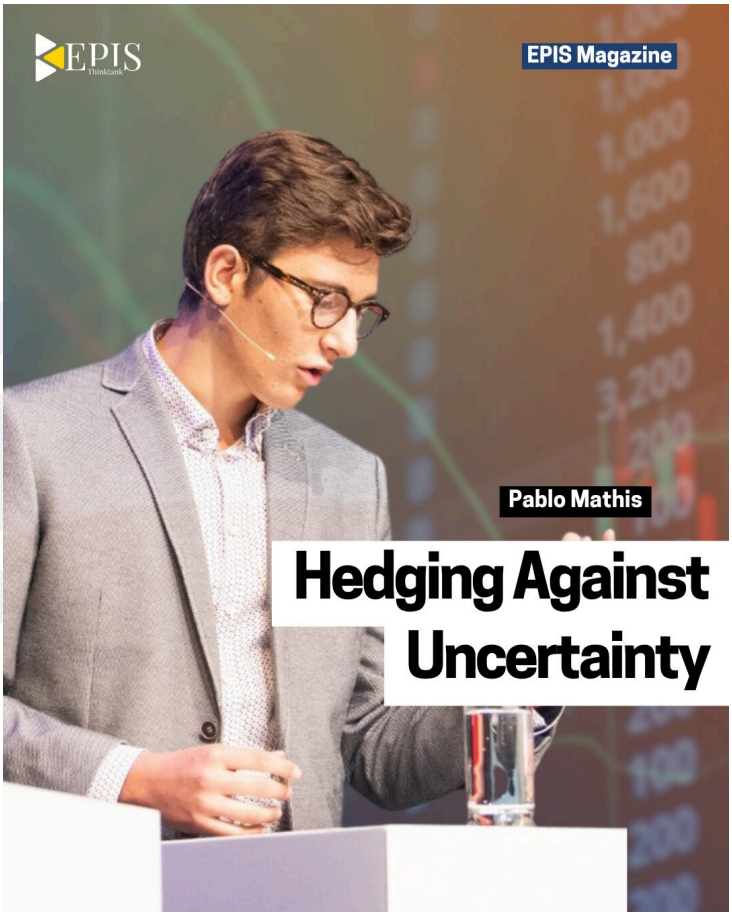
Hedging Against Uncertainty

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With tensions on the rise, many states face an alignment dilemma. Should they ally with the US, China, or Russia? All options bear significant uncertainties about the great powers' intentions. In light of this, particularly Southeast Asian states have adopted a hedging strategy. Although hedging is a contested concept, this Basics instalment seeks to provide more clarity about this often-used but little-understood concept. Specifically, this article builds on Kuik's (2021) clear three-point characterisation of hedging as a middle, opposite, and fallback position. Contemporary references to Singapore are used to elucidate the concept further.

A Middle Position

At the most basic level, hedging denotes a policy where a state refuses to unequivocally align itself with a major power. In doing so, states that hedges defy categorisation as balancing or bandwagoning. For example, Singapore has not committed to any comprehensive military alliances with either the US or China.

An Opposite Position

To help maintain the middle position, states that hedge pursue opposite policies. These opposite policies cancel each other out, preventing a state from aligning itself too closely with a power. To prevent alienating the US or China, Singapore has conducted military exercises with both the US and China. However, these opposite policies can also cut across the political, economic, and military domains. For example, a state might compensate for closer economic relations with China by buying US military equipment. Lastly, preventing clear alignment can sometimes involve deferring to a power on some issues, while defying said power on other matters.

A Fallback Position

Ultimately, hedging serves to create a fallback position in light of the uncertain intentions of great powers. In Southeast Asia, countries remain wary of China and the US. Although China offers economic incentives through instruments like the Belt and Road Initiative, its assertive behaviour over islands in the South China Sea has created uncertainties about China's benign intentions. On the other hand, since Obama's pivot to Asia in 2011, the US has devoted increasing attention towards countering China. However, recurring Trump presidencies have also called into question the US's commitment to the region.

Precisely these uncertainties have motivated hedging. Should the US prove unreliable or China's intentions malign, the Southeast Asian states want to maintain good relations with the other superpower as a fallback.

An Uncertain Future

As illustrated, hedging is a concept engulfed by uncertainty. Not only do states hedge against uncertainty, but academics themselves remain uncertain about the precise motivations, tools, and types of hedging. Nevertheless, Kuik's (2021) conceptualisation of hedging as a middle, opposite, and fallback position can serve as a starting point for any observer interested in the developments in international relations and academia.

Literature Recommendation/References

Kuik, C.-C. (2021). Getting hedging right: A small-state perspective. China International Strategy Review, 3(2), 300-315. https://doi.org/10.1007/s42533-021-00089-5

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