

### SESSION B3

#### “Who Are Southeast Asia’s Most and Least Favorites?: Launch of FPCI-ERIA ASEAN Peoples’ Perceptions Survey 2024”

ASEAN Room – Conference on Indonesian Foreign Policy 2024

**Opening Remarks: H.E. Tetsuya Watanabe**, President of Economic Research Institute for ASEAN and East Asia (ERIA)

**Presenter: Calvin Khoe**, Secretary of FPCI; Director of the Conference on Indonesian Foreign Policy (CIFP)

#### Speakers:

1. **Dr. Jayant Menon**, Visiting Senior Fellow of the Regional Economic Studies Programme at ISEAS-Yusof Ishak Institute
2. **Ravi Velloor**, Associate Editor and Senior Columnist of the Strait Times
3. **Hoang Thi Ha**, Senior Fellow and Co-Coordinator of the Regional Strategic and Political Studies Programme at ISEAS-Yusof Ishak Institute
4. **Khonsavanh Vongvannaxay**, Deputy Head of Theory of International Relations Subject Unit at the National University of Laos

**Moderator: Endy Bayuni**, Senior Editor of The Jakarta Post

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#### H.E. Tetsuya Watanabe

This year's theme, "Can Middle Powers Calm the Storm and Fix the World?", addresses the challenges of global uncertainties, geopolitical tensions, disruptive technological shifts, and the climate crisis. For ASEAN, these challenges also present opportunities, such as increased investment and supply chain relocations, particularly in semiconductors. ASEAN continues to thrive as a model of peaceful, growth-oriented regional cooperation, fostering dialogue among world leaders and driving global economic growth. Its capacity to address shared global challenges positions it as a significant actor on the international stage.

In collaboration with FPCI, ERIA is proud to support the ASEAN People's Perception Survey for the second year. This survey offers critical insights into how ASEAN citizens view economic and political issues, including perspectives on nine ASEAN dialogue partners. The findings are insightful and have two key implications for policy makers. First, the survey helps policymakers gauge how their countries are viewed within the minds of people. Second, it provides insights on how to navigate economic and soft power diplomacy and strengthen engagement with countries in the Southeast Asian region. Beyond policy makers, we hope these findings will serve as valuable resources for stakeholders, businesses, academia, civil society, and more, and young people.

### **Calvin Khoe**

The ASEAN People's Perception Survey, focused on ASEAN's relationship with its nine dialogue partners such as Australia, China, EU, India, Japan, Russia, South Korea, UK, and the US, provides evidence-based insights into public perceptions on global and regional issues. This year's expanded survey engaged over 2,000 respondents across 11 ASEAN countries, including Timor Leste for the first time, reflecting the most comprehensive findings to date. The survey covers six areas, including perceptions of dialogue partners, global frameworks, strategic issues, and risk assessments.

The key findings are divided into three parts. The first is dialogue partners' perceptions. Japan is seen as the most trustworthy, reliable, and respectful partner, but 31% do not view it as ASEAN's most relevant future partner. China is perceived as the most relevant partner for ASEAN's future (31%), but concerns persist over its hegemonic ambitions (45%) and use of economic tools for political leverage (51%). The EU stands out as the most relevant Western partner, while the US is both the least trustworthy and most reliable in times of crisis. The second is risk assessments. Over 50% of respondents foresee likely armed incidents involving the US and China in the South China Sea or a Chinese military operation in Taiwan within 2-3 years, with catastrophic impacts.

Economic crises (56%) and food security concerns (42%) are seen as imminent, while climate change-induced disasters are overwhelmingly expected (68%). The last is global frameworks and ASEAN mechanisms. Japan's ODA and China's Belt and Road Initiative are the most recognized global frameworks. ASEAN mechanisms like summits are seen as effective but lack grassroots resonance, highlighting the need for ASEAN to be more people-driven.

The survey highlights ASEAN's strategic position at the heart of the Indo-Pacific, surrounded by great power competition and critical global issues. Policymakers, dialogue partners, and stakeholders must consider these perceptions to deepen trust, enhance cooperation, and address pressing regional and global challenges effectively.

### **Endy Bayuni**

This session's provocative title, "Who Are Southeast Asia's Most and Least Favorite Partners?", sets the stage for insightful discussion. For representatives of these partners, the findings may bring either disappointment or elation, depending on their rankings. The discussion is based on the ASEAN People's Perception Survey, with panelists having exclusive access to the data. This survey is a joint effort between the Foreign Policy Community of Indonesia (FPCI) and the Economic Research Institute for ASEAN and East Asia (ERIA). Congratulations to both institutions for delivering this timely and important survey. Let us start with the general question. Please give your impressions and highlights from the survey findings.

### **Dr. Jayant Menon**

As the sole economist on this panel, I approach perceptions from an economic perspective, focusing on how they translate into measurable outcomes. While economists traditionally emphasize data, outputs, and impacts, perceptions are crucial when they influence tangible results. Dr. Dino's earlier point that foreign policy is most effective when it affects outcomes aligns with this view. For instance, the survey reveals that while China is the least trusted partner, many countries recognize their futures are closely tied to it. This apparent contradiction highlights China's critical role in shaping the region's economic prospects through supply chain networks, growing trade, and investment linkages. Despite U.S. efforts to decouple from China, these ties remain strong and are likely to deepen, underscoring the region's reliance on China for its economic development. This demonstrates how economic realities persist despite trust issues, a dynamic I find both significant and healthy for the region's growth.

### **Ravi Velloor**

This survey is a significant step in mapping public perceptions, highlighting the shift in foreign policy from a traditionally elite-driven process to one increasingly shaped by public sentiment. Even in countries like Singapore, policymakers now consider how their decisions resonate with the public, showcasing the growing influence of grassroots perspectives. Notably, students were the most enthusiastic participants in the survey, underscoring the importance of engaging younger generations.

A standout finding was Japan's exceptional performance in the survey, reflecting the success of its foreign and public diplomacy. This marks a remarkable shift from historical memories of World War II in Southeast Asia to a present where Japanese initiatives, such as naval diplomacy, are widely accepted. For example, the Japanese helicopter carrier *JS Kaga* docked in Singapore without controversy, a testament to Japan's improved regional image. Public diplomacy, exemplified by the influx of Chinese tourists to Japan, has played a key role in reshaping perceptions. These visitors, welcomed with courtesy, often leave with a positive impression that counters historical narratives. Japan's approach—firmly upholding territorial rights while engaging in dialogue and exploring collaboration with China, such as participation in BRI initiatives—provides a model for coexistence in the face of perceived challenges, blending firmness, diplomacy, and deterrence.

### **Hoang Thi Ha**

The survey predominantly reflects the perspectives of an informed and engaged elite, including civil society members, academics, government officials, and students, rather than the general public. Students, categorized as "aspiring elites," are typically more aware of foreign policy and current affairs than the average person. While the survey offers valuable insights, it is essential to consider its findings holistically. Focusing selectively on certain questions risks oversimplifying the nuanced and diverse views within Southeast Asia regarding major powers.

At the regional level, the survey aggregates data across 11 Southeast Asian countries, but the diversity of strategic outlooks and threat perceptions among these nations warrants closer examination of the country-specific results. Such granular analysis reveals both similarities and significant differences in how Southeast Asian countries perceive major powers. A noteworthy theme emerging from the survey aligns with the FPCI conference's focus on middle powers. Amid declining trust in the U.S. and China—particularly the latter, which is seen as both crucial and distrusted—Southeast Asians increasingly view middle powers as credible, reliable, and non-threatening partners. These countries are seen as offering a stabilizing, non-hegemonic presence. However, the question remains: can middle powers truly calm the storm and fix the hands? While there is optimism and aspiration, the track record of middle powers in rising to this challenge remains mixed. Their ability to meet growing expectations is still to be proven.

### **Khonsavanh Vongvannaxay**

The survey provides many fascinating insights, particularly about China's influence in ASEAN countries, including Laos. As a neighboring country, Laos has deep ties with China in areas such as population impact, economic development, infrastructure projects, and political relations. The findings are highly valuable for enhancing knowledge, academic writing, and teaching. I acknowledge its depth and the perspectives shared by ASEAN respondents. The survey highlights perceptions about China and its alignment with regional strategies and policies, making it a critical tool for future discussions and decision-making. In conclusion, the survey serves as an essential platform for dialogue and understanding regional dynamics.

### **Endy Bayuni**

The survey reveals a paradox in ASEAN's relationship with China: while China is seen as the least trustworthy and not a reliable partner, it is also viewed as the most relevant partner for ASEAN's future growth, with significant economic ambitions. It is perceived as likely to use its economy as a political tool, reflecting concerns about the stability and health of the ASEAN-China relationship. So what really needs to happen to bring this level of trust between ASEAN and China?

### **Dr. Jayant Menon**

From an economist's perspective, the observation of ASEAN-China economic interdependence heavily influences the relationship, even in the face of a trust deficit. Economic ties between ASEAN and China are "hardwired," meaning trust is not a requirement for mutually beneficial trade. Over time, increased trade might indirectly reduce the trust gap. The survey reflects concerns about China's dominance, including territorial disputes in the South China Sea and perceptions of its adherence to international rules. However, these issues are part of a broader problem with the global rules-based order and multilateralism, not solely specific to China. The concerns about China's role may be amplified by its regional dominance but also reflect wider anxieties about declining global adherence to shared norms and regulations.

### **Hoang Thi Ha**

The State of Southeast Asia survey undertaken by ISIS Yusof Ishak Institute compared to FPCI-ERIA survey shows a consistent pattern in Southeast Asian perspectives on China, marked by conflicted thinking where countries simultaneously view China as essential and fear its dominance. This stems from China's significant power and proximity, creating structural asymmetries between China and smaller Southeast Asian nations, much like Indonesia's size might evoke anxiety in its smaller neighbors. To improve trust, China needs to empathize with Southeast Asian perspectives, treating them as genuine and independent, rather than framing the region solely through the lens of the U.S.-China rivalry. Southeast Asia, home to nearly 700 million people, has its own agency, prioritizing national interests over alignment with any major power. Policies vary issue by issue, sometimes aligning with the U.S., other times with China. Its tendency to view Southeast Asian decisions as dictated by the U.S. undermines its relationship with the region and dismisses the legitimate concerns of its nations. Acknowledging Southeast Asia's agency and addressing disputes based on mutual respect could improve China's trust and relations in the region.

### **Endy Bayuni**

In other words, China should review the survey to understand ASEAN's perceptions of its key partners, including itself. Turning to the United States, the survey identifies it as the most likely to politically interfere in Southeast Asian countries, second only to China in using the economy as a political tool, and also second to China in being non-compliant with international laws. However, the U.S. is seen as the most reliable partner in times of crisis, after Japan. Do you anticipate this relationship improving or deteriorating under the Trump 2.0 administration?

### **Ravi Velloor**

Next month marks the 20th anniversary of the tsunami in Aceh, a reminder of the immense aid the United States provided to the region, not only to Indonesia but also to Sri Lanka, India, and others. At that time, the U.S. was the only nation with the capacity to deliver such large-scale assistance. However, the current internal adjustments and turmoil within the U.S. could significantly affect its global role, including in Southeast Asia. A potential U.S. retrenchment under a Trump administration poses a threat. Trump has previously questioned the financial priorities of U.S. defense commitments, such as the cost of the Air Force One project, and might similarly question the country's spending on overseas engagements, opting instead to prioritize domestic issues.

The survey's findings on political interference also raise important concerns. Over the past two years, Asia has witnessed two "color revolutions," in Sri Lanka and Bangladesh, with speculation that external influences may have played a role. While Trump might lack the focus or interest to engage in such interference, Biden's ideologically driven foreign policy has raised concerns in several parts of the world. Notably, the survey highlights that the U.S. ranks worse than Russia in terms of political interference, a result that could have worsened due to recent events, including its handling of the Middle East and Ukraine crisis. The U.S.'s perceived decline

in moral and political standing has practical implications for its image in the region. For example, reports suggest that Ukraine may lower its conscription age to 18, raising concerns about sending young people into conflict. On the ground in Southeast Asia, changes in consumer behavior, such as reduced foot traffic in places like Starbucks, reflect broader economic unease. These trends suggest that America cannot take the region's support for granted. The U.S. must take active steps to rebuild trust and improve its standing in Southeast Asia to remain a relevant and reliable partner.

### **Khonsavanh Vongvannaxay**

This term's policy trends seem to reflect distinct phases. In the first phase, there appears to be a focus on understanding and shaping perceptions of ASEAN countries, particularly in the context of U.S.-China relations. In the second phase, I would like to see a greater emphasis on addressing security and engagement with Southeast Asia, particularly regarding initiatives like "One Belt, One Road" and their impact on the region. Additionally, the policy approach seems to present both challenges and opportunities across various dimensions—political, economic, and social. Looking ahead, I hope to see improvements and developments in these areas, fostering stronger and more balanced policies that benefit Southeast Asia and its relationship with major global powers.

## **Question and Answer Session**

### **Amir Jammal, UPN Veteran Jakarta**

What is the implication of the survey? Does this change how ASEAN approaches the perceived dialogue partners, or does the perceived dialogue partners perhaps, approach ASEAN differently because of the results of the survey?

### **Rebecca, Journalist**

Because you mentioned China earlier and how the impact it is for ASEAN with Trump taking office in January as he already stated a high tariff tax, especially for China. How will that affect the economy in China, especially trade for ASEAN and the region?

### **Ravi Velloor**

One of the things I have been talking about lately is about how the dialogue partners should approach ASEAN. I have been of the view for a while that China has not quite adequately recognized how much this region is important to itself. So far the dialogue and the discourse has always been how important China is to the region. But it is time to flip it around, especially the way geopolitics is developing around the world and the American markets are being slowly shattered to Chinese goods. They need the big markets of Asia for their future, and if you look, growth in Northeast Asia has slowed, and the growth momentum is moving southwards. It is moving from Vietnam, Philippines, Indonesia, Singapore, Malaysia, and southwest towards India.

China is having bilateral issues, and I think it is time for wisdom on the part of Beijing also to realize that the Asia that they got at the time they entered the WTO is not the Asia of today. And for China's own future, it is imperative that they begin to construct a *modus vivendi* with all these countries so that nothing goes out of hand. There is no reflexive anti-Chinese feeling in Southeast Asia, unlike other regions. It is in China's interest not to provoke any anti-Chinese feelings because they do not really exist. There is no sense in kindling them when you can avoid it.

### **Hoang Thi Ha**

I am not an economist, but I would like to highlight the economic importance of Southeast Asia to China. When examining survey results, I always caution that perceptions do not necessarily reflect reality. For example, while China is consistently perceived as the most economically influential power in the region and the U.S. ranks much lower, this does not accurately capture the deep interdependence between Southeast Asia, China, and the U.S., especially considering the pattern where we import intermediary goods from China for final exports to the U.S. market.

If the U.S., under a Trump 2.0 administration, were to impose tariffs of 20% or 60% on imports from the region, the impact would be significant. We would import far less from China. ASEAN's emergence as China's largest trading partner over the past four to seven years is partly due to the tariffs Trump imposed, which reshaped trade patterns. While China may trade less directly with the U.S., it conducts more trade indirectly through Southeast Asia. This underscores the region's economic importance to China.

Another key point is the role of domestic consumption in China's economy. In developed economies, domestic consumption typically accounts for around 60% or more of GDP. However, in China, it only accounts for about 40%, which is much lower than the advanced economy average. This means China relies heavily on exports for its economic growth. Consequently, Southeast Asia plays a critical role, both as an intermediary market for goods destined for the U.S. and as an increasingly important export market itself, thanks to its growing middle class and economic potential. This dual role reinforces Southeast Asia's significance in China's economic strategy.

### **Dr. Jayant Menon**

I believe much of the question on Trump 2.0 has already been addressed, and I largely agree with the points made. Let me just add a few thoughts on how Trump 2.0 might unfold. First, we need to recognize the uncertainty surrounding what he might actually do. This has two dimensions: one is his erratic behavior—he often says one thing, forgets it shortly afterward, and then changes his stance. The second is his negotiating tactic. He tends to propose extreme measures to instill fear and force countries to respond, only to negotiate from a position of perceived strength. This approach, rooted in his self-image as a "deal maker," adds to the unpredictability of his policies.

What we can be fairly certain of, however, is that he remains committed to tariffs. Trump views the world through a zero-sum lens, and we can expect him to implement higher tariffs, though the specifics of the rates remain unclear. This could be highly disruptive, as retaliatory measures from other countries could trigger a domino effect, leading to a global trade war—a scenario that would harm everyone involved. If his tariffs disproportionately target China, it could exacerbate current tensions, as Biden has already retained Trump's original tariffs, expanded them, and introduced new protectionist measures. Remarkably, President Biden has emerged as an even greater protectionist than Trump 1.0. Will Trump 2.0 take this further? That remains to be seen.

Another critical aspect is Trump's stance on subsidies, particularly those related to the green transition, such as the Inflation Reduction Act. This program involves approximately \$500 billion in subsidies, with \$50 billion allocated initially. If Trump rolls back these subsidies, it could offset some of the distortive effects of other protectionist policies, like increased tariffs. Therefore, we must consider the net impact of his policies rather than evaluating each in isolation.

Finally, while much of the discussion focuses on how Trump 2.0 might affect China or Southeast Asia, we must also ask how it will affect the U.S. itself. The U.S. could emerge as the biggest loser in this scenario, and whether that prompts a change in policy will depend on how events unfold. For now, there are many uncertainties, and we will need to wait and see how Trump's potential return influences global trade and resource allocation.

### **Endy Bayuni**

We have primarily discussed China and the United States so far, but the survey also covers other direct partners, including Japan, Korea, Australia, the EU, India, and Russia—a total of nine direct partners. As Ms. Hoang mentioned earlier, I encourage everyone to explore the website and the data. Do not just focus on the aggregate figures; delve into the individual country perspectives. Each country likely has unique views on their relationships with China, the United States, and other direct partners. The insights are fascinating, highly revealing, and invaluable. The website is a rich resource for anyone studying ASEAN, writing papers, conducting research, or working as a journalist. If ASEAN is part of your work or interests, this is a platform you will want to keep referring to.