



# **Council for Security Cooperation in the Asia Pacific**

## **7<sup>th</sup> General Conference**

### **New Challenges to Asia Pacific Security**

Jakarta, 16 - 18 November 2009

# **REPORT**

**For Public Release**

**CSCAP Indonesia**

*Part I*  
**INTRODUCTION**

Council for Security Cooperation in the Asia Pacific (CSCAP) 7<sup>th</sup> General Conference was successfully convened in Jakarta, Indonesia, from 16 to 18 November 2009. CSCAP Indonesia again served as the host committee. Four other member committees, namely AusCSCAP, CSCAP China, CSCAP Japan, and CSCAP Singapore, agreed to co-organize the conference, most notably in finding and securing funds and inviting speakers and dignitaries from their countries.

With the objective to create a forum for an open second track dialogue, the co-organizers worked and consulted closely to formulate a set of topics and speakers. Despite its tight and lengthy schedule, all sessions succeeded in creating lively, open and frank discussions and debates on the most significant contemporary security issues faced by the region. With “New Challenges to Asia Pacific Security” as the main theme, the conference lasted three days, with the first day devoted to Regional Security Implications of the Global Financial Crisis. Day two of the conference addressed regional security architecture, naval build up in the Asia Pacific, and disarmaments and arms control. Throughout the conference, distinguished scholars and government officials from around the region were present and delivered their views. Finally, on the last day, political challenges and prospects in Southeast Asia as well as tensions in Northeast Asia were addressed.

Following the success of the previous three General Conferences in Indonesia, the 7<sup>th</sup> General Conference promoted the enthusiasm among all CSCAP Member Committees to continue this great effort, which in the longer run is hoped to contribute greatly to the regional security in the Asia Pacific.

**GENERAL OBSERVATION AND ASSESSMENT**

***Participants and Role Players***

Around 200 foreign participants from 18 countries in the region and over 150 Indonesian participants attended the conference. In addition to representatives from CSCAP Member Committees, the conference participants also include scholars, journalists, activists, and government officials. A large number of the participants were from the younger generation, including university students and young scholars, and most notably the participants of the Pacific Forum Young Leaders program. This is very encouraging, as the involvement of the younger generation in CSCAP is relevant to the extension of the network. All participants attended the conference in their private capacity.

Distinguished individuals were invited to participate and play various roles in the conference, namely as keynote speakers, presenters, and chairs. The presentations given by all speakers were sharp and candid. The way they shared their minds on their assigned topics showed the high quality of their presentations.

Each session commenced with a Keynote Speech, which gave an overarching overview to the audience about the topic of the session. The sessions were then followed by several issue-specific presentations, to create comprehensive discussions. The role of the chairs was pivotal in the success of each session, as they stimulated lively and scholarly debates and discussions, as well as making sure the sessions went as scheduled.

### *Selection of Topics and Flow of Discussion*

At the preparatory stage, drafting the program of the conference included formulating a set of topics that would not only attract the attention of the audience, but would also cover all contemporary security challenges in the region. Although full mandate and liberty has been given to the co-organizers to decide the topics, wide consultation was made with as many members of CSCAP as possible. In addition to this, experience from the previous CSCAP General Conference also contributed to the consideration.

In order to create effective presentation and encourage more discussion among participants, each Keynote Speech was given an approximately 20 minutes time, while presenters were given 8 to 10 minutes each to present their views on their respective topics. Chairs of each session were given the liberty to remind the speakers about their time limits, and they were giving the task to be interventionist – clarifying points, relating the views of one speaker to those of another, bringing the speakers into conversation with one another, identifying other conference participants with expertise on the matters under discussion, keeping the focus on key issues and if necessary asking questions to the panelists.

To ensure open, frank, and friendly atmosphere for discussion, the conference was held under the Chatham House Rule. All participants were repeatedly reminded to observe to this rule.

At the sidelines of the conference, CSCAP proudly launched the annual CSCAP Regional Security Outlook.

**Monday, 16 November 2009**

Opening Remarks

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The conference was opened by Professor Carolina Hernandez who highlighted CSCAP's objectives and activities, and how it aspires to be inclusive, open, independent, forward looking, and proactive in seeking policy and action conducive to the building of a better Asia Pacific region. Furthermore, she also highlighted how CSCAP's work has been undertaken by study groups co-chaired by likeminded member committees, who have the support from the steering committee as the principal decision-making organ. When there is compelling reason to issue a CSCAP memorandum addressed to the ARF and other decision makers, CSCAP does so with the full support from the steering committees. When consensus is lacking, CSCAP issue reports of the study group—with the chairman statement, among others, being a modest contribution to the regional thinking on urgent matters relating to regional security issues. Finally, Prof. Hernandez reiterated that CSCAP's engagement with the ARF has slowly been built through such numerous reports and briefings.

Moving to the theme of the conference, Prof. Hernandez underlined the focus of this year's conference on "New Challenges to Asia Pacific security", while expressing her gratitude that this year's conference is graced by regional and global heavyweights who came not only as an expert, friends, but also as fellow travelers in a road often troubled, but whose maintenance and long term stability often neglected. She ended by thanking all CSCAP partners, two of which The Jakarta Post and Boeing, who made the conference possible. Following the opening remarks, HE. Dr. Marty Natalegawa, Indonesia's Foreign Minister, graced the conference by delivering a keynote speech. The following is the transcribed speech.

Dr. Rizal Sukma, thank you very much for that kind introductory remarks, and of course to Dr. Carolina Hernandez as well thank you for your important contribution. I'd like to begin by expressing my most profound appreciation to CSCAP for the kind invitation to myself to be present this afternoon and indeed to deliver the key remark and share some thoughts with respect to the issues before the conference.

I am certain that the forum will provide a valuable contribution and input not only to academics but also to practitioners of foreign policy. I also share fully the sentiments expressed by Prof. Hernandez earlier that this forum brings together some of the best mind on foreign policy from within our region and beyond.

Just as a footnote, some of you may not be aware, but when I was completing my Ph.D research, Professor Hernandez was actually one of the first persons whom I have interviewed. And this was back in 1990 if I'm not mistaken, and I remember her as being extremely generous with her time and in her assistance and her support. And I'd like to thank you once again Dr. Hernandez.

It's been some 20 days or so since I took up this new post. So I only have experience in my favour as I am only somewhat 20 days into my job. But even during that short period of time I can share with you that there has been some events and occasions that I had to attend and be responsible for. Practically the day after my appointment I had to attend the ASEAN Summit, and the related ASEAN meetings.

Soon thereafter there was the Indonesia EU troika meeting, which led to the EU-Indonesia cooperative partnership agreement, and then of course we've been attending the APEC leaders meeting. Actually, I have just returned from the airport about 45 minutes ago, so if I'm a bit somewhat incoherent, I hope you would understand why that is the case. We have also just had the ASEAN -US leaders summit, and dozens of other bilateral, both leaders as well as ministerial, meetings.

Ahead of us, we have a full calendar of various diplomatic activities. We have the upcoming Copenhagen Conference on Climate Change in December. We also have the fresh cycle ASEAN related meetings and summits in the New Year. In other

words just by being passive and simply responding to the various conferences, meetings, and the like, that would already take up quite a substantial part of one's time and preoccupation. And thus I feel, as I begin this new task, it is very important to be able to reflect where we are, and where we want to go in terms of Indonesia's foreign policy as we begin this new government. And I want to use this opportunity, this forum, if I may, just to compare notes and share some preliminary thoughts on my part and hopefully take this conference as an opportunity to be able to obtain valuable inputs so that I can further refine and sharpen some of those thoughts.

The way I see it, dear colleagues, the world is certainly an extremely complex one. That hardly needs emphasis. We've had over the past year various situations where we had to deal with the financial crisis, the energy crisis, and the climate change challenge, while at the same time having to deal with the perennial traditional challenges that has always been confronting us. In other words, we have not only a proliferation of extremely complex issues, but these are also issues that are very much interrelated to one another, which makes their resolution all the more difficult.

Not least, we have also had a situation where we have a proliferation of stakeholders and actors. In fact, I don't think there ever was a case or a situation where only governments deal with these issues. This is increasingly more pronounced—whereby not only do we have a proliferation of complex issues that are interrelated, but also at the same time, there are a growing number of stakeholders who we need to reach out to and with whom we need to be building coalitions with, especially with likeminded aspirants.

Not least for us practitioners, where the reality of time within which we can respond to the various crises have become extremely compressed because of the phenomena of the information revolution where we find ourselves almost constantly and instantly be demanded to respond in a very quick way.

In the face of such challenges, I would like to share some key thoughts relating to Indonesia and its foreign policy as the new government begins its work.

One tag line, so to speak, or one of key thought, in so far as the present government is concerned and as it relates to foreign policy, is the theme of “change and continuity.” These two elements, this tagline, is one of the points that I would like to emphasize.

Continuity first. Because we’ve wanted to ensure that there will not be any pressures or inclinations to simply undertake change for its own sake – rather there is a need to identify where things have worked, and those that have worked in our foreign policy, that we wish to reconfirm, and build on and continue to further strengthen. And here of course for Indonesian foreign policy experts, it wouldn’t surprise you all that our continued preoccupation with the constitutionally-provided independent and active foreign policy remains the case.

That would of course be the continuity aspect of our foreign policy orientation. It means at the present day and age, it is basically the capacity for independent decision making. If there is ever some fine tuning of this concept in the years to come, it would be our inclination to also focus on what I would like call “bridge building.”

Indonesia believes that we have those qualities that make us able to address or build bridges between different interests and different inclinations – and this has been, and is increasingly the case in terms of Indonesia’s foreign policy orientation. How we can build greater efforts at bridge building to bridge differences and be a part of the solution, given Indonesia’s unique qualities.

A second element of continuity, I would say, would be the attempt to continue to consolidate the transformation in Indonesia’s foreign policy started under my predecessor, Dr. Hasan Wirajuda, as foreign minister for much of the reform era. As you recall, Indonesia underwent quite substantive transformation in its political system in 1998. In fact, for 8 out of those 10 years Minister Hasan Wirajuda has been the chief diplomat responsible in bringing changes to the way of our foreign policy is conducted – what I would call a “democratization of our foreign policy.”

Here democratization is both in terms of substance as well as in terms of process. In terms of substance it means that we are now increasingly preoccupied on issues that are to do with human rights, to do with good governance, to do with even issues such as protection of our nationals abroad. In other words, the widening of the kind of concerns on foreign policy that we would otherwise not be preoccupied on.

Democratization also relates to the process of foreign policy making. Here, I think the preoccupation over the past ten or eight years has been how to ensure that foreign policy making becomes more engaging—how do we ensure that we have sense of ownership in foreign policy making. And here, colleagues would understand that in many instances, Indonesia in formulating its foreign policy have been engaging the think tanks, the academic community, and the parliament to ensure that at every step of the way, we have a good constituency and support for our foreign policy.

Such a trend, namely the democratization of our foreign policy, I believe, will become more pronounce in the next five years—both in terms of substance and in terms of process. In terms of substance, I would want to see situation where on key issues we would be on the right side of the argument. In terms of democratization and in terms of good governance, because we would want to be sure that our foreign policy reflects our own domestic internal preoccupation with matters to do with democratization and human rights. That also would also constitute the continuity aspect of our foreign policy in the immediate future.

The second tag line, or key thought, would be ASEAN. Now of course, we have used a number of terms to describe our interaction with ASEAN—whether it be as the “cornerstone” of our foreign policy, or whether it be as a “home” in our foreign policy. I’d like to emphasize here that so far as Indonesia is concerned, our engagement in ASEAN is not optional in its nature. In other words, ASEAN is a fact of life—we are as a country of the region. It is our vital national interest to see an ASEAN that is strong, that is vibrant, and that is therefore in line with our own national interest.

I'd like to recall here back in 2003 when Indonesia assume the chairmanship of ASEAN it was a conscious effort in our part to engage people like Rizal Sukma in particular to sit together and to think how and where we want to see ASEAN move in terms of its immediate future. We could have adopted a more automatic pilot attitude seeing through our chairmanship for the year, chairing various meetings, or we choose to add value to our chairmanship. And back in 2003, we strategically decided we need to develop ASEAN to become a community.

And as you recall back in 2003, ASEAN promulgated the notion of an ASEAN Community with its three pillars. From 2003 to 2008 and 2009, we have seen tremendous architecture building and institutional building within ASEAN—with the three pillars, the plan of action, the ASEAN charter, the strengthening of the ASEAN secretariat, so all the wherewithal are there. We have these instruments within ASEAN, and now after 6 years of efforts. It is all there and now Indonesia's interest is simply to deliver.

I think it is enough to say that we do not want to see a situation where we simply have more documents emanating from ASEAN—we've had your blueprint, and we've had your plan of action. It's just time to do the thing that we say we want to do. So Indonesia's foreign policy will be really focused on ASEAN to ensure that all the commitments we have made and all the instruments we have created, actually delivers. Otherwise, there is a risk of disconnect, a risk of cynicism. Because there is an accusation that ASEAN is self-absorbed and do not actually deliver concrete results. Our interest therefore is to see ASEAN that is truly moving towards a community spirit and community relationship in the immediate years to come.

The next tag line, the third one, I'd like to mention is our constant preoccupation to be the leading voice in regional architecture building. This is an issue that very much preoccupies many of us. As I said, I just returned from the APEC leaders meeting a few hours ago and about couple weeks ago we were at the ASEAN Summit, and one of the main discussions in those two forums have been the notions of an Asia Pacific Community introduced by Australia and the notion of East Asia Community

introduced by Japan. Both ideas have been eloquently presented by the two countries, and ASEAN countries have been listening, have been absorbing the concepts, and have been questioning what ASEAN's view on this subject is, and indeed, what Indonesia's view is as well.

What is wonderful and what is pleasing is that this is not a new subject for us, because we've dealt with it back in 2003. Again, because as we mentioned before, when we decided in 2003 to invest in ASEAN, in building the ASEAN Community, it was because of precisely the anticipation that we will be moving towards an East Asia wide Community. So our thought is that in anticipation of such trends, we had better put our house in order to make sure we have a head start so that ASEAN can truly be in the driver seat, or central position, once this momentum picks out. Of course, the issue is very much at the forefront of the current debate, thanks to Australia and Japan's initiative, but for us, certainly for Indonesia, we said "well, this is nothing new", because we've been thinking about this in 2003. We are ready, we have the wherewithal as far as ASEAN is concerned.

Our interest now is how we can live up to this notion of ASEAN-led, or ASEAN centrality. I often spoke with my ASEAN's colleagues to say that "you cannot simply, as a matter of constant pronouncement, and the centrality ASEAN will come about. It has to be earned. It is not a mantra that you keep on saying; and simply by saying that "ASEAN is central and that ASEAN is in the driving seat," as a matter of course that will happen. We believe ASEAN needs to earned that status, it must show that is able to assume such a responsibility. And this is not an easy task. Because as you know, notwithstanding the various wonderful documents that we have relating to the ASEAN Community, even in the recent day and recent weeks we have seen relations between individual ASEAN member countries are somewhat challenged.

So we must really ensure that there is no gap between our supposed regional aspirations and the reality of bilateral relationship. And in this connection, Indonesia has been active and yet low key in offering its good offices if asked to try to build

bridges, and as I mentioned before, to ensure that between the ASEAN member countries there is no complication in their relationship. Thus, this notion of regional architecture building in East Asia is not a new concept. We are familiar with it. ASEAN has begun the whole process, and now we are simply seeing others also following on ASEAN's footsteps.

Our view, certainly at this time, is that the idea of East Asia Community is not something that can simply be promulgated or enacted overnight. A sense of community is not something that you can simply have happened through declarations and through resolutions, but it is something that develops overtime in a building block, in a "step-by-step" kind of process.

And in this connection, again, we already have those processes. We have the ASEAN Community, ASEAN plus one, ASEAN plus three, the East Asia Summit, the ASEAN Regional Forum, and APEC. We see this as being a multi-track path towards an East Asia Community. With the greatest respect to those who wish to present new ideas of an East Asia Community, or Asia Pacific Community, our concern is that if you simply try to keep announcing that you have a new organization, or a new forum of this type, it will become obsolete almost immediately.

Because the region is so fluid, so dynamic, it is in a constant state of change. A mere announcement of a forum or an organization made of country A to country Z will immediately raise the questions of the borderline; how come that country is included and not that country. So we think it is very distracting and it is best to get on with the business of deepening cooperation, greater interaction, greater integration even, and eventually, naturally it will lead to some kind of community conditions be built in the East Asia settings.

Very quickly, a number of more by way of domestic foreign policy concerns, again as by way of our tag line or sub theme, is the idea of "debottlenecking and acceleration." I am not sure whether debottlenecking is already considered an English word but the idea is to remove bottlenecks. This is a preoccupation of the

present government: how we can ensure that in every undertaking we remove bottlenecks and ensure acceleration of efforts.

In Indonesia's foreign policy, this means that we must ensure that our foreign policy is firmly based on the domestic requirement of contributing to our economic development efforts, the promotions of investment, promotions of trade, and ensure that there are no bottlenecks that prevent the attainment of those objectives.

Another tag line that is often cited recently, and so far as the present Indonesia's government is concerned, is this notion of "zero enemy and a thousand friends." This is the notion of Indonesia being in a state of positive relationship practically with all countries. And in a way this is being acknowledged by *The Economist* magazine recently in its special report, which had the article headed by the words "everybody's friend." And certainly Indonesia is keen to ensure to have a very comprehensive and multi-directed foreign policy and establishing friendly relations with as many countries as we possibly can.

Two final thoughts if I may. One is the efficacy of "soft power." Indonesia believes that its strength in terms of diplomacy lies in its soft power. And here where we have been dealing with the question of overcoming the threat of terrorism by promoting interfaith dialogue, in promoting cooperation between different faiths, and in engagement is the clearest example of how we believe "soft power" can be the key effective instrument in dealing with many of the world's challenges.

One final thought with respect to the identification of new opportunities. Here, as you would recall, Indonesia is recently now included formally as permanent member of the G-20. Of course at this time the G-20 is principally an economic and a financial forum, but we do foresee a situation where it might develop to be of concern to other issues as well. Hence, we see our membership of G-20 as offering valuable opportunity Indonesia to project its role onto the world stage as responsible power. And we will certainly be ensuring that we are playing a key role in that forum.

All in all, I'd like to say therefore that I'm sure in the next few days, in the next few sessions, you would have productive sessions discussing various facets of the security threats in the Asia Pacific region.

I have tried in the best way to illustrate some of Indonesia's foreign policy concerns or ideas at this time. What you can be sure of is that the Indonesian government and Indonesia's foreign policy in dealing with all these various issues and challenges, we will present ourselves as being part of the solution. We are not interested in accentuating differences. We are not interested in making life more difficult for anyone. Rather, we wish to be seen to be part of the solution and we will be working hard at that.

And that means sometimes we may have to lead, being at the front, but sometimes we may lead by being at the back. So to those who are watching and analyzing Indonesia's foreign policy, what is obvious may not often be the case. Hopefully, we will see more "statecraft" and probably less "stage craft." Because there are some matters that can be dealt with in low key, especially when it relates to disputes among neighbours entangled with sensitive issues. And I will be more inclined to address this issue in a low key, and yet effective way by giving enough space to the parties concerned to feel that there is a sense of ownership in their undertaking.

I hope, as a final thought, to be able to rely on this tremendous body of collective experience and knowledge that is gathered in this room, to be Indonesia's ally in strengthening and refining its foreign policy. And I shall be extremely humble in acknowledging that we simply do not have the monopoly of wisdom, and we need to be informed, we need to be advised in how to proceed. Because in this day and age, foreign policy is too far an important subject to be led to people like myself wearing dark suit and bureaucrats in the foreign policy department. But we need truly the inputs and valuable advice learned from people such as yourself. Thank you very much for this opportunity and I hope you have a very productive session.

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**Session I**  
**Regional Security Implications of the Global Financial Crisis**

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In this session, the presenters addressed key issues relating to the global financial crisis and how it affects regional security in Asia. One speaker even reiterated that the global financial crisis, the people, and the institutions are all reciprocally related. It was also noted that the structural imbalances were the main reason behind the global financial crisis, especially from the combination of the relatively loose and permissive US monetary policy and the complicated US financial system. Other issues were also said to have contributed to the crisis, including the politically-mandated subsidized housing mortgages, the bad assessment of U.S. rating agencies, and ineffective corporate governance.

One participant added that the global economic crisis highlighted several crucial issues emerging in public discourse. First, the promises and pitfalls of the global architecture—including the creation of the G-20 as the premier forum for global economic cooperation. Second, the need to rethink the export-oriented Asian growth model, which may longer be applicable. Consequently, questions regarding the western-oriented regional economic model—which are also strongly directed by multinational corporations—came to light.

However, although the worse seem to be over, one of the main challenges facing regional countries after the global crisis is how to find the most suitable and sustainable economic policies as part of their exit strategies—that were also less than clear. The panelists remarked how such confusion could add more uncertainty to the market.

When it comes to security dimension meanwhile, one presenter remarked that the literature on the correlation between economic conditions and internal/external security while extensive are actually inconclusive. That said, contemporary security issues like weapons proliferation, piracy, and terrorism, were said to be significantly correlated with economic development within regional countries. Therefore, the

participants noted, effective solutions regarding regional security issues will largely depend on the strength and effectiveness of Asia's regional institutions. Additionally, it was noted that the global financial crisis had increase the political economic security role of China, India, and Indonesia, and the regional architecture will become a pluralistic system as opposed to a multi-polar system—though the U.S. will still remain the largest power centre. In other words, it seems that the global balance of power had shifted from the west to the east.

Despite such assessments, one panelist noted the “positive” implications of the global financial crisis, especially how the global financial crisis checked arms proliferation and lowered American military spending. The crisis also boosted the deepening of ongoing dialogues between U.S. and China, and the readiness of the U.S. to speak to what it once considered rogue states reflected a change in outlook and attitude. However, it was noted that any positive outcomes from the global crisis can only benefit the region if there are further, deeper cooperation among regional powerhouses. In other words, positive results can only be sustained if developed economies could work together with emerging economies on global security issues, especially between Brazil, Russia, India, and China (BRIC), who are making their way into the global stage. In this regard, the formation of the G-20 is an excellent opportunity for Asian and Western countries to form better cooperation with one another to face the challenges lying ahead.

Following the presentation by the panelists, the question and answer session raised many crucial issues that centered on the relation between the world's greatest economic powers, the U.S. and China. Specifically, the participants questioned the fallacy of American model and the need to find a new synthesized model derived from the lessons of the global financial crisis. Regarding China's rise, they addressed the economic and political partnership that came along with China's intentions in the region. The idea about aligning economic systems, specifically the exchange rate, was also raised during the session.

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**Dinner Speech**  
**Ambassador Richard A. Woolcott,**  
Special Envoy of the Prime Minister, Australia

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Ambassador Woolcott spoke about Prime Minister Rudd's proposal regarding Asia's regional architecture and the reason why he initiated the proposal. First of all, he stated that the Prime Minister acknowledged the economic and geo-strategic shift from the Atlantic to the Pacific. Consequently, the growing importance and influence of regional powerhouses like China and India are particularly noteworthy, especially given the complicating new challenges ahead, including the possible competition over scarce resources like oil, gas, food, and water. Not to mention the persistence of "traditional" threats like nuclear proliferation, territorial disputes and terrorism. All of these challenges require multilateral, bilateral and trilateral approaches. Amb Woolcott also noted the importance of "middle-sized" countries such as Australia, South Korea, Malaysia, Thailand, Vietnam, in this regard to put forward new ideas in the region.

Amb Woolcott further noted that Mr. Rudd's initial objective is to hold a governmental meeting of the six major regional countries and other countries in the Asia Pacific region to talk about how best to handle the new economic, political, and strategic challenges in the coming decade. Mr. Rudd believes that existing regional institutions either does not have the mandate, the membership, or the ability to deal comprehensively all the issues above, especially in the political and security realms. This is where Australia wishes to contribute. After all, he noted that Australia saw itself as part of the presence in Southeast Asia and that Australia is the 14<sup>th</sup> largest economy in the world after Japan, China and India. Amb Woolcott also believed that Australia was in the best position to initiate the community given its record as an established actor in creating and sustaining regional dialogues.

That said, after travelling to twenty two regional countries, he found several points regarding Mr. Rudd's proposal. First, there appears to be a general level of interest

in the 'Asia Pacific Community' proposal, including a widespread agreement of the importance of discussing what might be the best regional arrangements to be developed to meet the challenges ahead. Second, there seems to be recognition in the region that existing institutions are inadequate to create a productive forum to discuss the full range of regional economic, security, and environmental challenges. Third, despite such recognition, there seems to be little appetite to create additional new institutions, especially as it could further burdened the already heavy travel schedule and demand of regional leaders. Fourth, for all its worth, there is a clear interest to further discuss the Asia Pacific Community proposal, including the need to address 21<sup>st</sup> century geo-strategic and economic challenges and how best to develop the institutional machinery to deal with them.

Amb. Woolcott then described Mr. Rudd's belief that any kind of regional proposal, including his, should be part of a step-by-step process. Therefore, he suggested a 2<sup>nd</sup> track conference that includes senior governmental officials from over twenty regional countries, as well as leading politicians, academics, businessmen, and opinion makers from each country. To conclude, Amb Woolcott reminded the audience that the biggest gap in the present global system is the absence of a driving centre which reflects the changing balance of the global economic-security power, and that the global financial crisis has proven that Asia Pacific countries need a better regional machinery to tackle the challenges ahead.

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**Tuesday, 17 November 2009**  
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**Session II - Regional Security Architecture**  
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On this session, one participant highlighted three concepts to reduce risk in regional security: (1) jointly tackling non-traditional security issues, (2) increase confidence building measures and (3) maximizing existing benefits in the region including the ongoing discussions on regional security architecture. However, it was also noted that a long term multi-layered approach was necessary to address them, which could include the following. First, the building and strengthening of bilateral, trilateral, regional and sub-regional institutions. In this regard, the following five sets of bilateral alliance are especially crucial: U.S.-South Korea, U.S.-Singapore, U.S.-Thailand, U.S.-Japan, and U.S.-Australia. Second, there is a need for stronger relationships within the region especially between Japan, China, Korea and U.S. Indeed, strategic discussions among these three would be very much needed to create much stronger confidence in the region.

Third, at the sub-regional level, there is the need for a success of the 6-party talks as well as the strengthening of ASEAN's role. The Six-Party-Talks will remain one of the main keys to resolve the North Korean issue, though it may take a while to see a comprehensive solution regarding the denuclearization of the Korean peninsula. It will nevertheless play an important role in implementing or supervising any resolution. Meanwhile, regarding ASEAN, there seems to relatively high degree of expectation and disappointment in how the group in handling the Myanmar case and the related democratization process in the country. Fourth, at the regional level, the Asian Regional Forum (ARF) and the East Asian Summit are particularly relevant here. The challenges facing these groupings however are becoming more complicated as new forms of non-traditional security challenges are on the rise.

More specifically, one participant further noted that the EAS itself is evolving, and there is a chance to shape it according to circumstances, especially since countries such as Russia and the U.S. want to be involved. The challenge of course is how integrate the economies of these great powers into the grouping. It is wise therefore to keep the door open. Thus, it would be wise to give more time for the EAS to consolidate as eventually a more effective EAS will ultimately increase regional stability and security. The role of ASEAN is crucial in this regard to drive the process forward.

The majority of the panelists also seemed to agree that there is a genuine need to have a concerted effort to create a multi-tiered regional community. This would be a community that was effective at all levels and had a thorough mandate and objective goals. However, to be successful, any future regional architecture also needs to adopt an inclusive, step-by-step, and flexible attitude, while engaging regional or global affairs on a case-by-case basis. Furthermore, given the potential danger over the presence of several large powers in the region, and the lack of sustainable in-depth dialogue, deeper regional cooperation to reduce risk and increase confidence is increasingly urgent. It was further noted however that any future strategic architecture created should define itself according to its relationships and adjust to regional and global needs in a flexible manner.

However, another panelist took a different stance and questioned the need to focus on a “supra-structure” when talking about the need for regional security architecture. While acknowledging the need for infrastructure, it was noted that functional cooperation can still take place and that the 21<sup>st</sup> century should look towards a region that is inclusive and include the participation of weaker states. Indeed, the G-20 was cited as those “architecture” that excludes the weak and outside the ambit of decision making. This situation resulted in sense of marginalization and disenfranchisement among other states, which could prevent consensus building process. Consequently, the Australian-led Asia-Pacific community proposal was feared to be heading in that direction.

Another area discussed in this regard was the strategic and defense partnerships in the region. It was noted that a defense regional architecture might be needed to integrate the weakest military forces in the region with the mightiest. This could be done through interaction in areas such as airspace management, cyber security, and so on. More importantly however, is the need to improve and develop common understanding among regional militaries to set the cooperation agenda and address emerging non-traditional security issues such as disaster management.

Regardless of the promises and pitfalls of the approaches proposed, the panelists noted that it would be the emerging powers of Asia like Japan, Korea, India and China that would form the key components of any future framework on regional security. The role of these regional power houses is especially crucial as the regional momentum of “architecture building” continues. Additionally, the growing interest of the Obama administration to engage the region, and the growing assertiveness of the region may further boost the momentum.

Subsequently, the Q&A session looked at issues surrounding the U.S.-Japan alliance, which the panelists agreed was useful for the time being. The discussion further highlighted the central role of America in maintaining strategic stability and regional peace. However, the audience seemed to believe that existing regional forums like the ASEAN and ARF should not be abandoned entirely, but they should become a model for future architecture building to complement American presence. Some also viewed skeptically Australia’s Asia Pacific Community proposal.

However, a participant suggested the forum to take a more pragmatic approach between two different ideas where states should work around existing institutions or create new ones. The floor further noted the need to have something greater to pursue—in terms of an inclusive, multilateral kind of community—while keeping realistic goals in mind. This would allow us to be pragmatic and flexible. One area of cooperation proposed in this regard is the realm of non-traditional security issues like disaster management. Cooperation in such areas is less an issue of sovereignty than the need to have practical steps in the face of mutual challenges.

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**Session III**  
**Naval Build-Up in Asia Pacific**  
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Moving on from the challenges of regional architecture building, the third session talked about the enduring security dilemma of naval build-up in the Asia Pacific. Specifically, the panelists highlighted the sustained build-up of naval capacity in Northeast Asia, especially since 2000. This build-up, said one panelist, was part of the second round of a regional defense and military build-up since the 1980s – that got briefly interrupted by the 1996 Asian crisis. It was further pointed out that there has been substantial evidence of action-reaction dynamics, and even an arms race in Northeast Asia, especially in terms of naval acquisitions.

Countries like Japan, China, South and North Korea as well as Australia have all boosted their defence expenditures by almost more than half in the last decade. The panelists however paid special attention to China’s defence spending, especially given the lack of full transparency and disclosure. In fact, a number could not be placed on China’s defence budget as the official figure excluded infrastructure build-up and nuclear weapons. In this regard, another panelist noted that there was a strong possibility of tension with the presence of China’s submarine ships. From 2001 to 2005 there was an estimated 16 submarines. This could be an indication of China’s intentions to become a regional hegemonic power.

Meanwhile, one panelist noted how Southeast Asia’s defence development is different from Northeast Asia. The modernization drive there seems to be unbalanced and lack a full-blown action-reaction dynamics, except for several countries like Indonesia, Malaysia, and Singapore, to some degree. Given all these developments, one panelist added that no arms control regime in Asia currently exists that could constrain these developments, and therefore, the role of arms race and defence development will continue to shape regional security for at least one to two decades ahead. Furthermore, defence modernization in the region will be more complicated as definitive weapons platform categories are increasingly blurred –

along with the growing interaction of conventional and non-conventional weapons system, including Theatre Missile Defence.

Consequently, the regional balance of power has become increasingly complex and continues to shift. Why and how these processes might radically alter existing regional security arrangements would depend on the nature of regional weapons acquisition, said one panelist. Another complicating variable in this regard is the unresolved past conflicts like border disputes—and potentially new ones like resource security—that would likely ensure the continuance of strategic competition. As a consequence, it is hardly surprising that that many regional countries are making efforts to further modernize their maritime forces, including under-water or submarine warfare capabilities. But of course, focusing on the arms build-up alone would be insufficient as strategic intent also needs to be factored in.

Another consequence of the regional naval build-up is the continued persistence of an Asian security dilemma requiring more trust and transparency. More importantly however is the need to foresee and pre-empt naval clashes and incidents at sea by crafting some sort of regulatory regime or common Standard Operating Procedure. This brought the issue of regional crisis management into the discussion, which has yet been fully addressed in recent times, said one panelist.

Little wonder therefore that during the Q&A session that followed, questions were raised regarding the different interpretations of the rights of naval passage at sea, and how that contributed to various incidents at sea. Other participants also asked about the prospect and end result of the growing naval build-up that the panelists have spoken about. More importantly, the floor asked how do regional powerhouses like China and India are dealing with the naval build-up which often also means the growing assertiveness of regional countries in their foreign policy.

The panelists responded by conveying the unfortunate fact that in Asia, the picture of regional naval build up is complex and less straightforward than a simple zero-sum game. Another panelist added that issues regarding freedom of navigation at sea further obfuscate this already complex picture, especially since America, as the

region's strongest naval presence, did not ratify UNCLOS. Meanwhile, developments in the Indian Ocean were also of particular concern for both India and China. Despite these undercurrent tensions, there have been plenty of navy-to-navy exchanges in the past few years which were aimed to strengthen defence relations and prevent possible hostilities. Nevertheless, the panelists acknowledged that there is no such thing as "absolute transparency", there are only "comparative" ones.

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**Luncheon Speech**  
**Mr. Yoshimasa Hayashi**  
Member, House of Councillors, Former Minister of Defence, Japan

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During the luncheon speech, Mr. Hayashi talked about the recent political changes in Japan after the defeat of Liberal Democratic Party (LDP), who dominated the government for more than half a century, to the Democratic Party of Japan (DPJ), especially in regards to Japan's defence and security concerns. He noted at the beginning however that for the present Japanese government, political reform as opposed to economic reform was considered the most important – though policies in general would remain the same. He further added that in Japan, it would be a learning process for the new government as they become cognizant to situational realities in the light of promises made during the campaign season.

Most importantly however, in terms of security and foreign relations, old issues are becoming new issues and new issues are becoming old issues. The former refers to the relocation of the Okinawa military base and the Status of Forces Agreement between the U.S. and Japan. While the latter refers to challenges like arms export and the need to review the collective defence rights – both of which are critical issues in U.S.-Japan alliance. As a final note, Mr. Hayashi stated that in the issue of arms export Japan needs to loosen up in the future. He also stated that, collective defence rights issues should be tackled so that Japanese warships could defend U.S. war ships in necessary times.

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**Session IV**  
**Disarmaments and Arms Control: Illusions or New Hope?**  
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In this session, nuclear and WMD proliferation seemed to take centre stage in the discussion regarding disarmaments and arms control. One panelist further remarked that nuclear non-proliferation would be a crucial arena where there is much work needed to be done as it is no longer simply a “regional” matter, but a global concern to all. Furthermore, it was noted that with the failure of Non Proliferation Treaty reform in 2005, appropriate steps needed to be undertaken to rectify the situation and as such the ICNND was formed. Subsequently, the drive to further address the issue was given further support by the growing positive momentum since 2007, especially since the elections of President Obama and Prime Minister Medvedev – both of whom have expressed their desire to create a nuclear-free world.

In this regard, four main challenges were highlighted. First, the number of available nuclear weapons that continues to pose complicated problems. Second, the unresolved issues of defiant states like Iran and North Korea, which not only sustained the level of regional anxiety but it also highlights the double standard imposed by the nuclear powers. Third, the probability of nuclear terrorism that cannot be entirely ruled out with any certainty. Finally, given the improvements in the global economy, and the rise of new regional powerhouses, the global energy demand has also increased – leading countries to turn more to nuclear power as an attractive source of energy in the future.

Addressing these challenges require short, medium, and long-term solutions. But more importantly, it also means addressing deep-rooted geopolitical and psychological hurdles. This is where the role of the International Commission on Nuclear Non-Proliferation and Disarmament becomes especially pertinent. The panelists expressed their hopes that this commission could produce more than just a wish list of desirables but could provide a realistic way of addressing disarmament, non-proliferation, and the peaceful use of nuclear technology. Ultimately however,

any promises and pitfalls regarding non-proliferation and disarmament depend on political will. One participant called in this regard for the “disarmament of the mind”, which must come first before the technical disarmament, although generally, the panelists weren’t convinced that a completely nuclear-free world was possible. In fact, one panelist noted that while it was politically correct to say that nuclear weapons are removable, but countries would ultimately think about their security first. The case of North Korea was cited by the panelist as among the most difficult challenges confronting nuclear non-proliferation in recent times.

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**Dinner Speech**  
**Ambassador Wu Jianmin**

Member, the Foreign Policy Advisory Committee, Chinese Foreign Ministry, PRC

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Ambassador Jianmin noted that the world had undergone a tremendous amount of change. He noted that the centre of gravity of international relations was shifting from the Atlantic to the Pacific. He also charted the five waves of Asia’s rise from the post-World War period to the rise of Japan, China and India in recent history. He noted that for the past 60 years, China saw tremendous change and the country was taking advantage of peace and globalization to develop. Furthermore, it was noted that China’s rise was peaceful, and that China had continued its rise with a policy of no expansion, no hegemony and no alliance.

He added that concepts that dominated western civilizations were never in line with the values of Asian civilizations. It was further asserted that these values had ensured that Asia never experienced religious wars as these values made Asia and Asians more tolerant. In conclusion, Ambassador Jianmin noted that Asia was not without its weaknesses but believed that strong bonds needed to be built to further economic cooperation based on mutual interest.

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**Wednesday, 18 November 2009**  
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**Session V**  
**Political Challenges and Prospects in Southeast Asia**  
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In this session, the panelists generally agreed that Asia today has been on a winning streak in terms of its peaceful state. However, it was noted that existing risks as it relates to regional security remains and that perpetual peace might be nothing more than wishful thinking. That said, the panelists recognized the achievements of ASEAN as a group in sustaining regional peace and stability and downplayed conflicts within the region. But there is a growing need to the group to deepen and expand its engagement with global powers like China and the U.S. The challenge here however is that the region has inherent contradictions and tension, as one panelist noted when discussing the trajectory of regional institution building.

In this regard, here is a strong linkage between regionalism and domestic socio-political changes. Indonesia's evolution and progress in the past ten years was cited here as a key "democratic success story" that also helped push the regional democratic promotion agenda. This success story, according to one panelist, was evidence of the benefits of institutionalized democracy as one of the best solutions to fundamental political problems. The other panelists also shared the existing domestic political situations within Jakarta's neighbouring countries of the Philippines, Myanmar, Thailand, and Malaysia. Regarding the latter, one panelist described how the current political stage in Kuala Lumpur is set for a full-frontal political battle between the Barisan Nasional and opposition parties, while economic conditions are still dire.

In Manila meanwhile, one panelist argued that the main issue at stake was who participates in the political process and has more or less access to the property classes. Furthermore, the problem also relates to persistence of a socio-economic structure that favours patron-client relationships. Not to mention the persistent

military influence in the government. In Myanmar, domestic political conditions have yet shown significant signs of improvement. In fact, as one panelist noted, the problems of illicit drugs, HIV, human trafficking and border conflicts are compounding the already dire domestic condition.

During the Q&A session that followed, the issues regionalism and institution building in the midst of all the conflicts and economic gap between regional countries took centre stage. Despite the conflicting views of the specific methods to address these issues, the panelists generally agree that we need to focus more on regional solutions for regional problems. Another panelist added that the region might also do well to focus more on citizenship building rather than nation building. And on conflicts in the region, the plausible solution is actually to manage or downplay them at the bilateral rather than multilateral level, and if need be, then possibly it could be referred to existing ASEAN mechanisms on dispute resolution.

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**Session VI**  
**Tensions in Northeast Asia**  
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The final session of the conference talked about the political and security tensions in Northeast Asia. The panelists noted two contrasting phenomenon in this regard. On the one hand, we are witnessing some encouraging developments, including mutual regional cooperation and community building. Further, interdependency in trade and investment is growing and East Asians understand each other better than any other time in history. Additionally, the relationship between China, Japan, and South Korea seems good and they meet annually to strengthen cooperation. Another positive development is Japan's positive attitude toward regional cooperation, especially under Hatoyama's leadership, as well as Obama who seems to have a more open minded attitude towards regional cooperation.

On the other hand however, the region continues to be characterized with the crisis in the Korean Peninsula. This has been cited by panelists throughout the conference as among the most potentially devastating critical issues facing regional security

today. Especially if we consider that North Korea has failed to cooperate with the international community, including in the Six-Party-Talks. Pyongyang has also yet to fully implement past agreements, remained outside the Non-Proliferation Treaty, and even tested ballistic missiles. If these behaviours continue, then regional countries would have no choice but strengthen alliance with the U.S. to secure a nuclear umbrella and develop missile defence programs.

Given these circumstances, resuming the Six-Party-Talks is the only viable solution. The main task here is to bring back North Korea to the negotiating table. This however may be harder than it seems. The other members do not seem eager or ready to provide Pyongyang's demands, while the latter is still unclear whether it is willing to surrender their nuclear program if their demands are not met. One panelist noted that this is because the nuclear weapons were mainly developed to balance against external threats, to guarantee the survival of the regime, and to be used as a bargaining chip, particularly to seek economic aid. In regards to the last goal, this seems to be a less successful venture for Pyongyang. In fact, even if large sums of economic aid were to be given to Pyongyang, the regime still has no sufficient capacity to make significant changes in their economic well-being without undermining the basis of the regime.

One panelist therefore suggested that there should a normalization of relations with North Korea and economic cooperation should come first. Additionally, efforts should be made to integrate North Korea's economy to region—with the hope of boosting the regime's sense of security. In addition, it was proposed that current negotiation should also be broaden to include peace and security in the Korean peninsula, and not just limited to the nuclear issue. This includes for example, the stalemate in the relationship between North Korea and Japan due to unresolved abduction issues, lack of strategic trust between the U.S. and China, and the continued suspicion between Chinese and Japanese militaries. The Six-Party-Talks was still cited as the best available vehicle to accomplish these objectives.

In the question and answer session that followed, a wide range of issues were discussed including the domestic regime in North Korea, the North-South unification process, nuclear deterrence, and the related Six-Party negotiation process. In this regard, two things were noted. First, the issue of denuclearization is very much related to the domestic regime and politics within each respective country. Second, economic reform is linked to North Korea's regime survival. One panelist also argued that there is fear among the North Korean leadership that economic modernization could undermine regime security. While in fact, modernization of North Korea's economy is necessary and may only be possible after regime insecurities are addressed.

As for unification process, one panelist explained that there is a resistance and lack of excitement among South Koreans regarding Pyongyang's nuclear weapons programs. This could further hamper any unification prospects in the future, especially considering that Seoul's economy may not be as strong as it should if North Korea was to be reintegrated. One might even argue that there is a lack of willingness among the younger generation to sacrifice their welfare to someone they do not really know. Regardless, peaceful and friendly unification might be the best way forward in the long run.

**CONCLUSION AND RECOMMENDATION**

The 7<sup>th</sup> CSCAP General Conference has considerably scored a major success, not only in terms of attracting a large number of audience and media coverage and stipulating open and lively debate, but also in putting forth CSCAP's views and activities to a wider public. A good composition of speakers and panelists determined the success of the conference. The conference was also highlighted by the involvement of both track one and track two representatives, as the conference's purpose is to link the two elements.

Following the previous conference, the 7<sup>th</sup> General Conference has successfully created an open and cooperative atmosphere for closer interaction between the officials - who are responsible in policy making and executing - and the public - who are concerned with the regional security issues and environment. The conference has crated good practice of the exchange of ideas between the track one and track two, which at the end might contribute to the improvement of the security of the Asia Pacific region.

As agreed at the previous conference, the General Conference would continue to be held regularly on a bi-annual basis. A proposal to hold the next conference in another country, as a change from Indonesia that has hosted the previous four conferences, came out during the informal talks at the side of the sessions. Having three or more Member Committees as the co-organizers would be maintained to improve and strengthen a sense of cooperation and solidarity among CSCAP Member Committees.

## *Acknowledgement*

As the host of the 7<sup>th</sup> CSCAP General Conference, CSCAP Indonesia wishes to express its deepest gratitude and appreciation to the co-organizers, namely AUSCSCAP, CSCAP Japan, CSCAP Singapore and CSCAP China and also to the CSCAP Secretariat and CSCAP Co-Chairs for the quality of cooperation and support rendered in organizing the conference.

Furthermore, the appreciation also goes to all other CSCAP Member Committees for the commitment, continuous support, and assistances extended to the conference. Some of the Member Committees were very much instrumental in promoting the conference, thus attracting a large number of participants from their respective countries. The presence of some key and distinguished speakers was also made possible because of great efforts showed by some CSCAP Member Countries. The host is grateful for this assistance.

The host and co-organizers would also like to thank the keynote speakers, panelists, commentators, and chairs for their excellent quality of presentation and role. Presentations and views presented at the conference have been stimulating and successfully encouraged lively and open discussion.

In the same manner, participants also deserve a credit for the success of the conference, for their active involvement on the discussion from the beginning until the very end of the program.

The host and co-organizers would also convey a special thanks to Boeing International Cooperation, PT Chandra Asri, PT Gesit Alumas and PT Jaddi International, as well as to our media partner, The Jakarta Post, for their indispensable support and assistance to make the whole conference possible.

Finally, the host and co-organizers appreciate the invaluable support and assistance given and the commitment made without hesitation by the large number of individuals and parties involved in the organizing of the 7<sup>th</sup> CSCAP General Conference.