



Ukraine war: Its impact on Asia a year on

The shift in strategic thinking in the West on Asian security is pushing Nato and key US allies closer. But Asean, having absorbed the initial shocks, may shift its focus from the conflict to matters closer to home.

It has been nearly a year since Russia's tanks rolled across the Ukrainian border, accompanied by air attacks. Moscow called it "a special military operation", but for the rest of the world, the Ukraine war had begun. This has turned out to be a long war.

The situation has reached a dynamic stalemate, with neither side prepared to negotiate. The next few months will see fierce escalations in military action on both sides. Russia is doubling down. Ukrainian intelligence suggests President Vladimir Putin is mobilising another 500,000 men to send to Ukraine for the big push starting in spring.

The Ukrainians have courageously fought back, if not pushed back, the Russians, to the surprise of Nato and the global community. An influential op-ed in January by former secretary of defence Robert Gates and former secretary of state Condoleezza Rice, arguing that time is not on Ukraine's side, seems to have pushed the United States into action.

In response to Ukraine's pleas for more powerful weapons, Germany finally consented to deliver its Leopard 2 tanks once the Americans agreed to send over 31 of its M1 Abrams tanks.

As the war drags on, the US and its European allies are grappling with two questions: First, what will a settlement look like? Second, how should the US and its European allies handle Mr Putin and Russia?

Analysts believe a negotiated settlement, when the time comes, will probably involve some role played by Turkey, China, India and the United Nations.

Although the war is fought on another continent, a long way from Asia, without doubt, its impact is far-reaching for the region, including South-east Asia.

What does the Ukraine war mean for Asia and Asean, one year on?

GEOPOLITICAL IMPACT

The most direct and imminent impact of the Ukraine war on Asia is the change in the strategic mindset of the US and its European allies regarding security in Asia. This has important ramifications for the region.

The Russian invasion set off alarm bells in the US administration and Congress. As Mr Putin and Chinese President Xi Jinping had signed a "no limits" agreement on the sidelines of the Winter Olympics just before the Feb 24 invasion, the Biden administration and its military planners immediately saw the danger of China making a grab for Taiwan.

This view was shared by Nato. And even if it were not imminent, they believe the timetable for

China's takeover of Taiwan has been shortened. Several initiatives for strengthening the security architecture in the region to counter aggression were swiftly rolled out.

For many years, the US concerned itself with a rising and assertive China and China's ambition to reunify with Taiwan. For China, the 1972 Shanghai Communique laid out the respective positions of the US and China on "One China".

The subsequent passing of the Taiwan Relations Act in 1979 was to ensure the US would defend Taiwan in case reunification is pursued not through peaceful negotiations, but through military means.

Since the Trump administration, the US has leaned forward much more to accord Taiwan greater diplomatic space and access to military assistance to defend itself against what Washington sees as an intensification of Chinese aggression towards the island. The US further sees the rise of a Taiwanese identity and a robust democracy, which they want to help protect.

China on its part believes the US is emboldening Taiwan to seek independence. The Chinese are coming to the position that while the US is reiterating a "one China" policy, in reality, it is pursuing a "one China and one Taiwan" policy.

Both sides have changed facts on the ground and moved relations between mainland China and Taiwan to a more dangerous position.

According to Taiwanese figures, China sent 1,727 aircraft, including bombers and drones, into Taiwan's Air Defence Identification Zone in 2022, almost twice the number in 2021.

The Biden administration has stepped up its military aid packages to Taiwan and cast doubt about the US adherence to the principle of "strategic ambiguity". The unnecessary and provocative visit of then Speaker Nancy Pelosi in August 2022 to Taiwan and China's unsurprising robust retaliation sent the bilateral relationship to a new low.

In recent years, predating the war in Ukraine, the US has intensified its efforts to build a

security architecture in Asia through the Quad, the Indo-Pacific Strategy and Aukus by mobilising its allies and partners, including India.

Secretary of State Antony Blinken, in a speech in May 2022, made it clear that while Mr Putin poses a clear and present threat, the US will remain focused on China, which "poses the most serious long-term threat to the international order".

In January 2023, the US stepped up defence cooperation with Japan with the objective of countering China and North Korea. Japan aims to increase its defence expenditure ceiling from 1 per cent to 2 per cent in the next five years. This was followed by a history-making move, given the storied past, of the US agreement with Philippine President Ferdinand Marcos Jr in February to establish four more military bases in the Philippines.

Nato on its part embraced a new strategic concept that addresses the challenges posed by China. Nato expressed concern that security threats from Asia could expand to Europe and North

America.

The Nato Madrid summit of June 2022 held a Nato+ AP4 meeting for the first time. The four Asia-Pacific treaty allies of the United States – Australia, New Zealand, Japan and South Korea – were invited to step up political dialogue, and practical cooperation in cyberspace, new technology and countering disinformation with Nato members.

Nato+AP4 also agreed to work on maritime security, climate change and resilience. The participants felt it necessary to emphasise that this new development would not expand to become an Asian Nato. China, expectedly, reacted strongly against this development.

At the Brics (Brazil, Russia, India, China, and South Africa) summit a few days before the Nato Madrid meeting, Mr Xi spoke against the "dangerous trend" of some countries seeking "to expand military alliances to seek maximum security, stoke bloc-based confrontation and coercing other countries into picking sides and pursuing

unilateral dominance at the expense of others' rights and interests".

Asean countries did not express any comments about Nato+AP4, but they likely thought this was bringing Nato too close to home and introducing the Cold War divide in South-east Asia. Asean will be trying to figure out the actual implications of this development for security in the region.

NEW WORLD ORDER

The United States has proven itself again to be the one leader capable of galvanising a coalition swiftly to deal with a violation of the UN Charter. But the debate is whether we are witnessing a re-emergence of the old bipolarity, with the US and its Western allies on the one side and Russia and China on the other? Or is it the emergence of multipolarity?

This second version of the world order has found resonance in Asia, among strategic intellectuals in Asean countries and even among European leaders who are members of Nato working firmly with the US to push Russia out of Ukraine.

As German Chancellor Olaf Scholz said in Foreign Affairs magazine, the US became the world's "decisive power" in the last few decades and will continue to play this role in the 21st century, but the world is facing a new historic shift recognising the emergence of a multipolar world.

India's Minister of External Affairs S. Jaishankar has made this clear in his interviews since the Ukraine war that India is not aligned with anyone but is its own pole.

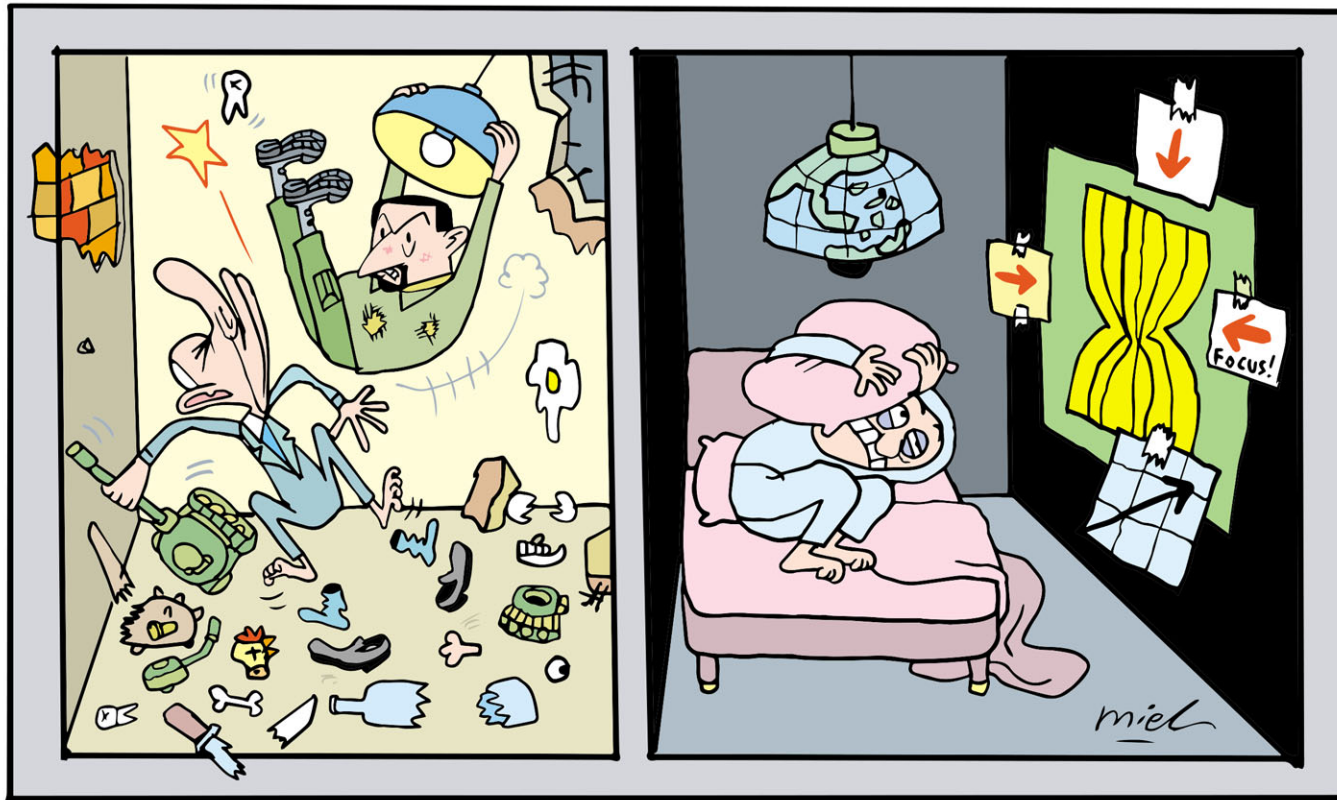
Many of us in Singapore analysing international politics have recognised early the inevitable emergence of a multipolar order, which seems to be with us now. We have described the multipolar order as an asymmetrical multipolarity, with the US as the tallest pole, or as former foreign minister George Yeo recently described, a multipolar order with the US as "primus inter pares" (first among equals), a more sustainable position, in his view, in the long run.

To make things more complicated, this new multipolar order is in a dynamic equilibrium. Indeed, it can be argued that although we see a multipolar order emerging, we should recognise that there are some crucial issues that can reorder the alignments into a bipolar reality.

But the alignments are not cast in stone, and countries now have a clear sense of self-interest and agency and will take a position accordingly.

ECONOMIC IMPACT

The war and the ensuing wide-ranging economic sanctions placed on Russia immediately fanned concern among many countries, especially members of the Global South, as Russia and Ukraine produce key



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commodities. Russia is a major natural gas and crude oil exporter, and the third-largest exporter of coal in the world. Both Ukraine and Russia are major exporters of sunflower oil and wheat. Supply-chain disruptions and inflationary pressures on energy and food are the greatest concerns in every country.

Inflation for Asean as a group increased from 3.1 per cent in 2021 to 4.7 per cent in 2022. Asean countries individually felt the shortages. For instance, Indonesia, Vietnam, Thailand, Malaysia and Myanmar import fertilisers from Russia. Indonesia, Thailand, Myanmar, Vietnam, the Philippines and Malaysia buy cereals from Ukraine and Russia. Those supply chains were disrupted.

In Indonesia, the inability to get sunflower oil forced the people to turn to palm oil, leading to the Indonesian government banning the export of palm oil for a short while before the decision was reversed as untenable. The inability to get access to cooking oil brought protests to the streets of Jakarta, Surabaya, Yogyakarta, Makassar, Kendari and Aceh.

And Asean would be affected by the same inflationary pressures on energy prices, which had knock-on effects for economic recovery.

Notwithstanding these difficulties, The Economist Intelligence Unit reported that Asean, compared with other regions, has very little exposure to Russia for investment and trade and the sanctions would be less consequential.

The growth rate in Asean is expected to dip in 2023 along with the slowing global growth rate, but this would be as much a consequence of the pandemic as the Ukraine war. Global growth is expected to be lower, from 3.1 per cent in 2021 to 1.9 per cent in 2023. But Asean's economic recovery will come as the region will be included in the "just in case" repositioning of multinational corporations hit by the Covid-19 disruptions. It is likely South-east Asia will look like a more resilient and attractive region to foreign capital.

Over the past year, the shock of the Ukraine war has been absorbed in Asean. Its effects are considered limited, though rising inflation is troubling. Domestic politics is front and centre of attention. Ukraine will have to compete harder for attention.

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