



COUNCIL FOR
SECURITY COOPERATION
IN THE ASIA PACIFIC

CSCAP REGIONAL SECURITY OUTLOOK



2020

COUNCIL FOR SECURITY COOPERATION IN THE ASIA PACIFIC

Established in 1993, the Council for Security Cooperation in the Asia Pacific (CSCAP) is the premier Track Two organisation in the Asia Pacific region and counterpart to the Track One processes dealing with security issues, namely, the ASEAN Regional Forum (ARF), the East Asia Summit (EAS) and the ASEAN Defence Ministers Plus Forum. It provides an informal mechanism for scholars, officials and others in their private capacities to discuss political and security issues and challenges facing the region. It provides policy recommendations to various intergovernmental bodies, convenes regional and international meetings and establishes linkages with institutions and organisations in other parts of the world to exchange information, insights and experiences in the area of regional political-security cooperation.

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EDITOR

Ron Huiskens

Adjunct Associate Professor,
Strategic and Defence Studies Centre,
Australian National University

EDITORIAL ASSISTANT

Kathryn Brett

Strategic and Defence Studies Centre,
Australian National University

EDITORIAL PANEL

Anthony Milner

CSCAP Australia

Ric Smith

CSCAP Australia

Philips Vermonte

CSCAP Indonesia

Jusuf Wanandi

CSCAP Indonesia

LETTER FROM THE CO-EDITORS

On behalf of CSCAP, we are pleased to present the CSCAP Regional Security Outlook (CRSO) 2020. Inaugurated in 2007, the CRSO volume is now in its fourteenth year.

The CRSO brings expert analysis to bear on critical security issues facing the region and points to policy-relevant alternatives for Track One (official) and Track Two (non-official) to advance multilateral regional security cooperation.

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Ron Huiskens and Kathryn Brett

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The Regional Security Outlook 2020: A prolonged US-China two-step has left us questioning interdependence

Ron Huiskens



July 31, 2019. Chinese Vice-Premier Liu He (right) with US Trade Representative Robert Lighthizer (third left) and US Treasury Secretary Steve Mnuchin (second left) in Shanghai. Credit AP.

Just a year ago, the CSCAP Outlook highlighted what it termed ‘the end of ambiguity and denial’ about whether the United States and China saw themselves as engaged in an adversarial contest for global pre-eminence. Over the course of 2019, the rivalry between these two mega-states remained a primary cause of the deepening division and antagonism that characterised the international system. Most of the papers assembled in this edition of Outlook confirm this judgement.

China’s singular fusion of authoritarian governance and a market economy (dubbed ‘state capitalism’) is being viewed by the US and others as fundamentally incompatible with traditional notions of fair and productive competition. Opinion and assessment have tended to focus on the so-called ‘rules-based order’ as the primary arena of dispute, despite this order having fostered spectacular and widespread

gains since World War 2, not least, in much of East Asia. It may be more accurate to say, however, that the fundamental question that the contest has exposed is whether dependable agreement is possible on the range of tools and mindsets that states can legitimately bring to the competition. If the answer is yes, interdependence will continue to be accepted and welcomed; if not, then some significant degree of disengagement will be seen as indispensable to the national interest.

We should not be too surprised or dismayed by this development. Rapid and significant change in the distribution of power have ranked as the supreme challenge for the international community throughout recorded history. It is not easy to get it right and to preserve stability and peace. Although history never really repeats itself, too many broadly comparable episodes in the past have ended in major wars. Today,

many take solace in the belief that the world’s nuclear arsenals present a formidable barrier to major power war. This contention has merit but must be twined with the reality that, for the first time in history, these weapons may have given humankind the capacity to make a mistake from which it cannot recover. Given the further reality that humankind tends to make all the mistakes available to it, the exclusive effect of nuclear weapons must be to reinforce our collective determination to navigate these challenging times using accommodation and compromise plus a frank assessment of everyone’s role in getting to where we are.

The present clash between the US and China is arrestingly sharp and deep not only because the stakes are so high and the parties so profoundly different – most critically, perhaps, in terms of philosophies on governance – but also because it has been brewing over several decades of increasingly intimate and complex interaction. In 1944-45, when the US had a uniquely clean slate to put the broad management of international affairs on a new footing, President Roosevelt insisted – over objections from the UK and USSR who had particular interests in Tibet and Xinjiang respectively – that China be among the select group of major powers that would be tasked with special responsibilities for the maintenance of international order and stability. Within a few years, Mao Zedong’s communist movement had seized power in China, entered into an alliance with the USSR and joined it in endorsing North Korea’s



October 1, 2019. National Day Parade, Xi, Jiang, Hu. Credit Ng Han Guan / AP.

invasion of the South in June 1950. The US and China were the principal combatants in that conflict, emerging as bitter enemies. China and the USSR essentially left the US to cope with the inconclusive aftermath of the Korean War but then also experienced the complete collapse of their own bilateral relationship by 1959-60. More than a decade later, in 1972, came the spectacular US-Chinese accommodation, splitting the communist side of the Cold War and enlarging the strategic space within which China could manoeuvre in comparative safety.

After Mao's death in 1976, China's new paramount leader, Deng Xiaoping, took the country down the road of 'reform and opening up' – or away from Socialist planning toward a market economy attached to the global trading community. Taking China down this path took great courage and skill. A key plank of Deng's political platform was the notion of a 'window of strategic opportunity' – an external environment that was reliably stable because of the US-Soviet nuclear stalemate and China's favourable location between the superpowers (effectively a recipient of US extended deterrence) – that made it 'safe' for the Party to focus its resources and

energies on building a functioning economy. The accelerating success of this transformation, linked strongly to a receptive US market, has become the stuff of legends. The expectation that these economic practices would have a wider liberalising influence – more a hope than a precondition for continuing to facilitate China's economic revival – were sharply deflated in June 1989. Almost coincidentally, the USSR allowed the Berlin wall to be breached and its partners in the Warsaw Pact to make their own choices, a process that culminated in the spectacular break-up of the USSR itself in December 1991. These events effectively marked the end of the special US-China relationship forged in 1972.

The US basically persisted with the posture of engaging China and relations were rebuilt over the course of the 1990's but arguably never regained the qualities of tentative partnership from the 70's and 80's. The Clinton administration in its second term acknowledged China's major power status and urged it to also accept the responsibilities associated with that status. China appeared to respond positively to this positioning and its implications. In collaboration with American think-tankers, Beijing developed a famous

Deng maxim about being patient and keeping a low profile into the major public policy theme of peaceful rise (later, peaceful development). For nearly a decade, until towards the end of the Bush administration in 2008, Beijing's incessant message was that its economic and political revival would not disrupt or threaten the fortunes of other states, a pledge based in part on lessons learned from an exhaustive examination of the experience with rising powers in the past.

As the Clinton administration drew to a close it was characterising China as a 'strategic partner', whereas the Republican presidential candidate in 2000, George W. Bush, contended that China was a 'strategic competitor'. This stark contrast can be traced back to the break-up of the Soviet Union in 1991, thrusting the US into the condition of unipolarity. The end of the Cold War led spontaneously to a strong and persistent public demand in America for a major 'peace dividend', including sharp reductions in US forces stationed overseas in Europe and Northeast Asia. Many analysts had marvelled at the durability of the bipartisan consensus in the US that sustained its costly and dangerous global security posture. Here was an early and clear sign that the American public was not only aware of this burden but eager to seek relieve from it. Moreover, the White House in 1991-92 was disposed to respond favourably to this public pressure. President George H.W. Bush began to speak of a 'new world order' and of a minimalist future US military posture – 'just enough', he said, to meet its security obligations – that would leave room for significant reductions in prevailing expectations of future military expenditure.

At the same time in the Pentagon, however, an entirely different US response to the end of the Cold War and the advent of unipolarity



January 7, 2009. President George W. Bush (centre), meets with (from left) former President George H.W. Bush, President-elect Barack Obama, and former Presidents Bill Clinton and Jimmy Carter in the Oval Office.

was taking shape. Informed by neoconservative thinking, Secretary of Defense Richard Cheney and a senior official, Paul Wolfowitz, were instrumental in crafting a posture that contended (a) that the circumstances demanded that the US overtly declare its intention to lead the world and to preserve the liberal global order it had been instrumental in creating, (b) that the US should declare its intention to preserve unassailable military superiority, and (c) it should be a priority to preclude in all regions of importance to the US the emergence of a hostile major power capable of harnessing the full capacities of that region (initial drafts of the proposal cited Germany and Japan as indicative historical examples). The authors deemed this agenda to be within US capacities and strongly supportive of US interests. A draft of this document was leaked in 1991 and provoked widespread outrage within and beyond the US. It was disowned by the White House as a wholly internal Pentagon document, and then vanished until the

presidential elections of 2000 when a conservative think tank re-issued a version of it as a potential Republican policy guideline.

There is little doubt that President Bush was made familiar with and was attracted to the thrust of this security posture – in June 2002 he asserted that ‘America has, and intends to keep, military strengths beyond challenge ... limiting (international) rivalries to trade and other peaceful pursuits’. In addition, the first major security policy document prepared by the new administration – the Quadrennial Defense Review released in early October 2001 – constituted a sweeping pivot to Asia to address the emerging challenge from China, utterly demoting Europe and the Near East that had for decades outweighed the Asian theatre. Although this intent was swept aside by the attacks on 9/11, QDR 2001 remains relevant to the present narrative for several reasons. First, it had the same intellectual impetus as the 1991-92 Pentagon

document because Cheney was now Vice-President of the United States and Wolfowitz the Deputy Secretary of Defense. Second, it represented a strikingly abrupt but considered conceptual revolution in America’s security outlook that its authors regarded as already a decade late, even as they recognised that its implementation would again be deferred. Finally, China would have begun to think hard about how the trajectory of its re-emergence might be complicated by this new predisposition in Washington. But then came 9/11 and the fateful propensity to place regime change in Iraq at the heart of America’s response. Also in 2001, China completed the arduous process of qualifying for membership of the WTO, a platform for the continued prodigious growth in its GDP and exports to magnitudes that dwarfed earlier export-led economic miracles in Japan, South Korea, and Taiwan.

The transformation in China’s economic capacities that these circumstances helped to facilitate fed, 15 years later, into the widely-shared view that the US had failed utterly to anticipate that stoic adherence to its traditional posture of enabling emerging economies to have privileged access to US markets might prove unsustainable in the case of China. By 2002-03, however, Beijing was again sensing that a further ‘strategic window of opportunity’ lay ahead, allowing the state to pursue its priority objectives without undue concerns about complications on the foreign and security policy fronts or a concerted effort to change the ground rules on trade.

In retrospect, it seems that China resolved to drive through the ‘window of opportunity’ – that the vagaries of democracy and Islamic terrorism had conspired to keep open for more than a decade – with all deliberate speed and using the full panoply of



June 29, 2019. G20 in Osaka Japan. President Donald J. Trump joins Xi Jinping, President of the People's Republic of China, at the start of their bilateral meeting. Credit Official White House Photo by Shealah Craighead / Flickr.

policy options open to it. It stepped past a deliberate effort by the Bush administration in 2004 to offer China greater recognition of its new status in world affairs, sensing that the 'responsible stakeholder' proposal was skewed toward China sharing more responsibility rather than more power. When the Global Financial Crisis of 2008-09 dealt a further body blow to US standing in the world, that window was thrown wide open, bringing into consideration outcomes that had seemed to fall far over the horizon and enticing China to strive even harder to take full advantage of these fortuitous circumstances. A sustained effort over both terms of the Obama administration to get new understandings on some of China's distinctive trade policy practices (the so-called structural issues, including the subsidisation of state-owned enterprises, intellectual property protection and forced technology transfers) was deflected and deferred, but contributed nonetheless to an overt 'rebalancing' of US economic, foreign, and security policy in 2011-12 to present a more concerted defence of US interests in the broader Asia Pacific region. China then launched two stunning geopolitical initiatives:

its mammoth Belt and Road Initiative in 2013 (although its grandeur has initially been diminished by modalities for project selections and implementation that were seen as deficient in terms of transparency, accountability, and engagement with partners, issues that President Xi in April 2019 promised would be addressed); and in 2014-15, the frantic construction of seven new islands in the South China Sea ahead of an international tribunal assessing the merits of competing national claims in this body of ocean. Some of these created islands now host significant military capabilities, helping to propel China's historical claim to virtually all of this sea space – a claim alleged to date back more than 1000 years – into perhaps the major dark cloud over the 'China dream' of national rejuvenation.

These are some of the key trends and developments of the post-Cold War era that shaped the US presidential elections in 2016 and the breathtaking victory of Donald Trump. After 18 months of boisterous, divisive and somewhat incoherent posturing on what Make America Great Again actually meant and where it had come from (much of it directed at America's allies and friends and involving a haemorrhaging of US soft power comparable to that which occurred over the period 2002-08 under the Bush administration), the administration towards the middle of 2018 swung its attention unambiguously toward China. China's domestic agenda in the years leading up to 2017-18 involved a comprehensive campaign to reaffirm the absolute authority of the Party. This objective was firmly extended to include the business and trade community, sharpening the sense that the Chinese model of state capitalism was structurally skewed to preclude open and fair competition.

The abrupt reconfiguration of US policy objectives effectively drew a line under the posture of engagement of China that had endured since 1972. Washington was characteristically transparent, declaring the era of selfless US leadership of the liberal international order, including assuming primary responsibility to counter international terrorism, to be over. Instead, the US would again focus its full attention and energies on competition with rival major powers, above all on the perceived comprehensive challenge, particularly from China but also Russia, to 'shape a world antithetical to US values and interests'.

Despite the divisiveness of the Trump era, this newly declared confrontation has significant bipartisan support. It is initially (since mid-2018) being played out primarily as a 'trade war', alongside negotiations seeking to construct a bridge that will reliably span the stark asymmetries in the instincts of and policy options available to the two sides in the arenas of trade and technological innovation.

More than a year of negotiations have been inconclusive. They have neither confirmed nor precluded that the stark differences between China and the US on the principles and practice of governance can be bridged to sustain constructive economic entanglement. By November 2019, as Outlook went to press, the most likely outcome was an indefinite pause on new tariffs and agreement to defer consideration of the so-called structural issues. Perhaps the most promising outcome of these negotiations is the stronger appreciation on both sides, first, that any agreement will require difficult concessions and, second, that if a deal is not achieved or proves to be incapable of sustaining mutual confidence in an equitable trading relationship, either or both sides

may look to de-coupling the two economies – prioritising security and sovereignty considerations and minimising economic interdependence. The costs of such a move could prove calamitous, not simply in economic terms but also in terms of a heightened risk that the bilateral relationship writ large will become darker and more dangerous, a progression that would inevitably suck in many other states. Economic and security interests cannot be rigorously compartmentalised, they overlap and intersect.

The ambitious Regional Comprehensive Economic Partnership – seven years in the making – was finalised and its conclusion announced in the margins of the ASEAN and East Asia Summits in Bangkok in November 2019, both confirming and consolidating the status of these fora as consequential regional gatherings. How this milestone accomplishment might play into the US-China trade dispute is difficult to gauge. The conclusion of RCEP, because it includes China, may loosen the logjam in the US-China negotiations. Although the US-China agenda seems significantly more generic, there may be elements in RCEP that suggest new ways of looking at some issues on the US-China agenda. India was a founding participant in the RCEP negotiations but declined to join the pact at the last moment, expressing concerns about the vulnerability of major sectors of its large (and potentially massive) economy to Chinese imports. A US-China trade agreement may well tip the scales and give India sufficient confidence to sign on to RCEP.

This is a necessarily selective and subjective account of the primary currents in world affairs over the past several decades. Many readers would recast the story in major ways. It is unlikely, however, that they would discount all or even most of

the trends highlighted here. More particularly, it is unlikely that they would contest what appears to be the most important conclusion to be drawn from it, namely, that for long-standing reasons both states share deep responsibility for the prevailing state of affairs between them.

There is a further dimension of today's international scene that warrants particular attention. We have now seen many years of discussion about the scale of the transformation in the distribution of economic, military, and political weight in the international system and its significance for the 'international order' – that body of norms, principles, laws, and regulations that has evolved to manage the intersection of states beyond their sovereign borders. There is a detectable undercurrent in this discussion that, as this international order has been or is in the process of being overtaken, the visible or tangible evidence of its existence should be regarded as so much obsolete clutter. This is an exceedingly foolish perspective on the international order – a perspective perhaps most conspicuous in recent times in the field of nuclear arms control – and one that political leaders need to ensure gains no further traction. Whatever one's views on the extant international order, one has a responsibility to recall the enormity of the events that preceded and inspired its creation. There can be no appetite to risk repeating these events in order to create an opportunity for a new designer to replicate something close to what we already have. Clearly, the same discipline must apply to the authors of the current order. That order may have a significant inbuilt capacity to adapt and renew itself but there has to be a willingness to consider more overt mechanisms to effect necessary adaptation and revision.

Finally, Outlook has in the past urged ASEAN to more directly exploit its privileged role in hosting the key East Asian multilateral security processes to press the major powers to step up the quest for durable solutions to the issues generating division and hostility. ASEAN centrality and being in the 'driver's seat' cannot remain as concepts with a special meaning linked exclusively to the origins and evolution of the ASEAN Regional Forum since 1994. These concepts also have a literal meaning that ASEAN has been somewhat reluctant to embrace. This year, however, has seen two important steps in the right direction – the direction of greater transparency and the protection of multilateralism. The first was Singapore Prime Minister Lee's address to the Shangri-La Dialogue in June 2019. The assessment and diagnosis he offered was insightful and refreshingly direct. This is an example that the ASEAN chair could consider following in respect of the East Asia Summit and the ASEAN Regional Forum. The second was ASEAN's assertive step, at the ARF in Bangkok in June 2019, to take the increasingly popular but also controversial regional descriptor of 'Indo-Pacific' and position it within the traditions of the regional security processes it had pioneered.

Ron Huiskens

Adjunct Associate Professor, Strategic & Defence Studies Centre, ANU

The New Normal: Rising US-China Competition and Uncertainty in Asia

Siddharth Mohandas



January 30, 2019. White House. US Trade Representative Ambassador Robert Lighthizer, senior staff and cabinet members meet with Chinese Vice Premier Liu He and members of his delegation for trade talks. Credit Andrea Hanks / Flickr.

After three years of the Trump administration, we can start to move beyond the many questions the election of Donald Trump provoked to some preliminary answers. Was he truly willing to risk a massive trade war with China? Would he really follow through on rhetoric questioning the value of alliances and existing trade deals? Would he actually embrace North Korean dictator Kim Jong-un? What were once concerned and somewhat speculative questions about how disruptive Trump would be can now be compared against a

real record and answered largely in the affirmative. No longer do we need to ask what Trump might do, we can look at what he has actually done.

What we find is that the Trump administration has fundamentally shifted the US-China relationship in a more competitive and even confrontational direction. US policy focus on China extends far beyond trade to encompass a range of economic, security, technology, and ideological issues that are now increasingly at the centre of American

foreign policy. At the same time, however, US allies and partners in Asia have not been spared the administration's severe gaze. Even where allies have successfully managed Trump administration demands, unpredictable new gambits on trade and security have left foreign capitals off balance. On North Korea, the White House's commitment to pursuing diplomacy has appeared firm but there are signs that Pyongyang is growing impatient with the pace of progress. Hanging over all of this is what promises to

be a bitter and acrimonious political season in the United States as the country heads to the polls in November 2020. This, then, is the new normal in Washington's Asia policy – rising confrontation with China and uncertainty throughout the rest of Asia regarding the extent of escalation, its impact throughout the region, and whether the political winds will shift.

The greatest risk to the security outlook in Asia in the year ahead is that the changes we have seen in US Asia policy cannot be managed effectively either in Washington or in the region. Specifically, while there is widespread justification and support for a tougher US policy approach toward China, the challenge for both Washington and Beijing will be to find a new framework that prevents necessary competitive policies from totally undermining the security and economic benefits of US-China relations. For allies and partners throughout the region, the question is how to deal with the unpredictability of an increasingly distracted and depleted Trump administration. And on North Korea, while Washington's pursuit of diplomacy has been a welcome change from 'fire and fury,' policymakers must remain prepared to deal with a sudden return to tensions.

US-China: A New Era of Competition. 2019 featured a parade of tough, even unprecedented actions by the Trump administration against China. After levying tariffs on \$250 billion USD worth of Chinese goods at the end of 2018, Donald Trump promised to tariff an additional \$300 billion of products – nearly the entirety of China's exports to the United States – if a trade agreement was not reached. Negotiators had seemed close to striking a deal in May 2019 but, in the White House's telling, China walked away from the table. Since then, there has been much

mutual recrimination between the two sides accompanied by start-and-stop efforts to restart stalled talks. As of this writing, a 'phase one' deal that rolls back some US tariffs in return for Chinese purchases of American agricultural products seems possible. However, a comprehensive trade deal that resolves Washington's structural complaints about the Chinese economy is highly unlikely.

The Trump administration also significantly expanded the scope of US-China competition to include technology trade and investment – most notably by putting in place a ban on selling critical US components to Huawei and launching a global campaign to shut the company out of 5G infrastructure efforts. The US Commerce Department is further set to issue regulations banning the export of 'emerging and foundational' technologies to China. The Trump administration ramped up its criticism of China's human rights record, particularly with respect to Xinjiang and Hong Kong, and sanctioned Chinese officials responsible for repression in Xinjiang as well as Chinese technology companies that have aided surveillance there. The White House has announced plans for a major arms sale to Taiwan. Washington regularly condemns the Belt and Road Initiative and promotes US and allied funding alternatives. And, opening a new front in US-China relations, the administration has denounced Chinese efforts to influence US public opinion and is aggressively engaging in counterespionage efforts. The sum total of these actions has been to confront China in almost every aspect of its policies.

Thus, US Vice President Mike Pence's October 2019 speech on US-China relations – a sequel to his speech a year earlier that provided the Trump administration's comprehensive indictment of China's foreign,

economic, and domestic policies – was closely studied for signals about whether continued confrontation was the White House's intention or whether there were in fact limits to Washington's new, more assertive approach. Pence did offer some reassuring words, saying, 'the United States does not seek confrontation with China' and that the goal of administration policy was not to decouple the United States and China. But, arguably more tellingly, the vast majority of the content of Pence's speech was an extension of his 2018 remarks. He castigated China for its industrial policies, cyberespionage, and intellectual property theft – also critiquing US companies for 'kowtow[ing]' to the Chinese Communist Party for market access. He criticised China's activities in the South China Sea and East China Sea. He denounced China's treatment of its own citizens, particularly in Xinjiang. He reaffirmed US support for Taiwan and proclaimed US support for protestors in Hong Kong. In short, Pence spent far more time identifying areas of disagreement than agreement.

If continued confrontation is the likely shape of US-China relations in the year ahead, even in the event of a small trade deal, the danger for the region is that this process could spiral into unrestrained and destabilising competition. To be clear, the relationship needed to be rebalanced and there is widespread support in the United States for a more reciprocal US-China relationship. Indeed, this is one of the few areas of bipartisan consensus in Washington, with leading Democratic members of Congress joining with Republican colleagues in proposing legislation designed to push back on China. The challenge for Washington and Beijing is to find some way to preserve stability in the overall relationship as it becomes more competitive, to

maintain global economic growth that depends on trade and integrated supply chains, and to find ways to cooperate on common challenges such as climate change. As the two sides retreat to their corners and mutual trust plummets, there is little evidence that this is happening.

Allies and Partners: Uncertainty Reigns. For US allies and partners, the challenge has been how to manage a mercurial president and a more unconstrained United States that demands support for its China policy, changes in trade flows, and greater contributions to mutual defence. Asian capitals have responded with a variety of negotiating gambits and some have had some success in striking deals with Washington. But there is no sign that the administration has

been satisfied and it will continue to press allies and partners on a range of issues, in turn putting pressure on Washington's diplomatic standing in Asia.

South Korea provides a striking example of the ups and downs of dealing with Trump's Washington. Seoul successfully renegotiated the Korea-US Free Trade Agreement making some largely cosmetic concessions while giving Trump the appearance of a 'win'. This successful defusing of a complex trade issue has not been matched, however, in the security realm. Just a year after concluding a previous pact, the United States and South Korea are renegotiating a Special Measures Agreement that determines the extent of Seoul's funding contribution for the presence of US troops based in the

country. The Trump administration is reportedly demanding a 500 percent increase in South Korea's payment, promising a high stakes and highly contentious negotiation with the potential to break the alliance.

Japan's experience has been similar to that of South Korea. Tokyo has concluded a 'phase one' trade agreement of its own that appears to have mollified Washington and held off – for now – Donald Trump's threat to levy tariffs on all Japanese auto exports. However, Japan too has to renew its Special Measures Agreement in 2021. The US-South Korea talks will set a precedent for US-Japan discussion and it could be a worrisome one. Against this backdrop, Japan-South Korea relations have deteriorated over a dispute concerning reparations for wartime



Jun 30, 2019. President Donald J. Trump and Chairman of the Workers' Party of Korea Kim Jong Un in Freedom House at the Korean DMZ. Credit Shealah Craighead, White House / Flickr.

forced labour and Washington has appeared to be largely a bystander in the process. The US alliance system in Northeast Asia – the linchpin of America’s regional security presence – is under unprecedented pressure and further strain constitutes a major risk in 2020.

The trajectory of US-India relations has been positive across administrations since 2000 and there has been continued warmth under Trump and Indian Prime Minister Narendra Modi. However, a series of disputes – over trade and e-commerce, India’s plans to purchase S-400 missiles from Russia and oil from Iran, and New Delhi’s strategy for 5G expansion – have all combined to create an atmosphere of uncertainty in the bilateral relationship. Similarly, while US-ASEAN relations have been for the most part stable, countries in Southeast Asia have still had to deal with unpredictable trade actions and erratic diplomacy by the administration. Trump skipped the East Asia Summit for the second year in a row and the most recent summit featured the lowest-level American delegation ever, feeding perceptions of American distraction and retrenchment. Countries across the region are teetering on the edge of recession as the US-China trade war grinds on. Even as Washington touts its concept of a free and open Indo-Pacific and supports maritime rights in the South China Sea, countries such as Vietnam have found themselves unexpectedly threatened with or subjected to trade actions.

What all of the foregoing issues have in common is uncertainty about US intentions and staying power. While a perennial concern among nervous US allies and partners, these have taken on a greater force as the Trump administration operates more erratically – particularly in the face of impeachment – and it is evident that there are few if any senior officials

remaining who can restrain the president’s impulses.

North Korea: Pursuing Diplomacy for Now. A third risk to the security outlook in Asia in 2020 is a rapid return of tensions between the United States and North Korea. Donald Trump’s unprecedented step of meeting with North Korean leader Kim Jong-un in Singapore in June 2018 was largely welcomed in the region – despite misgivings about what exactly the United States would gain from the meeting – because it marked a decisive break from the threats of ‘fire and fury’ of the previous year and allowed concerns about imminent conflict on the Korean Peninsula to recede. However, the diplomatic spectacle of the Trump-Kim summit quickly devolved into an impasse between the two governments as working level talks proceeded fitfully. Washington demanded immediate and concrete steps toward denuclearisation while Pyongyang has demanded far-reaching sanctions relief – both have been disappointed. This resulted in the failed Hanoi summit in February 2019 where Trump walked away from the table, citing Kim’s failure to make meaningful concessions.

The situation since Hanoi has been an unstable equilibrium. North Korea has broken its self-imposed moratorium on missile testing, launching a number of short-range missiles. The Trump administration has responded largely by downplaying the significance of the missile tests and stating its continued interest in diplomacy. This has not mollified Pyongyang and North Korean officials on a number of occasions have stated that the Trump administration must produce concessions by the end of 2019 or face unspecified consequences. There is, however, little evidence that the White House has a diplomatic plan in place to manage the situation or a plan for what

may come after. A major concern is that North Korea may take more provocative action in 2020 – whether a return to long-range missile testing or perhaps even a resumption of nuclear testing. With diplomacy seemingly discredited, it would be no surprise if the United States swung back sharply in response and tensions again spiked.

There is little question that the Trump administration has met its goal of disruption in foreign policy. Growing US-China confrontation characterises almost every aspect of the bilateral relationship and, crucially, this approach has bipartisan support in the United States. Allies and partners must prepare for abrupt new shifts in security relations and trade. US-North Korea relations have swung from threats of war to reality-TV diplomacy and could yet swing back to tension again. The most pressing question at this stage is whether these disruptions are temporary or more fundamental. The evidence of the past year is that instability is not a passing phenomenon but the new normal against which all regional capitals must plan.

Siddharth Mohandas

Adjunct Senior Fellow, Center for New American Security and former Principal Deputy Director of Policy Planning at the US Department of State

Sino-US strategic competition and Asia-Pacific security

Wu Xinbo

Throughout 2019, the single most important development impacting on Asia-Pacific regional security has been the intensifying strategic competition between China and the United States. As enunciated in its reports on National Security Strategy and National Defense Strategy released respectively in December 2017 and early 2018, the Trump administration defined China as a major competitor/rival and jumpstarted strategic competition with Beijing. The year of 2019 witnessed the full play of Trump's new strategy towards China: the protracted and expanding trade war, the rising standoff in the South China Sea and in the Taiwan Straits, the unfolding of the US Indo-Pacific strategy and the prospect of the US deploying intermediate-range missiles in the Western Pacific.

The trade war with China launched by the Trump administration in July 2018 quickly escalated to an unprecedented level and extended into 2019. Characterised by escalation, intermittent negotiation and stalemate, the trade war spilled over into the fields of investment,

technology and even cultural and educational exchanges, seriously straining the overall bilateral relationship. While the Trump administration utilises the trade war as an important leverage in pursuing strategic rivalry with China, Beijing senses a determination on the part of Washington to reorient its entire China policy towards a more competitive and confrontational stance. In fact, the trade war and the approach the Trump administration has adopted have brought China's trust towards the US to a historical low. On the security front, Washington has been trying to exert more pressure on Beijing in the South China Sea by conducting more active and provocative Freedom of Navigation Operations (FONOS), strengthening its military presence, encouraging the involvement of its allies and partners, and promoting security cooperation with surrounding countries such as Vietnam, Malaysia, Indonesia, etc. Determined to employ the cost-imposing strategy towards China and to be more risk-taking in the South China Sea, the US military has not only increased tensions but

also raised the prospect of conflict, intended or not, with the People's Liberation Army (PLA) in this region.

On the Taiwan issue, the Trump administration is also pushing the envelope more boldly. For the pro-Taiwan influence within the administration, Taiwan stands as a uniquely important source of leverage in the US strategic competition with China. For those who want to pressure China on trade and other issues, Taiwan serves as a useful and convenient card. Moreover, as Taiwan enters the next campaign season, Washington favours the incumbent leader Tsia Ing-wen and is willing to take necessary measures to promote her chances. In August, Washington announced the sale of 66 F-16V fighters to Taiwan worth a total of \$8 billion, the single largest arms deal in the history of US arms sale to the island. Washington also keeps strengthening US-Taiwan ties by increasing all kinds of cooperation and exchanges with Taipei. The most provocative action taken by the Trump administration is that US Department of Defense's Indo-Pacific Strategy Report treats



China unveiled its new H-6N long-range strategic bomber with aerial refuelling capability at the National Day military parade held in Beijing on October 1, 2019. Credit DEFPST.

Taiwan as a 'country', which signals a deliberate attempt to shift the US policy from 'One China' to 'One China, One Taiwan'. Indeed, Taiwan's internal political development and the evolving US Taiwan policy are coalescing to foment a serious crisis in the Taiwan Strait.

In June 2019, the Pentagon released the US Indo-Pacific Strategy Report which outlined the goals and approaches of the doctrine. The document defines China as a revisionist power and asserts that '[t]he Indo-Pacific increasingly is confronted with a more confident and assertive China that is willing to accept friction in the pursuit of a more expansive set of political, economic, and security interests.' Indeed, the US Indo-Pacific strategy sets China as the primary target, with its strategic design and means of implementation having a matching focus. The quadruple cooperation among the US, Japan, Australia and India (QUAD) serves as the backbone of the strategy, aimed at dealing with China's naval activities from the Western Pacific to the Indian Ocean on the one hand, and competing with China's Belt and Road Initiative on the other. In addition to QUAD, the US also stepped up efforts to engage South Asian countries such as Sri Lanka, the Maldives and Bangladesh as well as the Pacific Islands, in an unvarnished endeavour to check China's expanding ties with those countries.

Compared with Obama's Rebalance to Asia strategy, the Indo-Pacific strategy launches geo-political and geo-economic competition with China in a much broader geographical context, while pinning down China as the major target also pushes many countries in the region to choose sides between Washington and Beijing. As the US formally withdrew from the Treaty on Intermediate-Range Nuclear Forces (INF), Washington

has been actively seeking to deploy in the Asia-Pacific region intermediate range missiles (conventional but also likely nuclear) so as to augment its deterrence capability vis-a-vis China. Should this occur, it will seriously undermine the strategic stability in the region and stir up a new round of arms competition. To be sure, China is unlikely to join the US and Russia in negotiating a new version of INF treaty. Beijing may instead respond by further building up its missile arsenal and even reconsider the 'no-first-use' position in its nuclear doctrine.

Confronted with the ever-growing strategic competition launched by the Trump administration, including the forging ahead of its Indo-Pacific strategy, Beijing has responded by taking a series of measures to dilute and offset the impact of US actions. First and foremost is the deepening of security cooperation with Russia. In addition to conventional forms of arms transfer and joint military exercises, China and Russia seek to promote mutual military action and coordination. For instance, in July 2019, Chinese and Russian air forces held their first joint aerial patrol in Northeast Asia, involving two bombers from each side. It is reported that Russia is also helping China create its missile early warning system. Meanwhile, China has been actively pushing forward the negotiation with ASEAN member states of the Code of Conduct (COC) in the South China Sea, in an earnest effort to stabilise the situation in the region and improve relations with ASEAN countries. Beijing expressed the hope that negotiation of the COC be concluded by 2021. In July 2019, all parties concerned finished the first reading of the Single Draft Negotiating Text of the COC, marking a major step forward in the COC consultations, in spite of Washington's repeated warning that the COC negotiation between

China and ASEAN countries should not compromise 'the third party's interests' in South China Sea. Moreover, China continues to make efforts to improve ties with its two major neighbours, India and Japan. In October 2019, Chinese President Xi Jinping went to India for the second informal summit meeting with Indian Prime Minister Modi, following their first informal summit meeting in China in 2018. The two leaders agreed to expand bilateral cooperation while managing their differences more cautiously. President Xi also plans to visit Japan in the spring of 2020, as Sino-Japanese relations remain on a positive trajectory.

To be sure, for many regional countries, US allies and partners alike, it is not desirable to choose sides between US and China. While some of them have to maintain close security ties with Washington, they also need to keep robust economic ties with Beijing. In fact, as China becomes more influential in regional affairs, forging comprehensive relations with China is a must. Just as Singaporean Prime Minister Lee Hsien Loong noted at the 2019 Shangri-La Dialogue, 'In a new Cold War, there can be no clear division between friend and foe.' In response to the US-led Indo-Pacific strategy, ASEAN released a paper outlining its own vision of the Indo-Pacific concept, stressing the ongoing need for ASEAN centrality and inclusiveness, and underlining its reservation toward the intention behind Washington's strategic initiative. The ASEAN Outlook on the Indo-Pacific also proposed to seek cooperation with other regional members in four areas, i.e., maritime cooperation, connectivity, UN Sustainable Development Goals 2030, and economic development, suggesting that ASEAN and China can continue to cooperate in many fields, as they have already done over the years. Growing Sino-US discord has also

cast a shadow over their coordination and cooperation in dealing with the Democratic People's Republic of Korea (DPRK) nuclear issue. Since the first Trump-Kim meeting held in Singapore in June 2018, Washington has turned to diplomatic engagement with Pyongyang to advance the goal of the DPRK's denuclearisation, yet with little progress so far. On the other hand, ties between Beijing and Pyongyang have warmed up quickly following Kim Jong-Un's first visit to China in March 2018. To some extent, the improved atmosphere and growing exchanges between the two countries renders Beijing more influence over Pyongyang, encouraging the latter to continue to freeze nuclear and long-range missile tests, and to seek progress in negotiations with Washington in improving DPRK-US ties as well as pursuing denuclearisation on the Korean peninsula. Nonetheless, compared with the first year of the Trump administration when Beijing and Washington pursued robust and effective coordination and cooperation on the North Korean issue, since 2018, the quality of Sino-US interactions has plummeted as serious frictions arose in their bilateral ties. Given the fact that a long and bumpy road lies ahead for the DPRK's complete

denuclearisation and the building of a permanent peace mechanism on the peninsula, the lack of well-tuned coordination between the two most important external players only bodes ill for the future.

The Asia-Pacific has entered a period of profound changes set off by shifts in the power balance as well by adjustments of strategy and policy settings by regional players. Managing major power competition and dealing with hot spot issues top the regional security agenda, while Sino-US interactions hold the key. To be sure, competition between Beijing and Washington will continue to unfold and likely intensify, and the challenge for both countries as well as the entire region is how to manage such rivalry. Here are some suggestions. First and foremost, it is imperative for China and the US to delineate the boundary of their competition. For one thing, robust economic ties benefitting both countries should not be decoupled or seriously downgraded, as some hawkish people in the Trump team have advocated. It is very likely that China will emerge as the world's largest economy over the coming decade, so restricting economic relations with China under the logic of relative gains will only cause the US to lose tremendous business opportunities. Moreover, although economic interdependence does not necessarily prevent contention from occurring between countries (actually close economic ties tend to be a major source of frictions), it does raise the cost of conflict and therefore can act as a useful buffer. For Sino-US relations, vigorous economic exchanges have been an important strategic pillar and should be preserved for the long-term interests of both countries and many others, even though they are undergoing a tough period of rebalancing. Second, China and the US should exercise strategic self-restraint

in both bilateral and regional contexts. Bilaterally, the two parties should keep the growing strategic competition healthy and benign, as a malign rivalry will inevitably lead to antagonism and overt conflict. Regionally, they should avoid drawing lines and encouraging members of the region to split into rival camps, otherwise the economically most dynamic region will gradually lose its momentum for growth and integration. Third, the most urgent issue for China-US security relations is crisis avoidance and management. As noted above, the risk of a serious crisis and conflict over either the South China Sea or Taiwan is growing against the backdrop of an overall relationship that is strained and characterised by historically low levels of trust. It is important that the US conducts FONOS in South China Sea with more caution rather than more provocation, and refrains from crossing the red line of 'One China' policy while enhancing ties with Taiwan. For any crisis avoidance and management effort to succeed, good communication at the strategic level and effective management at the tactical level are indispensable. Yet, as overall relations between Beijing and Washington fell from cooler to freezing, there has been a notable shortage of communication and exchanges between both the two national security teams and senior defence personnel, while crisis management mechanisms are not well coordinated. Needless to say, such a precarious situation needs to be redressed as soon as possible.

Wu Xinbo

Professor & Director, Center for American Studies Dean, Institute of International Studies Fudan University



September 25, 2019. Haiyang Shiyu 982. Beijing has deployed a new oil rig in the disputed waters of the South China Sea. Credit Weibo / SCMP.

Indo-Pacific: From Strategy to Vision

Yoshihide Soeya



November 4, 2019. Bangkok, Thailand. Heads of State and Government of the Member States of ASEAN, the People's Republic of China, Japan, and the Republic of Korea, gathering at the 22nd ASEAN Plus Three Summit. Credit ASEAN.

The concept of Indo-Pacific has now become a catchphrase of the times, a reference point in discussing regional politics and security. It is not clear, however, that there is widespread agreement in the region on its scope or its role vis-à-vis rising China in general and its Belt and Road Initiative (BRI) in particular. Australian intellectuals were among the first (around 2010) to introduce the concept of Indo-Pacific and depicted it essentially as inclusive, embracing both China and India as the central causes of the rising importance of the Indian Ocean. Thus, the Pacific Ocean to its east and the Indian Ocean to its west have come to be seen as an integral region, Indo-Pacific. In this initial conception of Indo-Pacific by Australia, Japan and China were both treated as key players, making their difficult bilateral relationship a factor of uncertainty for the stability and prosperity of the broader region.

At about the same time, in December 2012, Japanese Prime Minister Shinzo Abe came back to power for the second time, and promptly

released his concept of a 'security diamond,' a network of allies formed by Japan, the United States, Australia and India, and clearly intended to counterbalance China. This initial move has come to be regarded, rightly so, as the baseline of Abe's regional outlook and Japanese strategy, including Abe's version of Indo-Pacific. In August 2016 at the Sixth Tokyo International Conference on African Development (TICAD VI) held in Nairobi, Prime Minister Abe declared, 'Japan bears the responsibility of fostering the confluence of the Pacific and Indian Oceans and of Asia and Africa into a place that values freedom, the rule of law, and the market economy, free from force or coercion, and making it prosperous'.

US Secretary of State Rex Tillerson followed suit in October 2017, with a substantial reference to 'Indo-Pacific' in his address at the Centre for Strategic and International Studies in Washington D.C. The following month, President Donald Trump also used 'Indo-Pacific' in his speech to the APEC summit in Da Nang,

Vietnam in November 2017. Since then, both Tokyo and Washington began to use the term 'Free and Open Indo-Pacific (FOIP),' as a strategic concept directed against the Chinese BRI launched by President Xi Jinping (originally as 'One Belt One Road') in 2013.

At some point in 2018, however, the Japanese government stopped calling FOIP a strategy and re-labelled it as a vision. In mid-2019, the Ministry of Foreign Affairs of Japan summarised the principles of the FOIP vision into three domains: 1) promotion and establishment of the rule of law, freedom of navigation, and free trade; 2) pursuit of economic prosperity (by improving connectivity in three areas: physical connectivity through quality infrastructure; people-to-people connectivity through education, training and friendship; and institutional connectivity through harmonisation and common rules including EPA/FTA); and 3) commitment to peace and stability (by such means as capacity-building, humanitarian assistance and disaster relief, anti-piracy, counter-terrorism,

non-proliferation, and peacekeeping operations).

Thus, the Japanese vision of FOIP had distilled into a virtual re-branding of the long-held Japanese regional policies that had evolved during the three decades since the end of the Cold War. These regional policies have emphasised the principle of multilateralism with a view to creating a rule-based and non-exclusive regional order through promoting relations of functional cooperation with primarily, if not exclusively, ASEAN and its member states.

One important trigger for this shift in the Japanese approaches toward the Indo-Pacific theatre is a set of moves by regional countries to present their own responses and approaches toward the newly emerging 'Indo-Pacific' concept. As early as 2014, India under the Narendra Modi administration announced the 'Act East Policy,' a sharpening of its former posture of 'Look East,' to advance the country's interests in East Asia. South Korea under the Moon administration also declared its 'New Southern Policy' in 2017, which is very much ASEAN-centred in conception and focused on cooperation. It was no secret that South Korea was not very comfortable with the idea of Indo-Pacific, partly because of Seoul's natural preoccupation with North Korea and the Korean Peninsula, but also because of its perceived anti-China flavour, especially as articulated by Japan and the United States.

As to its implications for China, almost all the countries in the Indo-Pacific region have been pursuing a nuanced policy toward China. India, for example, views China somewhat ambivalently, both as a strategic rival and as a key power to be engaged for the stability of the bilateral relationship as well as that of the region. As implied at the outset, the initial Australian conception of Indo-

Pacific had embraced China as an integral part of a broader region.

This brings us to ASEAN, which adapted the 'ASEAN Outlook on the Indo-Pacific (AOIP)' in June 2019. ASEAN has typically seen the Chinese BRI and the US (and Japan)-led FOIP as strategically and geopolitically conflictive and has made it clear that it has no interest in preferring one over the other. The AOIP has turned out to be essentially a re-affirmation of the ASEAN-way and of the principles it brings to bear in organising multilateral cooperation in the Indo-Pacific region. Quite typically, the document ends with a sentence stating that: 'Strategic discussions on this matter and practical cooperative activities can be pursued at ASEAN-led mechanisms including, among others, the EAS, the ASEAN Plus One mechanisms, ARF, and ADMM-Plus.'

Japan's decision to rename the FOIP strategy as a vision coincided with the warming up of Japan's relations with China. This was no accident. The main purpose behind recasting the FOIP was to signal Japan's interest in improving relations with China, an objective that Xi Jinping shared after consolidating his position in the Chinese power structure.

In October 2018, Shinzo Abe paid an official visit to China for the first time in seven years as Japanese Prime Minister. Abe said to Xi, 'I want to start a new era for Japan and China with Mr Xi,' and Xi Jinping in turn told Abe that the bilateral relationship was now 'back to a normal track.' Prior to meeting Xi, Abe met with Chinese Premier Li Keqiang, and they agreed to create a 'new framework' to cooperate in joint infrastructure projects in third countries such as in Southeast Asia and strengthen cooperation across a wide range of fields ranging from finance to innovation.

Accordingly, the Abe administration began to take a more conciliatory stance toward China's BRI as well. In fact, if joint infrastructure projects in third countries are to be realised, they are likely to fall in the areas of overlap between BRI and FOIP initiatives, quite a welcome development for countries, such as those in Southeast Asia, who felt torn or sandwiched by these competing programs. In recent times, there have also been quiet but important signs of movement in the Abe administration's stance toward the Asian Infrastructure Investment Bank (AIIB). In October 2019, Former Prime Minister Yukio Hatoyama, an advocate of an East Asian Community, was replaced by Takatoshi Kato, a former Vice-Minister of Finance for International Affairs in the Ministry of Finance, as a Japanese member of the AIIB's International Advisory Panel. Reportedly, the nomination of Kato was endorsed by the Prime Minister's Office beforehand.

Another summit between Abe and Chinese Premier Li Keqiang on November 4, 2019 in Bangkok paved the way toward further improvement in the bilateral relationship. In their meeting, Abe and Li agreed that the two governments would step up preparation for a planned state visit by Chinese President Xi Jinping to Japan next spring. Reportedly, Tokyo and Beijing will work on a declaration that will consolidate these gains to be issued during Xi's visit in 2020.

In the meeting with Li in Bangkok, Abe also raised several politically sensitive issues, including the demonstrations and related turmoil in Hong Kong and the recent detention and disappearance of a Japanese professor. While there were 13 Japanese nationals still detained by China on espionage charges, this 14th case of a scholar was unprecedented and was already leading to some

reluctance on the part of Japanese China specialists and other scholars to visit China even for academic purposes.

These examples illustrate that, even setting aside China's assertive claims in the East and South China Seas, the bilateral relationship between Japan and China remains contentious and awkward. It appears, however, that these contentious issues are being swept under the rug for the time being by the leaders in Tokyo and Beijing. This is because they have bigger tensions and issues with the United States, mostly related to economic and trade negotiations. Since these frictions are not likely to be eased anytime soon, the momentum of improvement in relations between Japan and China is also likely to be sustained for some time to come.

Somewhat in contrast to Japan-China relations, Japan's relations with South Korea have been trapped in a downward spiral during the last few years. Quite ironically, the agreement on the comfort women issue announced in December 2015 by the Foreign Ministers of Japan and South Korea has turned out to be the trigger for a vicious cycle in the relationship between the Abe administration and the newly established Moon Jae-in administration. President Park Geun-hye was impeached by the Constitutional Court in March 2017 and was removed from office. Upon winning the election and ascending to the presidency in May 2017, President Moon Jae-in virtually delegitimised the comfort women agreement. The implementation of the agreement has been suspended and the entire framework is in limbo.

To make things worse, in October 2018, the South Korean Supreme Court ruled that Japan's Nippon Steel & Sumitomo Metal Corporations had to pay compensations to South Korean workers for forced labour during the war. The Abe administration contends that the Supreme Court's ruling is in violation of the 1965 'Agreement on the Settlement of Problems Concerning Property and Claims,' which stipulates that the issue of such claims between the two governments and their nationals is 'settled completely and finally.' Tokyo is thus claiming that Seoul is responsible for correcting the inconsistency between the court ruling and the diplomatic agreement. While the principle of separation of power is important for any democracy, the Japanese argument goes, the same principle should oblige the executive branch to take independent measures on the basis of the agreements between the two governments.

May 5, 2019. South China Sea. USS *William P. Lawrence* (DDG 110), transits through international waters with INS *Kolkata* (D 63) and INS *Shakti* (A 57), JS *Izumo* (DDH 183) and JS *Murasame* (DD 101), and BRP *Andres Bonifacio* (PS 17). Credit Japan Maritime Self-Defense Force.



Irritated by the lack of response from the South Korean side for some time, Japan took steps in July 2019 to remove South Korea from its list of 'White countries' that receive preferential treatment to facilitate trade. South Korea promptly reciprocated this action and then, in August, announced its decision to terminate the General Security of Military Information Act (GSOMIA), thus extending the friction into the domain of security/defence and the endemic tensions with North Korea. Inevitably this vicious spiral fuelled nationalistic sentiments and rekindled bad memories, compounding the difficulty of recovering the ground lost.

Despite, or perhaps because of, this deepening vicious cycle, there have been a few attempts toward the end of 2019 to keep the windows of dialogue open between the leaders. South Korean Prime Minister Lee Nak-yeon visited Japan on October 22-24, 2019, to attend Emperor Naruhito's enthronement ceremony held on October 22. Lee met with Abe and handed over a letter from President Moon. The meeting was the highest-level dialogue since tensions flared up after South Korea's Supreme Court ruling in October 2018.

Then, on November 4 in Bangkok, despite earlier speculation that Abe may refuse to meet Moon during the annual ASEAN-related leaders meetings, they conferred with each other for about 10 minutes, reportedly in a friendly manner. On the same day, National Assembly Speaker Moon Hee-sang visited Japan, and announced his plan to introduce a bill to the South Korean National Assembly to establish a fund (out of donations from both Japanese and South Korean firms as well as their citizens) with which to compensate the South Korean victims of forced labour during the colonial period.

Despite these somewhat promising moves, Abe's fundamental stance that the ball is in the South Korean court appears quite unshakable. It is hard to see where the basis for a solution might be found. In the meantime, GSOMIA will actually lapse on November 22 unless the Blue House gives a second thought to its earlier announcement. It appears that Washington is pressing Seoul hard to reverse its decision before that date, pushing President Moon into a corner.

Yoshida Soeya

Professor of Political Science, Faculty of Law, Keio University

Modi 2.0 and India's Regional Security Outlook

Sana Hashmi



June 28, 2019. G20, Osaka. India Prime Minister Narendra Modi participates in a trilateral meeting with Japanese Prime Minister Shinzo Abe and President Donald J. Trump. Credit Shealah Craighead, The White House / Flickr.

The Narendra Modi-led National Democratic Alliance (NDA) returned to power with a thumping majority in the 2019 General Election. Modi 2.0, as it is popularly termed, is marked by a strong element of continuity with noticeable features of change in foreign policy.

New Delhi's strategic considerations and regional and global priorities are increasingly shaped by its ability to steer its relations with the two major powers-China and the US. However, India is still trying to fully settle its short and long-term relationship trajectory with both Beijing and Washington. This is in contrast with India's ties with the other two major powers, Japan and Russia, which have remained stable and positive, contributing to a more confident foreign policy approach on the part of the policy community in New Delhi.

During Modi's first term, there was a sense of unease about how to deal with China and the US, both of which kept sending contrasting signals to New Delhi. With China, the Doklam standoff and the Wuhan informal summit happened within a year. The US termed India's association with its Indo-Pacific posture as 'pivotal' but also kept discrediting India (alongside China and others) with regards to bilateral trade issues, including a threat to impose duties. Modi 2.0 seems more securely poised to deal with unpredictable developments in Chinese and American foreign policies. An emerging feature of India's policy vis-à-vis the two superpowers is to work towards maintaining good workable ties with China while moving forward with its relations with the US. With China's persistent support of Pakistan, it is becoming clearer in New Delhi that relations with Beijing are not likely to

soar high, and thus it is wiser to ensure proximity with Washington and endure the likely bumps created by the somewhat unpredictable Trump administration.

A rather surprising change in the foreign policy apparatus in Modi 2.0 was the induction of S. Jaishankar, former foreign secretary of India, as the new External Affairs Minister. Known for his in-depth knowledge, decades of foreign service experience, and a panache for hands-on diplomacy, Jaishankar is already being credited with bringing a new style to Indian foreign policy, a style characterised as steadier or more sure-footed and less attracted to ambivalence and fence-sitting. This is manifested in India's decision to continue buying weapons from Russia, \$14.5 billion USD worth Russian-made weapons have been ordered in the past one year. Jaishankar's outreach to the strategic community in the US in September 2019, Modi's decision to go ahead with the Mamallapuram informal meeting with Xi Jinping, and a more confident and firm response to Turkey and Malaysia's criticism of India's Kashmir policy are all indicative of India's new avatar.

The Neighbourhood First policy is regarded as the Modi government's flagship policy initiative. Inviting the SAARC leaders to Modi's 2014 swearing-in ceremony was one of the first steps to showcase India's outreach to its immediate neighbours, including Pakistan. However, India-Pakistan ties have consistently deteriorated over the past few years and, in particular, have compelled India to respond firmly to Pakistan's state-sponsored terror activities. Since then, India's neighbourhood policy has been necessarily approached as a 'SAARC minus one' enterprise. The focus is now

shifting to the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC), with an aim to expedite the connectivity initiatives and establish it as a robust regional organisation. Evidently, the 'SAARC minus One' approach emerged for the first time in 2016 when the BIMSTEC leaders were invited for the BRICS outreach summit in Goa. In May 2019, BIMSTEC leaders were invited to Modi's second swearing-in ceremony. To show his government's commitment towards India's neighbours, Modi undertook visits to the Maldives, Sri Lanka and Bhutan in the first few months of his return to the Prime Minister's office.

India's regional security outlook is shaped by China to a large extent. While the Modi government has been consistently firm in dealing with Pakistan, it is the Chinese support to Pakistan that makes India's regional security situation challenging. China's criticism of India's decision to revoke Article 370 in Jammu and Kashmir has given a stronger international dimension to India's regional security challenges. India-China relations are marred by several bilateral irritants: A protracted boundary dispute, trade imbalance, China's tough stand vis-à-vis India at the UN and the Regional Comprehensive Economic Partnership (RCEP) negotiations. These make good ties with China a matter of compulsion rather than a choice. There is hardly any progress on the boundary dispute. Two informal summits and 21 rounds of dedicated boundary talks have led to little progress. Recent trends suggest that these irritants are likely to persist with the outlook for a break-through on the boundary dispute remaining bleak. Deadlock on issues such as the Belt and Road Initiative (BRI) are also likely to endure. In April 2019, India, for the second time, did not send any representative to the Belt and Road Forum.



September 25, 2019. Exercise Malabar. SASEBO, Japan. INS Sahyadri (F 49), USS McCampbell (DDG 85), JS Samidare (DD 106) and JS Chokai (DDG 176). The ships were in port for Exercise Malabar. Credit US Pacific Fleet / Flickr.

The informal format of recent meetings between the leaders of India and China has added a new dimension to India-China relations by providing a mechanism to arrest frequent deterioration in ties. The Wuhan Summit arose out of a desire to ease tensions on the boundary issue. Also, China's acceptance of Masood Azhar UNSC listing was heralded as an outcome of the Wuhan spirit. Similarly, the second informal summit at Mamallapuram took place after the crisis over developments in Kashmir. The two countries are also trying to work together in stabilising Afghanistan and to contribute to the Afghan-led peace process.

The idea behind the informal summitry is to encourage free-flowing discussions on managing differences. In addition to the Shanghai Cooperation Organisation (SCO), the two countries already have several structured bilateral fora and a trilateral mechanism that includes Russia. However, these fora have not contributed much in bridging the differences between India and China. Nevertheless, there is a clear understanding in the Indian corridors of power that it is imperative to continue dialogue

with China at different levels and through various channels, including the Modi-Xi informal meetings. While it is true that the Mamallapuram summit did not lead to any substantial outcome (e.g. a breakthrough on the boundary dispute), it must be kept in mind that one or two informal meetings are not enough to resolve all the outstanding problems between the two Asian giants. What these dialogues are meant to do is to ensure that there are open lines of communication between the two countries. With the third summit already announced, the efficacy of such informal summits needs to be kept under review as part of the mutual quest to find solutions to their outstanding disputes.

The strategic challenges posed by China have given the hawks in India sufficient reasons to pitch for greater military and strategic cooperation with the US and its allies. As China looms large in New Delhi's strategic calculations, it is listening more closely to increasingly convergent interests and concerns expressed in capitals across the Indo-Pacific. The September 2019 meeting of the foreign ministers from the four Quad countries—Australia,

India, Japan and the US—on the sidelines of the UNGA should be seen in that context. It was the first time in recent years that such a gathering was officially termed the ‘Quadrilateral Security Dialogue’. Earlier, India had been hesitant about upgrading and institutionalising the Quad. The September meeting has signalled a greater willingness among the four countries to work together to make the Quad a promising multilateral strategic platform for India and its partners, including the US.

The Indo-Pacific region is particularly exposed to China-driven uncertainties and challenges to extant norms and a rules-based order. Having said that, it must be kept in mind that the Indo-Pacific construct is not just about containing China. The foundations of the Indo-Pacific have been shaped by the strategic and normative interests of a plurality of member states disposed to protect a liberal and rules-based international order. While the Quad is perceived as a strategic counterweight to China, India’s idea of the Indo-Pacific is much more inclusive. The intent of India’s endorsement of ASEAN centrality in the Indo-Pacific is to position the Indo-Pacific as a new inclusive regional construct that is not directed against any country. ASEAN continues to be the fulcrum of India’s idea of the Indo-Pacific construct. Together, India’s Neighbourhood First and Act East policies form the core of India’s regional strategic outlook. While countries from Southeast Asia, East Asia, and Oceania comprise the geographic scope of the Act East policy, the neighbourhood first policy includes the countries of the Indian sub-continent as well as the Indian Ocean littorals.

To bolster ties with countries under the rubric of Act East policy, Modi visited South Korea and Japan in 2019. Another noticeable aspect of India’s Act East Policy is that it is attempting, alongside developing relations

with ASEAN, to also advance ties with individual Southeast Asian countries. The first-ever trilateral naval exercise (September 2019) involving Singapore and Thailand, and providing greater strategic thrust to ties with Indonesia and Vietnam are part of this objective. Similarly, President Ram Nath Kovind’s October 2019 visit to the Philippines showcases India’s willingness to reach out to potential strategic partners in the region.

Institutionalising policy priorities and engagements with different regions is another new feature of India’s regional strategic agenda. To accommodate Russia in India’s Act East agenda, Modi launched the ‘Act Far East’ policy in September 2019 during the Eastern Economic Forum meeting, and pledged a \$1 billion USD Line of Credit to Russia’s resource rich Far East region. India has also launched the ‘Think West’ initiative for engaging Persian Gulf states; ‘Connect Central Asia’ for advancing ties with the Central Asian region; and the Forum for India-Pacific Island Countries (FIPIC) for the Pacific Island countries. Meanwhile, India’s policy towards the Indian Ocean region is also being re-energised. With the SAGAR Mala initiative, India has been trying to give its Indian Ocean region policy an institutional angle. India is working closely with France to ensure a stable and peaceful Indian Ocean region. Such an engagement seems more probable with the French President Emmanuel Macron’s announcement of a three-pronged security partnership with India in the southern Indian Ocean.

Under Modi 2.0, India seems more confident in dealing with its formidable regional security agenda. Several considerations have been particularly important in this regard. First is the bolstering of Indo-US ties. Modi visited the US to participate in the UNGA meetings in September 2019 and the ‘Howdy Modi’ event will go down as a diplomatic victory

in the history of Indo-US relations. India has shown its willingness to work closely with the US. The visit proved significant in confirming understanding between Modi and Trump. Second, India is finally showing its commitment to the Quad. Agreeing to participate in the first Quad meeting of the foreign ministers was a sure sign of this commitment. The dialogue has the potential to work as an effective institutional and strategic deterrent. Third, despite differences with China, there is a realisation in India that dialogue with China should not be discontinued even if China keeps overlooking India’s concerns. Fourth, India’s neighbourhood policy remains a cornerstone for its regional strategic and diplomatic outlook, but it is also clear that India will engage Pakistan only when the latter completely refrains from engaging in state-sponsored terrorism against India. On Pakistan-sponsored terrorism, India’s policy has shifted from ‘zero tolerance’ to an assertive response, which was manifested in India’s surgical strikes on terrorist training camps along the line-of-control in Pakistan-Occupied Kashmir (PoK) in 2016.

With regard to its wider regional strategic outlook, India’s engagement with the Indo-Pacific region seems to be guided by ‘maximising convergence and minimising divergence’ vis-à-vis both its partners and rivals. New Delhi’s delicate handling of the US and China, and fostering stronger ties with Japan, Australia, Russia, France, and the ASEAN region clearly demonstrates a new boldness and discipline in respect of its regional positioning and protecting its policy maneuverability to meet its strategic and diplomatic objectives.

Sana Hashmi

Consultant, Ministry of External Affairs, Government of India, 2016-19; Taiwan Fellow, 2020

Russia's Approach to Security Architecture in the Asia Pacific

Alexander Lukin



April 29, 2019. Qiu Yanpeng (C, R), chief director of 'Joint Sea-2019' exercise from the Chinese side and deputy commander of the Chinese People's Liberation Army (PLA) Navy, declares the opening of the Sino-Russian exercise in Qingdao, east China's Shandong Province. Credit Xinhua / Li Ziheng

Russia and the Asia Pacific have undergone tremendous changes over the past 20 years. While Russia was passing through various stages of market reforms and democratisation – and reassessing its regional and global objectives and roles – China's economy was growing rapidly and Japan was struggling with a long recession. On the international front the WTO came into existence, APEC developed into an influential organisation, the 1997 Asian financial crisis shook the region, Russia experienced a crisis in 1998, and the entire world fell into a recession. All of these brought about a new set of conditions in the world, with the result that Russia embarked on a new policy of opening up towards the Asia Pacific.

The following four major factors have influenced the evolution of post-Soviet Russian policy towards the Asia Pacific:

1. The objective of achieving greater integration into the world economy;
2. New principles and approaches in Russian diplomacy, including an emphasis on multilateral approaches in dealing with issues and problems;
3. Recognition of the distinct interests and orientation of Russia's Asian regions;
4. A more pragmatic and dynamic pursuit of economic and strategic objectives.

Immediately after the collapse of the Soviet Union, Russian foreign policy largely disregarded its immediate neighbours in a push to improve relations with the West and join the 'common European home'. While official representatives of the Russian Foreign Ministry did not articulate a lack of interest in fostering relations with the East, they emphasised Russia's Western connection and their desire to make Russia a good citizen of the Western community. However, the Russian government soon had to change its attitude. Speaking at the Chinese Association of People's Diplomacy on January 27, 1994, Foreign Minister Andrei Kozyrev said, 'The realisation of Russian interests not through confrontation but through cooperation with the outside

world allowed us in many respects to rediscover for ourselves a whole number of Asian states'. If in 1993 the Asia-Pacific region was officially rated sixth among Russia's international priorities (after relations with the CIS, arms control and international security, economic reform, and relations with the US and Europe), in 1996 Foreign Minister Yevgeny Primakov promoted it to the third position (after the CIS and Eastern Europe).

There were practical reasons for this 'rediscovery'. For the new Russia, achieving greater integration into the world economy was a principal means of transition to a market-based, democratic system. In the Asia Pacific this has meant increased trade, investment, and interaction with neighbouring countries such as China, Japan, the two Koreas and Mongolia, as well as more distant ASEAN members. The defining concept was to form a system of security to support the system of economic cooperation.

In the Asia Pacific, Russia applied its new diplomacy in the following areas:

1. Constructive support for stability and security to ensure a stable external environment;
2. A shift from its virtual non-involvement in the Asia-Pacific economy prior to 1992 to the pursuit of a wide-ranging policy of promoting international trade and investment in East Asia and the Pacific;
3. A desire for membership in all existing regional cooperative structures and forums of regional integration;
4. A focus on the development of strong, mutually beneficial bilateral relations with key countries in the region. Dialogue with China has been wide-ranging and intensive, with a number of important

agreements providing the basis for what is already emerging as a strong economic partnership. Efforts have also been made to strengthen relations with Japan. And the dialogue with the two Korean states represents a historic initiative for restoring active Russian diplomacy with both strategic and economic aims in the Korean Peninsula.

The new Russian approach to Asia was summarised by President Vladimir Putin in an article published just before the APEC Bangkok summit in October 2003. Expressing satisfaction with the APEC members' decision to accept Russia as a member in 1998, he stated:

Russia is a reliable political and economic partner. This will become more obvious and accepted. That not a single serious global or interregional problem can be solved without Russia's active and equitable participation, moreover, contrary to its interests, is a geopolitical reality now. This is why Russia's course is secured in its foreign policy conception on the active development of interaction in all vectors of the Eastern and Asia-Pacific regions. Kipling's well-known postulate, which seemed to be unshakeable in the past of 'West is West and East is East' is outdated. These vectors are equal for Russia.

Russia's stable economic growth in the first decade of the 21st century and growing differences with the West made the Asia Pacific one of the main strategic areas for Russian diplomacy. The goal was to ensure lasting peace and stability in the region and to create a solid basis for meeting modern challenges that transcend state borders. In Moscow's view, to make these positive processes irreversible, states of the region and the international community must step up their efforts to resolve the region's most urgent problems.

For this reason, the countries of the region need to develop a normative basis for their relations. Russia is ready to contribute to this process. It is also interested in supporting collective efforts for combating international terrorism, drug trafficking, the proliferation of WMDs, and international crime. To this end it is essential to create multilateral structures for regional security because attempts at achieving security based exclusively on a bipolar system of blocs undermines the possibility of securing a real peace. Security in the Asia Pacific should not be narrowly defined in military terms but should be seen as a complex set of conditions in the countries of the region that promote their economic growth and internal stability, and that ensure their access to international markets, new technologies, and investment.

After 2014. The Asia Pacific region gained added importance for Russia after the Ukrainian crisis of 2014 led to a worsening of relations with the West and the imposition of anti-Russian sanctions. Whereas Russia previously focused on the West politically and, especially, economically – primarily the EU market – its trust in Europe as an economic partner has now been undermined. The APR states, however, have not been as hostile towards Russia. Even Japan, a US ally, participated only half-heartedly in the sanctions and South Korea rejected them outright despite intense pressure from Washington. China, Russia's main foreign trade partner since 2010, expressed understanding for Russia's actions and a readiness to provide economic and political support. What's more, the anti-Russian sanctions have had no influence whatsoever on Moscow's relations with India and the ASEAN states.



July 23, 2019. Snapshot of footage released by China of joint bomber patrol with Russia. Credit Alert5.

These factors have led Russia to take greater interest in the Asia Pacific and step up activity there. Moscow's official position is that the region requires new security architecture. Of course, it would have to be a comprehensive mechanism based on decisions of the UN Security Council. As a Russian Academy of Sciences expert Alexander Fedorovskiy argues in a volume, based on the proceedings of a Russo-Japanese conference in security mechanisms in the Asia Pacific published in 2014 by the academy's Institute of World Economy and International Relations, although the UN is frequently criticised as ineffective, it has managed to shepherd international cooperation on some occasions. For example, the five regional players – the US, China, Japan, Russia, and South Korea – with the backing of the SC, managed to take concerted measures against the implementation of nuclear missile projects in North Korea. Similar successes, however, are few.

Stability in the Asia Pacific could suffer from the fact that it lacks the type of security structures that exist in other parts of the world – such as the OSCE, Organization of

American States, and the African Union – that would involve all or most of the states of the region. Even though these organisations do not always cope with the security threats in their regions they can at least carry out joint efforts to eliminate or mitigate them. Nonetheless, Russia believes that any plan to create such a security structure in the Asia Pacific would be unrealistic unless it was based on cooperation and coordination with the international organisations that already exist in the region, such as ASEAN and its numerous related structures, the Shanghai Cooperation Organisation (SCO), the CSTO, and APEC. The positive influence of the Russian-Chinese rapprochement that led to the establishment of the SCO as well as a number of other international groups – BRICS foremost among them – also play a significant role. In this respect there were high hopes for the Northeast Asia Peace and Security Mechanism that Russia coordinated and that emerged in 2007 as one of five working groups from the six-party talks on the North Korean nuclear issue. But this idea had to be shelved after North Korea pulled out

of the talks in 2009. In 2010 Russia proposed to launch a 'dialogue on issues of forming a new security and cooperation architecture in the region' within the East Asian Summit (EAS). According to Russian Center for Strategic Research expert Anton Tsvetov, 'The set of characteristics that make up this system changes from speech to speech, but is usually said to be based on principles of collectiveness, multilateralism, equality, inclusiveness, openness, non-alignment and indivisibility'.

In the real world Russia's initiative is embodied in a series of working-level workshops on the regional security architecture. Overall, Russia believes that ASEAN and its mechanisms should be central in the security-related efforts of the various countries and organisations in the region. As Russian Foreign Minister Sergey Lavrov put it, answering media questions in Ho Chi Minh City during the Russia-Vietnam conference of the Valdai Discussion Club on February 26, 2019,

'a reliable architecture of equal and indivisible security here needs to be built by joint efforts, taking into

account the balance of interests of all countries in that region and on the basis of the UN Charter and other principles of international law, including, of course, exclusively peaceful settlements for disputes and the non-use of force or threat of force. ASEAN is a solid foundation for building such security and cooperation architecture, which has created many useful mechanisms around itself.

Russia contends that the region requires a new security architecture to address the numerous threats facing it. These include such supra-regional challenges as the nuclear problem on the Korean Peninsula, bilateral and multilateral territorial disputes, as well as terrorism, drug trafficking, cybercrime and other types of cross-border crime, such as piracy, illegal migration, and territorial disputes. These problems must be resolved through general agreement by taking the views of all parties into account without any one country or group of countries holding a monopolistic right to make the only 'right' decisions. Thus, Moscow holds that the confrontational bilateral alliances the US has maintained since the Cold War with Japan, South Korea, and Australia are now counterproductive and used to pressure or, at times, isolate other actors. With the world moving towards multipolarity, the US and its allies use these tools in an effort to preserve their global domination and the moment of unipolarity that resulted from the collapse of the Soviet Union – hampering the rapid development of other Asia Pacific states inasmuch as it poses a threat to their interests. The US has actively pursued this goal, first through the TPP promoted by President Obama, and now under Trump – who withdrew from the TPP – with the so-called 'Quadrilateral Security Dialogue' (or 'Quad') between the US, Japan, Australia, and India.

The Indo-Pacific Region Concept. The Indo-Pacific concept grew out of several separate ideas that had evolved over the past decade. The reason for this is that the wording of the Indo-Pacific doctrine clearly refers to a bloc. According to the US Defense Department 2019 'Indo-Pacific Strategy Report', its stated objective lies in 'strengthening and evolving US alliances and partnerships into a networked security architecture... deterring aggression, maintaining stability, and ensuring free access to common domains'. The US strategy is obviously aimed against a rapidly rising China and its 'One Belt, One Road' initiative through which Beijing allegedly 'seeks Indo-Pacific regional hegemony in the near-term and, ultimately global pre-eminence in the long-term'. It also describes Russia as a 'revitalised malign actor'.

Henceforth, the 'Quad' will be called upon to manage Asian affairs under Washington's leadership. This arrangement is clearly intended to bring India, with its enormous economic and human potential, into the US orbit — particularly considering Delhi's difficult relationship with Beijing. As another US Department of Defense document emphasised, engagement with India is the 'central axis' in Washington's strategy for expanding US military partnerships and presence 'in the arc extending from the Western Pacific and East Asia into the Indian Ocean region and South Asia'.

Naturally, Moscow is extremely unhappy about the bloc-like character of the Indo-Pacific concept and the fact that it excludes both Russia and China. Speaking at the International Valdai Club in Vietnam on February 25, 2019, Sergey Lavrov described the Indo-Pacific Region as an 'artificially imposed construct' with 'the far-reaching context of containing China'. He also called it 'a clear attempt to get India involved in military-

political and naval processes' which undermines the ASEAN-centricity of the formats that have been created in that region'. Russia believes that such 'Indo-Pacific' bloc-like thinking might not only take on an anti-Chinese character eventually but also begin to address politics in eastern and southern Eurasia, thus fundamentally undermining the Russian conceptual approach to cooperation in Greater Eurasia.

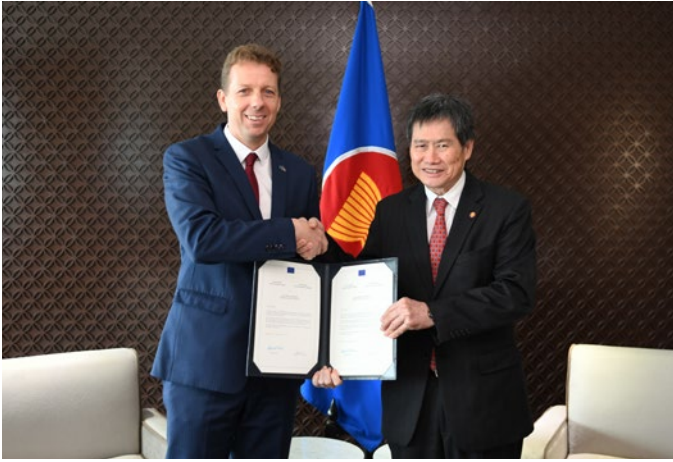
Thus, Russia envisions the future security architecture of the APR as emerging from the interaction of existing structures. In this, ASEAN would play the central role and Russia's cooperation with ASEAN and China would play a supporting role. At the same time Moscow feels that the US is undermining regional security with its efforts to maintain its alliances in the region and to use them to create anti-Russian and anti-Chinese groups and alliances.

Alexander Lukin

Head, International Laboratory on World Order Studies and the New Regionalism, National Research University Higher School of Economics, Russia

US-China competition: Europe as a responsible stabiliser?

Alice Ekman



October 2, 2019. Presentation of Letter of Credence (LoC) by H.E. Igor Driesmans, Ambassador-Designate of the European Union to Secretary-General of ASEAN Dato Lim Jock Hoi. Credit ASEAN Secretariat / Flickr.



January 21, 2019. 22nd ASEAN-EU Ministerial Meeting. Credit ASEAN Secretariat / Flickr.

Two years after the beginning of trade tensions, US-China rivalry is becoming a long-term trend that Europe has to face and take into consideration in its foreign policy orientations and positioning. Even if a trade deal was to be signed, other areas of friction between Beijing and Washington would remain. Technological competition was already emerging before trade tensions and has accelerated following the dispute over Huawei's 5G network. China's tech companies – in particular those that are now listed on US Commerce department's Entity List – are increasing their R&D investments in an attempt to reduce their dependency on US components, but also European and other foreign sources. If dependency is likely to remain in the short term, China aims – in the long term – at more technological autonomy and leadership, and the central government is supporting this aim both politically and financially.

As the same time, geopolitical competition has become stronger in the Asia-Pacific region, where both China and the US have

diametrically opposed positions on the South China Sea as well as on the Korean peninsula. Tensions are also particularly strong over Taiwan in the wake of presidential elections, as Beijing has always considered reunification a priority and a domestic issue on which the US should have no say. Although the situation is different, Hong Kong is also an area of further divergences between Washington and Beijing. Tensions are likely to endure, as the local population is divided and part of the population remains worried about the political and legal status of Hong Kong and the overall sustainability of the 'One country, two systems' framework. China considers the Hong Kong issue as a top national priority, and that the US and other foreign countries have already engaged in far too much 'interference in Hong Kong affairs' (MFA spokesperson, August-September 2019).

Competition is also becoming increasingly political and ideological. The first and second largest economies in the world have developed very different political systems on their national territories,

and both consider that they are fully entitled to promote their values and systems abroad. If the international promotion of liberal democratic values is not something new for the US, it is rather new that China – under the Presidency of Xi Jinping – positions itself as an example other countries can learn from. China has been particularly active in promoting 'socialism with [local] characteristics' since the beginning of Xi Jinping's presidency. It has done so through the development of regional forums, media content, training programs targeting developing and emerging countries under both its 'South-South cooperation' and 'Belt & Road' frameworks. According to a 2019 Ministry of Commerce training program catalogue, the aim of these initiatives is to promote China's governance model and encourage foreign officials to follow a reform trajectory inspired by China's 'experience'. Beyond China's international discourse, Beijing is developing concrete infrastructure and technological projects under the 'Belt & Road Initiative' label, that are modelled on projects it has developed

on its own territory (special economic zones, Internet/telecommunication networks, smart city packages, etc.).

The nature of the domestic debates in both countries also indicates that the US-China rivalry is a long-term trend. In Washington, despite the divisive atmosphere, there is a significant bipartisan consensus in respect of China. Even if diverging views exist on the ultimate aim of the sanctions being imposed on Chinese companies – some advocating a full economic ‘decoupling’ while others consider that a trade deal could avoid this extreme option – both the Republican and Democrat sides perceive China as a major threat. In Beijing, the traditional resentment against the West within the Communist Party of China, often tempered by pragmatism since Deng Xiaoping’s era, has been expressed publicly and vocally in words that have not been heard since the Mao era. The official line is to accept no ‘lesson’ or criticism from Western countries – most particularly the US – and to systematically fight back by criticising the other side, whether at official or non-official levels. At this point in time, US-China tit-for-tat exchanges have become particularly emotional and tense – including at track 1.5 and track 2 levels, such as the one observed during the 2019 editions of the Shangri-La Dialogue in Singapore and the Xiangshan forum in Beijing. Tensions have now reached such a point that it is hard to anticipate a ‘cooling down’ of bilateral exchanges anytime soon.

In this context, Europe has been receiving mixed messages. China has been trying a ‘rapprochement’ with Europe, underlining transatlantic divergences (on the Iran nuclear deal, climate change, multilateralism in broader terms) and potential areas of EU-China convergence. Washington has been calling on its European allies to be wary of China’s

infrastructure and technological offers, such as Huawei’s 5G mobile network. There has been no uniform response to these calls. Most notably, EU member states have addressed differently the Huawei case based on their national contexts, priorities and security risk evaluations.

This being said, the transatlantic alliance has not come into question and in the present context it remains a robust structure. A strong convergence of views between Brussels and Washington exists regarding China’s domestic and foreign policy orientations. In its 2019 Strategic outlook on China, the EU has formally characterised China, simultaneously, as a ‘cooperation partner, a negotiating partner, an economic competitor in pursuit of technological leadership, and a systemic rival promoting alternative models of governance’. Both Washington and Brussels also agree that access to the Chinese market remains too limited for foreign companies, and that this lack of reciprocity in terms of market access should be addressed once for all. If divergences exist between Brussels and Washington, these relate more to the way challenges should be addressed (use of sanctions or not) than to the assessment of challenges themselves. Europe is now considering its own way of interacting with China.

A new trend that is emerging in this context is the reinforcement of EU-Asia ties, in particular between the EU and countries in Asia who wish to diversify their political and economic ties in order to reduce their dependency on either the US and China and certainly to, as far as possible, avoid having to ‘choose’ between the two rivals. The basis has been laid, as the EU itself has signed strategic partnerships with several Asian countries in recent years, providing scope for the

development of new concrete projects in this framework. Some are still at an early stage of implementation (such as the EU-Japan strategic partnership agreement of April 2018), with more concrete projects to be identified and pushed forward. Asia is an increasingly strategic region for the EU, as recent policy plans indicate: Strategy on India in 2018; Strategic outlook on China in 2019; and the ASEAN-EU Plan of Action 2018-2022. The broader Asian region, including central Asia, is also becoming an increasingly important area of cooperation for the EU in the framework of its connectivity strategy adopted in September 2018. An EU-Japan agreement on connectivity has been signed in September 2019, and similar bilateral agreements could be signed with other Asian countries in the coming years.

If the EU, in contrast to some of its member states, has so far not adopted the ‘Indo-Pacific’ concept, it has nonetheless decided to significantly reinforce its security engagement in the region, and to do so in a more operational way. Under its ‘Security in and with Asia’ program, the EU is seeking to enhance its engagement with partners in Asia in five priority areas: maritime security, counterterrorism, cybersecurity, non-proliferation/disarmament, and hybrid threats. In the maritime security area, the EU plans to reinforce cooperation within its bilateral relationships with India, Indonesia, Japan, Republic of Korea and Vietnam, as a complement to multilateral cooperation, and additional to the recent reinforcement by several member states of their bilateral security ties with several Asia-Pacific countries.

US-China tensions have intensified discussion on the EU’s ‘strategic autonomy’. Critical questions relate not only to the potential reduction of dependency in the security and

defence sector – it will take time for the EU to move towards a higher level of autonomy in this domain – but also to the technological sector – from green energy to telecommunications, and developing the ability of the EU and EU member states to reinforce and merge R&D efforts in this sector.

The ‘strategic autonomy’ discussion also relates to the EU’s ability to promote its interests more rapidly and efficiently in bilateral and multilateral settings. The general impression in Brussels is that the EU, and Europe as a whole, has been punching far below its weight and that it is now time for a more ambitious, but also more efficient, foreign policy in Asia and beyond. Reinforcing the EU’s economic leverage is one of the orientations discussed, as the Eurozone remains a very important market for both China and the US. The EU is the largest trading partner of both China and the US – in 2018, one-third of all EU trade was with the US and China. Reinforcing the internationalisation of the Euro is also on the agenda.

Another general impression in Brussels is that it is time to abandon the posture of self-denigration and doubt. For too long, it has been fashionable within and outside the EU to highlight the weaknesses of EU institutions, of the European market, of EU member-states coordination, including in regional dialogues in Asia. China has been active on this front, underlining the so-called ‘weaknesses’ of Europe, and pointing at Brexit, and the Yellow Vest phenomenon in France alongside the migration and security issues over the continent.

The present geopolitical context is encouraging Europe to seize more opportunities – including through a diversification of its ties with Asian partners – but also to be more robust in the defence of both its interests

and the system of governance that it values. The EU will be less inclined to engage in or accept the discourse on the weaknesses of Europe, and more likely to engage in supporting globally the core values that have motivated its creation, and still remain the driver of both its internal and external decisions. It is also more likely that the EU will take part in the global debate on the so-called (economic) ‘inefficiency’ of democratic governance systems, particularly as the EU has recovered from the global financial crisis and Euro debt crisis. It is likely to become more assertive on the topic in both its communications and positioning as a normative power, particularly at the multilateral level. The EU plans to position itself as a more active supporter of multilateralism, at a time when the US has partly withdrawn from it, and China has been trying to fill the void, but with forms of multilateralism not fully aligned with the EU’s vision.

The EU now has the ambition to consolidate its power status, and position itself more clearly and efficiently, not only as an economic and normative power – which it already is – but also as a power in the technological, political and geopolitical dimensions. The essential precondition for EU’s power positioning is a strong political will to do so. The new European Commission, labelled as a ‘geopolitical commission’ by its President Ursula von der Leyen, has already expressed such will. The appointment of the new commission, although not as smooth as initially planned, has come in good time. All in all, 2020 is likely to be a crucial year for EU-Asia relations, with a new EU team in place, and a new geopolitical context that more than ever requires strategic responses.

Alice Ekman

Senior Asia Analyst and CSCAP-EU coordinator, European Union Institute of Security Studies (EUISS)

The Security Outlook of the Republic of Korea

Choi Kang



January 2019. Ex-Del to Korea. Visit to DMZ — Special tour of the Arrowhead Ridge. Credit Ministry of National Defense, Republic of Korea.

The spectre of a revival of the Cold War seems to loom over the Korean Peninsula. On the one hand, the broader security environment in the region is becoming more uncertain than ever with the escalating strategic competition between the United States and China, worsening relations between the Republic of Korea and Japan, and strengthening ties between Pyongyang and Beijing. On the other hand, however, the credibility of America's alliance commitments is being called into question with Trump's 'America First' foreign policy. South Korea is now at a crossroads between a historic success and a catastrophic failure, that is, a choice that will determine the future of South Korea.

The United States is seeking to enhance its efforts to balance against

a rising China by engaging in a range of economic and military initiatives. More specifically, the Trump administration implemented the Indo-Pacific Strategy to counter President Xi's aggressive foreign policy under the Belt and Road Initiative. While the Obama administration took a passive and reactive foreign policy towards Beijing, Trump appears to take a more aggressive approach than his predecessor in deterring China from destabilising East Asia.

Accusing China of unfair trading practices, Washington imposed high tariffs on Chinese imports last year. Beijing, in response, also imposed tariffs on some US goods, triggering a trade war between the world's two largest economies. With no signs of trade tensions easing, the two countries have begun a war over

technology supremacy. Washington has firmly pressed its allies and partners to ban the use of Huawei's equipment in building 5G networks in their countries for cyber-security reasons. Washington also expressed concerns about the potential security risks associated with Chinese tech firms, including drone maker DJI which accounts for nearly 90% of the world's drone market.

Beijing appears to want at least an interim deal with Washington. In the early stage of the trade war, China was busy finding ways to mitigate the effect of US tariffs. With Trump's domestic scandals and some warning signs of a US recession, however, Beijing now seems more disposed to withstand the pressure of the trade dispute with Washington. It also makes political sense for Trump to

look for an interim deal and suspend a further round of tariff increases on Chinese goods, as he needs to appease American farmers ahead of the 2020 election.

It is very hard to imagine, however, that both the United States and China will be prepared anytime soon to conclude a final, comprehensive deal on trade. Although temporarily seeking to compromise with China, the Trump administration is likely to push China again in the process of, or after the 2020 presidential election, as its tough-on-China approach draws bipartisan support from the US Congress. Bearing in mind the US commitment to balance against a rising challenger, prolonged tensions between the United States and China would seem to be a likely prospect.

The current intensifying competition between Washington and Beijing reduces Seoul's space for diplomatic manoeuvring. Washington has reportedly requested Seoul's support for its Indo-Pacific Strategy and to take part in its sanctions on Huawei, while Beijing hints at further economic pressure on South Korea if it accepts Washington's proposal. The intensifying US-China competition deepens a dilemma for Seoul, which wants to strengthen its military alliance with the United States and expand economic cooperation with China at the same time.

Sharing values of liberal democracy and a market economy, South Korea, and Japan, despite their historical animosity, have continued to develop security cooperation. The two US allies contended with the Communist threats during the Cold War and have been working closely together to address North Korea's nuclear threat since the end of the Cold War. Despite this record, however, relations between the two countries have deteriorated rapidly since South Korea's Supreme Court ruling on

wartime forced labour in October 2018.

Tokyo considered that Seoul should have been more determined to resolve the forced labour issue and adopted the hard-line response of removing South Korea from its 'whitelist' of trusted trading partners. This further inflamed anti-Japanese sentiment in South Korea, leading to the boycott of Japanese products and services while Tokyo elected not to respond to Seoul's belated offer to resolve the issue via bilateral diplomatic channels.

The South Korea-Japan dispute got worse with Seoul's decision on August 22 to terminate an intelligence-sharing pact with Tokyo, called the General Security of Military Information Agreement (GSOMIA). While Tokyo expressed 'extreme regret' over the decision, the greatest concern and disappointment was probably felt in Washington, given the American commitment to ROK-US-Japan trilateral security cooperation in dealing with North Korea's nuclear threat and a rising China. Little wonder that Seoul's termination of its involvement with the GSOMIA arrangement has increased Washington's distrust of the Moon administration.

The ongoing row between South Korea and Japan presents a favourable strategic environment to Pyongyang, making it more complex and challenging to tackle the North Korean nuclear problem. Washington appears to be actively engaged in efforts to settle the current standoff between Seoul and Tokyo before November 23 when the current GSOMIA expires. The South Korean government also sent Prime Minister Lee Nak-yeon to Tokyo to attend the emperor's enthronement ceremony on October 22, in the hope of facilitating a breakthrough on re-starting a bilateral dialogue between the two

countries. The restoration of normal bilateral relations still seems a long way off.

North Korea and China are strengthening their bilateral ties in the wake of the US-China strategic competition and the ROK-Japan dispute. The intensifying US-Sino competition has enlarged North Korea's strategic value to China. While Trump and Kim Jong Un have had two summits and one meeting, Kim and Xi have met five times, including Xi's visit to North Korea for the first time since his inauguration. North Korea-China cooperation in the military domain appears to be gathering momentum.

In August, Kim Su-gil, director of the General Political Bureau of the Korean People's Army (KPA), visited China and met with Miao Hua, director of the political affairs department of China's Central Military Commission. Kim Su-gil said that the two sides reaffirmed their 'commitment to continue to develop and upgrade the friendly and cooperative relations between the militaries of DPRK and China to a higher level according to the noble intentions of the supreme leaders of the two countries.' In his return visit to Pyongyang in October, Miao Hua also hinted at a higher level of military cooperation between the two countries. This may imply Beijing's intention to strengthen cooperation with North Korea now that it has a viable nuclear capability. Simply put, Pyongyang's interests to secure support from China have coincided with Beijing's interests to win over North Korea to keep Washington in check.

A China-backed North Korea appeared to be taking a harder-line stance in denuclearisation talks with the United States in the second half of this year. It called for Washington to present a new method of calculation



June 30, 2019. US President Donald Trump meets with North Korean leader Kim Jong Un at the DMZ separating the two Koreas, in Panmunjom, South Korea. Credit Reuters.

and warned that it might otherwise resume intercontinental ballistic missile (ICBM) tests, which could put pressure on President Trump ahead of the 2020 presidential election. By a new calculation method, Pyongyang seemed to refer to how its bargaining chips – such as dismantling the Punggye-ri nuclear test site – would trade off against relief from United States sanctions against North Korea and/or the suspension of joint ROK-US military exercises. Considering the US commitment to maintaining sanctions on Pyongyang until it takes concrete steps to denuclearise, it is hard to see another US-North Korea summit being held in the near future.

While there has been a rift within the alliance over the coordination of policies toward North Korea, the Moon administration is now taking a

more cautious approach towards the North. That said, however, President Trump's approach to alliances remains a serious challenge to the ROK-US alliance. Washington's excessive demands for military burden-sharing is politically stressful for South Korea.

Trump's 'America First' foreign policy undermines not just the ROK-US alliance but the entire US alliance system. The recent withdrawal of US forces from Syria and Turkey's attack on the Kurds has allowed renewed doubts about American leadership and credibility to echo through its global network of alliances.

With regards to the ROK-US alliance, the Trump administration is reportedly pushing for Seoul to drastically increase its contribution to the cost of stationing US Forces

Korea (USFK) to as much as \$5 billion USD, which is much higher than the estimated cost of maintaining USFK. Furthermore, Trump has characterised ROK-US combined military exercises as a 'total waste of money'. Trump seemingly assigns little importance to ROK-US military exercises or to the bilateral alliance in maintaining peace in the region as well as to contending with China.

Trump's approach to the ROK-US alliance may raise doubts within South Korea about the US commitment to its security and send the wrong signal to Pyongyang. Looking at a rift between Seoul and Washington, North Korea may continue to pursue its revisionist strategy, rather than committing itself to the path of 'final, fully verifiable denuclearisation'.

South Korea's foreign policy seems to have lost its sense of direction. Just last year, in 2018, Seoul was filled with hope for North Korean denuclearisation and, with North Korea, establishing a permanent peace regime on the Korean Peninsula. What a difference a year can make. The country now faces an unprecedented situation in which relations with all of its neighbours have worsened sharply. In terms of the values which South Korean foreign policy must embody and promote – the principles of liberal democracy, market economy, and human rights – these are difficult to discern in the nation's recent activities.

With regard to its policy towards the North, Seoul appears to be preoccupied with improving inter-Korean relations and to have almost lost all influence over the North Korean nuclear affairs. The net result is that Pyongyang is striving to break out of diplomatic isolation and win acceptance as a nuclear weapons state, while Seoul is busy restoring relations with its neighbours.

South Korea will face a watershed moment in 2020. The circumstances Seoul will have to contend with include the uncertainty generated by the US presidential election, US-North Korea talks, ROK-US defence cost-sharing talks, the transfer of wartime operational control, the US-Sino strategic competition, and the ROK-Japan dispute. To manage these multi-layered challenges and establish peace on the Korean Peninsula, Seoul must first reaffirm the denuclearisation of North Korea as its pre-eminent objective, subordinating all other political goals. No other country will help South Korea unless it assigns clear priority to North Korea's denuclearisation. Denuclearising North Korea, therefore, must take priority in South Korea's diplomacy over all other agendas for the future of the nation.

Seoul must also approach strengthening cooperation with its neighbours in a manner consistent with its national interests and values and create an environment in which its neighbours need South Korea. As for the alliance with the United States, Seoul must strengthen it while avoiding exclusive reliance on it. Strengthening the ROK-US alliance is the best way for Seoul to insulate itself against inappropriate foreign interference.

With regard to its policy towards China, Seoul should promote economic cooperation while showing its firm commitment towards the denuclearisation of North Korea. It also needs to restore bilateral relations with Tokyo while settling the ongoing history disputes. Active cooperation with neighbouring countries would enlarge Seoul's diplomatic footprint and enable it to regain its influence over North Korean nuclear affairs.

Choi Kang

Acting President, Asan Institute for Policy Studies

Still the Frightened Country: Australian anxieties in a contested Asia

Brendan Taylor



February 18, 2019. Indian Ocean. The Los Angeles-class attack submarine USS Santa Fe (SSN 763) sails in formation with Royal Australian Navy Collins class submarines HMAS Collins, HMAS Farncomb, HMAS Dechaineux and HMAS Sheean, as an Australian MH-60R Seahawk helicopter flies overhead in the West Australian exercise area. Credit RAN photo by LSIS Richard Cordell.

In 1979, the prominent public servant Alan Renouf started his retirement by publishing one of the classic Australian foreign policy texts: *The Frightened Country*. In this book, Renouf argued that Australia is an anxious nation, a country that saw more dangers than opportunities in the Asian region to its north. This was why Canberra had traditionally tended to cleave to a great and powerful friend, Renouf believed; firstly Great Britain in the period prior to the Second World War, and the United States thereafter.

Australia seemed finally to find its feet only a decade after Renouf published *The Frightened Country*. While the alliance with America remained intact after some momentary wobbles, Australia emerged as a more confident, activist middle power during the heady days of the Hawke-Keating government.

Rather than looking anxiously northward, Canberra during this time seemed increasingly determined to find its security *with* an increasingly dynamic Asia.

But Australia's security outlook today is again becoming much darker and apprehensive. Like many other American friends and partners, Donald Trump's disdain for alliance relationships has contributed significantly. To be sure, Australian Prime Minister Scott Morrison seems to have struck a chord with America's mercurial 45th president. This is especially significant against the backdrop of Trump's tense first telephone exchange with Morrison's predecessor, Malcolm Turnbull.

But Trump's alliance antipathy feeds a deep Australian fear of abandonment. This anxiety has been felt from at least the period

of European settlement in the late eighteenth century. Those early settlers, small in number, inhabited a large resource rich continent. They felt acutely what the eminent Australian historian Geoffrey Blainey has characterised as the 'tyranny of distance' – not really knowing if their great and powerful British protector would come to their aid should they be subject to the colonial ambitions of one of Europe's other major powers. Indeed, by the mid-1850s, Sydneysiders watching anxiously over the horizon for French or Russian ships had erected Fort Denison – a small structure which the late Coral Bell once described as a 'toy stronghold' – at the mouth of Sydney Harbor. It remains there today as a tourist attraction.

Canberra's most recent bout of strategic anxiety pre-dates Trump. It started to manifest around half a

decade ago, just as regional tensions were rising in the East and South China Seas. Australian policy elites at that time worried increasingly about the prospects of alliance entrapment, more so than abandonment. In a question reminiscent of one famously asked of Foreign Minister Alexander Downer during an August 2004 trip to China, Defence Minister David Johnston was quizzed during a live television interview in June 2014 over whether Australia's ANZUS commitments would apply in an East China Sea contingency where America intervened. Like Downer, Johnston responded technically that they wouldn't.

A host of Australian commentators put this case in significantly stronger terms, suggesting that Canberra should be seeking to distance itself from the American alliance due to its rising entrapment risks. What was particularly significant about such statements was who was making them. Former Australian Prime Minister Malcolm Fraser described the alliance as a 'dangerous' strategic tie, one that was inhibiting Canberra's ability to engage effectively in Asia and that Australia would be better off without. Paul Keating, another former Australian Prime Minister, asserted



August 4, 2019. AUSMIN 2019. Senator the Hon Marise Payne, Minister for Foreign Affairs, US Secretary of State Pompeo, Secretary of Defence Mark Esper, and Senator the Hon Linda Reynolds CSC, Minister for Defence. Credit Nathan Fulton / DFAT Flickr.

that Canberra should 'cut the tag' with America, adopting a more independent foreign policy posture toward Asia. In similar vein, former Foreign Minister Gareth Evans called for 'less America, more Asia, more self-reliance and more global engagement' in Australian foreign policy.

Longstanding Australian anxieties came into sharpest relief in February 1942, when waves of Japanese aircraft bombarded a largely defenceless Darwin in the biggest and deadliest single attack in the history of the continent. These air raids continued for almost two years, leaving a deep impression on the Australian strategic psyche. Yet such fears of direct military attack are gradually re-emerging, as evidenced in a new book published by the former senior Australian defence official turned academic, Hugh White. *How to defend Australia* was published in 2019 and has generated considerable debate. White's central thesis is that Australia can no longer confidently rely upon its alliance with the US and needs to restructure its military to be able to defend the continent against attack from a major power, such as China. This would involve significantly more submarines and fighter aircraft, but also selling the three highly vulnerable air warfare destroyers that have only recently been added to the Australian inventory. White's plan has a 20-30 year window, keeping in mind that this is the period during which defence planners generally make capability decisions given the time needed to implement these.

Australia's rising invasion anxieties have been prompted primarily by China's growing ability to project its military power further south. According to another leading strategic commentator, Paul Dibb, Beijing's military outposts in the Spratly islands have already brought China's

military power 1,200-1,400 kilometres closer to Australia. Rumours that China might seek to establish similar facilities in the South Pacific have caused further angst. There were reports in April 2018, for instance, that China intended to build a naval base in Vanuatu. Although Beijing and Port Vila swiftly denied these rumours, US Vice President Mike Pence announced at the November 2018 APEC Summit in Port Moresby that America, Australia and Papua New Guinea had agreed to jointly develop the Lombrum naval base on Manus Island.

No country other than the United States has the capacity at present to pose a physical military challenge to the Australian continent. Nevertheless, fears that Australia could be subjected to greater levels of strategic coercion are also growing. In his June 2017 keynote address to the Shangri-La Dialogue in Singapore, for instance, Turnbull called for an Asia 'where big fish neither eat nor intimidate the small'.

Canberra's answer to avoiding a Thucydidean Asia where 'the strong do what they will while the weak suffer what they must' has been the so-called 'rules-based order'. Australia's 2016 Defence White paper referred to this concept no less than 56 times. This has remained a constant in Australian foreign and security policy during the period since. Addressing her first Shangri-La Dialogue in June 2019, for example, new Defence Minister Linda Reynolds observed: 'Sustaining and strengthening shared rules, norms and institutions is vital. This is how we can prevent conflict and address security threats'.

Anxieties regarding Chinese influence within Australia itself are also on the rise. This influence, or what some commentators have gone so far as to describe as outright interference,

is alleged to be occurring across a variety of domains, including in the political sphere via donations, in the cyber realm and through the Chinese misuse of University research collaborations. In December 2017 a high-profile Labor Party Senator, Sam Dastyari, resigned from the Australian Parliament following allegations that he had supported Beijing's South China Sea stance and provided counter-intelligence advice under Chinese duress. Subsequently, on 28 June 2018, the Australian Parliament passed two major pieces of counter-interference legislation – the *National Security Legislation Amendment (Espionage and Foreign Interference) bill* and the *Foreign Influence Transparency Scheme bill*. This legislation was presented as groundbreaking and potentially as a model for other governments to follow. While technically country neutral, Beijing was very much its implied target.

Allegations of growing Chinese interference have entered the Australian public consciousness via mainstream media, including a controversial book by public intellectual Clive Hamilton entitled *Silent Invasion: China's Influence in Australia*, as well as in several episodes of *Four Corners* – a longstanding current affairs television series. Consistent with this, Australian public attitudes are growing demonstrably more anxious regarding China – notwithstanding the fact that Australia boasts a Chinese diaspora numbering 1.2 million, around half of which were born in the People's Republic of China (PRC). The results of the Lowy Institute's 2019 poll on Australian attitudes to the world, for instance, showed a significant drop in previously positive sentiments towards the PRC. Australians' trust in China dropped to 32 percent in this poll, down 20 points from the

previous year. Likewise, 74 percent of Australians felt that their country was 'too economically dependent' upon China, while 49 percent saw foreign interference as a 'critical threat to Australia's vital interests'.

Somewhat paradoxically, despite these growing anxieties, the Australian public remains increasingly less supportive of higher defence spending. Recent work by respected political scientists Danielle Chubb and Ian McAllister, for example, reveals a populace unlikely to support growth in the Australian defence budget. Indeed, their analysis suggests that public support for higher defence spending is now the lowest it has been since at least the 1970s.

Most leading Australian strategic commentators take a different view. The Australian Strategic Policy Institute's (ASPI) Peter Jennings, for example, argues that the defence budget needs to grow from its current level of around 2 percent of Gross Domestic Product (GDP) to reach 2.5 or 3 percent. In *How to Defend Australia*, White proposes an even bigger funding increase, suggesting that a figure somewhere in the vicinity of 3.5 to 4 percent is called for.

However, perhaps the most controversial contribution of White's most recent book is his suggestion that Canberra consider the question of whether Australia should acquire a nuclear weapons capability, just as it did during the 1960s. White is by no means a voice in the wilderness. Moreover, it is again important to note who else is making this case. For instance, Paul Dibb – so often at loggerheads with White on a range of other strategic issues – concurs. Growing uncertainties regarding the credibility of America's nuclear umbrella and China's expanding military capabilities, Dibb believes,

behave Canberra to revisit seriously the technological lead time needed to acquire a nuclear capability. Likewise, the eminently sensible ASPI analyst Rod Lyon argues that Australia should acquire a nuclear weapons capability, provided its strategic environment becomes sufficiently dark, US extended nuclear deterrence disappears completely, and a domestic consensus on going nuclear can be arrived at.

To be sure, there are compelling reasons for Canberra not to go down the nuclear path. To do otherwise would contradict Australia's longstanding commitment to nuclear non-proliferation and arms control. Public support for an Australian nuclear bomb would likely not be forthcoming. And even if it were, Australia presently lacks the technical wherewithal to develop and, more importantly, to deliver such a weapon. Taking this route would also seriously alienate Australia from its American ally, upon whom it continues to depend for intelligence and defence technology access. For these reasons, even White neither expects nor urges Canberra to ultimately acquire nuclear weapons.

Nonetheless, the fact that this debate is even occurring should give Australia's Asian neighbours considerable pause. As major power competition returns to this region, deep-seated Australian anxieties are once again coming to the fore. As these resurface, Australia's foreign and defence policies could move in some unexpected and potentially alarming directions. These trends will bear careful monitoring. They show that Australia remains the frightened country.

Dr Brendan Taylor

Professor of Strategic Studies, Strategic and Defence Studies Centre, Australian National University

Regional Security Outlook: More continuity than change in Indonesia's security posture

Dewi Fortuna Anwar



June 26, 2019. First Defence Dialogue. Deputy Minister of Defence, Senior Lieutenant General Nguyn Chi Vnh welcomes Secretary General of the Indonesian Ministry of Defence Vice Admiral Agus Setiadji in Hà Ni. Credit VNA / VNS.

Indonesia has undergone fundamental changes in its political system in the past two decades as well as many changes of government. For 32 years Indonesia was ruled by President Suharto under the army-dominated New Order government, which came to an end with Suharto's resignation amidst the Asian financial crisis on 20 May 1998. Since then Indonesia has undergone a long process of democratisation and several changes of government as the presidential term is now limited to a maximum of two five-year terms. The military is now barred from being involved in politics and is supposed to be primarily responsible for external defence while internal security is mainly the responsibility of the police, which has been separated from the military. Nonetheless, despite the substantial transformation in Indonesia's

political system, there has been more continuity than change in Indonesia's security outlook and preferred means of engaging with its external strategic environment.

Since its early years, Indonesia has developed a number of strategic doctrines that effectively constitute the country's strategic culture. These doctrines include the concept of a total people's war, the archipelagic outlook, and the concept of national resilience. Indonesia also has a free and active foreign policy doctrine which forbids the country from entering into any military alliances or hosting a foreign military base on its territory. After suffering colonialism and foreign interventions, Indonesia has developed a strong sense of nationalism and a deep-rooted suspicion of major powers' intentions. The New Order government (1966-1998) regarded

the primary threats to Indonesia's security as stemming from within and in myriad forms, including separatist movements, communal conflicts and contending ideologies (communism, Islamism) that sought to replace the pluralist national ideology, Pancasila. To overcome this multitude of internal challenges, the New Order government developed the concept of national resilience, a holistic and comprehensive approach to security that prioritised political stability, economic development, and social equity over the development of conventional military capability.

Externally, throughout the New Order period, Indonesia emphasised diplomacy and regional cooperation with neighbouring countries to develop regional resilience. The positive interplay of national and regional resilience was the main reason for Indonesia's strong commitment to ASEAN. A cohesive ASEAN would prevent open conflicts between its member-states, and act as a bulwark against external subversion and interventions, allowing member states to devote their energy and scarce resources to internal development. As economic development was considered critical for political stability and security, Suharto's foreign policy was also mostly geared towards obtaining economic benefits, particularly securing export markets, loans and foreign investments from likely partners.

Notwithstanding Indonesia's political transformation from authoritarianism to democracy in the past two decades and the ending of the military's dual-function role,

Indonesia's mostly inward-looking strategic culture has not really changed. For Indonesia, internal security threats and challenges have continued to be regarded as the more immediate and present danger than external ones. The most recent Indonesian Defence White Paper, issued in 2015, distinguished between real and not-yet real threats. The real threats which demand immediate attention comprise a wide range of mostly non-traditional security issues including terrorism and radicalism, separatism and armed rebellions, natural disasters, border violations, piracy and theft of natural resources, communicable diseases, cyber-attacks and espionage, as well as the trafficking and misuse of drugs. Lately, under President Joko Widodo (Jokowi) the military has again been allowed to play a more active role in internal security, such as dealing with counterterrorism and natural disasters, reflecting the seriousness of these two problems for Indonesia in the aftermath of several terrorist attacks and major natural disasters.

The 2015 Defence White Paper regards armed conflicts or conventional wars between states as among the not-yet real threats and thus unlikely to affect Indonesia in the foreseeable future, though the country still had to be alert to such possibilities. There are, however, concerns about the growing threats of proxy wars that can destroy countries where external forces exacerbate internal divisions and foster civil wars, as in the case of a number of Middle Eastern countries. In looking at the Asia-Pacific strategic environment, the White Paper highlighted three areas of concern, namely China's economic and military policies, the United States' strategy as the incumbent regional power in seeking to cope with China's rise, and the territorial disputes in the South China Sea. In addition, the

military build-up occurring in several countries in the Asia-Pacific region, funded by their growing economies, is also mentioned as a matter of concern should this lead to an arms race and a security dilemma.

Concomitant with its perennial preoccupation with domestic priorities, Indonesia continues to emphasise the importance of a peaceful, stable, and conducive external environment as a prerequisite for its own internal development. Although it is no longer articulated as frequently as during the New Order, the mutually reinforcing concept of national and regional resilience, of strengthening the internal capacity of a country to withstand all manners of shocks on the one hand, and close regional cooperation to build mutual trust and deepen functional ties on the other, has continued to inform Indonesia's regional security outlook.

Changes in the strategic environment have nonetheless led to important shifts in Indonesia's regional policy and the management of relations with major powers. Of particular note, has been the shift from seeking to insulate Southeast Asia from harmful external influences by keeping the major powers at bay, to one of active engagements of the major powers and widening the locus of regional activities, while still ensuring the strategic autonomy and centrality of ASEAN. There are at least five factors that can be regarded as drivers of this policy change. First, the emergence of China as a new economic superpower has transformed Indonesia's perception of this country from an ideological threat to an important economic partner. The two countries have become comprehensive strategic partners and China is now Indonesia's top export destination and source of investment. At the same time, China's growing military

might and assertive policy in the disputed South China Sea, which impinges on Indonesia's exclusive economic zone around the Natuna islands, have raised concerns in Jakarta. The need to manage relations with China, maximising the potential benefits and mitigating the attendant risks, is arguably the most important driver shaping Indonesia's regional outlook and policy initiatives. The second driver for change is India's economic rise, its eastward oriented policy, and its growing weight as an Indian Ocean power, all of which have made Indonesia pay more attention to India for both economic and strategic reasons. Third, the return of great power rivalry, in particular the rivalry between the United States and China, which has the potential to destabilise regional peace and stability, is naturally of great concern to Indonesia as well as ASEAN as a whole. Fourth, the Asian financial crisis and the emergence of various transnational and non-traditional security threats that have affected countries across regions have shown that the wellbeing of Southeast Asia cannot be separated from that of its neighbouring subregions. Fifth, the growing importance of the maritime domain, particularly for geostrategic and geo-economic reasons, has given more saliency to Indonesia's position as an archipelagic state straddling the Indian and Pacific oceans.

Indonesia's security outlook and foreign policy towards the immediate region and beyond can be analysed from the perspective of its status and role as a middle power. Many observers consider Indonesia as an ascendant middle power, signalled by its return to political stability and new credentials as the world's third largest democracy, its renewed economic growth marked by its membership in the G20, as well as its foreign policy activism.



June 23, 2019. Opening Ceremony of the 34th ASEAN Summit. This summit endorsed the ASEAN Outlook on Indo-Pacific. Credit ASEAN Secretariat / Flickr.

Borrowing from Alexander Wendt's characterisation of anarchy (1999), Tanguy Struye de Swielande (2019) distinguishes three different types of middle powers, Hobbesian, Lockean, and Kantian. According to Wendt the Hobbesian, Lockean, and Kantian anarchies are characterised respectively by international relationships of enmity, rivalry, and friendship. Thus, according to de Swielande, Hobbesian middle powers view regional structures and processes as fundamentally anarchic and base their policy on power politics, pessimism, security vigilance, alliances, a narrow interpretation of national interests, and the priority of high politics. Lockean middle powers regard regional structures and processes as less anarchical and their priorities are a mix between high and low politics. Kantian middle powers view the world more positively as disorderly rather than anarchic

and emphasise low politics (without excluding high politics) thereby providing more scope for middle power statecraft, such as bridge-building, cooperation and mediation.

From Susilo Bambang Yudhoyono's presidency (2004-2014) to Jokowi's first term (2014-2019), Indonesia's regional security outlook has been decidedly Kantian in nature. Yudhoyono was noted for saying that Indonesia's foreign policy was based on the concept of 'one million friends, zero enemies', and while this tagline is no longer in use, Jokowi's foreign policy has also been based on the premise that Indonesia does not have any external enemies. Under Yudhoyono, Indonesia played an active role as a Kantian middle power, taking the lead in various regional initiatives within and beyond ASEAN to promote regional dialogue and cooperation. Faced with the many opportunities and

challenges in the wider Asia-Pacific region mentioned above, Indonesia was at the forefront in promoting the development of a more inclusive regional architecture based on ASEAN centrality, by widening the membership of the East Asia Summit (EAS) to foster dialogue and ensure a dynamic equilibrium between the various major powers. Indonesia also signed strategic partnerships with all of the key regional players, including China, India, the United States, Japan and Australia. Ahead of the current discourse on the Indo-Pacific, in 2013 Indonesia's then foreign minister Marty Natalegawa proposed the signing of an Indo-Pacific Treaty of Friendship, similar to the ASEAN regional code of conduct – the Treaty of Amity and Cooperation (TAC) in Southeast Asia – to foster peaceful relations between countries around the inter-linked Pacific and Indian oceans.

While the Yudhoyono government harboured grand visions and norm-setting ambitions in dealing with the wider Indo-Pacific region, Jokowi has mostly taken a more pragmatic approach and prioritised economic diplomacy to obtain concrete economic gains. With his vision of making Indonesia into a Global Maritime Fulcrum (GMF), which necessitates engaging in major infrastructure projects to improve connectivity, Jokowi has been eager to attract foreign investment, including through participating in China's Belt and Road Initiative (BRI) and the China-led Asian Infrastructure Investment Bank (AIIB). At the same time, the Indonesian government has also been careful to avoid excessive dependence on any one country and to diversify its sources of foreign direct investments (FDI). Asian countries have become the main source of FDI to Indonesia, with the top five in the past few years being Singapore, Japan, China, Malaysia and South Korea. The US is ranked sixth as a source of FDI. Around three quarters of Indonesia's trade (exports and imports) is also conducted with Asian countries.

Indonesia's thickening economic ties with countries in the Indo-Pacific region further strengthens its desire to see the region remaining peaceful and stable. While during the first few years of his first term, Jokowi prioritised bilateral relations that can yield immediate results, the rising discourse on the Indo-Pacific with several contending visions prompted the Indonesian government again to take the lead in promulgating a joint ASEAN response and exercising its middle power statecraft. Concerns about the growing polarisation brought about by the US-China rivalry – with consequences that included mounting pressures on other countries to take side and

the possible marginalisation of ASEAN in the face of other Indo-Pacific initiatives, such as the US and Japanese Free and Open Indo-Pacific (FOIP) concepts – propelled Jokowi and foreign minister Retno Marsudi to push for the acceptance of the ASEAN Outlook on Indo-Pacific (AOIP) that is open and inclusive. The AOIP, endorsed by the ASEAN Summit in June 2019, is aimed at promoting habits of dialogue and cooperation in mostly low politics areas, reflecting Indonesia's Kantian middle power perspective on Indo-Pacific security dynamics.

Jokowi's second term cabinet was formed in late October 2019 and besides the usual division of spoils among the political parties that supported him, the cabinet appointments also reflect the government's preoccupation with internal security challenges, particularly radicalism and separatism. Tito Karnavian resigned as the chief of police and has been appointed as home affairs minister, the first time in Indonesian history that a police officer has held such a position. Similarly, for the first time since the fall of Suharto, the minister for religious affairs is a retired army general. Retno Marsudi has been retained as foreign minister, signalling continuity in Indonesia's foreign policy stance, particularly in respect of a focus on economic diplomacy and a commitment to see the AOIP being more widely accepted and implemented. The appointment of Prabowo Subianto, who has twice run against Jokowi for the presidency, as minister of defence, however, has brought a measure of uncertainty into Indonesia's security outlook. In his presidential campaign, Prabowo displayed a rather xenophobic perspective in castigating Indonesia as a weak country highly vulnerable to external exploitation and intervention, and

looked down upon by other countries. Jokowi has stressed that ministers must follow and execute the vision of the president and vice president, not pursue their own individual visions. It remains to be seen to what extent Prabowo's more strident nationalism will colour Indonesia's security outlook, particularly in relation to the major powers. At his first hearing in parliament as defence minister, Prabowo reiterated that Indonesia's defence strategy is based on total people's war, not just on its conventional military capability which he characterised as still lagging behind that of other countries. These comments would suggest that Prabowo is likely to reinforce Indonesia's mainly inward-looking strategic culture.

Dewi Fortuna Anwar

Research Professor, Center for Political Studies, Indonesian Institute of Sciences

Opportunities amidst the US-China power competition: A renewed engagement of regional stakeholders in mainland Southeast Asia

Pongphisoot Busbarat

Managing the rise of China has been a significant policy challenge for most countries in Southeast Asia. As a rising power, China has increasingly asserted an active role, especially in East Asia. The role of China is inevitably contesting the United States as the region's major power that has provided the region with stability and prosperity since the end of the Second World War. The strategic contestation between the two major powers has intensified in recent decades, as manifested in the current trade conflict between the two countries.

The US-China power competition in the region has tested many countries in the region as to how they can sustain effective hedging strategies. China's economic attractiveness has tested the capacity of Southeast Asian states even to speak with one voice let alone act in unison. This intensifying

competition may, on the one hand, result in a situation where countries in the region are forced to choose sides. On the other, such a situation means that the region has become more strategically important and carries more weight in great powers' calculation. It is readily inferred from both China's Belt and Road Initiative (BRI) and the US Free and Open Indo-Pacific (FOIP), that Southeast Asia is located in the epicentre of their geostrategic calculations. While the maritime domain of Southeast Asia remains the centre of attention due to tensions in the South China Sea between China and Southeast Asian claimant states, continental Southeast Asia has also witnessed a subtle but significant development stemming from this major power competition.

China's recent move in continental Southeast Asia. China's economic

strength has been felt across the region in the past two decades, especially on the mainland subregion. China has become the top trading partner of many Southeast Asian economies, especially Thailand, Laos, Cambodia and Myanmar. Although Chinese direct investment in the region remains behind many traditional investors such as Japan and the US, it has increased in recent years especially in Cambodia, Laos, Myanmar, and Vietnam (CLMV). As a result of the US-China trade war, Chinese firms are also expected to relocate to Southeast Asian countries especially Vietnam and Thailand. China is pushing its BRI strategy vigorously in Southeast Asia, especially continental Southeast Asia. China has designated the China-Indochina Peninsula Corridor as one of the six economic corridors within the BRI. Within this corridor,



July 11, 2019. Bangkok, Thailand. 13th ASEAN Defence Ministers' Meeting. At its conclusion, the Ministers adopted and signed the Joint Declaration of the ASEAN Defence Ministers on Sustainable Security. Credit VNA.

Beijing is attempting to consolidate its leadership by nurturing mini-lateral cooperation to streamline infrastructure and development projects under the Lancang-Mekong Cooperation (LMC) body. China has a prominent presence in this area, with ongoing major projects such as the Kyaukpau seaport in Myanmar, the Kunming-Vientiane highspeed railway in Laos, and many investment projects in Cambodia. Although some plans were delayed by domestic circumstances in partner countries, such as the Thai-Chinese highspeed railways in Thailand and China-backed East Coast Rail Link (ECRL) in Malaysia, they are now on track.

Despite enjoying economic benefits from maintaining good ties with China, risks and downsides have also been exposed, including debt

traps, trade imbalance, and excessive economic dependence on China. These potential problems also have politico-strategic implications. Close cooperation with China can drift from desirable to necessary if domestic political stability is deemed to be at stake. China's political and economic influence is already preeminent in Cambodia, Laos, and Myanmar. Beijing's endorsement of the military coup in Thailand in 2014 supported a significant deepening of relations between the two countries, an effect that continues to this day. The same group of Thai military leaders are still in power but now modestly disguised by the general election in March 2019 as a democratic government. Therefore, mainland Southeast Asia can be viewed as a pro-Beijing bastion within ASEAN. This inevitably and directly affects ASEAN as a

whole. The disagreement on the text of the joint statement during the 2012 ASEAN Summit in Cambodia regarding China and the South China Sea disputes also points to how China's influence affected the group's unity.

Responses from the US. The increasing role of China in Southeast Asia has stimulated more engagement on the part of other regional powers. The region has witnessed renewed US interest in the region under its Free and Open Indo-Pacific (FOIP) program. In mainland Southeast Asia, the US has refreshed the Lower Mekong Initiative (LMI) as a foreign policy tool to reengage with that subregion. This can be seen clearly from the remarks by US Secretary of State Mike Pompeo during the LMI meeting in August 2019 in Bangkok.



February 12, 2019. Thailand. Cobra Gold Exercise 2019. Soldiers with 5th Battalion, 20th Infantry Regiment, secure a landing zone with their Royal Thai Army counterparts as Sikorsky UH-60 Black Hawks move to the next lift location at Phitsanulok Province. Credit US Army.

He stressed the US commitment to play a positive role in the Mekong region through LMI projects ranging from teaching English, developing clean drinking water, improving sanitation, and improving infrastructure sustainability.

Pompeo explicitly addressed difficulties associated with China's dam building, blasting riverbeds, extra-territorial patrolling, and writing new rules to govern the river. He announced that the US together with its partners would roll out a number of activities such as allocating \$14 million USD to assist the Mekong countries in combating transnational crimes. Together with Japan, it will develop regional electricity grids with an initial fund of \$29.5 million USD. It will also support a new Mekong water data-sharing platform and a new LMI

public impact program as well. In addition, the US will hold an Indo-Pacific conference on strengthening the rule-based governance of transboundary rivers in December 2019. Collectively, these initiatives are indicative of the importance of mainland Southeast Asia to the US FOIP program.

More engagement from other regional stakeholders. The role of China and the US in mainland Southeast Asia has galvanised other regional stakeholders to pay more attention to the subregion. Japan is at the forefront of this trend. Although Japan is not new to the subregion and has played a significant role in its economic development over many decades, the intensifying US-China competition has also re-energised Japan's interest.

Japan has reframed its commitment to mainland Southeast Asia through the Japan-Mekong Cooperation. The ministerial meeting on 3 August 2019 in Bangkok, demonstrated Japan's intent to align its foreign policy with the US FOIP program. This was made particularly clear in the plans for the Mekong subregion outlined in the Tokyo Strategy 2018. Japan considers that the Mekong region, because it links the Indian and Pacific oceans, is ideally situated geographically to benefit from the realisation of a FOIP. Japan seeks to support regional connectivity and peace and stability in the subregion. Japan is also committed to supporting the existing subregional mechanisms especially the Mekong River Commission (MRC) and the Ayeyawady-Chao Phraya-Mekong Economic Cooperation



Strategy (ACMECS) to address issues of common concerns such as water resource management, climate change and development priorities.

South Korea has indicated that it shares this interest in deepening its engagement with Southeast Asia. Its 'New Southern Policy' (NSP) under President Moon Jae-In has designated Southeast Asia as another major priority in its foreign policy, and views the Mekong subregion as a cornerstone within it. Mainland Southeast Asia has become an important part of South Korea's foreign policy primarily for economic reasons. Korean foreign investment in the subregion is quite prominent. Seventy per cent of Korean FDI to ASEAN is directed at CLMV countries. Korea ranks among the top three investors in CLMV countries accounting for 15% of the FDI inflow to the group.

As with Japan, South Korea organises its approach to the subregion under the label Mekong-ROK Cooperation. Although Korea was previously reluctant to refer to FOIP, it has recently shown stronger support for it. At a US-ROK summit in June 2019, South Korea declared that it would aspire to harmonious cooperation between its New Southern Policy/ Mekong-ROK Cooperation and the US FOIP program. In this connection, Korea and the US are funding a joint project to enhance the effectiveness of satellite imagery in assessing flood and drought patterns in the Mekong basin.

Besides the arrangements each regional stakeholder uses to engage with mainland Southeast Asia, a further positive sign is their expressed support for the existing cooperation mechanisms in the subregion. The revitalisation of Thailand's initiated ACMECS as a subregional framework for streamlining their development cooperation in mainland Southeast Asia will help ensure the harmony across the separate arrangements.

Japan, South Korea, United States, Australia, China, and India are now Development Partners under the ACMECS and thereby committed to finding the best model to mobilise funds for project execution under the master development plan. The MRC is well-placed to take the lead on water resource management issues based on its decades of experience and expertise in this field. Although China remains an observer in the MRC and not bound by the decisions taken by the organisation, its participation as an ACMECS Development Partner will, at least indirectly, help align China's objectives with those of the MRC.

The relative depth of Thailand's economy has allowed it to offer its expertise as a hub for technical assistance, education, and training in collaboration with other traditional donors. Such collaboration enables Thailand to function as a springboard in providing or channelling funds to third countries and offers all participants the prospect of making programs more responsive to needs and accomplishing more with the same resources, be they financial, personnel or other. Currently, Thailand's development agency works closely with several donors, both bilateral and multilateral, and under the partnership framework of trilateral cooperation such as the Colombo Plan. Donors include Canada, France, Hungary, Japan, Korea, Sweden, Singapore, Switzerland, UNDP, UNFPA, and UNICEF. As most of the trilateral arrangements target the CLMV countries, Thailand's role can be seen as a bridge between its own foreign policy objectives, existing regional mechanisms and other regional stakeholders.

Southeast Asia has become a focal point of strategic competition between the US and China. Concerns and worries about this power struggle degenerating into conflict tend to loom large, especially as the situation in the

South China Sea remains unstable and could well deteriorate further. Yet, there are many ongoing developments taking place in continental Southeast Asia that may offer a more optimistic scenario, a scenario characterised by deepening cooperation.

The US-China competition in the region has been instrumental in creating an environment where Southeast Asia attracts more attention from regional stakeholders to further their engagements. Mainland Southeast Asia is an important area in which this phenomenon is evident. Regional stakeholders, especially the US, Japan, and South Korea, have renewed and deepened their cooperation alongside that occurring through existing regional mechanisms. The developments referred to above are only part of the story. Other significant regional stakeholders trying to engage more with the subregion include India through its Act East Policy and the Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation (BIMSTEC).

These developments are significant as they encourage an inclusive and open regionalism that will benefit the region. Even though competition leads to some overlap, the assistance flowing into the less developed CLMV countries will surely narrow the development gap between the new and the old members of ASEAN. Without the assistance of regional stakeholders, the achievement of the ASEAN Economic Community plan would have been more difficult. Ultimately, a more prosperous ASEAN will help ensure the wellbeing of its people, and more dependably underpin the peace and stability of the whole region.

Raymund Jose G. Quilop

*Assistant Professor of Political Science,
De La Salle University, Manila*

Mapping Malaysia in the Evolving Indo-Pacific Construct

Cheng-Chwee Kuik



July 31, 2019. ADMM Plus, Kuala Lumpur. EWG participants on the HADR Exercise 2019 received a brief visit from Malaysian Defence Ministry Secretary-General Datuk Seri Mohd Zuki bin Ali. Credit Malaysia Military Times.

Malaysia appears to be absent from the regional discourse on the 'Indo-Pacific', a construct that is reshaping the Asia-Pacific affairs and regional order. At a time when powers near and far are placing greater attention on Southeast Asia – a battleground for the discourse – Malaysian leaders and officials have largely been silent on the issue. While Malaysia joined fellow member states of the Association of Southeast Asian Nations (ASEAN) in adopting the 'ASEAN Outlook on the Indo-Pacific' in June 2019, it did not issue any statement that explicitly refers to the Indo-Pacific. The Foreign Ministry's *Foreign Policy Framework of the New Malaysia: Change in Continuity*, a document officially launched by Prime Minister Mahathir Mohamad in September 2019, made no reference to the term.

Unpacking Malaysia's quiet stance on the Indo-Pacific is key to reflecting its security outlook for 2020 and beyond. This is because the response, or lack of

it, captures not only the smaller state's deeper vigilance towards the growing great power competition but also its ongoing fluid, fragile, and uncertain political transition at home. Malaysia went through an unprecedented change of government in May 2018, when the Mahathir-led Pakatan Harapan (PH) coalition pulled off a surprising electoral victory, defeating Najib Razak's Barisan Nasional (BN) coalition and ending the United Malays National Organisation (UMNO) 61-year of stranglehold on power over the country.

Malaysia's relative silence on the Indo-Pacific is puzzling to some analysts in and out of the country. Given its sovereignty claims over the South China Sea, one would expect the smaller state to embrace the Indo-Pacific because of the concepts associated goals of upholding a rules-based order, ensuring freedom of navigation, and preserving a stable regional balance of power. In addition,

given the country's decades-long activism on regional affairs especially during the Mahathir 1.0 years from 1981-2003 (e.g. promoting EAEG and later APT, as others pushed for APEC), one would expect Putrajaya under Mahathir 2.0 to take an active and open stance on important regional ideas such as the Indo-Pacific. Moreover, given the country's geographical centrality – Malaysia is a converging point between the Indian Ocean and the Pacific Ocean – one would expect Malaysia to leverage on the emerging geostrategic construct to extend, diversify, and multiply its developmental and strategic links to the wider world across the two vast ocean regions.

Some observers attribute Malaysia's silence on the Indo-Pacific to the PH government's domestic preoccupation and internal power struggle. Some blame it on bureaucratic inertia. Yet others describe the silence as a deliberate strategic choice on the



September 30, 2019. Celebes Sea. Exercise Tiger Strike. Captain Michael Harris, commanding officer USS *Green Bay* (LPD 20), Malaysian Armed Forces (MAF) Lt. Gen. Dato' Wira Zambrose bin Mohd Zain, Army Field Eastern Commander, Rear Adm. Fred Kacher, commander of Expeditionary Strike Group 7, and Lt. Col. William Jacobs, commander of troops, 3rd Marine Division. Credit USN Anaid Banuelos Rodriguez, Flickr.

part of the weaker state to distance itself from the perceived dangers of mounting great power rivalry. Like the majority of Southeast Asian countries, Malaysia views it as unnecessary and undesirable to adopt a high-profile position on the Indo-Pacific, an externally constructed term that might affect ASEAN centrality and undermine its inclusivity norm. An open and rigid position is deemed unwise because it will increase the risks of entrapping the nation and the region into big-power conflict as the US-China rivalry grows.

Despite the official silence there have been debates and discussions among policy and research circles about the meanings, drivers, and possible directions of the Indo-Pacific. These discussions, however loose and at cross-purposes, have gradually formed the still-mixed opinions of how best to place Malaysia on the map of the 'Indo-Pacific' construct. The debates revolve around three issues:

First, on terminology, some insist on the continued use of the term 'Asia-Pacific', whereas others prefer a selective usage of 'Indo-Pacific' depending on the contexts (e.g. referring to Indo-Pacific as a *geographical* term, but avoid it when the intent is to refer to a geopolitical strategy; embracing ASEAN Outlook on the Indo-Pacific but staying distant from the Quad's version of the Indo-Pacific 'strategies'). At the same time, some advocate the use of 'Asia-Pacific-Indo' or 'Pacific-Indo' over 'Indo-Pacific', on the grounds that Asia-Pacific has been and will continue to be a more important area than the Indian Ocean to Malaysia. The United States, China, Japan, Korea, and nearly all ASEAN members are in the Pacific region.

Second, along the outside-in and inside-out dimensions, one school of thought holds that Indo-Pacific is an external term invented by outside powers for their own interests, whereas another school emphasises that even though the term is an

external construct it is an emerging reality that is of increasing relevance and significance to all ASEAN members. Proponents of the latter go further by suggesting that the Indo-Pacific should be conceived of as a modern term *with local historical roots*, including Malaysia's pre-modern history. Some trace this root as far back as the Malacca Sultanate in the 15th century, when the Malacca entrepot, halfway between the major international sea route, attracted traders from Arabia, Africa, Persia, Europe, and India along the present-day Indian Ocean as well as those from China in the present-day Pacific Ocean.

Third, on potential implications, different opinions have been expressed over whether and to what extent the Indo-Pacific construct will present a challenge and/or an opportunity to Malaysia and the region. While some are concerned about its possible impacts on ASEAN centrality and big power entrapment others are more optimistic. The latter argues that, by now, it is clear that the Indo-Pacific discourse – both the Quad and the ASEAN versions – is becoming a reality that adds layers of dynamics to the Asia-Pacific security landscape. In light of this development Malaysia should leverage the Indo-Pacific trend, so long as it is developed along the parameters of the ASEAN Outlook, which stresses ASEAN's inclusivity principle, the group's centrality in regional cooperation, and its commitment to be an honest broker vis-à-vis competing interests and powers. Some have advocated that Malaysia act as a 'bridge', or 'gateway' between the two Ocean regions, for the concurrent pursuits of regional stability, security, and national development over the long run.

Three rationales emerge in highlighting Malaysia's potential to play such a role. They are Malaysia's

geography, its longstanding regional activism, and the multi-ethnic country's domestic and developmental needs in an increasingly uncertain environment.

The first rationale is based on the nation's strategic location and geographical circumstances. Not only that Malaysia is a *bridging link* between the Indian and the Pacific Oceans, it is also *the connecting land* between mainland Eurasia and maritime Southeast Asia, a region endowed with rich and diverse resources. Geography and resources are both a blessing and a curse, regardless of the country's own preferences. These were among the reasons that attracted the wave of European colonisation and Japanese occupation in the past. Big-power politics will continue to manifest in the 21st century. These include China's militarisation in the South China Sea versus the US Freedom of Navigation Operations (FONOPs) and the Quad members' respective Indo-Pacific strategies, China's Belt and Road Initiative (BRI) versus Japan's Partnership for Quality Infrastructure (PQI), and other likeminded countries' respective connectivity schemes. Each of these dynamics affects Malaysia's present and future interests just as directly as does regional tranquillity and order. However, the current century is also an era of interdependence and connectivity-building. Together, these present both challenges and opportunities to smaller states like Malaysia provided that strategic diversification (rather than dependency) and power competition (rather than conflict) are the order of the day.

Leveraging on Malaysia's geographical centrality for wider connectivity-building is therefore seen as a backbone of the nation's response to the Indo-Pacific construct.

After all, Southeast Asia is at the centre of the Indo-Pacific and Malaysia the centre of Southeast Asia. As a country with two separate territories – the Peninsular Malaysia on the eastern edge of the Indian Ocean as well as Sabah and Sarawak on the western edge of the Pacific Ocean – the country sits in the middle of the two most dynamic ocean regions of the contemporary world. This *horizontal* centrality is further enhanced by Malaysia's *vertical* convergence. Malaysia is a maritime nation with continental roots. It is uniquely situated between the Asian continent to the north and its maritime neighbours to the south.

Malaysia's self-perception of geographical centrality is not new. Back in July 1965, two years after the formation of Malaysia (and eight years after the independence of Malaya), the new nation's first prime minister Tunku Abdul Rahman published an article in *Foreign Affairs* titled 'Malaysia: Key Area in Southeast Asia', noting that Malaysia is the only country that is both part of mainland Asia and at the same time part of the vast archipelago stretching westward from the Philippines and New Guinea to Sumatra. Thus Malaysia is not only a bridge between continental and island Asia but also the gateway between the China Sea and the Indian Ocean. By virtue of this position Malaysia is of vital importance to both Southeast Asia and the world.

Geography, accordingly, has been a prime basis for Malaysia's security outlook and regional activism. Working with neighbours from Southeast Asia and beyond, Malaysia under successive leaderships has actively initiated and institutionalised a number of regional proposals across diplomatic, development, and defence domains. Over time, these initiatives have shaped the institution-building and community-building processes in

Southeast Asia *as well as* wider East Asia, multilaterally, minilaterally, and bilaterally.

For some, it is these past innovative initiatives and cumulative activism at the regional and sub-regional levels that form the second rationale for Malaysia's potential role as a bridge or gateway between the Asia-Pacific and the Indian Ocean regions.

This envisaged (and resurrected) role connects the nation's *past* (the Malacca Sultanate's unique inter-regional centrality) with its *present* and *future*. During the Cold War, Malaysia played an instrumental role in promoting the earliest form of Southeast Asian regionalism, i.e. the Association of Southeast Asia (ASA) and the Malaysia-Philippines-Indonesia (Maphilindo). Although the two groupings were short-lived, they set the stage for the establishment of ASEAN in 1967 as the non-communist Southeast Asian states sought post-*Konfrontasi* reconciliation. Tun Dr. Ismail Abdul Rahman, the then acting foreign minister, envisaged in 1966 a 'regional association' embracing *all* Southeast Asian nations. Subsequently, in the wake of the declared intention of the Western powers to reduce their commitment in Southeast Asia, deputy prime minister Tun Razak and Dr. Ismail proposed the idea of the 'neutralisation of Southeast Asia'. The idea eventually resulted in the fundamental shift in Malaysia's external strategy from alliance to non-alignment, after Tun Razak assumed leadership in 1970. It also led to Malaysia-China normalisation in 1974, paving way for the other ASEAN member states to establish relations with China one after another over the period 1975-1991. These policy directions were continued by Razak's successors Tun Hussein Onn (1976-1981) and Mahathir, who worked with their

ASEAN counterparts in advancing national and regional interests in the face of the rapidly changing developments in Indochina and in great power relations.

During the post-Cold War era, Mahathir promoted initiatives that leveraged Malaysia's geographical centrality, bridging regions (including sub-regions), building shared interests (and communities), and binding countries together in institutionalised settings. The ASEAN Plus Three (APT) informal summit in Kuala Lumpur in 1997, which replaced the unsuccessful East Asian Economic Grouping (EAEG, later renamed East Asian Economic Caucus, EAEC) proposal, has been institutionalised as an ASEAN-led mechanism that serves to bridge Southeast Asia and Northeast Asia. It enabled the countries from both sub-regions to forge collective action to weather the East Asian financial crisis, deepening interdependence, and reshaping the discourse of 'East Asia' (once understood as Northeast Asia) to encompass both Northeast and Southeast Asia. Mahathir's 1995 proposals for the Singapore-Kunming Rail Link (SKRL) and the ASEAN Mekong Basin Development Cooperation (AMBDC) bridge the maritime Southeast Asian nations of Malaysia and Singapore with all mainland Southeast Asian countries and China, via building missing links and double-tracking railways with an eye to develop a Pan-Asian rail network that binds regional countries together. The annual SKRL Special Working Group (SWG) meeting, created in 1996, served to promote rail connectivity among seven ASEAN countries and China long before the term 'connectivity' entered into the lexicon of regional cooperation.

Malaysia's activism in bridging cooperation among countries across different regions was continued by Mahathir's successors Tun

Abdullah Ahmad Bawadi (2003-2009) and Najib Razak (2009-2018). Abdullah proposed in 2004 to host the inaugural East Asia Summit (EAS). The proposal materialised in 2005, when 16 countries (the 13 member countries of APT plus India, Australia, and New Zealand) gathered in Kuala Lumpur to kick start the EAS, an ASEAN-led mechanism that expanded to include the United States and Russia in 2010.

Of course, the institutionalisation of each of these institutions (including the creation of the ASEAN Defence Ministers Meeting [ADMM] in 2006) were the results of multi-player and multi-sector dynamics, however, Malaysia's activism – aided by its geographical centrality – has been instrumental and arguably catalytic. The same can be said for ASEAN-minus mechanisms in the development and security arenas. Examples include the 1993 Indonesia-Malaysia-Thailand Growth Triangle (IMT-GT); the 2004 Eyes in the Sky (EiS) initiative that expanded into the Malacca Straits Patrol (MSP); and the 2016 Trilateral Cooperative Arrangement (TCA). MSP and TCA are both minilateral security processes, on the edge of the Indian and Pacific oceans respectively.

All of the abovementioned initiatives, once regularised and institutionalised, serve to bridge, build, and bind, adding layers of cooperation to the regional architecture. These, in turn, have generated cumulative dividends for regional stability, security, and national development.

This is where the third rationale lies, leveraging Malaysia's geographical centrality and regional activism for wider connectivity-building between the two dynamic ocean regions and, simultaneously promoting the multi-ethnic country's domestic and developmental needs, especially in an environment of mounting uncertainty.

Speaking at a closed-door forum at the Center for Strategic and International Studies (CSIS) in Washington, DC in September 2019, the Home Minister Muhyiddin Yassin envisaged Malaysia playing a primary role in bridging the Pacific and the Indian Ocean regions. Such a role would involve building partnerships with countries in the two regions to spur domestic, regional, and global economic growth, and binding these nations through institutions that promote shared prosperity, shared security, and shared identity. The minister stressed that for global peace and security to be sustained, all nations had to acknowledge the importance of protecting the security of their neighbours and partners.

Malaysia's upcoming inaugural *Defence White Paper* describes the nation as a *bridging linchpin* between the Asia-Pacific and the Indian Ocean regions. Such a role underscores three core messages: (a) the principles of *non-alignment* (Malaysia is not siding with any power); (b) *inclusive cooperation* (Malaysia is open to collaborate with any country on the basis of realistic objectives and mutual benefit); and (c) *shared security* (security is sustainable only when security is shared, where the interests of nations are integrated through interdependence and identity-building).

Cheng-Chwee Kuik

Associate Professor and Head, Centre for Asian Studies, Institute of Malaysian and International Studies, National University of Malaysia (UKM)

Singapore: The blessedness of (not) making choices

William Choong

Speaking at the Shangri-La Dialogue in May 2019, Singapore Prime Minister Lee Hsien Loong called on China and the United States to reach a strategic accommodation amid their festering dispute over trade, technology and other issues. If the trade disputes are negotiated purely on their own merits, the two sides' negotiators would be able to resolve the impasse. If either side decides to use trade rules to 'keep the other down,' and the other side concludes that this is being done, the consequences will be 'very grave,' said Mr Lee.

While there is no 'strategic inevitability' about a Sino-US confrontation, such a face-off would be 'nothing like the Cold War,' he added. The crux of the Sino-US problem was the lack of strategic trust; he called on both sides to reach an accommodation, and at the same time, to get their domestic publics to accept it. The US, Mr Lee stressed, needed to forge a 'new understanding' that will integrate China's aspirations within the 'current system of rules and norms.' Both would need to work together to revise the world system.

The keynote by the Singapore premier was widely followed around the world, given the nature of the Sino-US impasse, and the need for smaller countries to adapt and evolve their policies amid the growing schism between China and the United States. Singapore's policy position is also worth watching, given that the island republic is a major strategic partner of the United States and a close economic partner of China.



September 26, 2019. Changi Naval Base, Singapore. US Navy Sailors and representatives of ASEAN member state maritime forces during the maritime exercise. Credit US Indo-Pacific Command / Flickr.

Things Fall Apart. The strategic conundrum mapped out by Mr Lee underscores a deeper malaise in the Asia-Pacific. To paraphrase W.B. Yeats, the regional order is falling apart. As Gideon Rachman, the Financial Times columnist, put it, America's military pre-eminence and diplomatic predictability can no longer be taken as a given; at the same time, China is no longer willing to accept a secondary role in the region's evolving security system.

The ructions in the Sino-US relationship have led some to predict that there would be a contemporary replay of the Thucydides Trap, whereby an upstart Athens was pre-empted by the resident power, Sparta.

Historical analogies are difficult to apply. To begin with, historians such as Arthur Waldron argue that no such trap exists in the Greek text of the History of the Peloponnesian War. For Sparta, pre-emption would have been an alien concept, but war was not. When Athenians forced their hand, Spartans ended up victorious. In addition, the more contemporary historical record does not attest to status quo powers challenging emerging powers. Russia, a long-

established power, did not try to pre-empt Japan in 1904. America did not strike out at rising Japan in 1941; neither France, Russia nor England against Germany in the 1930s.

Continuous Contestation. The low likelihood of a contemporary Thucydides Trap, however, does not mean that there would not be continuous contestation between China and the United States. One of the roots of the contestation arises from the fact that Washington refuses to cede primacy. Indeed, the new-fangled 'free and open' Indo-Pacific strategy – with the enshrined principles of freedom of navigation, respect for international law and maritime security – is seen by many as a euphemism for maintaining the US-led regional order.

China is not working to upend the US-led system, which has worked to its benefit, in particular in the areas of liberalisation of trade and global supply chains. One assessment is that China's proposal of an 'Asia for Asians' formulation is an indirect way of keeping the United States out of the region. Put differently, China's strategy is to weaken US alliances, erode American centrality in China's



May 31, 2019. IISS Shangri-La Dialogue. US Acting Secretary of Defense Patrick M. Shanahan hosts a multi-lateral meeting with Asian nations: Brunei, Cambodia, Indonesia, Malaysia, Myanmar, the Philippines, Singapore, Thailand, and Vietnam. Credit US DoD photo by Lisa Ferdinando.

periphery and eventually create a new regional order with China at the core.

One major focus of the contestation is ASEAN. The 10-nation grouping has the world's third-largest population (650 million) and a GDP of \$2.8 trillion, making it the world's fifth-largest economy. ASEAN is also behind a long list of multilateral entities that are critical to stability in the Indo-Pacific, including the ASEAN Regional Forum, the East Asia Summit and the ASEAN Defence Minister's Meeting (ADMM) Plus. To its credit, the US has courted ASEAN assiduously as an economic and strategic partner. The grouping ranks fourth, after Canada, Mexico and China as a goods export market for the US, and ranks as the top destination for American investment in the Indo-Pacific. According to a report by the East-West Center, ASEAN has to date received \$329 billion in American investment – more than US investment in China, India, Japan and South Korea combined. Given ASEAN's strategic geographical position between the Indian Ocean and the Pacific Ocean, the US has also engaged ASEAN in the military and security arenas. The US is part of all the above multilateral processes and has worked with ASEAN countries to boost their maritime security capabilities via the Southeast Asia Maritime Law Enforcement Initiative and the Indo-Pacific Maritime Security Initiative.

Despite America's heavy involvement in the region, the Trump Administration's approach to the region – in particular, its withdrawal from the Trans-Pacific Partnership and emphasis on bilateral trade deals at the expense of multilateral ones – has not inspired confidence. And while Washington has trotted out a \$113 million connectivity initiative, the challenge would be helping American businesses identify bankable projects and facilitating joint ventures between American companies and their regional counterparts.

While the military and security dimensions of the China-ASEAN relationship are still relatively underdeveloped, China has been quite successful at enveloping ASEAN into its economic sphere of influence. Bilateral trade hit \$600 billion in 2018, and in the first half of 2019 China became ASEAN's second-biggest trading partner overtaking the US for the first time since 1997. There is a China-ASEAN free trade agreement, and both sides are working on concluding the Regional Comprehensive Economic Partnership, which includes another six countries. While Beijing's Belt and Road Initiative has been criticised as a 'debt trap,' a recent study by the International Institute of Strategic Studies showed that Southeast Asian countries have generally responded to the BRI in a cautious but positive manner, with responses ranging from agreeing to some projects to seeking

better terms for projects, and in rare instances, termination.

China has also managed to gain leverage over ASEAN via what one scholar terms as a strategy of coercion-inducement. This has accentuated the power gap between China and ASEAN, and undermined Southeast Asian states' confidence in the grouping. According to Huong Le Thu, China's coercive behaviour hews to Thomas Schelling's observation that the threat of damage, or of more damage to come, can induce compliant behaviour.

China's positioning of the HYSY-981 oil rig 120 nautical miles off Vietnam's coast in May 2014 created a tangible threat of escalation to open confrontation and constituted the worst crisis since Beijing's occupation of Mischief Reef in 1995. During the incident, however, ASEAN largely remained reserved and referred to it as a 'current development in the South China Sea.' Similarly, at the 50th ASEAN Foreign Ministers Meeting in 2017, Southeast Asian leaders resisted highlighting China's militarisation of artificial islands in the South China Sea, despite their impact on regional stability.

The blessedness of (not) making a choice. China's growing economic prowess and its astute blend of coercion and inducement has led to many smaller countries in the Indo-Pacific to avoid stark choices in the ensuing geopolitical joust between China and the United States. In essence, individual countries in ASEAN have adopted an equidistant position between the US and China. Not surprisingly, ASEAN has shunned endorsing the US-led FOIP strategy in its entirety; rather, the grouping has noted that its approach to the Indo-Pacific would be inclusive and not aimed at any particular power (it is quite clear that the US-led FOIP has an element of balancing the rise of China). President Jokowi of Indonesia has stressed that ASEAN's

Indo-Pacific concept should turn ‘potential threats into cooperation,’ and ‘potential conflict into peace.’ In this sense, ASEAN, as it has always been, remains strategically non-aligned in the ensuing competition between China and the United States.

The limited nature of the US-ASEAN maritime exercise conducted in September 2019 is no surprise and simply highlights the grouping’s inclination to avoid sending the wrong signals to Beijing about Southeast Asian countries joining a US-led China-containment arrangement. Collin Koh, writing in the *South China Morning Post*, said that the US-ASEAN maritime exercise underscored ASEANs tendency toward inclusivity in any major power engagement. The inclination to have one’s cake and eat it at the same time – that is, depend on the United States for security guarantees, and on China for economic growth – has been replicated by other regional countries as well. Essentially, many of them have sought to avoid stark choices by holding on to a double hedge. They hedge against China’s rise by seeking American guarantees. But they also hedge against American decline or withdrawal by seeking Chinese economic opportunities.

Speaking in January 2019, Christopher Pyne, then defence minister of Australia, highlighted Australia’s role as being able to talk to both China and the US ‘openly and frankly.’ Said Mr Pyne: ‘We regard the US as our closest ally in the world, but we don’t believe we need to choose between security (US) and prosperity (China) ... sovereignty and prosperity don’t need to be linked in terms of their relationship with the great powers in the region.’ The double hedge is evident in Australia’s approach to China. China is Canberra’s top trading partner and major destination for Australian exports of iron ore and coal. Yet Australia has not shied away from passing legislation to limit the

influence of foreign (in particular, Chinese) actors in domestic politics, and Australian naval vessels were challenged by Chinese ships in the South China Sea in April 2019. The same applies to Japan, which has leveraged the FOIP strategy to balance the rise of China. Yet, Japan has sought to work with China on regional infrastructure projects under the Belt and Road Initiative.

Singapore and the narrowing plank. The festering geopolitical competition between China and the US has only increased the pressure on Singapore to ‘choose a side.’ As founding prime minister Lee Kuan Yew used to say, when elephants fight, the grass is trampled; yet, when the pachyderms make love, the grass also tends to suffer. In fact, Singapore’s current inclination not to take sides between the two major powers has a long history. Speaking to the *Asahi Shimbun* in 2010, Mr Lee Kuan Yew said Singapore had never sought to conscribe (zhìheng) China. Rather, Singapore sought to effect a balance (píngheng) in the Pacific, based on the presence of American power. To paraphrase Lord Palmerston, Singapore does not deem itself to have permanent friends in the US and China; it only pursues pro-US and pro-China policies when such policies are judged to be in the republic’s interests.

In 1978, the US Navy used Tengah Airbase for long-range flights over the Indian Ocean. After the US military was booted out of Philippine bases in the early 1990s, Singapore offered the US access to naval facilities at Changi Naval Base – a direct recognition that the US military presence is beneficial for regional stability. In September 2019, the US and Singapore renewed a 1990 memorandum of understanding which allows US military aircraft and naval vessels to use facilities on the island. The two countries signed a landmark free trade agreement in 2003 and

were partners in the Trans Pacific Partnership (until Trump withdrew the US from the pact). Singapore-US ties are so close, that one US official noted that the Philippines, a formal US ally, acts more like a partner, while Singapore is a partner that acts like an ally. At the same time, Sino-Singapore relations have never been better. Singapore is China’s top foreign investor, a firm supporter of the Asian Infrastructure Investment Bank and of the Belt and Road Initiative. The two governments have formed partnerships to develop three projects in China: Suzhou Industrial Park, the Chongqing Connectivity Initiative and Tianjin Eco-city.

Unsurprisingly, Singapore does not want to be caught in any countervailing coalition, led by the US or otherwise, against China. Speaking to the *Washington Post* in September 2019, Mr Lee Hsien Loong noted that US allies and partners are so ‘deeply enmeshed’ with China that forcing them to dissociate from Beijing would be a ‘challenging strategic stance to make’.

This does not mean that Singapore can avoid making a choice indefinitely. The renewal of the 1990 Singapore-US MOU could lead to China asking for formal access to Singapore facilities by Chinese warships. In a Taiwan Strait contingency, Singapore might be asked by the US to provide resupply and access to US naval ships going from the Persian Gulf toward the Strait. This would put the Republic in a quandary. As a US Navy admiral has described it more vividly – Singapore is walking on a narrowing tightrope between the two powers. In the meantime, however, kicking the can down the road makes strategic sense.

William Choong

Shangri-La Dialogue Senior Fellow in Asia-Pacific Security at the International Institute for Strategic Studies

Maritime security woes haunt the Philippines, but no pivot redux

Aileen San Pablo Baviera

Three years or midway into the Duterte administration's term of office, both internal and external security concerns remained prominent in the consciousness of Philippine officials and security experts. Regional security anxiety was particularly acute with respect to the immediate surrounding maritime areas of the Philippines: the disputed land features and waters of the South China Sea to the west, and the Sulu-Celebes Sea to the south and southwest of the country.

In relation to the South China Sea where the main concern for the Philippines has been China's expansive claim, developments in the last year point to potentially even greater difficulty in the future management of this longstanding issue. On the positive side, Manila and Beijing have regularly convened a bilateral consultative mechanism (BCM) that is exclusively intended for dialogue and consultation on issues arising from the SCS disputes.

ASEAN and China also continued to work towards the conclusion of a regional code of conduct, making incremental progress on a single draft negotiating text.

However, the incontrovertible facts remain: China has permanently impacted the geophysical as well as the security environment in Southeast Asia through its massive island construction and ensuing military build-up on some of these artificial islands since 2014. It maintains a constant presence near areas occupied by other claimant-states, mobilising both civilian and military vessels in assertions of sovereignty and effectively preventing some countries (not only the Philippines but also Vietnam and Malaysia) from undertaking resource exploitation in the disputed areas. China also continued to reject the 2016 PCA arbitration ruling that determined many of its actions to be illegal infringements of Philippine maritime rights under UNCLOS.

Not only were Chinese actions not being restrained by the ongoing diplomacy or international legal decisions, it appeared that in the context of a spiralling power competition with the United States (fuelled by trade and technology wars), and domestic power politics in China (where Xi Jinping is driving a deepening of centralised CCP control of his Party-state), the Chinese were becoming increasingly nationalistic, ambitious and assertive. Thus, both the BCM and the ASEAN-China negotiations which were intended to be proactive agenda-setters in shaping new directions for relations with China, may now run the risk of achieving little more than legitimising a new status quo in Southeast Asia that allows China's recent past behaviour to essentially go uncontested.

In the Philippines, developments in 2019 led to a more serious rethinking of the merits of President Rodrigo Duterte's 'pivot to China',



even within the administration. The most pronounced among these developments was an incident in June where a Chinese vessel collided with and destroyed an anchored Philippine fishing boat, tossing 22 fishermen into the sea then leaving them to their fate (luckily, a Vietnamese boat came to the rescue). This led to a spike in anti-China public opinion that the government in Manila could not ignore. The owner of the Chinese vessel subsequently apologised and some compensation was offered by a local fishing association in China, but these did not come until some months later in the run-up to Duterte's planned visit to China, when the Chinese government attempted to ease the tensions.

Throughout the year, there were also frequent reports of Chinese vessels navigating through and in Philippine waters, including several warships and the Liaoning (China's aircraft carrier) passing through Sibutu and Balabac straits in southern Philippines, where the Sulu and Celebes Seas intersect. Also reported were Chinese surveys being conducted within the Philippine EEZ without prior notification; the Chinese coast guard blocking a resupply mission to the Philippine navy outpost on Second Thomas Shoal; and a series of incidents (denounced as 'illegal' by the Philippines) in which about 600 ships swarmed Philippine-held Pag-Asa island (Thitu) and nearby Sandy Cay over a three month period. Even as these practices ratcheted tensions, talks with China on joint development of oil and gas resources in the contested Reed Bank proceeded apace and, as ASEAN's current country coordinator for dialogue with China, the Philippines reflected the importance ASEAN attached to the early conclusion of the ASEAN-China Code of Conduct in the South China Sea.

In stark contrast to China's energetic political-security posturing in the Philippines' neighbourhood, and despite frequent high-level official exchanges, China's support for the Philippines' ambitious infrastructure development program, branded as 'Build Build Build!', made very slow progress and seemed to have little impact on relations thus far. Questions therefore arose in the public mind about whether the much-touted rewards from closer economic ties with China would, indeed, be forthcoming and whether the Philippine move to downplay the arbitration ruling in exchange for Chinese loans and investments had been worth the enormous political cost.

However, even if Chinese enthusiasm for infrastructure cooperation may have been dampened by domestic economic woes aggravated by the trade war with the US and a visible slowdown in the roll-out of the Belt and Road Initiative, Manila remained hopeful that Duterte's gamble would pay off, at least for the Philippine economy. While individual security and foreign affairs officials and experts publicly criticised China, the top economic leaders and the president himself remained deferential in tone towards China and upbeat about the relationship.

On the security front, however, Manila was not taking any chances.

Major moves towards defence modernisation and capability building under Horizon 2 of the Armed Forces modernisation program (covering the years 2018-2023) in fact indicate a changing mindset in Manila; there is now a seriousness and urgency that was not there before. Horizon 2 aims to acquire more equipment specifically for external defence. Although threats to territorial integrity and criminality were the justifications cited for modernisation, there was also cognisance that 'the rise of new powers and the relative decline of the old' was causing geopolitical shifts and producing challenges to global order, according to one Presidential speech.

Consistent with Duterte's move toward an 'independent foreign policy' and diversification of security partners, new defence cooperation agreements are being signed or explored. These include agreements with Russia on naval cooperation, nuclear energy, and Russian support for light firearms manufacturing in the Philippines; purchases of radars, anti-tank weapons and UAVs from Israel; and an information sharing agreement on non-military shipping between the Indian Navy and the

May 14, 2019. South China Sea. The US Coast Guard Cutter *Bertholf* (WMSL 750), left, moves in formation with the Philippine Coast Guard vessels *Batangas*, centre, and *Kalanggaman* during an exercise. Credit US Pacific Fleet / Flickr.



Philippine Coast Guard, among others. An inaugural Philippines-Japan Defence Industry Forum was also held in 2019. The Philippines declared support for the amendment of Japan's Self Defense Forces Act that will allow Japan to export defence equipment, and Japan has started turning over excess defence equipment to the Philippines, albeit only spare parts for Huey helicopters thus far.

Aside from new cooperation agreements and procurement talks, the Philippines continued to strengthen training cooperation with traditional partners. Recent exercises with the US include air defence and ground threat reaction training, combined maritime operation exercises were held in the Sulu Sea with Australia, and multilateral amphibious landing exercises were conducted with both Japan and the US.

Concerns about the credibility of US defence commitments, even to longstanding allies like the Philippines, continued to be expressed. Defense Secretary Delfin Lorenzana called for a review of the decades-old Mutual Defense Treaty, saying that the vagueness of the treaty provisions could cause 'confusion and chaos during a crisis'. He was especially concerned about how the treaty will cope with China's so-called grey zone tactics.

Foreign Affairs Secretary Teodoro Locsin Jr. resisted these calls to review the agreement between Manila and Washington. 'In vagueness lies uncertainty — a deterrent. Specificity invites evasion and actions outside the MDT framework,' Locsin argued. The debate was not resolved but was somewhat mitigated by US Secretary of State Mike Pompeo's public reiteration in Manila of US assurances that any armed attack on Filipino forces in the South China Sea

would trigger activation of the Mutual Defense Treaty.

Duterte remained vocal and resentful of US and other countries' criticism of his human rights record pertaining to the war on drugs. Interestingly, however, during a visit to Russia he called the United States 'a close friend of the Philippines'. He likewise used the occasion of his Russia visit to affirm that the Philippines continued to uphold the values of freedom and liberalism, signalling that this visit to Russia did not at all signify a break from the West. This was in sharp contrast to his first visit to China in 2016 when he signalled the 'pivot to China' by announcing a 'separation' from the United States. On the trade war between China and the United States, Duterte explained at the ASEAN Summit in Thailand that the Philippines was not taking sides. The independent foreign policy stance was becoming less about a pivot to China and more about diversification of partnerships while strengthening defence capabilities in anticipation of continuing maritime security threats and challenges.

The other major regional security concern from a Philippine perspective is the spread of terrorism and violent extremism. Domestically, peace with the Moro Islamic Liberation Front (MILF) in Muslim Mindanao seems to have been finally brought within reach through the establishment of the Bangsamoro Autonomous Region. Of course, the government still faces immense governance challenges before it can ensure sustainable development and dependable security for this conflict-torn region.

One lesson the Philippines can draw from past experience is that failure to contain conflict within one's own borders creates spill over tensions and vulnerabilities in the country's relations with neighbouring states. This is evident not only in the huge

numbers of people originally from Mindanao who have settled in Sabah or North Borneo since the 1960s, but also in the Lahad Datu invasion by Sulu sultanate loyalists in 2013, and the more recent spate of kidnapping-for-ransom activities by the Abu Sayyaf and related groups victimising Malaysian, Indonesian and even Vietnamese nationals.

But the reverse is also true. The defeat of Islamic State/Daesh in the Middle East resulted in a spike in extremist influence and activity in Southeast Asia. Some fighters are feared to have returned to Indonesia, Malaysia and Singapore, while others sought to continue their jihadist struggle for a caliphate in places where governance has been traditionally weak, including in Muslim Mindanao. The five-month siege of the city of Marawi in 2017, led by the local ISIS-affiliated Maute group, demonstrated the fragile conditions in southern Philippines, as well as the capacity of extremists to wage urban warfare. Long steeped in counter-insurgency strategies waged in the Philippine countryside, the Armed Forces of the Philippines now faces the challenge of building the capacity to cope with armed conflict in major population centres, and working with like-minded states to break up the regional and transnational criminal networks that feed violent extremism.

Counter-terrorism cooperation between the Philippines, Malaysia and Indonesia has a long history but more recently, in 2016, it acquired a strong maritime dimension with the implementation of the Trilateral Cooperative Arrangement (TCA). TCA allows the three countries to conduct intelligence sharing, coordinated maritime patrols, and joint air missions over an area of common interest in the Sulu and Celebes (Sulawesi) Seas. A drastic decline in Abu Sayyaf kidnapping



April 5, 2019. South China Sea. Exercise Balikatan. USS Wasp (LHD 1), manoeuvres alongside the Philippine navy landing platform dock ship BRP Tarlac (LD 601) and offshore patrol vessel BRP Ramon Alcaraz (PS 16). US Navy photo Daniel Barker / Flickr.

incidents followed the signing of the agreement, mainly attributable not to the agreement per se but to more effective control and prevention of border movements unilaterally imposed by Philippine and Malaysian authorities in their respective areas of jurisdiction. Nonetheless, the scourge of terrorism can only be defeated through cooperation with neighbouring countries as well as other external actors who share this major global concern.

In sum, like many other countries in the region and the world, the Philippines is having to adjust to the new geopolitical realities of an assertive China, escalating contestation between the two biggest powers (and the country's major economic and security partners); and the still significant and evolving threat from violent extremist groups.

On each of these fronts, cooperation is needed to preserve regional security and stability. ASEAN, with its extended cooperation arrangements, potentially remains a major platform for the management of these security challenges. The Duterte government's promotion of a more diversified and omni-directional foreign policy – including preservation of traditional alliances – may be exactly what is needed to foster the agility that the huge uncertainties in the external environment seem to demand. Ultimately, however, the only reliable guarantee – whether of foreign policy autonomy, territorial integrity, or security against external armed threats and internal destabilising forces – is a government that takes the development of its defence and security capabilities seriously.

Aileen San Pablo Baviera

Professor, University of the Philippines & President, Asia Pacific Pathways to Progress

Trends and Trenches in the Indo-Pacific: A Southeast Asian View

Le Dinh Tinh



July 12, 2019. ADMM Plus. Vietnamese Minister of Defence General Ngo Xuan Lich talks with ASEAN Secretary General Lim Jock Hoi. Credit PAN.

ASEAN and Vietnam, as middle power entities, view the Indo-Pacific region with Southeast Asia at its very centre as having become one of the most outstanding areas of political, economic and strategic significance. This commentary argues that the increasingly complex external environment inclines regional countries toward more nuanced strategic planning processes including the propensity to both reduce dependency on major powers as well as build up internal capacities to adapt to change.

Looking at the big picture, there have been arguably five major trends shaping the regional security landscape in the last several years and into the foreseeable future. First, major power competition has become more acute with correspondingly major consequences, some unintended and unpredictable. Most notable is the increased Sino-US strategic competition. The cliché has long been that Sino-US relations are characterised by elements of both cooperation and competition. This has changed and, today, this relationship can be portrayed as follows:

1	2	3	4	5
Cooperation	Cooperation and competition	More Competition - Less cooperation	Rivalry	Adversary

The expanding competition between the two greatest economies on earth has reached level four of intensity. The two sides repeatedly say they are neither enemies nor adversaries. On the one hand, they no longer see each other as partners as they did in the Obama years. On the other, the term 'rivalry' means that, although competition now outweighs cooperation, compromise is by no means completely ruled out. The reason for possible (and desirable) cooperation is quite simple: common interests arising from economic interdependence and transboundary threats such as terrorism, proliferation of WMD, and cyber security. In terms of impact, the state of Sino-US rivalry serves as a foundational consideration for other nations across the region in framing their national security strategies.

Second, globalisation, once considered an inevitable and irreversible characteristic of the international system, has encountered questions, doubts and pushback. Free trade, a signature feature of globalisation, is no longer taken for granted. The World Trade Organization (WTO) has come under pressure as more questions have been raised about its capacity to craft new agreements and its ability to manage and resolve disputes. The United States under Trump, at best gives the WTO the benefit of the doubt, and at worst, wants to rewrite its rules. According to Trump's hard-line trade negotiator, Robert Lighthizer, various capitals in the region from Beijing to Seoul to Hanoi are facing a judgement day on US demands for free and fair reciprocal trade. The question of equitable trade is unfolding amid rising anti-globalisation movements sparked by widening

income gaps, social unfairness, and ultranationalism. The basic elements of globalisation such as the Internet and mobility of people are still there but now vie with the great digital firewalls and steel walls are being built in China and the United States respectively.

Third, the fourth industrial revolution, a favourite state-of-the-art catchphrase of both politicians and technocrats, is sweeping across the continents with new realities being born such as the internet of things, blockchain, big data, and artificial intelligence. Like most revolutions, however, it produces different impacts in different places. It appears more beneficial than detrimental for the more advanced nations of Japan, Australia and the Republic of Korea. Other catching up countries such as Malaysia and Singapore have mixed results whereas the smaller nations of Laos and Timor Leste face the risk of being stranded and falling further behind. Even if these less developed countries make sensible decisions it will take some time for them to join the tech club. Another serious issue emerging out of this revolution is the digital divide. This divide, which used to refer mostly to the technological gaps between nations, now also points to the technological curtain or decoupling, potentially separating nations into fragmented technomic eco-systems. Whether a country adopts the 5G capacities developed by Huawei or by a Western country will likely lead to unintended consequences, including geopolitical ones.

Fourth, the democratisation of international relations, once touted as a promising trend following the end of the Cold War, is now curbed by the return of power politics and even hegemonic tendencies. The United Nations Security Council presents a striking example. Where the divisions and stalemates once

happened mostly between the United States, Russia and China, today they seem to occur between any pair of countries. Notions of unity and a collective will to democratise international relations have turned into luxurious or idealistic concepts rather than common practice as the world travels back to the future. Adding to the veto-wielding P5 in the Security Council is as unlikely as is the empowerment of the elected ten (E10). One path to democratisation has been multilateralism. While the spirit of multilateralism has not died, many of its forms, such as multilateral institutions, are increasingly challenged by great powers promoting their own schemes such as the US Free and Open Indo-Pacific strategy and China's Belt and Road Initiative. For now these schemes pose questions rather than provide answers to the economic and security needs of impacted countries. The propensity of the major powers to prefer bilateralism and even unilateralism is growing stronger. Take the United States withdrawal from various multilateral commitments such as UNESCO and INF or China's continued denial of the tribunal award rulings in the case of the Philippines in 2016.

Fifth, both traditional and non-traditional contemporary security challenges require more, not less, national resources to tackle. No durable solutions are in sight for any of the regional security flash points such as the Korean peninsula, East China Sea, South China Sea, India-China border dispute, and cross Taiwan-strait relations. Cybercrimes cost the region billions of dollars every year. Water security issues in the Mekong river basin are inflicting more severe damage on downstream countries, namely Cambodia, Laos, Thailand, and Vietnam. Climate change is an escalating threat (according to the United Nations) while terrorism, extremism, and

ultranationalism keep posing serious threats to different places in the region.

All these trends put regional countries in the situation of being compelled to change and adjust their security strategies. This even applies to great powers. The United States under the Trump administration will continue to operationalise its Free and Open Indo-Pacific strategy whereas China pushes forward the Belt and Road Initiative. The notion that these great powers are on a collision course has been circulated in the policy communities of both countries. Rather than greater caution, however, we have seen the two sides toughen their positions and resort to measures hitherto unthinkable. For instance, the enormous tariffs they impose on each other have created economic risks not only on themselves but also other countries. Given the scale of this competition and other factors such as 'black swans', unpredictability in the international system increases despite the fact that we today have much more information and data and science than before. And because of the amplified unpredictability, regional countries opt for strategies that favour safe bets over risk-taking, or digging trenches rather than opening the gates.

Against this backdrop, risk avoidance and management strategies featuring hedging and omni-directional diplomacy have become more attractive. Hedging strategies are helpful in the sense that regional countries can promote their ties with both the United States and China without raising the eyebrows of either of them. A common observation is that many countries are doing their best to keep or to obtain security assurances from Washington while maximising their economic linkages with Beijing. But that pathway alone is no guarantee for regional countries to mitigate the adverse



September 4, 2019. Gulf of Thailand, AUMX. USS *Montgomery* (LCS 8), RSS *Tenacious* (71), UMS *Kyansittha* (F-12), BRP *Ramone Alcaraz* (PS16), KDB *Darulaman* (OPV-08), and Vietnam Corvette HQ-18. Credit US Indo-Pacific Command / Flickr.

effects of the Sino-US competition. What if the United States asks regional countries to step up security cooperation by, for example, allowing more warships to dock in each other's ports? Prime Minister Mohamed Mahathir of Malaysia has said he wants to see more commercial ships, not warships, sailing in the region. What if China offers more projects under its Belt and Road Initiative and addresses the major shortcomings identified in the modalities of project selection and implementation? As a result, regional countries have to combine a hedging strategy with omni-directional diplomacy. In order to avoid excessive dependence on either the United States or China, countries such as India, Japan, Korea, Australia, Indonesia, and Vietnam

step up cooperation with one another. This 'horizontal' cooperation is a way of lessening the pressure from major powers. In fact, these middle powers have a lot to offer each other. Vietnam-Korea bilateral trade, for instance, is expected to soon reach \$100 billion USD, a number that exceeds Vietnam's trade with Russia and many other European countries combined and even Vietnam's trade with the United States. Amid the tension between the United States and China over 5G networks, Vietnam opted for Ericsson as its pilot program in Ho Chi Minh City. At the same time, smaller nations such as Brunei and the Solomon Islands have fewer choices and are more likely to be forced to choose sides.

A discussion such as this must also examine how countries view the available multilateral mechanisms in the evolving regional security architecture. In this regard, there are at least three important points to consider. First, absent an overarching security arrangement that ensures peace and stability for the whole region, ASEAN aspires to enhance its role and centrality against the contingency that such an overarching arrangement begins to take shape. The East Asia Summit is still the only forum for leaders to discuss the strategic issues in play in the region. The Shanghai Cooperation Organization does not have the United States whereas the Quad does not include China. Second, in promoting its role, ASEAN must

address formidable challenges from the above-mentioned tension between the major powers. ASEAN centrality, as long argued by former Indonesian Foreign Minister Marty Natelagawa, must be earned. It has become increasingly difficult, for example, for ASEAN to reach consensus on the South China Sea issue. Third, in addition to ASEAN, the region also has other competing (and in some cases, complementary) multilateral arrangements such as APEC, SAARC, Shangri-La Dialogue, US-led mechanisms (FOIP, Quad, Lower Mekong Initiative, RIMPAC), and China-led mechanisms (BRI, AIIB, SCO, Xiangshan Forum). A new reality is dawning for ASEAN as it explores the interplay of these mechanisms, particularly whether points of intersection impede or support effective multilateral outcomes. In response to this outlook, ASEAN has recently adopted another set of principles called the ASEAN Outlook on the Indo-Pacific (AOIP) to help it navigate between major power rivalry. These principles are mainly adapted from the Treaty of Amity and Cooperation and other existing instruments for the purpose of giving ASEAN more flexibility and leeway in dealing with the major powers.

Regional governments are also trying to make sense of the implications of the intertwining of the proliferation of technology and the diffusion of power in their domestic political arenas. In the long run, despite inevitable resistance from conservative forces, representative democracy will have to give way to participatory democracy. In the most recent elections in the region, for example, in Indonesia or Thailand, the next generation (NextGen) has surged to political prominence, putting the 'old guard' on notice. An effective tool used by this generation is social media. Hundreds of millions of people in the region possess social media accounts and

express their views on topics that interest or concern them. During the stand-off between China and Vietnam in the waters surrounding Vanguard Bank in the South China Sea, one could easily see the strong reactions from Vietnamese Facebookers or Zalo (a locally developed platform) users.

The new capacity of domestic audiences to involve themselves in policy development and implementation, coupled with the turbulence of regional affairs is forcing regional governments to further streamline their decision-making processes. Good, or at least better, governance has turned into a compulsory requirement rather than just a policy aspiration. For example, when the Trump Administration imposed additional tariffs on Chinese goods and services, a number of businesses diverted their investment into third countries such as Malaysia and Vietnam. This, in turn, required Malaysia and Vietnam to improve their ability to absorb this redirected capital and to address quickly the other issues associated with making new businesses a reality. Quicker decision-making has become a new criterion in strategic planning.

In sum, the trends facing the region this year are not starkly different from the recent past. It is, however, noteworthy that some of the trends are getting sharper. One of those is the increased rivalry between the United States and China. Another is the swifter and wider impact that the fourth industrial revolution has on every walk of life. In terms of response, the countries other than the United States and China have stepped up cooperation and coordination among themselves to reduce their dependence on either of the major powers. ASEAN has been able to shield itself from the turbulence and to retain some perspective on where it is and where it needs to go. It remains the case,

however, that the challenges to the association become more acute with regard to the central role it wants to play in the construction of the regional security architecture. The major powers have shown more interest in promoting their own ways, the impact of which is different from one country to the other. Whether for ASEAN as a whole or individual members such as Vietnam, the need for independent strategic thinking and planning can be expected to grow stronger into the indefinite future.

Le Dinh Tinh

*PhD, Acting Director General, Institute for Foreign Policy and Strategic Studies
Diplomatic Academy of Vietnam*

A Security Outlook from New Zealand

B.K. Greener

The Sino-US relationship continues to constitute the main geopolitical interest for New Zealand security commentators. When this key bilateral relationship falters further, evidenced by the increasing uncoupling of their economies and the public castigations of China delivered in October by Scott. P. Brown, the US Ambassador to New Zealand, New Zealand pundits grow increasingly anxious. Interestingly, in response to such tensions, those pundits still often view the ASEAN-based regional architecture as an important option for managing security in the region, even in the face of unprecedented uptake of the US-driven concept of the Indo-Pacific. In addition to this enduring geopolitical focus, however, other security concerns – particularly humanitarian aid and disaster relief (HADR) due to climate change, an increased interest in the women peace and security (WPS) agenda, the need to tackle right wing extremism (RWE), and emergent information domain issues – are increasingly important security considerations.

Much security commentary in New Zealand focuses on the Sino-US relationship or on the rise of China. The 2018 Strategic Defence Policy Statement (the 'Statement') had signalled a more outspoken approach to talking about China in the region. The Statement noted that defence relations with China have strengthened, and that China has upheld much of the rules-based order but also that China sought to increase engagement through an alternative model of development, a model devoid of liberal democratic values. Direct mention was also made of China having 'views on human rights and freedom of information that stand in contrast to those that prevail in

New Zealand', significant words for a government that continues to emphasise a values-based foreign policy approach.

Concerns about China's role have been further embellished in 2019. In May, accusations by Professor Anne-Marie Brady from the University of Canterbury that the Chinese Communist Party (CCP) is actively pursuing United Front Work inside New Zealand were laid before the Justice Select Committee Inquiry into Foreign Interference. In September, an investigative report asserted that the Chinese NZHerald was effectively controlled by the CCP. Clashes between pro-Hong Kong and pro-Beijing sympathisers in Auckland that same month similarly increased apprehension about Beijing's intentions in the region and at home.

Despite rising sensitivities, however, New Zealand authorities have continued to seek opportunities for positive engagement. In June 2019, Minister of Defence Ron Mark signed a new Memorandum of Arrangement Concerning Defence Cooperation with China's Minister of National Defence, General Wei Fenghe. The MoA recognised an intention to maintain dialogue, to build understanding and to promote positive links, noting a strength of relationships in humanitarian assistance and disaster relief and international peace cooperation activities. This sentiment was then reinforced by substantive Chinese engagement in the NZDF's table-top Exercise (TTX) Cooperative Spirit held in Auckland in late August 2019. Focusing on HADR and WPS, the TTX provided a safe space for defence diplomacy between New Zealand and China as well as other invited actors.

In the same month as signing the MoA, Defence Minister Ron Mark spoke at the Shangri La dialogue about the importance of other key security relationships. Here he asserted that 'Supporting and continuing to strengthen ASEAN is vital to promoting regional resilience, and the ADMM-Plus remains New Zealand's principal forum for multilateral defence engagement in Asia'. The Ministry of Foreign Affairs' Strategic Intentions (2019-2023) document also outlines a substantial range of initiatives relevant to ASEAN partners. These include: a counter-terrorism engagement strategy for South East Asia (2019-2022); implementing the Singapore Enhanced Partnership; and developing cyber-security capacity building in South East Asia (and in the Pacific). Notably, the document also suggests that MFAT will continue to develop relationships in South East Asia and South Asia to enhance New Zealand's capacity to prevent mass maritime arrivals – a venture (controversially) allocated \$25million in the 2019 Budget.

ASEAN thus remains predominant in New Zealand's official security narrative, even with increased recognition of the US Indo-Pacific strategy. International commentators noticed that the Defence Minister's speech at Shangri La both mentioned the phrase Indo-Pacific and stressed an enduring emphasis on ASEAN – moving away from his previously exclusive emphasis on the 'Asia Pacific'. New Zealand is therefore also, in some ways, clearly demonstrating its alignment with the US and other members of the 'Five Eyes' intelligence grouping (UK, Australia and Canada).



September 23, 2019. New York City. President Donald J. Trump participates in a pull-aside with New Zealand Prime Minister Jacinda Ardern. Credit Shealah Craighead, White House / Flickr.

Indeed, although at times touted as ‘anti-Trump’, Prime Minister Jacinda Ardern’s meeting with President Trump in late September 2019 was remarkably unremarkable. Track 1 and Track 1 ½ diplomatic discussions with the US have been pursued with vigour over the last two years. Official foreign policy statements and academic commentary continue to emphasise the need to ensure that the US remains engaged in the region. This is despite deep concern about a number of President Trump’s foreign policy priorities, such as his stance on climate change and trade, and is reflective of a longer-term perspective.

Parallel to this ongoing engagement with the US, New Zealand’s most important bilateral relationship with

Australia has also been carefully tended. Despite some concerns about Australia’s treatment of New Zealand citizens, its deportation and refugee incarceration policies, and its current stance on climate change, it is clear from all official documents and from popular commentary that the defence and security relationship with Australia remains paramount. Recent decisions to purchase particular platforms, for example, were clearly made in close consultation with Australian counterparts.

Significant new acquisitions announced in 2018-19 included replacements for the P-3 Orions (with a smaller number of P-8 Poseidon aircraft) and the C-130 Hercules (with the Super Hercules named as the

preferred option). It is noteworthy that such purchases clearly enable continued interoperability with Australia and the US. In terms of other prospective purchases, the navy is likely to receive a new Landing Platform Dock vessel with greater cargo capacity and the ability to function in harsher sea-state situations to complement existing frigate, offshore and inshore patrol vessels as well as dovetailing in with partner capabilities.

A spectre was raised this year, however, when both of New Zealand’s two frigates, Te Mana and Te Kaha, were out of service whilst being refitted. This prompted Professor Rob Ayson, a frequent commentator on defence matters from Victoria



April 2, 2019. Beijing. Chinese President Xi Jinping and Prime Minister Jacinda Ardern shake hands before their meeting at the Great Hall of the People. Credit AP.

University, to suggest both that this was convenient timing (as New Zealand might have been asked to support US interests in the Persian Gulf, a request which would have been unpopular with much of the New Zealand public), and to ask a rhetorical question about whether or not these frigates may be the last of their kind to serve in New Zealand's navy. This latter comment earned a retort from Euan Graham, an Australian-based commentator, who suggested that New Zealand must only be considering not replacing the frigates because New Zealand is no longer 'doing strategy'. Arguably, however, New Zealand is reconceptualising 'strategy' as not just encompassing geopolitics but rather recognising that likely futures necessitate the ability to conceive of a broader spectrum of diverse threats within that rubric.

Firstly, aside from maintaining interoperability with traditional partners, in an era of increasing frequency of natural disasters, New Zealand authorities are concerned about needing to respond concurrently to more than one event. This is clearly outlined in the Defence Capability Plan 2019 (DCP19). The announcement that

the number of army personnel is to be increased from 4,500 to 6,000 reflects these concerns. The potential purchase of an ice-strengthened patrol vessel also both reflects New Zealand's increasing concerns about protecting Antarctic interests (already evidenced by the earlier decision to purchase a new RoK-built vessel, the HMNZS *Aotearoa*), and frees up other capabilities to offer support at home or in the Pacific. Strong concerns about rising HADR demands are noted in numerous government documents, such as the 2018 Statement and the DCP19 as well as a specific 2018 Climate Crisis: Defence Readiness and Response report, and in more popular commentary.

There is also an increased awareness of the diversity of problems that can emerge in such situations. Interest in the WPS agenda has also increased in 2019, as evidenced by the TTX noted above. WPS requires recognition of the complexity of contemporary security challenges, particularly in the Pacific region where human security concerns are prevalent. Hence, the joint New Zealand-Samoa hosting of a regional Pacific WPS Summit in August 2019, and the concomitant launching of

a Pacific Defence Gender Network with much reference to the need to ensure meaningful participation of Pacific women at all levels in security matters, is an important development. In mid-2019, New Zealand also launched Operation Resolute Support in Afghanistan, the first international mission to explicitly reference New Zealand's commitments to the WPS agenda. Increased uptake of the WPS agenda is an important addition to a more comprehensive approach to security, as is an increased awareness of the threats posed by violent extremism, particularly right wing extremism (RWE).

New Zealand suffered a horrific terrorist attack on March 15, 2019. Fifty-one people died and many more were injured in white supremacy-motivated shootings at the Al Noor Mosque and the Linwood Islamic Centre in Christchurch. Prime Minister Jacinda Ardern called this one of New Zealand's 'darkest days'. The event resulted in the passing of a new Arms Amendment Act (2019) in April aimed at prohibiting semi-automatic style weapons and a subsequent government buy-back scheme targeted at removing such military-grade firearms and their relevant ammunition from circulation. A Royal Commission of Inquiry was initiated to investigate what security and intelligence agencies knew or could or should have known, whilst in October new Police Armed Response Teams (ARTs) were also being trialled in three locations (controversially, as New Zealand Police have traditionally been unarmed).

This event highlighted the under-recognised threat of violence from RWE, emphasised the unregulated nature of online interaction as well as bringing into focus the relationship between virtual threats and potential events in real life. The perpetrator had disseminated a manifesto via

social media and then live streamed the event on Facebook Live. On 15 May, Prime Minister Jacinda Ardern and French President Emmanuel Macron therefore brought together a group of world leaders and major tech companies in Paris to adopt the 'Christchurch Call'. The idea was that countries, companies and organisations supporting the Call would commit to a set of collective actions to help eliminate terrorist and violent extremist content online. The Global Internet Forum to Counter Terrorism (GIFCT), created in 2017 by Facebook, Microsoft, Twitter, YouTube, and initially chaired by Google, also declared that it would become an independent organisation with an executive director, supported by dedicated technology, counterterrorism and operations teams. Although such companies were criticised for not releasing data after a shooting on 9 October in Halle, Germany, it is notable that Facebook has scheduled meetings in New Zealand in November to assess options for handling harmful content online.

Such non-traditional security measures will be increasingly important in managing potential threats in future years. This is recognised in formal and military terms by the DCP19 which introduces an entirely new 'Information Domain' within the NZDF to stand alongside the traditional arms of maritime, land and air. As in many other parts of the world, this is reflective of a new emphasis on the need to engage in new or resurgent security realms, those of cyber and space. Moreover, in an era of complexity, New Zealand authorities are clearly seeking to more actively engage state and non-state actors to help bolster national, regional and global security.

These impulses have also encouraged a revitalisation of New Zealand's broader diplomatic presence. The

Pacific Reset is now well underway, with a new Ministry of Defence policy on Advancing Pacific Partnerships launched in late October among its most recent manifestations. Diplomatic posts in Stockholm and Dublin are also to be opened, new architecture with a post-Brexit United Kingdom is being refashioned, and Japan, Germany, India and Indonesia are receiving additional attention. New Zealand's aid budget has been boosted by an additional \$842 million over five years, and much hope is being placed in the new trade avenues, particularly in Japanese markets, being forged under the new Comprehensive and Progressive Trans-Pacific Partnership that came into force at the end of 2018.

In the current environment, New Zealand commentators emphasise an increasingly challenging geopolitical situation overlaying a region beset by a range of non-traditional security issues. The recent emphasis from New Zealand security authorities has therefore focused on the need to prioritise flexibility, adaptability and the ability to respond to concurrent events.

B.K Greener

Politics, Massey University, New Zealand

Myanmar's National Security Challenges

Zeyar Oo



Rohingya Refugees. Rohingya children watching an awareness film about health and sanitation near Tangkhali refugee camp in Ukhiya. Credit InnoEnergy / Flickr.

Since regaining its independence in 1948, Myanmar has endured essentially constant internal armed conflict. Despite being resource rich, these stresses, compounded by the missteps of successive administrations, have led the country to fall into a deep chasm of political and ethnic disunity and for its development to lag behind other countries in the region. Additionally, despite its strategic location – Myanmar constitutes the bridge between South Asia and South East Asia and abuts both China and India – Myanmar's internal difficulties have

left little scope to leverage its location.

The current political context in Myanmar is extremely complex with numerous key actors generating competing and complicated dynamics that constitute a weak and unstable foundation for effective governance. The persistent reality of internal armed conflict and the associated weakening of the country's economic, social and political infrastructure have constituted a long-term challenge to national security. Equally, of course, because it occupies a geopolitically strategic space, Myanmar's fragile security

circumstances will inevitably impact its neighbours as well.

In broad terms, Myanmar's national security infrastructure has been shaped by four main factors: politics, economics, social issues, and diplomatic relations. This analysis confirms that Myanmar's complex and stressful domestic circumstances also profoundly complicate its national security outlook. Myanmar currently faces a wide range of pressing issues, including: internal armed conflicts between the Myanmar Armed Forces (the Tatmataw) and Ethnic Armed Organisations (EAOs); the

peace building process among the Government, the Tatmataw and EAOs; the ongoing Rakhine crisis; constitutional contention between the Government and the Tatmataw; nationalistic sentiments and religious tensions; economic hardships; the potential spread of terrorism and violent extremism, natural disasters and climate change; the prevalence of illegal drugs and narcotics especially along the border areas; daunting inadequacies in the education and health sectors; and contentious diplomatic relations with some neighbouring countries.

The ongoing civil conflicts have been the primary root cause of Myanmar's current political difficulties and a major hindrance to establishing a peaceful and prosperous nation. There are over twenty EAOs in Myanmar, a larger number than any other state has had to deal with. The emergence of these EAOs is a legacy of the 'divide and conquer' strategy from the colonial era that left deep ethnic sentiments of discrimination and segregation. The current National League for Democracy (NLD)-led government has been making strenuous effort to halt these internal conflicts and put the nation on a path of peace and national reconciliation. At the present time, there is a discouraging impasse in the peace dialogue led by the Union Peace Dialogue Joint Committee (UPDJC) and the next round of the 21st Century Peace Conference has also been delayed.

It is believed that the dogmatism of some parties in the peace dialogue has damaged mutual trust and confidence, resulting in a political stalemate. Despite the Tatmataw's offer to extend its unilateral ceasefire, continued fighting in Rakhine State and some northern areas indicates that a dependable peace in Myanmar may still be a long way off. The Tatmataw and the EAOs, as the main

actors in Myanmar's peace process, need to see diversity as a reality and potential strength and continue building peace within and beyond the Nationwide Ceasefire Agreement (NCA) framework.

In recent years, the Rakhine crisis has become a flashpoint drawing global attention and threatening national security. Four major issues in the Rakhine crisis remain unresolved. First, the delays in the repatriation of refugees currently in Bangladesh's refugee camps. Second, the Arakan Rohingya Salvation Army (ARSA) and its radicalisation of vulnerable refugees. Third, the severity of socio-economic underdevelopment in Rakhine State. Fourth, the ongoing fighting between the Tatmataw and the Arakan Army (AA), an armed ethnic group in northern Rakhine State.

In response to the coordinated attacks on 24 police outposts launched by ARSA in August 2017, Myanmar security forces conducted an area clearance operation resulting in the exodus of over 700,000 refugees to Bangladesh. The delay in the repatriation process not only puts further pressure on Myanmar, but also creates both national and regional security concerns due to the possibility of recruitment of vulnerable refugees by terrorist groups. Rather than simply pressuring Myanmar, the international community should support Myanmar's efforts in repatriating the refugees to mitigate such security threats. In the absence of any proper action, the possibility of radicalisation of vulnerable refugees by extremists remains. Equally, however, Myanmar should recognise that the emergence of the AA in 2009 and its ongoing success in new recruitment could have been triggered by the following factors: the government's neglect of local Rakhine sentiments concerning the state's

affairs; the government's exclusion of Rakhine stakeholders from its decision making processes; and the government's failure to consult and coordinate with the Rakhine people in general, in determining economic priorities in their home state.

In view of the ongoing peace process, the Tatmataw and the AA should refrain from continuous fighting and consider further engagements for peace through informal channels, including avenues for dialogue. The latter should put an end to its aspirations for a confederation, an unlikely and unacceptable demand, and instead consider formally joining the other EAOs in pursuing a political solution. A proper designation for the AA as an armed group should also be considered by the government and the Tatmataw as another option to stop the escalation of fighting in Rakhine State.

There are also rising concerns among the international community on the risk of exploitation of the vulnerable refugees by terrorist organisations seeking to radicalise them, especially if the repatriation process is delayed further. These concerns have been fuelled by major recent terrorist events in the wider region, notably Marawi in the Philippines in 2017 and the deadly church bombings in Sri Lanka in 2019. With this in mind Myanmar should develop a comprehensive national plan for countering terrorism and violent extremism. Recognising its resource constraints and limited experience in dealing with jihadist terrorist threats, Myanmar should focus on the promotion of its engagement with regional partners through bilateral and multilateral mechanisms such as the ASEAN Defence Ministers' Meeting Plus (ADMM-Plus), the ASEAN Regional Forum (ARF) and the East Asia Summit (EAS). In a promising initiative, the Tatmataw will co-chair with Russia the ADMM-



August 9, 2019. Nay Pyi Taw, Myanmar. Pacific Disaster Center final workshop. Credit Pacific Disaster Center / Flickr.

Plus Expert Working Groups (EWGs) on Counter Terrorism for the period 2020-2023.

Myanmar's 2008 constitution grants significant power to the Tatmataw. This has resulted in a rather tenuous power-sharing arrangement between the military and the democratically elected NLD government, with the latter having practically no control over the state security apparatus. Coupled with the growing political tension between these political entities stemming from attempts at amending the military drafted constitution, the country's defence and security affairs have suffered from a lack of unity and coordination at the leadership level.

Myanmar is home to a range of diverse peoples with different cultures, traditions and religions, which can be practiced freely according to the 2008 Constitution. However, in recent years, social unrest and religious conflict due to nationalist sentiments have become more frequent in Myanmar's communities and have gradually become a political issue threatening its national security. Contemporary social networks provide scope for political opportunists to fuel nationalist sentiments for political gain. The government and

stakeholders such as religious and community leaders will have to step up their efforts to prevent further incidents of socio-religious unrest and conflict.

Like other countries in the region, Myanmar is disaster-prone and has been increasingly affected by natural disasters. This has become an important avenue of regional cooperation, with Myanmar working with regional countries through ASEAN platforms such as ASEAN Coordination Centre for Humanitarian Assistance on Disaster Management (AHA Centre) and ASEAN Agreement on Disaster Management and Emergency Response (AADMER). Since the military is a key institution in disaster response and relief, the Tatmataw plays a critical role when natural disasters strike. The lack of coordination between the Tatmataw, the responsible civilian agencies and the local communities, however, has more often than not, created unnecessary delays and problems.

The production and distribution of narcotics in Myanmar also creates a challenge, given the weak enforcement of rules and regulations in Myanmar. Narcotic drugs and opium are mainly cultivated and produced in EAO controlled areas

and constitute a significant source of financing for their organisations and their militias. Preventing the spread of narcotic drugs is an urgent and important task for the incumbent administration, as it is a deeply rooted problem in Myanmar. The government continues its strenuous efforts at narcotics eradication, including nationwide crackdowns on producers and distributors, yet drug production and subsequent trafficking continues to rise. Without the participation of the EAOs, even large-scale anti-narcotics operations will have little effect on production and trafficking. The continuation of armed conflict enables drug lords to maximise the production and distribution of drugs and challenges both national and human security.

The violence and instability that has been endemic to Myanmar since independence has inescapably also had drastic consequences for the nation's capacities in the fields of education and health. These factors, which cannot be further developed in this brief comment, also weigh heavily in any assessment of national security.

In the sphere of international relations, Myanmar continues to place importance on its diplomatic relations with neighbouring countries.

The relationship with China in particular is vital. Myanmar shares its longest border with China, which is the country's biggest trading partner and investor and a strategic partner who has traditionally supported and defended Myanmar in the face of international pressure, especially from the United Nations and Western countries (particularly the United States). China also possesses considerable influence over the EAOs residing along Myanmar's borders and plays a critical role in the nationwide peace process. Myanmar's relationship with China has always been a priority for successive governments including the Tatmataw. Despite the continued suspension of the mega-dam project in conflict-prone Kachin State, newly ambivalent public sentiment towards China and the incumbent government's favourable relations with the West, Myanmar's highly asymmetric bilateral relationship with China remains strong. China, of course, exercises the influence it has on Myanmar politics in pursuit of its own strategic interests but it remains the case that any erosion of Chinese interests will have significant consequences within Myanmar.



Nay Pyi Taw with Uppatasanti Pagoda in the background. Credit m.n.81/ Flickr.

In recent years, cooperation between Myanmar and India has significantly increased in all sectors and at various levels. While China is establishing Special Economic Zones, including the Kyaukphyu deep seaport, accessible to Indian Ocean as part of the Belt and Road Initiative, India is implementing the Kalatan Multi-Modal Transit Transport Project connecting by sea the eastern Indian seaport of Kolkata with the Sittwe seaport in Myanmar, as part of its Act East Policy. These activities reflect the opportunities that flow from Myanmar's geostrategic location while also illustrating the vigilance it must exercise in dealing with these rising powers. Myanmar has long maintained a foreign policy principle of non-alignment and neutrality. This has been effective in preventing the country from getting entangled in great power rivalries but sustaining this posture can be expected to become even more challenging in the future.

As a consequence of the Rakhine crisis, Myanmar's most immediate and acute foreign policy challenge is to manage its relationship with Bangladesh. Both countries have harshly accused the other of lacking the political will to carry out the requirements for the repatriation of refugees. Myanmar and Bangladesh signed an agreement on repatriation as far back as November 2017. Yet its implementation has been hampered by ongoing delays. Bangladesh is politically benefitting from the situation, praised as a humanitarian country by the international community, while Myanmar's national image continues to be damaged by biased-Western media and undue international pressure despite its utmost efforts to proceed with repatriation. From a security perspective, Bangladesh's energetic lobbying for international diplomatic support in the face of Myanmar's Rakhine crisis will further impact

a smooth implementation of the repatriation process, whether it is bilateral or assisted by the concerned UN agencies. Consequently, the situation is likely to result in a growing distance and more misunderstanding between the two countries, leading to further delays in the repatriation process that may heighten the security risk to the region, as well as to the two neighbours.

Observing all the aforementioned factors, Myanmar's national security has been challenged directly and indirectly by its complex and complicated political environment and compounded by ongoing armed conflict, an impasse in the peace process, the Rakhine crisis, constitutional contention, socio-religious tension, and diplomatic relations with its neighbour. As these issues are intertwined and interconnected, the government must be tactful and forward-looking in addressing each of them. Avoiding misunderstanding, mistrust, misinterpretation, misconception and mistreatment (the so-called 5Ms guideline for policy development and implementation) constitutes sound advice for the future of Myanmar.

Zeyar Oo

*Adviser, Defence and Security, Myanmar
Institute of Strategic and International
Studies*

Water Security in the Mekong Region and Policy Interventions

Chheang Vannarith

The Mekong region is an emerging growth centre as well as a strategic frontier in the Indo-Pacific due to the dynamic involvement of major powers. The geopolitics of resource management and security, especially transboundary water resources, is becoming more complex. The Mekong River is in danger. Unsustainable and unfair management of transboundary water resources and weak regional institutions are the key geopolitical political risks facing the Mekong region. The rapid construction of hydropower dams along the mainstream of the Mekong River is drastically changing the ecological, geopolitical and socio-economic landscape of the Mekong region. The existing regional institutions, including the Mekong River Commission, are failing to provide holistic and effective solutions to the emerging security threats stemming from the mismanagement of these water resources. This paper contends that the outlook for Mekong River management is quite bleak and proposes several policy interventions to address the water security issue.

Hydropower Dams. The Mekong River is the world's 12th longest river. In terms of biodiversity it is second only to the Amazon River, and it supports Tonle Sap Lake, the world's largest freshwater fishery. The river runs across six countries, provides critical resources sustaining the livelihood and food security of more than 60 million people (Chinese, Burmese, Laotian, Thai, Cambodian, and Vietnamese). The mismanagement of this transboundary water resource and other related resources has been a source of escalating tension among the riparian states and communities as its economic and strategic value continues to rise.



August 21, 2019. 17th Meeting of the Vietnam – Cambodia Joint Commission on economic, cultural, scientific and technological cooperation held in Phnom Penh, Cambodia. Co-chaired by Vietnamese Deputy Prime Minister Pham Binh Minh and Cambodian Deputy Prime Minister Prak Sokhonn. Credit Tran Thua.

Growing demands for energy and revenues are driving riparian countries to pursue policies that threaten regional food security and stability. The race to build hydropower dams is having colossal impacts on the ecology, fishery sector, sediment flows, and food security. Eleven new dam projects on the main stem of the river have been planned. A number of studies have confirmed that, in the absence of transboundary impact assessment and coordinated planning, these projects have the potential to result in a water and food security crisis.

Water Resource Security. Many factors are driving up the demand for water, including population growth, urbanisation, industrialisation, intensive agriculture development, and energy demand. The complexity and interdependence of the issues and interests associated with a resource such as the Mekong River

have been plain for a long time but resource nationalism and geopolitical competition have diluted sensible responses and allowed risks to escalate.

Among the responses to these evolving circumstances was a Council for Security Cooperation in the Asia Pacific (CSCAP) working group on water security established in 2011. The resulting CSCAP Memorandum of January 2014 stressed that security of water resources was critical to regional security and that water-related disputes could damage regional cooperation and integration. It suggested that regional governments subscribe to the principles of international law on water usage and management, adopt a 'holistic, multi-sectored and integrated approach' to addressing water security, and embrace preventive diplomacy measures in order to avert water disputes.

Any examination of water resource management in the Mekong region will expose the lack of strategic trust – seen in the limited transparency and reluctance to share information – among the riparian countries. Distrust remains a key constraint in promoting regional cooperation and developing regional solutions. Lack of political trust leads to tensions and conflicts. In addition, the region does not have effective mechanisms and institutional capacities to prevent or mitigate resource-driven tensions.

Water resource security in the Mekong region is inescapably of direct relevance to ASEAN. The resource-driven conflicts in the Mekong region will harm cooperative and friendly relations among countries in the region and impact directly on ASEANs ongoing community-building aspirations.

Policy Interventions. To address emerging issues deriving from the unsustainable ‘management’ of the Mekong River, a holistic approach grounded in connectivity needs to be developed and implemented.

Connecting Knowledge. Transparency and the institutionalised sharing of data and expertise is fundamental to building trust and confidence and to supporting informed policy decisions. Data sharing, especially in the dry season, is crucial for equitable water resources management, including the development of an early warning capacity to assist in managing natural disasters such as flood and drought.

Exchanges of experts and engineers among the countries sharing the Mekong River needs to be promoted and further improved. Upper and Lower Mekong countries need to create an open channel of information sharing.

Data management, including data collection, storage, and analysis, is vital to effective management of the

water resources. ASEAN should work closely with the MRC in creating knowledge systems on integrated water resources management as this is of great importance to the management and prevention of resource-driven conflicts.

Connecting Security Issues. Water, energy, and food security are intrinsically connected. As economies develop, competition across sectors – for example, the food and energy sectors – using water will intensify. Demand for water, food and energy in the Mekong region is on the rise, while economic disparities incentivise short-term responses in production and consumption that undermine long-term sustainability. Shortages of those resources could cause social and political instability, geopolitical conflict and irreparable environmental damage.

To promote sustainable management of the water resources, development projects in the Mekong Basin, especially hydropower dams, must have scientific, cross-boundary impact assessment studies. These studies should include an environmental assessment that deals with identifying, predicting, evaluating, and mitigating the biophysical, social, and other relevant effects of proposed projects and physical activities, prior to major decisions and commitments being made, and a social impact assessment concerned with estimating the social consequences of specific policy and government proposals.

Connecting Stakeholders. Multi-stakeholder dialogue helps reconcile different interests and reach consensus solutions. A multi-stakeholder approach is a process of trust building and collaboration between the actors. The process needs to ensure that different stakeholders have the opportunity to articulate their concerns and the views of the actors are heard and integrated

into solutions that benefit everyone. The statement from the 3rd MRC Summit in April 2018 captured this objective as follows: ‘transboundary cooperation and coordination among riparian countries and the open and meaningful involvement of all stakeholders are essential to minimise the negative impacts and optimise the benefits of water infrastructure and other economic development projects’.

Connecting ASEAN with the MRC. ASEAN has two mechanisms to support the less developed economies in the Mekong region, namely the ASEAN-Mekong Basin Development Cooperation (AMBDC) and the Initiative for ASEAN Integration (IAI) which is concerned with development and poverty reduction through investing in infrastructure development, agriculture, human resources, and energy. The initiatives also aim to protect the environment and promote tourism, trade, and investment. However, these initiatives lack synergies and coordination with the MRC.

The ASEAN vision 2025 does not have a clear policy on water security, except some policies relating to the development of ‘resilience to climate change, natural disasters and other shocks’, the improvement of ‘national and regional mechanisms that address food and energy security issues’, and the enhancement of policy coordination and capacity to ‘conserve, develop and sustainably manage marine, wetlands, peatlands, biodiversity, and land and water resources’. ASEAN should include water security in its community vision and raise the profile of water security in the political security agenda of ASEAN and its member states. Institutional connectivity between ASEAN and MRC needs to be enhanced in order to generate better policies through multi-stakeholder dialogue and greater coordination.



November 7, 2019. MRC's 8th Regional Stakeholder Forum in Vientiane. Credit Mekong River Commission.

ASEAN should encourage its member states to ratify the Convention on the Protection and Use of Transboundary Watercourses and International Lakes, and the Convention on the Law of the Non-Navigational Uses of International Watercourses. All the stakeholders identified in these remarks need to work closer together to develop a Mekong basin-wide development strategy, sustainable hydropower development pathways, and alternative energy development pathways in order to reduce the adverse impacts of the hydropower dams. Moreover, regional-national policy coordination and synergies need to be strengthened, especially the policy integration between the regional plans and the national water resources planning of the riparian countries.

Strengthening Regional Institutions.

Weak regional institutions are the key constraints in addressing transboundary regional issues. ASEAN does not have effective mechanisms to manage differences and to mitigate conflicts stemming from water resource management in the Mekong region. It needs to be noted that ASEAN's unity and centrality are directly affected by geopolitical competition in the

Mekong region, particularly as major powers have involved themselves in the region quite robustly in recent years. Moreover, efforts to narrow the development gap will be hindered if there is no effective mechanism to manage the differences arising from unfair and unsustainable usage of the water resource.

Mechanisms have been established to facilitate regional cooperation and sustainably manage water resources. These include the Mekong River Commission (MRC), Greater Mekong Subregion (GMS), Mekong-Ganga Cooperation, Japan-Mekong Cooperation, Korea-Mekong Cooperation, Lower Mekong Initiative (LMI), and Lancang-Mekong Cooperation (LMC). Unfortunately, these regional mechanisms lack synergy and coordination, leaving much room for improvement.

The Mekong River Commission, the most important regional institution dealing with water resource management, does not have effective enforcement mechanisms. MRC enables non-binding consultations, information gathering, facilitation, and policy coordination. It leaves all member countries free to legally move forward with their hydro-development

project, regardless of the long-term consequences for the other member countries, and irrespective of its predicted ecological impact on the basin.

Implementing Preventative Diplomacy. The riparian governments must provide scope for the exercise of preventive diplomacy aimed at minimising the impact of existing conflicts and preventing new ones. Voluntary briefings on the development of water resources and its usage should be further encouraged. An early warning system based on existing mechanisms needs to be developed to help prevent the occurrence and escalation of conflicts.

Early and effective policy interventions are critical. In order to prevent water conflicts along the Mekong River, it is necessary to strengthen existing regional institutions, particularly the MRC. It is also necessary to strengthen existing dialogues and negotiation through more openness, transparency, and participation from relevant stakeholders. For example, China, an important ASEAN dialogue partner and MRC observer, needs to be a part of that process, as does Myanmar, which is now negotiating membership in the MRC.

Developing a Code of Conduct. The Agreement on Cooperation for the Sustainable Development of the Mekong River Basin, adopted on April 5, 1995 lays out the principles and norms of regional cooperation in managing the river basin. However, only four lower Mekong countries (Cambodia, Laos, Thailand and Vietnam) are signatories to the agreement. The agreement includes some key components that could be incorporated into a future code of conduct for the Mekong river basin, including measures to prevent or mitigate any harmful effects of activities in the basin, and

state responsibility for damages. Concerning freedom of navigation, the agreement states ‘the Mekong River shall be kept free from obstructions, measures, conduct and actions that might directly or indirectly impair navigability, interfere with this right or permanently make it more difficult’. The Agreement, however, lacks compliance and dispute resolution provisions.

A Code of Conduct for the Mekong River should be considered. The Code should consist of three main components: confidence building measures, preventive diplomacy, and dispute settlement mechanisms. Hotline communication, early warning, and using the ‘good offices’ of diplomacy, which can be created under ASEAN auspices, are all familiar tools that could play a vital role in preventing resource-driven conflicts between the riparian countries. Established tools and mechanisms enable early intervention which is often the key to success.

Unsustainable development and management of the Mekong River, especially the construction of hydropower dams along the mainstream of the river, has caused significant damage to the Mekong basin’s biodiversity and darkened the outlook for local communities whose livelihood is in some way dependent on the river. The riparian governments need to enhance their working relationships as well as their partnerships with key stakeholders, including the private sector and civil society organisations, in order to develop a holistic solution to the complex issue of water security. Collaboration and partnership among these different stakeholders is vital to the sustainable management of this crucial regional resource.

Chheang Vannarith

*President of Asian Vision Institute (AVI),
Cambodia*

A Lao perspective on the security outlook in the Asia Pacific

Sulathin Thiladej



March 23, 2019. Laos and Malaysia. Mohamad Sabu (right) exchanging memento with General Chansamone after signing the MoU on greater bilateral defence cooperation in Kuala Lumpur. Credit Malaysia World News.

Since the end of the Cold War, peace, security and stability have been the cornerstone policy aspirations for almost all states of the Asia Pacific because this was recognised as the essential precondition for cooperation and development. Aspiring to stronger cooperation and development had naturally been further encouraged by the rapid economic growth achieved by some regional states, including Singapore, South Korea, Hong Kong and Taiwan. These success stories were often described as ‘economic miracles’ and had become development models for states across the world. Embedding habits of cooperation included regional security initiatives ranging from Track II to Track I diplomacy to provide channels of communication, discussion, and consultation to avoid military confrontation. These positive outcomes on both the economic and security fronts inclined some scholars to claim that the 21st century would be the age of Asia-Pacific region.

Over the years, however, the regional and international environment

changed profoundly and challenges have increased both in scale and complexity. In the midst of the uncertainties in today’s complex world the Asia Pacific, while continuing to flourish, is being confronted by myriad challenges. For example, the issues of nuclear weapons on the Korean Peninsula, Taiwan independence, the South China Sea, and the intensifying strategic competition among the major powers, have all turned out to be wickedly complex. In many countries, this has triggered increases in military budgets to support the acquisition of advanced weaponry, increasing the risk of military confrontations. In addition, the non-traditional security challenges such as economic insecurity, drug and human trafficking, and climate change are also formidable. Both traditional and non-traditional security issues are posing real threats to regional security, provoking regional states to look harder for ways to address or minimise them. However, the key determinants of regional security and stability are the policies pursued by

the two most powerful states – the US and China and the relationship between them. The relative decline of the US and the rise of China in the region means that the key challenge for the Asia-Pacific is sustaining a dynamic equilibrium between these powers.

Over the past few decades several states in the Asia-Pacific have implemented policies through both bilateral and multilateral frameworks to foster peace, independence, friendship and cooperation to create a favourable environment for their national development. However, given the complexities in the region, including significant elements of cooperation as well as competition, it is tricky for countries to pursue such policies. This includes Laos’ relations with China and Vietnam, both of whom are the most vital strategic partners for Laos’ interests. When these countries experience a clash of interests, as is the case in the South China Sea, it places Laos in an awkward position, analogous to a prisoner’s dilemma.

The geostrategic competition between the Indo-Pacific strategy and Belt and Road Initiative (BRI) is a distinctive difficulty for small states like Laos. The BRI is able to attract more attention than the Indo-Pacific strategy does from the Asia-Pacific region. For example, ASEAN has its own Indo-Pacific vision, which it set out in ASEAN outlook on the Indo-Pacific. Basically, the development of the Indo-Pacific concept into a strategy is the latest response by the region’s major powers to the rise of China. Basically, it seeks to encourage and facilitate the US playing a leading role in counterbalancing China’s assertiveness in the Asia-Pacific. In fact, however, the US may

be reluctant to take on such a role. The recent ASEAN-led summits in Bangkok were conducted in the absence of the US President and Vice President, indicating the subordinate position of the Asia-Pacific in US strategy. Given the relative decline in the US role in regional security, there is a great opportunity for China to develop its economic and military ties and attain regional hegemony. In that sense, China is re-crafting the strategic environment in the region and thereby compelling states to recalibrate their relations with China. This is changing the balance of power in the Asia-Pacific region.

Apart from that, the decline of the US and the rise of China are eroding or undermining ASEAN's centrality and coherence. ASEAN, as a driver for cooperation in the Asia-Pacific, is losing momentum as the region's centre of gravity shifts from Southeast Asia to China. China's rise has unsettling consequences for ASEAN centrality, creating new tensions and uncertainties that threaten to break ASEAN's solidarity and coherence. This is clear from China's growing clout in advancing its claims in the South China Sea (SCS) dispute with rival ASEAN claimants (notably Vietnam, Philippines and Malaysia). This dispute has endured despite some agreement on confidence-building measures and ongoing negotiations to conclude a code of conduct. If the current pressures persist into the future, ASEAN's centrality and coherence will be sorely tested and we could see the further splitting of ASEAN into, effectively, China and US camps. A recent study shows that a majority of the people in several ASEAN member countries favour China over the US and that an increasing number of ASEAN's citizens view China as the most influential country.

The US as the predominant power in the region is being challenged

by rising China. With China's assertiveness in the economic, military, and diplomatic dimensions in the Asia-Pacific, the conditions of a new balance of power in the region are beginning to take shape. A rising China signals a shift away from an America-centric security architecture. However, China is some distance from maturing into a true superpower comparable to the US. Recent assessments of their relative power, which seek to gauge the influence states extract from their physical resources and capacities, illustrate that China still lags behind the US in terms of military capacity, resilience, defence networks and cultural influence. Nevertheless, the growing influence of China in the region is confirming its likely future dominance over the US, which is in relative decline.

With the ongoing power shift the region will tend to shift from the old order – an order of partial or soft hegemony – to an emerging order likely to be more unipolar (that is, China centric) than multipolar. This shift towards a new regional order in the Asia-Pacific is causing new security alignments amongst states across the region. The role of a weakening America in the Asia-Pacific region will be determined by how states respond to the rise of China. The behaviour of China, therefore, will be the vital factor shaping the new balance of power in the Asia-Pacific.

With the US' declining role in the region it can be inferred that most states in the region will not be able to refuse or deflect China's influence. In recent years a Rules Based Order (RBO) in the Asia-Pacific has been a topic of discussion. Such an order is expected to be a valuable means of guiding and regulating the behaviour of states in the region, especially in the increasingly competitive environment of the Asia

Pacific. However, for some states, the details in the RBO frameworks remain ambiguous, contentious, and even rejected because they are not considered to be aligned with national interests. There have been various perspectives regarding the RBO's concepts and structure. While some countries claim that the RBO should be an international variant of a domestic legal system which requires policing, courts, and punishments, many countries argue that enforcing international rules is an entirely different matter and that international rules can take shape through a variety of channels. International rules cannot be imposed, compliance must stem from consensus on their legitimacy. Moreover, the RBO should be in alignment with the UN Charter as respecting sovereignty and territorial integrity, non-aggression, peaceful settlement of disputes, and non-interference in each other's internal affairs. The UN charter's values are upheld in international relations regarding the promotion of cooperation amongst states and regions. This includes the cooperation within ASEAN member countries in which they firmly adhere to the principles of the UN charter.

There were attempts to promote the notion of a rules-based community long before the western powers led a resurgence of the concept. Yet, ASEAN members did not consider RBO as comparable to a domestic legal order – the RBO had no courts or punishments for non-compliance. ASEAN recognised that the main enforcement mechanisms for RBO are pressures within the group or region and self-discipline.

However, as China's rise is compounding the complexity of regional affairs the principles need to be adjusted to adapt to the new environment of rapidly changing challenges. The RBO frameworks,



September 5, 2019. Sontirat Sontijirawong, Thailand's minister of energy (second from right) witnesses a signing ceremony for an MoU on clean energy. Laos, Malaysia and Thailand have agreed to expand a trilateral power deal, under which Lao electricity will be sold to the Malaysians via the Thai grid. Credit RFA.

therefore, need to be reviewed and renewed to widen and strengthen their capacity to support a sustainable regional security regime.

It is likely that ASEAN is the only vibrant regional institution that can play a central role in shaping the RBO, as ASEAN is regarded as being in the driver seat of multilateral security processes in the Asia-Pacific. Thus it is time for ASEAN to step-up and reconsider taking a leading role in developing in a more rigorous RBO for the entire region rather than just its own membership.

Beyond ASEAN, other major countries including Australia, Japan, India, the US or even China are integral elements of jointly building the RBO with ASEAN. For instance, the issues of governance and embodying the rule of law in multiple states in the Asia-Pacific remain challenging. This includes weak government institutions. With the region's diverse political systems and institutional cultures, dealing with governance issues has become difficult since it requires strenuous efforts to determine appropriate approaches or strategies applicable in particular state contexts. The major countries can assist smaller states to

improve governance at the national and regional institutional levels. Embracing good governance to build a state of law will be essential for achieving RBO development.

Furthermore, China per se has been conditionally supportive of the notion of preserving international order. China recognised a US presence in the Asia-Pacific as well as its leading role in international affairs as long as it was in line with the UN charter and universally accepted norms governing international relations. In that sense, China would agree with the basic concept of the RBO. Chinese reservations regarding the US notion of the RBO would largely evaporate if the rules were clear and if there was an accepted process to determine how the rules would be policed.

In the past, we have seen multiple states, including China, cooperating to reform and adapt the international system to changing circumstances. A rising China can and should play a greater role in refreshing and updating the RBO concept. Above all, the order should not be dictated unilaterally by the major powers alone. All states in the Asia-Pacific must have the opportunity to participate in ensuring that we have a

common understanding of 'order' and of the means to maintain that order that are acceptable.

In brief, there are a number of pressing major challenges to the collective interests of Asia Pacific states, notably the changing regional security architecture, but the most critical by far is ensuring stable and constructive relations between China and the US. The prescription for dependable security in the Asia Pacific is ensuring that the US and China do not fall into a Thucydides Trap and to evolve a new model of major-power relations through amending the RBO in respect of fairness, inclusiveness and mutual benefit.

Sulathin Thiladej

PhD candidate, School of Advanced International and Area Studies, East China Normal University, Shanghai and formerly Division Director, Institute of Foreign Affairs, Ministry of Foreign Affairs, Laos

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Study Groups are CSCAP's primary mechanism to generate analysis and policy recommendations for consideration by governments. These groups serve as fora for consensus building and problem solving and to address sensitive issues and problems ahead of their consideration in official processes. CSCAP currently has active study groups on the following themes –

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- Northeast Asia Peace and Cooperation
- Nuclear Energy Experts Group (NEEG)
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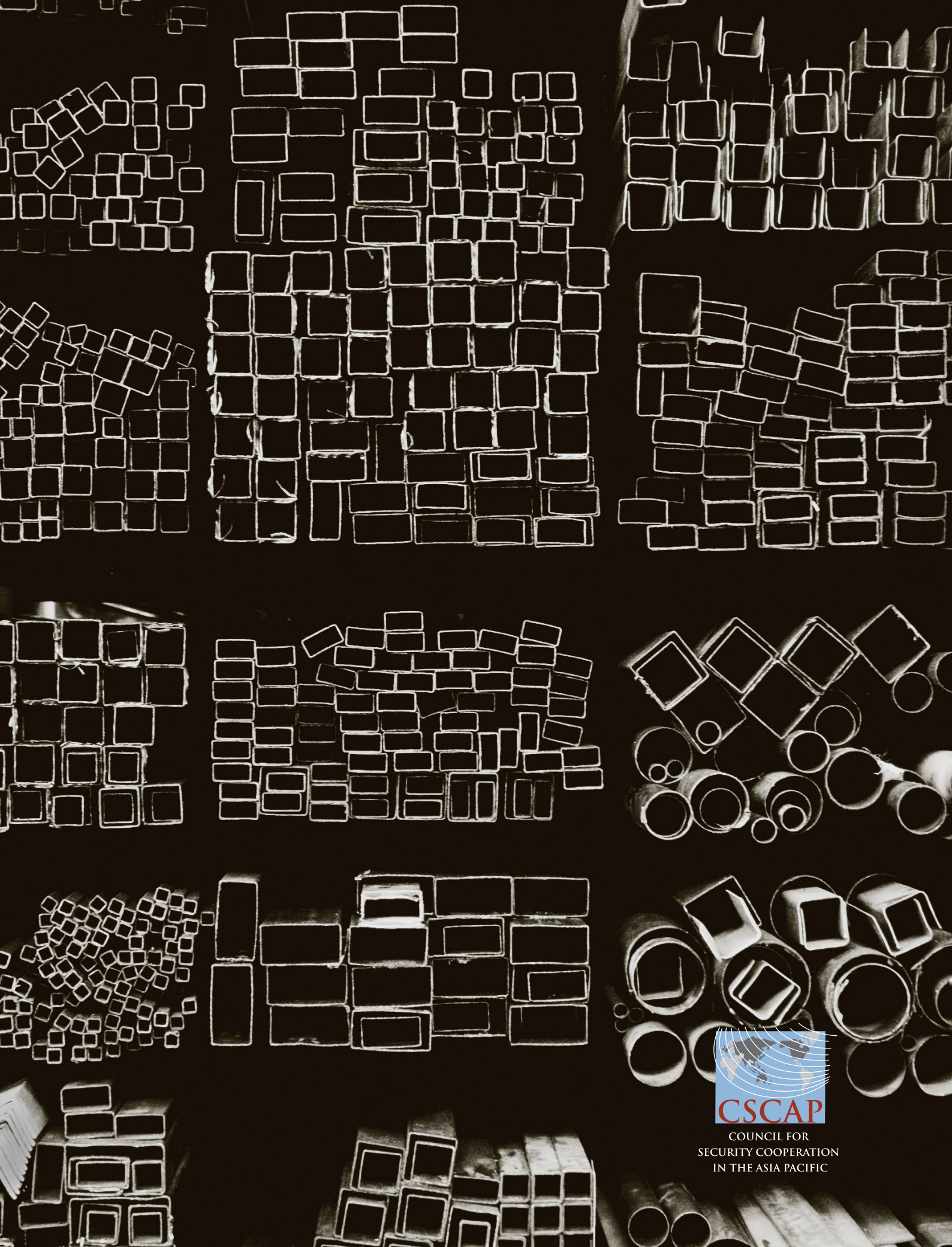
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