the future, considering the rising animosity of many parts within the global society towards China and Chinese people recently?

It's important to do an objective study of how many countries are praising China and how many countries are criticizing China after the outbreak of COVID-19. My records are not perfect, but they show that there is only one country, the United States of America, criticizing China. Almost every other government, including friends of the United States, have expressed their appreciation to China for their help.

For example, the Italian government, which is a member of the G7, has thanked China profusely for the assistance, because Italy is a very badly affected country. The President of Serbia kissed the Chinese flag when supplies arrived from China, because European countries were not helping Serbia. Spain, also sent tweet messages saying “Gracias China”, “Thank you, China!”. A lot of countries actually have appreciated a great deal what China has done for them.
7. Professor Mahbubani, as we know this coronavirus outbreak has not only exposed the fragility of the globalized system, it has also posed a challenge to regionalism. In Southeast Asia, the most affected countries like Singapore, Malaysia, and Indonesia have their own individual policies in curbing the spread of the virus. Meanwhile, ASEAN has not made any significant cooperative measures that would help member states to contain the virus.

What does the COVID-19 crisis reveal about the regionalism that has been pursued by ASEAN member countries for many decades? Does this appear to be another setback of regional cooperation in time of crisis for ASEAN?

It would be good for the ASEAN countries to cooperate with each other in dealing with COVID-19. To some extent, they have been cooperating, like Singapore and Malaysia exchanging information, resources and protocols with each other. But when you have a major crisis like this, it is perfectly natural for countries to take care of their own populations first. It's not shocking that there is a little cooperation between the ASEAN countries. It's actually very shocking that there is no cooperation among the European Union countries.

The European Union has been around much longer than ASEAN. It's a much richer club. Countries like Germany, France and even the United Kingdom have many more resources. It's shocking that the European countries haven't come together to help each other. In fact, the European countries actually have to turn to China for assistance. That is why when the United States wanted to put a remark in the G7 statement criticizing China, Italy and other G7 countries said "No!". The fact is that when even the richer European countries cannot cooperate with one another, we shouldn't be shocked and surprised that ASEAN countries cannot cooperate with one another. But at the same time, I would say that the ASEAN countries have been responsible and have not tried to damage fellow countries. They are instead taking care of their own populations.

The only question is, will ASEAN cooperation bounce back quickly after the COVID-19 crisis is over? I am very confident that it will. In fact, when you have a crisis like COVID-19, all the member states of ASEAN actually recognize the importance of ASEAN even more. We need to stay together to rebuild ASEAN region as quickly as possible, so the economies can come back. The desire to cooperate within ASEAN will become even stronger after COVID-19.