

CCPS

An International Journal

Contemporary Chinese Political Economy and Strategic Relations: An International Journal (CCPS) is an academic journal published by the Institute of China and Asia-Pacific Studies, National Sun Yat-sen University, Taiwan, focusing on the Chinese polity, economy, and society; and the interrelationship between sociopolitical and socioeconomic factors that influence political, economic, and social outcomes in contemporary Mainland China and Taiwan, as well as Hong Kong and Macau, and their politico-economic and strategic relations with other regions and countries.

CCPS is indexed and abstracted in Scopus, Documentation Politique Internationale / International Political Science Abstracts (IPSA), Directory of Open Access Journals (DOAJ), Ulrich's Periodicals Directory, Ulrichsweb Global Serials Directory, ProQuest Political Science, Research Library and ProQuest Social Science Journals.

Website: <http://icaps.nsysu.edu.tw/p/412-1131-13594.php?Lang=en>



CCPS

An International Journal

2024



VOLUME 10 ISSUE 1

Contemporary Chinese Political Economy and Strategic Relations

An International Journal

VOLUME 10 ISSUE 1



Contemporary Chinese Political Economy and Strategic Relations: *An International Journal*

ISSN 2410-9681

Contemporary Chinese Political Economy and Strategic Relations: An International Journal (CCPS) is an academic journal published by the Institute of China and Asia-Pacific Studies, National Sun Yat-Sen University, Taiwan, focusing on the Chinese polity, economy, and society; and the interrelationship between sociopolitical and socioeconomic factors that influence political, economic, and social outcomes in contemporary Mainland China and Taiwan, as well as Hong Kong and Macau, and their politico-economic and strategic relations with other regions and countries.

CCPS is indexed and abstracted in Scopus, Documentation Politique Internationale / International Political Science Abstracts (IPSA), Directory of Open Access Journals (DOAJ), Ulrich's Periodicals Directory, Ulrichsweb Global Serials Directory, ProQuest Political Science, Research Library and ProQuest Social Science Journals.

Please visit the CCPS homepage at
<https://icaps.nsysu.edu.tw/p/412-1131-13594.php?Lang=en>

Manuscripts for consideration and editorial communication should be sent to:
The Editor
Contemporary Chinese Political Economy and Strategic Relations:
An International Journal

Email: ccps.editor@gmail.com, reymund.flores@wvvsu.edu.ph

Website Administration and Maintenance: NSYSU Staff

Copy-editing: Rachel Mary Ann A. Basas

Publishing: Institute of China and Asia-Pacific Studies, NSYSU, Taiwan (ROC)

CCPS accepts manuscript submissions anytime of the year. Special issue proposals are also welcome from interested guest editors.

Please visit CCPS' Statement on Publication Ethics through this link:

<https://icaps.nsysu.edu.tw/p/405-1131-127331,c13594.php?Lang=en>

Contemporary Chinese Political Economy and Strategic Relations: *An International Journal*

Yu-Jen **Kuo**, Ph.D.
Chair
Director, Institute of China and Asia-Pacific Studies
National Sun Yat-sen University

Reymund B. **Flores**, D.P.A.
Editor-in-Chief
West Visayas State University

Rachel Mary Anne A. **Basas**
Language Editor
Asian Development Bank

INTERNATIONAL EDITORIAL BOARD

Olga Yurievna **Adams**, Ph.D.
Moscow State University
Russia

Kamaruding Abdulsomad, Ph.D.
University of Gothenburg
Sweden

Wendy **Beekes**, Ph.D.
University of Lancaster
United Kingdom

Juliette **Koning**, Ph.D.
Oxford Brookes University
United Kingdom

Jonathan **Benney**, Ph.D.
Monash University
Australia

Joanne Hoi-Lee **Loh**, Ph.D.
University of Nottingham
United Kingdom

Gerald **Chan**, Ph.D.
University of Auckland
New Zealand

István Csaba **Moldicz**, Ph.D.
University of Applied Sciences
Hungary

Titus C. **Chen**, Ph.D.
National Sun Yat-sen University
Taiwan

Mutahir Ahmed, Ph.D.
University of Karachi
Pakistan

John A. **Donaldson**, Ph.D.
Singapore Management University
Singapore

Can-Seng **Ooi**, Ph.D.
University of Tasmania
Australia

Reymund B. **Flores**, D.P.A.
West Visayas State University
Philippines

Kwok-Tong **Soo**, Ph.D.
University of Lancaster
United Kingdom

Fumitaka **Furuoka**, Ph.D.
Universiti Malaya
Malaysia

Andreas **Susanto**, Ph.D.
Atma Jaya Yogyakarta University
Indonesia

Michael **Jakobsen**, Ph.D.
Copenhagen Business School
Denmark

Tokunaga Junji, Ph.D.
Dokkyo University
Japan

Emile Kok-Kheng **Yeoh**, Ph.D.
México y la Cuenca del Pacífico (comité de arbitraje internacional)
México

INTERNATIONAL ADVISORY BOARD

Gregor **Benton**, Ph.D.
Cardiff University
United Kingdom

Samuel C.Y. **Ku**, Ph.D.
Wenzao Ursuline University of Languages
Taiwan

Brian **Bridges**, Ph.D.
Lingnan University(Ret.)
Hong Kong

David **McMullen**, Ph.D.
University of Cambridge
United Kingdom

Joseph Y.S. **Cheng**, Ph.D.
City University of Hong Kong (Ret.)
Hong Kong

Uziel **Nogueira**, Ph.D.
IDB-INTAL, Argentina (Ret.)
Brazil

Pío **García**, Ph.D.
Universidad Externado de Colombia
Colombia

Juan José **Ramírez Bonilla**, Ph.D.
El Colegio de México
México

Hara Fujio, Ph.D.
Institute of Developing Economies
(Research Fellow Emeritus)
Japan

Carlyle **Thayer**, Ph.D.
University of New South Wales at ADFA
Australia

Im-Soo **Yoo**, Ph.D.
Ewha Womans University
Republic of Korea

EDITORIAL ASSISTANTS

John Rey Mar A. **Flores**
John Patrick S. **Palquiran**
Michael John B. **Subigca**

Contents

Foreword

Chinese Political and Trade Influence in Africa and Asia Amidst Constant Competition with the United States	1
--	----------

Reymund B. Flores

Articles

Chinese Aid: Powering Africa and Mitigating Electricity- Related Demonstrations	6
--	----------

Afa'anwi Ma'abo Che

The Role of Chinese Trade in the Economic Stability of Kyrgyzstan and Tajikistan	26
---	-----------

Iman Bastanifar, Kashif Hasan Khan, and Abdulmelik Alkan

Southeast Asia as a Latent Kingmaker in the US-China Rivalry	57
---	-----------

Brice Tseen Fu Lee, Salman Ali Bettani, Juan Pablo Sims, and Yun-Tso Lee

Book Review

Roberts, K. and S. Bano (eds.) (2023), The Ascendancy of Regional Powers in Contemporary US-China Relations: Rethinking the Great Power Rivalry	100
--	------------

Reviewed by Brainard B. Abunyawan

Contributors

Brainard B. **Abunyawan** is a junior political science and public administration faculty member at the Department of Social Sciences, West Visayas State University (Philippines). Mr. Abunyawan is currently finishing his master's degree in Public Administration in the same university. *<Email: brainard.abunyawan@wvsu.edu.ph>*

Abdulmelik Alkan is an affiliate Associate Professor at Webster University, Georgia Campus. He graduated from Lindenwood University in Saint Louis, Missouri, USA, and earned his M.A. degree with honors from the International Black Sea University in Tbilisi. Currently pursuing his Ph.D. at the University of Georgia, Tbilisi, Alkan has contributed several scholarly articles to scientific journals. His research interests include geopolitics, connectivity, and foreign policy. *<Email: abdulmelikalkan@webster.edu>*

Iman Bastanifar is an Associate Professor in the Department of Economics at the Faculty of Administrative Sciences and Economics, University of Isfahan. He has a strong academic background, holding a diploma in mathematics and advanced degrees in economics, including a bachelor's, master's, and Ph.D. His research focuses on international topics, particularly in monetary economics, macroeconomics, and economic modeling. *<Email: i.bastanifar@ase.ui.ac.ir>*

Salman Ali Bettani is a mid-career academic and analyst in the field of international relations. Currently a Ph.D. candidate in International Politics at Fudan University, Salman is also a lecturer at the School of Politics & International Relations at Quaide-Azam University in Islamabad. He focuses on politics of South Asia, China, as well as nuclear politics. He has participated in several international dialogues, including the Track-II between India and Pakistan; and China, Pakistan, and Afghanistan. He has been part of Nuclear 3s course at Howard Baker institute University of Tennessee USA. His recent publications are "Deterrence Measure: A Cause for Promoting Regional Instability in South Asia" in the Chinese Journal of IR, "CPEC: Regional Swords and Stability" in the Indian Journal of Economics and Business, "The Novel Changes in Pakistan's Party Politics: Analysis of Causes and Impacts" in the CPSR and "China and Regional Security in South and Southeast Asia: A Comparative Analysis of ASEAN and SAARC" in the Journal of ASEAN Studies. *<Email: sabettani@qau.edu.pk>*

Afa'anwi Ma'abo Che is an Assistant Professor in International Studies at Department of International Studies, Xi'an Jiaotong-Liverpool University (XJTLU), Suzhou, Jiangsu Province, P.R. China. He is a 2019 fellowship and grant recipient from China-Africa Research Initiative at Johns Hopkins University's School of Advanced International Studies. He regularly contributes to coding data for the Varieties of Democracy (V-Dem) Index, the world's largest democracy measurement project. Che's researches were featured in various outlets including Peace and Conflict Studies, Journal of Asian and African Studies, and Third World Quarterly. <Email: Afaanwi.Che@xjtlu.edu.cn>

Kashif Hasan Khan is an Associate Professor in the Department of Economics at Ala-Too International University, Bishkek, Kyrgyzstan. He holds a Ph.D. in Finance and has a diverse professional background, having previously served as an Assistant Professor in Konya, Turkey, worked as an international business consultant in the Philippines, and contributed as a consultant economist with the Asian Development Bank. Dr. Khan has published extensively in high-ranking scholarly journals indexed in Web of Science, Scopus, ABDC, and other similar databases. His research interests include internal trade, political economy, economic corridors, India-Central Asia relations, and international trade. <Email: rfellow8@gmail.com>

Brice Tseen Fu Lee is a Ph.D. candidate in International Politics at Fudan University, China as a CSC Scholar and a Senior Researcher in Universidad del Desarrollo. He holds a Master of Arts degree in Politics, Governance, and Public Policy from the University of Sheffield as a Chevening Scholar and Master of Science in Management and Technology from Universiti Teknologi Brunei. He finished his B.A. in Business Administration from Universiti Brunei Darussalam. He specializes in security studies, political economy, and development studies, with a particular emphasis on China and Southeast Asian member states. <Email: briceleetseenfu@gmail.com>

Yun-Tso Lee is a professor at the Faculty of Government at Universidad del Desarrollo and the Director of the Center of International Relations Studies, at Universidad del Desarrollo, Chile. He holds a Master of Arts degree in Asian Studies, from Leiden University, Netherlands. He also holds a Ph.D. from Universidad Complutense de Madrid, Spain. His main research interests are geopolitics and geoeconomics of Asia and Latin America, with a focus on soft power and IR theory. <Email: ylee@udd.cl>

Juan Pablo **Sims** is a professor at the Faculty of Government at Universidad del Desarrollo and a researcher at the Center of International Relations Studies, Universidad del Desarrollo, Chile. He holds an M.A. in International Relations from the University of Melbourne, Australia, and is a Ph.D. candidate in International Politics at Fudan University, China. He is interested in international political economy, particularly in Latin America and East Asia. His most recent research involves Chinese investment and regional free trade agreements. [<Email: jsims@udd.cl>](mailto:jsims@udd.cl)

Chinese Political and Trade Influence in Africa and Asia Amidst Constant Competition with the United States

The discussions on regional influence and power relations in the international system cannot be ignored. At the heart of these discussions is the concept of competition — a force that drives states to secure resources, expand influence, and enhance their strategic positions. The nature of competition in the contemporary world has become increasingly multifaceted, encompassing military, economic, technological, and diplomatic dimensions. As a result, power relations within regions and across the globe are constantly shifting, creating a fluid environment – with new actors and evolving contexts.

Within this great power competition is the United States (US)-China rivalry. The race is more specifically felt in geostrategic, economic, governance, diplomacy, intelligence, and technological spheres. Most of these great power competitions emphasise the many ways that the rivalry had ripple effects across the globe, with an impact on the relations and interests of smaller powers. While these effects are considerable and important, attention must also be given to the potentials of smaller states in the grand competition for influence, particularly in shaping the futures of this great power rivalry.

This first issue of Volume 10 (2024) of the *Contemporary Chinese Political Economy and Strategic Relations: An International Journal* (CCPS) offers three select articles and one book review that delves into the Chinese influence in Africa and Central Asia and the Sino-US power competitions, specifically in Southeast Asia.

China and Africa continued to strengthen their economic cooperation through various strategic plans and initiatives within the frameworks of the Belt and Road Initiative (BRI) and the Forum on China-Africa Cooperation (FOCAC) established in 2000.¹ Over the last 20 years, China has emerged as Africa's biggest bilateral trade partner,² as it is today the biggest bilateral trade partner for many countries. Moreover, it has become the largest bilateral creditor to Africa,³ providing African countries with a new source of infrastructure, mining and energy financing (Munyati, 2024).

China's economic growth has increased its need for raw materials, particularly industrial metals, and fuels (*ibid.*). China's share of the total sub-Saharan external public debt was less than two per cent before 2005 but grew to about 17 per cent, or USD 134 billion, by 2021 (International Monetary Fund, 2023). Chinese foreign direct investment (FDI) likewise increased significantly over the last two decades. In 2003, the annual FDI flow from China to Africa⁴ was approximately USD 75 million. It peaked at USD 5 billion in 2022, representing about 4.4 per cent of the region's total FDI.

Outside of these trade and economic engagements between China and Africa, Afa'anwi Ma'abo Che's paper titled "[Chinese Aid: Powering Africa and Mitigating Electricity-related Demonstrations](#)," provides an empirical basis for cautioning against radical reforms on Beijing's non-interference foreign aid policy similar to that of the Western conditions. He also argued that tying political strings to Chinese official finance could precariously increase risks of anti-government demonstrations and social instability owing to constraints in infrastructure financing in many African states.

BRI also plays a central role in facilitating Chinese exports through developing road infrastructure and transit networks in Kyrgyzstan and Tajikistan.⁵ China's trade engagements in the region poured economic benefits to Kyrgyzstan and Tajikistan that, logically, have allowed China to expand its sphere of influence and increase the presence of its soft power in the region. Accordingly, Iman Bastanifar, Kashif Hasan Khan, and Abdulmelik Alkan have emphasised the importance of enhancing trade with China for Kyrgyzstan. They propose that establishing bilateral trade agreements, particularly through swap agreements, could stabilise Kyrgyzstan's exchange rate and shield its economy from currency fluctuations and global economic shocks. They argued that this strategy may lead to greater inflation control and improved economic stability for Kyrgyzstan. Moreover, in their study titled "[The Role of Chinese Trade in the Economic Stability of Kyrgyzstan and Tajikistan](#)," they highlighted how trade dynamics between China and Tajikistan can influence Kyrgyzstan's inflation rate, unemployment, and private and public debt levels, ultimately contributing to its economic stability.

Strategic competition has become the new paradigm of Sino-US relations. During the Trump administration, the US has described China, as a revisionist state and a strategic competitor⁶ which was viewed by Chinese scholars as the turning point in its China strategy. China, now, has become a key player in the future of Southeast Asia. Southeast Asians recognise China's burgeoning influence in the

region, but there are nuances to the geopolitical dynamics. It has intensified diplomatic efforts within the region, both through ASEAN and bilaterally, have yielded significant dividends. This is evident in the latest findings from the State of Southeast Asia 2024 survey. The findings of the survey underscore a notable surge in China's influence across Southeast Asia, with a growing number of regional respondents recognising its expanding role in the region.⁷ The Biden administration, earlier in 2022 through The National Security Strategy of 2022, described China as “the only competitor with both the intent to reshape the international order and, increasingly, has the economic, diplomatic, military, and technological power to do it.”⁸

China's economic growth has transformed the country's role in the international system and consequently in one of its areas of greatest interest, Southeast Asia. In recent years, relations between China and the Southeast Asian countries have improved considerably. Thus, China strategically aims to safeguard its economic, political, and security interests in the region to strengthen its position in the international system. However, there is a lingering distrust on the Asian giant fuelled by its diplomatic influence in several Southeast Asian countries and its growing military might, visible in its assertive actions in the South China Sea (Pérez, 2023).

Given Southeast Asia's pivotal role in global trade and economic growth, standing as one of the most dynamic and strategically significant regions in the world, Brice Tseen Fu Lee, Salman Ali Bettani, Juan Pablo Sims, and Yun-Tso Lee used the Kingmaker Theory to look into Southeast Asia's unique position as a pivotal influencer in the US-China rivalry in their paper titled “*Southeast Asia as a Latent Kingmaker in the US-China Rivalry*”. They believe that Southeast Asia can play a significant role in shaping the broader balance of power within the US-China rivalry.

Lastly, related to the discussions of Lee et al. on the US-China rivalry, Brainard B. Abunyawan reviewed the book edited by Kari Roberts and Saira Bano titled “*The Ascendancy of Regional Powers in Contemporary US-China Relations: Rethinking the Great Power Rivalry*” that focuses on the power competitions, specifically the interplay between the great and smaller powers or regional actors, and attempts to measure the extent to which the latter influence the US-China rivalry.

Reymund B. **Flores**, DPA*
Editor-in-Chief

Notes

* **Reymund B. Flores, D.P.A.** is a Professor of Politics and Governance at the Department of Social Sciences, West Visayas State University, Philippines. He received his Doctorate in Public Administration from the National College of Public Administration and Governance, University of the Philippines Diliman. His research interests, works, and publications include Asian politics and strategic relations, development policy, collaborative governance, state-civil society engagements, and risk/crisis communication. <Email: reymund.flores@wvsu.edu.ph, rbflores@alum.up.edu.ph>

1. As prescribed in the Program for China-Africa Cooperation in Economic and Social Development, adopted at the 2000 Ministerial Conference of FOCAC, China and Africa agreed to set up joint follow-up mechanisms to conduct regular evaluations on the implementation of the follow-up actions. In July 2001, a FOCAC ministerial consultation meeting was held in Lusaka, capital of Zambia, at which the Procedures for Follow-up Mechanisms of FOCAC were deliberated and adopted. The follow-up mechanisms officially took effect in April 2002. < http://www.focac.org/eng/ltjj_3/ltjz/ >
2. Around 20 per cent of the region's exports now go to China and about 16 per cent of Africa's imports come from China, according to the International Monetary Fund (IMF). This amounted to a record USD 282 billion in total trade volume in 2023. Primary commodities — metals, mineral products and fuel — represent about three fifths of Africa's exports to China, while it typically imports Chinese manufactured goods, electronics and machinery (Munyati, 2024).
3. According to estimates provided by the SAIS China Africa Research Initiative, Chinese credits to Africa amounted to USD 148 billion in 2019. Of this, USD 44 billion (29.7 percent) is allocated to investments in infrastructure, USD 36 billion to energy, and USD 18 billion to mining and extraction (Stein & Uddhammar, 2021).
4. Flows surged from USD 75 million in 2003 to USD 5 billion in 2021, then dropped to USD 1.8 billion in 2022. They peaked in 2008 at USD 5.5 billion due to the purchase of 20 per cent of the shares in Standard Bank of South Africa by the Industrial and Commercial Bank of China (China Africa Research Initiative, 2024).
5. A substantial network of roads, railways, air flights, communication, and oil and gas pipelines connects China to Central Asia. (As mentioned by H.E. Wen Jiabao, Premier of the State Council of the People's Republic of China at the Opening Session of the Second China-Eurasia Expo at the China-Eurasia Economic Development Forum, Urumqi, 2nd September 2012).
6. The White House (18th December 2017). *National Security Strategy of the United States of America*. <<https://trumpwhitehouse.archives.gov/wp-content/uploads/2017/12/NSS-Final-12-18-2017-0905.pdf>>; The U.S. department of defense. (19th January 2018). *Summary of the*

- 2018 national defense strategy of the United States of America. <<https://dod.defense.gov/Portals/1/Documents/pubs/2018-National-Defense-Strategy-Summary.pdf>>
7. ISEAS (2nd April 2024). *The State of Southeast Asia: 2024 Survey Report*. <<https://www.iseas.edu.sg/centres/asean-studies-centre/state-of-southeast-asia-survey/the-state-of-southeast-asia-2024-survey-report/>>
 8. The White House. (12th October 2022). *National security strategy*. <<https://www.whitehouse.gov/wp-content/uploads/2022/10/Biden-Harris-Administrations-National-Security-Strategy-10.2022.pdf>>

References

- China Africa Research Initiative. Chinese investment in Africa, 2003-2022. John Hopkins School of Advanced International Studies. (Accessed: 15th June 2024) < [>](https://www.sais-cari.org/chinese-investment-in-africa#:~:text=Chinese%20FDI%20in%20Africa%20Data%20Overview&text=Flows%20surged%20from%20US%2475,Bank%20of%20China%20(ICBC))
- International Monetary Fund (IMF). 2023. At a crossroads: Sub-Saharan Africa's economic relations with China. In *Regional economic outlook: Sub-Saharan Africa—Light on the horizon?* Washington, DC.
- Munyati, C. (2024). Why strong regional value chains will be vital to the next chapter of China and Africa's economic relationship. *CNBC Africa*, 25th June 2024. (Accessed: 28th June 2024). <<https://www.cnbc africa.com/2024/why-strong-regional-value-chains-will-be-vital-to-the-next-chapter-of-china-and-africas-economic-relationship/>>
- Pérez, J. G. (2023). China's bid for leadership in Southeast Asia. *Barcelona Centre for International Affairs*, November 2023. (accessed: 12th May 2024). <[>](https://www.cidob.org/en/publications/chinas-bid-leadership-southeast-asia)
- Stein, P & Uddhamar, E. (2021). China in Africa: The role of trade, investments, and loans amidst shifting geopolitical ambitions. *Observer Research Foundation (Occasional Papers)*, Issue No. 327 (25th August 2021), pp.1-42. (accessed: 4th May 2024). < [>](https://www.orfonline.org/public/uploads/posts/pdf/20230814142301.pdf)
- World Bank. (2023). *International Debt Report 2023*. Washington, DC: World Bank. <[>](http://hdl.handle.net/10986/40670)

Chinese Aid: Powering Africa and Mitigating Electricity-related Demonstrations

Afa'anwi Ma'abo **Che***
Xi'an Jiaotong-Liverpool University

Abstract

Chinese aid to Africa has dipped. At the same time, there has been a surge in anti-government protests and riots as witnessed in Kenya 2024, sparking curiosity about possible effects of foreign aid (or scarcity thereof) on public demonstrations. Existing studies on the security implications of foreign aid to Africa focus on risks of armed conflict, with no systematic attention to public manifestations which can spiral to deadly violence and repression. This paper explores the relationship between Chinese aid and anti-government demonstrations in recipient African states, with specific attention to aid and manifestations over electricity supply which is prioritised in national development strategies of many African states. Applied multiple regression analysis reveals a negative and statically significant relationship between Chinese electricity assistance and rates of anti-government manifestations over intermittent electricity access. Thus, while Chinese aid has been criticised, especially in Western media and policy circles, for perpetrating debt-traps and undermining state sovereignty, this paper adds to alternative evidence about the state legitimising and welfare-enhancing benefits of Chinese aid.

Keywords: *Aid, Finance, China, Energy, Electricity, Protests*

1. Introduction

China has emerged in the twenty-first century as a leading bilateral source of foreign assistance to many African states (Alden, 2007; Brautigam, 2009), yet little is known about the security implications of Chinese aid, defined herein as official financial assistance from China and its banks to African governments, with or without grant elements (Brautigam, 2011). Much of the existing literature

on security implications of Chinese official assistance to Africa focuses on risks of armed conflicts and state repression in relation to state capture and leadership consolidation (Strange et al., 2017; Kishi & Raleigh, 2015 & 2017). However, studies linking political survival goals and repressive use of Chinese aid overlook the potential of unconditional Chinese official finance to sponsor state-sustaining and human welfare-improving development projects, including expensive energy infrastructure ones. Some critics of Chinese assistance associate it with unsustainable debt burdens which undermine state sovereignty and state survival through risks of foreign take-over of national assets and natural resources (Corcoran, 2015). This article counter-argues that China's non-interference approach to foreign aid enhances recipient state capacity to provide public goods and redress public needs, thereby boosting state legitimacy while mitigating anti-government grievances and risks of anti-government social mobilisation, ultimately contributing to state consolidation. While reduced risks of public demonstrations potentially curb opportunities for repression, the possible negative effects of Chinese aid on anti-government manifestations have not been assessed quantitatively. Given the oft-overlooked utility of unconditional Chinese official finance for helping African governments in providing public goods and political constraints associated with conditional Western aid, this paper statistically explores whether Chinese official finance is associated with lower risks of anti-government demonstrations.

A mapping of anti-government protests and Chinese official finance in two African countries (Cameroon and Uganda) show that periods of decline in Chinese aid also experienced surges in protests (Che, 2021a). However, no study has assessed the impact of Chinese aid on public demonstrations. Extant literature in foreign aid and peace studies focus on examining foreign aid's effects on civil wars (Grossman, 1992; de Ree & Nillesen, 2009) and repressive use of state force (Carter, 2016; Kishi & Raleigh, 2015 & 2017). As elaborated in the ensuing literature review, while there appears to be growing consensus that foreign aid bolsters states' military capacities, thereby disincentivising armed rebellions, the aid-repression linkage remains shrouded in controversy. One line of thought holds that even traditional Western aid weakens the social contract, allowing rulers to be ruthless, with minimal accountability constraints (Ahmed, 2016 & 2019). An opposing line of thought depicts conditionalities accompanying Western aid as major constraints against ruthless use of state

force (Carter, 2016; Kishi & Raleigh, 2015 & 2017). A recent study (Che, 2021b) does not find foreign official finance to be a statistically significant predictor of repression in Africa.

While contributing towards clarifying the current controversy clouding the aid-repression nexus, this article assesses the possible more immediate effect of foreign official finance on public demonstrations. As foreign aid potentially boosts recipient states' capacities to provide public goods, meet public needs, and avert public grievances, it can be expected that foreign official finance flows would reduce risks of public demonstrations against the state, and by extension, limit incentives and opportunities for repressive exertion of state power. Understanding the more immediate effects of foreign aid on protests and riots can help towards clarifying conditions under which foreign aid might increase or decrease propensity to repression. In its own right as the dependent variable in this study, public demonstrations deserve scholarly attention as they pose disruptive challenges to state stability given their potential to metamorphose to political violence and armed rebellion if underlying grievances are not expediently redressed.

This paper uses standard multiple regression analysis to assess the effects of Chinese aid flows on anti-government public demonstrations in Africa. The paper focuses specifically on Chinese aid to the electricity sector and anti-government demonstrations relating to power supply instability and outages. Upon controlling for a number of confounding factors, this study finds a negative and statistically significant association between Chinese aid and anti-government manifestations. Hence, while many analysts criticise Chinese engagements in Africa as being harmful to African states, this study adds to contrasting evidence, revealing Chinese assistance as helpful in enhancing state capacity to meet public needs, mitigate public grievances and demonstrations, and enhance state stability.

The rest of this paper is structured as follows: First, the author reviewed related literature and derive testable hypotheses from suitable theoretical perspectives about possible effects of Chinese aid on protests and riots. Second, the author specified data on the study's dependent, independent, and control variables. Next, the study's statistical outputs are reported and discussed. Finally, implications of the study's findings for debates on China-Africa relations are outlined and directions for future research are signposted.

2. Literature Review

While there is an abundance of research on the motivations, distributive patterns, and developmental consequences of foreign aid (e.g. Cohen, 1995; Brautigam, 2009; Wright, 2010; Mwase & Yang, 2012), the present review is restricted to quantitative studies linking aid and conflict/peace in Africa for the purpose of clarifying this article's remit. Quantitative studies of foreign aid and peace tend to focus on traditional Western aid. This is largely due to the abundance of data on official finance flows from the United States of America (U.S.), the World Bank, and other Western aid providers that participate in various aid transparency schemes. Several studies have conducted large-n studies on Western aid and civil wars, with varying findings which can be classified under two broad categories. A few studies link Western aid with increased risks of civil war outbreak (e.g. Grossman, 1992; Nunn & Qian, 2014), arguing that aid swells the potential payoff or prize of capturing the state, motivating armed rebellion. Conversely, a majority of scholars find that traditional foreign aid reduces risks of civil wars (e.g. Collier & Hoeffler, 2002 & 2007; de Ree & Nillesen, 2009), asserting that, aid increases state capacity to spend more on strengthening its military forces, thereby raising opportunity costs of armed rebellion.

Compared to Western aid, there is a dearth of research relating to Chinese assistance and security in recipient countries. This is unsurprising. China emerged relatively more recently as a leading supplier of foreign assistance to African countries (Alden, 2007). China does not participate in traditional international aid reporting systems and there is a scarcity of reliable data on Chinese official finance to Africa. Upon tracking underreported Chinese official financial flows and generating one of the most used datasets on China-Africa aid, Strange et al. (2017) re-examined the aid – conflict nexus and found a negative correlation. While arguing that Chinese aid expands recipient states' capacities to strengthen their armies and fend-off armed rebellions, Strange et al.'s (2017) finding converges with the predominant view that foreign aid reduces, rather than increases, risks of civil wars.

Turning attention towards side-effects of foreign aid on repression, Carter (2016) undertook a statistical analysis and found evidence that traditional Western aid conditionalities dissuade state repressive violence owing to fears of sanctions, including aid withdrawals. However, in a narrower more

specialised quantitative analysis of U.S. aid, Ahmed (2016 & 2019) found a positive and statistically significant link between assistance from the largest Western bilateral donor and state repression. According to Ahmed's analysis, aid weakens the social contract between state leaders and their citizens, mitigating domestic accountability constraints that are otherwise strengthened by taxation, a conventional source of state revenue which induces citizenry pressure for representation and participation in state decision-making, including with respect to use of state force.

Undertaking quantitative comparative assessments of conflict and state repression effects of conditional Western aid and unconditional Chinese official finance, Kishi and Raleigh (2015 & 2017) report no differences in terms of the conflict effect of the two types of foreign aid. However, with regards to repression, Kishi and Raleigh (2015 & 2017, 3) found that states receiving larger amounts of Chinese financial assistance are disproportionately more ruthless than states receiving mainly Western aid. This finding has received extensive publicity in major international media outlets, including Mail and Guardian (2015) and The Irish Times (Corcoran, 2015) but is undermined by theoretical and methodological biases (Che, 2021b).

In the 21st century, the world has witnessed a decline in armed conflicts and a surge in non-militia or unarmed challenges to states (Raleigh et al., 2010). Although public manifestations are often accompanied by risks of violent escalation and disruption to state security, no quantitative comparative analysis has been conducted to gauge foreign aid's impact on anti-government public demonstrations. This is remarkable as foreign aid, especially official development assistance, is typically intended to support states in meeting the welfare needs (energy, transportation, education, and health, and so on) of their citizens. Welfare gains constitute a major determinant of state legitimacy (Gilley, 2006) and if a state is failing to provide for its citizens' welfare, grievances and public demonstrations can be expected as long argued in deprivation theories of social movements (Opp, 1988; McAdam, McCarthy, & Zald, 1988). Given the potential significance of foreign aid in leveraging the provision of public goods which enhance state leaders' legitimacy claims and minimise incentives for manifestations, this study focuses on assessing the effects of foreign aid in relation to public demonstrations.

Grievances and demonstrations (or the absence thereof) are more immediately connected to foreign aid than are armed conflicts and repression as the latter phenomena tend to arise only after grievances have formed and

collective mobilisation initiated. Therefore, understanding the effect of foreign aid on public demonstrations is relevant for clarifying conditions linking foreign aid and repression in peace studies. Moreover, through its analysis, this study contributes towards appraising the effectiveness of Chinese aid in meeting welfare needs and mitigating anti-government grievances.

Literature on political protests and social movements emphasise incentives and opportunities as pivotal explanations for public demonstrations. Theories of deprivation (Opp, 1988; McAdam, McCarthy, & Zald, 1988) and framing (Benford & Snow, 2000) explain public demonstrations as products of real and constructed grievances which induce incentives to initiate and join mobilisation for collective action. However, as articulated in political process theory, public demonstrations require opportunities to take-off and thrive (McAdam, McCarthy, & Zald, 1996; Meyer, 2004). Social and political scientists have explored, among others, the following as independent opportunity variables for collective action mobilisation: openness of political institutions (Kriesi, 2004); history of mobilisations (Whittier 2004); international alliances (Meyer, 2003); state wealth and capacity (Amenta, Dunleavy, & Bernstein, 1994); corruption (Johnston, 1986); state repression record (Ondetti, 2006; Heger & Salehyan, 2007); and more recently, social media access and use (Larson et al., 2019; Enikolopov, Makarin, & Petrova, 2020). Interdependence in incentive and opportunity explanations of public demonstrations has been emphasised (Opp & Kittel, 2010) and a multidisciplinary approach to studying political protests and social movements is encouraged (Opp, 2009).

Although some scholars such as Meyer (2003) have recognised the influence of international factors on public demonstrations, the specific effects of foreign aid on public manifestations remain unexplored in quantitative international relations. Restricting themselves to single and comparative case analysis, some studies have revealed instances of community displacement, environmental, and labour grievances and protests against some Western and Chinese-funded development projects (Chen & Landry, 2018; Schapper, Unrau, & Killoh, 2019; Che, 2021a). However, in the absence of cross country large-n analysis, it remains unclear if (and how) Chinese foreign official finance correlates with grievances and public demonstrations.

3. Hypotheses

Two logical but opposing hypotheses are derivable from two theoretical perspectives, namely rentier state theory and political survival theory, which are instructive for understanding anti-government social movements. On one hand, the author drew on rentier state theory to assert vulnerability of foreign aid to risks of misuse in ways similar to non-taxation-based revenue. While tax-sourced state revenue generates accountability pressure and reinforces the social contract between leaders and citizens, externally sourced revenue is more fungible, especially for states with dictatorial systems (Karl, 1997; Ross, 2001). Because rentier states are less accountable and less democratic relative to taxation-dependent states (Ross, 2001, 325), it can be expected that the former category incorporating many African states would be inclined to spend foreign aid via corrupt and private channels which perpetuate public grievances and related risks of anti-government protests. Hence, a possible hypothesis flowing from the rentier state perspective is that: African states with larger inflows of Chinese official finance are more prone to anti-government protests and riots.

On the other hand, since every state leader strives for legitimacy and preservation of their leadership including through delivery of public goods, political survival theory (de Mesquita et al., 2003; Gilley, 2006) is relevant for anchoring an alternative hypothesis linking Chinese aid and reduced risks of public manifestations in African countries. In the political survival perspective, foreign official finance potentially expands the capacity of recipient states to enhance their legitimacy through spending on public welfare, thereby warding-off welfare related public grievances while mitigating incentives for public demonstrations. Because Chinese aid potentially expands the resource capacity of recipient governments to deliver expensive public goods such as power plants, roads, railways, and ports while enhancing domestic approval ratings for the recipient governments (Dreher et al., 2019), it can be hypothesised that: African states with larger inflows of Chinese official finance are less prone to anti-government protests and riots.

4. Methodology

4.1. Regression analysis

To determine which of the above hypotheses is empirically substantiated, the author carried out a quantitative evaluation involving standard multiple regression analysis in the Statistical Package for the Social Sciences (SPSS). The quantitative evaluation examines public protest and riot effects of Chinese aid while controlling for various possible mediating variables. To check against over-aggregation in the statistical analysis, the author did not merge all Chinese official finance flows. Instead, the author used a disaggregated approach targeting only Chinese assistance to electricity generation, transmission, and distribution on the one hand (independent variable) and anti-government demonstrations over electric power instability (dependent variable).

Focus on electric power is justified by its centrality in many national development strategies across Africa and Chinese support towards realisation of those strategies as is the case with Kenya's Vision 2030 (Opali, 2021), Cameroon's Vision 2035 (PRC, n.d.), and Uganda's Vision 2040 (Kiva, 2023). Electricity is indispensable for the wellbeing of citizens and development of states as it helps to power homes, offices, schools, hospitals, and industries (Stern & Kander, 2012). Given the low substitutability of electric power, soaring prices, deficits, and disruptions thereof can induce public grievances and demonstrations against local and national governments as exemplified by recent mass protests in South Africa (Gillili, 2023), Nigeria (Ezediuno, 2022), and Ghana (Kombat, 2022). As Chinese aid supports African states in upscaling electricity infrastructure (particularly hydro, solar, and wind-based electricity power plants), increased access to electricity can logically be expected alongside reduced risks of anti-government protests over electricity supply.

The time span covered in the analysis is 2001-2018 for which data on most of the variables of interest are available. Assumptions of multiple regression analysis, including normality, linearity, and multicollinearity, were checked by inspecting related coefficients such as Pearson Correlation, Mahalanobis distance, and Variance Inflation Factor. All sovereign African countries are included in the analysis, excluding Burkina Faso, São Tomé and Príncipe, Eswatini, and The Gambia) which, for most of the period studied

(2001-2018), rejected the 'One China' principle by recognising Taiwan and did not receive Chinese official finance. South Sudan became an independent African state in 2011 and so has only seven country-year observations captured in this study. Essentially, panel data covering 50 African countries, each observed from extant indices yearly over the 2001-2018, is analysed in this study. The dataset is composed of 889 African country-year units.

Since the data used is panel data that draws on various sources for measuring different variables, similarities and variability between observations over time and space are implicitly captured, allowing for mixed (fixed and random) effects of the data to be accommodated in analysis. Critically, however, there are some cases of missing data. For instance, no data is available for governance-related variables for 2001 for all cases and there are some missing values for country-years where measurements are not provided in source indices. The 'exclude cases pairwise' function is used to remove missing data entries from the analysis in SPSS.

4.2. Data sources

The dependent variable relating to anti-government public demonstrations over power cuts is gauged from Raleigh, Kishi, and Linke (2023) Armed Conflict Location and Event Data (ACLED) which captures violent and non-violent events, including protests and riots by date and location. Using event tracking experts and various media sources, ACLED has compiled daily counts and descriptions of public demonstrations for African countries since 1997. The database captures sources of, and notes from, reports detailing nature and motivations of protest and riot events. The author identified and counted only public demonstrations reportedly expressing grievances against local and/or national government authorities over intermittent electricity supply.

To facilitate a curated download of electricity-related demonstrations, the author entered 'electricity' in the keyword function of the ACLED data export tool. Prior to frequency counts, the author checked the 'notes' column in downloaded data to verify that only manifestations over electricity-related demands are captured. The author used both summative and disaggregated measures of electricity-related public demonstration events. The summative measure is obtained by summing counts of protest and riot events for each country-year (2001-2018). At the disaggregated levels, measures constitute counts of protests and riots separately.

Data on the independent variable (Chinese aid towards electricity infrastructure development) is derived from AidData's Global Chinese Development Finance Dataset, version 2.0 (Custer et al., 2021; Dreher et al., 2022) which incorporates official development assistance (ODA-like flows with a minimum of 25 per cent grant element) and other official finance (OOF-like flows with less than 25 per cent grant element) to African countries. AidData contains purpose descriptions and sector categorisation of each Chinese official finance flow. The author identified and extracted only flows with purposes specifically relating to construction of electricity generation plants and to electricity transmission, and distribution (energy sector). For each country-year, the author captured the total amount (US Dollars) of Chinese energy finance committed to electricity enhancement purposes.

To control for direction of effect on public manifestations, observations of Chinese official finance are lagged, with the country-years observed for finance commitments ranging from 2000 to 2017. Also, since countries vary in population size and rate of dependency on foreign aid, the author gauged Chinese electricity aid only as a proportion or percentage of Gross Domestic Product (GDP), with data on the latter sourced from the World Bank (nd).

Control variables, including governance-related ones, are added to the regression analysis. First, the author controlled for the effect of liberal democracy incorporating various freedoms (e.g. freedom of speech, movement, and assembly) which potentially facilitate mobilisation for collective action, raising risks of protests and riots. Democracy is measured from Polity IV (Marshall, Gurr, & Jaggers, 2018), with higher scores representing more civil liberties and leadership accountability. Also, the author controlled for the potential of state repression to affect risks of violent public demonstrations (Opp 1994). Use of repression to reaffirm state authority and contain political opposition can induce protests as instruments for expressing frustration (Ondetti, 2006; Heger & Salehyan, 2007). However, there is also an alternative logical view that repression instigates fear and dissuades mobilisation for public manifestations against the government (Escribà-Folch, 2013).

Additionally, political corruption is included in the analysis as a control variable. There is no scholarly consensus on the consequences of political corruption, especially with regards to anti-government demonstrations. Some studies aver a negative correlation between political corruption and anti-

government manifestations as corrupt political authorities pay off bribes to 'win-over' opposition leaders and contain anti-government grievances (Leys, 1965); others assert a positive correlation especially in circumstances where corrupt state authorities disregard or repress the opposition (Johnston, 1986; see also Kishi, Maggio, & Raleigh, 2017, 8). Political corruption is measured in this study using the Political Corruption Index (version 8) from the Varieties of Democracy Project (Coppedge et al., 2018).

Because dependence on domestic taxation relative to other sources of national revenue (e.g. natural resource rents) renders a state more productive, responsive and accountable to its citizens (Moore, 2007), it can be expected that states with higher rates of tax revenue would be more responsive to public demands, and would witness lower rates of anti-government demonstrations. Thus, this study includes tax revenue as an additional control variable in its regression models. Tax revenue is measured as a proportion of GDP as captured from the World Bank's (2019) World Development Indicators' database.

Given the relevance of governance quality to managing aid effectively for public welfare (Santiso, 2001), governance attributes can be expected to impact incentives and opportunities for anti-government public manifestations. Thus, governance-related variables, specifically government effectiveness and regulatory quality, are included in the regression analysis. Government effectiveness relates to how well public administrative institutions meet demand for public services and facilities across different sectors, including public health, education, energy, and transportation. Regulatory quality focuses more on the extent to which rules and policies facilitate private sector development. Risks of protests and riots are likely to be reduced where the public service is effective, and the private sector is well regulated. Measurements for government effectiveness and regulatory quality are drawn from the World Bank's World Governance Indicators database (Kaufmann, Kraay, & Mastruzzi, 2010).

5. Findings and Discussions

Statistical outputs are summarised in Table 1 capturing Beta coefficients of all predictor variables described earlier. Model 1 reports regression results for aggregate public demonstrations (that is, protests and riots combined). Model 2 focuses on protests while Model 3 focuses on riots. R Square values for all the

regression models attained statistical significance (Sig. = .000), with each model explaining between 41 and 48 per cent of variance in the dependent variable.

Table 1: Effects Chinese Aid on Electricity-related Demonstrations, 2001-2018

	MODEL 1	MODEL 2	MODEL 3
Chinese Aid	-.205***	-.253***	-.264***
Liberal Democracy	.057**	.172**	.130*
Repression	.302***	.365***	.378***
Political Corruption	-.103*	-.146**	-.166**
Tax Revenue	-.038	-.044	.041
Government Effectiveness	-.141**	-.122*	-.177**
Regulatory Quality	-.010	.012	.018
***p<0.01, **p<0.05, *p<0.1			

The table reported the standardised coefficients of variables in standard multiple regression analysis predicting effects of Chinese electricity aid on anti-government protests and riots over electricity demands.

Discounting their negative signs, Beta coefficient values of Chinese aid (-.205, -.253, -.264) are larger than those of other predictor variables, barring repression. This signals a generally substantial unique impact of Chinese aid on anti-government protests and riots when other predictor variables are controlled for. The effect of Chinese aid is statistically significant ($p < .01$), with the negative sign next to its Beta values revealing a negative relationship with electricity-related protests and riots.

The regression results bear support for the hypothesis derived from political survival theory, relative to the one derived from rentier state theory. Ostensibly due to its demand-driven and unconditional structure, Chinese aid

particularly seems politically valuable to African leaders under pressure to deliver much desired but expensive electricity infrastructure projects, including hydroelectricity dams. Conversely, Western aid agencies are seldom willing to sponsor such expensive infrastructure and usually impose democracy and free market-promoting conditionalities on African states, constraining African leaders' discretion and proclivity to use aid in ways that optimise their popularity and voter shares while warding-off risks of anti-government protests and riots. Unfortunately, due to paucity of energy assistance from Western bilateral sources comparable to China, only Chinese electricity aid projects are examined in the regression analysis.

The negative and statistically significant relationship between Chinese electricity aid and public demonstrations is consistent with extant suggestions of the relevance of Chinese aid in redressing infrastructure needs across various sectors, including education, health, housing, and transport (Brautigam, 2009; Nordtveit, 2011; Tang & Shen, 2020), helping to curb protests in pre-election years in some African countries (Che 2021a) while facilitating pro-incumbent votes (Dreher et al., 2019; Che & Njie, 2024).

6. Conclusion

Chinese official finance has been criticised in some Western scholarly, policy, and media outlets for perpetrating debt-traps, corruption, and repression in recipient countries (e.g. Kishi and Raleigh, 2015 & 2017; Corcoran, 2015; Mail and Guardian, 2015). Against a backdrop of Western calls for China to reform its aid policy of non-interference, Beijing has demonstrated willingness to become more active in monitoring and supervising Chinese-funded projects in recipient countries. For instance, in 2013, China's Ministry of Commerce and Ministry of Environmental Protection jointly issued reform 'measures' mandating stringent project appraisals and evaluations as safeguards for appropriate and sustainable use of Chinese development assistance (Dreher et al., 2019). While clarifying China's "Measures for the Administration of Foreign Aid" in a press conference in December 2014, a high-ranking official in the Ministry of Commerce suggested that there should be sanctions or punishment for non-compliance with Chinese-funded development project implementation terms (MOFCOM, 2014; Che, 2021b, 249-250).

However, criticisms of China's no-strings-attached approach to foreign aid overlooks its potential for cushioning budget deficits in African countries

and for supporting African governments in providing public goods and improving living conditions in society. This study's finding of a negative and statistically significant relationship between Chinese electricity aid and anti-government public demonstrations over electricity demands provides an empirical basis for cautioning against radically reforming or jettisoning Beijing's non-interference foreign aid policy for Western-like conditionalities. Tying political strings to Chinese official finance could precariously increase risks of anti-government demonstrations and social instability owing to constraints in infrastructure financing in many African states. Given a surge in anti-neocolonial sentiments, prominently exuded through unconstitutional military takeovers and mass protests in some Francophone African states (e.g. Burkina Faso, Mali, and Niger) it will be prudent for Beijing to avoid overhauling its foreign aid policy of non-interference if China-Africa relations are to be sustained on friendly and mutually respectful terms.

Caution is urged against reforms that could make Chinese aid condition-based and undermine its utility for provision of public goods that improve public welfare and minimise incentives for protests and riots. While this cautionary note is based on a regression analysis of Chinese energy aid on electricity-related public demonstrations, it remains unclear whether several types of aid projects in the electricity development chain (from generation to distribution and wiring) affect risks of electricity-related social movements differently. Hence, future research could undertake disaggregated quantitative explorations and qualitative studies involving field research in African countries for differentiated analysis of causal mechanisms linking Chinese aid and civil society activism.

Declaration of conflicting interests

The author declared no potential conflicts of interest with respect to the research, authorship, and/or publication of this article.

Acknowledgements

This work benefited from Xi'an Jiaotong-Liverpool University's Research Development Fund (RDF). The author is also grateful to Oguntade Aanuoluwapo who provided data coding

research assistance. Research assistantship was funded by RDF. Finally, the author thanks the anonymous reviewers whose comments inspired clarification and operationalisation of this paper's variables of interest.

Notes

* Afa'anwi Ma'abo Che is an Assistant Professor in International Studies at Department of International Studies, Xi'an Jiaotong-Liverpool University (XJTLU), Suzhou, Jiangsu Province, P.R. China. He is a 2019 fellowship and grant recipient from China-Africa Research Initiative at Johns Hopkins University's School of Advanced International Studies. He regularly contributes to coding data for the Varieties of Democracy (V-Dem) Index, the world's largest democracy measurement project. Che's researches were featured in various outlets including Peace and Conflict Studies, Journal of Asian and African Studies, and Third World Quarterly. <Email: Afaanwi.Che@xjtlu.edu.cn>

References

- Ahmed, F. (2016). Does foreign aid harm political rights? Evidence from U.S. aid. *Quarterly Journal of Political Science*, Vol. 11, No. 2, pp. 183-217. <<http://dx.doi.org/10.1561/100.00015110>>
- Ahmed, F. (2019). Foreign aid and repression. In Dutta, N. & Williamson, C. (Eds.), *Lessons on foreign aid and economic development* (pp. 169-186). Palgrave Macmillan Cham. <<https://doi.org/10.1007/978-3-030-22121-8>>
- Alden, C. (2007). *China in Africa*. London, UK: Zed Books.
- Amenta, E., Dunleavy, K., & Bernstein, M. (1994). Stolen thunder? Huey long's "share our wealth," political mediation, and the second new deal. *American Sociological Review*, Vol. 59, No. 5, pp. 678-702.
- Benford, R., & Snow, D. (2000). Framing processes and social movements: An overview and assessment. *Annual Review of Sociology*, Vol. 26, pp. 611-639. <<https://doi.org/10.1146/annurev.soc.26.1.611>>
- Brautigam, D. (2009). *The dragon's gift: The real story of China in Africa*. Oxford, UK: Oxford University Press.
- Brautigam, D. (2011). Aid 'with Chinese characteristics': Chinese foreign aid and development finance meet the OECD-DAC aid regime. *Journal of International Development*, Vol. 23, No. 5, pp. 752-764. <<https://doi.org/10.1002/jid.1798>>
- Bueno de Mesquita, B., Smith, A., Siverson, R., & Marrow, J. (2003). *The logic of political survival*. Cambridge, MA: The MIT Press.
- Carter, B. (2016). Repression and foreign aid in autocracies: Exploiting debt relief negotiations in post-cold war Africa. *AidData Working Paper Series*, No. 29. <<http://www.aiddata.org/publications>>

- Che, A. (2021a). Tracing the distribution of Chinese and World bank-funded projects and public demonstrations in Cameroon and Uganda. *Journal of Asian and African Studies*, Vol. 56, No. 3, pp. 659-675. <<https://doi.org/10.1177/0021909620939114>>
- Che, A. (2021b). Comparing the effects of Chinese and traditional official finance on state repression in Africa. *Asian Journal of Peacebuilding*, Vol. 9, No. 2, pp. 233-254. <<https://doi.org/10.18588/202108.00a146>>
- Che, A., & Njie, M. (11th March 2024). Deeply divided along aid lines? Chinese loans, Cameroon, and Anglophone marginalization. *Third World Quarterly*, Vol. 45, No. 8, pp. 1398-1417. <<https://doi.org/10.1080/01436597.2024.2323578>>
- Chen, Y., & Landry, D. (2018). Capturing the rains: Comparing Chinese and World bank hydropower projects in Cameroon and pathways for South-South and North-South technology transfer. *Energy Policy*, Vol. 115, pp. 561-571. <<https://doi.org/10.1016/j.enpol.2017.11.051>>
- Cohen, J. (1995). Ethnicity, foreign aid, and economic growth in sub-Saharan Africa: The case of Kenya. *HIID Development Paper*, No. 520. Cambridge, MA: Harvard Institute for International Development.
- Collier, P., & Hoeffler, A. (2002). Aid policy and peace. *Defence and Peace Economics*, Vol. 13, No. 6, pp. 435-450. <<https://doi.org/10.1080/10242690214335>>
- Collier, P., & Hoeffler, A. (2007). Unintended consequences: Does aid promote arms races? *Oxford Bulletin of Economics and Statistics*, Vol. 69, No. 1, pp. 1-27. <<https://doi.org/10.1111/j.1468-0084.2006.00439.x>>
- Coppedge, M., Gerring, J., Knutsen, C., Lindberg, S., Skaaning, S., Teorell, J., & Ziblatt, D. (2018). V-dem dataset (version 8). *Varieties of Democracy (V-Dem) Project*. <<https://www.v-dem.net/en/data/data-version-8/>>
- Corcoran, B. (16th June 2015). Chinese aid to Africa creating pariah states, study claims. *The Irish Times*. <<https://www.irishtimes.com/news/world/africa/chinese-aid-to-africa-creating-pariah-states-study-claims-1.2250472>>
- Custer, S., Dreher, A., Elston, T., Fuchs, A., Ghose, S., Lin, J., Malik, A., Parks, B., Russell, B., Solomon, K., Strange, A., Tierney, M., Walsh, K., Zaleski, L., & Zhang, S. (2021). *Tracking Chinese development finance: An application of aiddata's tuff 2.0 methodology*. Williamsburg, VA: AidData.
- de Ree, J., & Nillesen, E. (2009). Aiding violence or peace? The impact of foreign aid on the risk of civil conflict in sub-Saharan Africa. *Journal of Development Economics*, Vol. 88, No. 2, pp. 301-313. <<https://doi.org/10.1016/j.jdeveco.2008.03.005>>
- Dreher, A., Fuchs, A., Hodler, R., Parks, B., Raschky, P., & Tierney, M. (2019). African leaders and the geography of China's foreign assistance. *Journal of Development Economics*, Vol. 140, pp. 44-71. <[doi: 10.1016/j.jdeveco.2019.04.003](https://doi.org/10.1016/j.jdeveco.2019.04.003)>
- Dreher, A., Fuchs, A., Parks, B., Strange, A., & Tierney, M. (2022). *Banking on Beijing: The aims and impact of China's overseas development program*. Cambridge, UK: Cambridge University Press.

- Enikolopov, R., Makarin, A., & Petrova, M. (2020). Social media and protest participation: Evidence from Russia. *Econometrica*, Vol. 88, No. 4, pp. 1479-1514. <<https://doi.org/10.3982/ECTA14281>>
- Escribà-Folch, A. (2013). Repression, political threats, and survival autocracy. *International Political Science Review*, Vol. 34, No. 5, pp. 543-560. <<https://doi.org/10.1177/0192512113488259>>
- Ezediuno, F. (2nd October 2022). Blackout: Osun community protests, demands connection to osogbo supply line. *Daily Post*. <<https://dailypost.ng/2022/10/02/blackout-osun-community-protests-demands-connection-to-osogbo-supply-line/>>
- Gilili, C. (25th July 2023). South Africa: Hundreds protest in madibeng over water and electricity.” *AllAfrica*. <<https://allafrica.com/stories/202307250047.html>>
- Gilley, B. (2006). The determinants of state legitimacy: Results for 72 countries. *International Political Science Review*, Vol. 27, No. 1, pp. 47-71. <<https://doi.org/10.1177/0192512106058634>>
- Grossman, H. (1992). Foreign aid and insurrection. *Defence Economics*, Vol. 3, No. 4, pp. 275-288. <<https://doi.org/10.1080/10430719208404737>>
- Heger, L., & Salehyan, I. (2007). Ruthless rulers: Coalition size and the severity of civil conflict. *International Studies Quarterly*, Vol. 51, No. 2, pp. 385-403. <<https://doi.org/10.1111/j.1468-2478.2007.00456.x>>
- Johnston, M. (1986). The political consequences of corruption: A reassessment. *Comparative Politics*, Vol. 18, No. 4, pp. 459-477. <<https://doi.org/10.2307/421694>>
- Karl, T. (1997). *The paradox of plenty: Oil booms and petro-states*. Berkeley: University of California Press.
- Kaufmann, D., Kraay, A., & Mastruzzi, M. (2010). The Worldwide governance indicators: Methodology and analytical issues. *World Bank Policy Research Working Paper*, No. 5430. <<http://info.worldbank.org/governance/wgi/Home/Documents>>
- Kishi, R., & Raleigh, C. (2nd December 2015). When China gives aid to African governments, they become more violent. *The Washington Post*. <<https://www.washingtonpost.com/news/monkey-cage/wp/2015/12/02/when-china-gives-aid-to-african-governments-they-become-more-violent/>>
- Kishi, R., & Raleigh, C. (2017). Chinese official finance and state repression in Africa. *ACLEDA Working Paper Series*. <<https://www.acleddata.com/wp-content/uploads/2017/04/Chinese-Aid-Repression.pdf>>
- Kishi, R., Maggio, G., & Raleigh, C. (2017). Foreign investment and state conflicts in Africa. *Peace Economics, Peace Science and Public Policy*, Vol. 23, No. 3, pp. 1-22. <<https://doi.org/10.1515/peps-2017-0007>>
- Kiva, N. (22nd March 2023). China-backed project set to power Uganda. *China Daily*. <<https://www.chinadaily.com.cn/a/202303/22/WS641a6bd9a31057c47ebb5e23.html>>
- Kombat, E. (27th July 2022). Demo hits nedco/vra in Salaga over erratic power supply. *Daily Guide Network*. <<https://dailyguidenetwork.com/demo-hits-nedco-vra-in-salaga-over-erratic-power-supply/>>

- Kriesi, H. (2004). Political context and opportunity. In Snow, D. Soule, S. & Kriesi, H. (Eds.), *The blackwell companion to social movements* (pp. 67-90). Malden and Oxford: Blackwell.
- Larson, J., Nagler, J., Ronen, J., & Tucker, J. (2019). Social networks and protest participation: Evidence from 130 million twitter users. *American Journal of Political Science*, Vol. 63, No. 3, pp. 690-705. <<https://doi.org/10.1111/ajps.12436>>
- Leys, C. (1965). What is the problem about corruption? *Journal of Modern African Studies*, Vol. 3, No. 2, pp. 215-230. <<https://doi.org/10.1017/S0022278X00023636>>
- Mail and Guardian. (9th April 2015). China does not support rogue African states, It creates them—report. <<https://mg.co.za/article/2015-04-09-china-does-not-supportrogue-african-states-it-creates-them-report>>
- Marshall, M., Gurr, R., & Jaggers, K. (2018). Polity iv project: Political regime characteristics and transitions, (pp. 1800-2017) (Version 2017). *Center for Systemic Peace*. <<http://www.systemicpeace.org/inscrdata.html>>
- McAdam, D., McCarthy, J., & Zald, M. (1988). Social movements. In Smelser, N. (Ed.), *Handbook of Sociology* (pp. 695-737). Newbury Park, CA: Sage Publications.
- McAdam, D., McCarthy, J., & Zald, M. (Eds.). (1996). *Comparative perspectives on social movements: Political opportunities, mobilizing structures, and cultural framings*. Cambridge: Cambridge University Press.
- Meyer, D. (2003). Political opportunity and nested institutions. *Social Movement Studies*, Vol. 2, No. 1, pp. 17-35. <<https://doi.org/10.1080/1474283032000062549>>
- Meyer, D. (2004). Protest and political opportunities. *Annual Review of Sociology*, Vol. 30, pp. 125-145. <<https://doi.org/10.1146/annurev.soc.30.012703.110545>>
- MOFCOM (Ministry of Commerce). (10th December 2014). Ministry of commerce holds briefing on measures for administration of foreign aid. <<http://english.mofcom.gov.cn/article/newsrelease/press/201412/20141200851923.shtml>>
- Moore, M. (2007). How does taxation affect the quality of governance? *Institute of Development Studies Working Paper*, No. 280. <<https://www.ids.ac.uk/research/publications/?select-publication-types%5B0%5D=working-papers&select-year%5B0%5D=2007&hidden-sort-by=odate&hidden-current-page=1¤t-page=2#listing>>
- Mwase, N., & Yang, Y. (2012). BRICS' philosophies for development financing and their implications for LICs. *IMF Working Paper*, No. 12/74. <<https://www.imf.org/en/Publications/WP/Issues/2016/12/31/BRICs-Philosophies-for-Development-Financing-and-their-Implications-for-LICs-25770>>
- Nordtveit, B. (2011). An emerging donor in education and development: A case study of China in Cameroon. *International Journal of Educational Development*, Vol. 31, No. 2, pp. 99-108. <[doi: 10.1016/j.ijedudev.2010.01.004](https://doi.org/10.1016/j.ijedudev.2010.01.004)>
- Nunn, N., & Qian, N. (2014). US food aid and civil conflict. *American Economic Review*, Vol. 104, No. 6, pp. 1630-1666. <<https://doi.org/10.1257/aer.104.6.1630>>

- Ondetti, G. (2006). Repression, opportunity, and protest: Explaining the takeoff of Brazil's Landless Movement. *Latin American Politics and Society*, Vol. 48, No. 2, pp. 61-94. <https://doi.org/10.1111/j.1548-2456.2006.tb00347.x>
- Opali, O. (21st January 2021). China-backed dam project powers Kenya vision for tech city. *China Daily*. <http://www.chinadaily.com.cn/a/202101/21/WS6008e19ba31024ad0baa418f.html>
- Opp, K. (1988). Grievances and participation in social movements. *American Sociological Review*, Vol. 53, No. 6, pp. 853-864. <https://doi.org/10.2307/2095895>
- Opp, K. (1994). Repression and revolutionary action: East Germany in 1989. *Rationality and Society*, Vol. 6, No. 1, pp. 101-138. <https://doi.org/10.1177/1043463194006001007>
- Opp, K. (2009). *Theories of political protest and social movements: A multidisciplinary introduction, critique, and synthesis*. London and New York: Routledge.
- Opp, K., & Kittel, B. (2010). The dynamics of political protest: Feedback effects and interdependence in the explanation of protest participation. *European Sociological Review*, Vol. 26, No. 1, pp. 97-109. <https://doi.org/10.1093/esr/jcp008>
- PRC. (n.d.). China reaffirms commitment to support Cameroon's emergence. *Presidency of the Republic of Cameroon*. <https://www.prc.cm/en/news/audiences/2309-china-reaffirms-commitment-to-support-cameroon-s-emergence>
- Raleigh, C., Kishi, R., & Linke, A. (2023). Political instability patterns are obscured by conflict dataset scope conditions, sources, and coding choices. *Humanities & Social Sciences Communications*, Vol. 10, No. 74, pp. 1-17. <https://doi.org/10.1057/s41599-023-01559-4>
- Ross, M. (2001). Does oil hinder democracy? *World Politics*, Vol. 53, No. 3, pp. 325-361. <https://doi.org/10.1353/wp.2001.0011>
- Santiso, C. (2001). Good governance and aid effectiveness: The World bank and conditionality. *Georgetown Public Policy Review*, Vol. 7, No. 1, pp. 1-22.
- Schapper, A., Unrau, C., & Killoh, S. (2019). Social mobilization against large hydroelectric dams: A comparison of Ethiopia, Brazil, and Panama. *Sustainable Development*, Vol. 28, No. 2, pp. 413-423. <https://doi.org/10.1002/sd.1995>
- Stern, D., & Kander, A. (2012). The role of energy in the industrial revolution and modern economic growth. *The Energy Journal*, Vol. 33, No. 3, pp. 125-152. <http://www.jstor.org/stable/23268096>
- Strange, A., Dreher, A., Fuchs, A., Parks, B., & Tierney, M. (2017). Tracking underreported financial flows: China's development finance and the aid-conflict nexus revisited. *Journal of Conflict Resolution*, Vol. 61, No. 5, pp. 935-963. <https://www.aiddata.org/datasets>
- Tang, K., & Shen, Y. (2020). Do China-financed dams in sub-Saharan Africa improve the region's social welfare? A case study of the impacts of Ghana's bui dam. *Energy Policy*, Vol. 136, Article 111062, pp. 1-14. <https://doi.org/10.1016/j.enpol.2019.111062>

- Whittier, N. (2004). The consequences of social movements for each other. In Snow, D., Soule, S. & Kriesi, H. (Eds.), *The blackwell companion to social movements* (pp. 531–552). Malden and Oxford: Blackwell.
- World Bank. (2019). Tax revenue data (version updated January 30, 2019). *World Development Indicators*. <<https://data.worldbank.org/indicator>>
- World Bank. (n.d.). GDP. <<https://data.worldbank.org/indicator/NY.GDP.MKTP.CD?view=chart>>
- Wright, J. (2010). Aid effectiveness and the politics of personalism. *Comparative Political Studies*, Vol. 43, No. 6, pp. 735-762. <<https://doi.org/10.1177/0010414009358674>>

The Role of Chinese Trade in the Economic Stability of Kyrgyzstan and Tajikistan

Iman **Bastanifar** *
University of Isfahan

Kashif Hasan **Khan** **
Ala-Too International University

Abdulmelik **Alkan** ***
Webster University

Abstract

This study explores the feasibility of forging trade partnerships between Kyrgyzstan and Tajikistan, emphasizing the crucial role of economic stability in determining trade effectiveness considering the significance of the Belt and Road Initiative (BRI) in the region. Using the Morris technique, for measuring economic stability index, the research examines key variables such as inflation rates, unemployment rates, private debt metrics, loans and debt securities relative to gross domestic product (GDP), and government gross debt as a percentage of GDP. Granger Causality analysis has been applied for understanding the relationship between trade partnerships and economic stability index. Spanning from 2000 to 2021, this comprehensive analysis offers valuable insights into economic trends in both nations. The findings reveal similar levels of economic stability on average, with Tajikistan showing slightly higher stability since 2013 due to demographic factors and shifts in trade ratios to GDP. Kyrgyzstan averages a stability score of 63 percent, marginally lower than Tajikistan's 65 percent. The trade partnerships enhance the economic stability of Kyrgyzstan, while there is no significant relationship for the economy of Tajikistan. Therefore, Kyrgyzstan should be keen on following BRI projects for its economic stability.

Keywords: *Economic Stability, Foreign Trade, Morris Imbalance index, Granger Causality*

1. Introduction

The development of healthy trade relationships is crucial for governments that aim to achieve economic growth and stability in the current global landscape. This study investigates the complex dynamics of trade alliances between Kyrgyzstan and Tajikistan, two Central Asian countries situated at the crossroads of regional integration and economic progress.

The cornerstone of this study is to assess the viability of creating trade collaborations between these nations, supported by a comprehensive analysis of their economic stability. This study employs the Morris technique, a sophisticated analytical framework, to examine a wide range of important variables from 2000 to 2021, recognizing economic stability as a crucial factor in the success of trade initiatives. These variables include inflation rates, unemployment rates, private debt indicators, loans, debt securities relative to GDP, and the general government's gross debt as a percentage of GDP. This careful examination aims to provide a detailed understanding of economic trends in Kyrgyzstan and Tajikistan over the past 20 years.

This analysis reveals a complex picture. Despite various demographic considerations, fluctuations in the trade-to-GDP ratio, and differences in economic stability since 2013, a comprehensive study shows that the economic stability indices of both countries are quite comparable. During the period under consideration, Kyrgyzstan had an average economic stability score of 63 percent, compared to Tajikistan's slightly higher score of 65 percent.

Based on these empirical data, this study convincingly argues for the continuation and consolidation of the economic links between Kyrgyzstan and Tajikistan, especially within their current trade nexus with China. This strategic alignment, akin to "killing two birds with one stone," not only promises economic stability for both countries, but also has significant implications for the regional and global economic landscape. A key aspect of this strategy is the expanding role of the renminbi (RMB), China's currency, in the international monetary system (Bastanifar et al, 2024). This includes its inclusion in the Special Drawing Right (SDR) basket and the strengthening of reserves held by central

banks in Asian countries. Implementing such advances is likely to accelerate the effectiveness of BRI projects, ultimately creating a stronger and more integrated global economic environment.

This study contributes to the literature by applying the Economic Stability Index specifically to Kyrgyzstan and Tajikistan, offering tailored economic assessments and providing a policy framework to address challenges such as debt management and environmental sustainability. Additionally, the study provides valuable regional economic insights and identifies areas for future research, including comparative studies with other Central Asian nations to better understand the long-term socioeconomic and environmental impacts of BRI projects. The study employs the Granger Causality test to explore the impact of foreign trade partnerships between Kyrgyzstan, Tajikistan, and China within the context of BRI projects. Due to the absence of a specific index to assess the role of the BRI in trade dependency, the study assumes that the BRI positively influences trade and GDP in China. As a proxy for the foreign trade partnerships, the geometric mean of three trade ratios to GDP data from 2000 to 2021 for Kyrgyzstan, Tajikistan, and China was used. This proxy, combined with the economic stability of Kyrgyzstan and Tajikistan, was applied in the Granger Causality test to determine whether these trade partnerships contribute to the economic stability of Kyrgyzstan and Tajikistan.

This paper is organized into several sections: Introduction, covering the importance of trade for economic stability in Kyrgyzstan and Tajikistan from 2000 to 2021 using the Morris technique and Granger Causality; Literature Review, discussing traditional and evolving economic stability indicators and their relevance to Chinese trade engagement; Method, explaining the Morris imbalance index and Granger Causality ; Data Analysis and Results, presenting data sources and comparative stability indices; discussion and interpretation of results in the context of Chinese trade and BRI projects; Conclusion, summarizing findings and suggesting future research on BRI's impacts; and References, listing cited sources.

2. Historical background of Kyrgyzstan and Tajikistan's relationship with the BRI

China introduced an ambitious global infrastructural and economic development project known as the BRI in 2013, with the goal of improving

connectivity and collaboration between Asia, Europe, and Africa (Swaine, 2015). The plan, which focuses on developing trade routes, infrastructure, and economic ties, includes the Silk Road Economic Belt and 21st Century Maritime Silk Road. With their advantageous location along historic trade routes, Kyrgyzstan and Tajikistan, in particular, play a major role in the land-based Silk Road Economic Belt (Ferdinand, 2016).

Central Asia has been a crossroads of civilizations for millennia, historically linked by the old Silk Road, which fostered trade, cultural exchange, and political connections between the East and the West (Frankopan, 2015; Khan et al., 2024). The region's strategic importance has endured in modern times, distinguished by its geographic position and resource potential (Laruelle, 2018; Kuszewska & Khan, 2020). Following the dissolution of the Soviet Union, Kyrgyzstan and Tajikistan became sovereign states that had to negotiate political unrest, economic hardship, and regional dynamics. Both nations have made efforts to take advantage of their locations to promote connectivity and economic growth (Cooley, 2012; Azmi et al., 2024).

Kyrgyzstan began participating in the BRI shortly after its introduction. Kyrgyzstan, a landlocked nation with substantial infrastructure requirements, viewed the BRI as an opportunity to improve its connectivity and economic prospects (Ferdinand, 2016). Improving the transport system was the primary goal, as it is essential for commerce and economic integration. The China-Kyrgyzstan-Uzbekistan railway, which aims to establish a direct link between China and Uzbekistan through Kyrgyzstan, is one of its major projects. Despite a number of political and technical obstacles, the project has made some headway (Sanghera, 2018). In addition, a number of road projects, such as the renovated Bishkek-Naryn-Torugart road, have begun to enhance connections both inside Kyrgyzstan and with neighboring nations (Blank, 2019). China has additionally invested in Kyrgyzstan's energy industry, including modernizing the country's infrastructure and launching hydroelectric projects. Chinese investments have facilitated the creation of free economic zones (FEZs) with the goals of luring foreign direct investment, promoting industrial growth, and generating employment (Laruelle, 2018).

As a component of its larger plan to integrate into regional and international economic networks, Tajikistan was first involved in the BRI. Tajikistan saw the BRI as a way to address its infrastructure requirements and

steep terrain to overcome economic and physical obstacles (Cooley, 2012). The infrastructure of Tajikistan's roads and tunnels has made significant investment. For example, with Chinese support, the Dushanbe-Chanak highway was rebuilt to improve internal communication and facilitate trade within the region (Peyrouse, 2016). China has contributed to several Tajikistani energy projects, including transmission lines and hydropower dams. The purpose of these projects was to boost Tajikistan's ability to produce energy and supply steady electricity to promote economic expansion. In addition, the establishment of industrial zones funded by Chinese capital is intended to be drawn in the manufacturing and processing sectors, provide employment, and broaden the economy (Peyrouse, 2016). Likewise, the goal of Chinese agricultural and irrigation project investments in Tajikistan has been to raise food security and agricultural productivity there (Sanghera, 2018).

Both Kyrgyzstan and Tajikistan have benefited economically from the BRI with increased trade, investment, and job creation. Nevertheless, it has sparked concerns about the sustainability of debt and its effects on the environment and society (Blank, 2019). To finance BRI-related projects, both nations have taken on large debt, and one of the main challenges is ensuring that this debt is manageable. Large-scale infrastructure projects, including pollution, habitat damage, and deforestation, have environmental impacts that must be properly managed (Swaine, 2015). Furthermore, promoting social stability and inclusive prosperity requires ensuring that the public benefits equally from the BRI.

The future of the BRI in Tajikistan and Kyrgyzstan is both uncertain and full of potential. Sustained expenditures on industry, energy, and infrastructure can promote regional integration and economic progress. However, debt relief, environmental sustainability, and equitable development must be addressed to fully reap the rewards of the BRI (Laruelle, 2018; Khan et al., 2023). The successful execution of the Belt and Road Initiative (BRI) can be aided by increased regional collaboration, particularly through multilateral forums such as the Shanghai Cooperation Organisation (SCO). A favorable environment for sustainable growth can be produced through cooperative efforts in trade, infrastructure, and security (Ferdinand, 2016). To get the most out of the Belt and Road Initiative (BRI), Kyrgyzstan and Tajikistan must diversify their economies and promote innovation. Building robust and dynamic economies

can be facilitated by investing in sustainable sectors, technology, and education (Peyrouse, 2016).

In summary, Kyrgyzstan and Tajikistan have benefited greatly from the Road Initiative, which has created numerous opportunities for regional connectivity and economic growth. However, the project comes with difficulties that call for cautious management and thoughtful preparation. The long-term success and sustainability of Kyrgyzstan and Tajikistan's growth trajectories will depend on their capacity to take advantage of the benefits and mitigate the dangers that come with operating within the BRI framework.

3. Literature Review

Economic stability, a core subject in macroeconomic analysis, is traditionally assessed using indicators such as real GDP growth, unemployment rates, and personal income levels. Mankiw and Scarth (2001) posit that economic stability is characterized by smooth growth of real GDP. However, efforts to maintain this stability have historically led to high inflation rates (Glyfason, 1999). Consequently, economic growth is often seen as essential for maintaining stability, a notion supported by the extensive literature linking these two concepts.

The concept of economic stability has further evolved to include economic resilience, particularly in the context of economic vulnerability due to sanctions, pandemics, and military conflicts. The impacts of these factors have been examined by researchers such as Ceylan, Ozkan, and Mulazimogullari (2020) and Hufbauer and Jung (2020), highlighting their significant effects on regional and global economies. This has led to growing interest in economic resilience, defined as the ability to maintain production levels close to capacity after a shock (Duval & Vogel, 2008).

Guillaumont (2009) and Briguglio (2016) suggested that economic resilience involves the ability to resist and manage threats to growth from various shocks. Briguglio (2016) specifically identifies economic vulnerability as having both social and economic dimensions and proposes an economic stability index that includes inflation, unemployment, private debt, loans, debt securities (as a percentage of GDP), and general government gross debt (as

a percentage of GDP). These factors are particularly important in developing countries (Barrot, Calderón & Servén, 2018; Keefe, 2021; Meierrieks, 2021).

In this study, we applied Briguglio's (2016) economic stability index to evaluate the economic stability of Kyrgyzstan and Tajikistan, particularly in the context of their engagement with Chinese trade. By examining these indicators, this study aims to understand how Chinese trade influences the economic stability of these Central Asian countries. The analysis considers the macroeconomic dimensions of stability, including the effects of external shocks and countries' economic resilience, providing a comprehensive evaluation of their economic conditions amid increasing Chinese trade involvement.

Several studies have explored the relationship between economic stability and trade. Binici et al. (2012) examined the impact of trade openness on inflation in OECD countries and found no significant relationship between the two. Similarly, Munir et al. (2015) found no correlation between trade openness and inflation in nine Asian countries using data from 1976 to 2010. Nguyen et al. (2023) extended this analysis to 20 Asian countries for the period from 2011 to 2019, and their findings also indicated no significant relationship between trade openness and inflation.

4. Methods

4.1 Morris imbalance index

The Morris imbalance index is calculated through the equation 1.

$$Y_{ij} = \frac{x_{i \max} - x_{i \min}}{x_{i \max} - x_{i \min}} \times 100$$

Where Y represents the unbalanced index for the *i*th indicator in the *j*th country. X represents the *i*th variable in the *j*th country, and $x_{i \min}$ indicates the minimum value of the *i*th variable for the two countries. $x_{i \max}$ indicates the maximum value of the *i*th indicator in each country. The coefficient of the Morris index is between zero and 100. The closer it is to 100, the higher the level of the index (Ghaffary Fard, AbuNoori, & Nazari 2022). However, to accurately measure indicators such as inflation, unemployment, and Private and Government debt,

the Morris Imbalanced index must be adjusted. Lower amounts of inflation, unemployment, and debt lead to a more stable economy. Therefore, the authors applied the following indicators.

$$Y_{ij} = \frac{X_{i \max} - X_{i \min}}{\bar{X}_{i \max} - \bar{X}_{i \min}}$$

The new adjusted index shows that an economy with lower levels of inflation, unemployment, and debt (both private and government), considered as components of economic stability, experiences economic stability.

4.2 Granger's causality test

To analyze the cause-and-effect relationship between economic stability and foreign trade, the authors employ Granger's causality test. This concept, introduced by Clive W. J. Granger, earned him the Nobel Prize in Economics in 2003 for his significant contributions to the analysis of time series data in macroeconomics (Hendi, 2004).

Equation (3) represents the concept of Granger causality in a bivariate model, where X and Y are the two variables being tested. Each variable consists of time series data over a certain period. The Granger causality test is based on Vector Auto Regression (VAR) estimation, where both X and Y must be stationary time series. The optimal lags of the model (k) can be determined using criteria such as Akaike, Schwarz, and Hannan-Quinn information criteria. In Equation (3), “ e ” denotes the error term, and “ a ” represents the coefficients of the model, which are crucial for determining causality. For instance, series Y can be said to Granger-cause series X if and only if a_{xy}^k equals zero for $1 \leq k \leq d$ (Shojare and Fox, 2022).

$$a_{x_t}^0 = \sum_{k=1}^d a_{xx}^k x_{t-k} + \sum_{k=1}^d a_{xy}^k y_{t-k} + e_{t,x} \quad a_{y_t}^0 = \sum_{k=1}^d a_{yy}^k x_{t-k} + \sum_{k=1}^d a_{yx}^k y_{t-k} + e_{t,y}$$

In this paper, the authors employed the above model to analyze the relationship between economic stability (ES) and the trade feasibility or

dependency of Kyrgyzstan and Tajikistan within the context of the BRI and China's trade. To represent trade dependency, a new series was created using the geometric mean of the trade ratio to GDP for Kyrgyzstan, Tajikistan, and China from 2000 to 2021. The geometric mean of the trade ratio to GDP was chosen as a proxy for trade dependency. There are several reasons for applying geometric mean of trade ratio to GDP of Kyrgyzstan and Tajikistan and China as a series of TRGDP. The following paragraph reveals the reasons.

The BRI involves 150 countries, but there is no specific index to calculate the trade dependency of the BRI. A report from the Green Finance & Development Center in December 2023 indicates that that numbers of countries involved in the BRI are 44, 25, 22, 19 and 6 located in Sub-Saharan Africa, Europe & Central Asia, East Asia & Pacific (including China), Latin America & Caribbean, Middle East & North Africa, and South East Asia respectively (Nedopil, 2023). Despite the limitation of not having a direct measure for the BRI's impact on trade partnerships, the trade ratio to GDP of China can still serve as a proxy to indirectly gauge this impact, alongside other trade activities. However, this approach must also consider the trade partnerships of Kyrgyzstan and Tajikistan. To address this, a method is needed to combine the trade ratios to GDP for Kyrgyzstan, Tajikistan, and China into a new time series. The authors opted to use the geometric mean, a method commonly employed in constructing key economic development indexes, such as the Human Development Index (Amirbek et al., 2020).

Finally, Table 1 represents the hypothesis of Granger's causality test. According to Table1, if the p values are smaller than 0.05, the null hypothesis is rejected. Based on the coefficients in Equation3, we can identify four situations for relationship between ES and $\frac{TR}{GDP}$ for Kyrgyzstan and Tajikistan.

Situation One: If only $A < .05$, ES is influenced by $\frac{TR}{GDP}$.

Situation Two: If only $B < .05$, $\frac{TR}{GDP}$ is influenced by ES

Situation Three: If Both $A < .05$ and $B < .05$, not only ES is influenced by $\frac{TR}{GDP}$, but $\frac{TR}{GDP}$ is influenced by ESKY.

Situation Four: If Both $A > .05$ and $B > .05$, there is no relationship between the variables.

Table 1. Hypothesis of Granger's Causality Test

Null Hypothesis	Prob
$\frac{TR}{GDP}$ does not Granger Cause ESKY	A
ESKY does not Granger Cause $\frac{TR}{GDP}$	B

Source: Prepared by Authors

5. Data Analysis and Results

Validating hypotheses with Granger's Causality Test requires both time series data and a comprehensive analysis. This section begins with a descriptive analysis of the variables, highlighting how data trends have evolved over time and influenced the variables within the causality model. It concludes with the results of the Granger's Causality Test.

Table 2. The data and the sources as discussed and analyzed in the paper

Variable	Source
Population	World Bank national accounts data, and OECD National Accounts data files.
Population Density	World Bank national accounts data, and OECD National Accounts data files.
GDP, PPP (constant 2017 International \$)	World Bank national accounts data, and OECD National Accounts data files
GDP, PPP (constant 2017 International \$) per capita	Calculation by Authors
Trade Ratio to GDP	World Bank national accounts data, and OECD National Accounts data files.
Inflation, (Percent)	https://fred.stlouisfed.org/series/fpcpitotltzgaK
Unemployment, (Percent)	https://fred.stlouisfed.org/series/fpcpitotltzgaK
Private debt, loans and debt securities (Percent of GDP)	https://data.imf.org
General government gross debt (Percent of GDP)	https://data.imf.org
Economic stability Index	Calculation by Authors

Source: Prepared by Authors

As this study aims to measure economic stability based on Briguglio's 2016 framework, we consider four key variables: inflation, unemployment, private debt, loans and debt securities, and general government gross debt. Additionally, the paper investigates the relationship between economic

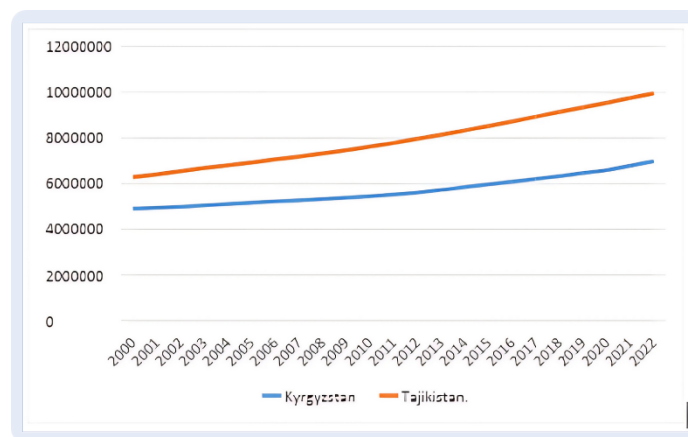
stability and the trade ratio to GDP, introducing this ratio as a crucial variable. Real GDP per capita is also used as an indicator of economic stability for the countries under study (Balavac and Pugh, 2016).

Each economy is influenced by its own demographic characteristics. This population is potentially a double-edged sword. At one hand, it increases consumption and may lead to a higher demand for products that can result in inflation. On the other hand, it can enhance production, create labor opportunities, and decrease unemployment. Therefore, it is a vital variable that affects the Economic Stability Index.

5.1 Population

Figure 1 and Figure 2 show the annual growth of Tajikistan and Kyrgyzstan from 2000 to 2022 where both countries have an increasing population rate. Figure 1 data further shows that the population of Tajikistan is higher than that of Kyrgyzstan during this period. People in Tajikistan and Kyrgyzstan were at over 6.3 and 4.9 million in 2000, respectively. By 2022, Tajikistan registered a total population of about 10 million while Kyrgyzstan had about 7 million.

Figure 1. Trend of Population for Kyrgyzstan and Tajikistan

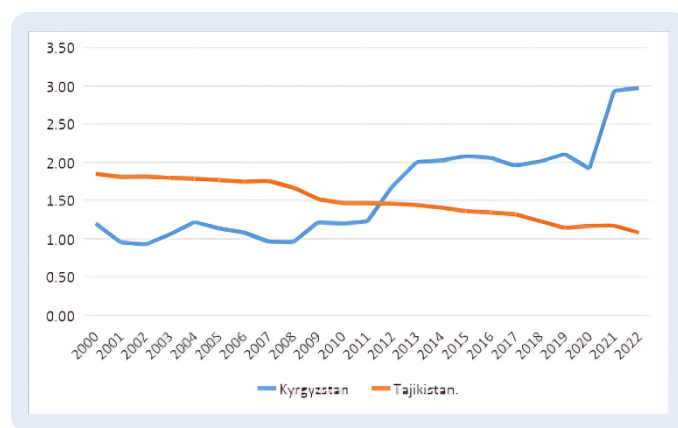


Source: Prepared by Authors

Figure 2 shows that Tajikistan experienced a slight decrease in the population growth rate, while Kyrgyzstan showed an overall increasing trend with some fluctuations.

The findings indicate that the maximum annual average population growth rate for Kyrgyzstan is 2.97 in 2022, compared to 1.85 in 2000 for Tajikistan. The lowest rate was in 2002 for Kyrgyzstan and 1.08 in 2022 for Tajikistan. Despite the varying annual rates during this period, the average rates for both countries are very close. It was 1.65 for Kyrgyzstan and 1.47 for Tajikistan.

Figure 2. Trend of annual Population growth rate for Kyrgyzstan and Tajikistan

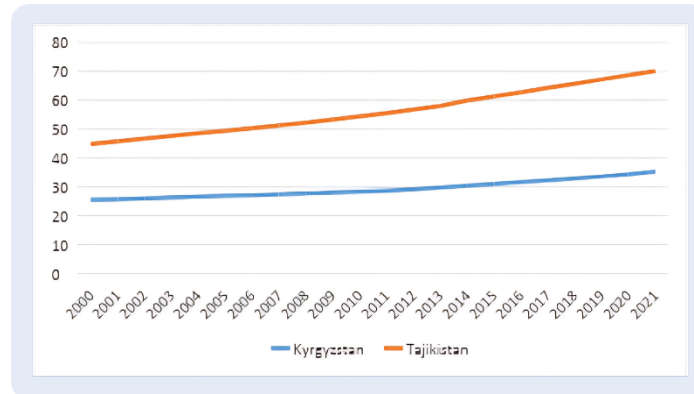


Source: Prepared by Authors

5.2 Population density

Population density was calculated by dividing the population by the total land area (Rosenberg, 2011). Figure 3 illustrates the population density (people per square km. land area) for Kyrgyzstan and Tajikistan from 2000 to 2021. While the trend of population density increased for both countries, Tajikistan had a steeper slope than Kyrgyzstan. In Tajikistan, the population density was 44.8 people per square kilometer in 2000, which increased to 70.25 by 2021. Conversely, Kyrgyzstan also experienced an increasing trend but with a lower slope. In Kyrgyzstan, the population density was 25.5 people per square kilometer in 2000, which increased to 35.3 in 2021.

Figure 3. Trend of population density (people per sq. km of land area) for Kyrgyzstan and Tajikistan



Source: Prepared by Authors

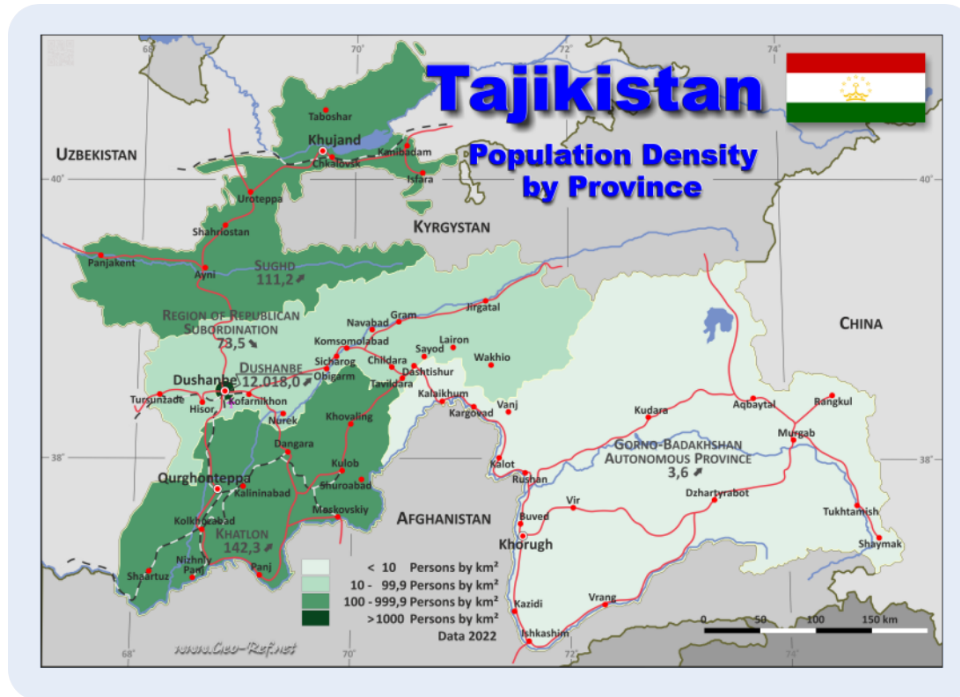
Figure 4 shows a map of population density in Kyrgyzstan. It is evident that the population distribution was uneven. In predominantly mountainous Tajikistan, the population is concentrated in the valleys and plains, particularly around Dushanbe and Khujand. Highland regions have fewer inhabitants owing to the challenging terrain.

Figure 4. Population density of Kyrgyzstan, 2022



Source: Geo-ref.net <http://www.geo-ref.net/ph/kg.htm>

Figure 5. Population density of Tajikistan, 2022



Source: Geo-ref.net <<http://www.geo-ref.net/ph/kg.htm>>

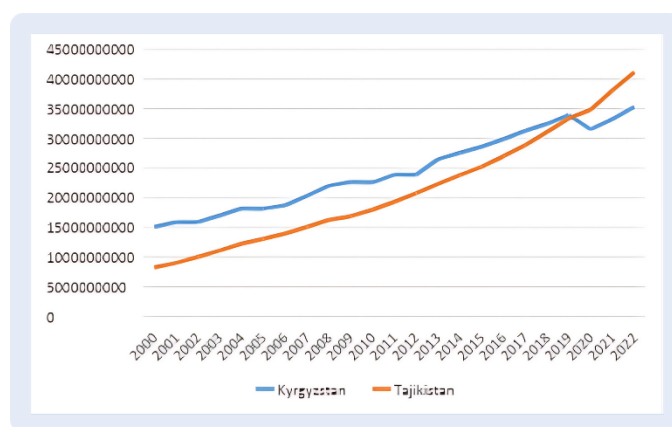
The economic stability of Kyrgyzstan and Tajikistan makes them vulnerable to increasing urban population density, particularly in cities such as Bishkek and Dushanbe. The influx of people strains housing, infrastructure, and services, driving up living costs and inflation, thus complicating economic stability (Smith, 2020; Jones, 2021). Urban density exacerbates income inequality, which benefits wealthier individuals and investors, leading to social tensions as lower-income citizens struggle (Brown & Davis, 2019). Rapid rural-to-urban migration without adequate planning results in overcrowded conditions and informal settlements, further degrading quality of life and escalating health risks and social instability (Green, 2018). Additionally, the need for substantial investments in infrastructure and public services strains government budgets, potentially increasing public debt and limiting the government's capacity to manage economic crises (Williams, 2022). High population density also necessitates a careful monetary policy to control inflation, which, if mismanaged, can hinder economic growth and employment (Taylor, 2020). Addressing these challenges through effective urban planning, infrastructure investment, and balanced economic policies is

crucial for sustainable growth and stability in Kyrgyzstan and Tajikistan (Clark, 2021).

5.3 GDP, PPP (constant 2017 international \$)

Figure 6 shows the trend in real GDP based on the constant 2017 international dollar. It is clear that apart from the sharp decline that occurred between 2019 and 2020 in Kyrgyzstan, real GDP for both countries increased. The real GDP for Kyrgyzstan and Tajikistan was USD 14.3 and USD 6 billion in 2000 but reached USD 35 and USD 41 billion, respectively. According to Figure 5, the average real GDP growth rate for Kyrgyzstan was 4.08, while for Tajikistan it was 7.64 percent. For this reason, even though Kyrgyzstan had a larger real GDP than Tajikistan in 2000, the rapidly growing real GDP rate of Tajikistan has made it a dominant country since 2020.

Figure 6. Trend of GDP, PPP (constant 2017 international \$) for Kyrgyzstan and Tajikistan



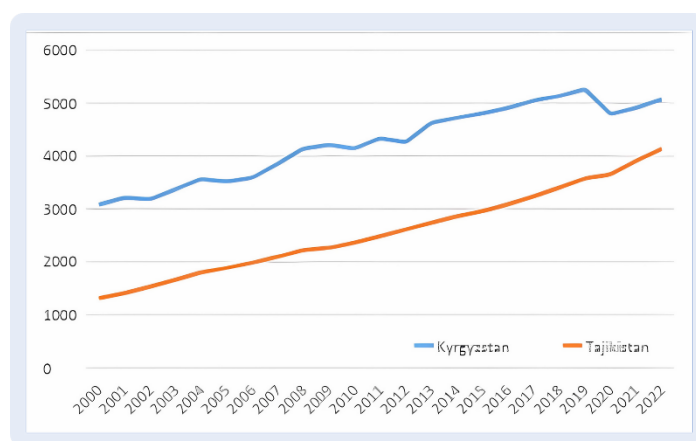
Source: Prepared by Authors

5.4 GDP, PPP (constant 2017 international \$) per capita

Figure 7 indicates how Kirgiz and Tajik's economic power changed between 2000 and 2022. According to the information in the Figure, apart from some slight declines for some years, the purchasing power of people in both countries increased. In 2000, Kirgiz and Tajik bought 3078 and 1312 dollars,

respectively (based on 2017). However, it was completed at 5070 and 4137, respectively. This trend conveys the message that each Kirgiz in 2022 can apply 1.65 goods and services than a Kirgiz in 2000. However, this was significantly greater for Tajik. A Tajik in Tajikistan in 2022 can buy goods and services 3.15 times more than a Tajik who lived in Tajikistan in 2000. According to the information in the Figure, the annual growth rate of real GDP per capita for Kyrgyzstan and Tajikistan was similar, with rates of 9.1 percent and 8.2 percent for Kyrgyzstan and Tajikistan respectively.

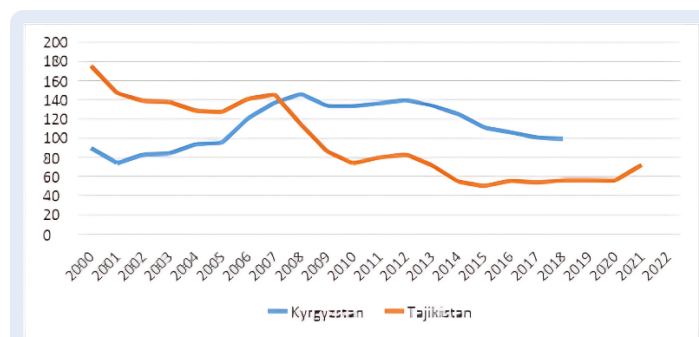
Figure 7. Trend of GDP, PPP (constant 2017 international \$) per capita for Kyrgyzstan and Tajikistan



Source: Prepared by Authors

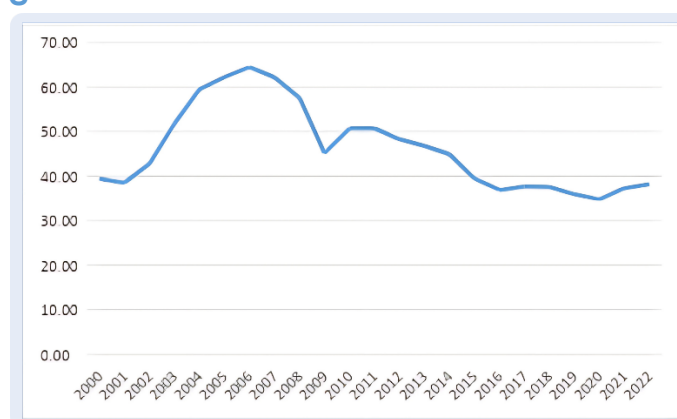
5.5 Trade ratio to GDP

Figure shows that for Tajikistan the ratio decreased during the years. It started from a peak of 175 percent in 2000 and reached at a low of 50 percent in 2015. It began to increase with a slight slope and reached 72 percent in 2021. However, In Kyrgyzstan, it started at 89 percent in 2000. With some highs and downs it experienced the peak of 146 percent in 2008. The trend generally declined and finished at 99 percent in 2018.

Figure 8. Trend of Trade Ratio to GDP for Kyrgyzstan and Tajikistan

Source: Prepared by Authors

Figure 9 shows China's trade ratio with GDP. Between 2000 and 2006, this ratio increased dramatically. However, this trend began to decrease between 2007 and 2022. During the period from 2000 to 2022, the highest ratio was 64.48 percent in 2006, while it reached its lowest point at 34.75 percent in 2020. According to the information in the Figure, this ratio has remained stable since 2015. The ratio was 39.46 percent in 2015, and with some slight fluctuations, it reached 38.14 percent in 2022. This stability coincided with the inclusion of the Yuan or Renminbi (RMB) in the Special Drawing Right (SDR) by the International Monetary Fund (IMF), solidifying China's status as an emerging international currency (Pearson, 2016).

Figure 9. Trend of Trade Ratio to GDP for China

Source: Prepared by Authors

China began the process of internationalizing the RMB after Global Financial Crisis (GFC) of 2007-2008—order to reduce its dependence on the US dollar (Harrison and Xiao, 2019, p:4). According to the 2016 International Monetary Fund (IMF), there are two conditions for a currency to be in the SDR basket, which is a major trading country with freedom of use. Therefore, not only did China have to increase exports, but it also had to deepen the financial market by enhancing international transaction payments, such as swap agreements and facilitating credits for the Asian Infrastructure Investment Bank, offering emergency financial support to other governments (IMF, 2016). These international financial strategies will not only increase China's ratio of trade to GDP but also enhance the role of the RMB in achieving the goal of RMB internationalization.

Chinese authorities have taken measures to internationalize their currencies. Swap agreements were established by the Bank of China (Economic Intelligence Unit, 2018). These agreements aim to support bilateral trade between China and the concerned countries (Zhang et al. 2017). Although China's international financial strategy depends on the extent of liberalization and it is uncertain how far China's liberalization will go (Franle, 2012 & Prasad, 2018), increased trade with some Central Asian countries, such as Tajikistan and Kyrgyzstan, will enable the Chinese government to progress more quickly with financial liberalization.

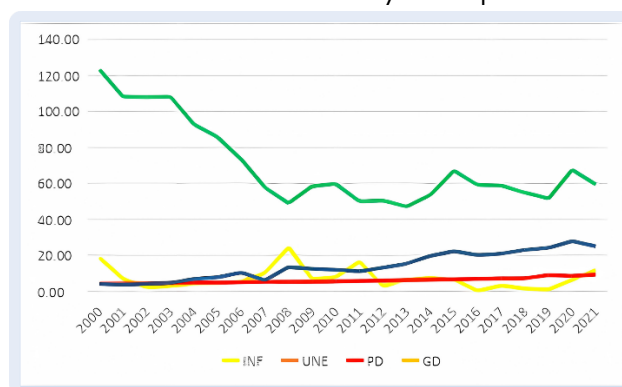
Bilateral trade between China and Tajikistan, as well as between China and Kyrgyzstan, has increased. According to the OECD website, China exported USD 2.15 billion to Tajikistan in 2022. The main items that were exported to Tajikistan by China were Rubber Footwear (USD 109 million), Coated Flat-Rolled Iron (USD 90.4 million), and Motor vehicles; parts and accessories (codes 8701 to 8705) (USD 85.5 million). Over the last 27 years, China's exports to Tajikistan have increased at an annualized rate of 20.3 percent, from USD 14.6 million in 1995 to USD 2.15 billion in 2022. (OEC, n.d.-a). Regarding China and Kyrgyzstan bilateral trade, in 2022, China exported USD 13.5billion to Kyrgyzstan. The main demands for Chinas' good exported to Kyrgyzstan were Non-Knit Women's Coats (USD 1.11billion), Rubber Footwear (USD 968 million), and Non-Knit Women's Suits (USD 870 million). Over the last 27 years, China's exports to Kyrgyzstan have increased at an annual rate of 19.7 percent, from USD 106 million in 1995 to USD 13.5 billion in 2022. In

spite of goods, China did not export any services to Kyrgyzstan in 2022. In 2022, Kyrgyzstan exported USD 86.7million to China. The main exported products of Kyrgyzstan to China were Precious Metal Ore (USD 31.9 million), Gold (USD 19.6million), and Refined Petroleum (USD 14.2 million). However, this is not a significant selling point for Kyrgyzstan's exports to China. The trend of Kyrgyzstan's exports to China has decreased. Over the last 27 years, Kyrgyzstan's exports to China have decreased at an annual rate of 0.98 percent, from USD 113 million in 1995 to USD 86.7 million in 2022. (OEC, n.d.-b).

5.5 Components of economic stability Index

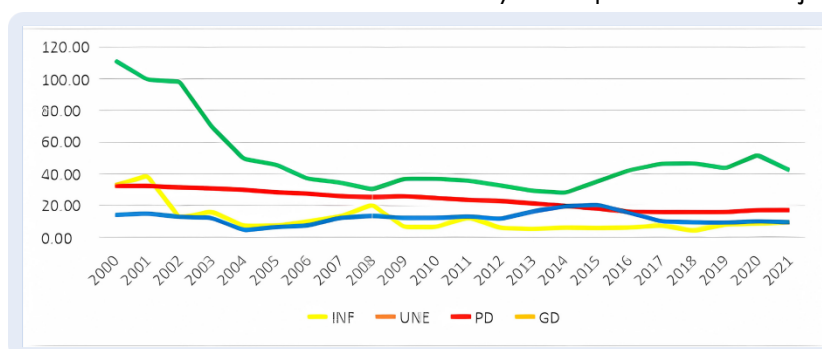
Figure 10 indicates the trend of inflation, unemployment, private debt, loans, debt securities (Percent of GDP), and general government gross debt (Percent of GDP) between 2000 and 2021 for Kyrgyzstan. According to the information in the Figure, government debt (GD) decreased dramatically. It fell from a peak of 123.30 percent in 2000 to a minimum of 49 percent in 2008. It began to fluctuate between 2009 and 2021. The percentage of government gross debt (Percent of GDP) was 59.47 in 2021, which is generally two times lower than the debt in 2000. However, private debt (PD) and unemployment (UNE) in Kyrgyzstan increased. Private debt and unemployment started at 4.1 percent of GDP and 3.76 percent in 2000, and finished at 25.09 percent and 9.16 percent in 2021, respectively. Despite the increasing trends of private debt (PD) and unemployment (UNE) in Kyrgyzstan, inflation has fluctuated considerably. It fell from a high of 18.7 percent in 2000 to a low of 6.07 percent in 2007 and then increased to its highest percent at 24.52 in 2008. Then, with some fluctuations, it decreased to its lowest percent of 0.39 in 2016. Since then, it has increased slightly and is expected to reach 9.16 percent by 2021.

Figure 10. Trend of Economic stability components of Kyrgyzstan



Source: Prepared by Authors

Figure 11 indicates the trend of inflation, unemployment, private debt, loans, debt securities (Percent of GDP), and general government gross debt (Percent of GDP) between 2000 and 2021 for Tajikistan. In general, all the components decreased. According to the information in the Figure, as in Kyrgyzstan, the government debt (GD) in Tajikistan decreased dramatically. It started at 111.4 percent in 2000 and ended at 42.30 percent in 2021. The lowest percentage of government gross debt (Percent of GDP) was 27.90 in 2014, while the highest percentage was 111.40 percent in 2000. In contrast to Kyrgyzstan, private debt (PD) and unemployment (UNE) in Tajikistan decreased. Private debt and unemployment started at 14.5 percent of GDP and 32.34 percent in 2000, and finished at 9.39 percent and 17.01 in 2021, respectively. Similar to Kyrgyzstan, Tajikistan experienced a decrease in inflation rates, albeit with minimal fluctuations. Tajikistan experienced a 32.34 inflation rate in 2000. This increased by 6.25 percent in 2001. Consequently, Tajikistan experienced the highest inflation rate (38.59 percent) in 2001. It decreased from 38.59 percent in 2001 to 4.34 percent in 2004. It then started to increase, reaching 25.33 percent in 2007. Since then, inflation has generally decreased with a slight decline and finished at 9.39 in 2021.

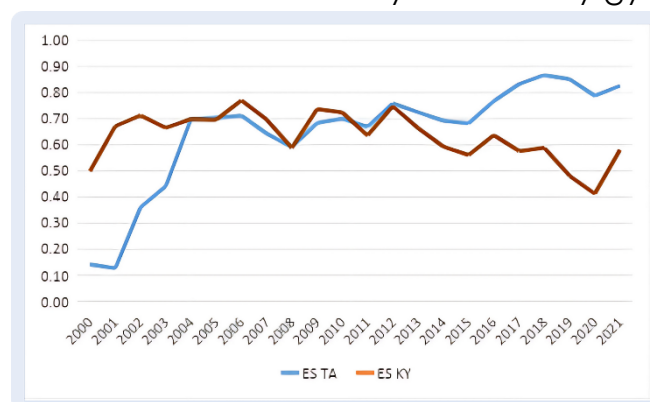
Figure 11. Trend of Economic stability components in Tajikistan

Source: Prepared by Authors

5.6 Economic stability index

Figure 12 shows the trend of the Economic Stability Index for both the countries. The Figure displays the average inflation rate, unemployment rate, private debt, loans, and debt securities (as a percentage of GDP) as well as the general government gross debt (also as a percentage of GDP) calculated using equation 2 for the years 2000 to 2021.

According to the information in the Figure, the Economic Stability Index for Tajikistan (ES TA) increased significantly. It started at 0.14 percent in 2000, and finished at 0.83 in 2021. However, although the index in Kyrgyzstan (ES KY) was significantly greater than that in Tajikistan in 2000, it did not improve significantly. It started at 50 percent in 2000 and ended at 58 in 2021. According to the Figure, the average rates of the index were 63 and 65 percent for Kyrgyzstan and Tajikistan, respectively. Although Kyrgyzstan had a more stable economy than Tajikistan from 2000 to 2003, both countries generally experienced the same fluctuations and a similar index score between 2004 and 2012. However, since 2013, the sky-rocketing improvement in the index for Tajikistan has led to a significant gap between the two countries.

Figure 12. Trend of Economic Stability Index for Kyrgyzstan and Tajikistan

Source: Prepared by Authors

5.7 Granger's causality results

According to the data in Table 3, the absolute values of the Augmented Dickey-Fuller (ADF) test statistic are greater than the critical values at the 1 percent, 5 percent, and 10 percent levels. This indicates that the variables in the table follow a stationary process when taking the first difference.

Table 3. Results of Unit root results

Variable	ADF-Test Statistic	Prob	Critical value of ADF-Test Statistic at 1 %	Critical value of ADF-Test Statistic at 5 %	Critical value of ADF-Test Statistic at 10 %
ESKY	-5.66	0.0002	-3.83	-3.02	-2.65
ESTA	-4.21	0.0042			
$\frac{TR}{GDP}$	-4.26	0.0038			

Source: Prepared by Authors

Authors applied Vector Autoregressions (VAR) to determine the optimal lags. Following the standard VAR estimation, EvIEWS 10 recommended a lag length of one based on various criteria such as Akaike, Schwarz, and Hannan-Quinn information criteria. The Granger's causality test was then performed based on one lag and the results are presented in Table4. According to the

information in Table 4, since the p value (prob) of the hypothesis stating “ $\frac{TR}{GDP}$ does not Granger Cause ESKY” is 0.016, which is less than 0.05, so, the hypothesis has been rejected.

The Pearson correlation coefficient between the ESKY and $\frac{TR}{GDP}$ is also 71 percent. Therefore, the results of the Granger test and Pearson correlation indicate that $\frac{TR}{GDP}$ has a positive impact on ESKY. This finding supports the work by Kong et al. (2021) that trade openness enhances economic stability for China. However, since the p values of other null hypotheses are more than 0.05, we have to reject them as well. This means that for Tajikistan, there is no significant relationship between ES and $\frac{TR}{GDP}$. This finding supports the study by Nguyen et al (2022) that proved the impact of trade openness on non-significant decreasing inflation, which is one of vital factors affecting economic stability in Vietnam.

Table 4. Results of Granger's Hypotheses

Null Hypothesis	F-Statistic	Prob
$\frac{TR}{GDP}$ does not Granger Cause ESKY	7.06	0.016
ESKY does not Granger Cause $\frac{TR}{GDP}$	1.75	0.20
$\frac{TR}{GDP}$ does not Granger Cause ESTA	0.40	0.54
ESTA does not Granger Cause $\frac{TR}{GDP}$	0.87	0.36

Source: Prepared by Authors

6. Discussions and Conclusion

Based on the findings presented in Table 3 and the Granger's Causality Test, it is evident that Kyrgyzstan corresponds to Situation One, while Tajikistan corresponds to Situation Four. This indicates that Kyrgyzstan's economic stability is significantly influenced by its trade relationships with Tajikistan and China. In contrast, the analysis reveals that Tajikistan does not exhibit a linear correlation between its trade dependency on these two nations and its economic stability index. Unlike Kyrgyzstan, which sees improvements in

economic stability through trade expansion with Tajikistan and China, Tajikistan requires additional factors, such as a broader range of trading partners, to enhance its economic stability effectively.

Figure 10 shows that both Kyrgyzstan and Tajikistan maintained similar average Economic Stability Index scores from 2000 to 2021. However, since 2014, Tajikistan has made notable progress in this index, largely due to stable or declining metrics such as private debt, unemployment, and inflation, despite a slight rise in government debt (as shown in Figure 9). Conversely, the indicators affecting Kyrgyzstan's economic stability have generally increased, suggesting a slower pace of improvement in comparison to Tajikistan. From 2014 to 2021, while Tajikistan's Economic Stability Index showed improvement, its trade-to-GDP ratio remained stable, averaging 55 percent with a standard deviation of 2.18 percent (refer to Figure 6). This stability reflects Tajikistan's commitment to strengthening its macroeconomic stabilization policies, although it alone may not suffice for enduring economic stability.

The authors emphasize the importance of enhancing trade with China for Kyrgyzstan. Establishing bilateral trade agreements, particularly through swap agreements, could stabilize Kyrgyzstan's exchange rate and shield its economy from currency fluctuations and global economic shocks. Such strategies may lead to greater inflation control and improved economic stability for Kyrgyzstan. Since the renminbi (RMB) was included in the Special Drawing Rights (SDR) basket in 2016, it now serves as a viable alternative foreign reserve amid fluctuations of the US dollar and euro. This diversification of foreign reserves will empower Kyrgyzstan's monetary authority to manage exchange rate volatility effectively. By employing a robust exchange rate policy with a diverse array of foreign reserves, Kyrgyzstan can successfully manage its foreign debts and inflation, key indicators of economic stability.

Furthermore, trade dynamics between China and Tajikistan can influence inflation, unemployment, and both private and public debt levels in Kyrgyzstan, ultimately contributing to its economic stability. Streamlining import and export processes between Kyrgyzstan and China could bolster the resilience of Kyrgyzstan's small economy against regional political and economic disturbances. Expanding the variety of traded goods and services can enhance the trade balance, making inflation-targeting policies more effective. Increased trade relations with China and Tajikistan can also create

new job opportunities in Kyrgyzstan, which is particularly beneficial given its rising population. A stronger trade relationship correlates with higher job creation, as enhanced international trade increases revenues for private firms and tax revenues for the government, thereby reducing both private and public debt. Lower debt levels are closely associated with a more stable economy.

Regarding population dynamics, the economic indicators discussed in this study suggest that demographic factors can impact economic stability in two significant ways: through unemployment and inflation. Tajikistan's larger population, which has been growing at a slower pace since 2007, may pose challenges to its economy as an aging population could negatively affect employment rates. As populations age, unemployment rates are likely to rise. Conversely, Kyrgyzstan has experienced significant population growth, which may alleviate potential economic instabilities related to retirement issues. Nevertheless, Kyrgyzstan must prioritize employment policies and job creation strategies. Participation in initiatives like the INSTC and BRI offers valuable investment and job creation opportunities that should not be overlooked.

An increase in population density in both countries could lead to heightened living costs, inflation, and unemployment. Thus, both Kyrgyzstan and Tajikistan need to identify new residential areas to sustain economic stability and maintain purchasing power. Developing strong trade relationships and maintaining openness with INSTC members, such as Iran, could provide critical access to energy resources and infrastructure.

This study highlights the significance of economic stability in fostering effective trade partnerships between Kyrgyzstan and Tajikistan. While both nations exhibited similar stability levels from 2000 to 2021, this gap has widened since 2014. The BRI has played a pivotal role in shaping their economic landscapes through infrastructure investments, improved connectivity, job creation, and overall growth. However, challenges like debt sustainability and environmental impacts necessitate the implementation of robust policies. Strengthening trade relations with China remains essential, leveraging the RMB's growing international presence to secure resources and market access. Kyrgyzstan should focus on sound fiscal policies, investing in human capital, and promoting sustainable development to ensure long-term economic stability and growth. Future research should investigate the long-term

socioeconomic effects and environmental implications of BRI projects while also conducting comparative analyses with other Central Asian nations to derive deeper insights into regional economic dynamics.

Conflict of Interest

There is no declared conflict of interests among authors.

Notes

* **Iman Bastanifar** is an Associate Professor in the Department of Economics at the Faculty of Administrative Sciences and Economics, University of Isfahan. He has a strong academic background, holding a diploma in mathematics and advanced degrees in economics, including a bachelor's, master's, and Ph.D. His research focuses on international topics, particularly in monetary economics, macroeconomics, and economic modeling. <Email: i.bastanifar@ase.ui.ac.ir.>

** **Kashif Hasan Khan** is an Associate Professor in the Department of Economics at Ala-Too International University, Bishkek, Kyrgyzstan. He holds a Ph.D. in Finance and has a diverse professional background, having previously served as an Assistant Professor in Konya, Turkey, worked as an international business consultant in the Philippines, and contributed as a consultant economist with the Asian Development Bank. Dr. Khan has published extensively in high-ranking scholarly journals indexed in Web of Science, Scopus, ABDC, and other similar databases. His research interests include internal trade, political economy, economic corridors, India-Central Asia relations, and international trade. <Email: rfellow8@gmail.com>

*** **Abdulmelik Alkan** is an affiliate Associate Professor at Webster University, Georgia Campus. He graduated from Lindenwood University in Saint Louis, Missouri, USA, and earned his M.A. degree with honors from the International Black Sea University in Tbilisi. Currently pursuing his Ph.D. at the University of Georgia, Tbilisi, Alkan has contributed several scholarly articles to scientific journals. His research interests include geopolitics, connectivity, and foreign policy. <Email: abdulmelikalkan@webster.edu>

Author contributions

Iman Bastanifar: Conceptualization, Methodology, Data curation, Investigation, Validation Formal analysis, Writing – original draft, Writing – review & editing.

Kashif Hasan Khan: Formal analysis, Investigation, Resources, writing – original draft, Writing – review & editing, Visualization, Supervision, Project administration.

Abdumelik Alkan: Formal analysis, Investigation, Resources, Writing – original draft

Availability data

The data that support the findings of this study are available from the corresponding author upon reasonable request.

References

- Ahmed, S., & Trabelsi, M. A. (2022). Economic resilience in developing countries: The role of democracy in the face of external shocks. *Entrepreneurial Business and Economics Review*, Vol. 10, No. 1, pp. 23-34.
- Amirbek, A., Makhanov, K., Tazhibayev, R., & Anlamassova, M. (2020). The Central Asian countries in the global economy: The challenges of economic integration. *Central Asia & the Caucasus (14046091)*, Vol. 21, No. 1.
- Azmi, S. N., & Khan, K. H. (April 2024). Will INSTC help realise India's trade potential? An appraisal of India and Caspian countries trade dynamics. In *India's economic corridor initiatives* (pp. 151-169). Routledge.
- Balavac, M., & Pugh, G. (2016). The link between trade openness, export diversification, institutions, and output volatility in transition countries. *Economic Systems*, Vol. 40, No. 2, pp. 273-287.
- Barrot, L.-D., Calderón, C., & Servén, L. (2018). Openness, specialization, and the external vulnerability of developing countries. *Journal of Development Economics*, Vol. 134, pp. 310–328.

- Bastanifar, I. (April 2024). A monetary model of global peace and health. *Globalization and Health*, Vol. 20, No. 1, pp. 28.
- Binici, M., Cheung, Y. W., & Lai, K. S. (2012). Trade openness, market competition, and inflation: Some sectoral evidence from OECD countries. *International Journal of Finance & Economics*, Vol. 17, No. 4, pp. 321-336.
- Blank, S. (2019). China's road to Central Asia: The dragon's great game. *Journal of Contemporary China*, Vol. 28, No. 118, pp. 881-896.
- Briguglio, L. (2016). Exposure to external shocks and economic resilience of countries: Evidence from global indicators. *Journal of Economic Studies*, Vol. 43, No. 6, pp. 1057-1078.
- Brown, A., & Davis, L. (2019). Urbanization and income inequality. *Economic Studies Journal*, Vol. 45, No. 2, pp. 134-156.
- Ceylan, R. F., Ozkan, B., & Mulazimogullari, E. (2020). Historical evidence for economic effects of COVID-19. *European Journal of Health Economics*, Vol. 21, No. 6, pp. 817-823. <<https://doi.org/10.1007/s10198-020-01206-8>>
- Clark, P. (2021). Strategies for sustainable urban growth. *Development Economics Review*, Vol. 39, No. 3, pp. 278-295.
- Cooley, A. (2012). *Great games, local rules: The new great power contest in Central Asia*. Oxford University Press.
- Duval, R., & Vogel, L. (2008). Economic resilience to shocks: The role of structural policies. *OECD Journal: Economic Studies*, Vol. 2008, No. 1, pp. 1-38.
- Economic Intelligence Unit*. (10th April 2018). Renminbi internationalisation and the BRI: Rebuilding momentum? <<https://www.business.hsbc.com/china-growth/renminbi-internationalisation-andthe-bri-rebuilding-momentum>>
- Feng, Y., Lee, C.-C., & Peng, D. (2023). Does regional integration improve economic resilience? Evidence from urban agglomerations in China. *Sustainable Cities and Society*, Vol. 88, Article 104273.
- Ferdinand, P. (2016). Westward ho—the China dream and ‘one belt, one road’: Chinese foreign policy under Xi Jinping. *International Affairs*, Vol. 92, No. 4, pp. 941-957.

- Frankel, J. (2012). Internationalization of the RMB and historical precedents. *Journal of Economic Integration*, Vol. 27, No. 3, pp. 329-365.
- Frankopan, P. (2015). *The silk roads: A new history of the World*. Bloomsbury.
- Ghaffary Fard, M., AbuNoori, A., & Nazari, R. (2022). Economic resilience of OIC member states and the factors affecting it: An approach to maintaining economic security. *Economic Policies and Research*, Vol. 1, No. 2, pp. 83-112.
- Green, R. (2018). Migration and urban planning. *Urban Studies Quarterly*, Vol. 27, No. 4, pp. 487-502.
- Guillaumont, P. (2009). A retrospective economic vulnerability index. *FERDI Policy Brief*.
- Gylfason, T. (1999). *Principles of economic growth*. Oxford University Press.
- Harrison, M., & Geng, X. (2019). China and special drawing rights—Towards a better international monetary system. *Journal of Risk and Financial Management*, Vol. 12, No. 60, pp. 60-75. <<https://doi.org/10.3390/jrfm12020060>>
- Hendry, D. F. (2004). The nobel memorial prize for Clive W. J. Granger. *The Scandinavian Journal of Economics*, Vol. 106, No. 2, pp. 187-213. <<http://www.jstor.org/stable/3440930>>
- Hufbauer, G. C., & Jung, E. (2020). What's new in economic sanctions? *European Economic Review*, Vol. 130, Article 103572.
- International Monetary Fund (IMF)*. (30th September 2016). IMF adds Chinese Renminbi to special drawing rights basket. <<https://www.imf.org/en/News/Articles/2016/09/29/AM16-NA093016IMF-Adds-Chinese-Renminbi-to-Special-Drawing-Rights-Basket>>
- Jones, M. (2021). Economic impacts of urban population density. *Journal of Economic Perspectives*, Vol. 55, No. 1, pp. 77-89.
- Keefe, H. G. (2021). The transmission of global monetary and credit shocks on exchange market pressure in emerging markets and developing economies. *Journal of International Financial Markets, Institutions and Money*, Vol. 72, Article 101320.
- Khan, K. H. (Ed.). (April 2024). *India's Economic Corridor Initiatives: INSTC and Chabahar Port*. Taylor & Francis.

- Khan, Z., Khan, K. H., & Koch, H. (2023). Aggregating an economic model and GIS to explore trade potentials of India-Caspian countries and a way forward for INSTC. *Research in Globalization*, Vol. 7, Article 100154.
- Kuszevska, A., & Khan, K. H. (2020). The significance of India's (re) connectivity strategy in Central Asia: an introduction.
- Laruelle, M. (2018). China's belt and road initiative: A two-edged sword for Central Asia. *Central Asia Program*.
- Lee, Y.-J. A., Kim, J., Jang, S., Ash, K., & Yang, E. (2021). Tourism and economic resilience. *Annals of Tourism Research*, Vol. 87.
- Mankiw, G., & Scarth, W. (2001). *Macroeconomics*. Worth Publishers.
- Meierrieks, D. (2021). Weather shocks, climate change and human health. *World Development*, Vol. 138, pp. 105228
- Munir, S., Hasan, H., & Muhammad, M. (2015). The effect of trade openness on inflation: Panel data estimates from selected Asian economies (1976–2010). *Southeast Asian Journal of Economics*, Vol. 3, No. 2, pp. 23-42.
- Nedopil, C. (2023). *Countries of the belt and road initiative*. Green Finance & Development Center. < <https://greenfdc.org/countries-of-the-belt-and-road-initiative-bri/> >
- Nguyen, T. T., Phan, T. D., & Tran, N. A. (2022). Impact of fiscal and monetary policy on inflation in Vietnam. *Investigations in Management and Financial Innovation*, Vol. 19, No. 1, pp. 201-209.
- Nguyen, V. M. H., Ho, T. H., Nguyen, L. H., & Pham, A. T. H. (2023). The impact of trade openness on economic stability in Asian countries. *Sustainability*, Vol. 15, No. 15, pp. 11736.
- Observatory of Economic Complexity (OEC). (n.d.-a). China (CHN) and Tajikistan (TJK) trade. <<https://oec.world/en/profile/bilateral-country/chn/partner/tjk>>
- Observatory of Economic Complexity (OEC). (n.d.-b). China (CHN) and Kyrgyzstan (KGZ) trade. <<https://oec.world/en/profile/bilateral-country/chn/partner/kgz>>

- Pearson, C. (10th October 2016). What the RMB in the SDR really means. *Australian Institute of International Affairs*. <<https://www.internationalaffairs.org.au/what-the-rmb-in-the-sdr-really-means/>>
- Peyrouse, S. (2016). Discussing China's silk road in Central Asia: The rhetoric and reality of Chinese involvement. *Journal of Eurasian Studies*, Vol. 7, No. 2, pp. 85-94.
- Prasad, E. S. (2018). The slow, uneven rise of the Renminbi. *Cato Journal*, Vol. 38, No. 2, pp. 521-529.
- Rosenberg, M. (2011). Population density. *Geography.about.com*.
- Sanghera, B. (2018). *Economics of the silk road: The development of Central Asia*. Palgrave Macmillan.
- Saputro, G. E., & Suwito, S. (2022). Economic resilience in asymmetric warfare. *Jurnal Pertahanan: Media Informasi tentang Kajian & Strategi Pertahanan yang Mengedepankan Identity, Nasionalism & Integrity*, Vol. 8, No. 1, pp. 109-117.
- Shojaie, A., & Fox, E. B. (2022). Granger causality: A review and recent advances. *Annual Review of Statistics*, Vol. 9, No. 1, pp. 289-319. <[doi:10.1146/annurev-statistics-040120-010930](https://doi.org/10.1146/annurev-statistics-040120-010930)>
- Smith, J. (2020). Urban growth and economic stability. *International Journal of Urban Affairs*, Vol. 44, No. 1, pp. 102-120.
- Swaine, M. D. (2015). Chinese views and commentary on the 'one belt, one road' initiative. *China Leadership Monitor*, Vol. 47, No. 2, pp. 1-24.
- Taylor, K. (2020). Inflation control in high-density populations. *Monetary Policy Review*, Vol. 33, No. 2, pp. 210-225.
- Williams, T. (2022). Public debt and infrastructure investment. *Finance and Development Journal*, Vol. 51, No. 1, pp. 98-112.
- Zhang, F., Yu, M., Yu, J., & Jin. (2017). The effect of RMB internationalization on belt and road initiative: Evidence from bilateral swap agreements. *Emerging Markets Finance and Trade*, Vol. 53, No. 12, pp. 2845-2857. <<https://doi.org/10.1080/1540496X.2017.1382346>>

Southeast Asia as a Latent Kingmaker in the US-China Rivalry

Brice Tseen Fu **Lee***

Fudan University/Universidad del Desarrollo

Salman Ali **Bettani****

Quaid e Azam University

Juan Pablo **Sims*****

Universidad del Desarrollo/Fudan University

Yun-Tso **Lee******

Universidad del Desarrollo

Abstract

Southeast Asia plays a pivotal role in the United States (US)-China rivalry, serving as a critical arena for their competing strategies to establish legitimacy. Legitimacy, defined as the recognized authority to influence regional or global systems, underpins the efforts of both powers to align their influence with Southeast Asia's priorities. The US emphasizes liberal international norms, while China promotes state-led development and economic integration. Southeast Asia, through its geographic and economic significance, holds latent kingmaker potential, capable of shaping the global balance of power. However, fragmented national strategies limit collective influence, underscoring the unrealized potential of regional unity.

Keywords: *Legitimacy, Kingmaking, Southeast Asia, US-China rivalry, ASEAN*

1. Introduction

Southeast Asia holds a pivotal role in global trade and economic growth, standing as one of the most dynamic and strategically significant regions in the world. Its geographic location places it at the crossroads of major trade routes, including the critical Malacca Strait, through which approximately one-third of global shipping passes (Mansor Majdin et al., 2023). This position makes Southeast Asia an essential link between the Pacific and Indian Oceans, facilitating the flow of goods, energy resources, and raw materials that power the global economy. Beyond its geographical importance, the region is home to rapidly growing economies such as Vietnam, Indonesia, and Malaysia, which contribute significantly to global economic dynamism. Its combined population of over 680 million and a growing middle class further enhance its appeal as a hub of trade, investment, and innovation. These attributes have drawn the attention of major global powers, particularly the US and China, whose rivalry in the region has intensified in recent years. Southeast Asia has become a critical arena where their competing visions for global leadership play out, shaping not only the region's development but also the trajectory of global power dynamics.

At the heart of this rivalry is the concept of legitimacy, defined here as the degree of influence a state holds within the international system. Legitimacy is not derived solely from economic or military power but is built through a combination of actions, norms, and partnerships that establish a state as a rightful and recognized leader. For the US, legitimacy in Southeast Asia is deeply tied to its promotion of the rule-based liberal international order. This order, established in the post-World War II era, emphasizes free trade, democratic governance, multilateralism, and adherence to international norms. By reinforcing these principles, the US seeks to sustain its influence and counterbalance China's growing presence. In contrast, China's approach to legitimacy-building reflects its emphasis on an alternative development model. Through infrastructure investments, trade partnerships, and state-led economic initiatives, China offers a vision of economic cooperation that prioritizes growth and mutual benefits over governance conditionalities. These contrasting strategies not only reveal the differing worldviews of the US and China but also underscore the stakes of their competition in Southeast Asia as a microcosm of their broader global rivalry.

In this context, the concept of kingmaker becomes a useful lens for understanding Southeast Asia's role in shaping the US-China rivalry. A kingmaker is an actor that possesses the ability to influence the balance of power or determine dominant influence in a system, without directly holding dominant power themselves. Southeast Asia, through its collective economic and strategic importance, has the potential to play such a role. The region's decisions—whether in the form of economic partnerships, diplomatic alignments, or strategic hedging—can significantly impact the legitimacy race between the US and China. However, Southeast Asia's role as a kingmaker does not imply direct control or alignment with one power over another. Instead, it highlights the region's ability to shape the dynamics of great power rivalry by leveraging its importance and engaging both powers to its advantage. This role is further complicated by the diversity of Southeast Asian states, many of which adopt hedging strategies to maximize benefits while avoiding full alignment with either the US or China. This nuanced position underscores Southeast Asia's critical role in the legitimacy-building efforts of these two great powers.

2. Kingmaker Theory

The concept of a kingmaker in International Relations (IR) refers to an actor that holds the ability to influence the balance of power or dominance within a system without directly possessing hegemonic power itself. Unlike great powers that wield dominance through military or economic superiority, a kingmaker shapes outcomes by leveraging strategic importance and positioning, often acting as a pivotal force in a rivalry. This idea builds on foundational theories of power and influence, which emphasize how actors outside the traditional power hierarchy can exert significant influence (Keohane & Nye, 1977; Nye, 1990b, 1990a; Waltz, 1979).

In the context of the US-China rivalry, Southeast Asia emerges as a potential kingmaker due to its collective economic and strategic significance. As a region situated at the crossroads of critical maritime trade routes and home to some of the world's fastest-growing economies, Southeast Asia plays a crucial role in shaping the competition between these great powers. The region's economic potential, demographic growth, and strategic location in

the Indo-Pacific provide it with substantial leverage. This aligns with Complex Interdependence Theory, which argues that interconnected economic and political ties enhance the strategic importance of regions like Southeast Asia, enabling them to influence the actions of larger powers (Keohane & Nye, 1977). By navigating this interconnectedness and managing external dependencies, Southeast Asia positions itself as a critical actor in global power dynamics.

Southeast Asia's influence as a kingmaker is further reflected in its use of hedging strategies, which allow the region to balance engagements with both the US and China. Hedging theory suggests that smaller states maximize benefits and minimize risks by engaging both powers without fully committing to either (Goh, 2005; Kuik, 2016a, 2016b, 2021; Kuik et al., 2012; Lai & Kuik, 2021). For instance, Southeast Asian states participate in China's Belt and Road Initiative (BRI) to secure much-needed infrastructure investments while simultaneously deepening security ties with the US to ensure regional stability (Gong, 2019; Sims et al., 2023). This dual approach positions Southeast Asia as an actor capable of shaping great power competition by navigating between rival influences strategically. Through careful diplomacy, Southeast Asian states can extract concessions from both sides, demonstrating their ability to influence the balance of power in the region.

However, Southeast Asia's role as a kingmaker faces several limitations. One key challenge is the lack of cohesion within the region. While Southeast Asia is often viewed as a collective bloc, the actions of individual states frequently diverge based on their national interests, creating a fragmented approach to engaging with great powers. This aligns with Middle Power Theory, which highlights how middle powers, or actors that lack the capacity for dominance, often achieve influence through coalition-building or diplomatic engagement. Southeast Asia, despite its collective potential, struggles to present a unified stance due to internal divisions (Chapnick, 1999; Cooper, 2011). For instance, while Vietnam actively counters China's growing influence, states like Cambodia lean more heavily toward China for economic support (Huyen & Thang, 2020). These disparities reduce the region's ability to act cohesively, weakening its collective influence in shaping the US-China rivalry.

Despite these challenges, Southeast Asia remains a pivotal player in the US-China rivalry. The region's ability to engage both powers strategically and pragmatically reinforces its position as an actor capable of shaping the balance of influence in the Indo-Pacific. By leveraging its interconnected

economic ties, hedging strategies, and collective middle-power behaviors, Southeast Asia demonstrates its capacity to influence great power competition (Chapnick, 1999; Cooper, 2011; Goh, 2005; Keohane & Nye, 1977; Kuik, 2016a, 2016b). While its fragmented nature and hedging strategies may appear to dilute its potential as a kingmaker, these same characteristics enable the region to navigate the complexities of great power competition and maintain its agency in a rapidly shifting geopolitical landscape.

Therefore, the Kingmaker Theory encapsulates Southeast Asia's unique position as a pivotal influencer in the US-China rivalry. Although the region does not wield hegemonic power, its economic potential, strategic location, and ability to hedge effectively allow it to shape the trajectory of great power competition. Southeast Asia's kingmaker role reflects a convergence of theories: its interconnectedness and economic leverage align with Complex Interdependence Theory; its strategic balancing echoes Hedging Theory; and its fragmented yet significant influence mirrors Middle Power Theory and the dynamics of Regional Security Complexes. Together, these perspectives illustrate how Southeast Asia's actions can determine the contours of global power dynamics, positioning it as an indispensable yet nuanced player in the evolving international order.

3. Legitimacy in IR

In IR, legitimacy serves as a measure of influence and authority, reflecting the degree to which a state's actions, policies, and leadership are recognized as appropriate and justified within the international system. Unlike power based solely on military strength or economic dominance, legitimacy involves the acknowledgment and acceptance of a state's role in global or regional affairs by other actors. It derives from a combination of economic engagement, strategic actions, and adherence to norms, making it both a source of influence and a validation of a state's ability to lead. Legitimacy shapes how states interact with one another, influencing alliances, partnerships, and even the structure of the international system itself (Nye, 1990a, 1990b). Realism, as articulated by thinkers like Kenneth Waltz, posits that power is the central organizing principle of IR, but legitimacy acts as a crucial soft power

mechanism that complements hard power, allowing states to sustain their influence without constant coercion (Waltz, 1979).

In the rivalry between the US and China in Southeast Asia, the concept of legitimacy takes center stage. Both powers recognize the region's strategic significance and are actively vying to build and maintain their legitimacy as indispensable partners to Southeast Asian states. This competition is not just about resources or territory; it is a broader struggle over influence, where legitimacy becomes the key to securing partnerships, shaping the regional order, and reinforcing or challenging the global balance of power. Legitimacy also ties into the concept of nation-states, as described by Hedley Bull in *The Anarchical Society*, where sovereign states remain the primary actors in an international system characterized by anarchy (Bull, 1977). In this framework, Southeast Asian states are not passive recipients of influence but active participants whose recognition of either the US or China's legitimacy determines the trajectory of great power rivalry in the region.

The US derives its legitimacy in Southeast Asia from its role as the architect and defender of the rule-based liberal international order, an arrangement established in the aftermath of World War II that emphasizes governance norms, democratic values, open markets, and multilateralism (G. J. Ikenberry, 2011). This order has been central to US global leadership, providing a framework for stability and economic prosperity through institutions like the United Nations, the World Trade Organization, and regional forums such as the Association of Southeast Asian (ASEAN) regional forum (Baldwin, 2016; Barnett, 1997; H. J. Kim, 2007). In Southeast Asia, the US reinforces its legitimacy through initiatives such as the Indo-Pacific Economic Framework (IPEF), which focuses on promoting sustainable development, trade liberalization, and good governance. By advocating for transparency, accountability, and human rights, the US positions itself as a partner committed to regional stability and long-term growth (Wilson, 2018).

Furthermore, the US' legitimacy-building efforts are closely tied to its security commitments in the region. Realist theorists like argue that in an anarchic international system, states prioritize security and survival (Waltz, 1979). The US, leveraging its military presence and alliances, offers security guarantees to Southeast Asian states, particularly through partnerships with the Philippines and Singapore and initiatives like freedom of navigation operations in the South China Sea (Bateman, 2007; Castro, 2017). These actions align with

the realist emphasis on power as a stabilizing force but also rely on legitimacy to ensure that these efforts are accepted and supported by regional states. However, maintaining legitimacy in Southeast Asia presents challenges for the US, particularly as its economic presence has declined relative to China's growing influence. Without sustained economic engagement, the US risks undermining its long-standing leadership role in the region.

In contrast, China builds legitimacy through an alternative model of economic integration and development-focused partnerships, prioritizing tangible benefits over normative values (Chan et al., 2008; Lee et al., 2024; Lee & Sims, 2023). While the US emphasizes governance and democracy, China's legitimacy in Southeast Asia stems from its ability to address immediate development needs, particularly through the BRI (Liu et al., 2021). By financing large-scale infrastructure projects, fostering trade interdependence, and offering financial assistance without conditionalities, China appeals to states that prioritize sovereignty and rapid development over governance reforms (Gronau & Schmidtke, 2016; Lee & Sims, 2024). This state-led approach aligns with realism's focus on survival and power accumulation, as China secures its influence by creating economic dependencies and strengthening regional interconnectivity.

China's approach also reflects Bull's argument about the centrality of nation-states in shaping international order (Bull, 1977). By respecting the sovereignty of Southeast Asian states and avoiding interference in domestic governance, China positions itself as a partner rather than a hegemon. This contrasts with the liberal international order championed by the US, which often involves conditionalities tied to democracy and human rights. For example, China's infrastructure investments in countries like Cambodia and Laos are framed as mutually beneficial partnerships, providing economic growth while respecting the autonomy of recipient states (Chen, 2022; Suhardiman et al., 2021). However, China's legitimacy is not without challenges. Concerns over debt sustainability, transparency, and economic dependency have led some Southeast Asian states to question the long-term viability of its model (Ameyaw-Brobby, 2018; Behuria, 2018; Himmer & Rod, 2022). These concerns reveal the limitations of a purely state-led approach to legitimacy-building.

The US and China's contrasting approaches to legitimacy-building underscore their differing philosophies and strategies for influence. The US relies on normative legitimacy, rooted in governance standards, democratic principles, and market liberalization, appealing to states that value transparency and long-term partnerships grounded in shared values. China, on the other hand, focuses on pragmatic legitimacy, offering immediate economic benefits through infrastructure development, trade interdependence, and state-led initiatives. This appeals to states prioritizing sovereignty and development over liberal governance norms. These strategies reflect not only the competition between two great powers but also the differing priorities of Southeast Asian states, which must navigate these offerings to maximize their own benefits.

Ultimately, legitimacy in IR, particularly in Southeast Asia, is deeply intertwined with the broader principles of realism and the concept of nation-states. Realism highlights the underlying power dynamics driving the US-China rivalry, while the concept of nation-states underscores the agency of Southeast Asian countries in shaping the competition. By analyzing the legitimacy-building efforts of the US and China, it becomes clear that legitimacy is not static, but a dynamic process shaped by economic engagement, strategic actions, and adherence to norms. Southeast Asia, as a critical battleground for this rivalry, plays a pivotal role in determining which model of legitimacy prevails, influencing not only regional dynamics but also the future of the global order.

4. US-China Legitimacy-Building Strategies

In this section, I will examine and compare the legitimacy-building strategies of the US and China in Southeast Asia, focusing on their economic approaches. Both powers employ distinct methods to solidify their influence, with trade and foreign direct investment (FDI) data offering a lens through which to assess their economic engagement. Trade and FDI are important as they give us a picture on how Southeast Asian states engages with these powers and vice versa economically and the prominence and importance they hold in Southeast Asian States economies as well as the role they play on development.

4.1 FDI in Southeast Asia from US and China

Table 1. Flows of Inward FDI into AMS by Source Country (*in million USD, 2020-2022*)

SOURCE COUNTRY	HOST COUNTRY	YEAR			SOURCE COUNTRY	HOST COUNTRY	YEAR		
		2020	2021	2022			2020	2021	2022
CHINA [CN]	Brunei Darussalam	N.A	N.A	N.A	United States [US]	Brunei Darussalam	0.83	0.48	0.68
	Indonesia	904.11	5075.71	3510.51		Indonesia	612.53	1691.30	2059.68
	Cambodia	1204.79	1176.51	2022		Cambodia	77.98	84.37	31.13
	Lao PDR	N.A	N.A	N.A		Lao PDR	N.A	N.A	N.A
	Myanmar	78.05	15.25	-107.26		Myanmar	3.01	88.00	0.24
	Malaysia	602.56	495.57	837.50		Malaysia	322.76	1993.56	8442.07
	Philippines	58.90	18.53	15.69		Philippines	161.62	151.65	251.25
	Singapore	1681.60	6532.30	5825.60		Singapore	20306.5	27300.6	17265.9
	Thailand	713.68	1361.30	945.91		Thailand	463.71	1326.96	1429.00
	Viet Nam	N.A	N.A	N.A		Viet Nam	N.A	N.A	N.A

Source ASEAN Stats, *n.d.*

The FDI patterns of the US and China in Southeast Asia between 2020 and 2022 highlight notable differences in scale, distribution, and focus, reflecting the contrasting priorities and strategies of the two powers. The US concentrates its investments in advanced economies, particularly Singapore and Malaysia, focusing on governance-aligned and high-value markets (K. F. Chin, 2023; Kao, 2023). China, on the other hand, demonstrates a broader distribution, targeting both developed and less developed nations like Cambodia and Myanmar, often with an emphasis on infrastructure and development projects (Calabrese & Cao, 2021).

Singapore stands out as the dominant recipient of US FDI, with investments exceeding USD 17 billion annually during this period. In 2020, US investments in Singapore reached USD 20.3 billion, rising to USD 27.3 billion in 2021 before dropping to USD 17.2 billion in 2022. This focus underscores Singapore's role as a financial hub and gateway for American businesses in Southeast Asia. By contrast, China's investments in Singapore were significantly smaller, starting at USD 1.68 billion in 2020, peaking at USD 6.53 billion in 2021, and tapering to USD 5.83 billion in 2022. While China's presence in Singapore grew, it remained far behind the US, reflecting differing strategic priorities. The

US prioritizes stable, advanced markets for private-sector-led investments, while China's investments in Singapore align with broader trade and regional integration goals.

In Indonesia, Southeast Asia's largest economy, both powers increased their investments, though China consistently outpaced the US in volume. China's FDI in Indonesia rose from USD 904.11 million in 2020 to USD 5.07 billion in 2021 before declining to USD 3.51 billion in 2022. These figures highlight China's focus on large-scale infrastructure and resource-driven projects (Yean & Negara, 2022; Yuliantoro, 2019). In comparison, US investments grew steadily from USD 612.53 million in 2020 to USD 2.06 billion in 2022, targeting sectors like technology and services. This difference reflects China's emphasis on state-led projects and the US' focus on high-potential industries aligned with private-sector growth.

Cambodia illustrates another area of divergence. China maintained a strong presence, with investments exceeding USD1 billion annually during this period, underscoring its commitment to infrastructure and development in smaller economies (Calabrese & Cao, 2021). In 2022, Chinese FDI in Cambodia was USD 1.51 billion, significantly higher than US investments, which were just USD 31.13 million. The US' minimal engagement reflects its focus on markets with stronger governance frameworks and higher returns, while China's approach aligns with its narrative of fostering mutual growth and addressing development gaps in less developed states.

Malaysia experienced remarkable growth in US FDI, starting at USD 322.76 million in 2020 and surging to USD 8.44 billion in 2022. This rapid increase highlights Malaysia's role in global supply chains, particularly in electronics and advanced manufacturing, where US investors are heavily involved (K. F. Chin, 2023). Conversely, China's investments in Malaysia were more modest, peaking at USD 837.50 million in 2022. While China focuses on infrastructure and state-driven initiatives, the US capitalizes on Malaysia's manufacturing and export-driven economy, aligning with its strategy of high-value, governance-aligned investments (Lim et al., 2022).

Thailand demonstrates a relatively balanced competition. China's FDI in Thailand ranged from USD 713.68 million in 2020 to USD 945.91 million in 2022, reflecting its interest in infrastructure and industrial connectivity. The US, meanwhile, increased its investments from USD 463.71 million in 2020 to USD 1.43 billion in 2022. Both powers regard Thailand as strategically important, and

their investments reflect competing priorities—China's focus on connectivity and regional trade and the US' emphasis on industrial and technological growth.

In Myanmar, political instability following the military coup in 2021 significantly impacted FDI. Chinese investments fell from USD 78.05 million in 2020 to USD 107.26 million in 2022, reflecting disinvestment amidst the uncertainty (Calabrese & Cao, 2021; Yuan & Lee, 2023). The US FDI in Myanmar remained negligible, starting at USD 3.01 million in 2020 and dropping to USD 0.24 million in 2022. Both countries' reduced engagement highlights the challenges of investing in politically unstable environments and the constraints imposed by governance and stability concerns. The data for Vietnam and Laos, where FDI figures are unavailable, does not imply an absence of investment but rather a limitation in reporting. Vietnam, in particular, is a fast-growing economy and a key player in regional supply chains, making it likely that both powers maintain an active presence.

Overall, the FDI data underscores the distinct strategies employed by the US and China to build economic influence in Southeast Asia. The US concentrates on advanced, governance-aligned markets, leveraging private-sector investments to reinforce its role as a proponent of the liberal international order. China, in contrast, pursues a broader distribution of investments, emphasizing state-led projects and development partnerships in both developed and less developed nations. These contrasting approaches reveal how both powers use FDI as a tool to enhance their legitimacy and influence in the region. While the US appeals to markets prioritizing transparency and stability, China's inclusive strategy positions it as a development partner capable of addressing immediate economic needs. Together, these strategies reflect the ongoing competition between the two powers for leadership in Southeast Asia.

4.2 ASEAN-China and ASEAN-US trade data

The trade data between ASEAN and its two largest trading partners, China and the US, from 2015 to 2023, highlights distinct and contrasting economic relationships. These patterns reveal a persistent trade deficit with China and a consistent trade surplus with the US, reflecting the structural differences in

ASEAN's economic interactions with these two global powers. The dynamics underscore the contrasting strategies both powers employ to deepen their economic ties with the region and solidify their influence.

The trade relationship between ASEAN and China is characterized by a significant and growing trade deficit for ASEAN, as China consistently exports more to the region than it imports. In 2022, ASEAN imported USD 431.3 billion worth of goods from China while exporting USD 290.8 billion, resulting in a trade deficit of USD 140.5 billion. This deficit has expanded significantly over the observed period, nearly doubling from USD 72.9 billion in 2015, when ASEAN imported USD 218.2 billion and exported USD 145.3 billion. This growing imbalance underscores ASEAN's reliance on Chinese manufactured goods, electronics, and industrial products, which are essential for both consumption and domestic production (Alleyne et al., 2020; Chiang, 2019). The dependence on these imports reflects the deep integration of Chinese goods into ASEAN's markets and supply chains.

Table 2. ASEAN-China and ASEAN-US Trade data (2015-2023)

(in Billions)	ASEAN-China Trade		ASEAN-US Trade	
Year	Import	Export	Import	Export
2015	218.2	145.3	85.1	125.4
2016	224.6	144	80.7	131.1
2017	253.9	187	91.4	142.5
2018	280.9	197.7	101.9	160.3
2019	305.4	202.5	111	183.8
2020	299.7	218.9	97.5	211.6
2021	388.4	281.8	109.3	256.3
2022	431.3	290.8	129.5	291
2023	409.5	287.2	126.1	269.8

Source ASEAN Stats, 2023a

China's role as a dominant supplier to ASEAN is evident in the diversity and scale of its exports, which include machinery, electronics, textiles, and

consumer goods critical for ASEAN's industries. In contrast, ASEAN's exports to China are primarily raw materials, agricultural products, and intermediate goods that feed into China's extensive manufacturing base. This trade structure highlights a mutually beneficial but asymmetrical relationship, where ASEAN relies heavily on Chinese imports while contributing to China's industrial growth (Chiang & Micheaux, 2022; G. Chin & Stubbs, 2011). The rapid expansion of ASEAN-China trade between 2020 and 2022, with imports rising from USD 299.7 billion to USD 431.3 billion, further solidifies this interdependence. This growth is driven by China's post-COVID economic recovery and initiatives like the BRI and the Regional Comprehensive Economic Partnership (RCEP), which have enhanced trade connectivity and reinforced China's position as ASEAN's largest trading partner (Armstrong & Drysdale, 2022; Demeure & Lee, 2023; Gong, 2019; Lee et al., 2023).

Conversely, ASEAN's trade with the US presents a markedly different picture, characterized by a consistent trade surplus for ASEAN. In 2022, ASEAN exported USD 291 billion worth of goods to the US while importing USD 129.5 billion, resulting in a substantial trade surplus of USD 161.5 billion. This surplus has grown steadily from USD 40.3 billion in 2015, reflecting ASEAN's robust export-driven industries and its critical role in supplying goods to the US market. The trade dynamics underscore ASEAN's strength as a manufacturing and export hub, supplying low-cost, high-quality goods such as electronics, textiles, and agricultural products to one of the world's largest consumer markets.

The US, as a key consumer of ASEAN's exports, relies heavily on the region for goods that are integral to its domestic markets, including semiconductors, apparel, and food products (Bu & Wu, 2022; Yeung, 2022). Meanwhile, US exports to ASEAN are concentrated in high-value sectors such as technology, aerospace, and agriculture, which, while significant, do not match the volume of ASEAN's exports (Tan, 2020). This trade imbalance highlights an asymmetric relationship where the US serves primarily as a market for ASEAN's goods, fostering economic growth and providing vital revenue streams for ASEAN economies. The slower growth of US-ASEAN trade compared to ASEAN-China trade, with US exports rising from USD 125.4 billion in 2015 to USD 291 billion in 2022, reflects a more selective approach to engagement, focusing on specific industries and markets.

The contrasting trade balances reveal the fundamental differences in ASEAN's economic relationships with China and the US. China's surplus-driven trade with ASEAN underscores its role as the dominant supplier of goods to the region while relying on ASEAN for raw materials and intermediate products. This mutual interdependence, while fostering deep economic ties, raises concerns about ASEAN's reliance on Chinese imports and the potential risks of dependency. In comparison, ASEAN's trade surplus with the US emphasizes the region's export-driven growth and its importance in US supply chains. This surplus benefits ASEAN's economies by providing stable revenue and market access, though the narrower focus of US trade engagement contrasts with the broader economic integration ASEAN has with China.

The trade trends of 2023, where both China and the US experienced slight declines in trade volumes with ASEAN, highlight broader global challenges. China's imports from ASEAN fell to USD 409.5 billion, and US imports dropped to USD 126.1 billion, reflecting the impact of geopolitical tensions and supply chain disruptions (Chengqiu, 2020). Despite these fluctuations, the overall dynamics remain consistent: ASEAN maintains a significant trade deficit with China, driven by its reliance on Chinese goods, while enjoying a substantial trade surplus with the US, reflecting its role as a key supplier of goods to American markets.

Trade serves as a strategic tool for both China and the US to build legitimacy and influence in Southeast Asia. China leverages its expansive trade volumes to position itself as ASEAN's largest economic partner, highlighting its ability to drive regional growth through the supply of affordable goods and the consumption of ASEAN's raw materials. This deep integration not only reinforces China's economic indispensability but also aligns with its broader narrative of mutual growth and regional connectivity through initiatives like the BRI and RCEP. Meanwhile, the US emphasizes its role as a proponent of open markets and governance standards by maintaining a consistent trade surplus in ASEAN's favor. This surplus enhances ASEAN's export-driven economies, bolstering the US' reputation as a reliable and supportive partner. The contrasting approaches highlight the ongoing competition between the two powers, as they use trade to deepen economic ties, foster influence, and shape their legitimacy in Southeast Asia.

5. Southeast Asia's Public Perceptions

In this section focuses on public perception surveys across Southeast Asia, which provide insights into how people in the region view the economic and strategic influence of China and the US. These surveys reveal the preferences, concerns, and priorities of Southeast Asians regarding the two powers, offering a valuable perspective on the soft power dynamics and legitimacy-building efforts in the region. By analyzing these perceptions, this section seeks to complement the trade and FDI data, providing a broader understanding of the factors shaping Southeast Asia's engagement with China and the US.

5.1 Southeast Asian's perception on the most influential economic power in the region

By looking at the State of Southeast Asia 2023 Survey (shown in Table 3), we can gain insights into Southeast Asians' perceptions of China and the US as economic powers, which significantly contribute to understanding ASEAN's potential as a 'kingmaker' in the region.

In 2022, the survey indicated a strong perception of China as the leading economic power across ASEAN, with an overall perception of 76.7 percent which could be due to the fact of various cooperation and initiatives bilaterally between various ASEAN member states (Chiang, 2019; G. Chin & Stubbs, 2011; Gong, 2019). This was particularly high in countries like Brunei Darussalam (84.9 percent), Cambodia (84 percent), and Laos (86.4 percent). However, in 2023, there was a noticeable shift, with the overall ASEAN citizens' perception of China's influence decreasing to 59.9 percent. This decline was significant in Brunei Darussalam, dropping to 44.2 percent, and Laos, where it plummeted to 20.6 percent which can be linked to territorial disputes (Putra, 2020). Despite this, China's influence remained substantial in countries like Cambodia (75.4 percent), Myanmar (72.2 percent), and Thailand (74.3 percent).

On the other hand, the US' perception as an influential economic power was relatively modest in 2022, at 9.8 percent across ASEAN region. Some countries, such as the Philippines (18.3 percent), Vietnam (16.7 percent), and Thailand (13.7 percent), perceived higher US influence. By 2023, this perception increased slightly to 10.5 percent across the region, with notable increases in the Philippines (26.3 percent), Myanmar (13.9 percent), and Malaysia (13.7

percent) which could be linked to the increase investments by the US into Asia (M. Kim, 2022). These shifts in perception reveal a dynamic geopolitical landscape in Southeast Asia. The decrease in China's perceived dominance, coupled with the slight increase in the USA's influence, suggests a more balanced view of both powers within ASEAN. This change could reflect ASEAN member states' strategic recalibration in response to evolving geopolitical dynamics, highlighting their nuanced approach to maintaining regional stability and autonomy.

Table 3. Southeast Asians' perception on the most influential economic power in the region

Country	China (2022)	China (2023)	United States (2022)	United States (2023)
ASEAN	76.70%	59.90%	9.80%	10.50%
Brunei Darussalam	84.90%	44.20%	1.90%	6.70%
Cambodia	84.00%	75.40%	4.90%	2.20%
Indonesia	67.90%	71.10%	8.40%	5.00%
Laos	86.40%	20.60%	4.50%	5.60%
Malaysia	72.60%	65.30%	11.90%	13.70%
Myanmar	83.40%	72.20%	6.00%	13.90%
Philippines	65.80%	36.40%	18.30%	26.30%
Singapore	81.10%	70.70%	12.20%	13.50%
Thailand	69.20%	74.30%	13.70%	9.00%
Vietnam	71.50%	69.10%	16.70%	9.60%

Source ISEAS, n.d.

5.2 Southeast Asian's perception on China and US' economic influence in their country

Table 4 provides a nuanced picture of Southeast Asians' perceptions towards the growing economic influence of China and the US, crucial for understanding the dynamics of great power rivalry and its impact on the concept of nation-states and regional organizations. In 2022, there was a significant concern across ASEAN about China's growing influence, with the highest apprehension observed in Myanmar (87.3 percent), the Philippines (76.4 percent), and Singapore (73.9 percent). This trend largely persisted into 2023, with concerns remaining high or even increasing in some countries, such

as Thailand (86 percent) and Vietnam (86.2 percent) due to various disputes as well as economic coercion issues (S. C. Kim, 2019). However, a notable exception was Brunei Darussalam, where concern drastically dropped from 55.6 percent to 13.2 percent which can be linked to the increase investment by Chinese state-owned enterprises which reduced unemployment in Brunei (Hoon & Zhao, 2024; Lim et al., 2023). The overall reception of China's influence in the region remained relatively stable at 35.6 percent in 2022 to 35.5 percent in 2023 while there was a significant shifts in individual countries, such as Brunei Darussalam's welcome rate jumping from 44.4 percent to 86.6 percent.

In contrast, concerns over the US' influence in the region was generally lower compared to China. In 2022, Laos showed a 100 percent concern rate in 2022, but this dramatically decreased to 50 percent in 2023. The welcome rate for US influence was generally high across most ASEAN member countries, with significant percentages in the Philippines (86.3 percent in 2022 and 73.1 percent in 2023) and Vietnam (70.8 percent in 2022 and 84.6 percent in 2023). These perceptions reflect a complex and evolving landscape within ASEAN region. The high levels of concern about China's influence, coupled with the generally positive reception of the US, indicate a nuanced balancing act by Southeast Asians in the face of great power rivalry (Castro, 2017; Duong, 2020). The varied responses across different ASEAN countries highlight the diversity within the bloc, impacting how ASEAN as a regional organization navigates these geopolitical dynamics. This diversity underscores the importance of understanding the concept of nation-states, where each member's national interests and perceptions significantly influence collective regional strategies and policies. Analyzing the perceptions of ASEAN member states' citizens towards the economic influence of China and the US reveals a complex landscape shaped by the dynamics of great power rivalry.

Table 4. Southeast Asian's perception on China and US' economic influence in their country

Country	China (2022) I am worried about its growing regional economic influence	China (2023) I am worried about its growing regional economic influence	China (2022) I welcome its growing regional economic influence	China (2023) I welcome its growing regional economic influence	US (2022) I am worried about its growing regional economic influence	US (2023) I am worried about its growing regional economic influence	US (2022) I welcome its growing regional economic influence	US (2023) I welcome its growing regional economic influence
ASEAN	64.40%	64.50%	35.60%	35.50%	31.90%	34.30%	68.10%	65.70%
Brunei Darussalam	55.60%	13.20%	44.40%	86.60%	0.00%	12.50%	100.00%	87.50%
Cambodia	29.40%	50.50%	70.60%	49.50%	25.00%	66.70%	75.00%	33.30%
Indonesia	60.70%	50.00%	39.30%	50.00%	45.50%	50.00%	54.50%	50.00%
Laos	65.80%	72.70%	34.20%	27.30%	100.00%	50.00%	0.00%	50.00%
Malaysia	55.10%	61.70%	44.90%	38.30%	37.50%	35.30%	62.50%	64.70%
Myanmar	87.30%	79.50%	12.70%	20.50%	22.80%	18.80%	76.20%	81.30%
Philippines	76.40%	83.30%	23.60%	16.70%	13.70%	26.90%	86.30%	73.10%
Singapore	73.90%	61.90%	26.10%	38.10%	25.90%	21.40%	74.10%	78.60%
Thailand	66.70%	86.00%	33.30%	14.00%	18.80%	46.20%	81.30%	53.80%
Vietnam	72.80%	86.20%	27.20%	13.80%	29.20%	15.40%	70.80%	84.60%

Source ISEAS, n.d.

As shown in table 3, China is widely perceived as a dominant economic force within the ASEAN region (Ba, 2003; G. Chin & Stubbs, 2011). In 2023, a significant 59.90 percent of the respondents identified China as the most influential economic power in Southeast Asia. This perception underscores China's substantial economic engagement and influence across the region. However, Table 4 presents a more nuanced view of China's economic ascendancy. Despite being recognized for its economic clout, there is a notable apprehension among ASEAN countries regarding China's growing influence. In 2023, a majority of 64.50 percent of Southeast Asians expressed concern over China's expanding economic role. This sentiment is particularly strong in countries like Vietnam (86.20 percent), Thailand (86 percent), and the Philippines (83.30 percent), where the apprehension is notably high. In contrast, the US, while not perceived as overwhelmingly dominant in economic terms within the ASEAN, elicits a different response. Table 3 shows that in 2023, only a modest 10.50 percent of the respondents viewed the US as the most influential economic power, a stark contrast to China's figures. Yet, the perception of the US' economic influence is more favorable. Table 4 shows that in 2023, a lower percentage of 34.30 percent of the respondents were worried about the US' growing economic influence, and a significant 65.70 percent welcomed it. This

indicates a more positive reception of the US' economic role in the region compared to China.

These contrasting perceptions on both China and the US are indicative of the intricate balance that ASEAN countries navigate in the face of great power rivalry. While ASEAN recognizes the economic might of both China and the US, there is a discernible wariness towards China's influence, suggesting concerns about potential over-dependence or geopolitical implications. This cautious stance towards China, juxtaposed with a more welcoming attitude towards the US, highlights the strategic considerations ASEAN countries must weigh. It underscores the importance of maintaining strategic autonomy and careful diplomacy, as ASEAN countries strive to leverage their collective and individual strengths in a region marked by the competing interests of these two global powers.

5.3 Southeast Asian's perceptions on what country has the most political and strategic influence in the region

Table 5, focusing on perceptions of political and strategic influence in Southeast Asia, offers valuable insights into the regional dynamics and the interplay of great power rivalry.

In 2022, China was perceived to have a significant political and strategic influence in the ASEAN region. This perception was particularly strong in countries like Cambodia (75.30 percent), Laos (75 percent), and Myanmar (70.90 percent), indicating China's deep strategic inroads in these nations. However, by 2023, there was a noticeable shift, with the perception of China's influence decreasing to 41.5 percent across the ASEAN region. This decline is most pronounced in Laos, dropping from 75 percent to 30.8 percent, and in Myanmar, from 70.9 percent to 40 percent. This change reflects an evolving geopolitical realities, domestic political changes, or a recalibration of strategic priorities within the individual countries in the region (Calabrese & Cao, 2021; Chen, 2022; Suhardiman et al., 2021).

Conversely, the US' perceived political and strategic influence in the region has been relatively stable, albeit at a lower level compared to China. In 2022, 29.7 percent of the respondents perceived that the US to be more influential, slightly increasing to 31.9 percent in 2023. Notably, the Philippines

showed a high perception of US influence at 51 percent in 2022 and 44.4 percent in 2023, likely reflecting the long-standing historical, military, and strategic ties between the two countries (Wong, 2024; Zimmermann & Bäumlér, 2013). The data suggests a complex and shifting landscape of influence in Southeast Asia. While China's perceived influence remains significant, the decrease in 2023 could indicate growing concerns or skepticism about China's role in the region. This could be due to various factors, including China's aggressive foreign policy moves, domestic developments within ASEAN countries, or a more assertive US presence in the region.

Table 5. Southeast Asian's perceptions on what country has the most political and strategic influence in the region

Country	China (2022)	China (2023)	US (2022)	US (2023)
ASEAN	54.40%	41.50%	29.70%	31.90%
Brunei Darussalam	39.60%	45.00%	34.00%	13.30%
Cambodia	75.30%	72.40%	17.30%	17.90%
Indonesia	38.20%	29.80%	35.10%	35.50%
Laos	75.00%	30.80%	9.10%	13.10%
Malaysia	51.10%	35.50%	24.40%	33.90%
Myanmar	70.90%	40.00%	19.70%	9.60%
Philippines	37.00%	30.30%	51.00%	44.40%
Singapore	48.20%	33.20%	46.80%	48.10%
Thailand	55.60%	45.80%	27.40%	36.10%
Vietnam	52.80%	52.20%	32.60%	27.20%

Source ISEAS, n.d.

The relatively stable but lower perception of US influence might indicate a consistent but limited engagement compared to China's more aggressive strategies. However, the US still maintains substantial influence, particularly in countries with strong historical and strategic ties. Overall, these perceptions reflect the ongoing jostle for influence between China and the US in Southeast Asia. ASEAN member countries are navigating this complex environment, balancing their relationships with both powers while trying to maintain their own strategic autonomy. The data underscores the importance of

understanding the nuanced and evolving nature of political and strategic influence in the region, shaped by both external powers and internal dynamics within ASEAN countries.

Linking the data from Table 5 to Tables 3 and 4 provides a more comprehensive understanding of the dynamics of great power rivalry in the ASEAN region and how it is perceived by Southeast Asians. Table 3 highlights China as the most influential economic power in Southeast Asia, with high percentages across ASEAN countries in 2022, such as 76.7 percent for the ASEAN region; and specifically, 84.9 percent for Brunei Darussalam, and 84 percent for Cambodia. However, there was a noticeable decline in this perception in 2023, with Southeast Asians' overall perception dropping to 59.9 percent. This decline in economic influence perception aligns with the data from Table 5, where the perception of China's political and strategic influence also decreased from 54.4 percent in 2022 to 41.5 percent in 2023 across ASEAN region.

Table 4, on the other hand, reveals the perception over concerns on China's growing regional economic influence, with 64.4 percent of the respondents in 2022 and 64.5 percent in 2023 expressing worry. This apprehension is consistent with the decline in perceived economic and political influence seen in Tables 3 and 5. This suggests that while China is recognized as a dominant economic and political player, there is growing unease about its influence in the region. In contrast, the US' influence, as seen in Table 5, remains relatively stable but lower compared to China. This is mirrored in Table 3, where the US is seen as a less dominant economic power compared to China. However, Table 4 shows a more positive reception to the US' influence, with most of the respondents welcoming its economic influence in both 2022 (68.1 percent) and 2023 (65.7 percent).

The interconnectedness of these figures illustrates a complex and evolving narrative in Southeast Asia. While China is perceived as a leading power both economically and politically, there is a notable apprehension about its growing influence. This apprehension could be influencing the slight decline in its perceived dominance over time. On the other hand, the US, while not perceived as influential as China, seems to be viewed more favorably or, at least, less contentiously. This analysis underscores the nuanced perceptions within the region regarding the China-US rivalry. It highlights a balancing act

by Southeast Asians, acknowledging China's significant role while also expressing concerns about its growing influence and showing a relatively positive reception towards the US. This balancing act is reflective of the broader strategic dynamics in the region, where ASEAN countries navigate their relationships with both powers amidst their own national interests and regional stability considerations.

5.4 Southeast Asian's perceptions on what country has economic and strategic power influence in their country

Table 6 focuses on the perceptions of ASEAN citizens regarding the economic influence of China and the US. The data show a complex and nuanced picture of regional sentiments. In 2022, a significant 64.4 percent of the respondents expressed concern about China's growing economic influence, a figure that remained relatively stable at 64.5 percent in 2023. This apprehension is particularly pronounced in countries like Myanmar, the Philippines, and Vietnam, where the percentages were notably high. For instance, in Vietnam, concern rose from 72.8 percent in 2022 to 86.2 percent in 2023. Despite these concerns, there is also a considerable segment of the population that welcomes China's influence. This is strikingly evident in Brunei Darussalam, where the percentage of respondents who welcome China's influence dramatically increased from 44.4 percent in 2022 to 86.6 percent in 2023 (Lim et al., 2023).

In contrast, the perception of the US' economic influence in the region is less worrying to ASEAN citizens. The data shows a lower level of concern about the US' growing influence compared to China, with 31.9 percent of the respondents were worried in 2022 and have slightly increased to 34.3 percent in 2023. Most respondents across ASEAN countries, however, appear to welcome the US' economic influence, with figures like 68.1 percent in 2022 and 65.7 percent in 2023. The data also reveals interesting country-specific trends. For example, in Laos, there was a dramatic drop in concern about the US' influence, from 100 percent in 2022 to 50 percent in 2023. Conversely, in Cambodia, there was an increase in concern about the US' influence, from 25 percent in 2022 to 66.7 percent in 2023.

Overall, the perceptions of China and the US in the ASEAN region are indicative of the complex geopolitical landscape. While concerns about China's influence are more pronounced, the US is generally viewed more favorably in terms of its economic influence. This could be attributed to a variety of factors, including geopolitical dynamics, historical relationships, and economic dependencies. The data in Table 6 underscores the importance of understanding these perceptions, as they can indirectly influence public opinion and potentially shape policy decisions at both national and regional levels.

Table 6. Southeast Asian's perception on what country has economic and strategic power that influence their country

Country	China (2022) I am worried about its growing regional economic influence	China (2023) I am worried about its growing regional economic influence	China (2022) I welcome its growing regional economic influence	China (2023) I welcome its growing regional economic influence	US (2022) I am worried about its growing regional economic influence	US (2023) I am worried about its growing regional economic influence	US (2022) I welcome its growing regional economic influence	US (2023) I welcome its growing regional economic influence
ASEAN	64.40%	64.50%	35.60%	35.50%	31.90%	34.30%	68.10%	65.70%
Brunei Darussalam	55.60%	13.20%	44.40%	86.60%	0.00%	12.50%	100.00%	87.50%
Cambodia	29.40%	50.50%	70.60%	49.50%	25.00%	66.70%	75.00%	33.30%
Indonesia	60.70%	50.00%	39.30%	50.00%	45.50%	50.00%	54.50%	50.00%
Laos	65.80%	72.70%	34.20%	27.30%	100.00%	50.00%	0.00%	50.00%
Malaysia	55.10%	61.70%	44.90%	38.30%	37.50%	35.30%	62.50%	64.70%
Myanmar	87.30%	79.50%	12.70%	20.50%	22.80%	18.80%	76.20%	81.30%
Philippines	76.40%	83.30%	23.60%	16.70%	13.70%	26.90%	86.30%	73.10%
Singapore	73.90%	61.90%	26.10%	38.10%	25.90%	21.40%	74.10%	78.60%
Thailand	66.70%	86.00%	33.30%	14.00%	18.80%	46.20%	81.30%	53.80%
Vietnam	72.80%	86.20%	27.20%	13.80%	29.20%	15.40%	70.80%	84.60%

Source State of Southeast Asia Survey, 2023

Linking the information provided by Tables 3, 4, and 5 to the data shown in Table 6, we drew insights into the complex perceptions of ASEAN countries towards China and the US, particularly in the context of their growing influence in the region. Table 6, which centers on concerns and welcoming attitudes towards both China and the US' influence in the region, reveals a nuanced picture. In 2023, 64.5 percent of the respondents expressed worry about China's growing regional economic influence, a slight increase from 64.4 percent in 2022.

This concern is contrasted with a consistent percentage (around 35 percent) of respondents who welcome China's influence. This data indicates a significant level of apprehension about China's role in the region, despite a notable portion of the population viewing it positively.

Looking at the data in Table 3 where China was perceived as the most influential economic power in Southeast Asia, it is clear that recognition of China's economic strength coexists with concerns about its influence. For instance, while a high percentage of respondents in 2022 saw China as the leading economic power, the data from Table 6 shows that a majority were simultaneously worried about its influence. Table 4 complements this understanding by showing a similar pattern of concern and acceptance towards China's economic influence. The data from 2023 in Table 4 were consistent with Table 6, showing the majority is worried about China's influence alongside a significant minority that welcomes it. Table 5 shifts the focus to political and strategic influence, where China's dominance is less pronounced compared to its economic influence. In 2023, only 41.5 percent of Southeast Asians viewed China as the most influential in political and strategic terms, suggesting that while China's economic influence is acknowledged and caused concern, its political influence is perceived with more skepticism.

In comparison, the US is generally viewed more favorably. Tables 4 and 6 show lower levels of concern and higher levels of acceptance towards the US' growing influence. This is particularly evident in the results shown in Table 6, where the percentage of respondents worried about the US' influence is consistently lower than those concerned about China. Overall, these table collectively illustrate that while China is recognized as a significant economic and political force in Southeast Asia, this comes with considerable apprehension among Southeast Asians. The US, while perceived as less dominant in influence, tends to be viewed more positively, indicating a complex landscape of regional perceptions that are crucial for understanding the dynamics of great power rivalry in the region.

6. Comparative Analysis: Kingmaker and Legitimacy in Action

6.1 Economic legitimacy

Economic legitimacy in Southeast Asia for China and the US is a multifaceted phenomenon shaped by trade volumes, FDI patterns, and public perceptions. Together, these dimensions demonstrate how each power establishes influence and sustains its indispensability in the region. While the US often appears to offer more tangible benefits, such as trade surpluses and governance-aligned investments, China's perception as the dominant economic power in Southeast Asia remains higher. This paradox is rooted in a combination of scale, proximity, strategy, historical ties, and the narrative each power adopts in engaging with the region.

China's dominance in trade and economic ties is a key pillar of its economic legitimacy. As Southeast Asia's largest trading partner, China has consistently surpassed the US in total trade volumes. In 2022, Southeast Asia's trade with China reached USD 722.1 billion (imports of USD 431.3 billion and exports of USD 290.8 billion), far exceeding its trade with the US, which totaled USD 420.5 billion. However, this relationship comes with a persistent trade deficit for Southeast Asia, which has grown over the years, reaching USD 140.5 billion in 2022. China's dominance as a supplier of manufactured goods, machinery, and electronics underscores its indispensability in fulfilling Southeast Asia's industrial and consumer needs (Bijian, 2005; Brooks & Wohlforth, 2016). At the same time, Southeast Asia's exports to China—primarily raw materials and intermediate goods—highlight its structural role in supporting China's manufacturing supply chains (Allen et al., 2003). This trade dynamic, while fostering economic interdependence, raises concerns about over-reliance on Chinese imports. Yet, public perception surveys consistently identify China as the most influential economic power in Southeast Asia. In 2023, 59.9 percent of respondents in the region acknowledged China's economic dominance, even though this marked a decline from 76.7 percent in 2022. The high perception of China's economic role is largely due to its scale of engagement and ability to integrate itself deeply into the region's economic fabric.

China's investment strategy reinforces its narrative of regional leadership by adopting an inclusive approach. While the US targets advanced markets

like Singapore and Malaysia, China spreads its investments across both developed and less developed Southeast Asian nations. In 2022, China invested USD 5.83 billion in Singapore, a key financial hub, while simultaneously directing over USD1.5 billion to Cambodia, a less developed economy (Calabrese & Cao, 2021). This strategy aligns with initiatives like the BRI, which emphasizes connectivity and infrastructure development across the region. Investments in transportation networks, industrial parks, and trade infrastructure provide visible and impactful contributions that resonate with the immediate developmental needs of many Southeast Asian nations. For countries like Cambodia and Myanmar, China's investments often fill gaps left by other global powers (Calabrese & Cao, 2021; Yuan & Lee, 2023). While these projects are sometimes criticized for their potential to create debt dependency, they highlight China's willingness to engage where other investors are hesitant. This inclusivity enhances China's image as a development partner committed to regional progress, which is further amplified by its emphasis on mutual growth and sovereignty. Public perceptions reflect this dynamic; while many Southeast Asian citizens acknowledge concerns about over-dependence on China—64.5 percent expressed worry in 2023—China's overall perception as a dominant power remains strong.

The US, by contrast, employs a more selective economic strategy, concentrating on governance-aligned investments in advanced markets and specific high-value sectors. In 2022, the US invested USD 17.2 billion in Singapore, far exceeding China's USD 5.83 billion in the same market. Similarly, US investments in Malaysia surged to USD 8.44 billion in 2022, compared to China's USD 837.5 million. These investments align with the US' focus on technology, manufacturing, and services, highlighting its role as a proponent of private-sector-led growth and liberal economic norms (G. J. Ikenberry, 2011; Kao, 2023). In trade, the US provides Southeast Asia with a consistent surplus, benefiting the region's export-driven economies. In 2022, Southeast Asia exported USD 291 billion to the US while importing USD 129.5 billion, resulting in a USD 161.5 billion trade surplus. This surplus underscores Southeast Asia's critical role in supplying goods such as electronics, textiles, and agricultural products to the US market. Despite these tangible benefits, the US' total trade volumes and broader economic engagement in Southeast Asia remain smaller than China's. Public perception surveys mirror these dynamics; only 10.5 percent of respondents in 2023 identified the US as the most influential

economic power, yet 65.7 percent welcomed its economic influence, reflecting a favorable view of its engagement style.

China's elevated perception as a dominant power, despite the US' often more favorable trade and investment terms, can be attributed to several key factors. The scale and visibility of China's economic engagement make its presence in Southeast Asia undeniable. Large-scale infrastructure projects, such as railways, highways, and industrial zones, serve as tangible symbols of China's commitment to the region (Gong, 2019). These visible contributions contrast with the US focus on sectors like technology and services, which, while impactful, are less immediately apparent to the broader public. Geographical proximity gives China a logistical advantage in maintaining strong trade ties with Southeast Asia (Agency, 2023; Chen, 2022). Shorter supply chains and cultural familiarity enhance its ability to integrate economically with the region, reinforcing its indispensability.

China also cultivates a narrative of mutual prosperity, framing its engagements as partnerships rather than transactions. Initiatives like the BRI emphasize shared benefits and regional connectivity, appealing to countries seeking development without governance-related conditions often attached to US aid and investments. This narrative resonates particularly with nations that view governance requirements as restrictive, bolstering China's perception as a partner for equitable growth. Historical and cultural ties between China and Southeast Asia further enhance this perception. Long-standing trade, migration, and shared cultural heritage foster trust and familiarity, making China's economic dominance appear as a continuation of an established relationship rather than an external imposition.

The US' strategy, while narrower in scope, is grounded in its role as a champion of liberal economic norms and governance standards (G. J. Ikenberry, 2005, 2011). Its investments in high-value markets like Singapore and Malaysia bolster its reputation as a reliable and transparent partner. However, the US' selective engagement limits its visibility and regional impact compared to China's broader strategy. This dichotomy highlights the interplay between economic engagement and legitimacy, where the scale of influence does not always correlate with public trust.

Economic legitimacy in Southeast Asia for China and the US reflects a balance of material benefits, strategic narratives, and public perceptions.

China's dominance in trade volumes, diverse FDI strategy, and visible contributions to regional development elevate its perception as the leading economic power, despite concerns about over-reliance. Meanwhile, the US maintains a favorable image through targeted investments and trade surpluses, appealing to nations that prioritize governance and stability. Together, these dynamics underscore the complex interplay of trade, investment, and perception in shaping economic legitimacy in Southeast Asia amidst great power rivalry.

6.2 Kingmaker dynamics

Southeast Asia, as a region of immense strategic and economic importance, holds the latent potential to act as a “kingmaker” in the legitimacy competition between China and the US. The term “kingmaker” refers to an actor that can shape outcomes and influence the balance of power between competing entities without directly holding hegemonic authority. Southeast Asia's collective significance, bolstered by ASEAN as a platform for regional cooperation, situates the region as a pivotal player in the US-China rivalry. Yet, while this potential exists, Southeast Asian states have chosen to prioritize individual, fragmented hedging strategies over a unified approach, where southeast Asian states employ different hedging strategies while reaping immediate benefits rather than fully leveraging their kingmaker role.

The fragmented hedging strategies employed by Southeast Asian states are a pragmatic response to their diverse political and economic landscapes. These strategies allow individual states to balance the competing influences of China and the US without aligning exclusively with either power. For instance, Vietnam and the Philippines often hedge toward the US for security assurances, while Cambodia and Laos tilt toward China for infrastructure investment and economic aid (Calabrese & Cao, 2021; Duong, 2020; Yuan & Lee, 2023; Zimmermann & Bäumlér, 2013). This individualized approach enables each state to pursue its own national interests, tailoring engagements to maximize economic and strategic benefits. However, it also dilutes the collective influence that the region could wield if united under ASEAN's framework.

Economic engagement with both China and the US highlights the tangible benefits of fragmented hedging. China's dominance in trade with

Southeast Asia is a cornerstone of its economic strategy. In 2022, ASEAN-China trade reached a staggering USD 722.1 billion, underscoring China's role as a critical supplier of manufactured goods and a major consumer of raw materials and intermediate products from Southeast Asia. However, this trade relationship is marked by a persistent deficit for Southeast Asia, raising concerns about economic over-dependence on China. Simultaneously, US-ASEAN trade, while smaller in scale at USD 420.5 billion in 2022, generates a significant trade surplus of USD 161.5 billion in Southeast Asia's favor. This surplus bolsters the export-driven economies of the region, emphasizing the US' role as a vital market for Southeast Asia's goods. By engaging with both powers, Southeast Asian states extract complementary economic benefits, showcasing the practicality of hedging for diverse gains.

FDI further underscores the efficacy of fragmented hedging. The US focuses its FDI on advanced markets like Singapore and Malaysia, where investments reached USD 17.2 billion and USD 8.44 billion respectively in 2022. These investments align with high-value sectors such as technology, advanced manufacturing, and services, emphasizing governance and private-sector growth. Conversely, China adopts a dual approach, targeting both advanced and less developed markets. In 2022, China invested USD 5.83 billion in Singapore while directing over USD 1.5 billion to Cambodia, reflecting its commitment to infrastructure and development projects. This inclusive strategy reinforces China's narrative of mutual growth and regional development, appealing to states with immediate economic needs. The diversity of these FDI patterns highlights how Southeast Asian states leverage the strengths of both powers, further fragmenting their hedging approach to align with specific national priorities.

Public perception data provides additional insight into the complexities of Southeast Asia's hedging strategies. Surveys reveal that while China is widely recognized as the dominant economic power in the region, concerns about its growing influence persist. In 2023, 59.9 percent of respondents identified China as the most influential economic power, yet 64.5 percent expressed apprehension about this dominance. Meanwhile, the US enjoys a more favorable perception, with 65.7 percent of respondents welcoming its economic influence in the same year, despite its smaller trade and investment footprint. This dichotomy underscores the strategic balancing act of Southeast

Asian states, which seek to maximize the benefits of engagement with both powers while mitigating risks associated with over-reliance on one.

The potential for Southeast Asia to act as a kingmaker is undeniable. The region's economic integration, strategic location, and institutional framework through ASEAN position it as a critical arbiter in the US-China rivalry (Mansor Majdin et al., 2023). A unified approach under ASEAN could transform the region's fragmented hedging into a cohesive strategy, amplifying its collective leverage. By presenting a unified front, Southeast Asian states could negotiate more favorable terms in trade, investment, and security agreements, reshaping the regional order in ways that serve their collective interests. However, achieving this unity would require overcoming significant challenges, including internal divisions and the principle of non-interference that limits ASEAN's capacity to enforce unified policies.

At present, the benefits of fragmented hedging outweigh the incentives for collective action. This approach allows Southeast Asian states to maintain strategic autonomy, avoid entanglement in great power conflicts, and secure immediate economic gains tailored to their unique needs. Yet, this pragmatism comes at the cost of unrealized potential. As individual states prioritize short-term benefits, the region as a whole forgoes the greater leverage that could be achieved through a united kingmaker role (Kuik, 2016a). The decision not to embrace this role reflects a strategic calculation: the current fragmented hedging model delivers significant benefits without the risks and complexities of collective action.

Therefore, Southeast Asian member states possess the latent potential to act as a kingmaker in the US-China rivalry. Their fragmented hedging strategies highlight a pragmatic approach to balancing competing influences, prioritizing immediate economic and strategic benefits over unified action. While this approach is effective in the short term, the potential for a unified ASEAN to leverage its collective power as a kingmaker remains a compelling, if unrealized, possibility. By uniting under a cohesive strategy, Southeast Asia could redefine its role in the global order, transitioning from a reactive participant to a proactive shaper of great power dynamics. For now, the benefits of fragmented hedging prevail, but the potential for greater leverage through unity underscores the region's strategic significance in the ongoing legitimacy race.

7. Implications for the Global Order

The competition between China and the US for legitimacy in Southeast Asia has profound implications for both the regional and global order, reflecting the broader systemic contest between the liberal international order and a state-led multipolar vision of global governance. Southeast Asia's strategic significance as a critical economic and geopolitical hub place it at the heart of this rivalry, and the outcomes of this competition could reshape the trajectories of power in the region and beyond.

At the regional level, the consolidation of legitimacy by either China or the US would have distinct implications for Southeast Asia's governance and integration into the global system. If China successfully consolidates legitimacy, the regional order could shift toward a multipolar system that prioritizes development-driven cooperation. China's model, characterized by infrastructure investments, trade connectivity, and partnerships that eschew governance conditions, presents an appealing alternative for many Southeast Asian states seeking rapid economic growth. This model, if adopted broadly, could reinforce China's vision of a more state-led international order, where sovereignty and non-interference are emphasized over the liberal norms traditionally championed by the West (Chan et al., 2008; Ferchen, 2013). The rise of such a framework in Southeast Asia would signify a departure from the dominance of the liberal international order and a pivot toward a multipolar world where regional powers wield significant influence.

Conversely, if the US sustains its legitimacy in Southeast Asia, it will reinforce the liberal international order, counterbalancing China's growing influence. The US emphasis on governance, rule of law, and multilateralism aligns with the foundational principles of the liberal order (G. J. Ikenberry, 2005, 2011; J. Ikenberry, 2008). By maintaining strong economic ties, promoting democratic values, and strengthening security alliances, the US would not only solidify its role in Southeast Asia but also ensure the persistence of its global leadership. A US-oriented regional order in Southeast Asia would likely prioritize transparency, open markets, and institutional reforms, creating a counterweight to China's state-led approach. This would enhance the credibility of liberal internationalism as a viable framework for global governance in the face of rising multipolarity.

Globally, Southeast Asia's role as a kingmaker in the US-China rivalry underscores its significance in shaping the broader balance of power. The region's strategic choices, driven by economic pragmatism and geopolitical considerations, offer a microcosm of the larger systemic contest between liberal internationalism and state-led multipolarity. Southeast Asia's ability to navigate this competition reflects the agency of middle powers and regions in influencing great power dynamics. The region's engagement strategies, whether through fragmented hedging or potential collective action under ASEAN, serve as a template for other regions grappling with the complexities of great power rivalry.

Ultimately, the outcomes of this competition will resonate beyond Southeast Asia, influencing the structure of the global order. Whether the region gravitates toward China's development-driven multipolarity or reinforces the liberal international order championed by the US, Southeast Asia's strategic decisions will play a pivotal role in defining the contours of global governance in the 21st century.

8. Conclusion

Southeast Asia occupies a unique position in the global order, serving as the focal point where the competing aspirations of China and the US for legitimacy intersect. Its geographic and economic importance makes it indispensable in the calculus of great power rivalry, providing both powers with a critical platform to project influence and assert their competing visions of global leadership. However, Southeast Asia's response to this rivalry is not merely reactive; it holds the latent potential to act as a kingmaker, a pivotal force capable of shaping the trajectory of US-China relations. This potential remains unrealized due to the fragmented nature of the region's hedging strategies, which prioritize individual state benefits over collective regional action.

Central to the US-China competition in Southeast Asia is the concept of legitimacy, which encompasses more than material power. Legitimacy derives from the ability of a state to position itself as a rightful leader in the international system, often achieved through consistent actions, adherence to norms, and beneficial partnerships. The US builds its legitimacy on the foundation of the liberal international order, emphasizing governance, democracy, and multilateralism. In contrast, China offers an alternative development model

centered on infrastructure investments, economic growth, and partnerships free from governance conditionalities. These divergent strategies reflect the two powers' broader worldviews and highlight the stakes of their engagement in Southeast Asia, where they aim to align their legitimacy-building efforts with the region's priorities and aspirations.

Southeast Asia's kingmaker potential lies in its ability to influence this race for legitimacy without assuming dominant power itself. The region's economic importance is underscored by its integration into global supply chains and its role as a hub of trade and investment. In 2022, trade between China and Southeast Asia reached USD 722.1 billion, affirming China's role as the region's primary trading partner. Concurrently, US-ASEAN trade, although smaller at USD 420.5 billion, provided a substantial trade surplus of USD 161.5 billion in the region's favor, highlighting its role as a key exporter to the US. Similarly, FDI patterns demonstrate complementary narratives: the US channels investments into advanced markets like Singapore and Malaysia, emphasizing governance and private-sector growth, while China adopts a more inclusive approach, targeting both developed and less developed nations. This dual engagement enables Southeast Asia to extract benefits from both powers, reinforcing its strategic importance.

However, Southeast Asia's fragmented hedging strategies complicate its potential as a cohesive kingmaker. Hedging allows states to balance between competing powers without committing fully to either, maximizing strategic and economic flexibility. Vietnam and the Philippines lean towards the US for security while engaging China for economic benefits, whereas Cambodia and Laos align closely with China, securing infrastructure investments and development aid. This fragmentation reflects the region's diversity, where national priorities often outweigh regional cohesion. ASEAN, despite its framework for cooperation, operates on principles of non-interference and consensus, limiting its ability to enforce unified action. The result is a pattern of free-riding, where individual states prioritize national gains over collective leverage, weakening Southeast Asia's ability to act as a unified arbiter in the US-China rivalry.

Proximity to China plays a decisive role in shaping Southeast Asia's engagement strategies. Unlike the US, whose geographic distance and historically variable involvement create uncertainty, China's status as a

permanent neighbor is an inescapable reality. This proximity ensures that Southeast Asian states must account for China's presence in their economic and strategic planning, regardless of political alignment. Historical ties and shared cultural linkages further solidify this dynamic, making China a constant force in the region's calculus. By contrast, the US, while a critical partner, is viewed as a less enduring presence, its engagement contingent on changing political priorities. This structural disparity fosters a pragmatic approach, where Southeast Asia engages China out of necessity and the US out of opportunity.

Public perception data mirrors this complex dynamic. In 2023, 59.9 percent of Southeast Asians identified China as the dominant economic power, but 64.5 percent expressed concerns about its growing influence. Meanwhile, the US, perceived as less dominant economically, garnered a favorable reception, with 65.7 percent of respondents welcoming its engagement. These perceptions underscore the region's cautious navigation of great power rivalry, acknowledging China's indispensability while valuing the reliability and transparency associated with US involvement. This dual approach reflects Southeast Asia's attempt to balance the competing demands of economic interdependence and strategic autonomy.

The fragmented nature of hedging, while pragmatic, limits Southeast Asia's ability to fully realize its kingmaker potential. As individual states prioritize short-term benefits, the region forfeits the collective leverage that could come from acting as a unified bloc. If ASEAN were to undergo structural reform, creating mechanisms to align national interests with regional goals, it could transform into a cohesive entity capable of influencing US-China competition more decisively. A unified ASEAN would enhance the region's bargaining power, allowing it to demand greater concessions and shape the regional order to its advantage.

For now, Southeast Asia's role as a kingmaker remains an unrealized force, constrained by internal divisions but shaped by its strategic and economic importance. The region's fragmented hedging strategies represent a pragmatic response to a complex geopolitical landscape, leveraging its position to extract benefits from both powers while maintaining a delicate balance. However, the potential for a more unified approach, supported by ASEAN reforms, offers a vision of Southeast Asia not as a passive battleground but as an active arbiter of global power dynamics. Achieving this vision would require a shift in regional cohesion and a reimagining of Southeast Asia's role

in the global order, transitioning from fragmented pragmatism to collective influence.

Notes

* **Brice Tseen Fu Lee** is a Ph.D. candidate in International Politics at Fudan University, China as a CSC Scholar and a Senior Researcher in Universidad del Desarrollo. He holds a Master of Arts degree in Politics, Governance, and Public Policy from the University of Sheffield as a Chevening Scholar and Master of Science in Management and Technology from Universiti Teknologi Brunei. He finished his B.A. in Business Administration from Universiti Brunei Darussalam. He specializes in security studies, political economy, and development studies, with a particular emphasis on China and Southeast Asian member states. <Email: briceleetseenfu@gmail.com>

** **Salman Ali Bettani** is a mid-career academic and analyst in the field of international relations. Currently a Ph.D. candidate in International Politics at Fudan University, Salman is also a lecturer at the School of Politics & International Relations at Quaide-Azam University in Islamabad. He focuses on politics of South Asia, China, as well as nuclear politics. He has participated in several international dialogues, including the Track-II between India and Pakistan; and China, Pakistan, and Afghanistan. He has been part of Nuclear 3s course at Howard Baker institute University of Tennessee USA. His recent publications are “Deterrence Measure: A Cause for Promoting Regional Instability in South Asia” in the Chinese Journal of IR, “CPEC: Regional Swords and Stability” in the Indian Journal of Economics and Business, “The Novel Changes in Pakistan’s Party Politics: Analysis of Causes and Impacts” in the CPSR and “China and Regional Security in South and Southeast Asia: A Comparative Analysis of ASEAN and SAARC” in the Journal of ASEAN Studies. <Email: sabettani@qau.edu.pk>

*** **Juan Pablo Sims** is a professor at the Faculty of Government at Universidad del Desarrollo and a researcher at the Center of International Relations Studies, Universidad del Desarrollo, Chile. He holds an M.A. in International Relations from the University of Melbourne, Australia, and is a Ph.D. candidate in International Politics at Fudan University, China. He is interested in international political economy, particularly in Latin America and East Asia. His most recent research involves Chinese investment and regional free trade agreements. <Email: jsims@udd.cl>

**** **Yun-Tso Lee** is a professor at the Faculty of Government at Universidad del Desarrollo and the Director of the Center of International Relations Studies, at

Universidad del Desarrollo, Chile. He holds a Master of Arts degree in Asian Studies, from Leiden University, Netherlands. He also holds a Ph.D. from Universidad Complutense de Madrid, Spain. His main research interests are geopolitics and geoeconomics of Asia and Latin America, with a focus on soft power and IR theory. <Email: ylee@udd.cl>

References

- Agency, X. N. (2023). Jakarta-Bandung high-speed railway starts official operation. In *Belt and Road Portal*. <<https://eng.yidaiyilu.gov.cn/p/0BJDJLOQ.html>>
- Allen, F., Qian, J., & Qian, M. (2003). Law, finance, and economic growth in China. *SSRN Electronic Journal*. <<https://doi.org/10.2139/ssrn.419481>>
- Alleyne, A., Zhang, Z., & Mu, Y. (2020). Sustaining international trade with China: Does ACFTA improve ASEAN export efficiency? *Sustainability*, Vol. 12, No. 15, pp. 6159. <<https://doi.org/10.3390/su12156159>>
- Ameyaw-Brobbe, T. (2018). The belt and road initiative: Debt trap and its implication on international security. *Asian Journal of Multidisciplinary Studies*, Vol. 1, No. 2, pp. 73-81.
- Armstrong, S., & Drysdale, P. (2022). The economic cooperation potential of East Asia's RCEP agreement. *East Asian Economic Review*, Vol. 26, No. 1, pp. 3-25. <<https://doi.org/10.11644/KIEP.EAER.2022.26.1.403>>
- ASEAN Stats. (n.d.-b). *Flows of inward foreign direct investment (FDI) into AMS by source country (in million US\$)*. <<https://data.aseanstats.org/fdi-by-hosts-and-source-inward>>
- ASEAN Stats. (2023a). *ASEAN trade in goods (IMTS) dashboard*. <<https://data.aseanstats.org/dashboard/imts.hs2>>
- Ba, A. D. (2003). China and Asean: Renavigating relations for a 21st-century Asia. *Asian Survey*, Vol. 43, No. 4, pp. 622-647. <<https://doi.org/10.1525/as.2003.43.4.622>>

- Baldwin, R. (2016). The World trade organization and the future of multilateralism. *Journal of Economic Perspectives*, Vol. 30, No. 1, pp. 95-116. <https://doi.org/10.1257/jep.30.1.95>
- Barnett, M. N. (1997). Bringing in the new World order: Liberalism, legitimacy, and the United Nations. *World Politics*, Vol. 49, No. 4, pp. 526-551. <https://doi.org/10.1017/S0043887100008042>
- Bateman, S. (2007). UNCLOS and its limitations as the foundation for a regional maritime security regime. *Korean Journal of Defense Analysis*, Vol. 19, No. 3, pp. 27-56. <https://doi.org/10.1080/10163270709464140>
- Behuria, A. K. (2018). How Sri Lanka walked into a debt trap, and the way out. *Strategic Analysis*, Vol. 42, No. 2, pp. 168-178. <https://doi.org/10.1080/09700161.2018.1439327>
- Bijian, Z. (2005). China's "peaceful rise" to great-power status. *Foreign Affairs*, Vol. 84, No. 5, pp. 18. <https://doi.org/10.2307/20031702>
- Brooks, S. G., & Wohlforth, W. C. (2016). The rise and fall of the great powers in the twenty-first century: China's rise and the fate of America's global position. *International Security*, Vol. 40, No. 3, pp. 7-53. https://doi.org/10.1162/ISEC_a_00225
- Bu, N., & Wu, T. (2022). The Asia-Pacific region: The new center of gravity for international business. In Wu, T. & Bu, N. (Eds.), *International Business in the New Asia-Pacific* (pp. 3-29). Springer International Publishing. https://doi.org/10.1007/978-3-030-87621-0_1
- Bull, H. (1977). *The anarchical society*. Macmillan Education UK. <https://doi.org/10.1007/978-1-349-24028-9>
- Calabrese, L., & Cao, Y. (2021). Managing the belt and road: Agency and development in Cambodia and Myanmar. *World Development*, Vol. 141, No. 105297. <https://doi.org/10.1016/j.worlddev.2020.105297>
- Castro, R. C. D. (2017). The 12 July 2016 permanent court of arbitration's (PCA) award: The Philippines' lawfare versus China's realpolitik in the South China Sea dispute. *International Journal of China Studies*, Vol. 8, No. 3, pp. 347-372.

- Chan, L.-H., Lee, P. K., & Chan, G. (2008). Rethinking global governance: A China model in the making? *Contemporary Politics*, Vol. 14, No. 1, pp. 3-19. [<https://doi.org/10.1080/13569770801913355>](https://doi.org/10.1080/13569770801913355)
- Chapnick, A. (1999). The middle power. *Canadian Foreign Policy Journal*, Vol. 7, No. 2, pp. 73-82. [<https://doi.org/10.1080/11926422.1999.9673212>](https://doi.org/10.1080/11926422.1999.9673212)
- Chen, X. (2022). “Corridor-ising” impact along the belt and road: Is the newly operational China-Laos railway a game-changer? *European Financial Review*. [<https://digitalrepository.trincoll.edu/facpub/326/>](https://digitalrepository.trincoll.edu/facpub/326/)
- Chengqiu, W. (2020). Ideational differences, perception gaps, and the emerging Sino-US rivalry. *The Chinese Journal of International Politics*, Vol. 13, No. 1, 27-68. [<https://doi.org/10.1093/cjip/poz020>](https://doi.org/10.1093/cjip/poz020)
- Chiang, M.-H. (2019). China-ASEAN economic relations after establishment of free trade area. *The Pacific Review*, Vol. 32, No. 3, pp. 267-290. [<https://doi.org/10.1080/09512748.2018.1470555>](https://doi.org/10.1080/09512748.2018.1470555)
- Chiang, M.-H., & Micheaux, E. L. de. (2022). China’s outward foreign direct investment in Southeast Asia: Analyzing the Chinese state’s strategies and potential influence. *Thunderbird International Business Review*, Vol. 64, No. 6, pp. 581-593. [<https://doi.org/10.1002/tie.22311>](https://doi.org/10.1002/tie.22311)
- Chin, G., & Stubbs, R. (2011). China, regional institution-building and the China-ASEAN free trade area. *Review of International Political Economy*, Vol. 18, No. 3, pp. 277-298. [<https://doi.org/10.1080/09692291003762548>](https://doi.org/10.1080/09692291003762548)
- Chin, K. F. (2023). Malaysia in changing geopolitical economy: Navigating great power competition between China and the United States. *The Chinese Economy*, Vol. 56, No. 4, pp. 321-329. [<https://doi.org/10.1080/10971475.2022.2136697>](https://doi.org/10.1080/10971475.2022.2136697)
- Cooper, D. A. (2011). Challenging contemporary notions of middle power influence: Implications of the proliferation security initiative for “middle power theory”: PSI and middle power theory. *Foreign Policy Analysis*, Vol. 7, No. 3, pp. 317-336. [<https://doi.org/10.1111/j.1743-8594.2011.00140.x>](https://doi.org/10.1111/j.1743-8594.2011.00140.x)

- Demeure, N., & Lee, B. T. F. (2023). Effect of the zero-covid policy on Chinese FDI inflows and government's response: Has the pandemic led to distinctive paradigm change in China's hypergrowth approach to development? *Journal of Strategic and Global Studies*, Vol. 6, No. 2. <<https://doi.org/10.7454/jsgs.v6i2.1124>>
- Duong, V. H. (2020). A Vietnamese perspective on China's belt and road initiative in Vietnam. *Contemporary Chinese Political Economy and Strategic Relations*, Vol. 6, No. 1, pp. 145-185. <[https://icaps.nsysu.edu.tw/var/file/131/1131/img/CCPS6\(1\)-Duong.pdf](https://icaps.nsysu.edu.tw/var/file/131/1131/img/CCPS6(1)-Duong.pdf)>
- Ferchen, M. (2013). Whose China model is it anyway? The contentious search for consensus. *Review of International Political Economy*, Vol. 20, No. 2, 390-420. <<https://doi.org/10.1080/09692290.2012.660184>>
- Goh, E. (2005). *Meeting the China challenge: The US in Southeast Asian regional security strategies*. East-West Center Washington. <<https://www.jstor.org/stable/resrep06541>>
- Gong, X. (2019). The belt & road initiative and China's influence in Southeast Asia. *The Pacific Review*, Vol. 32, No. 4, pp. 635-665. <<https://doi.org/10.1080/09512748.2018.1513950>>
- Gronau, J., & Schmidtke, H. (2016). The quest for legitimacy in world politics – international institutions' legitimization strategies. *Review of International Studies*, Vol. 42, No. 3, pp. 535-557. <<https://doi.org/10.1017/S0260210515000492>>
- Himmer, M., & Rod, Z. (2022). Chinese debt trap diplomacy: Reality or myth? *Journal of the Indian Ocean Region*, Vol. 18, No. 3, pp. 250-272. <<https://doi.org/10.1080/19480881.2023.2195280>>
- Hoon, C.-Y., & Zhao, K. (2024). Emerging Chinese foreign direct investment in Brunei: Issues and prospects. *East Asian Policy*, Vol. 16, No. 3, pp. 100-114. <<https://doi.org/10.1142/S1793930524000230>>
- Huyen, P. T. T., & Thang, N. T. (2020). China's belt and road initiative (BRI): Challenges and opportunities for Vietnam. In Chong, A. & Pham, Q. M. (Eds.), *Critical reflections on China's belt & road initiative* (pp. 223-233). Springer Nature Singapore. <https://doi.org/10.1007/978-981-13-2098-9_13>

- Ikenberry, G. J. (2005). Power and liberal order: America's postwar World order in transition. *International Relations of the Asia-Pacific*, Vol. 5, No. 2, pp. 133-152. <https://doi.org/10.1093/irap/lci112>
- Ikenberry, G. J. (2011). *Liberal leviathan: The origins, crisis, and transformation of the American World order*. Princeton University Press. Vol. 141. <https://doi.org/10.2307/j.ctt7rjt2>
- Ikenberry, J. (2008). The rise of China and the future of the west: Can the liberal system survive? *Foreign Affairs*, Vol. 87, No. 1, pp. 23-37. <http://www.jstor.org/stable/20020265>
- ISEAS. (n.d.). *State of Southeast Asia survey*. ISEAS ASEAN Studies Center. <https://www.iseas.edu.sg/category/centres/asean-studies-centre/state-of-southeast-asia-survey/>
- Kao, P.-S. (2023). The political economy of Singapore and its development strategies under USA-China power rivalry: A choice of hedging policies. *The Chinese Economy*, Vol. 56, No. 4, pp. 339-351. <https://doi.org/10.1080/10971475.2022.2136700>
- Keohane, R. O., & Nye, J. S. (1977). *Power and interdependence: World politics in transition*. Little, Brown and Comp.
- Kim, H. J. (2007). ASEAN way and its implications and challenges for regional integration in Southeast Asia. *Jati - Journal of Southeast Asian Studies*, Vol. 12, pp. 17-29. <https://sare.um.edu.my/index.php/jati/article/download/5779/3510>
- Kim, M. (2022). Hedging between the United States and China? South Korea's ideology-driven behavior and its implications for national security. *International Relations of the Asia-Pacific*, Vol. 23, No. 1, pp. 129-158. <https://doi.org/10.1093/irap/lcab020>
- Kim, S. C. (2019). China and its neighbors: Asymmetrical economies and vulnerability to coercion. *Issues & Studies*, Vol. 55, No. 4, 1950007. <https://doi.org/10.1142/S1013251119500073>
- Kuik, C.-C. (2016a). How do weaker states hedge? Unpacking ASEAN states' alignment behavior towards China. *Journal of Contemporary China*, Vol. 25, No. 100, pp. 500-514. <https://doi.org/10.1080/10670564.2015.1132714>

- Kuik, C.-C. (2016b). Malaysia between the United States and China: What do weaker states hedge against? *Asian Politics & Policy*, Vol. 8, No. 1, pp. 155-177. [<https://doi.org/10.1111/aspp.12240>](https://doi.org/10.1111/aspp.12240)
- Kuik, C.-C. (2021). Getting hedging right: A small-state perspective. *China International Strategy Review*, Vol. 3, No. 2, pp. 300-315. [<https://doi.org/10.1007/s42533-021-00089-5>](https://doi.org/10.1007/s42533-021-00089-5)
- Kuik, C.-C., Idris, N. A., & Nor, A. R. M. (2012). The China factor in the U.S. “reengagement” with Southeast Asia: Drivers and limits of converged hedging. *Asian Politics & Policy*, Vol. 4, No. 3, pp. 315-344. [<https://doi.org/10.1111/j.1943-0787.2012.01361.x>](https://doi.org/10.1111/j.1943-0787.2012.01361.x)
- Lai, Y. M., & Kuik, C.-C. (2021). Structural sources of Malaysia’s South China Sea policy: Power uncertainties and small-state hedging. *Australian Journal of International Affairs*, Vol. 75, No. 3, pp. 277-304. [<https://doi.org/10.1080/10357718.2020.1856329>](https://doi.org/10.1080/10357718.2020.1856329)
- Lee, B. T. F., Asihaer, A., Sims, J. P., & Ali, S. (2023). The interplay of public health, politics, and economics in covid-19 border control strategies: A comparative study of Brunei Darussalam, UK, China, Germany, and Australia. *Unnes Political Science Journal*, Vol. 7, No. 2. [<https://journal.unnes.ac.id/sju/upsj/article/download/75374/25479>](https://journal.unnes.ac.id/sju/upsj/article/download/75374/25479)
- Lee, B. T. F., Bettani, S. A., & Sims, J. P. (2024). Rise of China: Harmony or hegemony? *Chinese Political Science Review*. Vol. 9, pp. 381-417. [<https://doi.org/10.1007/s41111-024-00253-3>](https://doi.org/10.1007/s41111-024-00253-3)
- Lee, B. T. F., & Sims, J. P. (2023). Maslow’s hierarchy of needs: A framework for understanding China’s SOEs, SMEs and decentralisation. *China Report*, Vol. 59, No. 4, pp. 402–421. [<https://doi.org/10.1177/00094455231187692>](https://doi.org/10.1177/00094455231187692)
- Lee, B. T. F., & Sims, J. P. (2024). Legitimacy through diversity: China’s leadership in the BRICS+ expansion for global balance. *Fudan Journal of the Humanities and Social Sciences*. pp. 1-38 [<https://doi.org/10.1007/s40647-024-00411-6>](https://doi.org/10.1007/s40647-024-00411-6)
- Lim, G., Hoon, C.-Y., & Zhao, K. (2023). Foreign investment, state capitalism, and national development in Borneo: Rethinking Brunei–China economic relations. *Journal of*

- Current Southeast Asian Affairs*, Vol. 42, No. 2, pp. 242-264.
<<https://doi.org/10.1177/18681034231186441>>
- Lim, G., Li, C., & Ji, X. (2022). Chinese financial statecraft in Southeast Asia: An analysis of China's infrastructure provision in Malaysia. *The Pacific Review*, Vol. 35, No. 4, pp. 647-675. <<https://doi.org/10.1080/09512748.2020.1868556>>
- Liu, H., Tan, K. Y., & Lim, G. (2021). Introduction — Southeast Asia and the belt and road initiative: The political economy of regionalism, trade, and infrastructure. *The Singapore Economic Review*, Vol. 66, No. 1, pp. 1-20.
<<https://doi.org/10.1142/S021759082102001X>>
- Mansor Majdin, M. F., H. Osman, R. A., & Yaapar, M. S. (2023). The strait of Malacca and strait of Hormuz: A brief historical review. *KEMANUSIAAN the Asian Journal of Humanities*, Vol 30, No. 2, pp. 1-20. <<https://doi.org/10.21315/kajh2023.30.2.1>>
- Nye, J. S. (1990a). Soft power. *Foreign Policy*, No. 80, pp. 153-171
<<https://doi.org/10.2307/1148580>>
- Nye, J. S. (1990b). The changing nature of World power. *Political Science Quarterly*, Vol. 105, No. 2, pp. 177-192. <<https://doi.org/10.2307/2151022>>
- Sims, J. P., Lee, Y.-T., & Lee, B. T. F. (2023). New Chinese economic policy to Latin America? A QCA approach to the belt and road initiative. *Chinese Political Science Review*. pp. 1-27 <<https://doi.org/10.1007/s41111-023-00244-w>>
- Suhardiman, D., DiCarlo, J., Keovilignavong, O., Rigg, J., & Nicol, A. (2021). (Re)constructing state power and livelihoods through the Laos-China railway project. *Geoforum*, No. 124, pp. 79-88. <<https://doi.org/10.1016/j.geoforum.2021.06.003>>
- Tan, S. S. (2020). Consigned to hedge: South-east Asia and America's 'free and open Indo-Pacific' strategy. *International Affairs*, Vol. 96, No. 1, pp. 131-148.
<<https://doi.org/10.1093/ia/iiz227>>
- Waltz, K. (1979). *Theory of international politics* (1st ed.). Addison-Wesley Publishing Company.

- Wilson, J. D. (2018). Rescaling to the Indo-Pacific: From economic to security-driven regionalism in Asia. *East Asia*, Vol. 35, No. 2, pp. 177-196. [<https://doi.org/10.1007/s12140-018-9285-6>](https://doi.org/10.1007/s12140-018-9285-6)
- Wong, E. (2024). U.S. pledges \$500 million in new military aid to the Philippines, as China Asserts Sea claims. *New York Times*. [<https://www.nytimes.com/2024/07/30/world/asia/us-philippines-military-aid-china.html>](https://www.nytimes.com/2024/07/30/world/asia/us-philippines-military-aid-china.html)
- Yean, T. S., & Negara, S. D. (2022). Chinese investments in industrial parks: Comparison between Indonesia and Malaysia. In *Series on China's belt and road initiative*. World Scientific. pp. 225-268. [<https://doi.org/10.1142/9789811221873_0010>](https://doi.org/10.1142/9789811221873_0010)
- Yeung, H. W. (2022). Explaining geographic shifts of chip making toward East Asia and market dynamics in semiconductor global production networks. *Economic Geography*, Vol. 98, No. 3, pp. 272-298. [<https://doi.org/10.1080/00130095.2021.2019010>](https://doi.org/10.1080/00130095.2021.2019010)
- Yuan, C., & Lee, B. T. F. (2023). Exploring China's response to the Rohingya crisis: A liberal perspective. *Journal of Terrorism Studies*, Vol. 5, No. 1. [<https://doi.org/10.7454/jts.v5i1.1056>](https://doi.org/10.7454/jts.v5i1.1056)
- Yuliantoro, N. R. (2019). The belt and road initiative and China–ASEAN relations: An Indonesian perspective. In *The belt and road initiative: ASEAN countries' perspectives*, pp. 81–101. [<https://doi.org/10.1142/9789811205774_0003>](https://doi.org/10.1142/9789811205774_0003)
- Zimmermann, A., & Bäumlér, J. (2013). Navigating through narrow jurisdictional straits: The Philippines – PRC South China Sea dispute and UNCLOS. *The Law & Practice of International Courts and Tribunals*, Vol. 12, No. 3, pp. 431-461. [<https://doi.org/10.1163/15718034-12341266>](https://doi.org/10.1163/15718034-12341266)

Book Review

Karl Roberts and Saira Bano (Eds.), *The Ascendancy of Regional Powers in Contemporary US-China Relations: Rethinking the Great Power Rivalry*, Switzerland: Springer International Publishing, 2023, 294pp. + xv.

Kari Roberts and Saira Bano (editors), together with their book contributors, tackle a timely and pressing area of concern in *The Ascendancy of Regional Powers in Contemporary United States (US)-China Relations*. The work delves into the shifting dynamics of international politics, particularly the growing influence of regional powers within the framework of the US-China rivalry. Through a comprehensive analysis and compendium of works from esteemed experts in their respective fields, the book contemplates and explores how middle and emerging powers, such as India, Japan, Australia, and other key regional states and players are increasingly contesting the contours of global geopolitics. The book, thereby, challenges and calls for a revisit of the classically accepted 'great power' framework of international relations.

Themes and Analysis

Roberts and Bano's main assertion is that the unipolar reign of the US is over, and that China's hegemonic ambitions find increased competition from smaller regional spheres. This emerging dynamic challenges the great power rivalry, and mounts a more constructivist approach of great power relations. The erosion of unipolar state dominance in favor of a more multipolar world order allows for, and is caused by regional powers asserting their agency amidst the strategic competition between Washington and Beijing. The authors argue that these regional actors are not merely pawns predisposed by the great power contest but are instead players leveraging their economic, political, and military assets to influence global governance and regional stability.

A significant strength of the book lies in its exploration and focus towards the agency of regional powers. Roberts and Bano carefully unpack how these nations are employing nuanced strategies—ranging from economic partnerships and military alliances to diplomatic initiatives, which allow them to navigate the tensions between the US and China. For example, the authors highlight India's balancing act in the Indo-Pacific, Japan's proactive military and diplomatic policies, and Australia's attempts to reconcile its security ties with the US while maintaining economic reliance on China.

The work also provides an insightful examination of the Belt and Road Initiative (BRI) and the US-led Indo-Pacific strategy, positioning them as quintessential instruments of soft and hard power competition. It demonstrates how regional powers respond differently to these initiatives based on their unique geostrategic interests, historical ties, and stances towards contemporary issues. The book further demonstrates that regional states are not passive actors and have the ability to exert influence on contemporary US-China relations. This approach affords the regional actors to also use the great power rivalry to their own benefit. The book chapters explore comprehensively the extent by which regional states have both agency, capacity, and influence toward the US-China competition, moreso with the advent of Russia's war in Ukraine and its global effects. The work puts into perspective that regions experience the impact of the conflict differently.

The work builds on the aggressive changes in the landscape of international order in recent years. Australia's alliance with the US through the Australia-United Kingdom-United States (AUKUS) security pact has the potential to accelerate the great power competition should China opt to counter this new alliance. In South Asia, Northeast Asia, and Latin America, the states of India, South Korea, Brazil, and Mexico, respectively, usher strategic balancing by avoiding taking clear sides and silently advancing political and economic gains from both China and the US. In Southeast Asia and the Arctic, states are stabilizing competition through multilateralism, responding to China's increasing assertiveness with robust regional organizations.

In Africa and Eastern Europe, regional states are attempting to equibalance economic benefits from both states. The European Union (EU) is striving to play a proactive role in the rivalry to improve economic relations with China while sustaining its reaffirmed and shared political values with the US.

Consequently, this has been affected by China's tacit support for Russia in the war against Ukraine, as well as strong European alignment with the US against Russian aggression. In the Middle East, China is emerging as an alternative option, but some regional powers want to retain US engagement in the region. South Asia further sets the stage for intensifying US-China great power competition, through India's growing strategic partnership with the US to counterbalance the rise of China, and Beijing's deepening strategic relations with Pakistan to offset New Delhi. These regional circumstances, in one way or the other, exacerbate or even attenuate the great power dynamic.

One of the book's key contributions is its nuanced view of regional agency, which often gets overshadowed in established scholarly literature and discussions in international relations, dominated by great-power politics. However, at times, the depth of analysis on regional powers varies. While countries like India and Japan receive substantial attention, smaller Southeast Asian states, are addressed less religiously. This may leave readers seeking a more equalized regional overview of representation.

Moreover, the book could delve further into the implications of regional power strategies on global institutions and norms. While the authors acknowledge this dimension, it remains somewhat peripheral to their primary focus on bilateral and regional interactions.

Writing Style and Accessibility

The authors adopt an academic yet accessible writing style, making the book suitable for both scholars and readers with a keen interest in international relations. While it is rich in theoretical perspectives and empirical data, the prose remains clear and engaging, avoiding unnecessary jargon. The authors strike a fine balance between detailed case studies and broader conceptual analysis, ensuring that the book appeals to both policy analysts and general readers.

Each chapter contributes to the wider view of redefining and rethinking the great power competition between the US and China, while also contextualizing each regional powers' history with the two, and connecting them with contemporary issues by which these actors converge upon. This allows for a 'learning spiral' by which each succeeding chapter builds upon

existing ideas taken from the book while allowing the central thesis of the work to be further elucidated.

Overall Assessment

The Ascendancy of Regional Powers in Contemporary US-China Relations is a compelling and thought-provoking book that highlights the increasingly important yet often overlooked role of regional powers in global politics. Roberts and Bano challenge the traditional great-power narrative and reinforce the dynamic capacity of regional actors in shaping and influencing the future of global order, trade, and security.

This book is particularly recommended for faculty and students of political science, especially those with a keen interest in geopolitics, conflict studies, and US-China relations. It serves as a valuable resource for understanding the changing dynamics of contemporary international relations and the interplay of global and regional forces. The work offers a fresh and nuanced perspective and is a worthy addition to the wider literature of geopolitics and international relations. Roberts and Bano's book is a welcome inclusion to my personal roster of course materials I would be sharing with students in the coming semesters of my contemporary studies classes.

Brainard **Abunyawon***

Department of Social Sciences

College of Arts and Sciences

West Visayas State University (Philippines)

* **Brainard B. Abunyawon** is a junior political science and public administration faculty member at the Department of Social Sciences, West Visayas State University (Philippines). Mr. Abunyawon is currently finishing his master's degree in Public Administration in the same university. <Email: brainard.abunyawon@wvsu.edu.ph>