

ASEAN Defense Diplomacy: Navigating US Tariffs and South China Sea Tensions

Darma Eka Saputra, Anak Agung Banyu Perwita, Yermia Hendarwoto
Indonesia Defense University, Indonesia
ekadarma2160@gmail.com

Article Info:

Submitted:	Revised:	Accepted:	Published:
Jun 17, 2025	Jul 21, 2025	Aug 3, 2025	Aug 8, 2025

Abstract

This paper examines the evolution of ASEAN defense diplomacy in response to two major geopolitical challenges: the 2018 U.S.–China trade war and China’s increasing assertiveness in the South China Sea, with a specific focus on the Scarborough Shoal standoff. Utilizing a qualitative research approach, the study analyzes ASEAN’s institutional frameworks namely the ASEAN Defense Ministers' Meeting (ADMM), ADMM-Plus, and the ASEAN Regional Forum (ARF) to explore how defense diplomacy functions alongside economic strategies. The findings suggest that ASEAN’s defense diplomacy serves a stabilizing role by fostering regional unity, facilitating strategic hedging, and sustaining military communication channels amid escalating trade and maritime tensions. The study argues that ASEAN’s dual engagement with both the U.S. and China, despite the limitations of consensus-based diplomacy, enables the bloc to avoid alignment traps and enhances its collective resilience against external coercion. Ultimately, ASEAN defense diplomacy, though institutionally constrained, proves to be a vital instrument for maintaining strategic balance, upholding regional stability, and reinforcing the rules-based international order.

Keywords: ASEAN Defense Diplomacy; U.S.–China Trade War; South China Sea; Scarborough Shoal; Strategic Hedging

INTRODUCTION

The intensifying rivalry between the United States and China has emerged as one of the most defining geopolitical dynamics in the twenty-first century, with profound implications for regional organizations such as the Association of Southeast Asian Nations (ASEAN). Over the last decade, Southeast Asia has increasingly become the stage where strategic competition between these two powers plays out, especially as both nations seek to expand their influence through economic, military, and diplomatic channels (Teixeira, 2021). The initiation of the U.S.–China trade war in 2018, marked by tariff escalations and retaliatory measures, disrupted the previously stable patterns of global commerce and placed ASEAN economies, which are deeply embedded within global supply chains, in a precarious position (Cho (2025) and Oberhauser (2023)). As these nations rely heavily on both the U.S. and Chinese markets, the increased volatility introduced by this trade conflict compelled them to reevaluate their economic dependencies and explore strategies for enhancing regional economic resilience (Pangemanan et al., 2021). Simultaneously, China's expansive territorial claims in the South China Sea, enforced through militarization and maritime incursions, have escalated tensions and challenged the sovereignty of several ASEAN member states, creating friction not only between Beijing and individual countries but also within ASEAN itself (Putra (2024) and Zreik (2022)).

Amid these overlapping challenges, ASEAN has sought to assert its centrality through multilateral diplomatic mechanisms and regional security frameworks. Key institutional instruments such as the ASEAN Regional Forum (ARF), the ASEAN Defense Ministers' Meeting (ADMM), and the ADMM-Plus have provided ASEAN with platforms to engage external powers while attempting to maintain a neutral and inclusive posture (Navy, 2019). The 2019 adoption of the ASEAN Outlook on the Indo-Pacific (AOIP) represents a critical policy milestone, reaffirming ASEAN's commitment to a rules-based order, inclusive multilateralism, and regional cooperation across economic, security, and socio-political domains (Po (2023) and Zekos (2003)). Nonetheless, these strategic efforts are continually tested by the diverging interests among ASEAN members, particularly when it comes to balancing relations with China, whose economic influence is growing rapidly in the region, and the United States, which is repositioning its Indo-Pacific strategy to counterbalance China's rise (Yuan, 2023). These internal complexities raise pertinent questions about ASEAN's capacity to remain cohesive and effective amid great-power rivalry (Enfu & Jing, 2024).

Several scholars have examined ASEAN's response to this strategic tension. Dixit (2024), for instance, explored ASEAN's hedging behavior, while Hu (2023) and Saidin and Mustaza (2020) highlighted its maritime security initiatives and institutional balancing through ADMM-Plus. However, most of the existing literature tends to address either economic or security dimensions in isolation, without systematically analyzing how ASEAN concurrently responds to both domains through an integrated defense diplomacy strategy. This gap is critical because the U.S.–China competition is not confined to a single arena but spans across trade policy, military assertiveness, and ideological positioning (Qingly & Ramasamy, 2020). As such, there is a need for a more holistic analytical framework that captures ASEAN's dual-track responses to this rivalry and assesses the degree to which its strategies reflect agency, coherence, and resilience in the face of external pressures (Lum et al., 2011).

This study seeks to fill that analytical gap by employing the theoretical lens of complex interdependence as developed by Iida (2024), which posits that states are linked through multiple channels that include economic, security, and institutional dimensions, and that military power is not the sole currency of influence. By applying this framework to ASEAN, the study investigates how the organization manages the dual disruptions caused by the U.S.–China strategic competition. In particular, it examines how ASEAN operationalizes defense diplomacy not only to reduce the risk of military conflict but also to create stable conditions for regional economic integration and political cooperation. The originality of this study lies in its conceptual integration of trade disruption and maritime tension as interconnected elements of a broader strategic contest, thus enabling a more nuanced understanding of ASEAN's policy behavior.

Accordingly, this article aims to analyze ASEAN's strategic responses to the dual pressures of the U.S.–China rivalry, focusing on how its defense diplomacy initiatives are structured to protect regional autonomy, maintain stability, and promote inclusive engagement. The research addresses the following key question: How effective is ASEAN's defense diplomacy in managing the multidimensional impacts of U.S. protectionism and China's maritime assertiveness? By answering this question, the study contributes not only to the scholarship on Southeast Asian regionalism but also to broader debates on small and middle-power agency in a contested international system.

In recent years, ASEAN has confronted a dual challenge: a resurgent great-power economic rivalry and intensifying South China Sea disputes. The 2018–2019 U.S.–China trade war initiated by sweeping American tariffs has disrupted global supply chains and stoked protectionist pressures in Southeast Asia. Simultaneously, China’s expansive maritime claims in the South China Sea (SCS) have tested ASEAN’s unity. Together, these developments have strained ASEAN’s economic security and regional stability, raising the stakes for its defense diplomacy. This essay examines how ASEAN leverages defense-diplomacy mechanisms and strategies to manage the fallout from U.S. tariff policies and to cope with the South China Sea’s geostrategic tensions. It draws on qualitative analysis of policy statements, expert commentary, and recent events (through 2025) to show that ASEAN’s diplomatic and defense engagements aim to preserve unity and stability amid both trade and security shocks.

METHODS

This study employs a qualitative research design to examine how ASEAN defense diplomacy interacts with U.S. tariff policies and the challenges in the South China Sea. Qualitative methods are well-suited for examining complex policy and security interactions and for answering “how” and “why” questions that extend beyond quantitative measures. In particular, we use *document analysis* as an established qualitative method. Official documents and texts (such as policy papers, speeches, and communiqués) are treated as primary sources that provide background insights into government intentions and strategies (Cardno, 2019). This design allows the researcher to interpret meanings and themes in language, consistent with the interpretive traditions of international relations research.

Data Sources and Collection

Data were collected from multiple credible sources covering the period 2018–2025, capturing the rise of U.S. trade tensions and ongoing maritime disputes. Sources include: - ASEAN policy documents and official communications (e.g., defense and security communiqués, ASEAN Security Outlook reports, ministers’ statements) sourced from ASEAN and national government archives.

- Official speeches and press releases by ASEAN defense and political leaders, as well as U.S. and Chinese policymakers, obtained from government websites and public transcripts.

- Media reports and expert commentary: Articles from reputable news outlets and analyses by think tanks and academic experts on defense, trade, and Southeast Asian security.

These sources were selected for their direct relevance and official status. For example, ASEAN communiqués and defense outlooks offer authoritative expressions of member states' policies, while news media provide context and interpretation of events. The chosen timeframe starts in 2018, when U.S.-China trade tariffs sharply escalated (average U.S. tariffs on Chinese goods rose to about 19.3% by early 2020 (Bown, 2021)). ASEAN began intensive negotiations over the South China Sea Code of Conduct. This period also encompasses the transition to the Biden administration and ongoing developments in the South China Sea, ensuring the data captures key policy shifts and crises affecting ASEAN defense diplomacy.

Data Analysis

The collected documents were systematically analyzed using thematic analysis, following the framework proposed by Braun and Clarke (2006). This flexible, iterative approach involves coding text and identifying patterns (themes) that emerge from the data. Analysis proceeded in six phases:

1. Familiarization – Reading all texts in full to understand the content and context.
2. Initial coding – Generating open codes for meaningful segments of text related to defense cooperation, trade measures, and security rhetoric.
3. Theme development – Grouping related codes into broader thematic categories (for example, *security cooperation*, *economic security signaling*, *maritime patrols*, etc.).
4. Reviewing themes – Checking that themes accurately reflect the underlying data by comparing against the corpus and revising as needed.
5. Defining and naming themes – Refining theme definitions and ensuring each has a clear, distinct focus.
6. Writing up – Interpreting the themes in relation to the research questions and theoretical framework.

Throughout this process, analysis was primarily inductive, allowing themes to emerge from the data without imposing a priori hypotheses. However, coding and theme refinement were informed by the lens of defense diplomacy theory to ensure relevance to the study's focus.

Theoretical Framework: Defense Diplomacy Theory

The analysis is grounded in defense diplomacy theory, which views military engagement in peacetime as a tool of statecraft aimed at building trust and advancing national interests. Defense diplomacy is commonly defined as the “peaceful (non-confrontational) use of armed forces and related infrastructure as a foreign policy and security tool” (2023). It encompasses activities such as joint exercises, officer exchanges, and high-level visits, deployed not for coercion but to deepen cooperation and signal intentions. Consistent with this theory, we interpret ASEAN military and security interactions as part of an intentional diplomatic strategy. For example, patrols or exercises conducted with U.S. or Chinese navies are viewed not as preparations for imminent warfighting, but as means to manage tension and project reassurance. By applying defense diplomacy concepts, the study assesses how ASEAN’s actions serve its foreign policy objectives under tariff and territorial pressure.

Rigor and Trustworthiness

To ensure reliability and validity, several measures were taken. Data *triangulation* was employed (Carter et al., 2014). Multiple document types (government texts, media, speeches) and perspectives (ASEAN states, external powers, experts) were compared to corroborate findings. Coding consistency was enhanced by having multiple analysts review and cross-check key segments; discrepancies were discussed until consensus was reached. Throughout, care was taken to use complete and verifiable sources (official archives, reputable publishers) to maintain accuracy. By following established procedures (e.g., Braun & Clarke’s rigorous thematic coding and documenting each analytic step, the study maintains transparency and trustworthiness in its conclusions (Braun & Clarke, 2006).

RESULTS

ASEAN Trade Diversion due to U.S.–China Tariff War

The data shows that the U.S.–China trade war, particularly the imposition of tariffs by the United States between 2018 and 2019, caused a major disruption in regional trade patterns. As a direct result of these measures, U.S. imports from China fell sharply, prompting production and export shifts to alternative suppliers especially in Southeast Asia. ASEAN member states, due to their proximity, cost competitiveness, and manufacturing capacity, emerged as substitute production bases.

Table 1. Trade Diversion Effect on U.S. Imports (2018–2020)

Country/Region	Change in U.S. Import Share (%)	Description
China	-16.3%	Sharp decline due to U.S. tariffs imposed during trade war
ASEAN (combined)	+2.6%	Growth due to relocation of manufacturing and trade diversion
Mexico	+1.5%	Benefitted from proximity and NAFTA/USMCA
Vietnam (ASEAN)	+1.1%	Major ASEAN beneficiary; surge in electronics and textiles

Sources: Derived from U.S. trade statistics, 2018–2020; Pangestu & Armstrong (2025).

This table illustrates how ASEAN, particularly countries like Vietnam, experienced a positive trade shock as firms sought to avoid U.S. tariffs on Chinese goods. The 2.6% increase in ASEAN's share of U.S. imports closely mirrors the 16.3% decline in China's share, suggesting a classic case of trade diversion. Importantly, this gain is not evenly distributed. Vietnam saw the largest increase, driven by its export-oriented industries (electronics, garments, machinery), while other ASEAN states such as Thailand and Malaysia benefitted more moderately. Cambodia and Indonesia showed potential but were constrained by infrastructural and regulatory limitations.

Interpretation:

The trade diversion presents a dual-edged impact. On the one hand, it provided short-term export growth and foreign investment in ASEAN’s manufacturing sector. On the other hand, it also exposed ASEAN markets to secondary shocks, such as:

- A flood of low-cost Chinese goods (unable to enter the U.S. market) being redirected to Southeast Asia, creating competitive pressure on local industries.
- Risk of future tariffs from the U.S. if ASEAN is perceived as a conduit for Chinese products ("tariff bypass").
- Rising intra-ASEAN disparities, as not all members benefitted equally.

Policy Implication:

As noted by Pangestu and Armstrong (2025), unless ASEAN members coordinate policy responses, they risk turning toward protectionism individually thus undermining regional integration. For instance, Indonesia has considered imposing tariffs of up to 200%

on certain Chinese products to protect its domestic industry. Without a unified ASEAN approach, such unilateral measures could damage ASEAN's collective economic posture and credibility in global trade diplomacy. In conclusion, while ASEAN gained temporary economic leverage from trade diversion, the region remains vulnerable to future shocks unless structural reforms, intra-regional coordination, and strategic trade planning are enhanced.

ASEAN’s Collective Trade Response to External Economic Shocks

ASEAN’s response to the global trade disruptions especially those stemming from U.S. unilateral tariffs has emphasized coordination, diversification, and adherence to multilateral trade rules. In particular, ASEAN has sought to preserve regional stability by collectively opposing protectionist measures, while simultaneously exploring alternative trade partnerships to reduce overdependence on any single major power.

Table 2. ASEAN's Strategic Trade Responses (2019–2025)

Strategy	Description	Example Initiatives
Public rejection of unilateral tariffs	ASEAN leaders criticized U.S. tariffs as undermining multilateral trade	2025 Summit: PM Anwar Ibrahim decries U.S. actions
Trade diversification	Expanding trade relations with Gulf, RCEP, and East Asia	ASEAN–Gulf Arab dialogue; RCEP trade reached US\$1.9 trillion in 2023 (Liu, 2025)
Legal and institutional defense	Promoting WTO rules and dispute mechanisms	Proposal to join MPIA by Indonesia and Singapore
Regional integration	Enhancing intra-ASEAN and RCEP trade networks	Deeper ASEAN–China value chains and infrastructure integration

This table highlights that ASEAN's approach goes beyond reactive protection. Instead, ASEAN is attempting to restructure its trade diplomacy to withstand future shocks. For instance, under the RCEP framework, ASEAN’s trade volume with China, Japan, Korea, and others reached nearly US\$1.9 trillion in 2023 (Liu, 2025), significantly reducing its reliance on U.S.-led markets.

Interpretation:

ASEAN leaders have recognized that fragmentation of the global trading system as signaled by escalating U.S. tariffs requires both political signaling and institutional preparedness. Public statements at summits (e.g., 2025 Kuala Lumpur Summit) reflect a commitment to defend a rules-based order in trade. Additionally, initiatives such as

participation in the MPIA (a temporary WTO appeal mechanism) signal ASEAN’s alignment with multilateral dispute resolution principles. ASEAN has also employed its "soft balancing" strategy by strengthening internal cohesion and establishing economic coalitions that diffuse pressure from major powers. This includes ASEAN's engagement with Gulf Cooperation Council (GCC) states and the continued implementation of RCEP, which helps ASEAN insulate itself from bilateral trade wars.

Policy Implication:

As Pangestu and Armstrong (2025) point out, ASEAN’s success depends on whether it can maintain unity and avoid national-level protectionist reactions. If countries begin to impose tariffs individually like Indonesia's proposed 200% duty on certain Chinese goods the region may drift toward fragmentation, reducing its leverage in international trade negotiations. ASEAN's collective strategy must therefore evolve from passive non-alignment to active economic coalition-building, supported by institutional frameworks such as the WTO and RCEP.

ASEAN Defense Diplomacy Amid Economic and Strategic Tensions

ASEAN recognizes that economic disruption particularly caused by U.S. tariffs and intensified U.S.–China rivalry has profound strategic implications. Consequently, ASEAN has responded not only through trade mechanisms but also by enhancing defense diplomacy to ensure regional stability, build resilience, and prevent escalation. Defense diplomacy in this context refers to ASEAN’s use of joint military exercises, strategic dialogues, bilateral defense partnerships, and confidence-building measures to mitigate both economic coercion and maritime tensions.

Table 3. ASEAN Defense Diplomacy Mechanisms (2018–2025)

Mechanism Type	Application in U.S. Tariff Context	Application in South China Sea Disputes
Multilateral forums	ASEAN summits denounced tariffs; emphasized multilateral rules	ADMM, ARF, and EAS promoted peaceful resolution and UNCLOS compliance
Joint exercises & training	Maritime drills with U.S., Japan, and others to signal unity	Field exercises (e.g., ADMM-Plus) built crisis response and interoperability
Bilateral defense engagement	Hedging strategies: U.S. alliances + Chinese ties to balance power	Philippines, Vietnam, Thailand increased joint patrols and deterrence

Mechanism Type	Application in U.S. Tariff Context	Application in South China Sea Disputes
Transparency & CBMs	Adoption of naval protocols like CUES, crisis hotlines	Joint patrols, info sharing, rescue missions to reduce miscalculation

Sources: ASEAN ADMM Reports (2018–2024), Short (2025), Brunnstrom & Lema (2025)

As the table shows, ASEAN has utilized a multi-layered defense strategy that combines regional multilateralism with bilateral flexibility. For example, the ADMM-Plus platform has involved all ten ASEAN states and key dialogue partners including the U.S., China, Australia, Japan, and India allowing ASEAN to manage tensions through institutional engagement rather than confrontation.

Interpretation:

- In response to U.S. tariffs, defense diplomacy plays a reassurance role: it shows ASEAN unity and deters major powers from using economic tools to provoke division.
- In maritime disputes, especially in the South China Sea, defense cooperation helps maintain freedom of navigation and mitigate potential escalations from unilateral actions (e.g., Chinese blockades or military build-up).

Moreover, bilateral hedging strategies serve as a buffer. Countries like Thailand maintain alliances with the U.S. but also conduct exercises with China. Vietnam and the Philippines are deepening their U.S. defense ties, especially following increased Chinese activity near their exclusive economic zones. These approaches ensure ASEAN members retain strategic autonomy without openly siding with one power bloc.

Policy Implication:

ASEAN’s defense diplomacy helps compensate for the limits of its economic leverage. By building trust and interoperability, the region enhances collective deterrence. This is especially critical given that unilateral actions whether economic (tariffs) or strategic (island building) can escalate rapidly without communication channels. ASEAN’s multilateral exercises, such as CUES-based drills and shared maritime domain awareness systems, are thus not just symbolic they build practical security infrastructure that underpins regional order.

South China Sea Disputes and ASEAN's Maritime Diplomatic Strategy

ASEAN has adopted a range of practical mechanisms to manage the dual challenges posed by trade coercion and maritime disputes. These mechanisms are implemented both collectively through multilateral defense forums and individually by member states through strategic partnerships. ASEAN summits, the ASEAN Regional Forum (ARF), the East Asia Summit (EAS), and the ASEAN Defense Ministers' Meeting (ADMM and ADMM-Plus) have served as consistent platforms for issuing statements against unilateral tariff impositions while simultaneously reinforcing principles of international maritime law. During these meetings, ASEAN leaders have emphasized that both economic and security disruptions whether in the form of tariffs or territorial aggression undermine regional stability and must be addressed through coordinated diplomacy.

Military exercises and defense training have become one of the most visible tools of ASEAN's strategic posture. Through multilateral training under ADMM-Plus, ASEAN states have conducted joint maritime patrols, boarding simulations, and interoperability exercises with external partners such as the United States, China, Japan, Australia, and India. These activities build collective operational readiness and signal unity among regional actors in the face of growing pressure. The exercises also reflect ASEAN's intent to keep sea lines of communication open and to preserve the freedom of navigation that underpins both security and trade.

In parallel with multilateral efforts, ASEAN member states pursue bilateral engagements as part of a hedging strategy that avoids exclusive dependence on any single power. For example, countries like Vietnam and the Philippines have expanded defense cooperation with the United States while also maintaining channels of communication with China. Thailand exemplifies flexible diplomacy by preserving its treaty alliance with Washington while strengthening defense ties with Beijing. These bilateral efforts enhance national capabilities and offer additional security assurances that complement ASEAN's collective diplomacy.

To reduce the risk of miscalculation and conflict in contested waters such as the South China Sea, ASEAN has also promoted transparency and confidence-building measures (CBMs). These include the adoption of the Code for Unplanned Encounters at Sea (CUES), information-sharing mechanisms, maritime hotlines, and joint humanitarian or environmental protection initiatives. Such steps are designed to institutionalize restraint and

promote predictability in military conduct, even when political disputes remain unresolved. In maritime drills, ASEAN forces rehearse these CBMs as part of wider efforts to standardize peaceful operational protocols.

In summary, ASEAN's defense diplomacy mechanisms reflect a comprehensive approach to managing regional uncertainty. By combining multilateral engagement, bilateral defense ties, and preventive measures, ASEAN reinforces its resilience against both economic and military pressures. This approach helps preserve ASEAN centrality and ensures that Southeast Asia remains a zone of cooperation rather than confrontation, despite intensifying global rivalries.

ASEAN's Strategic Response – Defense Diplomacy as a Trade-Security Bridge

ASEAN's response to increasing external economic pressure, particularly from U.S. tariff policies and China's assertive maritime actions, reflects a deliberate integration of defense diplomacy into its broader strategy for regional resilience. ASEAN recognizes that trade stability and security are no longer separate domains, but interlinked dimensions of regional stability. As such, the bloc has increasingly utilized its defense mechanisms to address not only military risks but also economic vulnerabilities.

Multilateral defense forums such as the ASEAN Defense Ministers' Meeting (ADMM), ADMM-Plus, the ASEAN Regional Forum (ARF), and the East Asia Summit (EAS) have become crucial platforms where ASEAN articulates its positions on both security and trade challenges. These forums consistently stress the importance of a rules-based international order, peaceful dispute resolution, and the maintenance of regional autonomy. In recent years, ASEAN leaders have used these venues to voice concern over unilateral tariff actions, particularly those that disrupt regional supply chains or target Southeast Asian exports under suspicion of tariff circumvention. At the same time, these meetings have reaffirmed ASEAN's commitment to upholding the UN Convention on the Law of the Sea (UNCLOS) and emphasized the need to finalize a binding Code of Conduct in the South China Sea.

In addition to dialogue, ASEAN has strengthened its practical defense cooperation through joint military exercises and training. Exercises under the ADMM-Plus framework have involved naval and air force units from ASEAN members and dialogue partners including the United States, China, Japan, and India. These activities, which include search-

and-rescue drills, boarding simulations, and information-sharing protocols using the Code for Unplanned Encounters at Sea (CUES), help develop regional interoperability, mutual trust, and maritime awareness. While not combat-focused, these exercises serve strategic purposes: they demonstrate unity, reinforce collective presence in contested waters, and reduce the risk of miscalculation.

Simultaneously, ASEAN member states have pursued bilateral defense ties to complement multilateral efforts. This strategic hedging allows individual countries to maintain flexibility in foreign policy. For example, Thailand balances its treaty alliance with the United States by also engaging in joint military exercises with China. Vietnam has expanded its defense cooperation with multiple partners, including the U.S., Japan, and India, while carefully managing relations with Beijing. The Philippines has notably revitalized its military alliance with the United States in response to Chinese assertiveness in its exclusive economic zone, conducting multiple joint patrols and hosting new American defense assets under the Enhanced Defense Cooperation Agreement.

Another vital component of ASEAN's defense diplomacy is the development of confidence-building measures (CBMs). These include formal agreements with China to use CUES during joint maritime activities, proposals for military hotlines, and protocols for advance notice of military exercises. ASEAN also promotes joint environmental programs and humanitarian cooperation as ways to build trust and normalize non-threatening military interactions. These mechanisms aim to prevent unintended escalation and ensure that competition in contested areas like the South China Sea does not spiral into open conflict.

Overall, ASEAN's strategic use of defense diplomacy serves a dual function. It acts as a tool for mitigating the security risks of maritime disputes and as a shield against the economic fallout of great power rivalry. By fostering strong internal coordination and engaging multiple external partners without exclusive alignment, ASEAN has crafted a flexible diplomatic posture. This approach helps distribute risk, deter coercion, and reinforce the region's collective agency in navigating a volatile international environment.

DISCUSSION

The findings of this study reveal that ASEAN's approach to navigating economic and security pressures especially amid U.S. tariff policies and tensions in the South China Sea is grounded in a strategic fusion of trade diplomacy and defense cooperation. The data show

that ASEAN has not only taken collective steps to address the spillover effects of U.S.–China trade tensions (e.g., diversification of trade partners and the defense of multilateral trade rules), but has also expanded its defense diplomacy as a stabilizing mechanism. Joint military exercises, multilateral forums, bilateral hedging strategies, and confidence-building measures have emerged as ASEAN's core tools in sustaining regional autonomy and stability. These results directly align with the study's objectives of assessing ASEAN's resilience and strategic response amid overlapping trade and security challenges. They also underscore that ASEAN perceives defense diplomacy as an indirect but vital method of economic protection, particularly when direct economic countermeasures may be diplomatically sensitive.

The study's findings are consistent with prior literature emphasizing ASEAN's tendency to rely on multilateralism and consensus-driven mechanisms when responding to geopolitical stressors. Scholars like Pangestu and Armstrong (2025) have previously argued that ASEAN's ability to withstand external shocks depends largely on its internal cohesion and regional cooperation. This research supports that claim, particularly in the way ASEAN has responded collectively to unilateral tariffs and regional instability. In the security domain, Lantis (2014) observed that joint military exercises and dialogues serve not only technical or operational purposes but also act as tools for communicating regional values and diplomatic intent. This aligns closely with the current study's identification of joint exercises as strategic signaling devices. However, this research also builds on existing work by explicitly linking defense diplomacy to economic resilience a connection that remains underexplored in previous analyses. The study thus contributes a novel interpretation by suggesting that security cooperation is not only about defense, but also about preserving trade routes, economic confidence, and geopolitical balance.

Theoretically, this study highlights ASEAN's evolving strategic culture, wherein defense diplomacy plays a growing role in safeguarding economic interests. It advances the argument that in the current geopolitical climate, economic policy cannot be separated from regional security architecture. This integrated approach reflects an emerging ASEAN doctrine that views trade security and maritime stability as interconnected public goods. Practically, the research suggests that ASEAN's continued investments in joint military exercises, defense dialogues, and confidence-building measures have implications beyond deterrence they also foster an environment conducive to uninterrupted trade flows, investor confidence, and diplomatic leverage. For policymakers, the results provide evidence that strengthening ASEAN centrality, multilateral commitments (e.g., ADMM-Plus, RCEP), and

balanced bilateral relations are essential to managing future disruptions, whether from protectionism or maritime contestation.

Despite its contributions, this study has several limitations. First, it relies heavily on secondary data and official records, which may not fully capture the informal or behind-the-scenes negotiations that characterize much of ASEAN diplomacy. Second, the analysis is largely qualitative and interpretive, which may limit its generalizability or replicability across other regional contexts. Third, due to the rapidly evolving nature of geopolitical events especially in the South China Sea some data may become outdated quickly, affecting the long-term validity of conclusions. Lastly, the study does not include primary interviews or field-based insights from ASEAN policymakers or military officials, which could enrich understanding of decision-making dynamics. Future research may address these limitations by incorporating mixed-methods approaches, including quantitative trade and security data, or by conducting in-depth case studies of individual ASEAN member strategies.

CONCLUSION

ASEAN sits at the crossroads of economic and security competition between great powers. The U.S. tariff war and China's South China Sea assertiveness represent different fronts of the same strategic contest. In response, ASEAN's defense diplomacy has taken on dual roles. Economically, it undergirds unity and expanded partnerships that mitigate tariff shocks. Militarily, it provides forums and practices to manage maritime disputes and to involve external powers in preserving balance. While ASEAN's consensus-based approach has been criticized for inaction, it continues to evolve: ASEAN is pushing for a binding South China Sea code and deepening its security dialogues, even as it links these to larger economic issues.

Ultimately, no single ASEAN strategy can entirely neutralize U.S. tariffs or Chinese claims. However, by treating trade networks as part of its security architecture and by using defense diplomacy to build trust and capability, ASEAN seeks to "broaden partnerships and strengthen economic resilience" to "better withstand geopolitical pressures". In the face of both trade wars and maritime challenges, ASEAN's prescription is clear: act together, speak with one voice, and leverage every point of connection – whether in economics or defense – to maintain regional stability. As leaders and experts emphasize, unity remains ASEAN's strongest asset when contending with powers "far bigger than us".

REFERENCES

- Bown, C. P. (2021). The US–China trade war and Phase One agreement. *Journal of Policy Modeling*, 43(4), 805–843. <https://doi.org/https://doi.org/10.1016/j.jpolmod.2021.02.009>
- Braun, V., & Clarke, V. (2006). Using thematic analysis in psychology. *Qualitative Research in Psychology*, 3(2), 77–101. <https://doi.org/10.1191/1478088706qp063oa>
- Brunnstrom, D., & Lema, K. (2025). Philippines’ Marcos to meet Trump, hoping to secure trade deal that is favourable to both allied countries. *Reuters*. <https://www.reuters.com/world/china/philippines-marcos-meet-trump-hoping-secure-trade-deal-2025-07-21/>
- Cardno, C. (2019). Policy Document Analysis: A Practical Educational Leadership Tool and a Qualitative Research Method. *Educational Administration: Theory and Practice*, 24(4), 623–640. <https://doi.org/10.14527/kuey.2018.016>
- Carter, N., Bryant-Lukosius, D., DiCenso, A., Blythe, J., & Neville, A. J. (2014). The use of triangulation in qualitative research. *Oncology Nursing Forum*, 41(5), 545–547. <https://doi.org/10.1188/14.ONF.545-547>
- Chao, W.-C. (2023). The Political Economy of the Philippines and Its Development Strategy under China-USA Power Rivalry and Hegemonic Competition: Hedge with Balance. *The Chinese Economy*, 56(4), 292–303. <https://doi.org/10.1080/10971475.2022.2136694>
- Cho, I. H. (2025). Hegemony and Legitimacy: US-China Competition in a Contested Indo-Pacific. *Pacific Affairs*, 98(1), 5–28. <https://doi.org/10.5509/2025981-art3>
- Dixit, P. (2024). ASEAN’S Balancing Act: Navigating Relations With US-China in Southeast Asia. *International Journal of Novel Research and Development (IJNRD)*, 9(4), 533–536. <https://doi.org/10.49475/Ijnr.194.v2194.13>
- Enfu, C., & Jing, L. (2024). Changes in U.S. Grand Strategy in the Indo-Pacific and China’s Countermeasures. *Monthly Review (New York. 1949)*, 76(3), 24–48. https://doi.org/10.14452/MR-076-03-2024-07_2
- Hu, L. (2023). Examining ASEAN’s effectiveness in managing South China Sea disputes. *Pacific Review*, 36(1), 119–147. <https://doi.org/10.1080/09512748.2021.1934519>
- Iida, K. (2024). The Political Economy of Supply Chain Transformation in Asia: From “China Plus One” to De-Sinicization. *Asia Policy*, 19(3), 71–90. <https://doi.org/10.1353/asp.2024.a934566>
- Lum, T., Dolven, B., Manyin, M. E., Martin, M. F., & Vaughn, B. (2011). United States Relations With The Association Of Southeast Asian Nations (Asean). *Current Politics and Economics of South, Southeastern, and Central Asia*, 20(2), 247.
- Navy, U. S. (2019). *ADMM-Plus Exercise Strengthens Maritime Security*. <https://www.navy.mil/Press-Office/Press-Releases/display-pressreleases/Article/2237923/admm-plus-exercise-strengthens-maritime-security/>
- Oberhauser, M. (2023). The Chinese belt and road initiative: development project with strings attached? *International Journal of Development Issues*, 23(2), 212–244. <https://doi.org/10.1108/IJDI-03-2023-0073>
- Pangemanan, A., Ibrahim, A., Suryanti, B. T., Hermansah, F., & Putra, P. R. B. (2021). Upaya

- Diplomasi Pertahanan ASEAN Di Laut Cina Selatan (ASEAN Defense Diplomacy Efforts in the South China Sea). *Jurnal Diplomasi Pertahanan*, 7(2). <https://doi.org/10.33172/jdp.v7i2.727>
- Pangestu, M., & Armstrong, S. (2025). Southeast Asia central to global trade response. In *East Asia Forum*. East Asia Forum. <https://www.easiaforum.org/2025/04/25/southeast-asia-central-to-global-trade-response/>
- Po, S. (2023). Navigating the Storm: How ASEAN Managed the Great Power Competition Through the ASEAN Outlook on the Indo-Pacific. *Journal of Accounting Finance Economics and Social Sciences*, 8(2), 23–37. [https://doi.org/10.62458/jafess.160224.8\(2\)23-37](https://doi.org/10.62458/jafess.160224.8(2)23-37)
- Putra, B. A. (2024). Malaysia's "Triadic Maritime Diplomacy" Strategy in the South China Sea. *All Azimuth*, 13(2), 166–192. <https://doi.org/10.20991/allazimuth.1455442>
- Qingly, W. H. E., & Ramasamy, H. (2020). Naming and Shaming China: America's Strategy of Rhetorical Coercion in the South China Sea. *Contemporary Southeast Asia*, 42(3), 317–345. <https://doi.org/10.1355/CS42-3a>
- Saidin, M. I. S., & Mustaza, S. (2020). *ASEAN, China and the South China Sea Territorial Disputes: Analysis of Conflict Management Strategies*. 28, 577–598.
- Short, J. R. (2025). *ASEAN Hedgings in the South China Sea* (1st ed., pp. 71–89). Routledge. <https://doi.org/10.4324/9781003537298-5>
- Teixeira, V. A. G. (2021). The Hegemony's Contest in the South China Sea. *SAGE Open*, 11(3). <https://doi.org/10.1177/21582440211031216>
- Yuan, S. (2023). Tracing China's diplomatic transition to wolf warrior diplomacy and its implications. *Humanities & Social Sciences Communications*, 10(1), 837–839. <https://doi.org/10.1057/s41599-023-02367-6>
- Zekos, G. I. (2003). MNEs, globalisation and digital economy: legal and economic aspects. *Managerial Law*, 45(1–2), 1–296. <https://doi.org/10.1108/03090550310770875>
- Zreik, M. (2022). The Regional Comprehensive Economic Partnership (RCEP) for the Asia–Pacific region and world. *Journal of Economic and Administrative Sciences*, 40(1), 57–75. <https://doi.org/10.1108/JEAS-02-2022-0035>