Strategic Update in the Region

Presenter:
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Mr Bilahari Kausikan: Good morning everybody. I was tasked with giving you an up-date on geopolitical developments. With so much going on in our region and globally, it is difficult to know where to begin. It's obvious that global and regional geopolitics has become much more volatile and challenging. You know the developments, I won't bore you with them.

Now, many in the commentariat – and by commentariat I mean journalists, academics, and sundry pundits – as well as some government and business leaders, have chosen to describe this volatility as the fracturing of the post-war international order and many have attributed this to the policies of the second Trump administration.

This is probably the mainstream view, at least in Europe, Canada and in the traditional US foreign policy elite. It is shared by many in the Asian commentariat. But I do not think this is the best way to frame what we are experiencing. It leaves some very fundamental questions unanswered. What do we mean by international order? And how are we to understand the phenomenon of President Donald Trump in relation to international order? Is it sufficient merely to say that his administration has been disruptive?

These are not academic questions. Periods of rapid change are disorienting. Incorrect, simplistic or overly emotional framing can lead to policy mistakes. In my presentation, I will not deal with specific issues in detail, except as illustrations to my argument. I will leave such issues to question time. I want to focus instead on a broader, perhaps even philosophical, issue; another way of thinking about what we are experiencing rather than just describing it as the fracture of 'international order' and blaming this on Mr. Trump as if no one or nothing else is responsible. Mr. Trump is a symptom and a catalyst of larger trends that would probably have led to much the same outcomes if he had never run for president.

I have titled my talk "American Foreign Policy & International Order' and I want to thank the Royal Australian Air Force for giving me this opportunity to talk to you for the fourth time. I will try my best not to disappoint you. But I have to remind you that although I served in my government for many years, the only official title I now hold is that of pensioner.

The terms 'international order' or the 'rules-based order' which means much the same thing, are used so ubiquitously that their meaning and even existence is taken for granted. In the common usage of the term and in domestic contexts, 'order' implies some stable pattern of relationships and thus consensus over some set of norms enshrined in rules or law. It is a fundamental function of democratic politics to establish and maintain consensus on domestic law and rules. That consensus, once established, can only be legitimately changed through constitutionally mandated processes. That's obvious.

But this domestic idea of 'order' is not applicable to international geopolitics. To apply it internationally, whether consciously or unconsciously, is to adopt a very misleading view of state

behaviour that could be dangerous. In international relations, the term 'international order' is perhaps better understood primarily as a comforting metaphor that allows us to mentally reconcile ourselves to far more complex patterns of relationships based on often deeply disconcerting state behaviour.

Singapore's first and greatest, at least in my opinion, foreign minister Mr. S. Rajaratnam, in his very first speech on our foreign policy only months after separation from Malaysia, made a deceptively simple but profound distinction between the foreign policy of words and the foreign policy of deeds. Elaborating on this distinction in a later speech, he called the first the theology of foreign policy and the second practical diplomacy. Theology belongs to a Utopian world in which all countries always stand for high ideals. Practical diplomacy is what countries need to do in what he called a 'jungle world'. Every country, Mr. Rajaratnam argued, needs both types of foreign policy but to confuse them was suicidal.

I doubt that even the most fervent member of the commentariat is feeling suicidal. Still, much angst would certainly be avoided if we always keep in mind Mr. Rajaratnam's distinction between theology and practical diplomacy.

The idea that there is or ought to be 'order' in international relations belongs primarily to the realm of theology. Of course, the distinction between theology and diplomacy is not absolute. There are graduations of both and, as Mr. Rajaratnam emphasized, all countries need both theology and diplomacy in their foreign policy. But the distinction is important and it is crucial not to lose sight of it. Stated in another way, the distinction is between what ought to be and what is. Like it or not, this is still, and has always been throughout history, largely a 'jungle world', with different degrees of savagery in different regions.

Conflict is endemic in many parts of Africa, the Middle East, Latin America and Asia. But even in the apparently tamest and most civilized of regions, the jungle is never very far away, as Europe discovered to its chagrin when Russia invaded Ukraine. Those that chose to believe in a 'peace dividend', and it was a choice, were dreaming of some mythical creature that existed only existed in their hopes and dreams.

One of the most absurd statements about international relations I have ever heard, is former Secretary of State John Kerry criticizing Putin's annexation of Crimea as 19th century behaviour in the 21st century. Now don't misunderstand me. There are many excellent reasons to criticize the annexation of Crimea but this was not one of them. To call it 19th century behaviour in the 21st century is to assume your adversary shares your values. But if your adversary shares your values he would not be your adversary in the first place. The absurdity arises from reifying a parochial ideas of what international order should be and assuming it has an autonomous reality that everyone must recognize. All those who shared in such assumptions are in some degree complicit in what ensured.

Contemporary international relations are largely defined by the ideas, rules and norms laid down by the Peace of Westphalia in the mid-17th century. Such ideas as state sovereignty, non-interference in domestic affairs, the balance of power, and their like, are still the basis of diplomacy, often modified in practice, but never abandoned in principle. They are enshrined in numerous treaties including the UN Charter.

But Westphalian ideas arose out of the devastating Thirty Years War which drastically reduced the population of Europe with some regions losing half their population. Westphalian ideas thus grew out of fierce conflicts and were at least implicitly premised on the assumption that conflicts between states were bound to reoccur. They sought to limit those conflicts and not definitively end them – to mitigate the savagery of the 'jungle world' even as it still remained a jungle.

Competition, and thus at least the possibility of conflict, are inherent characteristics of international relations. This hard truth is inherent in the very idea of sovereignty.

The Sovereign, by definition, admits of no authority but its own Will except when, by the exercise of its own Sovereign Will, it decides to delegate some portion of its authority to some other authority. The exercise of sovereignty in modern democracies is subject to law and thus not so absolute. But the principle is the same. It is The Sovereign who passes the laws that constrain its power and what The Sovereign does, it can undo. The English political philosopher, Thomas Hobbes, called democracy 'the sleeping sovereign'. From time to time, another claimant to sovereignty comes on the scene and the sleeping sovereign wakes up. Then you may have civil war. In democratic systems, periodic elections are a way of ensuring that the wakeful and contending sovereignties do not result in violence. In other words, even in the domestic domain, consensus over laws is contingent.

In international relations, decisions to submit sovereignty to external constraint, whether of law or some other authority, are even more contingent. International law, and institutions based on the idea of law such as the UN, are not autonomous realities. Interest, not law, is the primary organizing concept of international relations. International law and international organizations are only tools that states use to advance or protect their interests and not the only tools. Since a state's definition of its interests and ability to pursue them is always dependent on specific circumstances, interests change as circumstances change. And as interests change, so also will the utility of any particular tool change.

The toolbox of statecraft includes force and the threat of force as well as diplomacy and law; unilateral action and bilateralism as well as multilateralism, and there are many other tools. Law is not a tool that is going to be fit for every purpose. All states interpret international law and rules in accordance with their interests and use or ignore law and rules as their interests dictate. In so far as the idea of international order incorporates international law and international organization – and few would argue that it does not – it too is instrumental and not an autonomous reality.

Whenever you hear the phrase 'international order' or 'rules-based order' being used, you would be well advised to ask yourself order based on which selection of rules, what interpretation of those rules, and for what purpose? Since rules and principles are legion and many rules and principles are incommensurable, that means they cannot be achieved simultaneously, it must always a selection and it is impossible for any country, however high-minded, to pursue a perfectly consistent foreign policy based on them. The only consistency that is possible is a consistency of interest.

It is a fundamental – but very common -- mistake to believe that international order must necessarily be anchored in some universal consensus. International consensus is even more contingent than domestic consensus, constantly being negotiated and renegotiated, and these negotiations will sometimes break-down. Not every failure results in conflict, but conflict, at some level of intensity, is often the consequence.

There has never been a period of world history without conflict. Order has never meant peace. The possibility of war is never absent; that possibility arises, as I said, from the very nature of sovereignty, from the dynamics of interaction between sovereignties – international relations is still essentially relations between sovereign states -- and ultimately from the darkest recesses of human nature. Forgive me I come from Singapore so I have a pessimistic view of things.

Of course, states have always cooperated as well as competed. But in this 'jungle world' it has always been easier for states to cooperate against something than for something. That is why alliances, particularly wartime alliances, are the deepest form of cooperation. That is also why wartime alliances seldom survive the end of war and a common enemy. This also accounts for the fact that attempts to cooperate for the common good, even common goods that pose existential challenges for all humanity such as climate change, are usually at best sub-optimal and often more performative than substantive.

Now I don't want to push my point too far. There certainly are international rules and most states abide by most rules, most of the time. International relations would not otherwise be possible. States abide by international law and rules because it is in their interest to do so. But only a recklessly sanguine state would unreservedly commit itself to abide by all rules all of the time or believe that all countries would do so in all circumstances. Many countries in Europe were recklessly sanguine. In fact I would say even most. They chose to believe in the myth of a 'peace dividend' because they believed that there was an 'international order' based on rules that were recognized by all. They are now paying the price of false beliefs.

More often than not, throughout history global order was defined, not by consensus, but by competition and contention between different ideas of 'order' and efforts to make the competition less risky. The most effective way to manage risk is; as Chief of your Air Force said, to keep your powder dry, that is by strong deterrence.

This was certainly the case after the Second World War when international relations were shaped in almost every aspect by rivalry between the US and the Soviet Union. Their competition was existential because it was ultimately over whose system provided a superior way of organizing modern industrial society and for human beings to live. But the need to avoid mutual destruction mitigated direct confrontations and violence was generally deployed through proxies. The Cold War was messy; it was often very dangerous, but for forty years it was the only 'order' the world knew.

The post-World War II international order rested on two pillars: first, a balance of power that ultimately rested on nuclear deterrence; and second, a network of institutions based on the idea of law and built around the United Nations and Bretton Woods systems. Fear of mutually assured destruction has proved to be remarkably enduring. The balance of terror is still the foundation of stability in relations between major powers. Nuclear disarmament is a pipe-dream.

The other pillar however has worked less well. There is an inherent tension between the two pillars. International law and multilateral institutions based on law, cannot operate effectively except in a stable international environment. Only the terminally naive could think of the UN or any international or regional organization operating in any way accept very ineffectually in the midst of war, whether hot or cold. Stability rests on deterrence and a balance of power.

This leads to two paradoxes about international order. First, international law and international organizations are least effective when they are most needed. Second, since stability rests on deterrence and a balance of power, whenever the requirements of law or organization conflict with those of deterrence and balance, almost always the requirements of deterrence and balance will prevail.

The UN system never fulfilled the hopes of its founders. The main UN organs, the Security Council and the General Assembly, were based on a false premise – that the wartime anti-axis alliance would endure after the axis powers were defeated. They quickly became arenas for Cold War contests and instruments of those contests. And even when the Security Council and General Assembly worked as intended, they were dysfunctional by design.

Rules ought to be applicable to all. Sovereign equality is a foundational principle of the UN Charter. But the veto of the 5 Permanent Members is a clear derogation of this principle. It represents submission of principle to the reality that the requirements of balance must take precedence over the requirements of law. The veto is a fuse that blows when important interests of major powers are involved and so preserves the system. This sacrifice of principle to reality has enabled the UN to survive where its predecessor, the League of Nations, did not. The cost of survival was sub-optimality. The Security Council cannot act when action is most needed. The General Assembly is largely political theatre. Its function is mainly – not solely but certainly mainly -- performative: to give the vast majority of UN members the sensation of having some measure of participation in the great affairs of the world.

The strategic environment which the UN was founded has obviously changed beyond recognition. This is not a recent development. The five Permanent Members were the victors of the Second World War. That was 80 years ago and there was controversy even at that time: France was included only at Churchill's insistence and China only because of Roosevelt.

Today, the choice of those to whom the veto was granted is even more questionable. Are Britain and France Permanent Members because they really are major powers, or do we grant them the courtesy title of major power because they are Permanent Members? The prospect of substantively reforming the Security Council or the General Assembly is zero or so close to it as to make no practical difference. Any meaningful reform will certainly be vetoed.

Now, none of this is intended to mean that the UN system is useless. Is it better to have an imperfect UN system than no UN system? I think some sort of international organization, however imperfect, is better than nothing. Others may disagree. But whatever your opinion, you should not idealize the UN or the concept of multilateralism generally. Regardless of how we may conceive of international order, the UN system and multilateralism in general will be some part of it, but never the whole of it. They are certainly not silver bullets for all the ills of the world and never have been.

Still, even the greatest sceptic would acknowledge that some parts of the UN and other multilateral organizations do useful journeyman service. In January this year (7 January 2026) the White House announced that the US was withdrawing from international organizations, conventions and treaties "that are contrary to the interests of the United States." But a close examination of the list of organizations and conventions from which the US intends to withdraw reveals none that are vital to the operation of the UN system or multilateralism in general. Actually, I have never heard of some of

them. Several have long been de facto moribund. Apparently, the US does not intend to leave any of the main UN and Bretton Woods institutions.

A possible exception is UNESCO which the Trump administration left for the second time last year (July 2025). But I do not think even the staunchest supporter of UNESCO can credibly argue that whatever other useful work it does, and it does do some useful work, UNESCO is essential to the operation of the UN system as a whole.

By the 1960s, when de-colonialization changed the composition of their membership, the US had become ambivalent about multilateral systems it had played a major role in creating for the very simple reason that it could no longer count on having an automatic majority in them. Mr. Trump has taken skepticism about the UN and multilateralism much further than any of his predecessors, but he seems to want to harness the UN system to his agenda rather than dismantle it entirely.

There is nothing unusual about such an ambition. This is what all countries in different ways and degrees try to do within their capabilities. The UN is an instrument and as I said earlier, not every instrument is going to be useful in every contingency.

In an interview published in the New York Times in January this year (9 January 2026), Mr. Trump was reported as saying that his exercise of power would be constrained only by his own morality and his administration's compliance with international law would be based on his own judgement

of whether doing so would be in America's interests. This was as neat a definition of sovereignty in its starkest form as Thomas Hobbes, Carl Schmitt, Jean Bordin, or any political philosopher who has thought about the nature of sovereignty could formulate. Mr. Trump's approach is less original than he may think and not as uniquely capricious as his critics charge.

Like it or not, this is an attitude harboured in some degree by all states, the main difference being in their capabilities. You might even say that any state's commitment to international law in a particular set of circumstances is very largely – not totally but very largely – influenced by its assessment of its own capabilities in those circumstances. That is why even a law abiding city-state like mine has invested heavily in a strong, technologically sophisticated military.

In 1994, in an interview with Malaysian Business – a Malaysian Journal, General Tan Sri Hashim 'Freddie' Mohammed Ali, the retired chief of the Malaysian Armed Forces, recalled that Prime Minister Mr Lee Kuan Yew had told him "if PAS [Pan-Malaysian Islamic Party] comes into power

… and tries to meddle with water in Johor Bahru, I'll move my troops in. I will not wait for the Security Council to solve this little problem."1 Now I do not know if General Hashim reported what he was told accurately. I wasn't there. But why should he make this up?

Singapore constantly says that a world governed in accordance with law is in the interest of small states. We mean what we say, and it seems as self-evident that a world governed by law is good for small states, or for that matter, middle powers, is as obvious as saying water is wet. But the more salient question which we do not often ask out loud is whether we really live in such a world?

The honest answer must be not all the time and only in certain domains. Water is not always a liquid, it's not always wet. Under some conditions it becomes a solid or a vapour. Investing in a strong military is both a necessary precaution against the day water may boil over and a means of

ensuring that the temperature of our relationships never reaches boiling point. Which is another way of saying that strong deterrence makes for stable relationships.

Reinhold Niebuhr, the American political theorist and theologian, saw hypocrisy as characteristic of international relations. He argued that because Americans are generally more uncomfortable than most other peoples with the idea of power, they have usually found it necessary to wrap up their exercise of power in ideas of universal significance.

A penchant for the use of force and threats of force, peace through strength, unilateral action, a preference for bilateralism over multilateralism, among other approaches, were not invented by the Trump administration. They have never been absent from American diplomatic culture. The 'Shining City on a Hill' has always cast dark shadows, a fact that has always been more evident to those of us who live under the hill than to those who live on it.

Such behaviour is not unique to the US. All major powers are much more similar than any of them would admit. If a country finds the behaviour of a particular major power less objectionable than the behaviour of some other major power, it is generally more a matter of its interest rather than any intrinsic difference between the powers. What Mr. Trump has done is to rip off the hypocritical wrapping to expose the naked reality as it has always existed beneath it – always existed for all countries, small, middle-sized, or big.

Why did Mr. Trump do so? It is too simple to attribute this only to President Trump's admittedly unique personality. Personality always plays a role in international relations and Mr. Trump's personality evokes strong and emotional reactions. But the role of personality is also always shaped by specific historical circumstances in which an individual finds themselves.

In our time, the most significant change of historical circumstances was the end of the Cold War. The immediate post-Cold War period was a time of great, even exuberant, optimism. Optimism too easily metastasized into hubris that even led some to assert that History had ended. But even those who regarded such fantasies as patently ridiculous, it seemed that only American ideas of international order mattered.

The fact that many countries – Singapore and Australia certainly among them -- generally benefited from those American ideas even if we may not have accepted them in their entirety. That was a rare moment when, to use Mr. Rajaratnam's terminology, the theology of foreign policy seemed to happily meld with practical diplomacy. This happy coincidence embedded in our consciousness the illusion that this was the natural order of the world.

[1] Shukri Rahman, "An Officer and a Gentleman", Malaysian Business, 16 February 1994, pp 22-24.

But that was a very exceptional period of world history. Reality soon intruded in the form of an increasingly assertive China and resurgent Russia, both bent on regaining status and power they lost or imagined they had lost; vicious genocidal wars broke out in the Balkans and Rwanda; Islamic Jihadism, culminating in the terrorist attacks of 9/11 violently challenged not just American ideas but the very concept of modernity. America invaded Iraq in 2003. Conflict remained endemic in many parts of what we now call the Global South.

Although the time of optimism was short – maybe not more than 20 years from the fall of the Berlin Wall to the out-break of the global financial crisis in 2008 -- the illusions it fostered have proved

stubbornly resilient and persist to this day. Much of the trauma and angst with which we regard the world today is because we are still measuring – perhaps unconsciously -- the present against a yardstick defined by that short moment of world history and a yearning -- again perhaps unconscious -- for its return. That period was immensely beneficial to most of us. But just because it was beneficial does not make it any less exceptional or mean that it can be restored.

What we are experiencing today is in fact a reversion to the historical norm of 'order' defined by contention and competition. History is not teleological; it does not inevitably unfold in any direction and certainly not towards an ever more peaceful or stable condition.

There is nothing particularly unique about the on-going wars in Ukraine and Middle East except that it had been some time since wars of that scale had occurred in any region that compelled our attention. I use the phrase 'compelled our attention' advisedly. Not every conflict compels attention and those that do attract the most attention do not necessarily do so because of their scale or duration.

The wars in Gaza and Lebanon resulted in a rough estimate of 80,000 plus deaths to date and the Russia-Ukraine war in an estimated 600,000 plus deaths to date. The number of deaths in the current war in Iran are harder to estimate because even minimally reliable figures for casualties inside Iran are not available. But for argument's sake round up the total killed in all four conflicts to 700,000 or even 800,000 or if you like, what the hell – make it a million. These are certainly horrifying numbers. But are the estimated five million or more deaths in The Democratic Republic of the Congo which has been in near continual conflict for decades, somehow less horrifying? When is the last time anyone demonstrated to stop the killing in the Congo? When is the last time you even read about it in a headline?

We are always selective about what shocks us. From the end of the Second World War to the present, there has hardly been any period without conflict somewhere. These almost continual conflicts -- some of very long duration, the 8 year-long Iran-Iraq war and the 20-year wars against Afghanistan and Iraq, come to mind – but they have not resulted in teeth gnashing and hand-wringing over the end of international order.

I have said enough to illustrate my point that what we are experiencing today is a reversion to the historical norm. The risks and uncertainties we confront today are real, but they are what the late Donald Rumsfeld would have called 'known unknowns'. This, however, does not mean that we have returned to the status quo ante.

The Trump administration emerged out of the hubris that infected many in the US in the immediate post-Cold War. Mr. Trump is the first truly post-Cold War president. His core MAGA support comes from those ignored and left behind by the market fundamentalism and hyper-globalization promoted by the American intellectual elite during the immediate post-Cold War period. In foreign policy, Mr. Trump has grasped intuitively what the traditional American foreign policy elites who despise him failed to understand intellectually: after the collapse of the Soviet Union, the US faces no existential threat anywhere in the world.

What does this all this mean for all us?

That we face a future of greater uncertainty is true but trite and certainly not a cause for despair. We have all faced far worse with far less capabilities. But here we all still are. There is no a priori reason why we cannot not merely survive, but prosper, in the new old world of 'order' defined by conflict and competition. No a priori reason, that is provided we abandon the sentimental yearning for an imagined and idealized past 'international order' that too often substitutes for the clinical thought that must be the foundation of intelligent adaptation to changes in the strategic environment.

When I last spoke to this conference in May 2024, I dealt in passing with post-Cold War US foreign policy. What I told you then has held up quite well thought he tumultuous developments of the last two years. I will not repeat all I said then, but let me expand on a few points that underscore the new strategic environment.

Facing no existential threat anywhere, there is no longer any compelling reason for the US to, as President John F. Kennedy said at the height of the Cold War, "pay any price, bear any burden, meet any hardship, support any friend, oppose any foe " to uphold its vision of the world. We grew so used to that model of American leadership that we took it for granted, almost as if it was a law of nature. But after forty years of sacrifice of blood and treasure, it was time to Put America First.

There is nothing perverse about this. Every country puts its own interests first, why not America? The world has changed, so why should America not change? Why do we expect American policy to remain the same?

Trade is a case in point. Free trade has always been a contentious issue in American politics since the founding of the Republic. If after the Second World War, the US adopted a relatively generous and open trade policy, it was not out of altruism or even primarily for economic benefit, but as a tool in its rivalry with the Soviet Union. After the Soviet Union collapsed, the raison d'etre for generosity disappeared. Consequently, established patterns of trade are being reconfigured. The Iran war has added to economic uncertainties and this is all profoundly disconcerting and is causing serious problems to many countries in our region and globally

But deeply problematic as its consequences may be, Putting America First is not the retreat from the world that some have tried to portray as the root cause of the crumbling of 'international order'. 'Putting America First' is not a 'retreat', but a unilateral redefinition of the terms of America's engagement of the world: a shift from direct military involvement on the ground to off-shore balancing; where calculations about whether or not and how to get involved will be based on a narrower and more transactional definition of American national interests.

An analogous shift occurred in Asia half a century ago when the US cut its losses in Vietnam and withdrew leaving its allies in South Vietnam, Cambodia and Laos to their fates. Since then, American's allies, partners and friends in Asia, with the possible exception of Australia, have dealt with the US more on the basis of common interests rather than the illusion of common values. Focusing on interests is a better way to deal with a more transactional America.

The change in the terms of engagement has revived old debates about the reliability of US commitments. These anxieties are endemic – or perhaps calling them chronic is a better description – because they arise from the nature of the American political system and political culture. They can never be totally assuaged. But they are moot.

They are moot because for the foreseeable future it is impossible for Canada or Europe to deter Russia without the US at their back; likewise it is impossible for Asia to balance China without the US. Since there is only one America, regardless of whether we think it is reliable or not, if we need America to be present, we will have to do what we must to keep it present. By and large, Asia has acted pragmatically to do so. For example, China aside, unlike Canada and Europe, no Asian country wasted time making idle threats about retaliation when reciprocal tariffs were imposed. None of us like tariffs, but we all need the US market. So we cut what deals we could.

I happened to be attending a conference in a European country when controversy between the EU and the US broke out over the Trump administration's demands over Greenland. I think I was one of only two Asians present. Most of the participants were European. I entirely agreed with them, I sympathized with them that this was no way to treat allies. But at the same time, I thought to myself that all the European bluster and token deployment of military assets was a waste of time. I understood the need to preserve amour propre – those token military deployments surely could not have been expected to deter the US and were mainly to save face -- but in the end Europe would have had to come to some sort of deal with the US, as indeed it did, and the bluster probably only delayed the inevitable. In the end, the so called 'framework of a future deal' that was reached focusing on missile defense, was not unreasonable.

Mr. Trump has often been called unpredictable. On the contrary, I think he is very predictable. He does what he says he will do. His initial demands are couched in extravagant terms accompanied by threats. If he meets with resistance, he deploys more threats. But what he finally settles for – what he probably really wanted all along – is usually not totally unreasonable or at least something his interlocutors can live with. Greenland conformed to this pattern and it was entirely predictable that it would do so, at least it was predictable to me. I do not claim any superior wisdom, but I try to look at things clinically with less waste of emotional energy. Mr. Trump's negotiating style has been mocked by the commentariat as TACO – Trump Always Chickens Out. I do not think any useful purpose is served by ridiculing him. Since we cannot do without the US, instead of mocking his style, we should exploit it.

The US has been remarkably consistent as off-shore balancer in East Asia for half a century and this has maintained the stability of the region. There is no strong reason to expect the US to abandon this role because it plays this role, not as a favour to anyone, but to protect its own interests in what is still the most rapidly growing region in the world.

In a few weeks or months, maybe even more, Mr. Trump will meet Mr. Xi Jinping in Beijing – despite what he has said. Their summit may be delayed but it will not be cancelled. Despite the war against Iran placing China in an awkward position, disrupting its energy supplies and exposing Beijing as powerless to help what it calls a 'comprehensive strategic partner' (since 2021) in any meaningful way, foreign minister Wang Yi was relatively balanced when speaking about relations with the US at the recent 'two sessions' (Lianghui). China's economy is not performing well and growth targets have been lowered. China wants and needs to stabilize relations with the US. Washington shares this goal, which the Iran war's disruption of energy markets has made more compelling.

But whatever agreement they reach will be substantially limited to trade and perhaps some areas of technology. There has been speculation that the US, China and Russia could strike some Yalta like 'grand bargain' which carves up the world into spheres of influence. This is so highly improbable as

to border on fantasy. Logically such a grand bargain would leave Europe in Russia's sphere and Asia in China's sphere, leaving the US with Latin America. Latin America is a region of lack-lustre economic growth whose potential has remained only just that – potential – for two centuries. I doubt the region's potential will ever be fully fulfilled. A new Yalta would be a really bad deal for the US that would leave Mr. Trump looking like a loser bamboozled by his rivals. I do not think that is how he would like to be remembered.

We should not over-read the emphasis on the Western Hemisphere and what was called "The Trump Corollary to the Monroe Doctrine" in the National Security Strategy (NSS) released last November (2025). Military action against Venezuela -- Venezuela was the chicken killed to scare the monkeys of that hemisphere, quite successfully I might add -- makes clear that the Trump administration does claim a special position in Latin America. But that does not mean it will meekly concede the rest of the world to anyone. Indeed the dominant theme in the NSS is strategic competition, particularly when read in conjunction with the 2026 National Defense Strategy. Whatever deal the US cuts with China on trade is not going to end their strategic rivalry.

I said a moment ago, that any deal will be 'substantially limited to trade and technology'. Substantially not necessarily exclusively. There is a very slight possibility, don't get too excited, it's a very slight possibility of a tweak to language describing the US position on Taiwan independence. Some Chinese academics have been floating the idea that the US should agree to "oppose" Taiwan independence instead of the current language of "does not support" independence. Some months ago, I would have entirely dismissed this possibility. I cannot do so now although the possibility remans small. If such a change occurs, it will be a significant change of diplomatic signaling and we can expect a panicked furore from the commentariat and some governments, replete with dire predictions of imminent doom.

If this happens we should not over-react and I emphasize I am not sure it will happen, I think there is only a very slight possibility. If it does happen it would certainly be preferable not to change the language, but even if the language changes, war will still not be very likely let alone imminent. The nuance between 'not supporting' and 'opposing' is not substantively great because Washington has already on several occasions across different administrations, warned Taipei about provocative or reckless behaviour. If Beijing decides to launch a war of reunification over Taiwan or increase pressures on Taiwan short of war, those decisions will involve calculations of many factors in which I doubt diplomatic phraseology will be the most important.

It bears emphasizing that since the change in US foreign policy is a response to a structural change in global geopolitics and not just due to one individual's quirks, it is permanent. The basic approach of future American administrations may differ in detail but not in quality; we can hope that policies will be conveyed more systematically and civilly, but their broad direction will not change substantively. We must therefore accept and internalize the fact that the style of American leadership and policies to which we had become accustomed was an artefact of a particular set of historical circumstances – the Cold War – that have passed and will not return. We may regret its passing, but we must adapt to the new reality.

I do not think acceptance of this new reality is yet very deep, particularly in Europe where there is an ingrained penchant for wishful thinking and still too much focus on Mr. Trump's personality. For all countries, focusing on – feeling superior about – his personality is not only self-indulgent, but a

political liability. The problem with emphasizing personality rather than acknowledging structural change, is that it creates the expectation or hope that when personalities change, as they inevitably will, so will policies. American policies may well change after Mr. Trump, but only on the margins and in style more than substance. False or exaggerated hopes or expectations are a political liability because they create the illusion that adaptation need only be tactical to buy time until the administration changes again. The process of adaptation difficult enough and is going to be especially prolonged, painful and fraught in Europe requiring sustained political will.

Now I am going to skip a lot of things because I want to get to the end to leave more time for questions. But I want to say two things – I think it is important.

Unlike Europe or Canada, most of the Indo-Pacific, with Australia again as an exception, had never placed values at the centre of the relationship with the US. What the US did in Venezuela – removing the top leader but leaving a repressive regime in place – makes clear that Mr. Trump is not interested in democracy promotion and nation-building. This has been criticized by the commentariat but is not a liability in this region. If anything it is an asset. What is a liability in the Indo-Pacific, and a potentially very serious one in Southeast Asia, is the perception that US foreign policy is anti-Muslim. This is not a new perception, but US support for Israel during the Gaza War has further entrenched anti-Americanism and more generally anti-Westernism, as an element of Muslim identity in Southeast Asia. This could have quite serious long-term strategic consequences.

So far, Muslim reactions in Southeast Asia towards the war against Iran do not seem to be as emotional as during the war in Gaza, primarily because most Southeast Asian Muslims are Sunni and Shia Iran blundered in attacking civilian infrastructure in the Sunni Gulf states. But the longer this war lasts and the exception Mr Trump seems to have made for Iran into his usual aversion to democracy, promotion and nation building will probably prolong the war. The Sunni-Shia distinction is likely to be blurred if not overshadowed by humanitarian concerns about fellow Muslims.

Now I don't think Iran's nuclear weapon ambitions could have been stopped or significantly delayed by any means short of war. I believe both sides were using the negotiations mediated by Oman only to buy time to prepare for war. A nuclear-armed Iran would be a very different proposition from a nuclear-armed North Korea. The latter's nuclear weapons program is focused on regime survival which is not a messianic ambition. I once had the opportunity to attend a meeting with then Iranian President Ahmadinejad. Mr. Ahmadinejad was bluntly asked whether when he said that Israel should be destroyed, as he and other Iranian leaders had repeatedly done, was he was speaking as a politician or did he mean it literally. He replied only with quibbles. When pressed, he ended the meeting. So I think it was correct to have gone to war over Iran's nuclear-weapon program. But it was a mistake to talk about 'regime change' and 'unconditional surrender'. It only makes finding a way to end the fighting more difficult.

The effect on energy markets of an unnecessarily prolonged war are obvious. Beyond the economic effects, a prolonged war could complicate the strategic environment in Southeast Asia in a way that is almost never discussed. Since the 1980s, the traditional Southeast Asian understanding of Islam which was open and syncretic, has gradually been displaced by narrower, less tolerant Salafist and Wahhabist interpretations. Unnoticed to most of the world, a quiet struggle between these variants of Islam has been occurring in Southeast Asia. The epicenter of this struggle is Indonesia. There are

more Muslims in Southeast Asia than in the Middle East and Indonesia is the largest Muslim country in the world.

Under former Indonesian President Jokowi, and now President Prabowo, Indonesia has been pushing back against Salafist/Wahhabist Islam by promoting its 'Islam Nusantara' (Islam of the archipelago). Indonesia has a long non-aligned tradition but is not anti-western and under President Prabowo there have been significant enhancements of Indonesia's relations with the US and its allies, including in defense. A prolonged war with Iran could slow or change this trajectory – Indonesia has already suspended its participation in the 'Board of Peace' – and if the effort to promote Islam Nusantara stalls or falters, the Southeast Asian strategic environment could become more complicated for the US and the West generally.

I used the term 'complicated' deliberately. A common theme that has run through all my talks to this conference since the first in 2018, is that we should not think of strategic choices in the Indo-Pacific in simplistic binary terms. No country in this region does so. A more transactional America has certainly raised anxieties across this region, as it has across the world. But that does not mean that these anxieties automatically translate into strategic gains for American rivals or adversaries as the commentariat often concludes – they do so because they take a short term view.

It is true that the Iran war has forced a suspension of restrictions on Russian oil exports and a shift of military assets from East Asia to the Middle East. But these are reversible decisions and I do not doubt that in due course they will be reversed.

But there is another fact about the war against Iran and the earlier raid on Venezuela that is less obvious and has received less media attention. But it's not going to be so easily reversed. Both these countries had close relations with Russia and China, but those close relations singularly failed to deter US action. After deterrence failed, neither Russia nor China were able to respond or help Venezuela or Iran in any meaningful way. This has not passed unnoticed in the Gulf or in East Asia and will not be easily forgotten after the Iran war ends. The world has become more multipolar, but in some critical aspects it is still unipolar.

Throughout this talk I have stresses the instrumentality of international law and the related idea of international order. Please do not misunderstand me. I am not arguing that law is unimportant. Both Venezuela and Iran certainly raise serious questions about fundamental norms. My point is that the legal dimension is not the whole story and not always the most important part of the story.

Venezuela and Iran were both moments similar to President Trump ordering the bombing of Syria in 2017 over its use of chemical weapons while at dinner with Mr. Xi Jinping. This did much to restore the credibility of US power which had clearly eroded globally after President Obama drew a red-line over the use of chemical weapons but did nothing when the Assad regime used them anyway. The US is a vital and irreplaceable component of the balance of power on which the stability of the Indo-Pacific ultimately rests. Any action that enhances the credibility of US power cannot be entirely against our interests, whatever other concerns they may provoke.

I was also asked what the changes in the strategic environment mean for middle powers – this is my absolute last point. Let me answer that by reminding you that in my last talk to this conference in May 2024, I had pointed out that all of us in this region face two sets of realities. First we all have to deal with both the US and China as the necessary condition of dealing with either effectively.

Second, we all have anxieties about both the US and China. Dealing with these two sets of realities is leading to the emergence of more fluid patterns of relationships in the Indo-Pacific because, and to quote from my 2024 talk:

“Different coalitions of countries are likely to continually form, dissolve and reconstitute themselves around different issues as their Interests dictate, a condition that one may call ‘dynamic multipolarity’. Some of these coalitions may include the US but not China, some China but not the US, and some neither. Participation in one group does not preclude participation in others.”

This fluid pattern of relationships is not against American interests nor does it signify an end to the US alliance system. Rather it may be the necessary condition for preserving it. During the last two years, this pattern has established itself in the Indo-Pacific as Australia, Indonesia, Japan, South Korea, India and Vietnam, among other countries of all sizes, have begun to work more closely together in the last two years, new combinations and explore new areas of collaboration both within the region and with other regions.

I was in Zurich when Prime Minister Carney of Canada delivered a widely acclaimed speech in Davos (20 January 2026). I watched him speak on live-feed. It was an excellent speech. Mr. Carney spoke with passion as if he were a prophet sharing a revelation vouchsafed by heaven. But I chuckled to myself. His main point – that middle powers should form coalitions to build strategic autonomy because international order had “ruptured” -- was old hat. Most countries in the Indo-Pacific and not only middle powers had already quietly been doing exactly that for several years without melodrama evoking the world crumbling about their ears. Mr. Carney had just failed to notice until Greenland kicked him out of the complacency into which his theological idea of order had lulled him. But I should not be unkind. Better belated understanding than remaining trapped in illusion. Do not forget, that while the world has indeed become multipolar in many dimensions, what is happening now in Iran and happened in Venezuela shows that in some dimensions it is still unipolar. Thank you for listening to me, I’ll end here.

Q&A

GPCAPT J Laroche: Thank you Mr Bilahari. As usual, a deep, thorough analysis, somewhat sobering perhaps of the world view and the interplays of national interest and strategy through a very realist lens. Regretfully we are well overtime.

I know the audience has been engaged and I can tell you that I’m very happy to share many of the questions that have come through on the app, some fantastic ones, that really reflect, in fact the question around this new world order if you will call it that, of might equals right, and you would characterise this as returning to norms.

What agency do countries have in our region? Small to medium powers to rectify that. And if we can, I’ll ask you for a two-minute response and then we will move to morning tea.

Mr Bilahari Kauskian: Thank you. Well, I think we always have agency. The smallest country has always some agency in the most dire situation. Otherwise, I would not be standing here talking to you. Singapore should not exist. Now whether you have the wit to recognise the opportunity to exercise the agency and the capability to seize the opportunities, those are not the matters. So the

key to agency is actually capability. Do not neglect your capabilities. And defence must be part of that capability.