



COUNCIL FOR  
SECURITY COOPERATION  
IN THE ASIA PACIFIC

# CSCAP



# REGIONAL SECURITY OUTLOOK

+ ARF - *The next 25 years*

# 2019

## COUNCIL FOR SECURITY COOPERATION IN THE ASIA PACIFIC

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

### Front cover image

2018 summitry on the Korea issue. Source: Jan Huiskens

### Back cover image

Singapore. Source: Jan Huiskens

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### LETTER FROM THE CO-EDITORS

On behalf of CSCAP, we are pleased to present the CSCAP Regional Security Outlook (CRSO) 2019. Inaugurated in 2007, this is the thirteenth annual CRSO volume.

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

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Ron Huiskens and Kathryn Brett.

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# The Regional Security Outlook 2019: Arriving where no one wanted to go

Ron Huiskens



Vice President Mike Pence addresses the Hudson Institute on the administration's policy towards China, 4 October 2018. Source: Jim Watson, AFP/Getty Images

Thinking about the regional security outlook is a pretentious business, even when one only looks forward about 12 months, as we do with the CSCAP Outlook. Practitioners quickly learn the tricks of the trade. A good one is that next year will be a lot like this year. So if this year saw international affairs becoming gloomier – or remaining positive – you have the starting point for your outlook. Another is to question the foundations of the prevailing dominant assessment, not simply to look clever the following year when you can modestly claim to have anticipated the events and trends that departed from the norm, but to suggest (as Outlook has done) that plausible alternatives to the dominant narrative invite consideration of different policy responses. Yet a third option is to be alert to a more particular change likely to have major and enduring consequences, that is, something that that future

analysts will agree changed the quality or character of the challenge of maintaining a sufficiency of stability and order to preclude major power war and foster widespread betterment. A strong candidate for such a change emerged in 2018 with the end of ambiguity and denial about whether the United States and China saw themselves as in an essentially adversarial contest for global pre-eminence. This development arguably overshadowed the promise of the flurry of summitry on the Korean peninsula. Outlook elected to stay with the Korean peninsula as its cover theme simply because these improbable summits had actually occurred and may yet result in enduring change on the peninsula.

In September 2001, the new George W. Bush administration had completed the drafting of its first Quadrennial Defense Review. This review arguably constituted the original (and most genuine) 'pivot

to Asia', upending the traditional post-World War 2 priority order of regions of foremost interest to the United States – Europe, Near East, Far East – in favour of Far East, Near East, Europe. The review essentially identified China as a key focus, Southeast Asia as a foreign policy priority and outlined the major strands of change needed to realign America's military posture away from its Cold War emphasis on Russia/USSR and Europe. These aspirations were mostly swept aside by 9/11 as Washington was consumed by the war on terror – although much of the less conspicuous, longer-term aspects of the military pivot to Asia continued, especially gradually assigning more core naval assets (SSBN, CV, SSN) to homeports on the Pacific rather than the Atlantic.

Nearly two decades later, the first strategy document produced by the Trump administration – the National Security Strategy of December 2017 – spoke of an America that had drifted into complacency after the Cold War and sustained a misplaced confidence in the capacity of engaging rivals – notably including them in international institutions and global commerce – to attenuate competition. The NSS singled out China and Russia as mounting a comprehensive challenge to American power, influence and interests. The document declared that "China ... wants to shape a world antithetical to US values and interests." The Pentagon's National Defense Strategy of January 2018 was just as explicit, characterising China and Russia as 'revisionist powers' and declaring that the focus of America's military strategy would switch from terrorism



to the more traditional ‘major power competition’.

These strong indications of a decisive shift in America’s attitude were reinforced over the course of 2018. In August, the bill approving the defence budget included a congressional directive to the President to prepare a coordinated strategy to counter China’s ‘influence operations’. Around that time, a couple of Presidential tweets intimated that China might be encouraging the DPRK to drive a harder bargain for denuclearisation. In October, Trump abruptly alleged (with proof to follow) that China was also engaged in activities designed to weaken the performance of his (Republican) party in the US mid-term elections. The cumulative force of these positions and the steep descent from the tone maintained through 2017, speaks to the scale of the frustrations that had accumulated in US dealings with China in the new century. Finally, in a speech to the Hudson Institute in early October, America’s Vice-President, Mike Pence, rehearsed all the economic, political and strategic impulses that had driven the change in American thinking and declared that the US would ‘not be intimidated; we will not stand down’. There was an unnerving sense of a dam bursting, a sensation amplified by Trump’s aversion to constructing a narrative to explain and justify new policy settings: Had the US thought this through? A number of prominent observers – including former Australian Prime Minister and head of the Asia Society Policy Institute, Kevin Rudd and Singapore’s respected Kausikan Bilahari – weighed in at this point to drive home the message of an alarming transformation in the world’s most critical bilateral relationship. Remarkably, by the end of October, the new shorthand characterisation of the US-China relationship in the media and expert

commentary was an ominous Cold War 2.0. The US and China were de facto allies just 30 years ago but have since allowed an alarming trust deficit to open up between them, a gulf that intensifying political and diplomatic discourse had endeavoured to contain but could no longer bridge.

The further dimension to this situation was that for just the second time since WW2 – the first being the Iraq question in 2002-03 – one could detect that the new modus operandi in Washington – not least the predisposition to be unpredictable and to keep participants in prospective future deals, whether unfriendly or otherwise, off balance – risked generating a broad countervailing coalition against the United States.

For its part, the defining event for China was the 19<sup>th</sup> Party Congress in October 2017, which accelerated the re-centralisation of power and authority on the Party leadership and rescinded the practice introduced by Deng Xiaoping of a leadership change every 10 years. Several specific developments in Chinese policy appear to have confirmed these cumulative concerns and driven them out of the diplomatic shadows. Of particular note is China’s 2015 economic blueprint *Made in China 2025*, intended to make China a global leader in the hi-tech industries of the future. Needless to say, it was not the aspiration but the means employed to get there that has been a source of concern. These approaches, which have been evident for decades but were spelt out in a March 2018 report by the US Trade Representative office, include a state-directed program of strategic acquisitions, forced technology transfer agreements with foreign corporations operating in China and state-sponsored commercial cyber espionage to acquire cutting-edge technology and know-how, alongside very large and sustained investment

in domestic capacities. The US has been responding, albeit within its own political constraints, including resorting to spurious national security arguments to block Chinese mergers and acquisitions deemed to be part of a government-driven strategy to degrade US competitiveness. Beijing appears to have realised too late that its routine high-level re-affirmation of *Made in China 2025* as its top priority was seen in Washington as the last straw. Washington is naturally aware that China has singular options to gain a competitive edge and the importance attached to this report was seen as a declaration that, despite the decades of negotiation, China intended to continue to bring the full capacities of the state to bear to ensure it prevailed in this competition for technological supremacy. These were the primary drivers of Trump’s policy settings, particularly on the trade front, rather than the striking US deficits in its bilateral trade with China (although Trump also regards any bilateral trade deficit as an indication that the playing field is tilted against the US).

There have been other contributing developments. China spent the first two decades of the post-Cold War era energetically projecting a benign and accommodating external posture to support the priority it attached to economic development: the key initiatives included its new security concept, peaceful rise and peaceful development. This rhetoric fell away conspicuously when the US crashed into the Global Financial Crisis in 2008, to be replaced by a more assertive posture. In recent times, this has included a new boldness in the South China Sea in the form of China abandoning the creeping militarisation of its artificial islands in small, unremarkable steps in favour of conspicuous moves with hi-performance weaponry (notwithstanding the undertaking

President Xi gave President Obama in 2015 that China did not intend to militarise these new features). Further, after the sudden, spectacular developments on the Korean peninsula in the first half of 2018, China moved with alacrity to rebuild its relationship with the DPRK, although we have few insights on the terms of this re-engagement or on the aspirations the two countries share regarding a settlement of this issue.

A conspicuous consequence of this sharpening political climate has been the contention that the so-called rules-based international order is in jeopardy. This order is comprised of the principles, guidelines, rules, regulations and laws that have emerged to facilitate interactions between states in arenas outside their sovereign control – international commerce, the atmosphere, the oceans, outer space and so on. This order is under assault, an assault that is increasingly openly acknowledged, not least because it is deemed by many to be a liberal or Western order that must now be recast to accommodate a newly-powerful China (or Asia). Whether or not the actual rules are tainted by a demonstrable ‘western’ bias is an important question that awaits a definitive answer. What can already be said with confidence, however, is that the extant order was crafted to facilitate interaction between states with broadly similar philosophies on the conduct of their internal affairs and the framing of their dealings with the outside world.

What recent events have thrown into sharper relief is whether the extant rules-based order – or, indeed, any set of such rules – is capable of sustaining a level playing field between states that hold starkly different views on the question of governance. Governance in the United States – informed by a determination to avoid the European experience

with monarchies and aristocracies – is driven by the view that government is both indispensable and a major threat to the personal freedoms that liberal democracies treasure. Governance is therefore distinguished by fundamental characteristics designed to preclude the State gaining dominance over the people – authority is divided so that the political leadership, the judiciary and the people’s elected representatives check and balance one another; regular elections refresh and re-validate those with authority; there are high standards and expectations of compulsory transparency regarding the business of governance; and a free media offers additional assurance that any drift towards secrecy and a lack of accountability will be exposed.

The considerations driving the Chinese model of governance are starkly different. China’s approach is driven above all by its 2500-year experience with imperial rule, with all its Emperors enjoying absolute power – the mandate of heaven – provided it was exercised responsibly and with compassion. China’s present government took power in a Socialist revolution and Socialist ideology similarly stresses that success demands that the State gather all the reins of power. Furthermore, China’s most revered and durable philosopher, Confucius, allows that an all-powerful political leader (with the right personal attributes), together with a competent and disciplined bureaucracy and an orderly and respectful general public offers the theoretical possibility of the best imaginable governance of the nation. To modern China, the notion of constraining the power of the state – whether through elections and an authoritative parliament, an independent judiciary, a free press or venerating transparency – is tantamount to precluding optimal governance and therefore plainly illogical.

Thinking more broadly, the circumstances prevailing in China and the United States generate widely divergent attitudes, expectations, approaches and perceived opportunities in the commercial, diplomatic and security arenas. The rules-based order as currently understood appears to be unsustainable. This order, designed and sustained largely by the United States, has underpinned the largest, most sustained and most widespread improvement in global living standards in recorded history. China belatedly caught and rode the wave, despite not even paying lip service to its underlying ideology. America’s overall weight in world affairs, and its resolve to commit that weight to upholding the prevailing order are no longer what they used to be. China now feels strong enough to either demand acceptance as an international actor compliant with the rules or to strike out on its own. In short, it appears that the challenge of adapting the global order to accommodate a powerful China is proving too hard: We seem to be proceeding resolutely toward the outcomes that all of us – not least the Americans and the Chinese with their policies of engagement and peaceful development – resolved to avoid.

An overtly adversarial relationship between America and China is precisely the outcome that everyone has been seeking to avoid over the past 30 years. Such a development was first mooted in the late 1980s as a theoretical possibility suggested by history. Since the turn of the century, it has evolved from a detectable tendency into an increasingly probable outcome. Those who have begun to characterise the present circumstances as a new Cold War readily acknowledge that it is a contest with trade and technology rather than ideology as the key frontline, but they may have to concede that it is also a contest in

which philosophies on governance may prove to be the decisive cleavage.

Above all, we can't afford to continue to speculate about or guess at the true source(s) of these developments. Effective countervailing policy settings presume a well-informed and insightful assessment of how we got to where we are. Twenty-five years ago, ASEAN saw and seized the opportunity to launch the pioneering component of a multilateral security system for the Asia Pacific, the ASEAN Regional Forum. ASEAN was, if anything, excessively careful and methodical in developing this first step but still found itself able, belatedly, to add other key components of this architecture – the East Asia Summit (EAS) in 2005 and the ASEAN Defence Ministers Meeting (ADMM) in 2006. History has been generous to ASEAN in granting it so much time to launch and to develop these security processes. But now the region is in urgent need of workable answers to the challenge of the regional security order coming under unendurable strain. The security processes 'driven' by ASEAN – particularly the ARF and EAS – surely exist to play a part in addressing such issues. They cannot possibly have a more important task.

Future historians will be puzzled that, in the face of the prolonged deterioration in US-China relations, ASEAN did not find some way for the ARF or the EAS (or both) to set the example of striving to shape this pivotal relationship. The risks associated with an adversarial US-China relationship, and the challenge of addressing them, are still out there, and they continue to grow. The onus remains primarily on ASEAN to find the political will and ingenuity to commit the multilateral security processes it manages to the task of changing the trajectory of the US-China relationship. If

this aspiration proves to be too ambitious, determining where the new boundaries of constructive engagement are located is an equally critical task. Much clearly depends on the US and China. They may yet surprise us with concessions and/or initiatives disguised as unilateral measures that in fact address the other sides deepest concerns. That said, these two states can no longer credibly assert that they have everything under control. Others in the region not only have a keen interest in the outcome, they may also have a crucial role to play in shaping and sustaining the negotiations between these principals.

## **Ron Huisken**

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# Free, Open, and Sharper-Edged: America's Embrace of Strategic Competition

Lindsey W. Ford



G7 Quebec, June 2018. Angela Merkel and Donald Trump with other leaders. Source: AFP.

One year after publishing its first National Security Strategy, the Trump administration has put to bed any questions about whether or not it was serious about “great power competition”. Long gone are the days of chocolate cake-fuelled camaraderie between President Trump and President Xi at Mar-a-Lago. The administration’s national security wing and economic nationalists seem to have found common cause in a vision of strategic competition with Beijing that has emerged as the animating force of U.S. strategy in the Indo-Pacific. Although President Trump continues to speak warmly of his personal relationship with Xi, the

administration’s National Security Strategy and National Defense Strategy both make clear that the administration sees deeper and profound structural problems in the U.S.-China relationship.

Vice President Pence outlined the administration’s position in stark terms in a recent speech, critiquing what he called “a whole-of-government approach, using political, economic, and military tools, as well as propaganda” to erode U.S. geopolitical advantages. In his speech, he outlined a litany of grievances with Beijing—ranging from intellectual property theft to coercion of U.S. media and educational institutions

and even attempts to influence U.S. domestic politics. The administration is not just paying lip service to these concerns. It has moved aggressively in recent months to put substance behind the rhetoric, beginning with \$250 billion in tariffs on Chinese goods, support for new legislation to restrict Chinese access to sensitive U.S. technologies, and more aggressive efforts to prosecute Chinese intellectual property theft.

Although the objective of U.S. policy is now clear, what is less obvious is where the administration’s new strategy is headed. Are we heading toward the free and open Indo-Pacific the Trump administration envisions,

or a Cold War 2.0 as some experts suggest? Competition with Beijing may be the leitmotif of the Trump administration's strategy, but its impact on the rest of the region is what will ultimately determine its success or failure. As Jim Goldgeier reminds us, the original aim of the post-war liberal order was not simply to contain Russia; it was to "create political and economic freedom along with collective security". The true measure of success for the Trump administration will be the degree to which its competitive approach advances a free and open Indo-Pacific region. The questions below aim to provide useful yardsticks with which to assess the impact of U.S. competition in the coming year.

## **Is U.S. strategy enabling fair & inclusive growth?**

The Trump administration was roundly criticised early in its tenure for lacking a credible economic agenda for the region, especially following its high-profile retreat from the Trans-Pacific Partnership trade agreement. The administration has been making moves to shift this narrative over the past year. Secretary Pompeo headlined a high-profile "Indo-Pacific Business Forum" in July 2018, meant to outline the administration's focus on fuelling private sector engagement and growth in the region. Pompeo's speech highlighted the need for "fair and reciprocal trade, open investment environments, transparent agreements between nations, and improved connectivity to drive regional ties".

On the positive side of the ledger, the Trump administration has moved to put concrete substance behind these ideals, creating the first signs of an affirmative plan to promote growth in the region. This includes new initiatives providing over \$100 million in funding for infrastructure, energy investments, and technology,

as well as bipartisan legislation that will modernise U.S. development assistance and incentivise greater private sector investment in emerging economies. It remains to be seen how these efforts will unfold in practice, but both have been well-received and are a step in the right direction.

But the administration's trade policy—particularly its focus on widespread tariff actions—continues to create friction that may undermine these positive steps. On the one hand, the administration's tough stance against Chinese intellectual property theft and acquisition of sensitive technologies has been welcomed by some allies and partners and enjoys bipartisan support in many quarters in the United States. However, the President's penchant for tariffs has repeatedly muddled the administration's message about economic "openness" and "fairness".

The impact of U.S. tariffs has fallen not just on China, but oftentimes just as heavily on U.S. allies and partners, sparking a series of retaliatory actions that are creating greater barriers to trade in multiple industries. The administration's tactics may be producing leverage in terms of slowing Chinese economic growth, but there are already signs the regional impacts will be much more widespread. Recent reports suggest South Korea, Indonesia, Malaysia, and Taiwan are already suffering from manufacturing slowdowns. And while countries such as Vietnam may welcome signs that companies are shifting production from China to Southeast Asia, the consequences of a serious slowdown in Chinese economic growth would be dire for countries across the region.

Ultimately, the administration has taken perhaps its biggest strategic gamble in its hard-hitting economic stance. If it can begin to show concrete progress in creating a more

equitable, open business environment, and securing high-quality trade agreements, perhaps the risk will pay off. However, executing this high-wire approach will require a degree of strategic consistency that will be anathema to President Trump's gut-check approach to deal-making. If the President accepts a series of warmed over "concessions" from China in return for removal of U.S. tariffs, or if as some experts fear, continues to further expand and escalate U.S. tariff actions, it will be hard to convince allies and partners that the administration's plan is leading toward a more free and open order.

## **Is U.S. strategy strengthening support for liberal norms and values?**

One of the more notable shifts in U.S. messaging from the Obama to the Trump administrations has been the move toward a much more ideological depiction of the U.S.-China relationship. The Trump administration's National Security Strategy presaged this shift, arguing that the central challenge in the Indo-Pacific region is a "geopolitical competition between free and repressive visions of world order". Over the past two years, the United States has become more pointed in its critiques of China's actions both abroad and at home, chastising the "predatory economics" of its Belt and Road Initiative, accusing it of impinging on the sovereignty of its neighbours, and criticising its suppression of civil liberties at home. It has also been more direct in painting China's actions, and its efforts to promote alternative principles and governance models, as fundamentally inimical to the establishment of a more free and open region.

A message of freedom and openness is certainly much-needed, given the degree to which authoritarianism and illiberalism are on the rise across the Indo-Pacific. Recent polls by the Pew Research Center showed notably weak levels of commitment to representative democracy across Asia, even in some established democracies and Transparency International points to challenges including “rampant” public corruption, widespread attacks on “freedom of expression”, and severe constraints on “civic space”. The most recent annual update from Reporters without Borders paints a similarly worrisome picture of press freedom, reporting that the Asia-Pacific is home to the “deadliest countries” and “biggest prisons” for journalists and bloggers. The key question for the Trump administration will be whether it moves beyond hard-hitting rhetoric to focus on the policies and programs needed to reverse these trends.

The administration’s public narrative has been strong, but it has missed critical opportunities to support its message in practice. On the international level, the administration has shown little interest in strengthening regional institutions and agreements. President Trump has twice skipped out on attending the East Asia Summit, missing a unique opportunity to engage other leaders in a discussion about the principles and values the United States seeks to advance in the region. Likewise, although the administration has been outspoken about China’s repression of civil liberties, it has done little to address wide-scale human rights abuse in places such as Myanmar, the Philippines, and North Korea.

Beyond its regional policies, one of the most notable weak spots in the Trump administration’s diplomatic approach has been the degree to which it has crippled itself on the budgetary

and personnel front. Although the National Security Strategy posits the administration will “upgrade our diplomatic capabilities to compete in the current environment”, the administration proposed draconian cuts to State Department and USAID funding that would have slashed support for good governance, democracy promotion, and human rights. Similarly, the U.S. Foreign Service has seen a remarkable degree of attrition under the current administration, and several critical diplomatic posts—including the chief diplomat for Asia at the State Department and the U.S. Ambassador to Australia—remain vacant (a new nominee for Ambassador to Australia was announced on 5 November 2018). In the switch from Secretary Tillerson to Secretary Pompeo, the administration now has a chief diplomat who appears to have the President’s trust. But with the degree to which the Secretary has been focused on North Korea and Iran, it’s not at all clear how much diplomatic bandwidth will be left for the rest of the region. Unless the administration rectifies some of these challenges and gets serious about resourcing its diplomatic strategy, it will be competing for U.S. ideals with one hand tied behind its back.

## Is the United States building collective security?

Aside from the dramatic escalation of tensions on the Korean peninsula in 2017, U.S. defence policy has been one of the most consistent elements of the Trump administration’s Indo-Pacific strategy. The administration is continuing to implement some of the major security moves the Obama administration made in the region—including implementing force posture agreements with the Philippines and Australia, and moving more advanced capabilities forward to the Indo-Pacific. Under Secretary

Mattis, the Defense Department has also prioritised bolstering its ties to close allies and partners and appears to be doubling down on a few key relationships—India and Vietnam—in particular. The strength of U.S. security ties has provided much-needed ballast at a time when bilateral political and economic relationships have been in flux. To some degree this reflects relative bipartisan agreement about U.S. security relationships, but it also reflects the influence of Secretary of Defense Mattis, who has served as a steadying voice within the administration.

Going forward, there are signs that the United States may be moving into a rockier, less even-keel period on the security front. The relative stability the U.S.-China military-to-military relationship maintained in the early days of the Trump administration is now fraying. The past few months have seen a notable downturn in the relationship, with China responding to a range of U.S. actions—such as disinviting the People’s Liberation Army (PLA) from the international Rim of the Pacific (RIMPAC) naval exercises and placing sanctions on a branch of the Chinese military—by refusing a U.S. Navy port call to Hong Kong and postponing a counterpart visit with Secretary Mattis. More important, however, the U.S. national security community’s deep (and bipartisan) concern about an eroding U.S. military edge in the Pacific is not going away. Addressing this problem will undoubtedly lead to further decisions, such as the recent U.S. withdrawal from the Intermediate Nuclear Forces Treaty (INF), that will impact strategic stability in the region.

Many U.S. (and allied) national security experts will rally behind such an approach. But for anxious regional partners fearful of an overly-heated U.S.-China relationship,



it will be essential to demonstrate that the United States has a plan to manage and defuse the risks of such a strategy. Thus far, the administration seems primarily concerned with improving its competitive edge. It will need to balance this with tangible efforts to build confidence-building mechanisms that can release some of the pressure on the military-to-military side. At the end of the day, maintaining the U.S. military edge is a necessary, but insufficient, aim. The administration will also need to reassure partners that its aim is *collective* security and not simply creating security for “America first”.

## Lindsey W. Ford

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### Conclusion

Two years after President Trump’s elections, most of the worst fears about what a Trump presidency might mean for Asia have not been realised. The United States remains engaged in the region, focused on maintaining alliance relationships, and committed to creating greater freedom and openness.

But the administration’s shift toward a more openly competitive U.S.-China relationship suggests that U.S. strategy may be on the precipice of a significant, and potentially longer-term, realignment. The administration’s rhetoric should not be written off as mere political posturing. It reflects deeper fissures in the bilateral consensus about how to manage U.S.-China relations that have been growing for the past few years. How and where the tectonic plates eventually resettle remains to be seen. But what will be essential to remember in navigating what is likely to be a period of more rocky years ahead, is that competing with China, much like cooperating with China, is merely a means to an end. The aim is a free and open Indo-Pacific; competition is only meaningful if it brings about that goal.

# America's Characterisation of China as a Strategic Competitor Casts a Shadow Over Asia-Pacific International Relations

**Zhong Zhenming**

The evolution of the Asia-Pacific economic and security situation in 2018 is closely related to the transformation of relations between the two major powers—United States and China.

In 2017, the Trump Administration was in the process of adjusting U.S. foreign policy. Trump's strategy for the Asia-Pacific region has not been well defined for almost the whole of his first year in office. This was also true of the administration's China policy. In April, Chinese President Xi Jinping visited the United States and met with Trump at Mar-a-Lago. In October, Trump visited Beijing and conducted a night-time talk with Xi Jinping at Yingtai. The leaders of the two countries appeared to establish a good working relationship. The Trump Administration has long focused on just two issues in its China policy: North Korean nuclear weapons and America's bargaining with China on trade. On the former issue, Trump expected China to strengthen the sanctions against North Korea. Trump believed he could force North Korea to abandon its nuclear program by establishing an alliance of "extreme pressure on North Korea". On the trade issue, the Trump Administration blamed China for practicing unfair trade with the U.S. in the past decades and demanded that China correct the imbalance in trade flows. However, Trump has refrained from taking harsher steps against China. To sum up, the relationship between China and the United States remained relatively stable in 2017.

However, the Trump Administration's China policy changed significantly

over the course of 2017. The critical step has been to characterise China as a "strategic competitor" but it has also involved launching tough measures against China in the areas of trade, military relations and regional security.

First of all, a number of hard-liners joined the Trump cabinet at the end of 2017 and early 2018 and the general tone of the US strategy toward China changed significantly. In particular, important governmental documents such as the National Security Strategy, the National Defense Strategy, Nuclear Posture Review, and the National Defense Authorization Act passed by Congress in late 2017 and early 2018 clearly portrayed China as a "strategic competitor". Secondly, after these pressures failed to persuade China to change its approach, Trump began in mid-2018 to implement his trade war strategy against China, imposing several rounds of tariff on Chinese commodities. China, unwilling to show weakness under coercion, retaliated with its own selected tariffs on US commodities. Thirdly, China's tit-for-tat tactics and the failure of the two nations to reach agreement on an alternative approach to resolving their differences prompted the Trump Administration to practice cross-domain deterrence by exerting security and political pressure on China, while simultaneously being reluctant to elaborate on its complaints against Chinese trade practices. The Administration has been engaging in more frequent freedom navigation patrols in the South China Sea. Regardless of mainland China's protests, Trump has displayed more willingness to

sell weapons to Taiwan, which China has long insisted is an indivisible part of China. Trump also required China to continue its sanctions on DPRK, while at the same time being reluctant to withdraw the THAAD ballistic missile defence system from South Korea. Fourthly, the Trump administration has increasingly been tempted to mobilise its vast alliance resources to isolate China, both in the security and economic realms. America's Vice President Pence sharply criticised China in a speech at the Hudson Institute in early October, threatening to involve US allies in bringing pressure to bear on China.

The transformation in the Trump administration's policy toward China will complicate the economic and security outlook in the Asia Pacific region. First, the Trump administration's trade policy is causing catastrophic damage to the economic ties that have for so long been the cornerstone of Sino-US relations. Trump's succession of tough economic measures against China may lead to substantive economic disengagement between the two countries. The absence of a significant economic relationship was a worrying feature of the bilateral relationship between America and the Soviet during the Cold War. Trump has warned that he is prepared to consider high tariffs on all goods imported from China if China can't meet his expectations. The Committee on Foreign Investment in the United States (CFIUS) has increasingly vetoed and blocked Chinese investment. Trump himself even expressed pleasure when evidence emerged that even the opening phases of the trade war had greatly affected



FONOPS, South China Sea, September 2018. Near miss between USS Decatur and a Chinese Navy warship. Source: US Navy.

the Chinese economy. If the economic and trade relationship between China and the United States shrinks and becomes less important to both countries, strategic confrontation between the two countries is more likely to emerge.

Second, the Trump administration's trade policy towards China is splitting the existing landscape of economic interactions among countries in the Asia-Pacific region. In this region, some countries like Canada and Mexico agreed, under American pressure, to secure US agreement before negotiating new trade agreements with China while others like Japan and India, chose to strengthen cooperation and communication with China on trade and to maintain the existing WTO rules. Besides, other countries like South Korea, Australia, New Zealand and ASEAN, have signed free trade agreements with China and will push this agenda further forward in the RCEP negotiations. The additional complexity these developments inject into the evolving trade patterns in the Asia-Pacific region will add to the

anxiety of countries in the region as they try to find the most favourable position between China and the United States.

Third, the Trump Administration has challenged China on strategic and security issues, further dividing the foreign and security policies of countries in the Asia-Pacific region. Under pressure from the Trump Administration, some countries have been asked to take sides between China and the U.S. on certain security issues, which will exacerbate the turmoil in the region. For example, some U.S. allies like Japan and Australia began to support the U.S. Navy's "freedom of navigation patrols" in the South China Sea. That may compel China to take more active actions in defending its maritime sovereignty claims in the South China Sea. China may find it has no choice but to speed up defence measures on the islands and reefs in South China Sea. Most countries in the Asia-Pacific region, however, are reluctant to undermine the benefits of cooperation with China because of the confrontation generated over

security issues. That said, many countries in the region have been left helplessly trying to implement hedging strategies to reconcile greater economic dependence on China but also continuing reliance on the U.S. for assurances on security.

Fourth, the prospect of the US.-China relationship moving towards strategic competition will make it more difficult for China and the United States to cooperate on a wide range of Asia-Pacific security issues. China and the United States have long cooperated on such issues as the DPRK nuclear crisis, anti-terrorism, maritime security, energy security and global governance. However, the potential scenario of strategic competition may reduce the willingness of the two nations to contemplate further and deeper cooperation, thus bringing new variables into play that will shape the management and final resolution of those issues. Take the DPRK nuclear crisis as an example. Despite the significant progress made in the months since the DPRK leader Kim Jong-un agreed to abandon his nuclear program, either or both Washington and Beijing may find it more difficult to have further cooperation on this issue in the future, preferring to prioritise their own objectives and interests, rather than focusing on the common objective of denuclearisation and the coordinated implementation of sanctions against the DPRK. Actually, there is a risk that both China and the U.S. will rush and compete to improve ties with the DPRK, allowing the latter to take advantage of the China-U.S. competition and demand sanctions relief without realising denuclearisation.

Fifth, as China and Russia are now both characterised as strategic competitors, the Trump administration is giving active consideration to increasing the



US nuclear weapons arsenal, to accelerating the deployment of missile defences and has announced its intention to withdraw from the 1987 US-Russia Intermediate-Range Nuclear Forces Treaty (INF). For now, Russia is the peer competitor of America in terms of the scale of its nuclear arsenal. In recent years, Moscow and Washington have been accusing each other of violating this arms control agreement amid increasing tension between the two countries. However, Trump Administration officials and some American scholars alike have increasingly expressed concerns that China is also a nuclear weapon power and should be subject to the same constraints as the US and Russia. Trump's withdrawal from some international agreements and the expanding deployment of nuclear weapons and missile defence systems are directed to a significant extent at China. These measures will greatly undermine international strategic stability and trigger new rounds of arms racing in the Asia Pacific region, bringing a negative influence to the security of this region.

Last but not least, a vicious competition between China and the United States may lead to the two countries trying to please other countries in the Asia-Pacific region, and some will try to benefit from their strategic competition by playing one off against the other. The dynamics of great power competition will worsen the ecology of international relations in the region. China and the United States will find it costly to compete for allies, partners or friends. More importantly, some countries are likely to be victims of Sino-U.S. competition as their national interests are discounted and priority given to power rivalry.

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## A Simmering Doubt in Tokyo

**Masayuki Tadokoro**

“Why don’t you react to the rising threats from China and DPRK?”, an Indian security expert asked me at a recent conference. It is true that Japan’s security policy is characterised by a surprising continuity. Ever since its basic framework was set shortly after its complete defeat in WW2, the combination of a minimalist military posture, coupled with heavy dependence upon the alliance with the US, served as the basic framework of Japan’s security policy for as long as seven decades. There have been almost constant alarmist voices about Japan’s remilitarisation, mainly from some of Japan’s neighbours but also from within Japan. Yes, Japan’s military capabilities have grown significantly. Yes, over the last 25 years, it has gradually lifted its self-imposed restrictions on its defence policy. Yes, it has changed its official interpretation of the constitution in order to enable the Self-Defense Forces (SDF) to work more closely

with the US for Japan’s own defence. But given the serious deterioration of its security environment, one could still legitimately ask, as the Indian security expert did, why has Japan’s strategic posture remained so unchanged?

Over the last two decades, the Chinese military has literally expanded explosively. It is hard to know the true magnitude of Chinese military spending, but it is widely believed that they are now outspending Japan by 3~4 times. As their capabilities expanded, their military activities have become increasingly aggressive. The Japanese are witnessing Chinese official ships regularly violating their territorial waters. In contrast, Japan’s defence budget even decreased slightly for a decade, until the Abe government stopped the trend in 2013. Still, the level of military spending is hovering around 1% of GDP, the figure set as a political ceiling in the 1970s.

A major part of the answer to this puzzle lies in Japan’s trust in its alliance with the US. In fact, over the last a couple of decades, Tokyo has been trying to offset the challenge posed by a rising China by steadily strengthening the alliance with the US. The alliance is now far more than a simple trade between America’s access to bases on Japanese territory in return for a US commitment to ensure Japan’s security. Of course, there is a price to pay for the US security commitment. Being constantly a subordinate ally and hosting US military bases to allow US forward deployment is not always comfortable. It is all the more so because Japanese tax payers have to provide the US with generous financial support. Politically, base issues are particularly contentious in Okinawa, where American bases are concentrated. Tokyo has been spending considerable political capital to placate local governments that are generally anti-base. Tokyo has also been obliged to accommodate demands by the US on trade, which are often seen as unreasonable and in violation of the multilateral rules, to make sure that trade disputes would not undermine its security relations with Washington.

Now, the Japanese are facing a new and very basic question: is the US still a credible alliance partner? The Trump administration has undermined the long-standing alliance by explicitly linking trade and security issues. Trump keeps complaining about American trade deficits based upon a voodoo economic theory which assumes that exports represent gains, and imports losses. For him, managing the national economy is like running a business corporation where selling as much as



Japan sends Kuroshio to anti-submarine warfare exercise in South China Sea, September 2018. Source: JMSDF.

possible is the goal. Currently, the major target of the US trade war is China. Whereas the Japanese share many US grievances with respect to China's economic practices, rather than working together with its allies in dealing with China, Trump has simultaneously picked fights with long-standing US allies including Japan, by imposing tariffs on their steel and aluminium exports to the US on "national security" grounds. It gives the Japanese the impression that, for Trump, a security alliance may be little more than a convenient bargaining chip to squeeze out concessions on trade issues. If the defence commitment is reduced to a means for getting "a good deal", it can be easily abandoned for a better offer by some other country. After all, Mr. Trump can fall in love with Kim Jong-un only a year after he mocked the DPRK leader as "a little rocket man", striking a deal with him without careful consultations with key regional allies. Should the Japanese trust such an unpredictable ally with their most vital interests?

So far, Tokyo has carefully refrained from voicing concerns about the bilateral alliance. Indeed, Japan has been *relatively* successful in dealing with the Trump administration. Prime Minister Abe moved quickly and boldly to cultivate friendly personal ties with the US president. They often meet to play golf and talk frequently over the phone. It is also true that the bilateral alliance is deeply institutionalised. At the operational level, the relationship between the two defence communities is as close as ever. In addition, the Japanese public still have a very favourable view of the US, though Trump himself is far from popular.

But many in Tokyo are concerned that these reserves of goodwill may not last. Trump repeatedly complains about the surpluses in Japan's bilateral trade with the US, calling it

unfair. He says that the Japanese are undermining the US economy while Americans are spending lavishly to "protect" Japan. Japan has grudgingly agreed to enter into bilateral trade talks with the US, even though the US withdrew from Japan's preferred deal, the TPP. Japanese leaders have been always been sensitive to the implicit link between economic and security relations, but if the US turns out to be excessively predatory during the negotiations, even the Japanese may start thinking seriously about alternatives to the heavy dependence on the US.

Are there any alternatives for Japan? Theoretically, Japan could try to address its security challenges by means of its own military build-up. Despite its very high level of public debt, the third largest economy in the world can substantially expand its own military capabilities simply by increasing its level of military spending to the levels of many other NATO countries. Faced with unfriendly neighbours with nuclear arsenals, it could even go nuclear in a relatively short time given its advanced technological capabilities. During the 2016 election campaign, Trump hinted at the withdrawal of US forces from Japan, acknowledging that this might drive Japan to acquire nuclear weapons.

The problem is that these options remain very unattractive to the Japanese public. Opinion polls suggest that the great majority of Japanese are in favour of maintaining the current level of military spending. Given Japan's experiences of Hiroshima and Nagasaki, developing its own independent nuclear capability, even if it made strategic sense, would entail a revolutionary shift in public opinion. Given their constant suspicions, a major Japanese military build-up would cause alarm in the ROK, which in turn would weaken existing cooperative

relations between the two defence communities, currently underpinned as they are, by the US.

Another option would be bandwagoning with China and improving Japan's security environment by accepting the centrality of China in East Asia. Needless to say, surviving as a tributary state of the Chinese empire is even more unattractive to the Japanese public. The Japanese public view of China used to be very positive and even apologetic until the 1980s. Not even the cultural revolution could overturn these positive attitudes. The Chinese, however, spectacularly failed to take advantage of this, not only by overplaying the "history card" to bully Japan, but also rattling sabres to change the status-quo of the disputed Senkaku Islands. Beyond these sustained provocations, Japan's post-war identity as a liberal democracy is fundamentally inconsistent with that of authoritarian China.

The effective "Finlandization" of Japan would fundamentally transform the regional geopolitical landscape and would not be attractive to many countries in the region. It would be very difficult for the US to maintain its security presence in the Western Pacific and the Indian Ocean at familiar levels without the support of Japan. The Western Pacific would practically become the East China Sea, and even the Indian Ocean could be dominated by China. Democratic Taiwan might lose its *de facto* independence. Even the credibility of NATO might come into question.

Thus, as the alternatives are not attractive, Tokyo is still carefully refraining from destabilising the alliance by explicitly exploring alternatives to the existing basic arrangement or even hinting at this possibility, in the hope that the US will "normalise" after Trump. But some suspect Trump may be a



symptom, not a cause. Given the shift of power away from the US to China and serious political polarisation within the US, a return to an America that attaches major importance to supporting the post-war liberal international order may not take place. Even after Trump, we may see a US that is more mercantilist rather than liberal, trying to get immediate tangible gains through horse trading rather than pursuing liberal values by supporting multilateral institutions. If the world is indeed heading toward a “new normal”, buying time is obviously not a correct strategic choice.

That is why Japan is cautiously stepping up its efforts to hedge against the serious erosion of the credibility of its alliance with the US. The Abe administration has already started to increase the defence budget. Although the figure is still more or less within the range of 1% of GDP, the defence budget for 2018 fiscal year is the largest in history, and there are voices calling for even more substantial increases. In view of the dire condition of public finances, it is not easy to do so, but it is likely that defence will continue to be given a high priority for years to come. Even continued efforts toward a military build-up will never make Japan a strategic player comparable to China, as a nuclear deterrent is completely out of political reach. But such efforts could reduce Japanese dependence upon the US while making it a more valuable ally for the US.

The Japanese are also working harder to create stronger military ties with various like-minded countries other than the US, such as Australia, India and even the UK. Japan is keen on bolstering maritime cooperation with Australia and India. Together with the US, Tokyo leads the QUAD (The Quadrilateral Security Dialogue). It is also actively engaged with the Indian Navy through joint naval exercises.

Tokyo is also trying to promote the FOIP (Free and Open India Pacific). FOIP is the Japanese regional vision, under which it is going to strengthen engagement with regional countries through cooperation in areas such as anti-terrorism, humanitarian assistance, peace building as well as “quality infrastructure”. Although the Japanese are officially emphasising that they do not intend to compete directly with China’s One Belt One Road initiative, it is evident that Tokyo has a vital interest in preserving freedom of navigation by balancing Chinese maritime expansion.

Perhaps the most striking strategic initiative taken by Japan has been seen on the economic front. Japan’s leadership of TPP11 was clearly motivated by its strategic vision to build an economic space not controlled by China. It also clearly demonstrated the Japanese preference for rules-based multilateral institutions over US unilateralism. The TPP ultimately involved a very complicated set of compromises by the 12 participants. It was widely believed that US withdrawal meant the deal was dead. Vigorous Japanese efforts to lead the negotiation to resuscitate the deal without the US clearly displayed its determination to defend its interests without US support or even possibly against US preferences.

On the other hand, Tokyo has been taking steps to improve relations with Beijing. Prime minister Abe announced early this year Japan’s intention to participate in the One Belt One Road initiative on a case-by-case basis. The two countries have agreed to resume a bilateral currency swap arrangement sized at about 3 trillion yen. In October, Abe even visited Beijing to meet President Xi who declared that bilateral relations were now “back to normal”, although there is no tangible breakthrough on core security issues like the Senkaku

islands. This series of events reflect Japanese efforts to improve relations with its difficult but critically important neighbour, as well as Chinese tactical moves in response to increasing tension with the US.

Strictly speaking, this is not the first time the Japanese have felt uneasy about the reliability of the US security commitment. Nixon’s unilateral rapprochement with Beijing in 1971 represented a clear betrayal, as it was conducted without any prior consultation with its key ally. The Clinton Administration treated Japan as an economic adversary rather than a political partner by insisting on numerical targets for Japan’s imports of American products, while simultaneously preaching free trade. But the US-Japan alliance survived and has continued serving as the basis of Japan’s security policy. This time, Tokyo is again cautiously doing its best not to destabilise the relationship. But even within the foreign and defence policy community in Tokyo, a question is quietly being asked. “Is the US still a reliable ally? How do we balance China and hedge against the erosion of the alliance?”

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# Russia and the Turbulent Waters of the Indo-Pacific

Ekaterina Koldunova



Vostock 2018. Russia, China and Mongolia participate in exercise. Source: South China Morning Post.

Despite all international efforts to calm down regional tensions, the past year has witnessed more strategic divergence than convergence in the Asia-Pacific region. With the Indo-Pacific concept becoming more controversial and even its supporters (the USA, Japan, Australia, and India) advancing their own version of the concept, there is still no common vision for the security architecture of the region, be it Asia- or Indo-Pacific. The growing fragmentation of regional security as well as of visions of political economy define the overall regional dynamics and challenge the ability of key regional players to engage in cooperative actions. This article explores the regional developments of the past year from the viewpoint of Russia's aspirations and concerns as a stakeholder interested in the region's stability and

continued economic dynamism.

China's role remains fundamental to both defining regional security and the region's economic outlook. Its Belt and Road Initiative (BRI) is expanding conceptually and practically to now involve even regional antagonist such as Japan. During Japanese Prime Minister Shinzo Abe's visit to Russia in late October 2018, both parties agreed to carry out joint infrastructure projects under the BRI signboard. With the US under President Donald Trump displaying a protectionist stance in its international economic policy and thus alienating many regional export-oriented economies, China now appears as a chief defender of free trade in the region and even globally. The Chinese idea of a 'community of common destiny' proposed by the Chinese President

Xi Jinping in October 2017 in his address to the National Congress of the Chinese Communist Party, portrays China as a country aiming at proposing universalist ideas which might challenge the prevailing global dominance of US ideological principles.

As five years have passed since the BRI announcement in 2013, it is possible to offer an initial assessment of this Initiative and to gauge the scope of China's success as a region-builder. Despite China's cautious terminology (China characterises the 'One Belt, One Road' project as a non-coercive initiative, open to those who wish to join and implying no negative consequences for outsiders) and optimistic public messages concerning the BRI's opportunities for bridging the infrastructure gaps

across Asia and even beyond, more critical reflections on the BRI are now voiced by Malaysia, Singapore, Myanmar, Vietnam and others. The strategically important move to start discussions of the Code of Conduct in the South China Sea between China and ASEAN in 2018 brought some hopes for a positive outcome but did not fully pacify the continuing rivalries between China and most Southeast Asian states. Other countries in the region, India among them, also remain concerned about the scope of China's military modernisation and more assertive international position which impact their strategic calculations and result in the desire to hedge against China's military rise and to look favourably on more security cooperation with the US. For this reason, the past year witnessed a rise in the structural complexity of many familiar regional military drills, like Cobra Gold (February 13-23, 2018) or Malabar (June 7-16, 2018) despite the elements of military cooperation which some of the regional actors, for example Thailand, had started to build up with China. Moreover, in May 2018 referring as a pretext to China's military activities in the South China Sea, the USA 'disinvited' China to the Rim of the Pacific Exercise (RIMPAC), an exercise that China had been part of in 2014 and 2016.

Against the background of these developments, Russia aspires to keep a neutral position and avoid aggravating antagonisms between its strategic partners, be it China and India or China and Vietnam. However, relations with China remain the key pillar of Russia's Asia-Pacific strategy. China's domestic dynamics and policy vis-à-vis the region have an impact on Russia's regional outlook. In 2018, both Russian and Chinese leaders received new mandates to remain in power (President Putin till 2024 and President Xi till 2023 – but with constitutional limitations

removed on further terms in office for the Chinese President). Given that the two leaders enjoy good personal relations, their re-election helps ensure stability in bilateral relations despite any possible political or economic disagreements at lower levels. Moreover, their common understanding of many international and regional security issues so far overshadows the slow process of creating interconnection between the BRI and the Russia-led integration project under the Eurasian Economic Union (EAEU). The leaders agreed on this interconnection in May 2014 in a move to reconcile, at least formally, Russian and Chinese projects focusing on Eurasia. In 2018, the international situation was also conducive to bringing Russia and China closer together. Both countries have similar unfavourable views concerning the placement of the American THAAD ballistic missile defence system in South Korea and potentially in Japan. Further, Trump's announcement in October 2018 concerning America's intention to withdraw from the 1987 INF treaty brought even more discomfort to China (though it is not a party to the treaty) and Russia and naturally resulted in the two countries bonding on this issue.

Speaking about the second important regional player, Japan, one may claim that its position on a number of regional security issues retains a certain degree of dualism. On the one hand, Prime Minister Abe was the first Asian leader to visit President Trump in 2016 to confirm the continuation of the US-Japan alliance. He now actively pushes forward his vision of the Indo-Pacific strategy, which should constrain China in the military-strategic and economic sense. On the other hand, in the best traditions of international balancing, he takes actions to develop stronger relations with China and Russia. Thus, in September 2018, in a largely declaratory move during the Eastern

Economic Forum in Vladivostok, he tried to publicly force President Putin to react positively to his proposal to settle the territorial dispute between the two countries over the Kuril Islands (Northern Territories in Japanese terminology) and to conclude a Russia-Japan peace treaty. Both countries are now optimistic about plans to jointly explore the Kuril Islands and to devise a solution to this longstanding territorial dispute. Importantly, in 2018, the regular Russo-Chinese military drills 'Vostok' did not use the territory of the Kuril Islands, though Japan was openly concerned that it might happen and for this reason did not send observers to the exercise.

Russia's more proactive policy in Asia is gradually taking shape with the Eastern Economic Forum (EEF), held this year in Vladivostok for the 4th time, aside from being an instrument for enhancing Russia's economic cooperation with its Asian neighbours in the Russian Far East, is now also turning into an important international venue for discussions on regional political and security issues. This year, China's President Xi Jinping visited the Forum for the first time, while Japan's Prime-Minister Abe participated for the third year in a row. This year the EEF also hosted the President of Mongolia and the Prime Minister of South Korea.

Following the June 2018 summit in Singapore between President Trump and North Korean Supreme Leader Kim Jong-un, and three consecutive meetings between Kim and his South Korean counterpart Moon Jae-in in April, May, and September, the situation in the Korean peninsula remains a source of moderate optimism. The temporary stabilisation on the Korean peninsula is in Russian interests and opens new opportunities for Russia and China to advance further their joint diplomatic initiative proposed in July 2017. This initiative called for a freeze on North Korea's



nuclear missile program in exchange for the suspension of US-South Korean joint military exercises. In April 2018, North Korea announced the suspension of its nuclear tests and the next month destroyed its Punggye-ri nuclear test site. During their third summit in Pyongyang in September this year Kim and Moon also agreed to stop military activities in the sea areas adjacent to the demilitarised zone thus reducing the risk of military provocation emanating from any of the parties concerned.

One of the key uncertainties about the future of Asia, however, now comes not from its traditional hotspot on the Korean peninsula but from the competing visions for the future regional order. During the Obama administration the Asia-Pacific saw the rise of such trans-regional economy liberalisation project as Trans-Pacific Partnership (TPP). Although focused on trade, the TPP had political as well as economic underpinnings and, if fully implemented, could have created an economically divided Asia part of which would be tightly interconnected with the American market, technologies and standards while the rest could only follow these rule-setters. This project excluded both Russia and China, but also several other Asian countries. Donald Trump's withdrawal from the TPP agreement in 2016 left many observers of the regional situation wondering what his Asian policy would look like. In November 2017 during the APEC summit in Da Nang (Vietnam) President Trump declared that the USA would seek to build a 'free and open' Indo-Pacific region (IPR), operating under the so-called rules-based regional order (advanced by the USA and its allies), and contrasted this vision with the approach taken by others in the region, notably China. The military-strategic dimensions of Trump's vision became visible with the re-start of the Quadrilateral

Security Dialogue (Quad) between the USA, Japan, Australia, and India on the sidelines of the ASEAN-related Summits in Manila in 2017. The Quad first appeared in 2007 but had lapsed during Kevin Rudd's term as the Prime Minister of Australia.

The IPR remains a vague and disputed idea. There is no consensus among the Quad participants on its geographical scope: India advocates a broad understanding of the Indo-Pacific stretching from the Western coast of Africa up to the eastern coast of the Americas while the American view excludes the African and Middle Eastern part of the Indian ocean periphery from the IPR construction. With several recent American economic and infrastructure initiatives designed specifically for the IPR (the Indo-Pacific Advisory Fund, Asia EDGE, the BUILD Act) there is still no agreement on the true extent of this vast ocean area and landmass. Institutionally, with only the Quad providing a platform for the IPR protagonists to communicate with each other, the military-strategic dimensions of the Indo-Pacific concept so far dominate its other characteristics.

These considerations highlight the fact that, apart from China, India is another increasingly important pan-Asian player. America is staking a great deal on India as one of the pillars in its Indo-Pacific construct (Trump calls India America's key ally in the region). The strategically important question, however, is whether India's foreign and security policy settings will lean toward US positions in the coming years. So far, India seems to want to retain its independent position in Asia and is pursuing a multi-vector foreign policy. In his keynote speech at 2018 Shangri-La Dialogue, Indian Prime-Minister Narendra Modi stressed his country's aim to pursue an inclusive Indo-Pacific strategy involving ASEAN, Japan, China, the

USA, Russia, and African countries. India's growing connections with the Shanghai Cooperation Organization (the SCO) further emphasise its pan-Asian strategy. The 2018 Summit in Qingdao formally finalised India and Pakistan's accession to the SCO, making them full partners in this broad Eurasian organisation, which also includes Russia, China, Kazakhstan, Uzbekistan, Kyrgyzstan, and Tajikistan.

Last but not least among these somewhat alarmist concerns about the future of regional order relates to the ASEAN-cantered network of institutions. Given ASEAN's tireless efforts over recent decades to create at least a loose regional institutional architecture, it is unfortunate that the ongoing Indo-Pacific discourse seems to silently marginalise the Association's achievements. It should be recalled, therefore, that Russia's idea to support ASEAN centrality through enhancing institutional cooperation between the SCO, EAEU and ASEAN as well as its proposal to build a common security architecture in the Asia-Pacific remain on the table. Russia is firmly of the view that the ASEAN-related institutions like the ASEAN Regional Forum, East Asia Summit and ASEAN Defence Ministers Meeting Plus must remain the primary regional bodies for all security-related discussions. There is no better way to ensure that cooperative endeavours prevail over disruptive impulses than to maintain a sustainable, inclusive multilateral dialogue within the existing institutions. Otherwise, to paraphrase Aaron Friedberg, Europe's past with its constant interstate rivalries may well become the reality of Asia's present.

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# Regional Security Outlook: An Indian Perspective

**Rahul Mishra**

India's regional security perspective has largely been shaped by its relations with China and the US. Relations between the two super powers, and their respective politico-strategic and economic posturing vis-à-vis India equally influence its strategic standpoint. Thus, while China's recent assertive overtures in India's neighbourhood have been alarming, the US, despite the unpredictability of the Trump administration, is considered a potential enabling force in providing India greater strategic depth in the region. India is striving to find a *modus vivendi* to deal with the twin challenges emanating from an assertive China, and an uncertain and increasingly inward-looking United States.

**China:** India's frustrations with China are manifold, ranging from the boundary dispute, trade imbalance, Brahmaputra river issues, and CPEC (China Pakistan Economic Corridor) to China's refusal to support India in the battle against state-sponsored terrorism.

India's strategic unease with China is rooted in the fact that while China has resolved disputes with India's other neighbours, it never showed a strong determination to peacefully resolve the India-China bilateral disputes. It may be noted that barring India and Bhutan, China has resolved its boundary disputes with all its neighbours. The protracted boundary dispute makes China's increasing footprint in the Indian subcontinent appear more alarming to many Indians. While China's cooperation with Pakistan has often been exposed as driven primarily by military-strategic considerations, its diplomatic footwork in Sri Lanka, Maldives, Nepal, and Bangladesh is backed by

"cheque-book diplomacy" and the BRI (Belt and Road Initiative).

China's reluctance to give India its due space at international fora such as the Nuclear Suppliers' Group and the United Nations Security Council has been an irritant. Security dilemma tensions between the two has convoluted their relationship, often blurring their perspectives on how to situate each other in the wider regional and international dynamics.

Nevertheless, post-Doklam stand-off, India and China are showcasing considerable diplomatic skills in managing their bilateral relationship. Prime Minister Modi and Chinese President Xi Jinping have met thrice in 2018 (an informal summit in Wuhan and on the margins of both the Shanghai Cooperation Organisation and BRICS summits) and are likely to meet for a fourth time at the G20 Summit in Buenos Aires in November. This pattern was matched by a flurry of other high-level visits between the two countries, an agreement to set up hotlines between their military establishments and the conclusion of the first security cooperation agreement.

India and China are scaling up their artful negotiations as both are conscious that letting their bilateral differences flare up to become adversarial relations would turn out to be mutually disadvantageous. This was clear from Modi's 2018 Shangri-La speech when he said that "Asia and the world will have a better future when India and China work together in trust and confidence, sensitive to each other's interests." Adding that "Competition is normal. But, contests must not turn into conflict; differences must not be allowed to become disputes", Modi made clear

his government's policy on China, and which appears to have been put into practice as well.

**Neighbourhood:** In 2014, when Modi was sworn-in as India's Prime Minister, he had invited all the heads of government from the neighbouring countries. Modi's *Neighbourhood First* policy was seen as a ray of hope for improving India's bilateral ties in the sub-continent and for the revival of SAARC. His policy met with some successes - such as the boundary dispute resolution and improved ties with Bangladesh, resolute action to protect Bhutan during the Doklam stand-off, and rejuvenation of BIMSTEC (Bay of Bengal Initiative for Multi-Sectoral Technical and Economic Cooperation) and BBIN, a sub-regional initiative including Bangladesh, Bhutan, India, and Nepal.

However, the success of Modi's neighbourhood policy has been modest. On China's BRI, India has not been able to garner support from countries of the sub-continent and is finding itself increasingly isolated. India and Bhutan are the only two countries that have not endorsed the BRI. China's initiatives in the subcontinent are competitive if not conspicuously adversarial, often tempting India's neighbours to take advantage of the situation. India's relationship with Pakistan remains problematic with no breakthrough for peace between them since the 2008 Mumbai terror attacks.

**Japan:** The last country to endorse India's Look East policy, Japan has swiftly emerged as one of India's biggest partners in the Act East policy framework. India and Japan have been earnestly implementing the *Vision 2025 Special Strategic and*

*Global Partnership* which is evident in their 2018 decision to elevate the 2+2 institutional dialogue framework from foreign and defence secretary level to the ministerial level, a logistics agreement between the Indian Navy and the Japan Maritime Self-Defense Force, and two minilaterals (trilaterals) involving Australia and the US. Japan has also become a permanent member of the trilateral Malabar exercise involving India and the US. Further, Japan has offered to set up a manufacturing unit in India to supply its US-2 amphibious aircraft.

In addition to their respective individual responses—PQI (Partnership for Quality Investment) and SAGAR (Security and Growth for All in the Region)—Japan and India are working together in establishing the Asia Africa Growth Corridor, which aims to enhance connectivity between Asian and African countries and provide them an alternative to China's BRI. Japan has also agreed to work with India in jointly investing in energy and infrastructure sectors of India's neighbouring countries - Bangladesh, Sri Lanka, and Nepal. Japan's support for India in meeting its capacity shortfall in the region is an unprecedented move. Under Shinzo Abe, Japan aspires to play a greater role in Asia and counter China's assertive postures and India is a good fit in that strategy.

**The United States:** By far, the most important military and economic power in the Indo-Pacific, the US plays a crucial role in shaping the security dynamics of both the Pacific and the Indian Ocean.

Between the years 2000 and 2016, irrespective of the political inclination of the ruling party in both India and the US, Indo-US relations went from strength to strength. During that period, the US provided much-needed support to India in entering the NSG and IAEA. Its support in making

the Indo-US nuclear deal a reality, encouraging India to "Act" East, and the invitation to participate in the *Pivot to Asia* policy, all ensured the arrival of a new phase in the Indo-US ties.

Under the Trump presidency, however, Indo-US relations have been less firm. The US wants India to become a major defence and strategic partner but has itself been an unpredictable partner on the economic front. Trump's decisions to skip the East Asia Summits in 2017 and 2018, discard globalism for patriotism, and to withdraw from multilateral fora, pose challenges for India and other countries of the region.

Divergent opinions on Russia and Iran are two other thorny issues in Indo-US relations that can potentially affect India's security stance in the long-run. Iran has been India's traditional partner whose geostrategic importance for India and ethnic linkages with a section of the Indian population cannot be overstated. Likewise, India's dependence on Russia cannot be reduced unless India gains a long-term and cost-effective alternative for defence supplies, among other things. For now, two key pillars in India's capacity to project its interests in the Indo-Pacific, namely, reliable energy supplies and defence acquisitions, depend [partially] on Iran and Russia, respectively.

Nevertheless, with an institutional mechanism on the defence and strategic fronts already in place, Delhi and Washington are inching closer with the latter fast emerging as India's major defence partner. India has now concluded three of the four foundational agreements for a robust defence relationship with the US, agreements dealing with logistics, information security and communications compatibility and security.

**The Quadrilateral Security Dialogue:** The revival of the Quad is

a major recent strategic development involving four democracies - Japan, India, Australia, and the US. The Quad has been a much-debated collective strategic option for the participant countries. Re-launched in Manila in 2017, the importance of the Quad lies in the fact that it aims to protect a free and open, rules-based international order.

So far, Quad meetings have involved only senior officials which has constrained their ability to achieve significant outcomes. Even after the second Quad meeting in June 2018, wide gaps exist between members' expectations and the facts on the ground. The fact that after the 2017 Manila meeting, member countries had come up with their individual statements rather than a combined press release illustrated how much groundwork needs to be done to make the Quad a credible voice in regional affairs.

The Asian members of the Quad are actively exploring the possibility of strengthening cooperation amongst themselves through trilateral dialogues while also keeping a window of dialogue open with China. In addition to Modi's regular talks with Xi, Shinzo Abe visited China in October for the first time in seven years. Australian leaders have been trying to follow suit albeit with limited success thus far.

To become a substantive voice in regional affairs, Quad members certainly need to deepen the level of their commitment and may also have to consider expanding its membership. Asia's past tells us that no regional political or military construct can sustain itself without the active participation of key Southeast Asian states. If the Quad wishes to succeed, it should avoid the mistakes SEATO (Southeast Asia Treaty Organisation - a Cold War era defence grouping led by the US), committed in lacking support from Asian countries. The





New Delhi, September 2018. U.S. Secretary of State Mike Pompeo and Secretary of Defense Jim Mattis and their Indian counterparts, External Affairs Minister Sushma Swaraj and Defense Minister Nirmala Sitharaman. Source: Manish Swarup, AP Photo.

best way to make the Quad more effective and acceptable is to make it more inclusive in the form of a “Quad Plus”.

**The Indo-Pacific Construct:** From the Indian perspective, this construct, unlike the familiar Asia-Pacific, seems to rectify the decades-old lacunae in the regional strategic architecture, namely, the inclusion of India. India has openly and enthusiastically embraced the Indo-Pacific construct and is already using the term in its official policy pronouncements. Japan, India, Australia, and the US have all taken both symbolic and substantive steps to announce the arrival of the Indo-Pacific construct on the world stage. The US, for example, has renamed its “Pacific Command” the “Indo-Pacific Command”.

Ensuring “inclusivity” in framing a regional construct is a lesson India has learned very well from history, which explains why it has been pitching for an “open” and “inclusive” Indo-Pacific. For India, its *Act East* policy is the primary toolkit for regional engagement. That *Act East* is one of the most successful Indian policy initiatives was manifested again in the January 2018 India-ASEAN

Summit where all 10 ASEAN Heads of Government also joined India’s Republic Day Parade as chief guests. Following the Indian example, the US has also begun to reiterate that ASEAN is central to the Indo-Pacific. Indonesia’s support for the Indo-Pacific construct, albeit with its own variant, is good news for the four initial proponents as it opens up new avenues for deliberation.

Arguably, India’s calibrated approach in cultivating Indo-Pacific as a “positive” construct to replace Asia-Pacific is increasingly acquiring a normative shape. In his Shangri-La speech, Modi made India’s position aptly clear by stating that India does not see the Indo-Pacific as a club of limited members that seeks to dominate, or a grouping that is directed against any country.

Between the two emerging constructs - Indo-Pacific and Quad - India appears to be more strongly attracted to the Indo-Pacific, a preference which was signalled in Modi’s Shangri-La speech. A major factor that will shape the feasibility of the Indo-Pacific idea is how China perceives it and whether it will find any variant of the idea attractive.

**Conclusion:** India’s regional security outlook hinges on the linkages between regional strategic patterns, emanating from interplay of major powers in the neighbouring regions - ASEAN, sub-continent, and the Indian Ocean - and India’s national security. While China plays a critical role in shaping India’s security perceptions, relations with Japan, the US, and countries of the region are gaining prominence in influencing India’s overall security perspective. In that context, India’s commitment to the Quad would also depend on how far these four democracies could move forward together on the security front.

India’s preference for the Indo-Pacific construct and minilateral dialogues over the Quad is likely to continue unless the Quad gains more stealth or the regional security situation turns bleak. India’s support for a free, open, inclusive, and peaceful Indo-Pacific, which gives due recognition to ASEAN and its affiliate mechanisms, is likely to acquire a cardinal position around which its policy pronouncements will be weaved.

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# U.S-China competition and ASEAN: a view from Jakarta

## Philips Vermonte

Relations between the United States and China have become increasingly tense over the past few years. These tensions reached new heights in 2018 as the two are now in a so-called trade war, the full impact of which has yet to be seen. However, smaller countries have started to feel its various consequences for their developing economies.

As a matter of fact, for many developing countries the issue at the heart of the growing rivalry between the U.S. and China is indeed the economy. Not surprisingly, China may be seen as a potentially benign power that is ready to provide international public goods in terms of economic development. The ambitiously large-scale Belt and Road Initiative naturally attracts the interest of the many countries embraced by this initiative, particularly as its promised scale is beyond what Western countries seem able to commit to. This comes as a logical consequence of China's increasing economic power that also necessarily brings geopolitical consequences with it. From the perspective of the liberal world order, China is generally seen as a threat that will alter the rules-based order.

Yet, a similar conflicting perception of the U.S., especially under the Trump presidency, is readily discernible. The withdrawal from the Paris agreement on climate change and cutting out support for UNESCO are two significant instances that endanger the credibility of the U.S. diplomatic stance that it remains the strongest provider of international public goods. The U.S. under President Trump confuses allies and foes. As a result, countries are having to anticipate a massive change in the regional as well as the international

strategic order. The peace dividend that the world has enjoyed since the breakdown of the Soviet Union is evaporating. The era of free trade and the triumph of liberal democracy has evaporated.

China's burgeoning economic power has cut short America's unipolar moment. Multilateralism and democracy are now in danger in many corners of the world. Bilateralism and unilateralism are coming back, brought to us by none other than the two super powers: the U.S. and China. Countries in the Asia Pacific are struggling to strike a delicate balance between relying on the U.S. as the security provider in the region and on China as the major engine of economic growth for the region.

Seeing these geo-economic and geopolitical developments from Southeast Asia, the author is of the opinion that both the U.S. and China are potentially belligerent superpowers. Both have acted irresponsibly in some instances, ignoring the rules-based order. China's assertiveness in the South China Sea undermines the U.N. Convention of the Law of the Sea (UNCLOS). It alerts many capitals in the region that they have to be strategically cautious regardless of their deep economic engagement with China. In essence, they cannot as yet see China as a benign security provider in the region. Meanwhile, withdrawing from the Paris agreement and from its commitments to certain U.N. agencies, indicates that the US too is not a consistent supporter of global order. Rather, at times, the U.S. can obstruct it. Lastly, the trade war simply shows that the two super powers might also ignore international organisations such as the WTO, an institution that the U.S.

had helped establish and that China has perhaps benefited from the most. The two powerhouses simply choose to ignore the common interests of the rest of the world. This behaviour recalls what Thucydides reported in the Melian dialogue: "the strong do what they have to do, the weak suffer what they must". Smaller countries seem to be at best thorns between the two. Traditional U.S. allies and close friends, can set their strategic minds in Washington while resting their economic belly in Beijing. For others, it is more a matter of counting on China as the engine of their own economic growth while remaining strategically cautious.

### ASEAN one more time?

For some in Southeast Asia, it is immediately clear that they are not in the position to take sides. American military strength reminds them that Washington remains a reliable security provider. Yet, the U.S. commitment to the region is questionable. President Trump has brought back so-called great power politics and U.S. attention is focused elsewhere, mostly in the Middle East and Europe, or on nuclear proliferation and other major powers. Southeast Asia is deemed important only within the context of the U.S. rivalry with China, not in its own right. Meanwhile, Southeast Asian countries have been recording high economic growth in the past few years at a time when there has been a perceived U.S. decline and withdrawal from the region. These countries are in need of investment and capital for further development and it has been China that has stepped in as a friendly source. There is a risk of some countries in the region falling more deeply under China's strategic influence.





ARF Retreat, Singapore, August 2018. Female Foreign Ministers: Indonesia's Retno Marsudi, EU's High Representative of the EU for Foreign Affairs and Security Policy Federica Mogherini, South Korea's Kang Kyung-wha, Australia's FM Julie Bishop and Canada's Minister of Foreign Affairs Chrystia Freeland. Source: US Department of State, Flickr.

As a matter of fact, should this happen, it would be contrary to the style of engagement with external powers that Southeast Asian countries under the umbrella of ASEAN have favoured for decades. ASEAN members have been consistent in their collective determination to maintain an equal distance from all the great powers, while not seeking to discourage their interest in the region. Therefore, ASEAN should capitalise on this long past experience in dealing with great powers in order to maintain Southeast Asia as a region for cooperation, not of competition that could be detrimental to the interest

of its member states. ASEAN succeeded in insulating the region from becoming a theatre of proxy war between the U.S and Soviet Union during the Cold War. Now it has to get its act together to ensure that the region will similarly benefit from both the U.S. and China.

Insisting creatively on ASEAN-led mechanisms in the engagement with outside powers is an option that ASEAN countries need to pursue. The notion of the Indo-Pacific, for example, can be readily accommodated in an existing inclusive platform such as the East Asia Summit, which is an ASEAN-

led mechanism and in which all important powers are members, including the U.S. and China. The DNA of ASEAN countries is to forge inclusive cooperation between countries, not to be the meat in the sandwich of great power competitions.

In addition, other than the issue of rivalry between the U.S. and China, the region continues to face an array of immediate security problems that call for cooperative responses. These range from terrorism, natural disasters, and humanitarian crises such as the one in the Rakhine state to non-traditional security threats



at sea such as illegal fishing and the impact of climate change.

To deal with these problems and to keep the region secure and peaceful it seems that ASEAN has to rely on itself more and, through greater self-reliance, seek to mitigate U.S. - China competition in the region. For example, cooperation was apparent in the region, when ISIS-affiliated militants stormed into the Filipino city of Marawi in Mindanao. Intense cooperation between the Philippines and the international community, including countries in the region such as Indonesia, helped Manila to defeat the militants. Terrorist attacks in the capital city of East Java Province, Surabaya, in Indonesia earlier this year also highlights the fact that terrorism remains a security threat to the region that requires attention and wide-ranging cooperation.

As Indonesia prepares itself for its term as Non-Permanent Member of the United Nations Security Council in 2019-2020, it is incumbent on Jakarta to reflect upon the region's security dynamics and to consider how Indonesia should position itself to be most influential in forging durable solutions. Indonesia has been an active participant in the international arena, including on security issues. Indonesia has sent around 2,700 military and police officers to nine UN Peacekeeping Missions around the world. These range from the UN Forces in Lebanon, to the UN Mission in Western Sahara. As a non-permanent member of the UN Security Council, Indonesia may be able to link the capacities of the U.N. and those of regional organisations to, for example, find a solution to the crisis in Rakhine state in Myanmar. To this end, Indonesia will have a great deal to do with the U.S. and China as both have veto powers in the UNSC, and both probably have direct strategic interests in Myanmar as well.

In essence, in an era in which intense great power competition is becoming more apparent, a strengthened ASEAN is imperative for Southeast Asia's own strategic well-being. This, however, needs strong leadership. Indonesia might be able to lead ASEAN to walk that thin strategic line between superpowers experiencing increasing tension and belligerence in their relations.

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# The Arduous Road to Denuclearisation and Peace-settlement in Korea in 2018

Yoon Young-kwan

The security situation on the Korean Peninsula was unprecedentedly tense in 2017. North Korea's successful test launches of intercontinental ballistic missiles (ICBMs) - (Hwasong-14 on 4 and 28 July and Hwasong-15 on 28 November - revealed its unexpectedly rapid acquisition of the relevant technologies and frightened most American policy-makers. The newly elected president of the U.S., Donald Trump, had already been briefed by his predecessor, President Obama, that North Korea was the most dangerous security threat to the United States. President Trump decided to apply maximum pressure against North Korea on both the military and economic fronts. For example, the U.S. deployed three carrier battle groups twice near the Korean Peninsula (in April and July 2017) and secured UN Security Council endorsement of an even tighter international economic sanctions regime.

President Moon Jae-in of South Korea wanted to utilise the 2018 Pyeongchang Winter Olympics as a means of defusing this dangerous military confrontation and moving toward a negotiated solution of the North Korean nuclear problem. Thus, he invited the North Korean sports teams to the Olympic Games and North Korea's political leaders to Seoul for high-level discussions. On March 27, 2018, Kim Jong-un, North Korea's Chairman of the State Affairs Commission, told the South Korean envoy visiting Pyongyang that he would denuclearise North Korea if the country's security was guaranteed. He also said that he wanted to discuss the nuclear issue directly with President Trump. Since then, there has been

a flurry of summits in the region: three between the two Koreas, the U.S.-North Korea summit in June (with another expected early in 2019), and three between China and North Korea.

This surge in diplomatic activity made significant progress in stabilising the Korean Peninsula situation. Now most Koreans don't seem to worry about a war. The leaders of both Koreas made important advances through developing a plan to establish a structure for a permanent peace between two Koreas. Particularly notable was the agreement between President Moon and Chairman Kim at their third summit on 19 September in Pyongyang on concrete ways of implementing the Panmunjom Declaration of April 27, 2018 regarding defusing military tensions on the peninsula. According to the inter-Korean military agreement adopted as the attachment to the September 19th Pyongyang Declaration, both sides decided to completely cease all hostile acts against each other in every domain, including land, air and sea, cease various military exercises along the MDL (Military Demarcation Line), and to designate the MDL a No Fly Zone for all aircraft types. In particular, they produced an agreement on various specific measures to prevent accidental military clashes of any kind. This was an important accomplishment since the likelihood of accidents, misperception or misunderstanding leading to unintended war is considered to be much higher in Korea than the risk of deliberate, pre-planned hostilities. For instance, there were four major rounds of naval

skirmishes in the West Sea in the last two decades which might have easily escalated into a war. This inter-Korean military agreement, if fully and mutually implemented, would reduce the risks of accidental war significantly. However, an effective joint monitoring mechanism will have to be developed and included later in the agreement in order to be able to verify the agreed restraints on military activities by each side.

While inter-Korean negotiations seemed to proceed smoothly, negotiations between the U.S. and North Korea after the Singapore summit made little progress. Though President Trump and Chairman Kim produced a four-point agreement in Singapore, it did not include any specific timelines or specific measures on denuclearisation. For these reasons, the Singapore Agreement attracted some criticism from the media and specialists, despite President Trump's assurance that North Korea would accept inspections and take concrete actions toward denuclearisation.

After the U.S.-North Korea summit, the U.S. Secretary of State, Mike Pompeo, visited Pyongyang three times to negotiate the specific actions that North Korea would undertake to begin the denuclearisation process. It was widely believed that he requested that North Korea make an initial authoritative declaration on the full extent of its nuclear program, a request that North Korea resisted strongly. Instead, North Korea insisted on a step-by-step, action-for-action approach. Basically, North Korea was telling the U.S. side that, considering the degree of distrust between the two countries, the U.S.

demand amounted to asking North Korea to submit a target list for a possible U.S. attack.

North Korea countered with the demand that the first step should be US agreement to formally end the Korean War, replacing the armistice concluded in 1953. U.S. policy-makers were reluctant to respond positively because they worried about the possibility that the declaration would be taken advantage of by North Korea and other states to weaken the military alliance between the U.S. and South Korea. Thus, negotiation on what concrete actions each side would take quickly stalled. Recently, North Korea shifted its demand on an initial step from declaring an end to the Korean War to lifting economic sanctions. North Korea also indicated its willingness to scrap its nuclear facilities at Yongbyon if Washington took corresponding measures. Secretary Pompeo and his North Korean counterpart Kim Yong-chol planned to meet in New York on November 7th. This meeting was expected to develop plans for the second summit between the U.S. and North Korea. The meeting was postponed at the last moment, which speaks to the continuing difficulties the parties are experiencing in finding common ground. If there is no progress at the lower working-level negotiations, the second U.S.-North Korea summit will take some time to be realised. Probably the most important point to watch in these working-level negotiation will be whether the U.S. side will take up the North Korean offer to dismantle its Yongbyon nuclear facilities and be ready to provide North Korea with some corresponding rewards. If the U.S. follows that road, it will mean an important change in the U.S. approach: away from the traditional model of comprehensive denuclearisation, i.e., declaration-verification-dismantlement, toward a more limited, gradual process of working toward denuclearisation step-

by-step, facility-by-facility.

Though many criticised the Singapore Summit and its agreement, President Trump had already made a very important adjustment to the conventional U.S. approach to the North Korean nuclear problem. The conventional approach, probably with the exception of President Clinton's efforts for rapprochement toward North Korea in 2000, focused mainly on pressuring North Korea. The result, however, was the ever-worsening situation we have witnessed over the last two and a half decades. North Korea has actually become a de facto nuclear weapon state. The weakness of this conventional approach is that it neglected the importance of the issue of 'perception' in resolving conflicts, while focusing mainly on deterring North Korea. A small and weak country like North Korea, economically devastated, diplomatically isolated, and surrounded by big powers might have felt deeply insecure even though neighbouring states had no intention to attack. This is a typical 'security dilemma' situation. As Robert Jervis has emphasised, 'perception' matters in the case of the North Korean nuclear crisis too. Actually, most U.S. policy-makers tended to recognise that it would be very difficult to denuclearise North Korea without making Kim Jong-un believe that his regime will survive and prosper without nuclear weapons. However, they did not do much in order to alleviate Kim's insecurity-complex and weaken his motives for developing nuclear weapons.

It was President Trump who initiated a new approach of engaging North Korea politically. If the U.S. takes some concrete actions toward political engagement like establishing a liaison office, inviting North Korean performers or sports team, etc., while leveraging economic sanction effectively, his new 'political' approach

may make a significant contribution to resolving the North Korean nuclear crisis. The problem is that there seems to be a sizeable gap between President Trump's direction and the thinking of the high-level bureaucrats surrounding him. For example, even after the Singapore summit, there was a furious debate inside the U.S. policy community on applying the so-called 'Libya Model' of denuclearisation to the North Korean case.

Many South Koreans seem to support President Trump's new approach and his strong will to negotiate with North Korea. They think that President Trump is creating an important opportunity to denuclearise and establish a permanent peace on the Korean Peninsula. At the same time, they are concerned that this unique window of opportunity will not remain open for long. This may be the reason why many Americans consider that the South Korean government looks like it is hurrying and moving too fast to normalise inter-Korean relations. However, many Koreans are worried that, if they miss this opportunity, the situation may revert to the perils of 2017.

Foreign observers of Korea may find some ambivalence in the mindset of South Koreans. But most Koreans who regard the U.S.-South Korea alliance as essential to their national security, are also anxious about how much President Trump is really committed to the alliance. President Trump has already often expressed his wish to withdraw American troops from South Korea sometime in the future. In addition, many Koreans are concerned about the possibility of the Trump administration making an incomplete nuclear deal with North Korea. If North Korea dismantles its ICBMs, implements a partial denuclearisation and seeks a commensurate response, will the Trump administration clearly decline and persevere with the original goal of complete denuclearisation? Or



will it make an incomplete deal with North Korea and essentially acquiesce in it possessing a residual nuclear weapon capability? This plays into the issue of the decoupling of extended deterrence, which would bring about serious difficulties in the U.S. alliance relationships with both South Korea and Japan.

Another key variable in the denuclearisation of North Korea and achieving a broader peace-settlement on the Korean Peninsula is the China factor. All these security developments related to the Korean Peninsula are unfolding in the global context of ever-intensifying rivalry and competition between the U.S. and China. In 2017, the U.S. and China seemed to be on the same page and cooperated closely on the North Korean nuclear issue. Most particularly, for the first time, China applied strong sanctions against North Korea. However, when Chairman Kim Jong-un suddenly declared that he would denuclearise North Korea, met with South Korean counterpart, and had President Trump's agreement to a summit, the Chinese leaders appeared to feel marginalised. This might have motivated President Xi to abandon his past policy of keeping some distance from Chairman Kim and

return to China's traditional strategy of embracing North Korea from the perspective of geopolitical competition. President Xi met Chairman Kim three times before and after Kim's meeting with President Trump. During those summit meetings, President Xi might have urged Chairman Kim to respect China's interests during Kim's negotiations with the leaders of other countries.

Making matters more complicated, the U.S. government and the Congress have been taking strong measures against China based on a bipartisan consensus on a number of China-related issues, including trade, the South China Sea, and Taiwan. It remains to be seen whether the U.S. and China will seek to separate the North Korean issue from their global strategic competition and, if so, whether they can succeed in doing so. For example, China and Russia have been already arguing for lifting sanctions on North Korea, notwithstanding the limited progress toward agreement on a denuclearisation process. If China decides to step away from the U.N.-led international sanctions regime, it will certainly weaken North Korea's motivation to denuclearise. It would also probably mean the collapse of

the international coalition supporting these sanctions.

Intensifying U.S.-China competition will also put South Korea in a difficult situation from a broader strategic perspective. South Korea is an ally of the U.S. and dependent on that alliance for its security. At the same time, South Korea has had an extensive economic relationship with China for a long time. For instance, South Korea's trade volume with China exceeds the sum of its trade volumes with the U.S. and Japan. Also, the constructive involvement of China is indispensable to building a permanent peace on the peninsula and achieving the long-term goal of Korean unification. If the U.S.-China relationship continues to deteriorate, the likelihood of achieving international consensus on stabilising the Korean Peninsula will be greatly reduced. This is the geopolitical dilemma confronting both Koreans now. Actually, as the people living on a small peninsula surrounded by big powers, Koreans have endured a similar geopolitical dilemma for many centuries, indeed, probably millennia.

### Yoon Young-kwan

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Republic of Korea submarine ROKS *Park Wi* (SS 065), Pearl Harbor-Hickam, RIMPAC 2018. Source: Mass Communication Specialist 2nd Class Shaun Griffin, U.S. Indo-Pacific Command, Flickr.

# A Vietnamese Perspective on the Current Strategic Landscape

Nguyen Tung and Nguyen Trinh Quynh Mai

Over the last two years, rising tension between the United States and China has become a most prominent feature influencing the unfolding regional strategic landscape. The adverse trend in Sino-US relations has been reflected in policy adjustments by regional states, including new patterns of alignment among them, and in regional multilateral organisations and arrangements. A greater sense of strategic uncertainty and even anxiety has developed and taken a deeper root in the region. At the same time, however, the present context also gives rise to new opportunities for regional countries to conduct their foreign policies in more diverse ways.

Recent developments in Sino-US relations point to the heightened tensions between Washington and Beijing. The US National Security Strategy, National Defense Strategy, the Investment Risk Review Modernization Act, and the National Defense Authorization Act, to name a few major strategic and legal documents, have reflected a strengthening bipartisan consensus in Washington recognising China as a strategic competitor with a distinctive ideological and developmental model. A “trade war” between them has unambiguously transitioned from threat to reality. At the same time, the chain of actions and reactions by the US and China in the South China Sea have increased the chances of miscalculation and confrontation. The new free trade agreement reached among the US, Mexico and Canada (USMCA), and US withdrawals from the Intermediate-Range Nuclear Forces (INF) Treaty and from the Universal Postal Union (UPU) all also attest to Washington’s efforts to arrest the perceived erosion of its

competitive position vis-à-vis China in particular. Further, the Trump Administration’s Taiwan policy has added new strains not only to Sino-US relations but also those between Taiwan and the mainland. Finally, the accusations that China was meddling in US internal affairs and mid-term elections put China and Russia on the same footing as unfriendly states using so-called “sharp power” to exploit the openness of democratic societies. Against this background, the speech delivered by Vice-President Pence at the Hudson Institute on 4 October 2018 was seen as a Cold War style salvo marking a turning point in relations between the US and China.

China had compelling reasons - the prestige of Chinese Communist Party leadership, nationalist sentiment among the population, and China’s international image - to deliver a robust response. Beijing declared that Mr. Pence’s speech made “unwarranted accusations against China’s domestic and foreign policies and slandered China by claiming that China meddles in the US internal affairs and elections.” Relations between these leading major powers are clearly poised for a phase of protracted hardship.

The competition between China and the US seems to have become a progressively stronger fit for the hypothetical relationship between the rising power and the established one discussed in strategic journals. It is too early to predict if these two big powers are indeed “destined for war,” to cite the well-known book by Graham Allison. Yet, many would share the assessment of the retired Singaporean diplomat Bilihari Kausikan that the two countries have entered “a new phase of heightened

long-term competition.”

The implications of the new state of Sino-US competition are diverse. In the first place, Washington and Beijing are pushing hard in bilateral and multilateral settings to implement the Indo-Pacific Strategy (IPS) and the Belt and Road Initiative (BRI) respectively. Both the IPS and BRI represent offers intensified engagement with the wider region in terms of economic, politics, diplomacy, and defence. Although the IPS and BRI are said to be inclusive and non-confrontational, the strong and mutual sense of exclusiveness and mistrust is unmistakable. The pressure for other countries to take sides has already intensified, as shown by the difficulties encountered by ASEAN in arriving at a consensus on the Indo-Pacific Initiatives.

Secondly and related to the previous point, ASEAN cohesion is challenged by the IPS and BRI. In words, ASEAN’s central role associated with the IPS and BRI is publicly acknowledged. Both Washington and Beijing have portrayed ASEAN as central to their respective initiatives. In reality, however, the IPS and BRI seem to have diminished the role of ASEAN. BRI connectivity projects are essentially bilateral in nature as Beijing negotiates the terms of project implementation separately with the individual governments competing for Chinese funding. Greater dependence on China’s economic assistance then inclines certain countries toward a more acquiescent approach to China which, in turn, has reduced the cohesiveness of ASEAN in framing positions on such key issues as the South China Sea. The BRI, in addition, is not quite in line with the Master Plan on ASEAN Connectivity that ASEAN Leaders adopted in





Bien Hoa airbase, 17 October 2018. Vietnamese soldier guarding military aircraft while US Secretary of Defense Jim Mattis visits. Source: EIZIEZIE, Flickr.

October 2009 “for the purpose of bringing peoples, goods, services and capital closer together in accordance with the ASEAN Charter.”

The IPS initiative, centred on the concept of the Quad, may sideline ASEAN-led arrangements that prioritise discussions and cooperation based on a more comprehensive approach to regional security. More broadly, ASEAN also has to cope with the Trump Administration’s scepticism toward multilateral institutions and processes and its preference for unilateral approaches.

Thirdly, recent trends in US-China relations have triggered some major, even unprecedented, changes in inter-state relations. Increased interactions among the members of the Quad and those between Russia and China represent qualitatively new alignments along the Sino-US divide. As India’s strategic posture has improved, Washington and Beijing are courting New Delhi, providing the context for Prime Minister Modi’s delicate balancing act

between them. More notably, Japan has emerged as a key regional player in raising the Trump Administration’s awareness of Asia Pacific issues, filling the economic and diplomatic void that was created by the reduced US commitments to the region, and in substantially supporting the central role of ASEAN in the regional security architecture. Tokyo’s efforts to revive the Trans-Pacific Partnership negotiations in the aftermath of the Trump Administration’s withdrawal and transforming it into the Comprehensive and Progressive Trans-Pacific Partnership agreement (CPTPP) illustrated how Tokyo could counteract Washington’s agenda of economic nationalism and lack of enthusiasm for multilateralism. In addition, Tokyo’s commitment to infrastructure development in the region has provided regional states with a possible alternative to BRI.

Most surprising, perhaps, have been the changes on the Korean Peninsula. The Trump – Kim meeting, inter-Korean Summits and the resultant reduction of tensions between the

two Korean states, as well as the budding hope for denuclearisation of the Peninsula are unlikely to have occurred in the absence of the transformation of Sino-US relations.

At the same time, Beijing’s influence seems to have grown in some corners. Even the Philippines, under the Duterte government, opted to be silent on the ruling on the Philippines’ case against China by the Permanent Court of Arbitration that granted Manila a solid victory and to distance itself from its alliance with Washington in exchange for better relations with Beijing.

Clearly, therefore, the Sino-US relationship has become the core reference point for other states in the region in determining their policy options, whether to lean to one or the other or to find a plausible “alternate strategy to alignment.”

Great power competition, however, may not necessarily be all bad for the region. Firstly, the competition (with some elements of cooperation) between Washington and Beijing has



not compelled smaller states to take sides. Moreover, it creates more room for regional countries to manoeuvre as Washington and Beijing strive to win partnership and collaboration from them. The IPS carries on many of the basic elements of the Rebalancing Strategy introduced under the Obama Administration. While concrete details of its implementation are still unclear, the IPS has bolstered Washington's commitment to remain comprehensively engaged in the region. Besides the main geostrategic focus of the IPS, the Trump Administration has begun to shift its attention to the economic aspects. In July 2018, Secretary Michael Pompeo announced three new economic initiatives worth \$113 million in the region, focusing on the digital economy, energy and infrastructure.

For China, the BRI remains Beijing's primary tool to implement its regional strategy. Although the concerns over the BRI-related debt trap risks and growing economic dependence on China have been voiced, the multibillion-dollar BRI is still an indispensable source of funding for the infrastructure development needs that many regional countries have. As tensions in relations with Washington grow, China increasingly prioritises the improvement of relations with its neighbouring countries but, as already noted, many regional countries strive to develop ties with both rather than succumb to pressures to choose.

Secondly, ASEAN's position of proactively engaging Washington and Beijing and its established traditions of effective non-alignment could provide a new opportunity for the Association to play a mediating role between the two powers. The ASEAN-led mechanisms - including the East Asia Summit (EAS), the ASEAN Regional Forum (ARF), ASEAN Defence Ministers Meeting Plus (ADMM Plus) and the Expanded

ASEAN Maritime Forum (EAMF) - now have a better chance to perform not only because it is difficult to replace them but also because they are well suited to consider the points of intersection of the BRI and the IPS initiatives, notably in the fields of (i) security, economic, technical and environmental cooperation in the maritime domain, (ii) regional physical, institutional, and people-to-people connectivity, and (iii) confidence building, preventive diplomacy, crisis management, and conflict resolution at a later stage.

Most importantly, perhaps, ASEAN could serve as a hub for all small and medium sized countries as these countries increasingly feel the need to foster alignment among themselves to weather the uncertainties in Sino-US relations and to improve their position vis-à-vis Washington and Beijing through a collective stance. The enhanced partnerships between ASEAN and regional actors including Australia, New Zealand, Japan, India, South Korea, and Taiwan are vivid examples of such a trend. Closer association with and greater commitments to ASEAN by partners beyond Southeast Asia are not only an acknowledgement of how far Southeast Asia and ASEAN have developed and matured but also helps to bolster the groupings capacities to navigate the turbulent times ahead.

As an active member of ASEAN, Vietnam's strategic importance has been elevated in the foreign policies of the US and China as well as other countries. The policy of friends to all and enemy to none, coupled with greater pro-activism in deepening relations with the major powers and neighbouring countries, as well as in boosting ASEAN's credentials in the broadening regional architecture and in supporting multilateralism in general, have made Vietnam a valuable player in the eyes of its partners.

Yet, the sense of optimism should be a cautious one. The current strategic competition between the United States and China has decreased Hanoi's room to manoeuvre. The pressure on Hanoi to choose between Washington and Beijing has become greater. The South China Sea issue represents the biggest hurdle to developing ties between Hanoi and Beijing, Vietnam is also among the few countries targeted by the Trump Administration to address the trade deficit problem. These pressures are hazardous for Vietnam as the country has also decided to invest more in multilateral diplomacy. In 2020, Vietnam resumes the chairmanship of ASEAN. If this goes well, Vietnam would be well-placed to be elected to the United Nations Security Council as a Non-permanent member for the period 2020-2021. Hanoi needs to have a stronger voice on the core foreign and security policy issues for Vietnam, notably those related to the South China Sea and sub-Mekong region.

In the current and foreseeable circumstances, Hanoi cannot afford to appear as an indecisive and "colourless" player. Apart from cultivating good relations with both China and the US, consolidating ties with the other members of the EAS and joining the rest of ASEAN to build a cohesive Association must therefore be the key features of Vietnam's policy compass as it sets out to navigate the turbulent regional strategic landscape in years ahead.

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## Australia: In search of its own Sun Tze

Rod Lyon



ASEAN-Australia Leaders Dinner, Sydney, March 2018. From left to right: Malaysia's Foreign Minister, Dato' Sri Anifah Aman, Indonesia's Minister of Foreign Affairs Retno Marsudi, Australia's Prime Minister The Hon. Malcolm Turnbull MP, Indonesia's President His Excellency Mr Joko Widodo, Brunei Darussalam's Sultan and Prime Minister His Majesty Sultan Haji Hassanal Bolkiah Mu'izzaddin Waddaulah, Singapore's Prime Minister His Excellency Mr Lee Hsien Loong, Malaysia's Prime Minister YAB Dato' Sri Mohd Najib bin Tun Haji Abdul Razak, Australia's Minister for Foreign Affairs, the Hon Julie Bishop MP, Foreign Minister for Singapore, Dr Vivian Balakrishnan. Source: Andrew Taylor / ASEANinAus, Flickr.

Australia has, for several years, looked northwards towards a region characterised by economic vibrancy and strategic uncertainty. It has done its best to find a comfortable saddle point which would allow it to manage a widening divide in its trade and security portfolios—strengthening its economic links with the dynamic and growing Asian economies, while working to keep the US engaged as the principal guarantor of Asia's security architecture. True, in previous decades its own relationship

with Asia was characterised by a degree of uneasiness—born in large part of Australia's own conflicted sense of national identity. Still, a succession of Australian governments has struck a balance in their policy settings, some more elegantly than others, but all gradually building links into Asia while maintaining close ties to the US and Europe.

But, as 2019 approaches, both the Asian economic and strategic pictures have begun to morph into something

more concerning: escalating US-China tensions, including over trade, suggest a future characterised less by economic interdependence, and more by strategic rivalry. Australians have long known that strategic relativities were shifting in Asia, but have treated that as a problem for a future decade. So the prospect of imminent change has occurred with an alarming suddenness. And it has done so against a backdrop of increasing anxiety within policy-making circles about the long-term direction of

changes in the international security environment, and consequently about the durability of key principles underpinning Australia's strategic settings. Moreover, that anxiety has unfolded during yet another round of domestic political turbulence, which has seen another prime minister forced from office.

It is, of course, impossible to talk about Australia's view of regional security as if it were splendidly divorced from other strategic concerns. Australia's strategic picture of the world is typically a three-layered one, reflecting the global security order, the regional security environment, and the immediate security threats to its own continent and neighbourhood. Each of the smaller, closer layers seems to take its cue from the broader, more distant layer above it. Thus, concerns about Australian continental security are usually allayed by a relatively benign regional security outlook, and concerns about regional security are, in turn, allayed by a stable, benign global security order. But in 2018, assessments of both the global and regional outlook soured abruptly. And they did so while the government was constructing a Department of Home Affairs, the better to manage a growing set of domestic security challenges at its borders.

The result was an abrupt 'compaction' of Australia's three-layered strategic world. A more hostile and competitive global security environment generated greater discomfort with developments at the regional level. And a more contested regional security environment, in turn, made Canberra more anxious about national security. Threats that once seemed distant and buffered loomed with a sense of immediacy and proximity.

Central to Australia's changing assessment of global security were

two key factors: the more threatening tone of two authoritarian, resentful, great powers—Russia and China—determined to leave their own imprint upon a changing global order; and the uncertain trumpet sounded by the Trump administration in terms of US commitment to the liberal order. President Donald Trump's first year in office had led some to believe that the 'adults in the room'—like Mattis, Kelly and McMaster—would shape US international engagement. The sober tone of documents such as the National Security Strategy, the unclassified summary of the National Defense Strategy, and the Nuclear Posture Review, reinforced the judgment that deeper mainstream views—and simple bureaucratic inertia—would triumph. Perhaps it will. But Trump's second year in office was marked by greater erraticism than the first.

Trump certainly isn't an isolationist. But his foreign and strategic policies are distinctly unilateralist. And they bear the clear markings of his insistence on Making America Great Again. 'Winning' is the key metric in the Trumpian world-view, not reliability, or consistency, or stability. Demolition and reconstruction allows Trump to insist that America is winning again. But it comes at a cost—making the US a loose cannon on the international stage.

That perception complicates a security environment already coloured by escalating great-power competition. Moreover, that global trend is being replicated in Asia—not least because Asian power dynamics count more heavily now in global balances. Even in the formal documents of US declaratory strategy, the Indo-Pacific receives priority over Europe, a validation for most Australians of their belief that first-order threats have moved closer to their homeland, not further away.

Further, the US-China relationship has also become more frosty. The growth of Chinese power has allowed it to push outwards from the Eurasian rimlands. China seems to talk less these days about the first island chain—perhaps to avoid provoking greater discussion about its island-construction program, but almost certainly because its strategic ambitions run much further than that geographical reference point suggested. 'Anti-access, area-denial' is China's strategy to defend its homeland; not the limit of its aspiration. Indeed, Xi Jinping's Belt and Road Initiative sits at the centre of China's international engagement efforts—suggesting economic leverage is still Beijing's most potent instrument for pursuing a greater global role.

Meanwhile, the US, the key guarantor of the existing security order, seems to have drawn back from the force balances along the Eurasian rimlands. True, US strategic commitments haven't wavered. But the sudden shift in US policy from 'fire and fury' to negotiation and summitry on the North Korea nuclear issue brought an unsettling inconsistency to US foreign and strategic policy in Northeast Asia, and left allies and partners there and elsewhere confused about future US commitments to their regions. Confusion grew as Trump abused his NATO allies, and praised Putin and Kim Jong-un at summits with them in Helsinki and Singapore.

In Northeast Asia, North Korea's spectacular advances in its nuclear and missile programs during 2017, were enough to win Pyongyang a seat at the table across a range of dialogues in 2018. South Korea, under President Moon, embraced a suddenly more-engaging Kim Jong-un. Japan, anxious about the new spirit of reconciliation on the peninsula, and about Trump's apparent willingness



to oversell Kim Jong-un's willingness to denuclearise, again found itself marginalised on the security front, and playing its diplomatic cards to improve relations with Beijing and New Delhi. Still, Prime Minister Abe's government has reached out to other Asian strategic partners, particularly in Southeast Asia—signalling that Japanese quiescence in strategic matters may be abating.

Australian analysts, like those in other US alliances, are contemplating the consequences of a rapidly-shifting balance of power in Asia, within which the US would not necessarily remain the principal security guarantor. Former senior Defence officials have called for a radical shift in Australian defence policy. Analysts have canvassed a 'Plan B' for strategic policy, one which doesn't rely so heavily upon US commitments to come to Australia's assistance in times of need.

In truth, viable Plan Bs are difficult to find. Australia certainly counts as a Top 20 world power, but struggles to convert that standing into a credible, self-reliant strategy. Moreover, the country itself has absolutely no experience of 'going it alone' at either the regional or global level. An isolated Australia would probably slip into a Fortress Australia strategic policy, focusing upon its continent and immediate neighbourhood rather than any grander global or regional role.

So what might be done to improve matters? Well, Australia can do nothing by itself to reverse the strategic tides of economic growth and nationalism sweeping through Asia. Ideally, Canberra would like to see that new Asia provide a stronger set of inputs to Australia's preferred sort of regional order—a secure, liberal, prosperous order. The question is how can that be done?

In recent years, Canberra has developed a particular enthusiasm for the concept of the 'rules-based order' as a principal strategic policy theme. The term connotes much that is dear to a middle power—in particular, a sense of legality and continuity—at a time of rapidly-shifting power balances and unpalatable strategic alternatives.

The key problem, of course, is that rules-based orders don't invent and sustain themselves. They are constructs which usually reflect the power relativities of the day. Still, recent statements by Australia's former foreign minister, Julie Bishop, that China should be invited to sit in rule-making forums, suggest that the government hasn't abandoned its belief—articulated in both the 2016 Defence White Paper and the 2017 Foreign Affairs White Paper—that rules constitute an important codifier of strategic behaviour during difficult power transitions, and that China can be drawn further into a rules-bound universe.

Similar problems lie down the path of greater regional institutionalisation: power shifts in the region are unfolding at the speed of the fastest, while regional institutions are evolving at the speed of the slowest.

Perhaps Australia should look for new strategic partners rather than merely stronger institutions. But where might Australia find partners that could bring to its security challenges anything like the strategic weight, capabilities, and resilience that the US contributed? Asia isn't famous for its close-knit strategic partnerships. Indeed, quite the reverse.

Even Asian nations currently allied to the US have been reluctant to build similar relationships with each other. In part that's because alliances are a particular, high-intensive sort of strategic partnership, typically

carrying with them obligations to defend one's ally as well as oneself. Japan, still constrained by a set of limitations upon how it might defend itself, is, even today, understandably cautious about taking on such obligations. India, with its history of non-alignment, isn't about to be anyone's ally anytime soon. Indonesia will certainly become a more valuable strategic partner for Australia but, again, not an ally. An honest appraisal of the Asian strategic environment must conclude that intra-regional power balancing looks unlikely to be a dominant mechanism within regional relationships.

Indeed, two broad global trends—the rise of the East and the emergence of a more multipolar world—make it much less likely that Australia can find a strategic replacement for the US as easily as it opted for America's replacement of Britain as the country's security guarantor during World War 2. Australia's usual strategic partner is the dominant Western maritime power of the day. But prevailing trends suggest future maritime powers are less likely to be either Western or dominant.

That means national capabilities and declaratory settings will likely take on greater importance in the emerging Asia. Stronger hedging against the possibility that regional order might swing dramatically against their preferred outcome seems likely to become most countries' default setting. And, because of the pace of power shifts unfolding across the region, some regional players may conclude that the only realistic means of dealing themselves in is through some sort of 'game-changer' approach.

At dark moments, even Australian strategic thinkers openly contemplate the possibility of indigenous nuclear weapons. Anxious about the sudden shift in strategic fortunes, and conscious of their own inability

to add much to the balance in a genuine hard-power balancing competition, analysts tease with the idea that nuclear weapons might offer a degree of power-building not readily available at lower, conventional-capability levels. In practice, Australia lacks many of the things it would need to go down the nuclear road—including any sort of bipartisan political agreement on the merits of an indigenous program. It's surprising, therefore, that the debate shows greater durability than an impartial observer might have expected.

Of course, it's not just Australia considering game-changer strategic options. Trump's unpredictability has damaged US extended nuclear deterrence, the doctrine under which US allies agree to forsake the development of indigenous nuclear arsenals in exchange for protection under its nuclear umbrella.

This scramble in Australian strategic policy—driven by a dawning realisation that the global security order and the regional security order might remain challenging for years to come—won't end anytime soon. Indeed, the 'compaction' of the three layers of Australian security may well become permanent. In coming decades, Australian policy-makers seem likely to confront some of the most demanding strategic terrain in the nation's history.

Still, in those circumstances, Australia shouldn't lightly toss aside its preference for working with strategic partners. The US is likely to remain a major player in the Indo-Pacific even as its relative strategic position declines. And rising Asian powers—a suite of them, not just China—offer prospects for new relationships. Future partnerships are unlikely to match the security blanket offered by ANZUS, but that doesn't necessarily make them useless

or unimportant. We've been spoilt by the ANZUS alliance—a one-stop shop for all our strategic requirements. Regional partnerships can still be valuable without meeting that standard. We need to sharpen our skills in statecraft.

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## ASEAN and US-China Competition

**Bilahari Kausikan**

Southeast Asia has always been an arena for major power competition. For the last decade or so, US-China relations have been the main axis of competition, and the basic challenge for ASEAN has been how to position itself as the US and China grope towards a new *modus vivendi*. This is still the main challenge. But ASEAN should not deceive itself that it is just business as usual. US-China relations have now entered a new phase of heightened long-term competition. This is a new situation.

Competition has always been an inherent part of the US-China relationship. But from 1972 to circa 2010, despite some tense episodes, the overall emphasis of US-China relations was on engagement. The US and China are not natural partners, nor are they inevitable enemies. Post-Cold War US-China relations are characterised by deep strategic mistrust coexisting with interdependence of a new and historically unprecedented kind. The US and China simultaneously

cooperated, while competing. Engagement and cooperation will not entirely cease in the new situation. But it will be far more selective, and the overall emphasis has now clearly shifted to competition. Lest there was any doubt, Vice-President Pence's speech on 4<sup>th</sup> October 2018 was a clear and unambiguous signal of the new approach.

The most obvious manifestation of the new approach is Trump's 'trade war'. The term is something of a misnomer. Trade is the instrument; the objective,



Pacific Ocean, June 2018. USS *William P. Lawrence* (DDG 110) leads a formation with Republic of Singapore Navy ship *RSS Tenacious* (71), Indian Navy ship *INS Sahyadri* (F49), and Philippine Navy ships *BRP Davao Del Sur* (LD602) and *BRP Andres Bonifacio* (FF 17) during a group sail. Source: U.S. Navy photo by Mass Communication Specialist 2nd Class Jessica O. Blackwell, Flickr.



as the Trump administration's National Security Strategy (NSS 2017) published in December 2017 and its National Defense Strategy (NDS 2018) published in January 2018 make clear, is strategic competition. China accuses the US of using trade to hamper and constrain its development. China is not wrong, although it conveniently skirts over its own responsibility.

Most attention has focused on the tit-for-tat imposition of tariffs. This must eventually end, although no one can at present predict when, or at what cost, or with what implications for international order. Both sides have signalled their willingness to talk and Trump may meet Xi Jinping at the Argentina G-20 meeting in late November. It is not clear that they can reach a deal. In any case, any deal – if there is one – will be over tariffs, but the more significant aspect of the trade war is new US legislation to limit technology transfers to China: FIRRMA (Foreign Investment Risk Review Modernization Act) and the National Defense Authorization Act passed with strong bipartisan support in August 2018. FIRRMA – and other legislation in the pipeline – defines a new statutory framework for US relations with China. There is no sign of any inclination by the Trump administration to change this approach; nor is the new legislation going to be easily changed by successor administrations.

This is not just about Trump the individual. His personality adds to uncertainties in US-China relations. He is not an aberration that will pass with the next administration. His approach towards China is a correction to the perceived weakness of his predecessors. It was after all President George W. Bush that first labelled China a 'strategic competitor' before 9/11 diverted American attention to the Middle East. President Obama's 'Pivot' or

'Rebalance' was an expression of the same attitude. But the Obama administration had little stomach for robust competition, the Pivot was more a slogan than policy: implementation was hesitant, and the Middle East still a distraction, particularly to Secretary of State Kerry. Its overall emphasis in US-China relations was still on engagement.

The perception that the US had been too accommodating towards China is now shared by both parties and by diverse interest groups: the security community, human rights and religious freedom advocates, and, most crucially, American business. Trump's core supporters believe that China had stolen their jobs. This is untrue. Job losses have more profound causes. But the belief is a political fact that neither party can ignore. Trump's successor may be less abrasive and more predictable. But the probability is that whoever succeeds Trump must take a tough approach towards China. Scepticism over 'free trade' with China spans both parties.

Trump's America has often been described as being in retreat. This is a distortion of a more complicated reality. Neither NSS 2017 or NDS 2018 are isolationist documents. These documents and Vice-President Pence's speech, make clear that the Trump administration believes that this is an era of great power competition and that it is determined to compete, not withdraw. They represent a narrower and less generous concept of leadership, a preference for bilateralism over multilateralism, and a return to an old approach of peace through strength. One may well have serious reservations about this concept of leadership and the approach. But they cannot be accurately described as a 'retreat'.

One may also debate whether the new approach is worth the costs, and the final bill has yet to be presented. But a clinical appraisal must conclude that Trump has, at least so far, got much of what he said he wanted, both internationally and domestically. Democrats taking over the House of Representatives in the November 2018 mid-term elections is not going to make an appreciable difference. Indeed, a Democrat-led House may place stronger emphasis on human rights issues in US-China relations. It would be prudent not to expect major substantive changes.

China misread the implications of the global financial crisis of 2008-2009. It seems to have begun to believe its own propaganda about America being in irrevocable decline. Beijing over-generalised its experience of the Obama administration's reluctance to stress the competitive aspects of US-China relations. It missed completely the steadily souring mood of US business – historically a stabilising factor in US-China relations – towards China since the Bush '43 administration, mainly over intellectual property theft and forced transfers of technology.

Towards the end of the Hu Jintao administration and far more insistently under Xi Jinping, Chinese foreign policy took on a triumphalist tone and a far more ambitious and assertive approach. The new approach found its apogee in the Belt and Road Initiative (BRI) and Xi Jinping's October 2017 19<sup>th</sup> Party Congress speech which clearly abandoned Deng Xiaoping's approach of 'hiding light and biding time'.

Global ambition and assertiveness were certainly evident in the speech. But the focus of the 19<sup>th</sup> Party Congress speech was in fact domestic. The most important point was Xi's redefinition of the new 'principal contradiction' facing China – the

contradiction between “unbalanced and inadequate development and the people’s ever-growing needs for a better life” and consequently, on the imperative of revitalising the Chinese Communist Party (CCP) to meet those needs. This prescribes an extremely complex domestic economic, social and political agenda on which, Xi made clear, depends CCP rule.

The agenda encompasses, among other things, moving industry up the value chain, cutting overcapacity, promoting innovation, protecting the environment, revitalising the rural sector, dealing with debt, promoting balanced regional growth, an aging population, healthcare and social security, social mobility, education, housing, food safety, defusing social tensions, continuing the crackdown on corruption, and expanding what Xi called “orderly political participation”. Each issue is itself a major challenge.

Furthermore, the 19<sup>th</sup> Party Congress referred only obliquely to a crucial issue left over from the 18<sup>th</sup> Party Congress in 2012. The 18<sup>th</sup> Party Congress had acknowledged a ‘new normal’ of slower growth, and that the Chinese model responsible for the spectacular growth of the 1990s was unsustainable over the long-run. The 2013 Plenum that followed the 18th Party Congress set out a reform agenda that envisaged a greater role for the market in key sectors to improve economic efficiencies. But implementation can only be described as modest.

An enhanced role for the market implies a loosening of control. How to improve economic efficiency without risking CCP control? Yet without improved efficiency and sustainable growth, CCP rule which legitimates itself primarily by economic performance, could also be jeopardised. What is the appropriate balance between market and Party?

There is no obvious answer. Yet this is a fundamental – perhaps even existential – question for China because there is no practical alternative to CCP rule. Maintaining CCP rule is the most vital of all China’s core interests.

Dealing with the domestic agenda set out by the 19<sup>th</sup> Party Congress will take a long time and require immense resources. China’s resources, while vast, are not infinite or inexhaustible. Continually replenishing resources on the scale needed to deal with the issues requires sustainable growth. Sustaining growth requires a new model. A new model requires a new balance between control and efficiency.

It remains to be seen how Xi will deal with this central question. He will have to manage contradictory considerations. Xi has tried to reassure private entrepreneurs under pressure from new financial and regulatory controls. But he has also made clear that SOEs will continue to enjoy a privileged place in the economy. Where the balance will finally settle is anyone’s guess. For now, Xi has clearly opted to place the emphasis on Party control. Socialist rhetoric has crept back into the official lexicon. Xi’s insistence on stronger Party control may have sharpened the core challenge of finding a new model based on a new balance between control and efficiency.

The BRI is as much an attempt to deal with this key domestic challenge as it is a manifestation of global ambition. The BRI finesses the challenge by externalising and exporting the Chinese growth model – based on heavy reliance on SOE-led infrastructure investment – that the 18th Party Congress had already in 2012 recognised was unsustainable within China. The BRI buys time to find a new balance between the

market and the Party but does not in itself prescribe a new model.

The BRI and China’s rise rest on the foundation of post-Cold War, American-led globalisation. Can the BRI succeed if the US and China get into a prolonged trade slugfest or the world turns protectionist? China was the main beneficiary of post-Cold War globalisation; it may well be the main loser if that order frays because America under the Trump administration no longer embraces an open and generous definition of leadership.

China cannot substitute for US leadership. The idea of the universality of the US political model of liberal democracy was always an illusion. But American openness and generosity allowed economic variants of the American model to develop around the world and attach themselves to the US. Post-Mao China is itself an example. The US is no longer prepared to be as open or generous. But an open international order cannot be led on the basis of a still largely closed and essentially mercantilist Chinese model. It is precisely how and how much more China should open up that Beijing has yet to decide.

None of this should be taken as implying that China will fail. The CCP is an adaptable organisation, the latest iteration of political and economic experimentation dating from the late Qing Dynasty in the 19th century. But Trump’s approach to trade has certainly complicated matters for the CCP and made it more difficult to deal with the domestic agenda outlined earlier. Responses to the issues will likely be sub-optimal improvisations undertaken in the context of a ‘new normal’ of slower though still respectable growth.

Push-back to the BRI is becoming evident internationally, including in

Southeast Asia. No one is going to shun working with China. That would be foolish. But the implementation of the BRI is going to be problematic and patchy. Some projects will work better than others, some will stall, some will fail. Of late, small but significant signs of push-back to Xi's ambitious vision for China have even emerged within China itself, precipitated by the shock of the trade war which caught Beijing on the back foot.

Xi's position is not under threat. Still, for now, triumphalist rhetoric has eased, ambition down-played, and an effort has been made to improve the atmospherics of relations with Japan, India, Australia and ASEAN. China has retaliated against US tariffs, but its response has not been overly harsh. But fundamental issues remain unresolved and Xi cannot afford to appear weak. These are only tactical adjustments, not definitive new Chinese positions.

On the US side, the belief – not wrong in the short to medium term – that the trade war is hurting China, gives the Trump administration no incentive to ease the pressures. The successful renegotiation of the FTA with South Korea, the replacement of NAFTA by the US-Mexico-Canada Agreement which contains a provision that in effect gives the US a veto over its partners' ability to conclude trade deals with China, and Japan acquiescence to bilateral trade negotiations, reinforce the belief that China is under pressure and risks isolation.

Historically, the period of unquestioned American dominance was exceptional and short: from circa 1989 to circa 2008-2009. For most of the 20th century, the international system was divided between competing western and communist visions of global order with China a de facto member of the western side from 1972 until the Soviet Union collapsed,

leaving Beijing free to assertively pursue its own interests.

We are now in a period of transition to a more historically normal situation of a divided global and regional order and great power competition. But heightened competition is still something less than a 'new Cold War'. That is a misleading metaphor. China is far more integrated into the world economy and interdependent with the US than the Soviet Union ever was. Herein lies the complexity of the new situation. Much as some in the Trump administration may want to, it will not be easy to 'decouple' China unless China decouples itself by pursuing autarchy. That is very improbable because it would be self-defeating.

The Trump administration has labelled China a 'revisionist power'. Elements of revanchism are embedded in the narrative of the 'Great Rejuvenation' by which the CCP legitimises its rule. China is not happy with every aspect of the post-Cold War order based on American-led globalisation. China wants its new status acknowledged. But China is ambivalent about the current order and not clearly dissatisfied. To call a China that has greatly benefited from globalisation, 'revisionist' is an overstatement. Why should China want to kick over the table? Xi's championing of globalisation can be taken as an indirect expression of concern about what the future of that order may mean for China.

The crucial question is how China will respond to the new pressures. *Not responding is not an option for Beijing.*

It is now abundantly clear that it is not just a simple matter of China buying more soya-beans or Boeing aircraft from America to ease the trade deficit, as Beijing may have initially thought.

What the Trump administration

wants from China is not entirely clear but will almost certainly require structural changes to the Chinese economy that the CCP was already reluctant to make. Furthermore, the root cause of the far from level playing field that foreign businesses face in China is the fact – so obvious as to be often over-looked – that China is a Leninist state. This gives a privileged position to Chinese firms whether state-owned or private, linked to the CCP. China is not going to change its state structure. Any concessions to ease trade tensions will perforce be partial, and Beijing has made clear it will not meet US demands under pressure.

China may seek to become more self-sufficient in key areas of technology and probably can do so, given sufficient time. But the pressures are immediate. Since China imports far less from the US than it exports to the US, the scope for reciprocal imposition of tariffs is limited and may already have been exhausted. Vice-President Pence's speech makes clear that the US is going to act against China across a broad front and not just on trade. China will probably respond in kind. But how specifically no one can accurately predict. All we can say is that since it is unlikely that any concessions China is willing and able to make are unlikely to ease the pressures, sooner or later, Chinese policy towards the US and its friends and allies including those in ASEAN, will turn tough again. As previously noted, Xi cannot afford to appear weak.

The signals from Beijing are so far mixed. A visit by Secretary of Defense Mattis has been cancelled, but not one by Secretary of State Pompeo. China's recent White Paper on trade with the US has sought to portray itself as victim, and it has already tried to make common cause with Europe against the Trump administration. It is not likely to succeed. Europe is



unhappy with Trump's methods but it has many similar concerns about China. And Europe cannot deal with a resurgent Russia without the US.

US-China competition in the South China Sea (SCS) has been something of a proxy for US-China competition for almost a decade. Strategically, the situation in the SCS is a stalemate. China will not give up its claim to almost the entire SCS. The reclaimed islands and the deployment of military assets on them is a fait accompli. But neither can China stop the US and its allies operating in, through and over the SCS without risking a war it does not want because it cannot win. The Trump administration has given the 7<sup>th</sup> Fleet more latitude to conduct FONOPS in the SCS. Japan and other US allies are also beginning to push back against China's claims. The US has signalled its intention to conduct even larger shows of force in the SCS. This raises the risk of accidents that the Code of Conduct (COC) now being discussed between ASEAN and China will do almost nothing to ease and is in any case, still far from conclusion. ASEAN should not deceive itself that the COC is going to make any substantive difference.

The US and China will not quickly or easily reach a new *modus vivendi*; neither is likely to get everything they want from each other. This implies that ASEAN will have to navigate a prolonged period of more than usual messiness and more than usual uncertainty. Still, war by design is improbable. China must fight only if the US supports Taiwan independence. This is unlikely. If an accident should occur in the SCS or elsewhere, both sides will probably try to contain it. ASEAN ought to be able to cope with situations short of a US-China war. ASEAN has managed far more complicated and dangerous circumstances in the past. But this will require greater agility, unity and

resolve than ASEAN has shown in recent years.

Some analysts have speculated that there may be short to medium term opportunities for ASEAN if foreign companies shift production out of China into Southeast Asia. This is possible but short-sighted. Shifting production out of China is easier said than done and no one, trade war notwithstanding, will forgo the Chinese market, although new and up-graded investments will probably be postponed. A prolonged trade war is likely to fundamentally change supply chains. This process could be accelerated by concerns about supply chain security. Shifts in supply chains could derail or seriously complicate efforts by ASEAN members to move up the value chain. ASEAN members must in any case resist the temptation to act as a back-door into the US for Chinese companies.

Hedging against the long-term uncertainties and taking advantage of whatever opportunities may exist, requires ASEAN to move boldly on the second phase of economic integration which aims at creating a common market and common production platform in Southeast Asia. Here the key success factors are the domestic politics of ASEAN member states; that is to say in our own hands and not in the policies of China or the US. ASEAN must recognise that the biggest risk it faces is the unwillingness to take risks that has infected ASEAN decision-making in recent years.

### **Bilahari Kausikan**

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# The Philippines: Suspended in Transition

Raymund Quilop



Marine Core Base Hawaii, July 2018. Australian soldiers and Philippine Marines during beach insertion rehearsal. Source: Sgt. Zachary Orr, U.S. Marine Corps.

Reeling from a successful 2017 ASEAN Chairmanship, presiding over the association's 50<sup>th</sup> year anniversary, the Philippines could very well have been on its way to playing a strategic role, at least in Southeast Asian affairs. In the previous year (2016), the country also hosted the Asia Pacific Economic Cooperation (APEC) meetings.

Despite the prominence of these activities, the Philippines appears to be suspended in transition with domestic politics dominating the country's national landscape, a trend that will persist into next year as mid-term elections are slated to be held in May 2019. This has kept the country from being foreign policy focused and induced the government to be domestically oriented. Domestic developments have ensured the administration's preoccupation with political survival throughout 2018. From prosecution by the International Criminal Court in early 2018 to

ouster plots by the political opposition (codenamed: Red October and White December) in the last quarter of 2018, the current administration has been besieged on multiple fronts.

In February 2018, the Prosecutor of the International Criminal Court launched a "preliminary examination [regarding] crimes allegedly committed in [the Philippines] since at least 1 July 2016, in the context of the "war on drugs" campaign launched by the Government of the Philippines." Manila would, in the following month, withdraw from Rome Statute, the ICC's founding treaty, with a formal notification being deposited with the United Nations on March 17.

As the year moved into the last quarter, the Philippine military announced that it has uncovered a plot by the political opposition and communist insurgents to topple the administration, supposedly to be

executed in October and therefore labelled *Red October*. After the exposure of the October plot, it was allegedly rescheduled for December, attracting the new label of *White December*.

Leadership changes at the senior political level appear to be a staple of Philippine national life. But while evicting the President out of the Presidential Palace was little more than a rhetorical flourish, ousting the Speaker of the House of Representatives was a reality. As the President was about to deliver his State of the Nation address in June to mark the opening of the Congressional year, the Speaker of the House, a close ally of the President was replaced by Representative Gloria Macapagal-Arroyo, the former Philippine President and now a member of Congress representing her home province.

The leadership change stole the limelight, eclipsing even the intended highlight of the Congressional opening: the signing by the President of the Bangsamoro Organic Law that resulted from the peace negotiations with the Moro Islamic Liberation Front and is expected to end the decades-long secession problem in the country's southernmost island of Mindanao.

Even the Philippine Supreme Court, which was supposed to be “spared” from sudden leadership changes, had its Chief Justice removed from office in May 2018 when her colleagues affirmed a petition that her appointment to the position be declared void from the start (*ab initio*). Appointed as Chief Justice by the former president in 2012, she was supposed to head the Supreme Court until she retires in 2030. An impeachment complaint against her was filed in the House of Representatives in 2017, with the House conducting public hearings from August of that year. If the House supported impeachment, the case would have been tried by the Philippine Senate acting as an impeachment tribunal. However, just as the House was about to conclude its proceedings and arrive at a determination on whether or not to bring the case to the Senate, the Solicitor General intervened. In what has become a buzzword in Philippine political and legal circles, the Solicitor General filed a *quo warranto* case against the Chief Justice arguing that the appointment was void from the outset because she had failed to submit all the required documents. This action rendered the impeachment proceedings in the House superfluous.

Declaring matters void from the start appears to have become something of a trend. In September, the President issued a proclamation voiding the amnesty granted by his predecessor to a former military mutineer who had since become a Senator and a vocal

critic of the President. The contention was that, as the application papers could not be found, the amnesty was void from the outset and the Senator at risk of arrest on revived charges of rebellion and mutiny.

This almost sparked a political crisis. With the Senate Leadership insisting that a member could not be arrested while inside the Senate's premises, the Senator stayed within the Senate for weeks as government prosecutors eventually filed motions in two separate courts for the issuance of arrest warrants for each of the charges, rebellion and coup d'état. Interestingly, while the court concerned with the rebellion charges issued an arrest warrant, the court dealing with the coup d'état charge refused to do so. Both courts dismissed their respective cases in 2011. Fortunately for the Senator, he was allowed to post bail for the case of rebellion which he had been issued an arrest warrant for. The picture would have been different if the arrest warrant had been issued for the charge of coup d'état.

Given these events, there is a strengthening perception among political observers that the current administration may be trying to silence its critics, what with the case of one Senator being put in jail on drug charges, a chief justice being removed from office and another senator whose amnesty was revoked.

While one of the key tenets of democratic governance is changes in leaderships, such changes are expected to occur in accordance with an accepted set of parameters and within an expected timeframe. While the prospect of sudden replacement could inspire leaders and officials to superior performance, it could just as readily prevent officials from focusing on their duties and prompt them to concentrate instead on preserving their positions. Thus, while changes are expected shortly after a change

in administration, such changes are typically supposed to be undertaken within about one year. Stability should follow thereafter if policies are to be adequately formulated and programs and projects effectively implemented.

Worse, each of these political issues has actually sparked intense political debates not only among academics and analysts but even among the wider public. The unfortunate consequence has been deepening divisions, hardening attitudes and a diminishing willingness to compromise within the broader Filipino community.

On the security front, there is a growing perception that the current Philippine administration has *de facto* given up on the nation's stakes in the South China Sea. Manila's friendly and accommodating approach to China is seen by some analysts essentially as a Philippine pivot to China and away from the US, its traditional defence ally. While the government claims that it has consistently filed diplomatic protests against China's activities in those parts of the South China Sea which are also part of the Philippines' Exclusive Economic Zone, government critics say that Manila has been silent and in fact is the one that gave in to Beijing's pressure not to push through with the planned construction of fishermen's shelter on a sandbar adjacent to one of the Philippine-occupied islands.

Security analysts and maritime experts were also alarmed when, in early 2018, the government gave approval for a Chinese research ship to conduct marine scientific research in the Benham Rise. Renamed as Philippine Rise in 2017 by Manila, the area has been confirmed as part of the Philippine extended continental shelf by the United Nations Commission on the Limits of the Continental Shelf in 2012, three years after Manila mounted the claim in 2009. The area is believed to be rich in natural gas and also heavy



metals. Amidst criticisms, the Palace defended its approval, insisting that only China had the means to conduct such “capital intensive” research. Maritime experts, however, pointed out that Filipino scientists, funded by the Philippine government, have long been conducting scientific research in the area.

Analysts fear that the Philippine Rise, which was previously not contested by any other party, may soon be claimed by Beijing, an apprehension that gained ground when it was learned in February 2018 that China has succeeded in officially registering with the International Hydrographic Organization (IHO) Chinese names for five undersea features in the Philippine Rise. The Philippine government subsequently requested the IHO reverse its decision but the organisation declined, saying that UNCLOS has “legally no explicit effect with regard to the naming of undersea features in EEZs.”

Amidst the growing public outcry against the seeming inability or perceived unwillingness of the government to be more determined in resisting China, whether in the South China Sea or in the Philippine Rise, the President, in a pronouncement in August that surprised almost everyone, warned China to temper its behaviour in the South China Sea. He likewise called on Beijing not to undertake oil exploration in disputed areas of the South China Sea. In contrast, however, Manila and Beijing hope in the near future to agree on joint exploration arrangements in the South China Sea. For some observers, this would totally contravene the Permanent Court of Arbitration’s ruling in favour of the Philippines in July 2016.

Beyond these maritime and territorial disputes, the Philippines faces a myriad of security challenges that need to be confronted. Violent extremism and radicalism, and

domestic insurgency are some of them. Sustaining a program of defence modernisation is imperative. The year 2018, however, kicked off with a not so pleasant development, the cancellation of USD 300 million defence deal for Canada to deliver 16 transport helicopters to the Armed Forces of the Philippines. Fearing that the helicopters would be used for counter terrorism and internal security operations instead of humanitarian assistance and disaster response as the contract provides, Vancouver decided to review the deal. The review prompted the Philippines to cancel the agreement.

A positive development, however, took place later in 2018 with the delivery and successful testing of surface-to-surface missiles from Israel. These were installed in the Navy’s Multi-Purpose Attack Craft. A helicopter spare parts deal with Japan was likewise entered into, enabling the Air Force to receive parts for its UH-1H helicopters from Tokyo.

Also noteworthy was the Navy’s participation in the Pacific Rim Exercise from late June to early August. Organised by the US Indo-Pacific Command, the Philippine Navy’s participation is a first. The assets participating in the exercise comprised a frigate which is a coastguard cutter acquired from the US several years ago, a naval helicopter and around 700 sailors and marines. Later in the year, another naval ship, this time a new landing craft dock (LCD) the Navy acquired from Indonesia in 2015, made a prolonged visit to Vladivostok, also a first in the Navy’s history. More than 400 personnel were on that ship.

Notwithstanding the sharp focus on domestic politics, the President did fulfil some foreign commitments, although fewer than in past years. From 11 countries visited in the last six months of 2016 (he assumed office mid-2016) and a similar number in

2017, the President has thus far visited only 8 countries in 2018, including Singapore which is the current ASEAN Chair.

While the political actors have been extremely busy, the Philippine economy was becoming more vulnerable through a weakening currency, a sharply declining stock market and accelerating inflation. The economic outlook for 2019 has therefore become more conservative, if not bleak.

Overall, while the country’s political elites, including the government, are focused on political issues and the majority of ordinary Filipinos pre-occupied with rising prices, not too many Filipinos, except perhaps a small number of strategic and security analysts, are paying much attention as to how the US-China strategic competition is playing out, including in the ocean spaces adjacent to the Philippines. The political leadership’s sense is that China is a good friend. The defence sector thinks that the US remains a committed ally. Whether both are indeed as they are perceived remains to be seen, especially when push comes to shove. The Philippines may well just end up in the line of fire in the rivalry of these two regional powers.

So, what is in store for the Philippines in 2019? Both the historical record and the most recent experience permit only one answer: more politics, especially with elections only a few months away. Indeed, it is perhaps precisely too much politics which has and will keep the country from moving forward as a strategic player in Southeast Asia and the rest of the Asia-Pacific, notwithstanding the Philippines having been described for so long as a country with great potential.

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# The Regional Security Outlook: A New Zealand Perspective

## David Capie

Like many regional states, New Zealand has looked out on its tumultuous strategic environment in 2018 with a growing sense of concern. Tensions around North Korea's nuclear weapons programme, intensifying competition between the great powers, and the spread of protectionism and populism have alarmed policymakers in Wellington as they have elsewhere. A brief to New Zealand's incoming coalition government in late 2017 warned it was taking power in a "turbulent environment where the risks for small countries are acute."

In the year since last October's general election, the new coalition government led by 38-year-old Prime Minister Jacinda Ardern, has been quick to put its stamp on its foreign and defence policies. In a speech at the start of the year, Ardern initially seemed to hint at a more idealist leaning, stressing a foreign policy based on New Zealand values, with an emphasis on tackling climate change and promoting nuclear disarmament.

But, as the year has gone, her government has also displayed a more pragmatic streak. After campaigning against the Trans-Pacific Partnership (TPP) in Opposition, the new government pressed ahead with negotiations for the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP). New Zealand became the fourth country to ratify the agreement in October and welcomed the news it will come into force at the end of December 2018.

The government's Strategic Defence Policy Statement, released in June, also displayed a hard-nosed assessment of a worsening strategic environment. The Statement described three major challenges

that are putting pressure on the 'rules-based order' that has served New Zealand well over the last seven decades. These are shifts in the balance of power and the emergence of 'spheres of influence'; challenges to open societies such as the spread of populism and illiberalism; and what it called 'complex disruptors' including the proliferation of new technologies, extremist ideologies, climate change and transnational crime. As these pressures grow and interact, it concluded, "the foundation of international security is shifting."

The statement had two audiences. For domestic observers it offered a picture of how New Zealand's diverse three-party government sees emerging global and regional challenges. For an international audience, the statement signalled a more worried tone about the future of the rules-based order and a clear tilt back towards New Zealand's traditional Five Eyes partners.

This was evident in the subtle but clear change in tone on China. The last Defence White Paper in 2016 had called China "an important strategic partner", listing it first after the traditional Five Eyes partners. The 2018 Defence Policy Statement, by contrast, bumped Beijing well down the page, putting it after South Pacific countries, Southeast Asian partners, regional defence dialogues, Korea and Japan. The heady language of strategic partnership was missing, instead the statement merely noted that New Zealand "continues to build a strong and resilient partnership with China".

The statement also broke new ground in the way it discussed Chinese actions in the region. While noting Beijing is "deeply integrated into the rules-based

order" and a welcome contributor to peacekeeping and anti-piracy operations, the policy noted China has "not consistently adopted the governance and values championed by the order's traditional leaders." It says Beijing "seeks to restore claimed historical levels of influence...[and] some actions in pursuit of these aims challenge the existing order." There was a reference to growing Chinese influence in the Pacific, a new base in Antarctica, and among the disruptions closer to home are the "steep debt burdens associated with infrastructure projects" in the Pacific.

In no accident of timing, this more worried survey of the strategic landscape appeared just days before

the government announced New Zealand's largest defence acquisition in more than two decades: the purchase of four Boeing P8 maritime patrol aircraft at a cost of \$2.2 billion. The acquisition of a state-of-the-art Anti-Submarine Warfare (ASW) platform led some to speculate about an imminent China threat, but the reality is that New Zealand's aging P-3 *Orions* needed urgent replacement and P-8s made the most sense from the point of view of interoperability with the country's closest partner and only ally, Australia.

The 'return of geopolitics' has also been reflected in New Zealand's approach to its immediate neighbourhood. The South Pacific has always been of special importance, for obvious reasons of geography as well as significant constitutional, political, and people to people ties, but the Ardern government has taken this to a new level, motivated in part by a growing concern that New Zealand's influence has been eroded by the presence of new players in the region.



Foreign Minister and Deputy Prime Minister Winston Peters announced the government's 'Pacific Re-set' policy in a speech in Sydney in March. He argued New Zealand needed to invest more in the region, both in terms of attention – “old fashioned diplomacy” – but also by putting its money where its mouth is. The coalition government's first budget in May included a \$714 million boost in the aid budget, most of which is to be spent in the Pacific. New Zealand has been keen to stress the importance of forging partnerships with Pacific Island states and professed to understand their security priorities. The emphasis given to climate change in the Pacific Island Forum's Boe Declaration in September sat well with the Ardern government's own priorities.

Wellington has preferred to avoid singling out China's growing role as the reason for its increased attention to the Pacific, although lists of the countries New Zealand “looks forward to working with in the region” typically include Australia, France, the UK, Japan and the United States but not China. Rumours that Beijing was seeking to develop a wharf in Vanuatu as a naval facility, did not attract the same level of public concern in Wellington that they did in Canberra. Rather, Prime Minister Ardern expressed the more general view that her government strongly

opposed the militarisation of the region.

Another manifestation of the increasingly contested strategic space in 2018 has been the proliferation of new organising concepts for the region, often associated with ambitious plans for economic development and connectivity. Here, again New Zealand has steered a cautious course. The Belt and Road Initiative (BRI) faced growing scrutiny as China's most important connectivity initiative became associated with high levels of indebtedness and Beijing's geostrategic interests. New Zealand signed a Memorandum of Agreement on BRI with Beijing in 2017, but the Ardern government seems markedly less enthusiastic than its predecessor. In a speech to a China Business Summit in March, the prime minister said the government would be considering “areas we want to engage in the initiative, and other areas where we will be interested observers.”

New Zealand has also taken a circumspect approach as various 'Indo-Pacific' strategies have gathered momentum around the region. In the face of US and Japanese calls for a 'Free and Open Indo-Pacific'

Foreign Minister Winston Peters told a conference in June that the government preferred to continue to use 'Asia-Pacific'. A senior foreign affairs official said in October that New Zealand “is comfortable” with the term 'Indo-Pacific' and will assess participation in future initiatives using a range of criteria, including their openness and inclusivity, adherence to international law, respect for sovereignty, freedom of navigation, open markets and ASEAN centrality. The outgoing Secretary of Foreign Affairs, Brook Barrington, said New Zealand was “open to new rules and new architecture, from any source” but added that Wellington should “be wary of initiatives that arbitrarily exclude particular countries or regions.”

These criteria point to strong continuities in New Zealand's approach. If the new government sees worrying challenges in the strategic



New Zealand's frigate HMNZS *Te Mana* made a port call in Sandakan, Malaysia, marking the begin of the Southeast Asian leg of the NZDF five-month engagement across the Asia-Pacific region. Source: Naval Today.com.



environment, its preferred response is to avoid sharp changes in policy settings. For a small open trading economy, the promotion of a rules-based order will continue to emphasise multilateralism and have a central economic dimension. In this sense, the Trump administration's challenge to the World Trade Organisation (WTO) and its imposition of sweeping tariffs in the name of national security are both deeply worrying trends. New Zealand's response has been to try to encourage overlapping sets of rules in the region: it has championed CPTPP, while also pushing for the conclusion of a Regional Comprehensive Economic Partnership (RCEP) that, even if much less ambitious than originally hoped, will at least provide a framework to engage with India. Similar motivations underpin negotiations for a free trade agreement with the European Union, with a post-Brexit United Kingdom, and with the Latin American trade group, the Pacific Alliance.

If the Defence Policy Statement showed a tip of the hat to traditional partners, there is also interest in a range of deeper and broader bilateral political and security relationships.

Following up the success with CPTPP, Japan is one priority, and the New Zealand Defence Force deployed a P3 Orion to work alongside the Japanese Self Defense Force in policing UN sanctions against North Korea. Building ties with Tokyo looks likely to only get more attention in 2019. In Southeast Asia, New Zealand and Singapore committed themselves to an 'Enhanced Partnership' which included defence cooperation as one of its five focus areas. There is also a desire to deepen bilateral ties with Indonesia, which despite many shared interests have somehow never lived up to their potential. On top of that, New Zealand's commitment to the inclusive ASEAN-centred architecture remains as strong as ever, even as ASEAN itself struggles to maintain its unity in the face of competing external pressures.

But policy makers in Wellington, as elsewhere, understand that the relationship that counts most when it comes to the wider regional security picture is the one between Beijing and Washington. In this respect, the forecast seems to be for stormy weather ahead. Vice-President Mike Pence's speech to the Hudson

Institute in October seemed to confirm the onset of "a new era of great power competition." If 2018 was difficult, the next few years look to be an even more challenging time for small states like New Zealand that have sought to be nimble and balance an important economic relationship with Beijing with the expectations of traditional security partners.

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# The Lancang-Mekong Cooperation Mechanism: Confronting New Realities in Cambodia and the Greater Mekong Subregion

Pou Sovachana and Bradley J. Murg



From left to right: Prime Minister Prayut Chan-o-cha of Thailand, Prime Minister Nguyen Xuan Phuc of Vietnam, Chinese Premier Li Keqiang, Prime Minister Hun Sen, Prime Minister of Cambodia, Thongloun Sisoulith of Laos and Vice President U Myint Swe of Myanmar at the 2nd Mekong Lancang Cooperation Leaders' Meeting on 1 October 2018 in Phnom Penh, Cambodia. Source: Heng Phearum, The Phnom Penh Post.

The Lancang-Mekong Cooperation mechanism (LMC) was formally launched in March 2016 at a gathering of heads of government from China, Cambodia, Laos, Myanmar, Thailand, and Vietnam in Sanya, Hainan. Opening a new chapter for the Greater Mekong Subregion (GMS), the establishment of the LMC has been hailed by many as a vital next step in deepening cooperation, boosting connectivity, enhancing sustainable development, and collectively managing the shared

water resources of the Mekong river basin. The subsequent Sanya Declaration outlined this new and comprehensive initiative for regional cooperation, designed to bolster “the economic and social development of sub-regional countries, enhance the well-being of the people, narrow development gaps, and support ASEAN community building as well as promoting the implementation of the UN 2030 Agenda for Sustainable Development and advancing South-South cooperation”.

While other Mekong initiatives have focused primarily on infrastructure and economic development to alleviate poverty, the LMC maintains a significantly broader purview, incorporating two additional pillars, i.e., political and security issues and socio-cultural topics, notably similar to the three pillars of the ASEAN community. Further, while earlier cooperation mechanisms have involved states outside the region such as the US, Japan, Korea, and India, the LMC involves just the

six riparian countries in the region. According to Dr. Hao Su, China Foreign Affairs University's Director of Department of Diplomacy, in the area of infrastructure development, the LMC is expected to replace the long standing, Asian Development Bank-funded cooperative arrangements for the GMS.

Although only in its 2018-19 “foundation laying” stage, the LMC has already offered many tangible benefits to the downstream Mekong countries in terms of interconnectivity, water resources management, poverty reduction, and regional economic integration through infrastructure investment and trade growth. It remains important, however, to develop a clearer understanding of what many perceive to be a “Sinocentric model” of sub-regional cooperation and to mitigate the potential for a popular backlash in a region already awash with Chinese investment and aid. Myriad questions remain outstanding as regards the complementary or competitive nature of the LMC: Will this new mechanism provide China with greater leverage in negotiations over water resources management and dam construction? Will the five downstream states become increasingly dependent on Beijing's largesse thereby undermining their own respective negotiating positions? Will China utilise the LMC framework to increase Chinese exports to the region and promote the use of the Yuan? With these questions and concerns in mind, this essay sets out the principle characteristics and features of the LMC and examines the new opportunities and potential challenges that the subregion now confronts.

## **The Establishment of the Lancang-Mekong Cooperation Mechanism**

Originating in China's Qinghai-Tibet Plateau, the Mekong drops some 4,700 meters by the time it exits Yunnan province where it briefly forms the border between Laos and Myanmar and flows through Thailand, Laos, Cambodia, and Vietnam feeding the rice fields in the delta with rich sediment before emptying into the South China Sea. The Mekong has long been regarded as the foundation of economic growth and prosperity in mainland Southeast Asia and is well known for its biodiversity, possessing one of the most productive fresh water fish systems in the world with 1,000-1,700 different species. The Mekong provides food, drinking water, irrigation, transport, and hydropower benefitting tens of millions of people living on the waterway and beyond. Concomitantly, management of transboundary water resources and related issues of water use have been a regular source of friction and tension within the region. Dr. Yu Xuezhong, a senior Chinese hydro-environmental scientist with over twenty years of experience in assessing the sustainability of hydropower, has noted that water in the Mekong is seen as “the most basic resource and also a national strategic resource with crucial implications. The transboundary effects of hydroelectric installations are a major source of tension and conflict in the Lancang-Mekong region”.

In 2012, Thailand put forward a six state “Initiative on Sustainable Development of the Lancang-Mekong Subregion” focusing on tourism, safety of navigation, agriculture, and fisheries. Building on this proposal, Chinese Premier Li Keqiang formally advanced the initiative establishing the LMC at the 17<sup>th</sup> China-ASEAN Summit in November 2014 with

the aim of addressing the interests of all member states, deepening cooperation, and promoting regional development. In November 2015, in Jinghong, China, the foreign ministers of the Mekong countries adopted the aforementioned “three pillars of cooperation”: (i) political and security issues; (ii) economic and sustainable development; and (iii) social, cultural, and people to people exchanges. Moreover, the LMC identified five priority areas: interconnectivity, production capacity, cross border economic cooperation, water resources, agriculture, and poverty reduction. This “3+5 model” (the LMC's three pillars and five priority areas) served as the guiding framework for project development within the LMC.

The official launch of the LMC in Sanya in March 2016 made significant progress in consolidating the sense of a “Community of Shared Future of Peace and Prosperity among Lancang-Mekong Countries,” with a total of 45 “Early Harvest Projects” endorsed. Within the LMC framework, China has pledged to provide extensive development assistance and finance: (i) the LMC special fund of CNY 1.9 billion (USD 300 million) to support small and medium sized cooperation projects over the next five years; (ii) concessional loans of up to CNY 10 billion (USD 1.6 billion) and (iii) credit totalling USD 10 billion to promote the building of industrial capacity and infrastructure construction. In 2017, according to Cambodian Minister of Foreign Affairs and International Cooperation Prak Sokhonn, 132 projects were approved for funding, including 16 projects in Cambodia. In the same year, national LMC secretariats were established in all member states, the Lancang Mekong Water Resources Cooperation and the Lancang-Mekong Environmental Cooperation Centres were set up



along with the launching of Global Centre for Mekong Studies in Cambodia to provide an effective platform for project cooperation, joint research and policy dialogue.

The second LMC Leaders Meeting was held in January 2018 in Phnom Penh with the optimistic theme of “Our River of Peace and Sustainable Development”. The six leaders, reaching consensus, adopted two new documents: the Phnom Penh Declaration and the guiding Five Year Plan of Action (2018-2022) to take the LMC to a new level and to serve as an exemplar of effective, mutually beneficial South-South cooperation. The Plan of Action sets out a laundry list of new initiatives and goals to be developed and expanded during the 2020-2022 period of “consolidation and expansion” – broadly consistent with both ASEAN’s Master Plan on Connectivity 2025 (MPAC) and the United Nations’ Sustainable Development Goals (SDGs). Chinese Premier Li Keqiang called for “stronger coordination among countries along the Lancang-Mekong River on water resource management, accommodating each other’s concerns, and properly reconciling economic development and environmental protection” (Xinhua/Khmer Times).

## Whither the LMC? New Opportunities and New Challenges

The LMC joins a long list of cooperation mechanisms presently operative in the region: the Mekong River Commission (MRC), the Ayeyawady-Chao Phraya-Mekong Economic Cooperation Strategy (ACMECS), the Greater Mekong Subregion initiative of ADB, the US supported Lower Mekong Initiative, Mekong-Japan Cooperation, Mekong-Ganga Cooperation, the Mekong-Republic of Korea Partnership, and the ASEAN Mekong Basin

Development Cooperation. In the absence of a centralised international secretariat, this alphabet soup of initiatives naturally raises the question as to how the LMC will coordinate with these institutions to avoid project fragmentation and to ensure complementarity between their diverse missions and programs.

The complexity inherent in navigating future inter-institutional cooperation is particularly apparent in the area of infrastructure provision, vital to the development and maintenance of continued high growth rates in the subregion. The 2017-18 World Economic Forum Global Competitiveness Report highlights the deep challenges confronting the downstream GMS states in this area today: ranking Thailand highest for overall infrastructure at 43<sup>rd</sup> out of 137 countries, Vietnam at 79<sup>th</sup>, Laos at 102<sup>nd</sup>, and Cambodia at 106<sup>th</sup> (data for Myanmar was unavailable). At the same time, the GMS Regional Investment Framework 2022 recently estimated infrastructure financing needs for the GMS at a whopping USD 63.5 billion – primarily in the area of transport. Beijing has promised the provision of fresh lending under the auspices of both the LMC and the Belt and Road Initiative (BRI). With some projects - the China-Laos railway, the Kunming-Bangkok road, the Phnom Penh-Sihanoukville expressway - included in both frameworks and entailing a diversity of funding sources inclusive of the LMC special fund, the Asian Infrastructure Investment Bank (AIIB), and the Silk Road Fund, there remains a lack of clarity as to how the LMC relates even to China’s own steadily expanding set of development institutions. The lack of transparency in LMC operations at present has only served to further muddy these waters.

At the same time, a growing rivalry between China and Japan in the area of infrastructure provision is increasingly apparent, with Beijing dominating the development of the North-South corridor (with Kunming serving as China’s bridgehead to the region) while Tokyo remains focused on East-West and Southern linkages. In the context of rising tensions in Sino-American relations, the development of the Free and Open Indo-Pacific Strategy and the establishment of “the Quad” minilateral grouping (comprising the United States, Japan, Australia, and India), deeper inter-institutional cooperation is far from assured.

A further issue confronting the LMC is the regional backlash to China’s recent acquisition of a 99-year lease on the Sri Lankan port of Hambanota, after Sri Lanka was unable to keep up debt payments. Concerns over “debt trap diplomacy” have become widespread in the subregion. Although Laos was the only LMC member included in the Center for Global Development’s list of countries considered “vulnerable” to debt distress stemming from an identified pipeline of Chinese project lending, the share of Cambodia’s national debt owed to China has been rising in recent years as well. The Hambanota port along with other China-funded projects have also raised questions as to the economic rationale for many of its lending projects, with many already considered to be “white elephants.” While the LMC plan of action includes a focus on media, people-to-people exchanges, and raising public awareness of the LMC in member states, a clear branding and public information strategy has not yet been developed – a red flag in a sensitive period where anti-China sentiment in many LMC member states is on the rise.

The inclusion of water resources management and dam construction in the remit of the LMC highlights and raises further issues. China has already built seven mega-dams with twenty additional dams either under construction or in the planning stage in Yunnan, Tibet, and Qinghai posing threats to the river's free flow, fish populations, livelihoods, food security, ecosystems, and environment across the Mekong basin. In Cambodia, questions continue to be raised as to an “energy security vs. food security” trade off, in light of the negative effects of dam construction on local fishing and the deep reliance of the bottom decile of the population on the Mekong for nutrition, particularly during periods of crop failure. Additionally, China's significant economic leverage over the region has done little to calm fears that negotiations through the LMC mechanism over the future of the Mekong could be extremely one sided, with Beijing not yet having made a credible commitment to member states' equity in river management.

While the LMC is already off to an ambitious start and very likely to gather more steam as it enters the 2020-22 consolidation and expansion stage, it will have to address all of these issues. A genuinely balanced, transparent, and open LMC actively coordinating with other institutions and engaging all participants equitably is in the interest of all parties. Whether that will be the case, however, remains an open question.

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# The ASEAN Regional Forum (ARF) - the next 25 years

Ron Huisken



In commentary on multilateral processes in East Asia one often encounters the phrase 'alphabet soup'. The phrase, which evokes abundance, is mildly pejorative, suggestive of a confusing profusion of processes. It was not very long ago, however, that East Asia's soup was a decidedly meagre gruel populated by a single acronym – ASEAN. The origin of the 'alphabet soup' - or the beginnings of the prevailing abundance - can be traced back to the synergistic creation 25 years ago of the Track 1 ASEAN Regional Forum (ARF) and the Track 2 Council for Security Cooperation in the Asia Pacific (CSCAP). Both bodies had their genesis in the feelings of both anxiety and opportunity generated first by the relaxation of and then the abrupt end of the Cold War.

During the second half of the 1980s, speculation mounted about the longevity of the global security order underpinned, as it was, by the United States. In retrospect, the primary trigger was the election of Mikhail Gorbachev as leader of the Soviet Union in 1985. Gorbachev's sweeping domestic reforms – captured in the labels glasnost (transparency) and perestroika (restructuring), his surprising concessions to allow negotiations with the West on nuclear and conventional force reductions to reach for bold outcomes and to be concluded quickly, and his termination of the Soviet intervention in Afghanistan - made cautious projections of business as usual unsustainable. No one anticipated that the Cold War could end as abruptly and definitively

as it eventually did, but by around 1987-88 it was clear that the venom was dissipating rapidly and that the character of the confrontation was changing in decisive ways.

The fallout from these developments inevitably included strategic anxieties that the extraordinary security obligations that the United States had assumed after WW2 would not survive a more benign relationship with the USSR. What arrangements could, or would, fill the void left by probable American retrenchment? This was the issue that increasingly preoccupied political and security thinkers all across the world but especially in Europe and East Asia. In Europe, swaddled in both NATO and the EU, these anxieties were relatively subdued. Indeed, Europe looked and felt more like a partner with the US in contemplating the future. It was a different story in Asia. The constant trauma of a peace sustained by a nuclear balance of terror had spawned new ways of thinking about security – notably common and comprehensive security – and these concepts had begun to get some genuine political traction, not least in the Conference on Security Cooperation in Europe (CSCE). Once a lonely fig-leaf to common sense, the CSCE became an invaluable host to the initial hesitant endeavours to dissipate the tensions of confrontation in Europe. Asian intellectuals were similarly drawn to this new security thinking but also sensed that their region was far less ready to cope with deep-seated change. Something needed to be done but the options were limited.

The Berlin Wall was breached in November 1989, and 25 months later, in December 1991, the USSR broke



up into its constituent parts. In those 25 months, the Warsaw Pact was disbanded, the Soviet army withdrew from Eastern Europe, lifting the 'iron curtain', and Germany reunified. In Asia, in stark contrast, inscrutability was the order of the day. Nothing seemed to happen – no security arrangements were disbanded, no countries re-unified (or broke-up for that matter), and no armies withdrew (or advanced).

There can be no doubt, however, that the abrupt termination of the Cold War sharply intensified the strategic anxieties that already existed across Asia and accelerated both the new thinking on security that was underway in the region and exposed a widespread political interest in precluding a precipitous US withdrawal. These circumstances were spiced by an emerging consensus across the academic and policy world's that, absent the political and military discipline imposed by the Cold War, East Asia was an alarmingly strong candidate to be the new region of instability and conflict. The cocktail of circumstances widely deemed to make East Asia 'ripe for rivalry' was (1) the region's economic dynamism and the associated fluidity in the 'weight' of the major states (2) a number of unresolved historical animosities, notably between China and Japan and China and India, (3) a plethora of contested land and maritime boundaries and (4) the region's conspicuous lack of skill and experience in the multilateral management of international relationships.

In America, agitation for defence cutbacks began well before the Berlin Wall fell, fuelling the erosion of confidence in US willingness to sustain its central security role. America's allies and friends in Asia, especially those in northeast Asian, lobbied Washington to be wary of Moscow and to strengthen its military

footprint in the Western Pacific. Ironically, these included China which was the least inclined to give the 'new' USSR/Russia the benefit of any doubt. Moreover, the new George H. Bush administration was broadly sympathetic to the notion of a 'peace dividend' even though these pressures focused on a drastic 50% cut in force posture and military spending (in real terms). President Bush, while certainly conscious of America's global responsibilities and not disposed to shed them, preferred to think in terms of a defence posture that was 'just enough' to meet America's obligations and was confident that this was consistent with responding positively to calls for a 'peace dividend'. The administration's final budget, released in the Presidential election year of 1992, provided for reductions in military outlays that would total 30% over five years and necessitate the withdrawal of 100,000 US military personnel from Europe and proportionally similar cuts in Asia. Moreover, President Bush declared that even more significant cuts would follow if 'the end of the Cold War lived up to its promise'.

Other major events and developments stirring the geopolitical pot included Iraq's invasion of Kuwait in 1990 and the US-led liberation the following year. In 1992, the leaders of North and South Korea issued a declaration committing them to the denuclearisation of the peninsula and the DPRK belatedly concluded a safeguards agreement with the IAEA. Less than a year later, the DPRK – having underestimated the IAEA's forensic capabilities – announced its intent to withdraw from the NPT, setting off a crisis that was defused by the 1994 US-DPRK Agreed Framework. Also in 1992, Washington astonished most observers by electing simply to accept local opposition and to walk away from its air and naval bases

in the Philippines, by far the largest facilities it had in the Western Pacific. By this time, the cumulative disquiet amongst US allies and friends in Asia was sufficiently acute for the incoming Clinton administration to decide rather quickly that it needed to signal limits to America's military drawdown in Asia. In 1993 it re-affirmed its alliance obligations and announced that the US military presence in the Western Pacific would not fall below 100,000 personnel.

This unfolding drama naturally intensified the interest of security thinkers in Asia. They were conscious that political actors in Asia had very few assets to fall back on should major challenges to order and stability arise. It was clear that the US alliance system in Asia was thinner, not an all for one and one for all collective defence network like NATO in Europe; that Asia was an order of magnitude more vast geographically, and correspondingly more ethnically and culturally diverse; that the key historical protagonists in Asia – China and Japan – had ended up on different sides of the Cold war, destroying any chance to engage in the processes that had transformed relations between Germany and France and, indeed, amongst most of the states of Western European. Moreover, Asian communities became aware sooner than the rest of the world of the energy that Deng Xiao Ping's reforms in China were beginning to unleash. And as they wondered what kind of resurgent China they might have to live with, China used deadly force in 1988 against Vietnam over the Johnson South reef in the Spratly Islands of the South China Sea. In the following year, any thoughts that 'reform and opening up' of the economic arena might spark parallels in the political sphere were extinguished when the CCP ordered its armed forces to crush large and stubborn student protests

in a number of cities but especially in Beijing's Tiananmen Square. In short, Europe had the EU and NATO plus an associated tradition of addressing its challenges collegially in multilateral forms. Asia lacked all of these things – there was no alphabet soup!

Among the first actors in Asia to think specifically about the design of a multilateral security process were the ASEAN institutes of strategic and international studies. These institutes had been collaborating since 1984, not least on developing regional support for notions of cooperative security that could co-exist with and attenuate the realist emphasis on balance of power. This collaboration resulted, in 1987, in a recommendation that governments establish a process to address the regional agenda in the fields of confidence building measures, conflict resolution and arms control. This collaboration was formalised in the following year with the creation, at the instigation of Indonesia's Jusuf Wanandi, of ASEAN ISIS which became a key source of intellectual capital in the drive to establish a multilateral security forum in East Asia.

Philippine Foreign Minister Manglapus almost inadvertently compelled ASEAN to clarify its attitude on the role of the major powers in Southeast Asia. Manglapus was casting about for a viable stance on the huge US air (Clark) and naval (Subic bay) bases in the Philippines. Public and even political opinion in the Philippines had swung strongly against renewal of the leases for these bases but Manglapus was aware of widespread support within ASEAN for a continuing US security presence in Southeast Asia. He therefore challenged his colleagues to think creatively about a collective ASEAN response to this dilemma, a call that languished until, in 1989, Singapore announced an agreement with the

US to provide enhanced military access to its air and naval facilities. Although this initially sparked controversy (especially with Indonesia and Malaysia) as a betrayal of core ASEAN values, the debate broadened into an enquiry into what ASEAN really stood for and the means available to it to advance its ideals. Ultimately, the distinction between access and bases (the former had no connotations of extra-territoriality or of permanence) emerged as a politically viable solution that could support a new welcoming posture toward all major powers (subject to compliance with ASEAN rules), edging out the earlier aspiration to quarantine Southeast Asia from major power machinations.

In 1990, both Canada and Australia formally (and separately) presented proposals for a multilateral security process in East Asia modelled on the CSCE. Canada's proposal focused on Northeast Asia, Australia's on East Asia as a whole. ASEAN thinking, however, even at the official level, was sufficiently formed to welcome the aspiration but reject the model as out of step with Asia's political realities. Governments in Asia were also very much aware that the CSCE got up in Europe because participants on both sides of the Iron Curtain were prepared to pledge that there were no outstanding border disputes, something that a number of governments in Asia – both ASEAN and non-ASEAN – were loath to contemplate. Australia and Canada quickly signalled that the spirit of their proposals would be consistent with a wide range of institutional or procedural modalities but ASEAN was clearly in no mood to emulate European models.

At about this time, Japan, which had earlier led the region's resistance to Soviet proposals for a CSCE-style process in Asia as designed to weaken US alliances, emerged as a proponent

of a multilateral security initiative in the region. Even though Japan allowed its most senior bureaucrat – Yukio Satoh – to share its thinking freely with ASEAN ISIS, Japan's activism sparked some concern within ASEAN that its regional leadership in this field could not be taken for granted. Japan sought a process that would not attract US resistance as 'competitive' with its alliance arrangements, and would not preclude future negotiations with the Soviet Union to regain the Northern Territories but would provide a venue in which Japan could seek to accelerate the process of winning regional acceptance of a Japan with a normal security posture. The key elements of the preferred Japanese model were a process confined to dialogue and consultation, to be located within the established Post Ministerial Consultations (PMC) ASEAN conducted with its dialogue partners, and be limited to like-minded participants (i.e. excluding the USSR and PRC).

By July 1991, ASEAN ISIS had sharpened its earlier thinking and formally recommended the establishment by governments of a region-wide security dialogue, that is, a process separate from the existing PMC and not excluding the USSR and PRC. It turned out that ASEAN governments were already on the same page, with the ASEAN Ministerial Meeting in 1991 acknowledging that a broad consensus existed for the establishment of a region-wide security forum.

The following year, ASEAN leaders all but set things in concrete by, for the first time, extending the PMC discussions to include security and then officially recording their agreement to launch an ASEAN-sponsored regional security dialogue. Confirming the participation of all the key players – notably the US and China – deferred the appearance





25th ARF Retreat, Singapore 2018. Source: US State Department, Flickr.

of a fully-developed proposal a further year but, finally, in May 1993, ASEAN formally declared its intention to launch the ASEAN Regional Forum as an independent process (that is, not embedded in the ASEAN PMC) for dialogue and consultation on regional security and involving ASEAN (five states), its dialogue partners, consultative partners and observers (twelve states). These seventeen states first met in Bangkok in July 1994.

Although there were groups in the US security community that preferred to rely exclusively on alliances, it was also the case that Washington reacted cautiously to proposals for new multilateral security processes because a display of enthusiasm could be interpreted as a preference and provoke anxieties within alliances. It is instructive that US Secretary of State, James Baker, signalled America's comfort with a multilateral security forum in Asia as early as November 1991. A little over a year later, the incoming Clinton administration was openly supportive

of such a forum only to soon discover that the wider reactions to the end of the Cold War had sparked a near crisis of confidence amongst its Asian allies.

China was perhaps the most difficult major power to bring aboard, even though Beijing was aware of the benefits of being seen to participate as well as of the costs of being isolated. China had been profoundly suspicious of a CSCE-style process in Asia when it was being pushed by Mikhail Gorbachev in the late 1980s. When ASEAN emerged as the champion of an Asia-wide multilateral security forum, Beijing sought assurances that ASEAN rather than the US or Japan would have primary responsibility and withheld its endorsement until it was clear that there was nothing in the objectives or modalities of the new forum that China would find troublesome.

Although it was recognised that all states had academic and research capacities to support their participation in the ARF, ASEAN ISIS took the further step in June

1993 of creating the Council for Security Cooperation in the Asia Pacific (CSCAP) as the umbrella body for a network of similar national bodies and suggesting that it be seen as the dedicated Track 2 counterpart to the ARF. This paralleled the establishment, also in 1993 and at the instigation of the Institute for Global Conflict and Cooperation at the University of California, of the Northeast Asia Cooperation Dialogue. In Northeast Asia, however, there was no prospect of a counterpart Track One process.

The model for CSCAP was to ensure a capacity to offer authoritative policy advice through attracting the involvement of recently retired professionals from government, academe, the military and the media. This approach had been pioneered in Asia by the Pacific Economic Cooperation Council (PECC) set up in 1981. In view of the still tentative collaborative instincts among governments, especially across the former Cold War divide, the role seen for Track 2 processes was to



give some exposure to and direct fresh thinking toward issues that, for reasons of time, expertise or perceived sensitivity, Track One may be unable to address. ASEAN, ASEAN ISIS and CSCAP appear to have had in mind a T1/T2 partnership, including routine discussions on who was best placed to take a particular issue forward, but the ARF as a whole made it clear in 1996 that relationships with Track 2 bodies would be informal and not exclusive. In addition to sustaining and developing networks of skilled and resourceful people throughout the Asia Pacific, CSCAP working groups and workshops have made significant contributions to the ARF agenda at various times, notably on preventive diplomacy (where the ARF set the precedent of inviting CSCAP to address an issue blocking its discussions), the involvement of defence ministers and officials, the issues associated with WMD in Asia and the wider security architecture in the Asia Pacific.

ASEAN stressed that the ARF would be guided by the norms set out in ASEAN's 1976 Treaty of Amity and Cooperation, namely, respect for independence, sovereignty, territorial integrity, and national identity; right to freedom from external interference; non-interference in internal affairs; renunciation of the use or threat of use of force; and the peaceful settlement of disputes. Although these were ASEAN norms, they were clearly derived from texts, like the UN Charter, that were universally known. ASEAN nonetheless made the case that it could deliver a valuable service by visibly complying with these norms and, as the host organisation, encouraging non-ASEAN states to also abide by them when participating in ASEAN processes. The hope, of course, was that this would contribute to compliance with the norms becoming the regional ethos and

guiding the behaviour for all states in all circumstances. To strengthen this educative process, ASEAN also secured agreement to requiring that all ARF meetings be held in an ASEAN state with an ASEAN co-host, a modality that was to become known as keeping ASEAN 'in the driver's seat'.

It is important to acknowledge the dimensions of the policy task that ASEAN had pulled off in establishing the ARF. Firstly, in a region devoid of security forums, ASEAN's determination to create a forum dedicated to core security issues never wavered or dimmed. Similarly, ASEAN remained convinced that a central function of any new body in Asia had to be the inculcation of norms, even though these norms were ostensibly universal and therefore well-known. Finally, while ASEAN had initially leaned toward managing the major powers by trying to insulate itself against them, it conceded the necessity of bringing them all inside the ASEAN tent and finding ways to manage their behaviour, not least through processes like the ARF.

No sooner had the ARF been stood up in 1994, it promptly commissioned a paper on how it should go about its business. The resulting Concept Paper that was considered at its second meeting in 1995 declared the new body to be 'young and fragile' and recommended that it commit itself to an apprenticeship in the field of confidence-building before graduating to the more testing and intrusive aspirations of preventive diplomacy and conflict resolution. Moreover, the agreed rules of procedure allowed any participating state to preclude graduation to the next level of endeavour. The Concept Paper also saw an important role for Track 2 activities – including, specifically, CSCAP – that worked synergistically with the issues engaging the ARF.

This appeared to be a curious move for a sponsoring organisation that was itself 25 years old and which had honed its political and conflict management skills on the fallout from Indonesia's posture of *Konfrontasi* toward the formation of Malaysia, the British withdrawal from East of Suez from the early 1970s and Vietnam's invasion of Cambodia in 1979. Moreover, the concept paper's self-assessment also covered the more numerous non-ASEAN members. And it was a most consequential as well as curious development in the sense that there was an abundance of mainstream security challenges in the region and that, on paper, the ARF assembled the cream of the region's problem-solving policy and diplomatic talent. This posture of humility and self-denial therefore has to be seen as a testament to the novelty of the exercise in the Asia Pacific and ASEAN's resolve to involve all the states of the region rather than settle for the more congenial 'like-minded' grouping that some favoured.

The ARF evolved rather quickly into a formidable process that unfolded over most of every year in a proliferating array of meetings. Although voluntarily limited to the adoption and implementation of confidence building measures, the Cold War had stimulated quite a number of these measures that many states in the Asia Pacific had yet to encounter. By 1997, the ARF had established working groups to address CBMs, peace-keeping operations and maritime search and rescue, supported by intersessional meetings of officials. Along the way, new members joined the process. These included, inescapably, all the new members of ASEAN (Vietnam, Cambodia, Laos, Myanmar and Brunei), but also India, Sri Lanka, Bangladesh, Mongolia and North Korea. Ultimately, with 27 participating states and concern

that the forum's footprint had become unmanageably broad, it was decided to draw a line under further expansion.

The ARF also became associated with a quality or characteristic called the 'ASEAN way'. This was distinct from determined adherence to the norms mentioned above and concerned a style of dialogue and debate characterised by discretion, informality, pragmatism, expediency, consensus-building, and non-confrontational bargaining. It is not clear if there was a conscious decision to operate in this fashion or whether it was something that emerged 'naturally' from the host states and was then defined and labelled the 'ASEAN way'. In any case, the norms and the ASEAN way together ensured two qualities widely considered to be of central importance to the ARF, namely, that developments would unfold at a pace comfortable to all and that one could say that engaging in the process, the fact that meetings were convened and attended, was as important as outcomes or objectives.

The ARF has now been a permanent, visible, high-level multilateral Asia-Pacific security forum unambiguously associated with a range of norms for 25 years. In 2000-2002, CSCAP elected to re-examine the 1995 Concept Paper and to explore the scope for the ARF to 'energise' itself, particularly through looking beyond its role as a forum for exchanging views. The various recommendations that emerged from this endeavour included clarifying and opening up the linkages between the ARF and Track 2 processes like CSCAP. This ultimately resulted in a degree of better connectivity, but the practice has always fallen short of the aspiration to have CSCAP and the ARF mutually recognise the value of sharing judgements on the key regional security issues at any given time that would benefit from further

preparatory work at the Track 2 level.

As a regional fixture over this extended period, the ARF has generated many shades of opinion on its effectiveness, on whether it has lived up to expectations and on whether it has done the job that needed to be done. Broadly speaking, however, these assessments appear to fall into two schools of thought.

One school assesses the ARF as a disappointment, a bold idea that lost its way. The ARF succumbed to the contention that it needed to serve an 'apprenticeship' and accepted rules of procedure that made 'graduation' subject to a major display of collective political will that was all too easily deferred. The forum acquired a reputation as a 'talk shop' obsessed with procedural niceties that soon lost even the aspiration to step up as a process that could address and manage some of the region's actual security challenges. Although the ARF had no mandate or mechanism to take its views to the outside world it is, of course, acknowledged that all participants have been free to draw discreetly on the discussions conducted in the ARF in framing their national policy positions and that the benefits to regional security may have been considerable. But the adherents to this school of thought still see the ARF as a political effort that is disproportionate to its indirect and uncertain benefits and an institution that continues to rely on other processes and agencies – notably power balancing – to sustain the region's basic order and stability.

The other school stresses the importance of recalling how utterly foreign concepts like comprehensive or common security were to the states of the Asia Pacific at the time that the Cold War unravelled. Adherents insist that in the face of so bleak a political landscape even the ASEAN aspiration to a forum

simply for dialogue and consultation on security issues could be portrayed as heroically ambitious. To imagine that, at that time, the ARF had or could soon acquire the cohesion and authority to directly address regional security issues is considered a nonsense. Furthermore, adherents insist that, through consistency and persistence, the ARF has succeeded in propagating its norms and in laying the foundations for habits of cooperation and the harmonisation of views in this vast and diverse region. In other words, the ARF's real success lies in the adverse developments that did not happen. More prosaically, the ARF also supported the two geopolitical objectives that ASEAN regarded as pivotal to harmony in the Asia Pacific over the longer term: involving China in regional processes and providing new reasons for the United States to remain fully engaged in the region. Other participants in this debate arrive at a similar conclusion by highlighting the fact that power balancing practices are heavy-handed and prone to provoke conflict unless attenuated by processes such as the ARF.

Regardless of how one assesses the efficacy of the ARF it remains important to consider whether the purposes and/or modalities of this process could be recast to give it more traction in the regional security environment now unfolding before us. The ARF itself in 2009, in crafting its vision statement for ARF 2020, spoke of making the ARF an 'action-oriented mechanism'. Similarly, a 2014 CSCAP Working Group concluded, unanimously, that ASEAN's multilateral security processes – because they had been encouraged to evolve at a pace comfortable to all and were not pressed into substantive roles – remained relatively soft and experimental; and that the aspiration to put in place multilateral forums with the qualities of authority, responsibility, and accountability

should be addressed with a greater sense of urgency.

These schools of thought can be readily detected in the short assessments assembled below on whether the ARF continues to deliver essential outcomes or needs to be re-invented. Essentially all the authors acknowledge that, despite the constraints on its purposes and modalities, the ARF was a testament to ASEAN's vision and determination. Similarly, most authors concede that the ARF has made an unmeasurable but potentially invaluable contribution to regional stability and peace through inculcating norms and facilitating the gradual alignment of security perspectives.

That said, most assessments convey a sense of frustration and impatience. The ARF may have been commendably ahead of its time in 1993/94 but the old sensitivities have been nurtured and sustained by some to preclude its development into a frontline regional security process. A major regional resource

has been allowed to wither on the sidelines and to slip ever more clearly into irrelevance. As noted in the introduction to this edition of Outlook, avoiding the development of an overtly adversarial relationship between the US and China has been the primary goal of regional policy and academic communities for 25 years yet over all those years it has proved impossible for the ARF (or, indeed, the East Asia Summit) to insist that addressing this issue should be an overriding priority. This prolonged hesitation was both costly and unnecessary, undervaluing the fact that the influence the major powers really seek is positive – the agreement or acquiescence of other groups in the region with their policy settings – rather than negative, bringing coercive capacities to bear to preclude adverse outcomes.

There was no space for the authors of these assessments to expand on their ideas for reform of the ARF. Most are conscious that swift, radical change is not feasible and have therefore looked to smaller steps, particularly

those with the potential to create political space for a more profound transformation over time. These include looking harder at stronger, common sense communications and other linkages between the ASEAN-managed processes (ARF, EAS, ADMM), being more determined to find ways to be relevant on major issues like the Korean peninsula, South China Sea and Myanmar's Rohingya community, and to look to fostering creative 1.5 track processes to road-test different approaches to entrenched problems. These ideas, and others flagged in the following comments, merit closer scrutiny and development as ASEAN, in particular, confronts the challenge of unshackling the ARF and allowing it to make a fuller contribution to preserving the stability and peace of our region.

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## Making Sense of the ARF's Limits

### Shafiah F. Muhibat

Reading the Chairman's Statement of the 25<sup>th</sup> meeting of the ASEAN Regional Forum (ARF) that took place in Singapore, 4 August 2018, one can get mixed feelings. The statement begins by expressing "satisfaction [with] the progress of the ARF and its role in enhancing political and security dialogue and cooperation, as well as promoting confidence building and preventive diplomacy in the Asia-Pacific, as it commemorates its 25<sup>th</sup> anniversary in 2018." However, reading further into the document, questions begin to arise regarding real progress or any valuable outcome that the ARF has thus far achieved.

Paragraph 24 of the Statement explains that the implementation rate of the Hanoi Plan of Action, which was adopted in 2009 for implementation in the period of 2010-2020, stood at 58.7%. Considering this is already 2018, with just 2 more years left of the period of implementation, 58.7% is quite a low rate to be considered as satisfactory progress. This may be a dry, mechanical, assessment but it still invites the question: What went wrong? Was the Hanoi Plan of Action unrealistic to begin with?

It is easy to characterise the ARF as being ineffective, but it is a lot more

difficult to prescribe a remedy to it. An institution's reputation depends on its effectiveness and legitimacy and, unfortunately for regional institutions dealing with political-security issues, creating a balance between these two fundamental attributes is difficult.

The ARF was established in the immediate post-Cold War era and has since reflected Asia's security dynamic and changing security architecture. It was ASEAN's first expanded cooperative framework, covering the vast region of the Asia-Pacific. Its wide membership has been both a virtue and a challenge. On the





11th ARF, Jakarta 2004. Source: ASEAN Regional Forum.

one hand, for any regional institution, a more comprehensive membership and participation typically bestows greater legitimacy. The ARF is unique in that its membership is very broad (27 countries), it includes all of the Asia Pacific's major powers, and it is the only regional security body of which the DPRK is a member. On the other hand, the circumstances of these 27 countries, as well as their interests, are so diverse as to make agreement on key issues quite rare, rendering the ARF rather ineffective.

This ineffectiveness has been displayed in the ARF's inability to engage the region's most pressing and contentious disputes such as those in the South China Sea and on the Korean Peninsula. Moreover, being an ASEAN-led framework, criticism of the ARF has inevitably been directed also towards ASEAN, particularly in respect of the norms and principles that inform ASEAN's leadership style.

Critics have also compared the ARF to other regional frameworks, in particular ADMM, ADMM+, and to a certain degree the East Asia Summit. ADMM and ADMM+ have been applauded as having a more structured approach to security cooperation beyond confidence building – compared to the ARF – and for evolving a more practical and operational cooperative effort.

Starting around 10 years after its establishment, after rounds of efforts towards confidence building, ARF countries have been emboldened to load more issues onto the ADMM agenda, mostly from the non-traditional security arena, such as disaster relief. These are the areas in which ADMM and ADMM+ have been deemed more successful.

Such simple comparisons of distinctive processes are neither particularly fair nor revealing. The nature of the ARF – a forum for dialogue and consultation – is different from the more institutionalised ADMM and ADMM+ frameworks. The broader footprint and diversity of the ARF distorts the comparison even further.

Boldly put, the newer mechanisms were made possible by the earlier confidence-building work accomplished in the ARF. I believe that the ARF endures because it has valuable attributes that the newer, more institutionalised frameworks lack. Although preventive diplomacy (the ARF's next step) is still far away due to resistance of certain countries, the ARF should be retained. ASEAN has never disbanded a multilateral process that it manages, and it should not start with the ARF.

The question now is how to make ARF more relevant to a regional security

dynamic that is strikingly different from the one that prevailed when it was first established. A classic answer would be for ASEAN to take the lead. The problem with this, of course, is the fact that ASEAN is going through tough challenges internally, with fingers pointing towards its decaying unity and centrality. Moreover, some ASEAN member countries have sharp limits to what they can contribute to regional efforts, in particular in terms of political will. Mirroring this, at the ARF level, members have also shown varying degrees of willingness and preparedness to explore preventive diplomacy, thus halting real progress in moving the ARF towards the next level of its development.

ASEAN member countries' ability to 'take the lead' in this matter remains a challenge, as a result of intra-ASEAN impediments. There are, however, other more plausible, ways forward. First, to recalibrate ASEAN priorities and initiatives pursued under the different mechanisms. The Chairman's Statement from the 25<sup>th</sup> ARF meeting mentioned above, acknowledges that there is "the need to strengthen coordination and streamline complementarities between the ARF and other ASEAN-led mechanisms, so as to minimise duplication of work." Although this has long been discussed (it was, for example, a major recommendation of a 2014 CSCAP review of the regional security architecture), streamlining ASEAN processes is a political decision, not something that can be delegated to the ASEAN bureaucracy. If the ARF is serious about this, as suggested in the Chairman's Statement, it requires a very different follow-up to another paragraph in an official document.

Second, it is high time to consider new procedures for the ARF. Throughout its 25 years, the ARF has produced an abundance of documents on security issues in the region. Yet,

most of these are general guidelines for cooperation, lacking the detail on objectives and approaches associated with implementation. One of the few areas of common interest for which the ARF has succeeded in producing a workable program is disaster relief, where the Work Plan has been followed by the means of implementation. This example should be emulated in the many other issues

identified, in principle, as fruitful arenas for regional cooperation.

The ARF was essentially an intellectual construct. Now, looking at the low implementation rate for the Hanoi Action Plan, the ARF appears unmistakably as a process mired in a slow-moving cycle. The ARF needs a fresh intellectual impetus, an injection of new ideas on how to

connect this uniquely capable body with the consequential security issues in play in the region.

## Shafiah F. Muhibat

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## ARF members must think outside the box

### Kavi Chongkittavorn



13th ARF Heads of Defence Universities / Colleges / Institutions, Bangkok 2009.  
Source: ASEAN Regional Forum.

When the idea of ASEAN Region Forum (ARF) was discussed in earnest in early 1990's, the world was a more predictable place. With the US indisputably the predominant power, the established international world order remained securely in place. At the inaugural ARF meeting in Bangkok in 1994 the strategic environment was relatively stable with the US and its strong network of allies providing continued security leadership. The ARF meeting therefore focused on exploring ways and means to promote peace and stability by involving the members of Association of Southeast Asian Nations (ASEAN) and their major dialogue partners, especially the permanent members of the United Nations Security Council. This

became the pattern of discourse and engagement in the ARF over the past two decades and more. The ARF has served as a fulcrum for all Indo-Pacific countries, and some beyond, to interact with each other to avoid conflicts. At the forum, participants engaged in relentless discussions on confidence-building involving preventive diplomacy with the simple objective of giving peace a chance.

Fast track to the present time, the ARF has expanded to 27 members and engages in exchanges on myriad forms of cooperation among its members in traditional and non-traditional security areas. The processes developed and sustained by the ARF, including the various intersessional activities, have evolved into a capacity for members to test

one another's political will and visions. Furthermore, they also learn to increase their interoperability in the technical and non-technical aspects of preventive diplomacy. Without these capacities, the region's strategic environment and the policies actually being implemented at the ground level are likely to have been even more unpredictable. These capacities need to be encouraged because, even without the concrete objectives favoured by Western countries, more dialogue can augment confidence among members.

It is interesting to note that during the first few years of the ARF the elephant in the room was China. The world's most populous country was rising economically but without creating any discomfort politically. At times, Beijing would display strong support for ASEAN initiatives directing dialogue and preventive diplomacy at issues affecting peace and stability in the region rather than for the tougher carrot and stick (often including sanctions) approaches preferred by non-ASEAN members.

For instance, for years ASEAN has indicated that it would like to play some role in the reduction of tensions on the Korean Peninsula—the topic has appeared on the ARF agenda since 1995. But the US, Japan and

South Korea were reluctant to go along, fearing ASEAN might adopt softer positions against North Korea's growing intransigence as it aspired to acquire a nuclear weapon capability. After the setting up of the Six-Party Talks (SPT) in 2003, ASEAN thought the ARF would serve as a natural platform for peace talks and denuclearisation efforts because all parties to the SPT were also ARF members.

We have now had another hopeful development on the Korean question, presenting the ARF with a further opportunity: the four-point joint statement issued after the historic summit between US President Donald Trump and North Korean leader Kim Jong-Un. The ARF could be the venue to discuss what the denuclearised future of the Korean Peninsula may entail. Now more than before, the ARF members could get involved in part or in full to help resolve one of the world's longstanding conflicts.

ASEAN has been consistent in using dialogue and diplomacy as the primary means to engage North Korea. Appreciating ASEAN good will, Pyongyang joined the ARF in 2000 and acceded to Treaty of Amity and Cooperation in 2008. It showed the hermit kingdom was looking for new friends and platforms to express its views. In April last year North Korea even appealed to ASEAN foreign ministers for help to avoid "nuclear holocaust" on the peninsula.

ASEAN could take an early opportunity to form a small ARF caucus to assist North Korea in carrying out its pledge for denuclearisation. Prior to the Trump-Kim summit, Washington was working closely with ASEAN to bring more pressure to bear on Pyongyang but ASEAN chose to engage the ASEAN way. This would also pave the way for the ARF members to move from preventive diplomacy

toward conflict resolution.

As the ARF enters its 24th year the regional security environment is completely opposite to that in the early days of ARF gatherings. At present, power shifts occur almost on a daily basis. The region seems devoid of established patterns or predictable policy settings. There is an urgent need for ARF members to adopt a proactive role in easing tension and helping with humanitarian relief within the region.

Indeed, the crisis in Rakhine State provides another good opportunity for the ARF members to think outside the box and utilise the cumulative strength of their preventive diplomatic experience. Currently, the United Nations and Myanmar have recently signed a memorandum of understanding to repatriate the Rohingya refugees to their places of origin or of their choosing. This is a significant development, and something that the ARF process should be part of. To repatriate nearly 200,000 refugees would require massive international assistance and close collaboration between Myanmar and its international counterparts.

Obviously, Myanmar as a member of ASEAN, would have to approve of any future ARF initiatives at its northern border. Under the chairmanship of Singapore ASEAN has already offered to provide humanitarian assistance to help ease the dire situation in Rakhine. Thailand, Indonesia and the Philippines can beef up the operational capability of the ASEAN Humanitarian Assistance Centre (AHA) inside Myanmar. If need be, individual ARF members could provide additional assistance and funding.

Furthermore, at the 32nd ASEAN Summit several preventive measures were discussed and considered such as promoting inter-faith

dialogue among community leaders with different religious faiths and providing better public health services. ARF members can translate their longstanding simulations in humanitarian and disaster assistance into real actions in Rakhine. The untested ASEAN Institute for Peace and Reconciliation can be utilised to promote inter-faith dialogue using lessons learned from Indonesia, Singapore and Thailand.

The situation in Rakhine constitutes an outstanding test case for ARF members to showcase their knowledge and coordination skills at the level of both policy and implementation. As the upcoming ASEAN chair in 2019, Thailand would like to make full use of the knowledge and experience it has gained from the ARF intersessional programs.

Looking ahead, the ARF remains the only regional-wide security platform that has the track record and the potential to cope with the region's familiar and emerging security challenges. The time has come for the ARF to show its mettle.

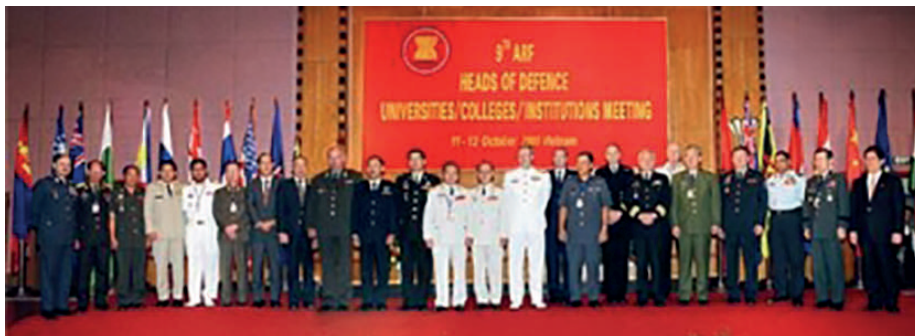
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# The ASEAN Regional Forum: 25 years of just optics?

Huong Le Thu



9th ARF Heads of Defence Universities / Colleges / Institutions, Hanoi 2005. Source: ASEAN Regional Forum.

When ASEAN leaders, in Singapore in July 1993, formally announced the intention to convene the inaugural ASEAN Regional Forum (ARF) the following year they declared that the objective was to develop a “predictable and constructive pattern of relationships in the Asia-Pacific”. In 2018, looking back over the intervening 25 years, this objective still looks distant and aspirational. “Predictability” and “constructiveness” have been falling victim to volatile leaderships and an increasingly tense security environment. Even the name of the region is contested – now the accepted “Asia-Pacific” is increasingly called as the more elusive “Indo-Pacific”. What does this mean for the future of the ARF and its mission?

The disparity between the intentions and convention of ARF meetings and the sense of its relevance is only widening. At the 25th ASEAN Regional Forum on 4 August 2018, the Ministers of member states noted “with satisfaction the progress of the ARF and its role in enhancing political and security dialogue and cooperation.” While incorporating key global actors, the forum remains determined to move “at a pace comfortable to all”, which rarely means satisfying anyone. The

objective of the ARF has been to develop multilateralism and enable the countries of the wider region to adjust peacefully to the changes in the regional balance of power that unfolded after the end of the Cold War. The ARF *modus operandi* followed the ASEAN model, which means it adopted the “ASEAN Way” of informality and consultations. It placed preventive diplomacy and conflict avoidance at the core of its ultimate purpose. Despite a comprehensive agenda that spans non-proliferation, peacekeeping, disaster management, urban emergency or food security, and an impressive rate of success (a claimed implementation rate of 58.7%), the dominant perception of the ARF is still that of a process “built to fail” (to cite two key observers of the ARF, Tan See Seng and Ralf Emmers). This can be illustrated with reference to both the ARF’s conceptual underpinnings as well as its bureaucratic design.

The Concept Paper on Moving Towards Preventive Diplomacy was approved by the ARF in 2014. The paper re-affirmed definition and principles of preventive diplomacy (PD) adopted by the ARF in 2001, which again sandwiched the concept in between confidence

building mechanism (CBMs) and conflict resolution, in a three-stage evolutionary process. The ARF’s failure to institutionalise PD invites consideration of delinking the PD agenda from the ARF altogether. The ARF should not be held ‘hostage’ by the lack of progress in institutionalising PD any more than the regional PD agenda should depend on the ARF’s ability to give it substance.

In the early years of the ARF, Michael Leifer, one of fathers of Southeast Asian security studies, described it as “barely an institution in its current embryonic structure. It lacks a secretariat, so far, as well as a geographic locus of permanent activity. It is very much a peripatetic entity governed by ASEAN’s diplomatic cycle whereby member governments take it in turn each year to head the Standing Committee.” As such, ASEAN has been well placed to influence the ARF’s agenda, despite the clause that all members have equal participation. This feature of the ARF has not changed over the past quarter of a century. The performance and prospects of the ARF have, therefore, been inseparably linked to ASEAN itself. At the ARF meetings, there is usually a big disconnect when it comes to what is happening during the inter-sessional period and during the ARF Ministers’ Meeting. The Ministers Meetings would usually reflect the urgency of issues that vary from time to time, and discussions would begin from a broader perspective considering the large number of participants. The ministers rarely discuss the next steps. No wonder, the ARF has come to be perceived as a platform for dialogue and consultation, while any actual activities related to PD

are expected to happen elsewhere. For this reason, a number of analysts highlight the importance of ARF-related track 1.5 and 2 processes as they can lay the groundwork for ideas that the track 1 process can pick up on.

An initial success of the ARF in its early years was the ability to engage the great powers, including the biggest at the time – the US – despite its long-standing preference for bilateral security arrangements. But the ARF succeeded in being accepted as complementary to the major powers' existing security networks, managing to also attract Japan, China as well as Russia and later on the European Union – the biggest non-state member. More interestingly, as the ARF expanded, the inclusion of the DPRK became one of its biggest trademarks. The ARF's ever-expanding membership confirmed its 'open regionalism' character – a rare quality where security organisations are concerned. Despite its commitment to that principle, and the precedent

established by APEC, the ARF and China could not agree on an arrangement to include Taiwan.

The ARF has not sparked more attention than when then US Secretary of State Hillary Clinton announced at its 2011 meeting in Hanoi that America had a 'national interest' in the South China Sea issue, making it a player in the dispute. But other than providing good photo opportunities, especially for ASEAN partners to showcase their commitment to the region and "ASEAN Centrality", the ARF has been sliding into obsolescence. Its main function now is optics, and its main message is "ASEAN". The ARF has not been successful in finding its own personality. ARF's large membership, weak institutional structures, strict adherence to the norms of sovereignty and non-interference, and divergent strategic outlooks have combined with the 'formalisation' of the ASEAN Way, to make the ARF highly inflexible, which in turn inhibited the evolution of the various CBMs and PD activities

on its agenda. If optics remain the ARF biggest asset, then it clearly risks being dispensable. The East Asia Summit, for example -- although it has similar shortcomings related to its ASEAN Way design, but with fewer members – can perform similar function while focusing more on economic cooperation. Given the intensification of security challenges in the region, the ARF needs to be more than a "photo opportunity". It needs to become what many hoped and expected of it, namely, to be a process that would civilise the often clumsy and dangerous activities of the major powers as they aspired to build and sustain a balance of power. An important start is to move away from thinking about the ARF process quantitatively (in such terms as members and agenda items) in favour of its qualitative effects on the regional security issues of the day.

**Huong Le Thu**

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## Practical Cooperation, Preventive Diplomacy, Human Security and the future of the ARF

### Maria Ortuoste

Twenty-five years is a milestone for the ASEAN Regional Forum (ARF) and, as is usual during similar junctures, there are questions about the Forum's continued relevance. This essay makes two arguments. First, there is a continuing need for a regional security mechanism, such as the ARF, to help deal with geostrategic changes and transnational problems. Second, the ARF could enhance its contribution to regional security by taking more

active steps towards developing capabilities for preventive diplomacy (PD) and by making human security a more prominent objective.

When the Cold War ended, Asia-Pacific countries found themselves in uncharted waters. The spectre of a power vacuum, a brewing arms race, the possible drawdown of U.S. forces, U.S.-China tensions, maritime disputes and North Korea's belligerence were just some of their concerns. At the time, the ARF was

regarded by many as a necessary *placeholder* because it allowed for informal diplomatic engagement among disputing countries while also presenting an opportunity to develop an appreciation of cooperative security among regional states.

In one sense, the ARF did succeed in maintaining the status quo – U.S. forces stayed, traditional principles of sovereignty and non-interference were reinforced, and the neoliberal economic order remained firmly



5th ARF, Manila 1998. Source: ASEAN Regional Forum.

in place. But instincts supporting cooperative security remained weak. China, Russia and North Korea – countries that had wanted a regional order independent of the U.S. – now have the capability and willingness to assert their agenda unilaterally. China has used its military power and diplomatic influence to garner advantage in the South China Sea, Russia has invaded Crimea and is reportedly disrupting the domestic politics of other countries, while North Korea has improved its nuclear and missile capabilities. Thus, a regional security mechanism with the capacity to lower inter-state tensions remains an imperative.

Such a capacity has proven elusive. Not only is it difficult to achieve consensus among 27 disparate participants, but ARF itself has become an arena for soft competition and geostrategic manoeuvring, especially on the South China Sea issue. The U.S. demands freedom of navigation which is supported

by Japan. China, supported by Russia, regards the involvement of more distant states as “external interference”. ASEAN has no united stance on this matter – some claimants prefer quiet negotiations, while others, like the Philippines, have railed against China. Cambodia has even broken consensus with ASEAN when pressed by China. The North Korean issue has similarly been difficult especially when the U.S. called for the suspension of North Korea in 2017 because of the latter’s non-compliance with Security Council resolutions. This pattern of challenges can be expected to continue into the next decade as Xi Jinping, Vladimir Putin and Kim-Jong Un have ensured the longevity of their leadership. A bigger problem is that the U.S., whose presence is still regarded by many regional leaders as necessary, is no longer a predictable partner.

These tensions could perhaps have been moderated had the ARF built PD on stronger foundations. Observers

assess that progress in this area has been glacial and contentious. It took 17 years to produce a Work Plan and the definitions and principles adopted are not robust. The activities involve more discussion than action, and there is a strong insistence on consensus, if not unanimous, decision-making in this area. The ARF’s version of PD has also been designed to follow strict diplomatic conventions and norms, a likely obstacle when responding to typically untidy transnational challenges.

Nevertheless, all is not lost. The PD Work Plan also mentions that cooperation in other related areas, such as humanitarian assistance and disaster relief (HA/DR) needs to proceed. The overlap in the agendas of PD and HA/DR might provide opportunities for PD-style activities to become part of the ARF’s repertoire. The ARF has made progress on the four pillars of practical security cooperation – disaster relief, counter-terrorism and transnational crime,



non-proliferation and disarmament, and maritime security. Momentum is strong, especially in HA/DR, where some participants have engaged in tabletop and live exercises.

Developing HA/DR capabilities and joint responses is necessary as the United Nations estimates that disasters could cost the region \$160 billion annually by 2030. Here are some further recommendations:

1. Identify and articulate a common terminology for multilateral HA/DR operations based on international law and best practice;
2. Accept that the involvement of humanitarian organisations in HA/DR operations is a reality that needs to be anticipated and planned for;
3. Given that effective HA/DR requires that parties agree on the conduct of their respective units, the PD group could draft a model

Status of Forces Agreement (SOFA) and hold it in readiness; and,

4. Act on the existing recommendations to provide more resources to the ARF Unit to allow it to perform additional functions such as monitoring responses to disasters or maritime crime and engaging the Eminent and Expert Persons (EEPs) to evaluate opportunities for, and roadblocks to, effective responses to HA/DR contingencies.

ARF participants have a stake in regional stability. Together, the 27 ARF countries account for more than 75% of the world's GDP and of the world's total military spending. The ARF needs both government and public support if it is to thrive. Despite their differences, the Forum's participants developed a *Vision Statement* in which the ARF is reconceptualised as "action-oriented."

Obtaining public support, however, will be just as crucial. The forum has taken an important step down this road by including Trafficking in Persons as one of its projects but it still has a long way to go to make the human security aspects of this issue prevail over notions of state control of territory and to capitalize on the utility of the ARF to deal with transnational issues.

The ARF can still be a significant actor in regional security, provide concrete aid to people and develop preventive diplomacy during this period of geostrategic change. But this will depend on building the momentum of some cooperative activities, providing resources to the ARF Unit, and taking seriously human security in order to gain broader support for the Forum.

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## On the ARF: A Malaysian perspective

### Hoo Chiew-Ping

The achievements and limitations of the ASEAN Regional Forum (ARF), envisioned to be the primary multilateral forum on regional security issues, has long been a controversial topic, including in Malaysia. Critics of the ARF feel frustrated that, after 25 years, it still serves mostly as a "talk shop" – an extension of the function of ASEAN – and that progress through its self-generated objectives – moving from "confidence-building measures" to engaging in "preventive diplomacy and, ultimately, to "conflict-resolution" (known to some as the "elaboration of approaches to conflict") – has been minimal. On the other hand, some analysts, such

as Mohamed Jawhar Hassan, the former chairman of the Institute of Strategic and International Studies of Malaysia, commend the ARF for inculcating norms and providing a channel for dialogue, despite the difficulties of accommodating the interests, pace and comfort levels of a very diverse membership.

Mahathir Mohammad, the current Malaysian Prime Minister, and also Prime Minister from 1981 to 2003, played an important role in the creation of the ARF. At that time, Mahathir distinguished the ARF from the Organisation of Security and Cooperation in Europe (OSCE) which he depicted as a strongly

institutionalised body with a clear propensity toward intervention and conflict resolution. In contrast, Mahathir saw the strategic value of the ARF in facilitating dialogue, creating an ASEAN-centred structure for engaging the major powers, and socialising China. In the same vein, his successor, Abdullah Badawi, once warned against turning the ARF into some kind of tool for military-style "deterrence," insisting that the ARF was meant for the "development of friendship rather than identification of enemies." A diplomatic official told the author that the ethos of the ARF is essentially "respect thy neighbour." Accordingly, when Malaysia addresses security problems



ARF Defence Officials' Dialogue, Melaka 2014. Source: ASEAN Regional Forum.

with its immediate neighbours, it avoids highlighting the problems or weaknesses of its neighbours, preferring to simply mention or touch on the issue without pressing for immediate substantive actions. For substantive actions, Malaysia feels that other processes are available, for instance, trilateral Malaysia-Indonesia-Philippines cooperation on maritime security.

Given these attitudes, the Malaysian government in particular is not terribly disappointed with the performance of the ARF. From the very inception of the ARF, Malaysia recognised its inherent limitations, had modest expectations of what it could do, and, on this basis, pushed for its progress and recognised its achievements. For much the same reason, Malaysia also welcomed the inclusion of non-traditional security challenges in the ARF's agenda. Although sometimes seen as diverting

the focus away from the traditional security agenda that was the intended purpose of the ARF, Malaysia sees the inclusion of non-traditional security challenges as demonstrating the ARF's flexibility in responding to new security challenges, such as cyber security. In addition, if this development fostered practical improvement and developed trust and confidence-building among the members of the ARF, Malaysia saw very little to complain about.

An incident that had the potential to change the way Malaysia sees the ARF was the assassination of Kim Jong Nam in Malaysia in 2017. The incident involved the use of a chemical agent in a busy airport that could have resulted in the deaths of many civilians and involved significant economic costs. It could have compelled ASEAN and the ARF to take a tougher stand on the challenges posed by North

Korea's covert activities in the region. Given the high profile of the case, Malaysia could have put something forward – perhaps highlighting the WMD proliferation dimensions of the incident – to gain support from the members to, for example, collaborate with other ASEAN security processes like the ASEAN Defence Ministers Meeting (ADMM)-Plus, in monitoring North Korean movements in the region. However, under the Najib Razak administration, Malaysia elected not to exercise this option. In the event, the 2017 ARF condemned North Korean nuclear and missile provocations without mentioning or raising the assassination incident. Put into the context of Malaysia's traditional expectations of the functions and roles of the ARF, however, the action (or inaction) of the Najib administration should not be too much of a surprise.



Although Malaysia experienced a change of government in May 2018, the foreign policy of the country in regard to ASEAN and the ARF will largely remain the same. The return of Mahathir may give some much needed impetus to ASEAN's willingness to show leadership, but it remains unlikely that he will seek to change the purposes and modalities of the ARF that he helped to put in place. This long-held aversion to a more activist or interventionist ARF, whether it is Mahathir or Najib, underscores the strongly entrenched ethos of the ASEAN Way. After all, the ARF is an ASEAN-anchored platform, and to a certain extent it has to reflect the ASEAN Way. It translates into a prevailing ethos that

difficult issues should be discussed in a search for common ground but without any presumption that such discussions are the precursor to substantive action.

In short, Malaysia prefers the status quo for the ARF. This is despite the fact that the fallout from the US-China strategic competition means that the region is having to cope with formidable geopolitical challenges. Official US documents (the *National Security Strategy* and *National Defense Strategy*) now clearly identify China as a serious strategic adversary over the long-term. The Indo-Pacific Strategy is carefully focused on trying to counter and reverse Chinese influences, especially in the

Southeast Asian region. For pressing issues involving the ASEAN states, Malaysia will prefer that ASEAN explore platforms other than the ARF (such as bilateral and minilateral alternatives). For major regional strategic issues such as the US-China strategic competition, Malaysia still sees the ARF as the best platform to moderate the behaviour of the two major powers and to register the views and concerns of the smaller and middle powers in the region.

## Hoo Chiew-Ping

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## Rejuvenating the ARF: Challenges and Prospects

### See Seng Tan

Security regionalism in the Asia-Pacific has been described as a frustrating enterprise and for good reason. A big part of this has to do with perceptions about the ASEAN Regional Forum (ARF), which turned 24 in 2018. Feted when it was launched in 1994, the ARF has since become a poster child for what many believe is fundamentally

wrong about Asia-Pacific regionalism, not least ASEAN's lack of effective regional leadership as custodian of the region's security architecture. The ARF's inability to conduct preventive diplomacy is well known. Its subsequent turn to non-traditional security (NTS) issues, welcomed as an opportunity for the ARF to engage in practical cooperation, not

only puts it in indirect competition with the ASEAN Defence Ministers Meeting-Plus (ADMM-Plus), but risks disqualifying the ARF as a regional actor of consequence should it inadvertently recuse itself from the region's most important strategic challenges. Others have also suggested that the organisational design and diplomatic protocols of the



ARF Experts and Eminent Persons Group, Singapore 2016. Source: ASEAN Regional Forum.



ARF, combined with the institutional gamesmanship of its members, effectively consign the Forum's efforts to lowest common denominator outcomes at best and outright failure at worst.

The ARF is not without its champions. They contend the enduring normative significance of the Forum has been its pursuit of cooperative security and the promotion of mutual understanding and trust, thereby helping to build a more secure regional security landscape. It is fair to say that this represents a minority opinion. The purported irrelevance of the ARF to regional security is so keenly felt around the region that a number of its middle power members, Australia, Japan and South Korea, proposed alternatives in the late 2000s to complement the ARF, if not replace it altogether. Their ideas never got to see the light of day for a variety of reasons, not least because they fundamentally challenged ASEAN's centrality in Asia-Pacific regionalism and ultimately lacked the support of the major powers, China and the US. Moreover, and perhaps fortuitously for the ARF, when the membership of the East Asia Summit (EAS) grew to include Russia and the US in 2011, supporters of former Australian leader Kevin Rudd's 'Asia-Pacific Community' vision quickly rationalised that the enlarged leaders-led EAS was what they had been advocating all along.

But the ARF cannot live on serendipity alone. The ADMM-Plus has been forging ahead with increasingly complex multilateral exercises and enhancing the capacity, cooperation and interoperability of the region's militaries in humanitarian assistance and disaster relief (HADR), maritime security and counterterrorism—areas also highlighted by the ARF as part of its 'action-oriented' agenda. The progress made hitherto by the ARF

in practical NTS cooperation pales in comparison to the achievements of the ADMM-Plus. Moreover, the strategy of avoidance the ARF seems to have adopted has not prevented the South China Sea from forcing its way into the Forum's proceedings as a result of big power rivalry. The ARF has threatened to become an arena for intensifying strategic rivalry and diplomatic confrontations between its members, pressures that threaten to overwhelm its deliberately 'soft' processes and to put an already shaky institution at risk of implosion.

What can the ARF do to rejuvenate itself? Some years ago, this author suggested that the Forum was 'built to fail' as an actor in preventive diplomacy (PD). But with great power spats forcing their way into ARF meetings—despite the Forum's attempts at dodging the region's flashpoints—the ARF is impelled to do PD by default if not by design, albeit in the lesser role of facilitator rather than mediator. While the Forum's consensus-oriented brand of multilateral diplomacy has proved unsuitable for PD, ASEAN, using the occasions provided by the ARF's annual dialogues, should proactively seek to bring together competing great powers in a bilateral setting to manage if not resolve tensions. For example, it is rarely acknowledged that the ARF indirectly facilitated dialogue between the China and the US in 1996, during the heightened tensions between China and Taiwan. The scope for the ARF to play such a role – even as a facilitator let alone mediator – has since been narrowed further by the growing disunity within ASEAN in recent years as a result of ASEAN member countries being pressured by contending big powers to take sides.

The Korea issue could be a second track for the ARF, bearing in mind that since the demise of the Six Party Talks, it is the only regional

security arrangement of which North Korea is officially a member. The ARF could look to play an invaluable supportive role through fostering a normative environment that supports and encourages the relevant parties to stay committed to the long and difficult trek towards furthering long-term peace and security in the Korean Peninsula. Thirdly, with the region hosting various attempts by interested parties at developing the concept of the 'Indo-Pacific', it is the ARF, with a membership that includes South Asia's nuclear weapons states India and Pakistan, that is currently most representative of the concept. Should this new concept take hold—indeed, the US has already renamed its Pacific Command as the 'Indo-Pacific Command'—the ARF would not only inherit legacy issues stemming from the older Asia-Pacific concept, but must brace itself to absorb new ones such as the 'Quad' and the strategic challenges that come with it.

Finally, the ARF should pursue greater complementarity and better coordination with the ADMM-Plus. While the ARF has talked much about PD but done little with it, the ADMM-Plus has quietly forged ahead with advances in HADR, counterterrorism and maritime security cooperation that significantly enhance its capacity as a PD actor without it ever declaring its intentions to become one, not publicly at least. By seeking a stronger strategic complementarity with the ADMM-Plus, the ARF could give a much-needed boost to its stalled PD ambitions. Indeed, despite unwittingly walking away from the demanding expectations foisted on it as the region's core multilateral security process, the prospect of the ARF actually assuming a PD function—even if only through association with the ADMM-Plus—is a key way to restore the region's confidence in the Forum as an actor of consequence.

Rejuvenation of the ARF does not necessarily entail a major overhaul of its institutional design to make it more like the European Union. Management gurus distinguish between efficiency and effectiveness. Efficiency refers to doing things the right way whereas effectiveness refers to doing the right thing. There is no

better time for the ARF, through the focused determination and collective will of its ASEAN and non-ASEAN stakeholders, to collectively do the right thing and to foster a more effective Forum. The region, whether Asia-Pacific or Indo-Pacific, needs and deserves a rejuvenated ARF.

## See Seng Tan

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## Revisiting the ASEAN Regional Forum

### John D. Ciorciari

Since its infancy, the ASEAN Regional Forum has attracted criticism that it is ill equipped to address the key present and prospective security challenges facing the Asia-Pacific region. Even many of the ARF's proponents have depicted it as a young institution finding its legs, hopeful that it will evolve beyond confidence-building measures

to engage in preventive diplomacy and conflict resolution. As the ARF reaches the quarter-century mark, that hope appears forlorn. The forum nevertheless delivers enough value in its current form to justify continued investment, and incremental changes can help it play its roles more effectively.

Critiques of the ARF have long focused on the limits of consensus-based diplomacy. Demands that the ARF “do more” reflect an abiding preference—particularly in the United States—for rule-based institutions in which members debate, set, and enforce standards of behaviour. This preference has roots in both American culture and



24th ARF 2017. US Secretary Tillerson meets with Japanese Foreign Minister Taro Kono. Source: U.S. Mission in Japan.

clout. U.S. officials are accustomed to legalistic institutions and generally expect to have enough influence to use them to advance national values and interests.

The ARF unsurprisingly has been resistant to that type of organisational change. Many participating states see binding rules, up-down votes, and other legalistic features as tools for coercive diplomacy, which they regard more as a potential threat than a useful way to resolve regional disputes. Without those tools, the ARF defaults to a diplomatic gathering place and a mechanism to coordinate regional cooperation on issues that are anodyne enough to evade a veto.

Successive U.S. administrations have sought to use the ARF as a vehicle to address hard cases such as North Korea's nuclear program and the South China Sea dispute. In general, those efforts have borne less fruit than frustration. The Trump administration has repeated this pattern.

Before the 2017 ministerial meeting, U.S. officials pressed fellow ARF members to suspend North Korea for its nuclear tests and other provocations. Pyongyang participates in no other regional forum, and thus ARF suspension would have isolated North Korea diplomatically. U.S. officials argued that ostracism would help force Kim Jong-un back to the bargaining table. Whether or not they were correct, the U.S. proposal was dead on arrival. Enforcing a bar on participation would have required a sea change for the ARF, which has diffuse criteria for entry and no agreed expulsion procedure.

A year later, North Korea again topped the 2018 ARF agenda. This time, U.S. Secretary of State Mike Pompeo did not seek to exclude Pyongyang. Rather, he tried to drive multilateral diplomacy that would

help U.S. officials engage North Korea on favourable terms. Pompeo thus exchanged pleasantries with DPRK foreign minister Ri Yong Ho while pressing North Korea's neighbours to maintain stiff sanctions until Kim Jong Un fulfils his pledge to denuclearise.

That effort also had little apparent effect. Ri used the ARF stage to blast U.S. officials for bullying and defying Trump's intention to reduce tension. Pompeo clashed publicly with Russian diplomats, and consensus was far from forthcoming. The relevant passage in the ARF chairman's statement expressed less alarm than in the previous year, suggesting weaker regional pressure on North Korea after the Singapore Summit. In such cases, it is not difficult to discern why critics in the United States and elsewhere lament the ARF's inability to "do more."

The ARF almost certainly will not develop the institutional features needed to address the region's most pressing security issues decisively. Nevertheless, there are at least three reasons why the forum remains useful. First, the ARF meeting helps justify the protection of scarce time on senior officials' calendars for regional diplomacy—particularly in non-resident powers like the United States. Contentious security issues may not be resolved, but their effective management depends on regular high-level diplomatic exchange.

Second, the ARF includes a broader array of states than any other Asia-Pacific security forum. While its breadth has been cited as an impediment to progress, a leaner ARF would win consensus on sensitive regional security issues only if it were to exclude key protagonists—hardly a recipe for peaceful conflict resolution. Importantly, the forum's breadth opens doors for meaningful

engagement beyond alliance clusters and great-power strategic dialogues. The ARF is the key link between the U.S. security presence in Asia and the region's web of multilateral institutions.

Lastly, the value of confidence-building exercises should not be dismissed. Initiatives such as marine domain awareness, disaster relief, and environmental protection do not solve the feud in the South China Sea, but they help build relationships and lines of communication. In a crisis, those contacts could dampen the risk of escalation.

Incremental change could enhance these functions. The ARF could be entrusted with greater authority to consolidate duplicative functions within the region's various ASEAN-centred institutions. It could also foster an expanded set of "Track 1.5" initiatives to provide greater space for constructive dialogue. Such ventures could facilitate discussion of what comes after the ARF's Vision Statement 2020 and give participants chances to road-test creative ideas for addressing issues that appear intractable.

In the foreseeable future, the ARF will remain a forum in which governments jockey for position at a high level and seek modest tracts of common ground to enable cooperation at lower levels. Rather than seeking to transform the ARF—an effort bound to falter—participants should focus on ways to take efficient advantage of this very limited but necessary institution.

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## The ASEAN Regional Forum: What should the future hold?

Takeshi Yuzawa



25th ARF Ministerial Meeting, Singapore 2018. Source: Japan Ministry of Foreign Affairs.

From a scholarly perspective, the twenty-five year history of the ASEAN Regional Forum (ARF) since its formation in 1994 can be seen as a collection of anomalous phenomena. Despite the preparation of numerous workplans for promoting practical security cooperation and dense social interactions among its member states through various activities over the decades (which IR theory suggests are promising conditions for successful institutional development) the ARF has not departed significantly from the role of a dialogue forum assigned to it in 1994. The lack of progress toward concrete security cooperation has inevitably generated a sense of disappointment among many analysts and practitioners in the region. Some observers have even warned of the ARF's demise if it did not undergo drastic structural reform. Yet, contrary to such pessimistic predictions, the ARF has survived and continued to attract the engagement of its members.

The surprising longevity of its institutional life indicates that the ARF is not simply the 'talk shop' its hard-core critics depict. Indeed, the forum has made valuable contributions to the maintenance of regional stability, albeit with obvious limitations, by fully utilising its dialogue process. It has provided participating states with precious opportunities to understand each other's security concern, impose collective criticisms on countries violating international norms, and to engage bilaterally with key regional states at the foreign-minister level. These distinctive roles, combined with the very low costs of participation in both political and financial terms, have enabled the ARF to secure a certain level of commitment from regional countries, despite continued criticism of its stagnation.

At the same time, however, the utility of the ARF, as characterised above, has become conspicuously less

distinctive and valuable. There are two major external developments relevant to this. The first is the emergence of other regional institutions and venues that perform similar functions but produce more impressive results than the ARF. For instance, the East Asian Summit (EAS) has provided a more politically authoritative venue for regional political and security dialogue, while the Shangri-La Dialogue (SLD) has promoted a more frank exchange of views on regional security issues. Moreover, while both the ARF and the ASEAN Defence Ministers' Meeting Plus (ADMM-Plus) aim to promote practical cooperation in non-traditional security fields (including disaster-relief, counter-terrorism, maritime security, peace-keeping), the latter has achieved more than the former despite the fact that it was founded just eight years ago. To some extent, a degree of functional duplication between regional institutions is inevitable, yet a growing number of regional countries have begun to call for the avoidance of overlap, in particular between the ARF and the ADMM-Plus, for the sake of saving their limited resources.

Another development is the growing rivalry and competition between major powers. As major power tensions have intensified, the ARF's dialogue process has increasingly functioned as an arena for power politics. Indeed, recent ARF meetings have often been dominated by diplomatic skirmishes over territorial disputes in the South China Sea. It seems that ARF countries have paid more attention to the language of a chairman's statement for the purpose of checking each other's behaviour, rather than seeking to build an agenda for security cooperation.

While these verbal clashes may help promote understanding of each other's security concern, the escalation of such negative interactions only exacerbates already strained relations. In short, the ARF is at risk of outliving its usefulness if it remains simply a forum for dialogue.

Given the apparent weakening of its *raison d'être*, the time is ripe to once again consider the future direction of the ARF. The twenty-five year history of the ARF suggests that there is no immediate prospect that the forum will achieve its original plan of promoting a three-stage process for security cooperation, outlined in the 1995 ARF concept paper. Accepting this reality, some suggest that the ARF should devote its energies to promoting non-traditional security cooperation. To a large extent, the ARF has been moving in this direction, especially since the adoption of the "Hanoi Plan of Action" in 2010. Yet, rational reasons still exist for the ARF to stick with its original plan, in particular the development of preventive diplomacy (PD) mechanisms, for enhancing its *raison d'être*.

Firstly, the regional security environment has remained extremely fragile and unstable, due to numerous potential military flashpoints. Indeed, not only have various religious,

ethnic, and unresolved territorial disputes persisted in the region, there has also been a growing trend among many regional states toward the modernisation and expansion of their military capabilities. The security risks and uncertainties attending these trends suggest a real need to establish PD mechanisms.

A second reason stems from the simple fact that the ARF is the most suitable regional institution for the implementation of PD. As the term suggests, PD generally comprises of diplomatic measures, such as early-warning, fact-finding missions, good office, and mediation roles, and these measures are best handled by skilled professional diplomats. The ARF is the only regional institution operated by such diplomats.

Finally, the ARF's focus on PD would address and diminish the problem of functional overlap between regional institutions. As mentioned, both the ARF and the ADMM-Plus currently prioritise the promotion of practical cooperation in the non-traditional field. However, it can be argued that these practical activities are better handled by the ADMM-Plus than the ARF, since they typically call on capabilities that only the armed forces possess. Considering the nature of its institutional resources, the ARF should focus its efforts on bringing

various kinds of 'diplomatic' tools and skills to bear to alleviate existing and emergent regional security challenges. PD measures listed above represent a key feature of such diplomatic tools.

The good news is that, after a long period of inactivity, the ARF's work on PD has recently regained some momentum. Since the adoption of the "Concept Paper on Moving Towards Preventive Diplomacy" in 2013, the ARF has regularly convened PD related meetings, including workshops and training courses. It is unclear whether the ARF countries have adequately followed through on these activities other than simply bringing them up in chairman statements, but these events have certainly provided fresh impetus to the PD agenda in the ARF. It may yet take another decade for the ARF to accomplish the task of creating regional PD mechanisms, but this objective should be seen as indispensable to the goal of a stable regional order. And only the ARF can deliver this capability.

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## India and the ARF: Engagement *Sans* Focus

**Harsh V Pant**

India has been a member of the ASEAN Regional Forum (ARF) since 1996, the year after New Delhi achieved the status of a Full Dialogue Partner with the Association of Southeast Asian Nations (ASEAN). The forum broadly outlines the following two aims: fostering constructive dialogue

and consultation on political and security issues of common interest and concern; and making significant contributions towards confidence-building and preventive diplomacy in the Asia-Pacific region. Not limiting its membership to the southern reaches of Asia, the ARF also includes Canada, the United States

and the European Union among its participants, making for a far broader aggregation of interests than those of ASEAN.

The ARF has thus played a key role in multilateralising defence concerns in the Pacific, with the interests of member states frequently converging on non-traditional security issues



ARF Defence Officials' Dialogue, New Delhi 2009. Source: Korea.net.

in the Indian Ocean Region (IOR) and the Pacific. However, scholars remain divided on the extent of the forum's success. Some argue that a prior stable balance of power is a prerequisite for an effective ARF. Others argue that the ARF is equally necessary for creating or maintaining an existing balance of power. As the balance of power in the wider Indo-Pacific undergoes a dramatic shift, this debate is of more than just academic interest.

Having initially focused on long-standing issues in Asia, such as the South China Sea dispute or the situation in the Korean Peninsula, the ARF is slowly moving towards a broader-based outlook on security, with concerns such as non-proliferation, counter-terrorism WMD and disaster relief finding space in recent ARF publications.

The ARF's role in shaping the security context of the Indo-Pacific is therefore continuously evolving. In addition to dealing with the increasingly crucial and ever-evolving dynamic between India and China, the ARF must also balance between China and other Southeast Asian stakeholders in the South China Sea. The ARF must also ensure that the role of the United States continues to be a balancing one in the region, in particular ensuring

that the clashes between Xi Jinping and Donald Trump do not spill over into a Sino-American military confrontation in the region.

The ARF has played a critical role in shaping India's security engagement with Southeast Asia. New Delhi's accession to the ARF in 1996 was driven by the need to moderate rising Chinese influence in the Pacific, as well as resolving security concerns with some ASEAN states, which share maritime boundaries with India. The stage was also important for India to project its influence in the security arena at a time when Indian policymakers want India to be a leading power in the international order.

As one of the central players in the Indian Ocean region, India's contributions and priorities have been getting recognition in the region. India has contributed significantly to combating piracy and trafficking at the transnational level. Combating maritime terrorism has become one of India's key priority since the 2008 Mumbai attacks. India is also particularly concerned with safeguarding choke points such as the Straits of Hormuz, Malacca and others. Humanitarian assistance is another key maritime priority of India, sending rescue personnel to

Sri Lanka in May 2017, while also dealing with near-annual cyclones on its own coastline.

India also engages strongly in matters of counter-terrorism. It is a notable participant in the ARF's Inter-Sessional Meetings on the same, and frequently holds consultations through Joint Working Groups with partner countries. A major diplomatic breakthrough was achieved when India concluded the Joint Declaration to Combat International Terrorism paving the way for deeper ASEAN-India cooperation on one of India's major strategic priorities.

In addition to safeguarding its own priorities, India plays a largely constructive role in the ARF, backing measures such as international arbitration for the South China Sea dispute. In the Asia-Pacific, New Delhi strongly backs the resolution of sovereignty issues by peaceful means and in accordance with the tenets of international law, and underlines the need to safeguard freedom of navigation in accordance to the United Nations Convention on the Laws of the Sea (UNCLOS).

Participation in the ARF has helped India develop deeper relations with its maritime partners in the Asia-Pacific region, leading to defence agreements with numerous individual ASEAN countries. The MILAN exercise, hosted by the Indian navy annually, has witnessed growing participation from the ASEAN nations over the years. In a vital sign of its growing profile in the region India also forms a key part of the ASEAN Defence Ministers' Meeting Plus (ADMM+), bringing together a smaller group of ARF actors on a biannual basis. India has also helped train numerous Southeast Asian partners on various military and humanitarian matters, such as a field training exercise incorporating 2016 ADMM Plus members. This was led



by the Indian Army and focused on humanitarian mine action and UN peacekeeping operations.

Thus, the nature and scope of India's engagement with the ARF has considerably deepened over time. In addition to providing India with a useful multilateral platform to voice its concerns, the ARF has also helped the 'Look East' policy evolve into 'Act East', as New Delhi becomes increasingly confident of its bilateral and multilateral relations with its numerous partners in the Indo-Pacific.

India's engagement with the ARF is, however, hampered by the

organisation's failure so far to clearly outline its own perception of regional peace and stability. As a consequence, India's stance on the organisation continues to be marked by rhetoric. India has also called for greater synergy between the ARF, the East Asia Summit, and the ADMM Plus. From New Delhi's perspective this will not only increase the efficiency of the forum's performance, but it will also allow greater synergy between partners who may not be members of all three forums.

India's engagement with the ARF has come a long distance and is gradually maturing. But while the

ARF is viewed as a fairly benign and important actor in India's 'Act East' policy, New Delhi remains cognisant of the need for further structural reinforcement before the ARF is fully capable to meet India's security concerns in the region. As India enhances its engagements with Indo-Pacific nations, the ARF will also have to take India more seriously than it has done so far.

## Harsh V Pant

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## ARF: A successful process, but ASEAN must be bold and nimble to maintain its relevance

### Shin-wha Lee

Since its inception in 1967, the Association of Southeast Asian Nations (ASEAN) has been proof of its member state's aspiration to keep pace with volatile regional and global politics. Originally created to seek geopolitical stability in fractured Southeast Asia, this sub-regional entity has become a

significant influence in regional and international affairs. Its emphasis on solidarity among members has not only helped address regional disputes but has served as a significant diplomatic platform for the broader East Asian region. Although the Asian financial crisis in 1997 was a major impetus for its creation, the

ASEAN Plus Korea, Japan, and China cooperation mechanism, called the ASEAN+3 summit, is a case in point. The three Northeast Asian giants, who had never succeeded in institutionalising cooperation due to deep historical and political divisions, valued ASEAN as a 'gluing magnet' or convening power for their regular meetings.



ASEAN – Republic of Korea Ministerial Meeting, Laos 2016. Source: ASEAN Regional Forum.

One of the most successful ASEAN initiatives for regional peace and security has been the ASEAN Regional Forum (ARF). Launched in 1994 and held annually at the foreign minister level, the ARF is a convenient multilateral diplomatic channel for Asian states and major powers to discuss various regional security issues, including North Korean military threats and South China Sea disputes. Over the past decades, the ARF has encouraged members to move beyond being a forum for regional security dialogue

and to aspire to practical cooperation in the fields of maritime security, terrorism, humanitarian assistance and disaster relief, and other non-traditional security matters.

Now 25 years old, the ARF seeks new approaches to satisfy changing regional needs and remain a valuable, relevant process. First, more than any other region, Southeast Asia has become a site of fierce strategic competition between the U.S. and China with their rivalry extending into the Indo-Asia-Pacific region. Southeast Asian nations recognise that their future largely depends on the character of Sino-American relations. These states have struggled to secure their relative independence without yielding to the pressure of siding with one power over another. It is argued that the Sino-U.S. contest is not yet a zero-sum game and that they should channel competition toward mutual benefits through a 'coopetition' strategy. Under these circumstances, ASEAN has been trying to strengthen its collective influence to manage conflicting views and agendas between the U.S. and China through regional rules and institutions. In fact, the 2018 ARF observed that China and ASEAN had agreed to assemble a single composite draft text for a code of conduct on the long-standing South China Sea dispute, a development made possible by a new stance on the part of China. This achievement is due in part to sustained ASEAN solidarity.

However, there remain concerns over whether the ten ASEAN members, with low common denominators, will continue to pursue consensus-based policies and action plans. Unlike the European approach to regional integration, ASEAN initially adopted a firm principle of non-interference in individual member state's domestic affairs and instead prioritised national resilience as the means toward developing

strong neighbourhoods and regional stability. Even the European nations, who have surrendered some of their national sovereignty to the European Union's (EU) binding constitution and central bureaucracy, have begun shifting back toward restoring national sovereignty under the pressures of the recent refugee crisis. ASEAN will face a similarly daunting challenge as it strives to maintain its cohesion and protect consensus in the cauldron of intensifying Sino-US contention.

Another important aspect of the 2018 ARF was the participants changed stance on the North Korean nuclear issue. As the only regional inter-governmental forum of which North Korea is a member, ARF has been an official venue for Pyongyang to engage in dialogue with Seoul, Washington, and other major powers. In fact, since the Six-Party Talks on the North Korean nuclear issue abruptly broke down in 2009, ARF stands as the only institutionalised venue for the nations concerned to communicate with North Korea on denuclearisation. Despite heightening tensions, North Korea regularly attended ARF meetings, and used them for occasional bilateral side-meetings with South Korea and/or the U.S. In recent years, the ARF often became a venue for reproaching Pyongyang's continued military provocations; in 2017, ARF members issued a joint statement condemning Pyongyang's nuclear tests and missile launches. In 2018, at this year's forum, however, as it followed the US-North Korean summit in Singapore, all participating countries welcomed North Korean leader Kim Jong Un's pledge on denuclearisation (while also expressing continued support for the UN sanctions against North Korea unless the country takes concrete measures for complete denuclearisation).

South Korean President Moon Jae In, who wishes to act as a mediator

in the stalled U.S.-North Korean dialogue, held another euphoric inter-Korean summit with Kim, the third within just five months. Shortly after this third inter-Korean summit, US President Donald Trump indicated that a second U.S.-North Korean summit would very likely take place. China, Russia, and Japan as major powers in Northeast Asia are also eager to define their roles in the inter-Korean peace process and the US-North Korean denuclearisation negotiation. While the resumption of the Six-Party Talks remains uncertain, recent security developments surrounding the Korean peninsula allow South Korea and the U.S. to directly communicate with North Korea through diplomatic channels. As a result, ASEAN may now need to look for new ways in which it can add value to the diplomatic processes seeking stable, non-nuclear security outcomes on the Korean peninsula.

However, it remains doubtful that Kim can genuinely give up a nuclear weapon capability that has been under development since the regime of his grandfather Kim Il Sung, the founder and eternal 'Sun of the Nation.' Even worse, the lack of unity among concerned parties (U.S., South Korea, and Japan) on coordinating measures to deal with North Korea and the intensifying discord between Washington and Beijing also pose risks for any North Korean denuclearising process. In this regard, ASEAN must remain alert and be sufficiently bold to catch any golden opportunity to provide a diplomatic platform for resolving major regional disputes, whether on the Korean peninsula or in the wider East Asia region.

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# The ASEAN Regional Forum: Less than meets the eye

Mark Beeson

If ever there was an organisation that looked to be in the right place at the right time it's the ASEAN Regional Forum (ARF). We are routinely told that the broadly conceived Asia-Pacific region contains many of the world's most combustible flashpoints, from the Korean peninsula, through Taiwan, and on to the territorial disputes in the South China Sea. What the region really needs is an effective forum for managing and possibly resolving these tensions. Cue the ARF.

In theory, the ARF looks well placed to take a leading role in managing these admittedly difficult security problems. After all, the ARF contains all of the key protagonists-with the noteworthy exception of Taiwan-in the region's principal disputes. Even North Korea is a member although, in some ways, the ARF's expansive membership is a problem; just like APEC, it has struggled to come up with a common agenda or approach to problem solving.

The reality is that the ARF has achieved nothing terribly significant in its first 25 years. It is not likely to do much better in the next. On the contrary, it may become even more irrelevant and marginalised if and when strategic tensions ramp up.

The ARF's principal problem is its *modus operandi*. The ARF elected to employ the so-called 'ASEAN Way' of diplomacy, which is based on consensus, informality, and face-saving. Crucially, even if the ARF were to agree on something definitive, members are under no obligation to actually implement it. The predictable consequence, of course, is that it is much easier to avoid or ignore difficult and contentious issues, lest this cause offence to its hypersensitive members.

Two issues are especially delicate: maintaining ASEAN's supposed 'centrality' in regional diplomacy and ensuring that there are no infringements of national sovereignty, which is considered a sacrosanct and non-negotiable issue. This also means that, regardless of how states respond to challenges to domestic order, the ARF is essentially without practical options to so much as encourage better solutions. Unsurprisingly, the idea that states have a 'Responsibility to Protect' has only selective support in ARF circles.

True, there is a good deal of 'confidence building' and no end of meetings and initiatives as a result of the ARF's institutional presence. Indeed, the number of meetings associated with ASEAN and the several processes, including the ARF, that it sponsors has become the stuff of legends. To be fair, these endless get-togethers must have made *some* sort of positive contribution to regional security; the question is how much.

For ASEAN/ARF boosters, the answer to this question is quite a lot. The argument goes that without ASEAN and the ARF the region would have seen more conflict. Maybe. But one of the most important, empirically robust developments in the study of international relations over the last few decades has been the remarkable and continuing decrease in the level of inter-state violence everywhere. In other words, the 'long peace of Asia' is actually the rule not the exception. In such circumstances it's not at all obvious that ASEAN or the ARF should get the credit for this happy state of affairs.

The more fundamental question posed-indirectly, of course-by the ARF's limited impact is about the

general future role of multilateral institutions in attempting to manage strategic relations. This is a growing problem around the world, but it is especially acute in the Asia-Pacific where there is little history of effective institutional-building-the large number of contradictory, overlapping and competing regional initiatives notwithstanding.

Despite a clear demand for a regional security architecture worthy of the name, it is unlikely to be supplied. The few multilateral organisations that have been effective and made a difference-arguably NATO and the European Union in their heyday-have had effective leadership and a real institutional capacity to implement policy. The ARF, as a matter of choice, has not had these characteristics at the best of times.

Clearly, these are not the best of times and this makes the problems worse and the likelihood of collective action ever more remote. When the 'leader of the free world' appears to have little understanding of, or enthusiasm for, multilateral forums then there is little point looking to the Trump administration for leadership.

The recent alarmingly fractious meeting of the G7 does not bode well for institutionalised international cooperation of any form. Trump's apparent embrace of the 'Indo-Pacific' region suggests that he prefers more tightly focused, traditional balancing coalitions, rather than more geographically expansive, multi-member multilateralism.

Perhaps China will continue its move to fill the leadership vacuum. If so, this will likely cement the ARF's role as a rather elaborate piece of institutional window dressing.





ARF Defence Officials' Dialogue, Sydney 2011. Source: ASEAN Regional Forum.

China is no more enthusiastic about compromising its sovereignty than the ASEAN states. Despite the fact that China has demonstrated its ability to preclude ASEAN solidarity, it will not want to have its territorial claims or its disagreements with Taiwan and Japan discussed by the ARF.

The rather depressing conclusion for those of us who are unreconstructed admirers of multilateralism-in theory-is that the future of institutionalised cooperation everywhere is not looking good. Indeed, it is hard to think of a single multilateral organisation that is doing an unambiguously good job and enjoying the unqualified support of its members, much less the general public. Sadly, the ARF may be emblematic of a wider malaise.

We may be about to find out what the world looks like without effective international institutions.

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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 ASEAN Regional Forum (ARF).





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