The Council for Security Cooperation in the Asia Pacific (CSCAP) is the region’s leading Track Two (non-official) organization for promoting cooperation and dialogue on regional security issues. CSCAP was established in 1993 and now has 20 national Member Committees and one Observer. (For more information about CSCAP, please visit www.cscap.org)

CSCAP thanks the Australian National University for support of this publication
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Designed by Middleton Manning & Co., Australia
Printed by Booksmith Productions, Singapore

The cover design utilises an ancient symbol to capture the notion of dynamic balance so often used in security assessments.

Cover Images, clockwise from top left:
An East Asia Summit is held in Bandar Seri Begawan, Brunei, 10 October, 2013 (Image: Kyodo)
The China (Shanghai) Pilot Free Trade Zone in Pudong, Shanghai, launching a test bed for the Chinese leadership drive of deepening market-oriented reforms and boosting economic vigour, 29 September, 2013 (Image: AAP)
Chinese maritime surveillance vessel (middle) sandwiched by Japan Coast Guard patrol ships near Kuba Island, part of the Japanese-controlled Senkaku Islands in the East China Sea on 2 October, 2012 (Image: Kyodo)

Back cover acknowledgements:
President Barack Obama and President Xi Jinping walk on the grounds of the Annenberg Retreat at Sunnylands in Rancho Mirage, California, before their bilateral meeting, 8 June, 2013 (Image: Official White House Photo by Pete Souza)

A tactical team demonstration on board the USS Freedom at Changi Navy Base in Singapore, 27 July, 2013 (Image: Official White House Photo by David Lienemann)
LETTER FROM THE CO-EDITORS

On behalf of the Council for Security Cooperation in the Asia Pacific (CSCAP), we are pleased to present the CSCAP Regional Security Outlook 2014 (CRSO 2014). Inaugurated in 2007, this is the seventh annual CRSO volume. The CRSO brings expert analysis to bear on critical security issues facing the region and point to policy-relevant alternatives for Track One (official) and Track Two (unofficial) to advance multilateral regional security cooperation. The views in the CRSO 2014 do not represent those of any Member committee or other institution and are the responsibility of the individual authors and the Editor. Charts, figures, tables and images in the CRSO 2014 do not necessarily reflect the views of the chapter authors.

Ron Huiskens (Editor)
Olivia Cable (Editorial Assistant)

HIGHLIGHTS FROM THE CRSO 2014

Both short and longer term trends suggest that challenges to a robustly stable regional order could intensify

The prospect for regional affairs to be dominated by a prolonged geopolitical contest between the US and China remain very real

Positive developments
Renewed indications that China may be prepared to discuss and, as far as possible, define parameters for a stable accommodation with the US and with its neighbours
Stronger convergence of views on the urgency of addressing the DPRK’s nuclear weapons program
The continuing process of reform and opening up in Myanmar

Major Challenges
Relations among China, Japan and South Korea remain mired in the ‘history’ question
The South China Sea dispute continues to deepen and intensify
Securing a genuine and enduring engagement with the DPRK

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The essays authored by scholars from the major powers plus those that address those contentious regional issues that appear to play most directly into major power relationships seem to point to qualified pessimism.

The first pivot to Asia in recent times was an intellectual one in the years immediately following the end of the Cold War. When the academic and policy world pondered an international landscape devoid of the superpower standoff, two points of strong consensus emerged fairly quickly. First, the end of the Cold War made the world much safer. Second, within this generally positive assessment, East Asia loomed as the region likely to experience both the strongest economic growth and the greatest relative turbulence on the security front reaching up to a genuine risk of major power conflict. The features of East Asia in the early 1990s that drove this consensus included the coincidence of rising and declining powers, an abundance of outstanding border and/or sovereignty disputes, a welter of still intense historical animosities, and a weak- to-non-existent regional propensity to address issues collegiately in multilateral forums.

It may have been academe’s finest hour. Over the past 25 years, East Asia has experienced transformational economic growth and has realised expectations that it would become the world’s new economic centre of gravity. Economic interdependence, both within East Asia and between East Asia and North America developed strongly and generated compelling instincts of common interests and regional cohesion. These positive forces were supplemented by a consistent endeavour to develop stronger multilateral processes to help ensure that these transformational developments did not come at the expense of confidence in regional order and stability. In fact, as we know, these transformational developments have also led to, or been accompanied by, an intensifying disquiet on the strategic and security front that, in the broadest sense, is proving to be the equal of the forces pulling the region together. Broad net assessments of disparate constructive and disruptive forces are fraught with risk. One suspects, however, that most observers today would be inclined toward the judgement that, at best, East Asia has managed a draw over the past 25 years. In other words, using the relatively informal Deutschian notion of a security community as our yardstick, one does not have the sense that East Asia today is characterised by expectations of peaceful change that are either alarmingly weaker or encouragingly stronger than was the case in the early 1990s. In short, we are not winning.

The US-China relationship lies at the heart of this issue. It is the single most important factor determining how dangerous the region’s other difficult issues might become. More broadly, if this relationship continues to slip toward mutually accepted adversity and antagonism, it can be expected to decisively darken the outlook for East Asia and, indeed, beyond. The debate on order and stability in East Asia since the mid-1990s has taken as given that the US and China would have to arrive at a new accommodation of some kind. For too long, however, the mainstream debate was conducted with this accommodation as a future prospect. In fact, of course, a great deal of that accommodation has already occurred. China’s influence and authority has blossomed, closely accompanied by, an intensifying disquiet in the economic weight of the major players. By that time, China will be the largest economy in the world with only India having even the potential to match it. Chart 1 conveys the scale of change in the geographic distribution of wealth that has taken place and which will continue for some time. Chart 2 shows that the distribution of military expenditure is moving in the same direction, although much less sharply to this point.

It seems clear that both the US and China have been conscious that some overt management of their intersection in East Asia would sooner or later be prudent. China, having the momentum of the rising power, has naturally preferred to deflect and defer US endeavours to stir for more explicit understandings, the Bush administration’s 2005 ‘responsible stakeholder’ proposal being a case in point. The US has found it difficult to step away from the vision it has of its role in East Asian affairs, notwithstanding the devastating trilogy of events – 9/11, regime change in Iraq, and the Global Financial Crisis – that so diminished its poise, confidence and capabilities. Equally, China has found it hard to sustain its preferred image of a new model major power devoid of hegemonic aspirations and committed to stability and reassurance, succumbing periodically to the temptations (or compulsions, as realists would have it) to use its newly acquired power and influence to accelerate the acquisition of more.

The essays assembled here provide another opportunity to revisit this elusive but important issue. The essays authored by scholars from the major powers plus those that address those contentious regional issues that appear to play most directly into major power relationships seem to point to qualified pessimism. The US assessment, provided by Nirav Patel from the Asia Group in Washington, concludes pointedly that US-China competition in the regional security arena is increasingly unstable. It also contends that the countervailing forces generated by economic interdependence could weaken over time as US trade and investment with China falls away under the combined pressure of a more complex regulatory environment and the continuing high risk of loss of intellectual property. Left unsaid, is that, as China goes through the milestone of becoming the largest economy in the world, the weight that every economic partner carries in Chinese assessments of its policy options will diminish – even the likes of the US and the EU. It is worth noting that this cautious US assessment comes despite the Taiwan question being securely dormant, although, as Alan Romberg contends, an eventual resolution is likely to take a long time and to require all three direct participants to re-frame key issues and concepts.

A Chinese perspective, provided by Peking University’s Jia Qingguo, strives for a somewhat more positive assessment via a succinct account of the indications that regional states were stepping back and seeking to defuse the rash of disturbing developments that unfolded over the period 2009-2012. Jia acknowledges, however, that this was only the latest, albeit the worst, period of deterioration

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**SHARE OF WORLD GDP 1820-2030**

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<tr>
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<th>1973</th>
<th>2003</th>
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<td>0</td>
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**INTRODUCTION: CSCAP REGIONAL SECURITY OUTLOOK 2014**

Ron Huiskens
in regional order since the end of the Cold War and feels compelled to pose the question: Is this a turn for the better or just a pause in a continuous downward slide? His own answer is that it is too soon to tell.

The Indian perspective is not dissimilar. Raja Mohan usefully summarises the catalogue of scenarios that have been developed on how the Asian balance of power could or should evolve and which are part of the policy debate in New Delhi. In Mohan’s view, India aspires to play a larger role in Asia and is conscious of a rare opportunity to shape the Asian balance of power. That opportunity carries with it the risk of being drawn into any conflict between the US and China which is a real danger as Chinese assertiveness, and the US response to it, has heightened the likelihood of regional affairs being dominated by a prolonged geopolitical contest between these powers. Mohan anticipates that India’s policy settings will seek, primarily, to insulate itself from this danger and preserve as much autonomy as possible by developing its own national power, deepening its economic and security cooperation with the US while making clear in Washington and Beijing that it has no interest in either an alliance relationship or containment strategies, and to encourage stronger security cooperation with and among the cluster of middle powers in the region – including the large states of Japan, Indonesia, South Korea and Australia – as additional insulation from the US-China strategic competition.

Due to circumstances beyond anyone’s control, we do not have a Japanese contribution. Japan is a key component of the regional security architecture, but, more than any other major power, remains profoundly uncertain about where and how to position itself in the evolving strategic order in East Asia. Fortunately, the papers from the US, China and India, inescapably throw some light on how Japan shapes and is shaped by the region’s strategic currents. And hard though it may be, it is certainly in the collective interest to assist Japan to find a secure niche for itself from which it can more fully realise its formidable capacity to contribute to East Asia’s success. It would appear that China’s new leadership took office with a sharpened appreciation that China’s trajectory to regional pre-eminence as a stable, well-balanced power might not be as straightforward as many inside and outside China seemed to believe. The pioneering Obama-Xi informal summit in Sunnydale, California, in June 2013, delivered some suggestive outcomes. Both sides had agreed in late 2012 to explore China’s proposal for a ‘new type of great-power relationship’, and Xi made clear that this should stay on the agenda.

Characteristically, China has not said much officially to flesh out what it means – that has thus far been left primarily to a few academics - but the fact that it has been a Chinese initiative remains noteworthy.

The two leaders also addressed cyber-security, an arena in which the exploitation of burgeoning capabilities, fuelled by the exclusively demanding challenge of combating international terrorism, seems to have outstripped sober assessments of political and security consequences and risks. Although Obama was seemingly wrong-footed by the Snowden revelations on the scale and intensity of the National Security Agency’s electronic eavesdropping within and beyond the US, his primary purpose (confirmed by Patel) was to sensitise Xi to the corrosive effect on the bilateral relationship of the large-scale theft of intellectual property from US commercial entities. The two leaders agreed to take these matters up more systematically in their strategic dialogue, and these discussions can be expected to probe more generally into the world of cyber espionage, if not that of cyber warfare.

The piece by Matthew Aid in this volume provides an arresting glimpse into this world, especially if one bears in mind that, even without periodic spectacular leaks, the US is so much more transparent about these matters than any other state that it is easy to forget that many other states are also full participants. Apart from the US, Aid assesses the major powers to be Russia, China, Great Britain, France and Israel.

The most conspicuous apparent narrowing of differences at the Sunnydale summit concerned the DPRK. Divergent US-China objectives and preferred approaches to this enduring problem reached a damaging peak in the aftermath of the sinking of a South Korean frigate in a surprise attack in 2010. This experience certainly fed into the US re-balancing posture of 2011-12. China’s new leadership formally took office in March 2012, not long after North Korea’s third nuclear test and in the midst of an unusually fierce and sustained barrage of threats, including nuclear threats, from Pyongyang against the US and the ROK. Beijing promptly responded with its own sustained barrage of threats, including cyber-attacks, and in particular, of being able to pursue its security interests with a full membership that it is easy to forget that many other states are also full participants. Apart from the US, Aid assesses the major powers to be Russia, China, Great Britain, France and Israel.

The two leaders agreed that North Korea should be strongly encouraged to return to the negotiating table, including on the nuclear agenda that had been addressed in the Six Party Talks. Xi and Obama also agreed that they would not accept Pyongyang’s demand to be treated as a state with nuclear weapons and Beijing subsequently made public a detailed and pointedly well-informed list of controls over trade with North Korea. This apparent convergence has the potential to radically alter the political dynamics of a renewed push to persuade the DPRK to abandon its nuclear weapon program as well as softening a significant source of tension and instability in the US-China relationship.

This impression of convergence is countered by Zhu and Beauchamp-Mustafaga, who argue forcefully that China’s leadership continues to attach decisive weight to North Korea’s value as a strategic buffer. These authors clearly share the views of a large group of observers both within and outside China that Beijing’s support for North Korea comes at a significant cost to China’s security interests. They conclude, however, that while the leadership is fully cognisant of this cost and has authorised the debate on exact policy settings, it clearly remains of the view that these settings best serve China’s overall interests. It must also be said that, despite the Sunnydale summit, China and the US have yet to agree on how to frame an approach to Pyongyang to resume substantive negotiations.

The South China Sea is a different story. The contributions from Shen and Storey confirm the intractability of this dispute and its ongoing potential to more seriously degrade the regional security environment. None of the claimants seem to have full confidence in the legal standing, let alone political propriety, of their position and the moral high ground has been conspicuously vacant. What we have witnessed has been an unending scramble for tactical objectives that Indonesia’s Foreign Minister has aptly described as conveying a sense ‘anarchy’. Storey analyses the tortuous path of negotiations on implementing the 2002 Declaration on a Code of Conduct and on the follow-on Code of Conduct, concluding that progress has been glacial and that prospects for an acceleration seem weak. In a frank and hard-hitting appraisal, Shen cautions that China is locked into its extensive claim and that it is in no one’s interests to drive it to the point of bringing its full capacities to bear to enforce that claim. Shen suggests that China’s preference for an amicable solution leaves scope for some practical compromises with other claimants that Beijing can present as leaving its claim, and the associated access to sea and seabed resources, substantively intact. Clearly, this an issue that is overdue for sustained political and diplomatic attention.

Of the other two issues addressed in this review, Myanmar is one of great promise, even for seasoned professionals who can grasp the scale of the challenge associated with the transition that this country has embarked upon. Moe Thazur’s essay provides an informative window on these challenges. Thazur also confirms, however, that the political will to press on with this most unheralded of ‘revolutions’ has not flagged and that Myanmar has an expanding group of powerful friends that want it to succeed. The longer term implications for ASEAN, in particular, of being able to pursue its interests with a full membership that constitutes an unbroken land bridge between China and India is likely to attract a great deal of scholarly interest. In Mindanao, the optimism of late 2012 that decades of conflict might finally give way to a reliable peace, was shattered by a succession of violent, and interlinked, events. Again, the potential for this violence to transition beyond the internal to the inter-state level was successfully defused but the processes underway to consolidate earlier gains have lost significant ground and will have to be recast to reflect what led to the renewed violence. Michael Vatikiotis takes a step down this path with a thoughtful assessment of what appears to have gone wrong which, at the same time, offers ideas to parties on how to start moving forward again.

The weighty, and shifting, agenda of challenges to regional order and stability also confronts Track Two organisations like CSCAP with some tough questions. In the final essay, the CSCAP Co-chairs, Ron Huisken, Ponapap and Nguyen, look back on the organisation’s aspirations and experience as a basis for some initial thoughts on how it can sustain and further develop its constructive participation in the quest for a more reassuring security order in the Asia Pacific.

Ron Huisken
Editor, CSCAP Regional Security Outlook 2014; Adjunct Associate Professor, Strategic and Defence Studies Centre, College of Asia and the Pacific, Australian National University
Competition between the United States and China is inevitable. The question policy makers continue to struggle with is how to balance the competitive dynamics of the Sino-US relationship through a broader context of cooperation. A holistic positive-sum relationship can deter unhealthy and destabilising activities, by merit of the benefits associated with cooperation and the corollary risks of conflict.

An essential element of the Obama Administration’s China strategy is, in many ways, predicated on achieving balance. However, determining a shared definition of “balance” is difficult and fraught with challenges, especially in the US-China relationship. First, the relationship is too complex and diverse to simply chart within a static continuum, to be able to fit into a single formula. More importantly, however, the qualities of balance being discussed are not derived solely through bilateral US-China cooperation. Instead, these qualities are formed and molded in the broader regional landscape of the Asia-Pacific strategic environment.

Domestic politics and external pressures push and pull the bilateral relationship between cooperation and competition. This is manifest in the current set of dynamics between Japan and China in the East China Sea whereby nationalist sentiment in China compel the Party leadership to adopt more hardline positions. It’s also evident in the United States where Chinese investments – whether in pork or real estate – are subject to intense domestic debates and consequently political pressure to undermine business deals. However, leaders in both China and the US understand and appreciate the Hegelian dynamics that animate this important relationship. Since normalisation, government leaders have repeatedly underscored the importance of maintaining a positive trajectory in the US-China relationship as a means to counter elements in both countries that would prefer disengagement and military competition.

The Obama Administration has focused on taking steps to achieve balance in the Sino-US relationship by advocating a context of cooperation through three specific pillars: 1) economic cooperation; 2) strategic engagement; and 3) people-to-people diplomacy. All three pillars, if well managed over time, can help achieve balance in the future US-China relationship.

The confluence of positive and negative trends in the US-China relationship underscores the underlying uncertainties troubling policy makers in Washington and Beijing today. Managing these developments to achieve a positive balance is complex - certainly one of the most daunting challenges of each country’s respective bilateral relations and foreign policies. For decades, it has been argued that US business and bilateral economic investments have been the primary stabilising force between China and the United States. These camps posited that increased economic engagement would help manage and counter negative security-based concerns. In many ways, the business community was “the ballast” in bilateral relations, balancing the turbulent waters of Sino-US diplomacy against the sturdy hull of shared economic prosperity. Cumulative US investment in China is estimated at just shy of US$50 billion. American exports to China have doubled in the last five years. Meanwhile, imports from China have grown incrementally over the last decade - to about US$425 billion in 2012. While the steadily increasing trade deficit has long been a concern in domestic political circles, it has been largely outweighed by the consumer-benefits of cheap Chinese goods. The conventional wisdom states that American investments, Chinese exports, and even Chinese-owned debt actually serve to draw the Chinese and American economies closer together, tilting the balance toward cooperation, interdependence and sustainable competition.

However, as of late the hull of the business community is beginning to take on water. American (and foreign) businessmen are increasingly frustrated with the complex regulatory environment faced in China. These leaders of commerce and industry harbor profound concerns over cyber espionage, specifically the theft of intellectual property - the DNA of a successful modern business model. President Obama and senior US officials have noted both publically and privately on these fundamental challenges encountered by American businesses in China. Following the June 2013 Sunnylands summit between Chinese and American heads of state in California, President Obama addressed these concerns head on. In a press statement following the conclusion of negotiations, President Obama said that, “the issue of cyber security and the need for rules and common approaches to cyber security are going to be increasingly important as part of bilateral relationships and multilateral relationships.”

As US investors shift their production and investments beyond China into the wider ASEAN region, the ballast water that created balance in the bilateral relationship is being depleted.
Military and security dynamics between China and its peripheral neighbors have a deep impact US-China relations, often prompting bilateral suspicion, damning recriminations, and deep-seated mistrust between the countries’ leaders.

Engagement can no longer keep the ship afloat.

The perennial and pronounced source of friction in the US-China relationship is competition generated by strategic posturing and national (in)security. Despite the quickened pace of military to military engagement, the underlying trend is worrisome. Chinese investment in anti-access/area denial (A2/AD) defense technology, compounded by the lack of transparency or cooperation in explaining China’s military advancements, procurement, and structure to the US, undermines the confidence of senior US officials who have expressed serious concerns about the threat posed to America’s forward deployment forces in the Pacific. In addition to these strategic concerns, the growing use of disruptive cyber-attacks against American institutions have yet to be managed or even acknowledged by senior Chinese officials. China’s growing use of naval and paramilitary forces to advance its regional aspirations in territorial and maritime boundaries in the South and East China Seas further tips the scales towards a dangerous outcome. Moreover, concepts such as the Pentagon’s Air-Sea Battle, outlining an American blockade of the first and second island chains, as well as the negative perception towards US-rebalancing efforts prevalent among Chinese military leaders intensifies suspicion regarding America’s own intentions in Asia. As a result, despite benign rhetoric, the US-China relationship remains mired in significant strategic competition that is growing increasingly unstable.

Engaging competitive tendencies in Beijing derive from flawed assumptions about US staying power in Asia. These internal bellicose narratives are directed by a rising cadre of animated and younger, although equally prominent, thought leaders seeking new ground in advancing China’s role in Asia and the world. The policies of this new wave of leadership are beginning to manifest, seen in the escalating maritime tensions in the South and East China Seas and through a forward-leaning posture in Southeast Asia. Military and security dynamics between China and its peripheral neighbors have a deep impact on US-China relations, often prompting bilateral suspicion, damning recriminations and deep-seated mistrust between the countries’ leaders. With the solid foundation that was US investment beginning to crumble, these issues have now come to further undermine the relationship. Skepticism and truculence now dominate the diplomatic narrative, overshadowing the considerable positive externalities stemming from commercial ties and high-level diplomacy.

However, despite apocalyptic predictions from the policy and media communities, the fate of the bilateral relationship is not yet foretold. The Obama administration’s decision to strategically rebalance American foreign policy toward the Asia-Pacific demonstrates its commitment to seek a balanced and positive-sum US-China relationship. Most strategically important to this effort however, is the understanding that balance is not achieved purely in a bilateral construct. It is instead predicated upon how the US-China relationship fits into a broader Asia-Pacific geopolitical constellation. A comprehensive approach, dubbed “All-in” by President Obama and referred to as the “the Pivot,” establishes the framework for a holistic rebalance of US interests towards Asia. Such a balance strengthens American partnerships in the region while also undergirding US business interests as firms expand into the wider Asian region. However, this rebalance can have another purpose. Beyond US strategic and commercial interests, the rebalance can impart derivative stability to the US-China relationship if implemented strategically. As the US seeks to advance cooperation with China, the need to hedge against unhealthy dimensions of China’s national security and foreign policy will still remain imperative and in fact shape and counter the negative that can undermine the relationship.

However, many pundits and scholars often overlook the cardinal rule for relationship building with China - a positive relationship cannot be achieved through either engagement or hedging alone. Fostering the US-China relationship must employ a multifaceted approach. In its present form, the pivot features five central tenets:

- Strengthening bilateral relationships with longtime regional allies Japan, South Korea, Australia, Philippines and Thailand.
- Pursuing partnerships with Singapore, New Zealand, India, and Vietnam, as well as fostering cooperative dialogue and consultation processes with China.
- Advancing US commitment to multilateralism through enhanced engagement with Asia-Pacific Economic Cooperation (APEC), Association of Southeast Asian Nations (ASEAN), and the East Asia Summit (EAS).
- Promoting a robust trade and economic agenda underpinned by participation in Trans-Pacific Partnership (TPP) free trade talks.
- Advancing a comprehensive human rights agenda and encouragement of democratic values and the rule of law throughout the region.

The successful navigation of these five principles would simultaneously enable the United States to effect a comprehensive Asian engagement strategy. It would secure the confidence of its regional allies while broadening strategic relationships across the Asia-Pacific, ensuring the regularity of international norms necessary to contextualize a stable and constructive bilateral relationship with China.

The future balance of American-Chinese competition and cooperation lies in both the successful implementation of American engagement strategies as well as the careful management of several key sources of tension between the US and China. Prevailing commentary paints a frightening picture, where the fate of the Sino-US relationship is predestined and wholly calamitous. Yet a negative outcome is far from set in stone. With careful maintenance and monitoring, a mutually beneficial relationship can still be realized – the Asia-Pacific is not a zero sum region. Now more than ever before, policy makers have the opportunity to combat the pervasive uncertainty that threatens to destabilize healthy competition and sink the vessel of Sino-US relations.

Nirav Patel
Chief Operating Officer, The Asia Group, Washington DC
Predicting development of the East Asia situation has become a “risky” business. That is, you are likely to be wrong. Before 2009, East Asia basked in the light of peace and tranquility. Then, all of a sudden, crisis after crisis struck the region and, for a while, the region appeared to be heading toward military confrontation in the South China Sea and East China Sea. More recently, however, it appeared that the region is moving back to peace and tranquility again though hesitantly. Is this a turn for the better or just a pause in a continuous downward slide? Many in the world crave a convincing answer.

A period of tension and crises

When President Obama visited China in November 2009, China-US relations appeared to be in a good shape. As a pleasant surprise, for the first time since normalization of relations between the two countries, the opposition party taking over the White House did not bring substantive damage to China-US relations. With President Obama reluctant to challenge his predecessor’s China policy, China-US relations appeared to be entering another period of stability and cooperation. However, President Obama’s much acclaimed visit to Beijing turned out to be the beginning of a period of friction and conflict. We witnessed, for example, harsh exchanges over Google’s decision to withdraw from the China market, US decision to sell weapons to Taiwan, Obama’s meeting with Dalai Lama, the alleged US decision to dispatch aircraft carriers to the Yellow Sea to conduct military exercises with the South Korean Navy, breaking out one after another. On top of all this, the US announced its “pivot” to Asia. In reaction, some Chinese interpret this as a major step in US efforts to contain China. In view of these developments, pessimists in both countries proclaimed the arrival of a new cold war between the two countries.

A similar pattern occurred in China-Japan relations. In 2009, when the Democratic Party of Japan (DPJ) came to power, the new DPJ Government was unusually friendly toward China. Through some hard negotiation, China and Japan decided to restore the prime minister’s hotline, to cooperate on food security, and to engage in joint exploration for oil in the disputed areas of the East China Sea. If the latter deal can be implemented, this would help remove a long-term sensitive issue between the two countries. However, relations between the two countries soon deteriorated following the Japanese Coast Guards’ arrest of a Chinese captain of a fishing boat near the Diaoyu Islands in September 2010. Although the Chinese captain was eventually released under the heavy-handed public pressure from the Chinese Government, China-Japan relations nosedived from bad to worse. Not only was there no mention of the joint exploration deal again, cooperation on any issue became difficult. The Japanese Government’s subsequent decision to nationalize the islands was reciprocated by the Chinese Government’s decision to dispatch maritime surveillance ships to the Diaoyu Island. For a while, the situation became very tense as fighters and warships of the two countries confronted each other around the islands.

As if this was not enough, the situation on the Korean peninsula took a nasty turn as North Korea withdrew from the six party talks in April 2009 in protest against a UN decision to condemn its satellite launch, widely regarded as a test of a long-range rocket, and promised additional sanctions. Then in March 2010, the alleged North Korea’s sinking of Cheonan-Ham, a South Korean patrol vessel with 104 people aboard, generated an emotional response from South Korea. Despite Pyongyang denying any involvement, South Korea and the US decided to demonstrate their frustration and anger by conducting a large-scale military exercise in the Yellow Sea. Tension rose even higher on November 23, 2010 when North Korean military shelled the South Korea-controlled Yeonpyeong Island, killing two and wounding a dozen South Korea soldiers. As it was revealed that the US planned to dispatch an aircraft carrier to join the military exercise with South Korea in the Yellow Sea, China protested that the action posed a serious military threat to China.

Confronted with these and other developments, people in the region had good reason to be pessimistic.

A turn for the better?

However, just as people were bracing for worse to come, the situation took a positive turn in the latter part of the 2012. To begin with, with Xi Jinping in office after the Chinese Communist Party’s Eighteenth Congress last November, China reaffirmed its commitment to build a new type of great power relations with the US, to which the Obama Administration responded positively. Following intense interactions between the two governments, in June, President Xi paid a visit to the US and held lengthy and friendly talks with President Obama in Sunnyland, California. The two sides vowed to make greater efforts to build a cooperative and mutually beneficial relationship. Among other things, they decided to start formal negotiations on a bilateral investment treaty to boost economic relations between the two countries, to set up a working group to discuss cyber security issues, to increase military exchanges, and to enhance cooperation to cope with the challenge of global warming. Following the summit, relations between the two countries have become more cooperative despite the disagreement of leaders of the two countries to explore a new type of great power relationship, many in both countries remain skeptical as to its feasibility.
As long as Japan refuses to recognise that a dispute over the (Diaoyu) islands actually exists, China is likely to conclude that there is no reasonable political basis to negotiate… over ways to manage the dispute.

In the third place, whereas China’s relationship with Japan dipped into a new low as a result of disputes over maritime claims and the history issue, there have been signs that pragmatism and restraint may prevail. While China continues to dispatch maritime surveillance ships to patrol the waters in the vicinity of the Diaoyu Islands, it has occurred with less frequency and the Chinese media has toned down its coverage. Both China and Japan have indicated that they want a peaceful settlement of this issue. Both have made sure that nationalists in both countries would not try to seize the islands on their own. Exchanges of tough rhetoric have not led to more assertive actions.

Finally, the Korean Peninsula has returned to relatively calm. After a spate of war threats, Pyongyang appeared to be less aggressive and has toned down its rhetoric. It also quietly negotiated with Seoul to reopen the Kaesong Industrial park. And retracting its previous position that it would never return to the six-party talks again, it now expresses willingness to return to the talks provided there are no pre-conditions.

One still hears stories about China, Japan, the US and others conducting military exercises in the South and East China Sea and Chinese and Japanese warships displaying defiance in the East China Sea. However, compared to what the region had gone through in the previous few years, the threat of military conflict has substantially abated. The willingness of concerned countries to settle or manage their disputes in a peaceful way appears to be increasing.

Will the trend continue? Too early to tell.

Will the current trend toward moderation and pragmatism in the region continue? It is too early to tell. China-US relations are still troubled by suspicion and distrust. Too many roadblocks impede building a new type of great power relations. Whereas Americans still find it difficult to swallow the way China handled the Snowden case - that is, instead of handing him over the US, let him fly to Russia - China is wary of the US political and military maneuvers in the region, ranging from calling for a multilateral approach to address the maritime disputes in the South China Sea to endorsing Japan’s claim that it has the right to administer the Diaoyu Islands. Moreover, despite the agreement of leaders of the two countries to explore a new type of great power relationship, many in both countries remain skeptical as to its feasibility. On top of this, as time moves on, the US will inevitably consider another arms sale to Taiwan. How will that affect the relationship remains to be seen. On previous occasions, US arms sale to Taiwan invariably sparked emotional reactions on the Chinese side and often led to suspension of military exchanges between the two countries.

Despite the recent progress in China’s efforts to improve relations with Southeast Asian countries, the maritime disputes remain and frictions can break out again any time, especially those between China and the Philippines. The bad feeling left over from previous rounds of confrontation over maritime disputes takes time to dissipate. Nationalist sentiments in concerned countries coupled with the Internet make pragmatic management of the disputes rather difficult. China hopes to address the disputes through “shelving the disputes and engaging in joint exploration of the resources”. What if the concerned parties refuse to accept this approach and engage in unilateral exploration of the resources in the disputed waters?

Japan’s approach to the Diaoyu Islands poses a most serious challenge to peaceful management of the issue. While it refuses to recognise that there is a dispute over the islands, it has further complicated the issue by reasserting its rather controversial position on the history issue. For instance, it insists its right to pay tribute at the Yokusuni Shrine where tablets of Japan’s top war criminals are placed, a move that it knows clearly will rouse strong anti-Japanese feelings among its East Asian neighbors, especially China and Korea. China may be in a mood to manage this issue peacefully with Japan. However, as long as Japan refuses to recognise that a dispute over the islands actually exists, China is likely to conclude that there is no reasonable political basis to negotiate with Japan over ways to manage the dispute. As fighters and warships of the two countries maneuver next to each other near the Diaoyu islands, the potential for the disputes to erupt into a hot war still remains.

The relative calm on the Korean peninsula is actually rather deceptive. Suspecting that North Korea’s agreement to resume the six-party talks smells like an old tactic of gaining time to develop its nuclear weapons, the US, South Korea and Japan, in particular, are demanding that North Korea take active steps to show its sincerity as a condition to resume these talks. North Korea, on the other hand, wants to resume the talks without any conditions. In a word, while the situation in East Asia has shown signs of moderation and pragmatism, disputes remain and conflicts are brewing. Whether perceptions of threat can be sufficiently contained to permit peaceful management of these disputes is up to the wisdom and skills of the countries concerned.

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India is acutely aware that China’s rise has begun to strain the nature of great power relations in Asia, stress the existing security arrangements, compel a modernisation of military forces and doctrines, and undermine the current regional institutions.

India’s dilemmas in coping with the strategic consequences of China’s rise and America’s response to it are similar to those confronting its fellow Asian states. Until recently East Asia believed that the rise of China was most likely to be peaceful and bet that Beijing could be ‘socialized’ through a network of regional arrangements. That confidence, however, has been shaken during the last few years amidst mounting tensions between China and the US and between Beijing and some of its neighbours. Meanwhile, the United States, which encouraged its Asian allies to accept Communist China as a legitimate power after the rapprochement with Beijing in the early 1970s and facilitated its economic growth, now confronts a challenger to its long-standing primacy in Asia. India, which was deeply uncomfortable with the Western and Asian embrace of China in the past, now finds itself in a very different quandary as relations between China and America begin to enter a complex and uncertain phase. India, on the one hand, stakes at a rare opportunity to shape the Asian balance of power and confronts the other the real danger of being drawn into the conflict between the world’s foremost power and the rising challenger.

India’s policy makers assume that China is well on its way to becoming a great power. They calculate that China does not have to equal America’s military strengths to alter the Asian balance of power. With growing military capabilities and an asymmetric strategy Beijing could significantly limit Washington ability to dominate its land and maritime peripheries. India is acutely aware that China’s rise has begun to strain the nature of great power relations in Asia, stress the existing security arrangements, compel a modernisation of military forces and doctrines, and undermine the current regional institutions. A variety of scenarios are being debated in Delhi. The following examines nine possible scenarios for the evolution of the Asian balance of power, and the likely Indian response. It concludes with a look at India’s policy challenges in dealing with a rising China and collaborating with the United States in structuring a stable Asian balance of power.

The first is the prospect of a Sino-centric Asian Order. Many scholars, including some in the United States, have argued that there is something natural about Asia being reorganised around Chinese primacy. After a couple of bad centuries, it is argued, China is reclaiming its place at the heart of Asia. China’s new role as Asia’s largest economy and the engine of its economic growth would provide the foundation for this Sino-centric order in Asia. While this logic has much merit, it is not clear if many of the large countries of Asia, like India, Indonesia, Vietnam, and Japan are politically prepared to accept such an order. A second possibility is the reinforcement of American primacy, which has been the source of order and stability in the region for decades. A slowdown in Chinese economic growth, renewed economic vigour in America, restoration of American political will and the strengthening of its traditional alliances and new partnerships would certainly make that outcome possible. While India might be happy to live with the restoration of the old order, Delhi cannot afford to devise its policies on that possibility. For the scale and scope of the power shift in China’s favour is undeniable. While the pace of that change might be uncertain, there is no escaping its essentially irreversible direction.

The third, fourth and fifth possibilities are based different forms of accommodation between the United States and China. Before announcing the pivot, the Obama Administration, in its first year in office, signaled its willingness to accommodate the rise of China if it was willing to play by (American) rules. Many in Asia characterised this American attempt to offer strategic reassurance to China as the construction of a ‘G2’. Beijing, however, appeared utterly unenthusiastic about such a concept. Many leading lights in the US strategic community like Henry Kissinger have warned that a confrontation with China will be disastrous for America and insisted that there is no alternative to their ‘cooperation and coevolution’. Faced with the subsequent US pivot to Asia announced during 2011-12, Chinese leaders have called for a “new type of great power relationship”, which is the construction of a ‘G2’. Beijing and Washington that is different from the past pattern of conflict between rising and declining powers. Contrary to the widespread perception, Chinese opposition to an accommodation, in the form of a G2 or Sino-American condominium is not about the principle, but the terms. Besides condominium there are other forms of accommodation between China and the United States. The fourth scenario in our list is the prospect of an arrangement for separate spheres of influence. Much like Spain and Portugal agreed not to compete with each other, it is possible to imagine America and China demarcating their primary areas of interest and agreeing on the principle of no-content in agreed spheres of influence. India is deeply concerned about the prospects for any form of joint management of the regional order in Asia by America and China. In the past, India reacted strongly against statements on US-China cooperation, promoting the non-proliferation of weapons of mass destruction in the Subcontinent being a case in point. US-China accommodation aimed at defining the rules for others in the region is bound to be resisted by India. Fifth, another variant of this is the prospect for ‘offshore balancing’ by America. Much like British policy towards continental Europe, America could step back from its current role as a hands-on manager of the regional order, promote an ‘in-situ’ balance of power in Asia and intervene only when any shift in the balance threatens its interests. Many American scholars dismiss the possibility of the US ever adopting such a role by arguing that off-shore balancing does not come naturally to Washington.

The sixth option involves the construction of a regional balance of power from a multipolar perspective. The idea of a concert of Asian powers, including America, China and India, has gained some traction in recent years but faces many practical obstacles. For its part, India has welcomed the proposal by the Obama Administration for a sustained...
Japan, Korea and Australia have cooperation agreements and trilateral relations. The last few years have seen a power coalition as a small insurance of non-alignment. Even treaty allies of the US and Beijing. Asia has a large number of relationships. China, however, is likely to respond positively to its own traditional alliances and special partnerships. China’s assertiveness in the region and the US response to it, in the form of military and diplomatic rebalancing to Asia, might have set the stage for a prolonged geopolitical contest in the region. It is a rivalry few in the region wished for or can manage. The tension between a Chinese search for greater freedom of action in its Asian periphery on the one hand and the American forward military presence and its long standing alliances on the other is real and will have great bearing on Asia’s future Asian security order.

Finally, the most likely scenario for the near future is the slow but certain intensification of Sino-US rivalry in the region. China’s assertiveness in the region and the US response to it, in the form of military and diplomatic rebalancing to Asia, might have set the stage for a prolonged geopolitical contest in the region. It is a rivalry few in the region wished for or can manage. The tension between a Chinese search for greater freedom of action in its Asian periphery on the one hand and the American forward military presence and its long standing alliances on the other is real and will have great bearing on Asia’s future Asian security order.

In Australia there is a debate on the importance of adapting to China’s new weight in the Asian security equation. ASEAN, meanwhile, which has seen itself as the driver of regional institution building, is finding it hard to stay united when China chooses to assert its power. The new divisions across the region are further reinforced by the deepening tensions within political elite circles of major countries on how best to deal with China’s assertiveness and how far their nations can sensibly go in working with Washington to limit Beijing’s power.

These new dilemmas are clearly visible in India’s own policy response to the changing balance between China and the United States. In Delhi they acquire greater complexity given India’s own aspirations to play a larger role in Asia and its celebrated tradition of autonomy from the unfolding US-China strategic dynamic. This approach is not free of contradictions and is likely to face many tests in the coming years.

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India and the changing Asian balance

China’s assertiveness … and the US response to it, … might have set the stage for a prolonged geopolitical contest in the region.
The leadership transition in Taiwan in 2008 was an important turning point in cross-Strait relations. The Democratic Progressive Party’s (DPP) Chen Shui-bian administration, seemingly determined to press for formal Taiwan independence, was replaced by the Kuomintang (KMT) administration of Ma Ying-jeou, who was pledged to a “one China” approach. Ma’s “one China”—the Republic of China (ROC)—is, of course, not identical to Beijing’s “one China.” But that mattered far less to the Mainland than that Ma embraced the notion of a single nation encompassing both sides of the Strait, ultimately to be united when conditions allowed.

During the Chen era (2000-2008), in the face of multifaceted challenges, any one of which might theoretically set off conflict, Beijing had come to sharply limit the scope of activities that could lead to the use of what it termed “non-peaceful means and other necessary measures”1. Previously it had even said that the mere failure to negotiate unification in some unspecified timeframe could trigger the use of force.2 Now the possible triggers narrowed from failure to achieve unification to a need to block independence.

The two sides have signed some 19 agreements leading not only to a burgeoning economic relationship (total cross-Strait trade reached almost US$170 billion in 2012), but cooperation across the board from law enforcement and health services cooperation to a robust tourist exchange. While explicitly holding onto its long-term goal of reunification, Beijing is now dedicated to first enhancing “peaceful development” of cross-Strait relations, foraging a common identity and deepening commitment to common interests. In December 2008, Hu Jintao laid out a six-point proposal designed to develop such ties (albeit within a “one China” framework) that exuded patience.3 That commitment to patience has been reaffirmed by Xi Jinping as he assumed first party and then state power over the past year.

However, there is concern on the mainland that while the feared slide toward declaring formal independence has been stopped (not even a DPP candidate would advocate such a course any more), progress in the direction of unification has been slow. Beijing is well aware that public opinion polls in Taiwan show both a growth in “Taiwanese” identity during the Ma period and a continuing aversion to unification.4 Moreover, the Ma administration has encountered numerous difficulties that have landed it in a very difficult political situation (recent polls had his support rate between 9 and 11 per cent), raising the specter of a DPP return to power in 2016.

Although the DPP is wrestling with its policy toward the Mainland, it seems unlikely to adopt an explicitly “one China” position, meaning that a victory in 2016 would confront Beijing with a very difficult problem about how to maintain momentum in its “hearts and minds” campaign, on the one hand, and yet distance itself from the authorities in Taipei, on the other.

As a result, Beijing has sought to promote “political dialogue” that could lock in relationships beyond economic and social and also to continue to bestow benefits on Taiwan under Ma, in order to demonstrate the rewards to be reaped from a “one China” policy. Taiwan has been too reluctant to engage directly in political dialogue at this stage, seeing in it likely high costs at the polls, but it has not blocked a very broad range of “Track II” talks on a wide range of political topics.

Moreover, in an effort to demonstrate he is not shying away from political talks altogether, Ma has argued that discussion of exchanging offices between the two “Arm’s length” institutions that negotiate agreements across the Strait and conduct essential business between the two sides has involved “political negotiation.”5 Taiwan’s quest for “international space,” that is, the ability to participate in international organisations of various sorts and have substantive relationships with other governments, is inherently political, as Beijing likes to point out. Taiwan participates in a number of international organisations, but in those generally made up of recognised governments, most are hangovers from a period when Beijing could not block Taipei. More recently, Taiwan’s successes have come only in a context of PRC acceptance, meaning the terms of participation have to meet the PRC’s conditions. Having received annual invitations to attend the World Health Assembly as an observer since 2009, Taiwan was only recently invited as a “special guest” of the president of the International Civil Aviation Organization (ICAO) Council to attend the triennial ICAO Assembly meeting. Moreover, Beijing did not obstruct Taiwan’s negotiation of free trade agreement-like economic cooperation agreements with New Zealand and Singapore.

How much more international space will be available is yet to be seen. Even in the NGO community, Taiwan organisations have encountered problems from mainland NGOs, mostly over the use of titles including either “Taiwan” or the “ROC,” but even reportedly with respect to participation in some instances.

The prospect is for continued peace and stability across the Strait, even if the DPP is elected in 2016, though in the latter case likely with an intention in the process of striking more deals and perhaps with some disruption of implementation of deals already struck. At this point, only some sort of movement toward formal independence would seem likely to change that. Otherwise, it would be very hard to conjure up a scenario where running the risk of war would draw in the United States and other spoils of PRC relations with others— not to mention creating a lasting legacy of resentment on the island—would seem sensible to any Mainland leadership.

That said, ultimately resolving the cross-Strait relationship will take a very long time, likely measured in decades. Even then it will also probably require both sides to rethink definitions of basic concepts such as “one China,” sovereignty and unification.
When someone utters the phrase “cyber war,” one naturally thinks of Russian and Eastern European hackers (these individuals prefer the moniker ‘hacktivists’) either trying to plant malware in our computers or trying to steal our bank account numbers. Next come groups like the Syrian Electronic Army, a group of computer hackers loyal to Syrian president Hafez al-Assad, who have gained notoriety by a series of high-profile attacks on the websites of the New York Times and other western media organisations. And at the top end of the spectrum, cyber war includes incidents such as the STUXNET computer virus that was surreptitiously planted by someone (allegedly by the US and Israeli governments) back during the George W. Bush administration into the Iranian uranium enrichment plant at Natanz. Cyber attacks of this sort, while garnering vast amounts of press coverage, are relatively rare occurrences.

As it turns out, the vast majority of the day-to-day cyber war activity is being done by thousands of 20-something Generation X’ers who are practicing the modern, cyber-centric version of the second oldest profession in the world, espionage. Cyber espionage is big business these days in the intelligence world. All the world’s largest intelligence agencies are now actively engaged in cyber espionage in one form or another, with the foremost practitioners of this very secret art form being the intelligence services of the US, Russia, China, Great Britain, France, and Israel. But not all the world’s cyber spies are created equal. Documents leaked to the media since June 2013 by former National Security Agency (NSA) contractor Edward J. Snowden reveal that America’s global electronic eavesdropping giant, the NSA, is today the world’s leading practitioner of cyber espionage.

The reversal of the NSA’s fortunes after 9/11

It is worth remembering that not too long ago the National Security Agency was the butt of jokes amongst Washington insiders. Back in 1999, two years before the 9/11 terrorist attacks, many in the US intelligence community and Congress, including senior NSA officials, believed the NSA was rapidly going deaf, dumb and blind because the agency had fallen so far behind the technology curve after the end of the Cold War in the early 1990s. Former NSA officials confirm that back then, the NSA was indeed in a state of crisis because the agency had not paid heed to how the internet, fibre optic cables and cellular telephones were then drastically changing the way the world’s governments, militaries, corporations and ordinary citizens communicated with one another. The agency’s intelligence production fell sharply in the late 1990s as the NSA lost access to many of its top targets, and many of its best people resigned or took early retirement in order to take better paying jobs with Microsoft or other high-tech firms that offered better job security as well as lucrative stock options. Things were so bad that the NSA’s Deputy Director for Operations, James R. “Rich” Taylor, admitted in a secret interview with the 9/11 Commission that the “NSA was a shambles.”

Today NSA is a radically different place than the somewhat bedraggled and dispirited organisation that existed on 9/11. NSA has spent more than US$40 billion of American taxpayer money over the past decade to completely reengineer and reorient itself from the ground up. Over the past nine years, the NSA has hired more than ten thousand new employees, including electronic engineers, and linguists. Scientists, software programmers, and ordinary citizens communicated with each other via internet-based email, message boards, and text messaging systems - are much easier to access than the old radio-based communications systems. But most importantly, sources confirm that the NSA today is once again producing the best intelligence information available to the entire US intelligence community.

The NSA’s shift to internet SIGINT

How has this dramatic change in fortune happened since the 9/11 terrorist attacks? Recently disclosed documents leaked to the media by former NSA contractor Edward J. Snowden, and information developed independently in interviews over the past three months show that the NSA has largely scrapped its pre-9/11 dependence on radio intercept and brute-force supercomputer-based cryptanalysis, and reengineered itself into a largely cyber-centric intelligence gathering organisation that now focuses primarily on foreign targets that use the internet to communicate.

From the perspective of the NSA, the advent of the internet has proven to be the proverbial Goose that Laid the Golden Egg. National and transnational targets that NSA could not gain access to two decades ago the agency can now relatively easily intercept because internet-based communications media - such as e-mails and text messaging systems - are much easier to access than the old radio-based communications systems the agency used to depend on for its life blood.

One gets a sense why NSA’s SIGINT collection managers have fallen head over heels in love with the internet when one looks at the most current list of the countries who are the heaviest users of the internet. The fact that twice as many people in China now use the internet than in America means that the NSA’s ability to access Chinese communications has increased one hundredfold in the past decade.
has been raging for almost three years, war-torn Syria, where a bloody civil war country’s political and economic elite. In use the internet, most of whom are the country’s populace (18.9 million people) use the internet, and another 26 per cent of the population (5.4 million people) use the internet. The behemoth at work So not surprisingly, since 9/11, the internet has become the backbone of the NSA’s SIGINT collection efforts. In an unclassified White Paper released on August 9, 2013, NSA revealed that it collects only 1.6 per cent of the 1,826 petabytes of traffic currently being carried by the internet. To give one a sense of how much raw data this is, the entire Library of Congress, the largest in the world, holds an estimated 10 terabytes of data, which is the equivalent of 0.009765625 petabytes. In other words, the NSA’s interception of internet traffic is commensurate to the entire textual collection of the Library of Congress 2,990 times every day. Of this intercepted internet material, according to the NSA, only 0.025 per cent is selected for review by the agency’s analysts. This sounds reasonably manageable until one considers that the amount of material in question is the equivalent of 119 times the size of the entire Library of Congress collection that has to be sorted through every day. From a technical standpoint, the vast and ever-growing volume of communications traffic being carried on the internet is a relatively easy proposition for the NSA. The vast majority of the world’s internet traffic transits America’s 32 fibre optic cables, landing points or terminals. Twenty are located on the east coast and a further twelve along the west. According to the consulting firm Telegeography in Washington, DC, 56 different global fibre optic cable systems carry internet traffic to and from Europe, Asia, the Middle East, Africa, Latin America and the Caribbean. The NSA’s ability to access the internet traffic carried on these fibre optic cables results from the agency’s intimate relations with the three largest American telecommunications companies - AT&T, Verizon and Sprint. For the past twelve years, the NSA has had near-complete access to the roughly 80 per cent of the world’s internet traffic that transits through the gateways, routers or computer servers in the U.S. that are owned by these companies. The NSA has gone to considerable lengths to keep secret that these American telecommunications companies intercept internet traffic using agency-supplied equipment (euphemistically referred to as “Black Boxes” by company personnel), which are maintained by hundreds of company engineers and technicians who have been specially cleared by the NSA. In return, the agency gives these three companies substantial amounts of cash - US$278 million in 2013 alone. Leaked documents also show that the agency can access internet communications traffic being carried by certain major British, Canadian, Australian and New Zealand telecommunications companies, all of whom receive substantial cash payments (US$6 million) from NSA in return for their cooperation and compliance. Since September 2007, the NSA has been able to expand and enhance its coverage of global internet communications traffic through a program called PRISM, which uses court orders issued by the NSA Court that allow NSA to access emails and other communications traffic held by nine American companies - Microsoft, Google, Yahoo!, Facebook, PayPal, YouTube, Skype, AOL and Apple. For the past six years, the NSA has been exploiting a plethora of communications systems: emails, voice over internet protocol (VoIP) systems (such as Skype), instant messaging and text messaging systems, social networking sites and web chat sites and forums. The NSA is also currently reading emails and text messages carried on 3G and 4G wireless traffic around the world because many of these systems are made by American companies, such as Verizon Wireless. Where the NSA cannot access sources, the agency hacks into the computer systems of its overseas targets, a process generally referred to as Computer Network Exploitation (CNE). This highly-secret cyber espionage program, referred to in leaked documents by the codename GENIE, is conducted by a 1,600-person SIGINT collection unit at NSA headquarters at Fort Meade, Maryland called the Office of Tailored Access Operations (TAO), who 2013 budget amounts to more than US$651 million. Since TAO was created during the Clinton administration in the late 1990s, leaked documents indicate that the unit’s hackers have managed to successfully penetrate tens of thousands of computers outside the US, including many in high priority countries like Russia, China, Iran, Syria and Pakistan, to name but a few. The CIA has its own cyber espionage unit called the Office of Information Operations, whose budget is even larger than TAO’s (US$673 million) and whose operations include cyber-attack missions designed to cripple or destroy foreign computer networks. The importance of the internet as an intelligence source for NSA cannot be underestimated. According to interviews with three former or current-serving US intelligence officials conducted over the past month, NSA is now producing high-grade intelligence information on a multitude of national and transnational targets at levels never before achieved in the agency’s history. Since 2008, SIGINT derived from PRISM intercepts has become the principal intelligence source used by the CIA, DIA and the Joint Special Operations Command (JSOC) to target unmanned drone strikes and commando raids against al Qaeda terrorist targets in northern Pakistan and Yemen. And according to sources, on average about 60 per cent of the information contained in President Barack Obama’s top-secret daily intelligence report, the President’s Daily Brief (PDB), is derived from data supplied by NSA.
A number of academic and policy commentators within China are increasingly questioning the value of North Korea as a strategic buffer and many are inclined to assess it as a strategic burden for China.

The Chinese government’s continued belief in North Korea’s value as a strategic buffer best explains the absence of a fundamental shift in China’s policy despite a dramatic rise in security costs.

North Korea has an entrenched position in China’s national security thinking. Beyond the two Koreas, China is the most important stakeholder in determining the final outcome on the Peninsula and thus will be an indispensable actor in shaping that outcome. China’s policy is traditionally framed as a combination of historical ties, ideological solidarity and economic motives, alongside a fear of collapse and the loss of North Korea as a strategic buffer. Several non-traditional security issues, especially refugee flows, are typically folded into the overall security agenda but are secondary concerns. China’s policy toward North Korea is driven first and foremost by security consideration.

China’s North Korea policy is ultimately decided by the Politburo Standing Committee (PSC) - the CCP’s highest decision-making body, currently led by Secretary General Xi Jinping. The PSC’s decisions and deliberations are based on recommendations from the Foreign Affairs Leading Small Group (FALSG). The main actor with a responsibility for China’s security is naturally the People’s Liberation Army (PLA), which has direct access to the highest levels of government to voice its stance on the role of North Korea in China’s security environment. Ultimately, however, the Secretary General must approve any final policy shift, meaning his perception of North Korea’s residual value to Chinese security is the single biggest factor in Chinese policy.

The Chinese government’s continued belief in North Korea’s value as a strategic buffer best explains the absence of a fundamental shift in China’s policy despite a dramatic rise in security costs. Following the Chinese government’s decision to continue supporting North Korea after the second nuclear test in 2009, the North has appeared to provide no tangible benefit but rather cost China no international reputation and even the costs of North Korean provocation.

Chinese Domestic Debate
The Chinese academic community plays the largest role in shaping the public narrative and, while the Chinese government still sets the limits of this debate through its control of the state-run media, the limits of acceptable discourse have expanded with each round of North Korean provocation. A number of academic and policy commentators within China are increasingly questioning the value of North Korea as a strategic buffer and many are inclined to assess it as a strategic burden for China’s policy.

The bureaucratic inertia associated with the centralized decision-making process and diffuse policy implementation system is certainly a contributing factor. But the system has been responsive when the security stakes increased, especially key events in North Korea’s nuclear program, so inertia cannot adequately explain the observed policy continuity.

Chinese Security Stake in North Korea
During China’s dynastic era, the Korean Peninsula was within China’s sphere of influence and many Korean kingdoms were considered tributary states to the Chinese dynasties. Although China lost influence over the Peninsula to Japan over the years 1894-1945, it forcefully sought to reassert this influence and protect the fledgling state of New China in the Korean War of 1950-53. China’s involvement and security considerations during the Korean War largely set the tone for Chinese views of the Korean Peninsula today. China is not only one of three signatories to the 1953 armistice agreement that brought an end to the war, it also has an alliance treaty with North Korea, dating back to 1961, under which it is legally bound to defend North Korea.

The Chinese government’s cabinet is responsible for China’s security and the Chinese People’s Liberation Army (PLA) has direct access to the highest levels of government to voice its stance on the role of North Korea in China’s security environment. Ultimately, however, the Secretary General must approve any final policy shift, meaning his perception of North Korea’s residual value to Chinese security is the single biggest factor in Chinese policy.

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The Chinese government’s continued belief in North Korea’s value as a strategic buffer best explains the absence of a fundamental shift in China’s policy despite a dramatic rise in security costs.
Perceiving North Korea as a buffer stems from the Korean Peninsula’s role as the traditional battleground, both literally and figuratively, for influence in Northeast Asia. Today, North Korea represents a buffer state. There is little evidence to suggest that China’s calculus on these security issues will change in the near future, even with a fourth nuclear test, and thus China’s policy towards the North will likely experience little change as well.

It seems unlikely that this calculus will change in the near future, even with a fourth nuclear test, and thus China’s policy towards the North will likely experience little change as well.

Conclusion

China’s security calculus vis-à-vis North Korea rests largely on the belief that it retains significant value as a buffer state. While China incurs substantial indirect security costs for its relationship with the North, leaders in China still see tangible and intangible benefits that evidently outweigh these costs. It seems unlikely that this calculus will change in the near future, even with a fourth nuclear test, and thus China’s policy towards the North will likely experience little change as well.

Since the DPRK’s withdrawal from the Nuclear Non-Proliferation Treaty in 2003, North Korea has been a negative factor in China’s rise. The sustained heightened tensions punctuated by the North’s two deadly provocations in 2010 and its third nuclear test in 2013 accentuated the security costs to China but also revealed important underlying Chinese perceptions of security benefits flowing from active support of its ally. Given the concentration of authority for North Korea policy with the seven top leaders in the PSC, the new Xi Jinping administration has the opportunity to seek stronger alignment of China’s position on North Korea with China’s national interests. The question is whether President Xi has the interest, time and power necessary to reframe Beijing’s policy for the 21st century.

North Korean leader Kim Jong-un attending the 4th meeting of company commanders and political instructors of the Korean People’s Army (KPA) at the Pyongyang gymnasium, 24 October 2014. (Image: AFP/KCNA via KNS.)

North Korean leader Kim Jong-Un attending the 4th meeting of company commanders and political instructors of the Korean People’s Army (KPA) at the Pyongyang gymnasium, 24 October 2014. (Image: AFP/KCNA via KNS.)
The situation in the South China Sea during 2013 remained essentially unchanged. Tensions between the claimants continue to fester, fuelled by rising nationalist sentiment over ownership of the disputed atolls, the lure of potentially lucrative energy resources under the seabed, spats over access to valuable fisheries in overlapping zones of maritime jurisdiction and moves by most of the claimant states to bolster their territorial and sovereignty claims by issuing new maps, conducting military exercises and launching legal challenges. Indonesian Foreign Minister Marty Natalegawa observed that the South China Sea exhibited a “sense of anarchy.”

The primary axis of contention in 2013 has been between China and the Philippines. Bilateral relations nosedived in 2012 when superior Chinese maritime assets forced Manila to concede control of Scarborough Shoal. In January 2013, the Philippines angered China by unilaterally challenging its expansive claims in the South China Sea—represented by the so-called nine-dash line—at the United Nation’s (UN) International Tribunal of the Law of the Sea (ITLOS). China went on to accuse the Philippines of illegally occupying atolls in the South China Sea, being confrontational and encouraging the United States to “meddle” in the dispute; Manila responded that China’s “massive” military presence around the shoals within the country’s 200 nautical miles exclusive economic zone (EEZ) posed “serious challenges” to regional stability. Beijing even withdrew an invitation to Philippine President Benigno Aquino to attend the 10th ASEAN-China Expo in Nanning in August 2013 because he refused to withdraw the UN legal challenge. As that case proceeds, even without China’s participation—China and the Philippines will remain estranged. In contrast, relations between Vietnam and China were relatively cordial.

A resolution to the dispute looks further away than ever. Because the claimants have dug in their heels over perceived territorial and maritime rights, the compromises and concessions that would be required to achieve a legal or negotiated settlement are currently out of reach. Indeed the political climate in the South China Sea has acted as a restraint on the claimants’ behaviour. Yet a small-scale conflict over the disputed atolls and their associated resources cannot be ruled out, most likely sparked by a confrontation involving warships, patrol boats or fishing trawlers. The lack of conflict prevention and management mechanisms to contain the risks of escalation is a real concern.

I don’t think that the overlapping claims can be cleaned up.”

Notwithstanding this bleak and widely shared assessment, few observers envisage a major war in the South China Sea. All parties have a strongly vested interest in the free flow of maritime trade through one of the world’s most important waterways. This compelling common interest in stability in the South China Sea has acted as a restraint on the claimants’ behaviour. Yet a small-scale conflict over the disputed atolls and their associated resources cannot be ruled out, most likely sparked by a confrontation involving warships, patrol boats or fishing trawlers. The lack of conflict prevention and management mechanisms to contain the risks of escalation is a real concern.

As US Defense Secretary Chuck Hagel warned his Asia-Pacific counterparts in Brunei in August: “Actions at sea to advance territorial claims do not strengthen any party’s legal claim. Instead they increase the risk of confrontation, undermine regional stability and dim the prospects for diplomacy.”

Even though the political will to resolve the dispute is clearly absent, all parties recognise the need to better manage the problem and pre empt conflict. ASEAN and China have been engaging on this issue for two decades, albeit with inconsistent commitment and progress has been correspondingly limited. This comment examines attempts by the two sides to advance the process in 2013 by implementing an existing agreement - the Declaration on the Conduct of Parties in the South China Sea (DoC) - and draw up a new and more robust one, the Code of Conduct in the South China Sea (CoC).

Implementing the DoC

ASEAN and China signed the DoC in November 2002 following two years of negotiations. It was originally envisaged to be legally binding, but China (and Malaysia) eschewed a legalistic approach and the final document became a non-binding political statement. The DoC is designed to reduce tensions, build trust through the implementation of confidence-building measures (CBMs) and create an environment conducive to a peaceful settlement of the dispute. The DoC was made possible because in the late 1990s China had adopted a more accommodating stance over the South China Sea as part of a broader posture of reassurance toward ASEAN (widely referred to as China’s “charm offensive”).

As the dispute heated up in 2007-08, however, it became readily apparent that the DoC’s mitigating effects had been greatly overstated. Although an ASEAN-China Senior Officials Meeting (SOM) on Implementing the DoC had been established in 2004, followed by a lower-level Joint Working Group (JWG) on Implementing the DoC a year later, these groups had only met infrequently and by 2009 had become stymied by procedural disagreements between Chinese and ASEAN officials. It was not until July 2011 - against a backdrop of rising tensions that called into question ASEAN’s ability to manage regional hotspots - that the two sides reached agreement on a vague set of “Implementation Guidelines”. Though the DoC still “lacked teeth”, in the words of Philippines Foreign Secretary Albert Del Rosario, the guidelines paved the way for discussions to begin on joint cooperative projects in four of five areas identified in the DoC: search and rescue (SAR); marine ecosystems and biodiversity; marine hazard prevention and mitigation; and marine ecological and monitoring technique (the fifth area is combatting transnational threats).

At the 6th meeting of the SOM and 9th of the JWG in Suzhou, China on 14-15 September 2013, agreement was reached in principle to set up a SAR hotline. A Work Plan for the Implementation of the DoC for 2013-
2014 was also agreed on, including four meetings of the JWG. Details of how the hotline would operate, and the contents of the Work Plan, have yet to be divulged. Nevertheless, after years of inactivity, the outcome of the Sushoo meeting represented a useful step forward.

Telephone hotlines have been much in vogue in Asia this year. In June, China and Vietnam agreed to establish a hotline to report incidents involving fishing boats.1 And in August, ministers attending the ASEAN Defence Ministers Meeting (ADMM) Retreat and Second ADMM-Plus in Brunei discussed measures to alleviate friction in the South China Sea, including a hotline to “defuse tensions at sea” as well as a “non-first use of force” agreement that Vietnam had proposed earlier in the year.2 How the proposed ADMM and ASEAN-China SAR hotlines will fit together remains to be seen.

The CoC Process

As soon as the Implementation Guidelines for the DoC were issued, several ASEAN members began calling for immediate talks on the CoC based on the view that however useful cooperative projects might be, they would have little impact on preventing incidents at sea that could lead to conflict. These members considered that what was needed was a comprehensive agreement on “rules of the road” – a clear articulation of permissible and impermissible behaviour in the South China Sea. By mid-2012, ASEAN had drawn up a set of “proposed elements” for the CoC, including avenues to resolve disputes arising from violations or interpretations of the code. Indonesia subsequently used these proposed elements to draw up a “zero paper” that contained some further new ideas.3 Although China had indicated in late 2011 that it was willing to begin consultations on the CoC, by mid-2012 it had firmly slammed on the brakes. Chinese officials suggested that, as some ASEAN claimants were repeatedly violating the DoC and that these claimants were seeking to get around China’s insistence on dealing bilaterally with each of the other parties and bring ASEAN in behind their positions (even though ASEAN officially claims that it takes no position on competing territorial claims), the “time was not ripe” to move forward. Chinese officials also indicated that ASEAN’s “proposed elements” and Indonesia’s zero paper could not be the basis for discussions.

China’s reluctance to engage is not the only reason why the DoC/CoC process has languished. Disunity within ASEAN has also been a hindrance. While ASEAN does have a bottom-line consensus on the South China Sea - known as the Six-Point Principles4 - unity is a problem because each of its members see the problem differently. Several ASEAN claimants in the South China Sea, in particular Vietnam and the Philippines, view the problem as a major national security concern; fellow claimants Malaysia and Brunei are geographically further from China and tend to downplay tensions; Indonesia and Singapore have both called on China to clarify its claims; the four non-claimants in mainland Southeast Asia – Thailand, Myanmar, Cambodia and Laos - do not perceive a direct stake in the dispute and in any case wish to avoid jeopardising close economic and political links with China by taking positions incompatible with Beijing’s interests.5 This lack of solidity was publicly examined in July 2012 when, under Cambodia’s chairmanship, ASEAN failed to issue a joint communiqué for the first time in its history. Consensus could not be reached on whether specific incidents in the South China Sea such as the stand-off at Scarborough Shoal should be mentioned. In 2013 the Philippines also came under criticism for submitting its legal challenge at the UN without consulting its ASEAN partners.

When Brunei took over the chair in January it said that the CoC would be a priority. However, until China was ready to declare that the time was ripe, there could be no movement. In April-May China did adjust its position. In informal talks with ASEAN in April, and during a swing through the region in May, Wang Yi announced that China was ready to begin consultations (not negotiations) with ASEAN on the CoC. China’s decision seems to have been motivated by the new leadership’s desire to improve relations with Southeast Asia and its members see the problem differently. In addition, Beijing would prefer to focus attentions on the Senkaku/Diaoyu dispute which, because it involves Japan, is considered a more consequential issue than the South China Sea.

ASEAN has called for an “early conclusion” of the CoC, but Wang Yi has dismissed these calls as “unrealistic” and that China is in “no rush”.6 Thus far, China has agreed to consultations on the CoC, in a “step by step” manner under the framework of the DoC.7 In Sushoo, at China’s insistence, the SOM agreed to deliberate formal consultations on the CoC to the lower-level JWG. China also successfully pushed for the creation of an Emissary Persons Expert Group (a technical experts group at either Track 1.5 or Track 2 level) to complement the JWG. Both decisions are viewed by some ASEAN officials as means to prolong the CoC process.

Agreement between ASEAN and China to establish an SAR hotline and the commencement of talks on the CoC, represents a modicum of progress towards better managing the South China Sea dispute. Hopefully more progress can be achieved in 2014 under the chairmanship of Myanmar. Yet our expectations must be realistic, for two reasons. First, the complex and contentious issues facing ASEAN and Chinese officials means that framing the CoC will be a long, drawn out process. Second, as noted, China is not enthusiastic about a code, opposes an “early conclusion” and will never sign an agreement that constrains its freedom of action in an area in which it believes it has sovereignty based on “historical facts”. Accordingly, chances are that the CoC will be largely symbolic and unlikely to change the central drivers of the dispute.

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“...few observers envisage a major war in the South China Sea.”

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1 “ASEAN needs ‘more effective’ code with China over seas row”, Kyodo, 10 July, 2013.
9 “Exploring the Path of Multi-Country Diplomacy with China’s Perspective”, Remarks by Foreign Minister Wang Yi at Tonghua University, 27 June, 2013.
12 “China warns against rush to set code of conduct in South China Sea”, Xinhua, 5 August 2013.
13 “Premier Li’s keynote speech at 10th China-ASEAN Expo”, Xinhua, 4 September, 2013.
The South China Sea is an arena of escalating contention. In addition to several external players with vested interests, there are a number of immediate stakeholders in this area: China (including both the mainland and Taiwan), Vietnam, Malaysia, Indonesia, Brunei, and the Philippines. There are various bilateral or trilateral disputes in the region, but China has had bilateral disputes with all of the others, as it has claimed rights, depicted in its “nine dash line”, which extend to the immediate vicinity of their national territories.

The contention is not just between China and all the rest of the parties. It has occurred between and amongst other neighbouring claimants. Therefore, it is important to address all the disputes in a holistic manner, once and for all, with China as the focus.

South China Sea in perspective

The entire South China Sea consists of three parts: water, features (ranging through rocks, reefs and islands) and marine and seabed resources. Prior to 1947, no single nation unilaterally claimed rights over all these dimensions of the South China Sea. This changed in 1947, when the government of the Republic of China officially published its “eleven dashed lines”, claiming all islands, islets and reefs and sovereign water where applicable within these lines. By various counts, there are some 200 features above and immediately beneath the surface of South China Sea.

By 1947, China had already claimed or occupied a number of these features. In the 1st century AD, China’s Han Dynasty had established control over Hainan Island. In 1279, the Yuan Dynasty sent Mr Guo Shoujing to Huayang Island, also called Scarborough Shoal, to officially survey that area. In the 1930s, when the French colonial government claimed several islands in the Nansha (or Spratly) group, the Republic of China lodged protests to protect Chinese interests.

Despite the fact that successive Chinese governments have exercised effective control over those islands close to mainland China, especially over Hainan Island and the Xisha (or Paracel) Islands, it is clear that, prior to 1947, China had not claimed rights over all these dimensions of the South China Sea. Even since 1947, successive central Chinese governments have not been in actual control over all of them for the simple reason that none of them have had the ability to do so, including the present People’s Republic of China.

The inability to exercise comprehensive effective control over the South China Sea features clearly did not detract from the Chinese governments’ interest in asserting its claims to the entire area. It is interesting that, when China made its claim to the entire area in 1947, Beijing seems not to have met immediate resistance. The Vietnamese, Malayan and Filipino governments made no counter claims. Nor did the French, British and American governments that controlled these regional colonies or quasi-colonies. To the Chinese, the very fact of this silence confirmed the legitimacy of their claims. Furthermore, some regional countries have explicitly or implicitly acknowledged the legitimacy of the Chinese claim. In September 1958, the North Vietnamese government officially accepted the Chinese government’s statement on the extension of Beijing’s territorial waters to 12 nautical miles, which the statement explicitly extended to the Spratly and Paracel Islands. Similarly, all five constitutions of the Philippines, up to 1997, clearly stated that the country’s westernmost territory ended with Luzon, which is 130 nautical miles east of Scarborough Shoal.

China has no viable alternative but to look to ocean spaces further afield, and especially at the South China Sea within the dashed line.
South China Sea littoral states. These remained the facts up until 1982 when the UNCLOS was introduced.

UNCLOS fundamentally altered the international maritime economic order. It expanded all coastal countries’ maritime economic interest, by granting them 200 nautical mile exclusive economic zones (EEZ), including 12 nautical miles of territorial water, expandable to 350 nautical miles in some circumstances. Globally, the arena of the high seas shrank by one-third. In the South China, the effect was even more dramatic: 90 per cent of the sea became someone’s EEZ.

In 1982, the making of UNCLOS was viewed by China as a major accomplishment on three fronts. First, it greatly extended the sea space in which China’s had priority economic rights, from 3 to 200 nautical miles, which it had never attained despite its drawing of the dashed line in 1947. Second, China viewed itself as the leader of the so-called Third World, and winning EEZs for so many coastal developing countries usefully consolidated this status and boosted Beijing’s political influence. Third, China was content to see the international economic order shift away from dominance by the two superpowers, the US and the then Soviet Union, as they lost economic access to and faced potentially constrained military activities in the newly established EEZ of all other coastal countries.

Thirty years later, with China having grown into the second largest economy in the world and acquiring a correspondingly high international political profile, Beijing probably regards UNCLOS as more of a mixed blessing. China is now the top global trader, in terms of both exports and imports, and therefore needs as much open sea as possible. Although the EEZ of other states has not blocked its free access for transportation purposes, it has met significant legal resistance to accessing economic resources in the EEZs of others: a Chinese fishing boat was shot at by Russia’s coast guard in its EEZ, and a Chinese fisherman was killed near Palau for illegal fishing inside the latter’s EEZ. Within the South China Sea, it has become more common that Chinese fishermen are opposed when operating within the EEZs of other littoral states.

China’s huge population and rapid economic development has naturally resulted in a burgeoning appetite for resources: food, energy and all that the sea and the seabed has to offer. In the meantime, due to fast industrialisation of the past decades, China has unleashed vast amounts of under-processed pollutants, decreasing the productivity of its coastal seas. Given these circumstances, China has no viable alternative but to look to ocean spaces further afield, and especially at the South China Sea within the dashed line.

Resolving conflict through cooperation

The conflict of interest is stark and very real. The other littoral states insist that China should not intrude into its neighbours’ EEZ for its own fishery benefit. For its part, China will continue to make the case that it has sustained economic activities in the entire South China Sea over a long sweep of history. It cannot be expected that China will ever relinquish the right to continue such historical practices, especially as it has lodged the claim embedded in the nine dashed line long before UNCLOS appeared in 1982.

While we have endeavoured to this point to present both sides of the argument, it is necessary to draw attention to the following facts.

First, China invested heavily in ensuring that UNCLOS supported the maritime economic interests of developing countries. Though China registered some initial reservations over its economic rights in the South China Sea, it still failed to fully protect itself in negotiating the convention. This factor has to be respected and taken into account so as to strike a fair and sensible balance in settling its dispute with other South China Sea claimants. In the final analysis, it is hardly equitable to apply the provisions of UNCLOS rigidly and, in particular, without regard to the size and weight of the states concerned. China’s population base and consequent huge resource requirements must, as a practical matter, be factored in to everyone’s political calculus. Though China has to take responsibility for the foreign policy decisions it took in the past, the other interested parties should not take carefule account of all the considerations driving Chinese policy, especially as other claimants have seized some South China Sea features which they once accepted, in one way or another, had been claimed by China.

Second, while the other current claimants now dispute China’s comprehensive nine dashed line claim, they did not do so for some decades after 1947. These states have negated their earlier implicit, and occasionally explicit, acceptance of the Chinese claim, putting them in a somewhat awkward position. At the present time, Vietnam has occupied 29 islands/islots in the Spratly; Malaysia five and the Philippines at least eight. When these states invoke UNCLOS and ask China not to conduct fishing activities inside the overlapping area between their EEZs and China’s dashed line, they should also not encroach on China’s islands/islots in the first place. According to UNCLOS, some of the bigger islands may be legally entitled to an island-based EEZ, which would clearly greatly expand the area in which EEZs overlapped.

Third, although customary international law and the UN Charter stress the peaceful settlement of disputes between states, this is not mandatory. Since China has an indisputable claim to sovereignty over all the features of the South China Sea within the dashed line, Beijing, though it clearly prefers peaceful settlement, is entitled to use all means at its disposal to settle disputes to its satisfaction. Even though China may not be entitled to economic rights in its neighbours’ EEZ, it is still entitled to sovereignty of all islands/islots, including those that are much closer the mainland territory of its neighbours than to China. China is entitled to these sovereign rights and any adjacent economic rights.

In light of the above, it is obvious that the best approach to resolving such a complicated intersection of historical developments with contemporary

By the same token, Chinese neighbours need to understand that by explicitly or implicitly accepting China’s pervasive sovereignty claim over all features and adjacent area, their occupation of some of the features in the South China Sea also leaves them in a legally vulnerable position. Simply insisting on one’s own rights even when they cut across the rights of others, and simultaneously accusing China of economic encroachment, will not work. A sound pragmatic solution is to find common ground with China so a mutually acceptable trade of interests can eventually be identified and implemented peacefully.
Myanmar’s reforms have caught the attention of the international community since 2011. Amidst scepticism, the Thein Sein administration’s commitment to bring Myanmar in from the cold, politically and economically, has gradually found commendation and support, notwithstanding the considerable challenges facing the country. As Myanmar moves into 2014, with Thein Sein pushing on with reforms and managing the high-profile role of ASEAN chair, hopes and expectations will inevitably have to be reconciled with the realities of a state that has been isolated and at war with itself for decades. The credibility of the Thein Sein administration, and its legacy, will depend largely on the success of both the reforms and the current ASEAN chairmanship which Myanmar will assume for the first time. What can mar the progress made thus far? And what will be the determinants of Myanmar’s transition from a wallflower to a more active participant in the regional and international arenas?

The Politics of Reconciliation

An initial political landmark came with the inclusion of the National League for Democracy (NLD) in by-elections on 1 April 2012, and the election to parliament of Aung San Suu Kyi and other NLD candidates. Parliamentary committees have become more obviously a check and balance on the executive, including through exposure of a deterioration of conditions and mismanagement under military rule in a number of fields. The constitutional tribunal ruled that parliamentary committees held a lower status than central-level entities (such as the ministries), leading the then-Lower House Speaker Thura Shwe Mann and Aung San Suu Kyi – to vote for impeaching the tribunal and to the tribunal’s collective resignation. Then Sein called on the parliament to find other ways, such as amending the constitution, to resolve the issue, thus far without effect.

Thura Shwe Mann, now Speaker of Parliament, is a member of Thein Sein’s Union Solidarity and Development Party (USDP) and its acting chairman. Thein Sein is the party’s chairman, but cannot participate actively in party matters as members of the executive are required to suspend themselves from party activities when they assume office. This injects an interesting dynamic into the relations between the executive and legislative and how campaigning for general elections in 2015 will be carried out. Presidential ambitions have been expressed by both Thura Shwe Mann and Aung San Suu Kyi. Thein Sein has indicated that he will not be a candidate in 2015 and that he would not resist a constitutional amendment that enables Aung San Suu Kyi’s bid for president.

The Thein Sein government has stated its commitment to negotiating ceasefire agreements with ethnic armed groups and is working with both domestic civil society and international non-governmental organisations to facilitate discussions. The government’s criteria for engagement include the armed groups accepting the 2008 Constitution and using parliamentary channels for any amendments to that document.

With so many ethnic and other groups accustomed for so long to using force or the threat of force to preserve a measure of autonomy, peace-making in Myanmar is fraught with complexities. Negotiating teams from the Executive and the Parliament are currently engaging fourteen armed groups on issues such as resettlement… demobilisation and reintegration…so that they can re-join the political process.

Managing the peace process is essentially a task of rebuilding trust with the different groups. The process is likely to be an enduring preoccupation for the remaining 20-odd months of Thein Sein’s administration, as some of the negotiations are still at state-level (before progressing to Union or central level) and at least three armed groups are still in a state of combat with government troops. For the first time in decades, however, there is real hope that Myanmar’s seemingly endless civil war may end. Indeed, attention is being given, including by Commander-in-Chief Senior General Min Aung Hlaing, to prepare the Myanmar Armed Forces for a role consistent with a parliamentary democracy. It is hoped that countries like the US and Australia, which have renewed ties with the Myanmar military, can help catalyse this transition through their “Building Partner Capacity” initiatives.

The military’s economic clout could lead to resistance of democratic reform. A case in point is the parliamentary investigation set up in late 2012 to look into the suppression of protests against a joint venture between the military-owned Union of Myanmar Economic Holdings Ltd and a Chinese mining company.

The intense foreign interest in Myanmar’s natural resources may pose some risk to the on-going peace negotiations. Strategic imperatives may have led China to overplay its privileged access to trade and investment opportunities in Myanmar during the decades of isolation, resulting in widely held perceptions that Beijing helped the prolonged military rule. Manoeuvring between the domestic political transition, a massive economic agenda, and embedding a more balanced posture on linkages to other states will test Myanmar’s leaders into the indefinite future.
The Dark Side of Transition

While the prospects for peace at the borders have grown incrementally, clashes between Kachin armed groups and the military continue. Additionally, the government’s attempts to deal with the violence between Muslims and Buddhists have not succeeded in resolving differences over identity, citizenship and entitlements. Recent mob raids of Muslim homes in Rakhine state have again shown the dark side of transition - religious animosities continue to be incited by nationalist sentiments that seem to find favour with those who feel they are losing out from the changes taking place in the country. Deep-seated fears of racial purity and security against “outsiders” are leading to discriminatory practices in the name of economic nationalism and entrenching perceptions of “us and them”. The continued clashes and acts of violence indicate a deep division within the population that could worsen. Whatever the case, conflicts of this nature highlight the need for multiple bridge-builders and acceptance that it will be a painstaking process. In particular, political parties in Rakhine State and legislators of these parties in the regional and central-level parliaments all have a crucial role to play.

Managing international perceptions of how internal stresses of this kind are being addressed is a responsibility that inescapably attends the political transition underway in Myanmar. The exposure associated with assuming the ASEAN chair in 2014 adds urgency to the government being able to point to first hand the conditions in a country that could be seen by many as the next economic engagement. India, similarly, will find the new order in Myanmar, and the more level playing field for trade and investment associated with it, attractive in economic and political terms and respond accordingly.

Myanmar’s leaders have a daunting agenda – accelerated economic development, domestic political transition and ending entrenched civil war, broader re-engagement with the international community, and chairing ASEAN in 2014 – but Myanmar now has a formidable array of friends who want it to succeed.

Concerns have been openly expressed about Myanmar’s ability to deal with external attempts to influence the Chair.

The Positives

Myanmar today is still in the early stages of its transition towards democracy and internal stability. The fast pace of reforms is acknowledged by all stakeholders, though some reforms measures have met with more success or approval than others. Civil society and the media have relished the new freedoms and now play an increasingly important role in the country’s transition. Amid concerns that the executive may still not have full knowledge of the military’s activities, it has substantially dispelled the cloud of an underground relationship (possibly with a weapon of mass destruction dimension) with the DPDK. Thein Sein has publicly committed to releasing all political prisoners by the end of 2013. Aung San Suu Kyi’s freedom of movement and expression remain unhindered and the NLD’s role in the country’s future is acknowledged. There are steps to review the 2008 constitution, mainly to bring out a more federal flavour in the central and local governments. This has the potential to contribute to ethnic reconciliation, through helping redress grievances over skewed representation in central and local legislatures.

The World Economic Forum on East Asia hosted by Naypyitaw in June 2013 brought movers and shakers from the world over to Myanmar, to observe at first hand the conditions in a country seen by many as the next economic frontier of Asia. Having hosted the Southeast Asian Games in December 2013 after a decades-long hiatus, Myanmar is set to chair ASEAN and to conduct a national census, the first since 1983, in 2014.

The importance of chairing ASEAN

Myanmar views the 2014 ASEAN chairmanship as a practical exercise in the transition to democracy. The theme that Myanmar chose – moving forward in unity towards a peaceful and prosperous community - reflects this aspiration for the country’s ability to deal with external attempts to influence the Chair. Although all the ASEAN states bear significant responsibility, Thein Sein needs to prove naysayers wrong. ASEAN remains a key prize in the strategic manoeuvring among Asia’s dominant and rising powers and Myanmar, because of its vulnerabilities as it seeks to transition toward democratic rule and open engagement with its ASEAN partners, may attract particular attention.

Balancing between the giants

ASEAN has been preoccupied since the end of the Cold War with how to engage the major powers and Myanmar, because of its indefinite future. The Obama administration was commendably quick to assess that Myanmar’s new civilian government was indeed taking the country in a new direction and moved expeditiously to recognise and endorses this endeavor. It engaged the new government at a high level, upgraded its diplomatic representation to Ambassadorial rank, invited President Thein Sein to Washington and foreshadowed a progressive roll-back of sanctions as the process of reform and liberalisation progressed. Japan, which had in the past been Myanmar’s leading source of development assistance, can be expected to be eager to intensify its economic engagement. India, similarly,
When

The current resurgence of violence has its roots in the neglect of the MNLF as a stakeholder in the peace process.

In March 2013 a small raiding party of well-armed Tausug fighters from Sulu landed on the coast of Sabah near the town of Labuhan Batu and declared they were securing land and territory in the name of the Sultan of Sulu, who claims Sabah based on a historical agreement whereby Malaysia pays a token rent to the Sultan and his heirs. The Malaysian military launched a counter assault using aerial as well as ground forces and more than 60 people were killed. Six months later in September, another Tausug raiding party from Sulu was intercepted as it headed towards the city of Zamboanga. Three weeks later more than 200 were dead and as many as 120,000 people were displaced.

Ironically, the root causes of these violent incidents lie in the management of the Mindanao peace process. The longer-term risk is that if not addressed, a comprehensive peace agreement signed between the Government and the Philippines and the MNLF expected to be concluded before 2016, could be held hostage or, worse, derailed.

To understand the security dynamics of the Mindanao region, it is important to recall that in 1996 the Government of the Philippines signed a Final Peace Agreement with the Moro National Liberation Front (MNLF), which was brokered by Indonesia and the Organization of the Islamic Conference (OIC). The agreement put in place a framework for autonomy that was never fully implemented. Perhaps more importantly, the agreement led to a split in the MNLF, with one well-armed faction declaring it would continue the armed struggle and rebranding itself as the MILF. Meanwhile, the MNLF, supposedly pacified, were able to retain their weapons. At the time, of a total of 17,000 fighters, some 7,500 were to be integrated into the Philippine armed forces and police. But nothing was done to disarm the rest and a promised special regional security force never materialized.

In the intervening years, the MNLF’s fighting capacity and relevance appeared to wane. Many of its fighters joined the MILF and the Abu Sayyaf Group that also operated out of Sulu. The current resurgence of violence has its roots in the neglect of the MNLF as a stakeholder in the peace process. The MNLF is well-armed and can command the loyalty of mainly Tausug fighters in Sulu. Their charismatic leader, Nur Misuari, was widely criticized for mishandling implementation of the 1996 Final Peace Agreement, yet he has managed to retain a measure of legitimacy, both as a leader on the ground and with the international community since the MNLF has been an observer member of the group of Islamic nations since 1977.

The government has made efforts at the grass roots level to engage with the MNLF in the course of negotiations with the MILF. In addition, Manila launched a review of the 1996 Final Peace Agreement. But on the whole, the thrust of the government’s peace making endeavor was focused firmly on reaching a deal with the MILF. Not surprisingly, the MNLF felt ignored and left out. Then, as the parties embarked on fleshing out the details of the new deal, it soon emerged that in some areas, revenue sharing being a key example, the MILF was getting a better deal. The government assumed mistakenly – that this would draw the MNLF into the agreement.

As noted above, the first signs of discontent appeared early in the year when one of the claimants to the Sultanate of Sulu, Jamalul Kiram III, sent a raiding party of some 230 Tausug fighters led by his brother to Sabah. The Kirams claimed the government had not consulted them about the just-signed agreement, and that insult had been added to injury when Jamalul Kiram had been invited to witness the signing of the accord, but was not properly acknowledged on the occasion as a key participant. Although the Kirams claimed the men were fighting in their name, there was no doubt that many of them were also loyal to Misuari and the MNLF.

The Sabah incursion highlighted the regional security threat posed by armed groups based in Sulu. The militant Abu Sayyaf Group has already demonstrated its ability to snatch hostages from the coast of Malaysia and Malaysian security forces have said privately that the coastline is hard to patrol since the low profile and high speed “pump boats” used by the Tausug raiders are next to impossible to detect using radar.

The Sabah incursion was suppressed using massive military force and special security laws. Some 12,000 Tausug who had migrated to Sabah took to boats and came back to Sulu, where there were fears that their presence could re-open or exacerbate old clan conflicts and lead to further violence. While further violence never materialized in Sulu, the Sabah incursion did provide the MNLF with a taste for fighting again.

Meanwhile, negotiations continued on the details of the GPH-MILF (Government of the Philippines-MILF Agreement, and despite the warning signs about the lack
of consultation, there was no effective effort to reach out to the MNLF. The government in Manila was content to try and isolate Misuari and stitch up deals with MNLF commanders on the ground using development projects as an inducement. The government even tried to bring to an end the 1996 Final Peace Agreement review process being conducted by Indonesia and the OIC. This turned out to be the trigger for the next phase of MNLF resurgence.

At some point in July, reports started circulating about a mysterious figure who was visiting MNLF camps in Sulu claiming to be a representative of the United Nations Secretary General. The UN denied any connection. At the same time, rumours swirled around Sulu that Malik and his close supporters had most of the hostages and it was believed the Philippine military had recovered the operation. By the 28th September 2013, for mounting such a fruitless, even foolish effort to stand down. Malaysia was also deeply uncomfortable with the unfolding situation, which threatened to derail the ongoing MILF process.

In reality, the MNLF fighters, led by senior commander Ustadz Habier Malik, had been persuaded to mount the assault on Zamboanga after being told to expect a swift international intervention. The fact that this never materialised may now have created splits within the MNLF, with the relatives of those killed angry with Misuari for standing down. Malaysia was also behind the scenes diplomatic efforts to contact Indonesia and persuade Misuari to stand down. Malaysia was also deeply uncomfortable with the unfolding situation, which threatened to derail the ongoing MILF peace process.

Although Manila was reluctant to internationalise the crisis, there were behind the scenes diplomatic efforts to contact Indonesia and persuade Misuari to stand down. Malaysia was also deeply uncomfortable with the unfolding situation, which threatened to derail the ongoing MILF process.

Some analysts see the potential for violence in neighbouring Malaysia if Misuari’s followers decide to flee Sulu into Sabah, as has happened in the past. This could well have a knock on effect in Sabah itself, where there is underlying tension in relations between the Kadhazan-Dusun majority and the underlying tension in relations between the Kadhazan-Dusun majority and the Federal Government in Kuala Lumpur. Moreover, it is clear that Moro unity and the integrity of its leadership will be critical to making the framework agreed in Bangsamoro viable. The MILF has demonstrated an effective ability to maintain a cohesive leadership throughout the negotiation process. For this agreement to work, it is vital that inclusive dialogue takes place to ensure that all elements of Moro society are convinced they are getting a good deal. Finally, the violence experienced this year should convince the government in Manila that it ignores previous agreements at its peril. As much as the 1996 Final Peace Agreement may be regarded as a failure or, at least, overtaken, it was nonetheless solemnly agreed. The MNLF will not simply jump aboard a new agreement with the MILF. As the events of this year demonstrate, the strong clan based culture of Tausug honour and dignity in Sulu, where the MNLF are mostly based, is a primary factor in determining the resort to violence. Consultation with the MNLF and the heirs to the Sultanate of Sulu at the leadership level will go a long way towards appeasing their concerns.

The Aquino administration’s commitment to a peace process that aims to settle once and for all the question of Bangsamoro identity is laudable and has set a new benchmark for the region in terms of a well-structured and transparent peace process that includes a high level of popular participation. Malaysia’s facilitation in this last phase of the process has also been efficient and constructive, aided by a unique International Contact Group comprised of international NGOs and states.

However no peace process can be insulated from the vagaries of domestic politics and determined spoilers. Aquino has clearly designed the process to minimize the political risks that past attempts have exposed, particularly the decade in 2008 when an agreement instigated by both sides was torpedoed by the Philippine Supreme Court as conceding too much autonomy and undermining the integrity of the state. This time around, all the negotiations have been transparent enough to preclude such suspicions taking root in the Congress. Where the government has been less deft is in the area of ensuring sufficient inclusivity and harmonisation with the 1996 Final Peace Agreement, which has provoked more violence in a period when expectations were high that peace was at hand.

Michael Vatikiotis
Asia Regional Director, Centre for Humanitarian Dialogue, Singapore

…[Manila] has been less deft is in the area of ensuring sufficient inclusivity and harmonisation with the 1996 Final Peace Agreement, which has provoked more violence in a period when expectations were high that peace was at hand.
The CSCAP Charter was adopted on December 16, 1993, a few months before the first meeting of the ASEAN Regional Forum in Bangkok on July 25, 1994. The 20th session of the ASEAN Regional Forum (ARF) took place in Bandar Seri Begawan in July 2013. CSCAP completes its 20th year in December 2013. In the context of the role, if any, for a Track Two organization like CSCAP in helping to foster a climate favouring security cooperation in the Asia Pacific, it is timely to review CSCAP’s development, the linkages that it has developed with Track One, the ARF process in particular, and to consider the prospects for the future in view of the ongoing evolution of the regional security architecture.

The larger questions that arise concern the role of Track Two in engaging Track One on issues relevant to the entire domain of regional security cooperation. Does Track Two need to seek a role for itself proactively? Should it be content with or that CSCAP had identified as relevant to the entire domain of regional security cooperation? Without a two-way exchange with Track One. What pointers and markers should CSCAP set for itself amidst the changes taking place in multilateral structures in the Asia Pacific?

The CSCAP Charter identified the need for a structured process for regional confidence building and security cooperation, with the intent of forwarding policy recommendations to ‘various inter-governmental bodies’. The Charter aimed to provide an informal, inclusive mechanism for discussions on political and security issues involving scholars, officials and others in their private capacities. The intent was to alter the security discourse after the Cold War from one of competition or confrontation to one of cooperation, through dialogue and consultation.

The ARF Concept Paper (1995) summed up the Track Two role: ‘Given the delicate nature of many of the subjects being considered by the ARF, there is merit in moving the ARF process along two tracks…Track Two activities will be carried out by strategic institutes and non-government organisations in the region, such as ASEAN-Institute of Strategic and International Studies (ASEAN-ISIS) and CSCAP. To be meaningful and relevant, the Track Two activities may focus, as much as possible, on the current concerns of the ARF. The synergy between the two tracks would contribute greatly to confidence-building measures in the region. Over time, these Track Two activities should result in the creation of a sense of community among participants of those activities.’

ARF also recognised, overall, that it had no established precedents to follow and that its efforts would require innovation and ingenuity to move forward in a consensual manner amidst regional diversities.

For the past 20 years, there has been a steady consolidation of CSCAP’s engagement with ARF which, until recently, was virtually the primary if not the only regional body with a focus on security issues. The ARF was even categorically about identifying CSCAP and ASEAN-ISIS as the key Track Two bodies from which it sought recommendations. The Hanoi Plan of Action for implementation of the ARF Vision Statement by 2020, adopted by the ARF SOM in May 2010, specifically encouraged ‘the development of an appropriate procedure that allows Track II participants to meaningfully contribute to ARF, through the implementation of the existing procedure to consider recommendations from ASEAN-ISIS and CSCAP’. The ARF Work Plan on Preventive Diplomacy (2010) included utilising CSCAP, inter alia, as an ‘expert consultative [body] for monitoring and identifying potential regional flashpoints where appropriate’.

CSCAP’s output in the form of memos to the ARF based on the work of its Study Groups (earlier called Working Groups) covered issues that ARF was dealing with or that CSCAP had identified as requiring attention. Among CSCAP’s contributions were the set of principles on Preventive Diplomacy, on which ARF based its own approach at its 8th session in Hanoi (July 2001). CSCAP representatives joined ARF ISGs and ISMs, most recently on Maritime Security, on Non-Proliferation and Disarmament in Manila in June 2013. CSCAP has set up a fresh Study Group on Preventive Diplomacy, even as ARF addresses itself to the process of moving from Stage I of its agenda, on CBMs, towards State II, on Preventive Diplomacy.

CSCAP has also worked on non-traditional areas of security cooperation. The Study Group on Cyber Security brought together domain experts from both Track One and Track Two and led to CSCAP being invited to the ARF Workshop on Cyber Security in Beijing (September 2013). The Study Group on Water Security broke new ground by providing a regional forum to discuss an increasingly sensitive and controversial subject. While maritime security has consistently been an area of focus, CSCAP’s links with the ARF have been informal and non-institutionalised. There has been a degree of coordination in scheduling back-to-back sessions to coincide with the appropriate ARF meetings, particularly of the CSCAP Study Group on Weapons of Mass Destruction. When ARF participants are able to join the CSCAP Study Group discussions, synergy is natural. Coordination by CSCAP and host Member Committees with the ARF calendar, when feasible, could help to synchronise the scheduling of more Study Group meetings with counterpart ARF events. There has however been no uniformity in the ARF’s handling of the participation of CSCAP representatives at its meetings. Two-way participation would be a useful norm.

Meanwhile, despite a gradual increase in participation of defence personnel in ARF deliberations, the expected integration of political and defence aspects did not occur. The ARF has now been joined in the realm of security cooperation.
...CSCAP faces the challenge and opportunity of contributing to the shaping of perceptions on the evolving regional security architecture while simultaneously sustaining and strengthening its established linkages.

The Asia Pacific’s regional security organisations are at a cross-road and in the process of working out their mutual equations in a security scenario of on-going, even growing, tensions.

and the regionalisation of defence relations by several other ASEAN-led organisations such as the ADMM+8, the EAS and the EAMF. An early advocate of the need to incorporate the defence dimension into the discourse, CSCAP will now need to widen its scope of engagement with Track One if it is to fulfil its Charter objective of forwarding policy recommendations to various inter-governmental bodies. ‘The dense and sometimes overlapping security processes and institutions inevitably give rise to questions of redundancy and duplication. How do the region’s multiple and varied security related processes interface and relate to each other? Fundamentally, does the expansion of multilateral processes make the region safer? Although the idea of an overarching regional architecture has been proposed in the past - the Asia Pacific Community - there seems to be little traction for it.

The Asia Pacific’s regional security organisations are at a cross-road and in the process of working out their mutual equations in a security scenario of on-going, even growing, tensions. The world over, there are revolving doors and funding channels which could influence the positions taken but do not necessarily do so. This is particularly true when governments are sensitive to the demands of the Track Two concepts of: (a) independent analysis which may or may not endorse official views, (b) the study of sensitive issues which Track One is unable to handle and (c) speaking truth to power. CSCAP discussions have been based on this flexibility of approach. CSCAP has agreed after extended discussion that its memos to Track One could reflect the range of divergent views instead of necessarily requiring consensus.

As a Track Two organisation that has pursued its objectives for 20 years, whom does CSCAP represent? The Kuala Lumpur Statement of June 8, 1993, which announced the founding of CSCAP by 10 institutions, said, ‘As representatives of non-governmental institutions concerned with the security, stability and peace of the region, we also feel that we have the responsibility to contribute to the efforts towards regional confidence building and enhancing regional security through dialogues, consultations and cooperation.’ CSCAP has since grown to include 19 Member Committees from as many countries, to provide recommendations and ideas which Track One might not have either the logistical ability or the political inclination to address. Even when recommendations are not accepted, (such as the idea of a separate ARF Secretariat), they afford Track One the opportunity to consider out-of-the-box proposals and establish clarity in its own thinking on a subject.

CSCAP’s engagement with Track One has been proven over two decades. CSCAP’s interaction with the ARF has contributed to creating a sense of a regional identity and community beyond governments, with a common interest in peace and stability. While the full potential has not been reached, the record indicates the possibility of an established impact not only when CSCAP works alongside Track One on current areas of focus, but when it anticipates upcoming issues and presents rational and well-considered proposals.

The Asia Pacific’s regional security organisations are at a cross-road and in the process of working out their mutual equations in a security scenario of on-going, even growing, tensions. To what extent will these entities work towards institutional convergence? The results of the inter-governmental efforts to rationalise the expanded regional security architecture will take time to emerge. Looking forward, CSCAP faces the challenge and opportunity of contributing to the shaping of perceptions on the evolving regional security architecture while simultaneously sustaining and strengthening its established linkages.
Established in 1993, the Council for Security Cooperation in the Asia Pacific (CSCAP) is the premier Track Two organization in the Asia Pacific region and a counterpart to the Track One, ASEAN Regional Forum (ARF).

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.

STUDY GROUPS

CSCAP’s Study Groups and Experts Groups are the primary mechanism for CSCAP activity. These groups serve as fora for consensus building and problem solving and to address specific issues and problems that are too sensitive for official dialogue. Current Study Groups include:

- Regional Security Architecture
- Countering the Proliferation of Weapons of Mass Destruction in the Asia Pacific
- Principle of Good Order at Sea
- Preventive Diplomacy

Study Groups recently concluded:

- Multilateral Security Governance in Northeast Asia/North Pacific
- Naval Enhancement in the Asia Pacific
- Water Resources Security
- Cyber Security

> Significance of the Establishment of Regional Transnational Crime Hubs to the Governments of the Asia Pacific Region
> Responsibility to Protect
> Safety and Security of Offshore Oil and Gas Installations
> Security Implications of Climate Change
> Asia Pacific Cooperation for Energy Security
> Facilitating Maritime Cooperation in the Asia Pacific

MEMBER COMMITTEES

CSCAP membership includes almost all of the major countries of the Asia Pacific and now also includes the European Union:

- Australia
- Brunei
- Cambodia
- Canada
- China
- European Union
- India
- Indonesia
- Japan
- DPR Korea
- Korea
- Malaysia
- Mongolia
- New Zealand
- The Philippines
- Russia
- Singapore
- Thailand
- United States of America
- Vietnam
- Associate Member Pacific Islands Forum Secretariat

PUBLICATIONS

CRSO Regional Security Outlook (CRSO)
The CRSO is an annual publication to highlight regional security issues and to promote and inform policy-relevant outputs as to how Track One (official) and Track Two (non-official) actors can advance regional multilateral solutions to these issues, together.

CSCAP Memoranda
CSCAP Memoranda are the outcome of the work of Study Groups approved by the Steering Committee and submitted for consideration at the Track One level.

CSCAP General Conference Reports
Since 1997, the biennial CSCAP General Conference is designed to be an international forum where high ranking officials and security experts from the Asia Pacific region meet every two years to discuss security issues of relevance and to seek new ideas in response to evolving developments in Asia Pacific security. The forum is usually attended by approximately 250 participants; making it one of the largest gatherings of its kind.

Through its publications, CSCAP’s recommendations have been well received by the ARF.

www.cscap.org