9TH EAST ASIA SECURITY OUTLOOK

SEMINAR MONOGRAPH • 10 November 2016

SULTAN HAJI HASSANAL BOLKIAH
INSTITUTE OF DEFENCE AND STRATEGIC STUDIES
(SHHBIDSS)

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Edited by:

Research Division, SHHBIDSS

Sultan Haji Hassanal Bolkiah Institute of Defence and Strategic Studies
Brunei Darussalam

Sultan Haji Hassanal Bolkiah Institute of Defence and Strategic Studies

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SHHBIDSS invites internationally renowned academicians and practitioners to present and write on the different issues surrounding the East Asia Security Outlook. This publication is based on presentations delivered by SHHBIDSS's invited speakers on the 10 November 2016.

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First published on *2018*
ISBN: *978-99917-36-71-6*

Printed and bound by:
Brunei Press Sdn Bhd, Brunei Darussalam

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Preface

The publication is the outcome of the East Asia Security Outlook (EASO) Seminar conducted on the 10 November 2016 by the Sultan Haji Hassanal Bolkiah Institute of Defence and Strategic Studies (SHHBIDSS).

The main objective of EASO seminar is to share views, perspectives and outlooks on the current security environment of East Asia and its surroundings among expertise and research analysts. In addressing the current security environment and concerns, the contributors in this publication have covered an array of security issues ranging from the continuous presence of major powers in the region, complexities of relations among the Northeast Asian countries, challenges faced by small states, ASEAN's resilience in dealing with the dynamism and last a focused session on maritime security and the post arbitration award in the South China Sea. The topics and issues addressed here reflects the diversity and fluidity of security challenges faced by the region.

SHHBIDSS would like to thank the contributors, its staff and all others who are involved in making EASO Seminar this year a success.

Muhammad Shahrul Nizzam Umar
Director
Sultan Haji Hassanal Bolkiah
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List of Acronyms

ADMM	Asian Defence Ministers Meeting
AIP	Air Independent Propulsion
AIIB	Asian Infrastructure Investment Bank
ARF	ASEAN Regional Forum
ASCM	Anti-ship Surface Cruise Missile
ASEAN	Association of Southeast Asian Nations
ASW	Anti-Submarine Warfare
CATOBAR	Catapult Assisted Take Off Barrier Arrested Recovery
CCG	Centre for Corporate Governance
CoC	Code of Conduct
CSBM	Confidence & Security Building Mechanism
DoC	Declaration of Conduct
DPRK	Democratic People's Republic of Korea
EAS	East Asia Summit
ECS	East China Sea
EEZ	Exclusive Economic Zone
EMALS	Electromagnetic Aircraft launch System
EU	European Union
GDP	Gross Domestic Product
GFC	Global Financial Crisis
HADR	Humanitarian Assistance and Disaster Relief
IUU	Illegal, Unreported and Unregulated
LHDs	Landing Helicopter Docks
LMVs	Littoral Mission Vessels
MLE	Maritime Law Enforcement
MMEA	Malaysian Maritime Enforcement Agency
NAPCI	Northeast Asia Peace and Cooperation Initiative
NATO	North Atlantic Treaty Organisation
NDPG	National Defence Program Guidelines
NSPG	Naval Strategic Planning Group
NSS	National Security Strategy
NTS	Non-Traditional Security
ODA	Official Development Assistance
OIC	Organization of Islamic Conference
OOTW	Operations Other Than War

PCG	Philippine Consulate General
PH	Philippine
PRC	Peoples' Republic of China
RCEP	Regional Comprehensive Economic partnership
SCS	South China Sea
SEA	South East Asia
SIPRI	Stockholm International Peace Research Institute
SLCMs	Sea Launched land Attack Cruise Missiles
SLOC	Sea Lines of Communications
TPP	Trans-Pacific Partnership
U.S	United States
UMNO	United Malays National Organisation
UN	United Nation
UNCLOS	United Nations Conference on the Law of the Sea
US FONOPs	United States Freedom of Navigation Operations
USGW	Underwater-to-Surface Guided Weapons

MAJOR POWER RIVALRY IN THE WESTERN PACIFIC: IMPLICATIONS FOR SMALL STATE SECURITY

Leszek Buszynski

Introduction

Rivalry between the major powers in the Western Pacific has become open in recent years. In the past, regionalism shielded the small states of Southeast Asia, Singapore and Brunei in particular, from the impact of this rivalry. ASEAN regionalism has been a means of coordinating the diplomatic responses of its ten members to prevent rivalries between the major powers from disrupting the region and intervening in regional affairs. ASEAN prevented the inherent polarisation that normally results from major power rivalry when states are pulled in different directions by their demands. This was the case with the Cambodian conflict in the 1980s when Vietnam's occupation of Cambodia threatened to polarise the organisation. However, despite the pressures generated by Sino-Soviet involvement in that issue, ASEAN maintained its common position. ASEAN's strength has been its ability to forge a combined diplomatic response to events which Thailand's Foreign Minister in the 1960s Thanat Khoman called "collective political defence". [1] In fact, the need for this collective support during the Vietnam War motivated Thailand's membership of ASEAN in 1967. ASEAN's collective diplomatic strength has limited the ability of the major powers to exercise influence over its members and to demand support from the region. They have been obliged to approach ASEAN as a group and to cultivate its support in a way which has elevated its status in regional diplomacy to the benefit of its members. As long as ASEAN could demonstrate detachment from great power rivalry and autonomy it could attract the esteem of the major powers and some degree of competition for its support. ASEAN's ability to act in this way depended upon the maintenance of unity and while this was possible when the organisation had five or six members in 1984, when it expanded to ten members over 1995-99, that unity became more difficult to achieve.

Small state security has depended upon ASEAN's ability to manage the pressures arising from rivalry between the major powers, as no small state can survive entirely on its own. However, rivalry between the major powers has escalated in recent years particularly over the South China Sea placing ASEAN under some strain. As China becomes more assertive in promoting its claim to the South China Sea as indicated by its reclamation of reefs in the area, the US and Japan become more involved in the dispute which may bring about conflict.

ASEAN has become dangerously divided over the issue which undermines the security of small states and obliges them to ensure their own security bilaterally. Without the collective support of ASEAN small states would have become more vulnerable and placed at a disadvantage in dealing with the major powers and their demands.

ASEAN and the management of the major powers

ASEAN has been engaging the major powers in a stable regional order that would reduce the potential for disruptive conflict. ASEAN leaders moved to create multilateral regional institutions which would serve as a basis for the constructive engagement of the major powers, and to prevent rivalry between them from escalating into conflict. Indeed, in the 1990s ASEAN's main task was the engagement of a rising China which was emerging from the isolationist years of the Maoist era. ASEAN sought to ensure that China would be committed to a peaceful regional order, and to mitigate possible conflict with Japan. Within ASEAN there were different views about how the US regional presence could be structured, and how it would be related to the regional institutions that ASEAN was forging. Some ASEAN members such as Malaysia promoted the idea of an autonomous regional organisation which conformed to its non-aligned foreign policy. In this approach the engagement of China was to be linked to a major restructuring of the US in the region and the abnegation of its alliances with Japan, South Korea, the Philippines and Australia. The idea was that this act would remove of the principal threat to China allowing both Beijing and Washington to come together in a multilateral organisation that would ensure regional security. However, not all were persuaded that the exchange of the US sponsored alliance system for a wider regional organisation would bring security, and those states which were allied to the US were most sceptical. The result was a number of regional organisations which coexisted with the US alliance system creating tensions between them that required regular effort to alleviate.

ASEAN had created a peaceful and stable environment in Southeast Asia by resolving intraregional threats and it was expected that the major threats would come from outside the region. But ASEAN had to go further in developing a mechanism to deal with security issues outside the region in the wider Asia Pacific. This meant involving the major powers, China, the US and also Japan. ASEAN's approach was to engage China in multilateral dialogue within this regional framework in the expectation that this would tie it to the existing status quo. This assumption motivated ASEAN's effort to reach out to China during a time when Beijing had adopted a good neighbor policy and indicated its interest in multilateral institutions. The ASEAN Regional Forum (ARF) was established

in 1993 primarily as a vehicle to engage both China and Japan, and to ensure the continuing US presence in the region. The ARF now has 27 members including the US, China, the EU, India, Japan, Russia, and North Korea which joined in 2000. External powers were dissatisfied with the ARF and saw it as too narrowly based on ASEAN which limited its agenda. Some members such as Malaysia wanted an Asian organization without external particularly Western powers and called for the institutionalization of ASEAN plus three, China, Korea and Japan. However, despite its attraction, no purely Asian organization would satisfy Japan which feared Chinese domination. Japan promoted the membership of external powers as a balance, Australia, New Zealand, India and the US. The result was the East Asia Summit (EAS) which was established initially with 16 members in 20015, with the addition of the US and Russia membership has expanded to 18. These institutions duplicated many functions and still remained largely ASEAN based because of the diverse needs of regional and external participants.

China's rise

China's rise signified that it had outgrown the multilateral context within which the region and the Western world had hoped to contain it. China's ambitions have risen with the growth of its economy and the renewed confidence of its leaders. This was noted in 2009 just after the Global Financial Crisis (GFC) had weakened the US and gave rise to speculation that America's age was passing, and China's age was just beginning. This shift of policy within Beijing coincided with the tail end of Hu Jintao's presidency when the PLA began to express hard line views of the US and its military presence in the region. Hu Jintao was losing control of the security and foreign policy agenda in Beijing which was increasingly being influenced by these hard line views. China became more assertive over a number of issues, including the Korean Peninsula, the Senkaku/Diaoyu maritime dispute with Japan, and the South China Sea.

Under Xi Jinping this assertiveness has continued and was given direction when the Chinese President declared in 2013 that he would preside over the "great dream of the renewal of the Chinese nation" and would demonstrate "the superiority of China's socialist system".[2] The Chinese dream meant not just the continuation of the socialist system and the Communist party but their strengthening in a situation where pressures emanating from the wrenching economic change that China has experienced have raised up challenges to their existence. Economists in the West who have called for political reforms in China to stimulate a shift from a producer to a consumer economy reveal a habitual misunderstanding of political factors and underestimate the determination of the Party to survive. China's economy is slowing down as structural impediments created by the role of the Party prevent

necessary change and reform. The Chinese economy remains a producer economy where growth has been stimulated by successive injections of funds by the central bank since the GFC erupted in 2008. The result has been the accumulation of debt assessed at 250% of GDP by the state owned enterprises and local governments and declining productivity. Each cash injection has had less effect on the economy according to the law of diminishing returns. As China's economy slows, the party leadership will shift to the other part of the Chinese dream to boost their domestic legitimacy and to ensure the continuation of Communist party rule. This means elevating China's regional and global status and reclaiming the respect that dynastic China once enjoyed.

In this political context, China is claiming space for itself in the Western Pacific as a "sphere of influence," or a protective zone off shore, which would keep rival powers at bay. There are areas close to its borders where China insists on dominance which include the Taiwan straits, the South China Sea as well as the borders with mainland Southeast Asian states such as Vietnam, Laos, Thailand and Myanmar. This area fits into what has been described as the first island chain of defence. Beyond these areas, China would tolerate the influence of others but would contest the dominance of other powers, the US in particular. This area would include the Korean Peninsula and maritime regions of the Western Pacific and fits into the so called second island chain of defence. These island chains have not been officially defined by the Chinese government and their boundaries are vague and unclear but they represent areas of graduated interest for China, and for its navy in particular. For the Chinese navy, they are maritime defensive zones against the US.[3]

What this means is that China intends to ease America out from the first island chain area and to prevent American domination of the second island chain area. This entails isolating Taiwan, where a Democratic Progressive Party (DPP) President Tsai Ing-weng has been elected, and ensuring that the US would stay out of the Taiwan Straits. Cross Straits relations improved considerably while the KMT President Ma Ying-jeou was president over 2008-2016. Ma lifted restrictions on contacts with the mainland and met Xi Jinping in Singapore in October 2015, the first time Chinese and Taiwanese leaders had met. President Tsai, however, hails from the party of independence for Taiwan which won the presidency partly because of a voter swing against President Ma's cross straits policy.

Beijing believes that America's ties to Taiwan and the US military presence in the region encourage the DPP in its resistance to the mainland. If the US could be challenged in the region and the credibility of its commitments steadily undermined by an expanding China, Taiwan would reassess its position and come to terms with Beijing.

China's assertiveness has been most evidently demonstrated in the South China Sea which is of particular geopolitical significance. China has claimed "indisputable sovereignty" over the South China Sea on the basis of its nine dash line which dates from 1947, and so called historic rights. China's interest in the South China and its motivations can be understood in terms of three issues. One is resources including fisheries which are important for the coastal provinces, Hainan and Guangdong and their fishing communities, as well as the area's oil and gas reserves which have interested Chinese energy companies. A second interest is the satisfaction of nationalism as China's Communist Party has stimulated nationalist emotions to boost its legitimacy after the Tiananmen Square events of 1989. The Chinese have reacted strongly to what they call the century of humiliation at the hands of foreign imperialist powers in the 19th Century which motivates them to regain territories that they have lost, or believe that they have lost. China never controlled the South China Sea historically but the Party leadership has convinced the public that it is "ancient" Chinese maritime territory. The Chinese Government has placed maps of the area which depict it as Chinese territory on passports and the Chinese media has produced maps with ten dashes including the South China Sea as Chinese territory together with Taiwan. Once the South China Sea has been elevated to this level the Chinese leadership cannot compromise or negotiate with the ASEAN claimants except on the basis of their recognition of Chinese sovereignty. A third interest is the strategic value of the South China Sea for the Chinese navy as it positions itself for the task of blockading Taiwan if it declares independence, or refuses to integrate with the mainland. China's submarine fleet would move to deny the US navy the ability to intervene in areas considered part of the first island chain where China's core interests lie. The South China Sea also provides the Chinese navy with outlets to the open sea, especially the Indian and Pacific Oceans. China's leaders have called for an ocean-going navy that would defend China's interests abroad, its trade routes and its oil imports from key producers in the Middle East as well as providing protection for its overseas workers and their evacuation in times of crisis.

ASEAN has attempted to manage an assertive China within the framework of legally binding Code of Conduct (CoC) as a conflict prevention measure and a way of ensuring regular dialogue over the South China Sea issue. The difficulty with the CoC is that ASEAN cannot agree on its geographic scope as Vietnam has demanded that the Paracel Islands to which it lays claim be covered while other ASEAN members are opposed. Moreover, China resists the idea of a legally binding treaty and demands that the Declaration of Conduct on the Conduct of the Parties on the South China Sea (DoC), signed with ASEAN in November 2002, be implemented first. China also demands that it should be involved in the drafting of the CoC while the Philippines has insisted that ASEAN agree on a draft first

and then present it to China. Negotiations over the CoC have been prolonged with no sign of a conclusion and in the meantime China has expanded its presence in the South China Sea seizing Scarborough Shoal from the Philippines in 2012. Serious divisions arose with ASEAN over the issue as both the Philippines and Vietnam expected support from ASEAN but were opposed by non-claimants such as Cambodia, Laos and Thailand. Cambodia emerged as an ally of China and ensured that the issue of Scarborough Shoal was kept off the agenda of ASEAN Foreign Ministers Meeting when they met in July 2012. For the first time ASEAN Foreign Ministers failed to issue a communiqué.

In frustration the Philippines launched an appeal to an Arbitral Tribunal under Annex VII of the Law of the Sea (UNCLOS) in January 2013. The Tribunal's ruling was made public of 12 July 2016 and it accepted 14 out of 15 points raised by the Philippines. The Tribunal decided that China may have had historic rights to the resources of the South China Sea, but "such rights were extinguished to the extent they were incompatible with the exclusive economic zones provided for in the Convention". China's historical claim had been superseded by UNCLOS which China joined on 10 December 1982, and ratified on 7 June 1996. The Tribunal also noted that there was no evidence that China had actually exercised exclusive control over the South China Sea or the resources there. The Tribunal found that none of the features in the Spratly Islands is capable of generating extended maritime zones, including those occupied and artificially reclaimed by China. The Tribunal clarified the meaning of Article 121 of the Convention by defining an island as a feature which in its natural condition could sustain a stable population not dependent on outside resources.[4]

The Tribunal decided that China's claim to the South China Sea had no legal basis which infuriated Beijing and prompted it to launch a public relations campaign to vilify it. ASEAN claimants had their rights to their declared EEZs confirmed by the ruling which was little comfort in dealing with a China which refused to recognise the Tribunal's decision. China has called for the ASEAN claimants to set aside the ruling in bilateral negotiations with it but this would offer them little reassurance as to the possible benefits. Beijing expects them to renounce these rights and accept Chinese sovereignty over the area the benefits of which have not been spelled out and remain uncertain. The Tribunal's ruling has given the ASEAN claimants legal support in any negotiations with China that they may undertake and any significant departure from it would weaken their positions. ASEAN claimants may negotiate temporary agreements with Beijing which would allow the joint management of resources in particular areas of the South China Sea. Indeed, the Tribunal's ruling removed two major obstacles to a cooperative resolution of the South China Sea issue which has been often raised in the past. One was China's

extensive claim which legally has been reduced to the features it actually occupies, the Paracel Islands and seven reefs in the Spratly Islands. The second was the overlapping maritime zones that claimants had insisted upon according to their understanding of Article 121. Once these overlapping maritime zones had been eliminated, the way would be clear for a collective resolution of the issue which at the present time is a long way off.

America's regional role

Lee Kuan Yew often remarked that the US alliance system including Japan, South Korea, the Philippines and Australia underpinned a stable regional order from which all have benefited. On this stable basis the region demonstrated spectacular economic growth which transformed predominantly agricultural societies into industrial economies. Until recently China was prepared to live with the American alliance system but after 2009 it began to press for space for itself in the Western Pacific and challenge the US presence. For this reason, the Obama administration announced the "pivot" or "rebalance" to the region in November 2011 as a declaration of intention to remain in the Western Pacific. It was intended to be reassurance to allies in the region and an affirmation of American credibility without which the regional states might bandwagon with Beijing. After China began its reclamation projects in the South China Sea in 2014 the US initiated "freedom of navigation" patrols by sending naval vessels through the area. Four such patrols have been conducted beginning in October 2015 when The Raleigh Burke class guided missile frigate the USS *Lassen* moved within 12 Nautical miles of Chinese occupied Subi Reef. In June 2016 two American carrier groups led by the USS *John C. Stennis* and USS *Ronald Reagan* joined flight operations in the South China Sea. The first patrol was welcomed by America's allies in the region, but as they continued concerns arose that they were excessively provocative.[5]

Japan's response

China's assertiveness resulted in greater and sharper tensions with Japan. Their relationship is exceedingly complex. The Chinese complain that the Japanese are yet to apologise for the atrocities committed during the Japanese invasion and occupation of China over 1937-1945 while the Japanese retort that they have apologised in the past and no apology will satisfy the Chinese. There are deeper issues in this relationship that relate to conceptions of identity that impact upon national politics. According to the Chinese, Japan does not behave as a tributary and cultural beneficiary of China and part of the Sinic area of influence where Chinese culture and writing system have spread. On their part, the Japanese insist that they were never tributary to China and will not behave accordingly. Their

conflict has played out over who will lead Asia with the Japanese refusing to accept China's claim as the natural leader, and Japan's expansion of Asian regionalism to include the US as a balance to China. The Chinese Communist party has stimulated nationalism against Japan as a means of boosting its legitimacy and has repeatedly orchestrated mass demonstrations against Japan over the issue of Japanese textbooks and the reporting of history in 2005, as well as the Senkaku/Diaoyu maritime dispute.

Tensions in the China-Japan relationship have been exacerbated by several factors. Chinese activity around the Senkaku/Diaoyu waters increased in 2010 in line with China's general shift to a more assertive posture in foreign policy. In September 2010, a minor crisis erupted when a Chinese fishing vessel rammed a Japanese coast guard ship which led to the arrest of the Chinese captain of the fishing vessel. The Japanese government initially wanted to place the captain on trial in the local courts but after Beijing launched a public relations onslaught against Japan, it desisted and released him. In September 2012, another crisis was provoked when the Japanese government purchased three islands in the Senkaku group that had been in private hands. Of a total of five islands one remained the property of the Kurihara family and was leased by the government, while another was government owned. The move was intended to head off Tokyo Governor Shintaro Ishihara's plan to purchase the islands and place them under Tokyo's jurisdiction. Ishihara was a rabid critic of China and resorted to demeaning language to smear it, prompting the Japanese government to purchase the islands to prevent a wider crisis in relations with China. Beijing, however did not see it this way and regarded the move as an unacceptable change in the status quo. More public demonstrations in Chinese cities followed.[6] Since that time the Japanese government has complained of constant intrusions by Chinese fishing vessels and overflights by Chinese aircraft.[7]

In the context of Japanese politics there were various reasons for the election of the Abe Shinzo Liberal Democratic government (LDP) on 16 December 2012. One reason was the disarray and infighting in the previous Democratic Party government which was in office from 2009. Another reason was voter expectations that the LDP could revive the stagnant Japanese economy. But there is no denying that external factors were also influential, and as China pushed against Japan over the Senkaku/Diaoyu dispute voters wanted a stronger government that could respond more forcefully to China. Prime Minister Abe has presided over a nationalist revival in Japan which has stimulated much domestic opposition. Abe declared his intention to revise the 1947 "peace" constitution and Article 9 according to which Japan had renounced war and armed forces. In December 2014, The Japanese government promulgated a National Security Strategy (NSS) for the

first time, and revised National Defence Program Guidelines (NDPG) which were intended as a response to Chinese pressure. Those guidelines called for a defence posture build up in the south western region where Chinese incursions took place. The Japanese self-defence force was to ensure "maritime and air superiority, which is the prerequisite for effective deterrence and response in various situations." They also called for a "full amphibious capability" in order to deal with an invasion of remote islands in the South and the formation of a force of marines. The guidelines envisaged closer cooperation with the US and a "seamless response to various situations including so-called "grey-zone' situations".[8] The Japanese feared that Chinese fishing vessels would land Para military forces on the disputed islands in a takeover by a disguised military force and wanted American support in the event of this contingency. For Japan, the alliance with the US was critical, not only as a defence against China but also as a response to North Korea.

Japan has become more involved in the South China Sea dispute as an extension of the Senkaku/Diaoyu dispute. Under Abe, Japan reached out to Southeast Asia in an effort to counter China. In January 2013 Abe visited Vietnam where he concluded a "strategic partnership" agreement, as well as Thailand and Indonesia to strengthen the relationship with ASEAN. By 2015 he had visited all ten ASEAN members. Especially critical for Japan were the relationships with the ASEAN claimants in the South China Sea, Vietnam and the Philippines. Vietnam requested and Japan responded by offering patrol boats to improve Vietnamese maritime defences. The Vietnamese expected at least ten vessels while Japan offered six with the promise of funding under ODA for the construction of additional vessels as needed. In April 2016 two Japanese destroyers made a port call to Vietnam's Cam Ranh Bay in a historic event, they also visited Subic Bay in the Philippines. In May 2015, Japan also agreed to provide ten fast speed patrol boats to the Philippines to strengthen its coast guard and Japanese naval vessels will continue to make port visits to Philippine bases. The Americans have pressed the Japanese to join their "freedom of navigation" patrols in the South China Sea but they have declined, fearing that this would escalate tensions with the Chinese.

America's dilemma

America's moves to resist Chinese pressure, and its freedom of navigation patrols in particular, have been criticised as provocative to China. Indeed, they may be scaled back or discontinued after China brings down airpower into its newly constructed airfields in the Spratly Islands. In the US a debate has taken place about how America should meet the Chinese challenge with some commentators endorsing the idea of a "grand bargain" with China. This would entail American accommodation of Chinese ambitions to circumvent possible conflict with a

rising power and to obtain Chinese cooperation over other global and regional issues. A "grand bargain" would be based on separate spheres of influence with America acquiescing in China's de facto domination of the South China Sea. In this case both China and the US would ignore the Arbitral Tribunal's ruling on the South China Sea and for America's proponents of accommodation with Beijing the Arbitral Tribunal's ruling is an embarrassment and a hindrance to improved relations with Beijing.[9]

Critics of the "grand bargain" note that the idea of a grand bargain is a very 19th Century idea when European leaders shared a common culture and could agree on the status quo until the rise of Germany disrupted it. The US and China, however, cannot agree on the regional status quo and in place of a common agreement the "grand bargain" demands an American withdrawal, or as critics would have it capitulation. If it means that the US were to withdraw to an offshore position in the Pacific and conceding the Western Pacific to China, its alliance system would be undermined. China's influence in the region and within ASEAN would increase and small powers would be obliged to turn to Beijing to negotiate the terms of their relationship, and their rights in the South China Sea. America would lose its position in the Western Pacific and would be reduced to an outside power in a region in which China would be dominant.[10] Regional states and not just America's allies would regard this scenario with trepidation and would press the US to remain in the region as a counterweight to China.

With the surprising election of Donald Trump as American President on 8 November 2016 trends indicate that the US would move towards a harder line in foreign policy harking back to the previous Republican Administration of George W. Bush. While campaigning Donald Trump revealed little knowledge about foreign affairs and publicly declared that he would reconsider the alliances with Japan and South Korea unless they agreed to pay more for the US bases on their soil. However, after his election, in a telephone call to South Korean President Park Geun-hye the new president reiterated America's commitment to Korea's defence.[11] This event indicates that President Trump will backtrack on many of his campaign comments, and the people he appoints to key positions will be drawn from a conservative Republican base who will press for continuity with the Bush Administration. The idea of a "grand bargain" with China would not be considered by these appointees in which case the stress will be on maintaining America's alliances with Japan and South Korea and the US position in the Western Pacific. Rivalry with China over Taiwan and the South China Sea will most likely continue but without the doubts that plagued the Democratic Obama Administration.

Small state security

Relations between the major power have worsened over the past seven years and the regional security outlook has become more uncertain. ASEAN leaders understood that regional security rests upon stable relations between the major powers and would be undermined by conflict between them. China's ambitions have now gone beyond the regional institutions which were created in previous decades with the purpose of maintaining the existing order and the status quo at that time. China now seeks more space for itself in the Western Pacific where it can claim a position of influence commensurate with its political and economic status. How should small states respond to this situation? Small states rely on four measures to ensure their security, deterrence when it is possible, alliance with a stronger power, regional institutions where they exist, and balancing between the major powers.[12] For a small state, deterrence demands military power and may be a possible option against neighbours, but it is not a feasible response to any of the major powers. Alliance or de facto alliance with a major power has been a time-honored response by small states to security, and as examples Singapore is in effect allied to the US but adjusts its relations with the major powers carefully, and Cambodia has become allied to China. As a trading state Singapore is acutely dependent upon regional stability and has relied upon the US as a security provider. Cambodia has resorted to de facto alliance with China to constrain its larger and predatory neighbours, Vietnam and Thailand. Despite the benefits, alliance encumbers the small state with the demands of the larger partner which may become unacceptably restrictive. Regional institutions may be a feasible security option when they have the support of the major powers but in the Western Pacific they have been immobilized by great power rivalry. ASEAN has fragmented over the South China Sea, and it is doubtful that it would regain the cohesion it once demonstrated while this situation continues. Small states may also resort to balancing between the major powers where this is possible. This would entail cultivating relations with all major powers and not overtly favouring anyone in the way Thailand, though not a small state, managed its foreign relations in the past. This demands considerable diplomatic skill which in Thailand's case has been nurtured over the generations but small regional states may have no choice under present conditions but to cultivate a similar outlook and diplomatic strategy.

As a small state, Brunei will have to adjust to an uncertain regional environment. Accustomed to great power protection as a British Protectorate Brunei became independent in 1984 at a time when American support for regional stability was assured. Those relatively comfortable days have passed as China asserts its influence in the region in the face of American and Japanese resistance. Brunei may benefit from Chinese investment in the oil and gas sector but it cannot adopt a

policy of allying with China without cost. Brunei has declared a 320 km Exclusive Economic Zone (EEZ) in the South China Sea which embraces its oil and gas fields but the Chinese claim cuts through Brunei's EEZ. China may insist that Brunei denounce the Arbitral Tribunals ruling on the South China Sea as the price of a close relationship, but that ruling affirmed Brunei's right to the resources within its EEZ. The issue is whether those resources belong to China or to Brunei, the Arbitral Tribunal's ruling said that they belong to Brunei. To deal with China in while protecting those legal rights to the EEZ Brunei should seek a balance or counterweight to China to offset the pressure and the escalation of demands that would come with a close relationship with a major power of the size of China. Brunei, indeed, should also develop its ties with the US and Japan and not close its door to them.

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SMALL-STATE STRATEGIES AND THE FUTURE OF SOUTHEAST ASIA'S FOREIGN POLICY CHOICES IN THE TRUMP ERA

Kuik Cheng-Chwee, PhD

Introduction: Small States in World Politics

Small states are a distinctive category in world politics.[1] By definition and by their nature, smaller states are also "weaker" actors, albeit not necessarily "powerless" players. They are "weaker" in three senses. First, smaller states' inherent limitations in physical terms – in territory, population, resource, and military capacity – *mean that they are more vulnerable to the systemic effects* of power asymmetries, economic volatility, and nontraditional security (NTS) threats – three main sources of external challenges in the contemporary international relations. Smaller states are more vulnerable to these external challenges in that, by their own resources and capabilities, they could not withstand, absorb, and mitigate the systemic shocks in ways that ensure their very own survival. Second, smaller states' physical and policy limitations mean that they have *far less policy options* than powerful actors in facing external realities in the anarchical system. Third, because of these innate limitations and vulnerabilities, smaller states *must enlist – and rely on – external assistance and support* from the big power(s), neighboring countries and some forms of multilateralism, in order to augment their own internal efforts in pursuing security, prosperity, and autonomy in the face of enduring systemic uncertainties.

The essay proceeds in three parts. The first part briefly discusses the generic challenges faced by small states and their policy options in coping with the challenges. The second part identifies three likely sources of growing uncertainties faced by Southeast Asian states in the Donald Trump era. The third part focuses on the recent "realignment" postures of the Philippines and Malaysia's – two claimant countries in the South China Sea – as case studies to illustrate smaller states' evolving approaches in the face of growing unpredictability in great power politics. The conclusion sums up the recurring themes of small-state alignment, and what do they mean for Brunei.

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*This study is supported by the Newton Advanced Fellowship Scheme, jointly funded by the British Academy and the Academy of Sciences Malaysia.

[1]On small states in international relations, see Baker Fox 1959; Vital 1967; Rothstein 1968; Keohane, 1969; Singer 1972; Handel 1981/1990; Elman 1995; Neumann and Gstohl 2006.

Challenges and Options: Small States' "Impossible Trinity"

Small states typically face three types of challenges, namely security, economic, and political risks. Security risks refer to the type of hazards that may threaten the physical base, population safety, and territorial integrity of a sovereign actor in the international system. Because smaller states more often are militarily weak and unable to defend themselves from external military aggression and to cope with NTS threats on their own, they are particularly vulnerable to this sort of risks. Economic risks refer to the problems stemming from the cyclical fluctuations in the global marketplace, which affect the prosperity-generating ability of a country. Political risks refer to dangers that may erode the political foundations of a state as a "sovereign" actor in the Westphalian system. Unlike security and economic dangers that involve primarily tangible values, political risks concern the intangible, the subjective and yet perhaps the most fundamental values of statehood – i.e. a sense of independence and autonomy, a feeling of equality and dignity, a yearning for freedom of action, and a moral authority to exercise autonomous control over one's territory and people.

What options do small states have to cope with the above triple challenges? Small states usually turn to a combination of three statecrafts: (a) certain degrees of military alignment (e.g. full-fledged alliance, or limited alignment and partnerships short of alliance); (b) certain combinations of bilateralism and multilateralism (e.g. bilateral diplomacy, institutionalized cooperation among immediate neighbors, regional or cross-regional multilateral platforms like ASEAN and OIC, global multilateral bodies like UN); and (c) multiple approaches of internal efforts (various forms of state- and nation-building efforts, including development strategies and social engineering programs).

Nevertheless, every tool of statecraft entails its tradeoffs and limitations. No matter which policy approach a small state chooses to adopt to cope with certain challenges (e.g. a growing maritime problem, great power action, economic volatility, religious extremism), a state's effort to use a certain available option (e.g. its stronger alignment with a big power, or its activism in regional multilateral platforms like ASEAN and ASEAN-based institutions) to maximize certain benefits and mitigate certain risks (e.g. security threat, political interference, economic vulnerability), the option would always *expose the state to certain costs and dangers in the other domains* (e.g. becoming over-dependence, eroding its autonomy, alienating another big power, facing an increasingly disunited ASEAN). Policy tradeoffs are inevitable. It is impossible for any state to pursue certain prioritized values (security-maximizing, prosperity-maximizing, and/or, autonomy-maximizing) without incurring any price, drawbacks, or opportunity costs.

This catch-22 situation can be termed as "the impossible trinity" for all states. It is the most fundamental issue faced by all policymakers in all countries, regardless of policy domains and levels. The desire to *offset* the tradeoffs associated with each of the triple options – prompt every rational state to concurrently pursue other options, in ways that *complement* and *counteract* the effects of one another.

While this policy trilemma is universally true for all countries, it is particularly prevalent among the smaller states because of their qualitative attributes as the weaker states, as noted at the outset. This is so for the small- and medium-sized ASEAN states, who increasingly find themselves under the conditions of high-uncertainties as they face mounting challenges on multiple fronts in the post-2008 era.

Over the past decade, all Southeast Asian states have faced varying degrees of economic difficulty in part because of the global financial crisis, and in part the drop in oil prices since mid-2014. Security wise, China's increasing assertiveness in the South China Sea and its growing tensions with America and Japan has posed greater strategic risks to most ASEAN states. These increased economic and security risks have spilled over to political domain, where growing power rivalries are creating greater pressures for both ASEAN cohesion and individual member states' autonomy. Each of these challenges is bound to increase as the world transits into the Trump era.

Growing Uncertainties Facing Southeast Asia in the Trump Era: Three Sources

Looking ahead, as the world enters 2017, smaller states in Southeast Asia and elsewhere are facing greater challenges in multiple fronts, in large part because of greater uncertainties after Donald Trump's surprising triumph in the U.S. presidential election in November 2016.

The sources of the growing systemic uncertainties are three-fold: (1) the growing unpredictability in the U.S. commitment to the "rebalancing to Asia" strategy under Trump; (2) the growing contradiction in China's regional strategies, where Beijing's increasing economic inducement under the Belt and Road Initiative (BRI) is accompanied by its continuing assertiveness and selective militarization in the South China Sea; and (3) the growing economic difficulty in the wake of the increasingly uncertain future of the EU after Brexit, as well as rising concern about possible trade and wider frictions between the United States and China. Each of these sources are further complicated by protracting domestic complexities in many individual ASEAN member countries.

President-elect Trump has sparked regional concerns even before his inauguration on 20 January 2017. His announcement to withdraw the Trans-Pacific Partnership (TPP) on his first day in the White House, alongside his earlier remarks during campaign that alliance was "obsolete", is making many U.S. allies and partners wary, prompting them to question the U.S. commitment to Asia. Some are particularly concerned about Washington's future policy on the South China Sea. Greater unpredictability lies in the U.S.-China relations. Trump's telephone conversation with Taiwanese President Tsai Ying-wen in December 2016 as well as his decision to name Peter Navarro, a vocal critic of China, to lead a new office in the White House overseeing trade and industry policy, signal a more turbulent relationship between the world's two strongest powers ahead. Anxiety deepens over the possible negative action-reactions between the two giants in the Taiwan Strait, and the possible trade war between them. All of these may disrupt regional stability, potentially leading to more gloomy economic prospects.

For ASEAN claimant countries and almost all East Asian states, another main source of uncertainty comes closer to home: China's emerging regional policies under President Xi Jinping. In the eyes of most Southeast Asian states, China has pursued a contradictory regional strategy since the ascendancy of Xi in late 2012. On the one hand, the rising power has departed from its decade-long charm diplomacy and become increasingly assertive over the South and East China Seas (Swaine and Taylor 2011; Baviera 2014). It has been growlingly enforcing maritime patrols, building artificial islands, and deploying military assets to the contested areas (ICG 2015; Kuik 2016a). These unilateral, hardline actions have continued after the Hague-based arbitral tribunal's ruling in July 2016, which overwhelmingly favored the Philippines and rejected China's claims to historic rights in the nine-dash line in the South China Sea. On the other hand, however, the Asian Gulliver has also stepped up its diplomatic assurance and economic inducement towards smaller countries in its periphery, especially the ASEAN countries. It has continued to take part in the various ASEAN-led regional arrangements (including the ASEAN-China dialogue in exploring a code of conduct in the disputed waters), while proposing and promoting the Beijing-backed Asian Infrastructure Investment Bank (AIIB) and various projects under the "Belt and Road Initiative" (BRI), i.e. the overland "Silk Road Economic Belt" and the "21st Century Maritime Silk Road", which were once collectively termed "One Belt, One Road", or OBOR (Tang 2015; Ba 2016). Through investments, joint ventures, as well as aids and loans, China has been projecting a graceful avatar and proposing various mutually beneficial connectivity projects in different parts of Southeast Asia, and beyond. These range from economic corridor, infrastructure development and port coalition, to industrial parks, investment links and financial collaboration. The launching of the AIIB in January 2016 – with its 57 founding members from multiple regions and

an initial capitalization of US$100 billion – substantiates Beijing's BRI vision and strengthens its quest to institutionalize its growing aspirations by showcasing the prestige and potential benefits of working with it, presumably attempting to use the remunerative rewards to offset the adverse effects of its continuing assertiveness at seas (Kuik and Wu 2015).

Elements of China's contradictory strategy – coercion and persuasion – are reshaping regional balance of power and geo-economic landscapes in at least three ways. First, Beijing's assertive actions and selective militarization in the Asian waters are part of the structural forces driving the United States and other powers to rebalance to Asia, pivot to ASEAN, and act East, fueling great power competition at seas and in regional capitals (Emmerson 2013; Tan 2014; Goh 2016; Storey and Lin 2016). Second, the coercive elements of China's strategy are pushing weaker regional countries to recalibrate their respective external positions, prompting strategic realignment, deepening hedging, and opening up power (re)negotiation at various levels, but without entering into a containment-like coalition (Khong 2015; Kuik and Rozman 2015; Kuik 2016b & 2016c). Third, the *trajectory* of China's economic statecraft and geopolitical activism – as manifested in the forms of AIIB, Xiangshan Forum, various bilateral development proposals under BRI, as well as various sub-regional arrangements such as the Lancang-Mekong Cooperation (LMC) – are inducing more and more non-big powers in Asia to pragmatically display selective deference and accommodation vis-à-vis the Gulliver, embracing some of its initiatives but showing hesitation to the others (Ba and Kuik, forthcoming). These initiatives – some bilateral, some regional, some sub- and trans-regional – have mostly been proposed and promoted *outside* the ASEAN-led framework, leading to the gradual emergence of Chinacentered platforms as one of the institutionalized pillars of Asian architecture, alongside the U.S.-led partnerships and ASEAN-based institutions (Kuik 2015a). The ongoing competition and mutual adjustment among these three pillars may potentially reshape the institutional bargaining game (Aggarwal and Koo 2014), reconfigure regional production networks and financial influence (Ravenhill 2014; Ciorciari 2016), as well as transform geopolitical linkages and increase the prospect of a partial return of Chinacentered order in Asia (Kang 2007; Kuik 2015b; Goh 2016).

The above developments have increased both the levels of uncertainties and stakes for all smaller states in Southeast Asia and the wider Indo-Pacific region. It is high-uncertainties because of the unpredictable U.S. commitment under Trump, the unclear China's longterm intentions under Xi, and the unknown U.S.-China future relations. It is high-stakes in that the directions of each of these systemic conditions will affect the prospect of regional stability and prosperity, as well as the sustainability of ASEAN cohesion and centrality in the evolving Asian

architecture. All of these are the foundations upon which individual ASEAN states seek to pursue their own security, prosperity, and autonomy.

Case Studies: The Philippines' and Malaysia's "Realignment" Postures

In the light of the emerging high-uncertainty and high-stake scenarios in the Trump era, how are smaller states in Southeast Asia responding? What are the drivers and constraints of their responses? What are their possible implications for ASEAN and individual states, including Brunei?

The best examples to illustrate these would be the Philippines and Malaysia's evolving alignment postures under their respective current leaderships. The rationale of focusingon these two countries are: (a) relevance (both are ASEAN claimant countries, like Brunei); (b) significance (their emerging policy directions may affect the overall cohesion and centrality of ASEAN as a regional grouping); and (c) comparability (both countries have made comparable adjustments in their outlooks vis-à-vis Beijing and Washington).

Philippine President Rodrigo Duterte and Malaysian Prime Minister Najib Razak made high-profile visits to China on 18-21 October and 31 October-5 November 2016 respectively. It was the first China visit for Duterte since he took office about four months earlier (his first trip outside of ASEAN), and the third for Najib as premier since 2009. Both visits sparked concerns and speculations that have grown after Trump's triumph. Are the two smaller states tilting toward China for economic benefits at the expense of U.S. interests? Is the continuing uncertainty surrounding Trump's external policies (particularly on China, U.S.-Asian alliances, and the TPP) creating more room for China to expand its influence in Asia?

These questions are misleading because of their zero-sum assumptions; however, the issue of small-state "realignment" in Asia, as highlighted by mounting concerns in and out of the region, is real. Regional states' strategic "reorientations" will have an impact on the power order in Asia. If countries, especially those perceived by Beijing as within its "traditional" sphere of influence, are "shifting" their external priorities one after another in embracing China's geo-economic and geostrategic designs under President Xi's Belt and Road Initiative, the developments may signify the reemergence of the Sino-centered order. Are the two leaders' visits an early sign of such a trend?

We contend that it is still early to draw such a conclusion, as the visits underscore more recurring themes than new trends. They signify greater readiness on the part of smaller countries to move closer to Beijing; however, this is more a calculation of

self-interest in the face of fast-changing, uncertain, external and internal conditions than a demonstration of strategic choice to side with the proximate giant.

Both Duterte and Najib's China visits were driven primarily by their own domestic political needs. Domestic political imperative filters judgments about the *relative utilities and drawbacks* of adjusting relations with the major powers, e.g. from siding-with-one power to a more-balanced-relationship with all big powers, from close cooperation to even closer partnerships in all domains with the power(s) that matter. Whatever the pattern of relations – close, distanced, and/or selectively confrontational on certain or all domains – the desired benefits will always come together with some inevitable costs and risks, as in all policy processes. They will be seen as "acceptable" tradeoffs, so long as the adjusted relations promise ruling elites greater utilities needed at home.

Duterte's China Visit

What benefits does Duterte target from his visit to China (and rebalanced relations with the big powers)? Economic benefits clearly top the list. He returned home with $24 billion in deals, which boost Philippines' public infrastructure and a range of other sectors. There is a wider geopolitical rationale as well. Duterte obviously wants to find a way out from the stalemate in the South China Sea, in order to concentrate on domestic development. He also wants to reduce his country's dependence on the United States and steer a more independent foreign policy.

These multiple targeted benefits must be seen as the parallel, integral instruments of the new leader's domestic agenda. That is, to pursue policies along the very political pathways that brought him from the southern city of Davao (as a 7-term mayor) to the Malacanang Palace, with the ambition of transforming Philippine politics, and, as one analyst puts it, "uplifting the lives of the vast majority Filipinos who have long been denied economic development opportunities." (Banlaoi 2016) These aspirations require him to carry out the type of populist, mass-oriented policies that earned him high support in Davao and policies that he pledged to the electorate, who yearned for change. Chief among these policies are tackling the country's drug, crime, and corruption problems, improving its infrastructure, and reaching peace agreements with the communist insurgents and Moro separatists in the south, but also managing the maritime disputes peacefully. These are all essential to attain Duterte's ambition of ending the elite-based, Manila-centered old politics, while creating more equally distributed developmental fruits to the majority of his people in a safe, peaceful environment.

These domestic needs push Duterte to view China as the indispensable source of external assistance. Beijing's responses before, during, and after his visits justify his

conciliatory approach, thereby resetting bilateral relations and ending the years-long antagonism under Benigno Aquino III (2010-2016). China has enthusiastically backed Duterte's drug war, pledged the much-needed investments and know-how to revamp the country's infrastructure, and reciprocated the leader's good will over the South China Sea by quietly allowing Filipino fishermen to return to Scarborough Shoal for the first time in four years.

In comparison, other powers are seen as mixed on policy areas crucial for Duterte. In fact, some are perceived as a challenge to his anti-drug campaign. The United States and many Western countries have criticized his campaign that has led to extrajudicial killing of thousands of alleged dealers and users. Duterte has reacted strongly by lashing out at Western "hypocrisy", saying that they "should not pretend to be the moral conscience of the world," as they "also violated the human rights of other countries." On the eve of his China visit, Duterte thanked Beijing "for not criticizing the crime-crackdown" as he accepted soft loans and financial assistance. "China never criticizes. They help us quietly."

Duterte's perception of Japan, a U.S. ally, is positive. He sees Japan as an important partner, vital to his goals of securing more economic assistance and pursuing a more balanced big power policy. He visited Japan on 25-27 October 2016 after, reportedly, turning down its request to visit Tokyo before Beijing.

There are costs and risks in Duterte's realignment move, but, for now, he seems to perceive the tradeoffs as manageable and to have taken steps to address some of them, e.g. undermining the long-standing U.S. alliance, casting uncertainty on the Enhanced Defense Cooperation Agreement. Thus far, this damage remains chiefly at the high-level political level. Despite the leader's remarks on "separation from the U.S.," bilateral defense and economic cooperation have continued. The incoming Trump administration provides Duterte a fresh opportunity to improve relations. He made a positive gesture by congratulating the president-elect, and on 1 December 2016, after a phone call, he said that the president-elect praised his war on drugs. However, if Manila continues to shift further away from Washington, bilateral defense ties will be at risk. Another challenge is the uncertainty surrounding China's actions, especially in the South China Sea. It could retract its decision to allow Filipino fishermen to access the Scarborough. Duterte appears to be giving Beijing the benefit of doubt, and working with China on exploring mechanisms to manage the dispute. Domestically, the main cost is the resentment of the pro-U.S. security establishment, which is suspicious of China, which Duterte has tried to mitigate by making a series of visits to military camps throughout the country.

Najib's China Visit

Najib's week-long trip to China and his evolving big power policy is similarly driven by domestic political necessity, especially economic gains, by securing investments that can boost Malaysia's flagging economy (deals worth $33 billion were signed during the visit). Like Duterte, Najib also went to Beijing with Washington in mind (while there, he wrote an editorial in a state-run Chinese newspaper warning "former colonial powers" to stop interfering in the internal affairs of smaller countries). Small-state pragmatism aside, Najib's visit was also colored by his battle for survival at home.

The ruling Barisan Nasional (BN) coalition – of which Najib's United Malays National Organisation (UMNO) is the dominant party – has faced unprecedented challenges in recent years. After BN's setback in the 2013 general elections, where it again lost its twothird majority in the Parliament and lost several states to the opposition (after the first such setback in 2008) due to a major swing in the urban electorate, UMNO has increasingly turned to race and religion to consolidate its rural Malay-Muslim base. Identity conservatism alone, however, may not be a sufficient platform to win the election, which is due in mid 2018, but can be held as early as 2017. Economic performance is another pathway to hold on to power. Ensuring growth has long remained a key source of legitimacy for BN to appeal to the non-Malays and the urban-based, moderate-inclined Malay voters. It is also a basic element of UMNO's increasingly patronage-based politics. Economic pragmatism, by extension, is a pillar of Malaysia's external policy, especially towards China, its largest trading partner since 2009 (and Malaysia is China's largest trading partner in ASEAN).

Under Najib, economic pragmatism vis-à-vis China has gained more salience. In addition to promoting bilateral trade, his administration has taken concerted efforts to attract more investment while exploring new commercial ventures: developing the Twin Industrial Parks in Guangxi's Qinzhou and Pahang's Kuantan, enhancing currency and financial cooperation, as well as attracting China's leading MNCs in telecommunication, railways, and other key sectors to make Malaysia their base in the ASEAN region. China's telecommunications giant Huawei's Global Training Center in Putrajaya is the first of its kind outside of China. CSR's center in Batu Gajah to produce locomotives is China's first overseas base to manufacture railway equipment (ventures initiated well *before* the launching of Xi's Belt and Road initiative).

Over the past two years, the Najib government has stepped up its efforts to attract capital and technology from China as Malaysia faces sharply declining foreign investment, increasing capital outflows, sliding commodity prices, and a

depreciating currency. The sharp drop in oil prices has posed a serious problem, as energy accounts for about 20 percent of the country's GDP. While Malaysia tries to diversify its economic links (joining the TPP, exploring a FTA with the EU, and taking part in RCEP), developing an even closer economic partnership with China had emerged as a key component of Najib's external economic strategy by the mid-2010s.

Then came the 1MDB scandal. In July 2015, *The Wall Street Journal* reported that nearly $700 million related to 1MDB, the troubled state investment fund, was deposited into Najib's personal bank accounts. In November and December 2015, China's state-run firms made two multi-billion asset purchases from 1MDB, including a stake in Bandar Malaysia, the terminus for the proposed high-speed rail between Kuala Lumpur and Singapore. Rafizi Ramli, an opposition lawmaker said, "We [now] have a prime minister who is indebted to the Chinese government." In July 2016, the U.S. Department of Justice filed lawsuits in a federal court seeking to seize $1 billion in assets, revealing that a total of $3.5 billion was misappropriated from 1MDB. The lawsuits did not name Najib, instead referring to "Malaysian Official 1."

Najib's China visit took place against this backdrop. The trip and its various outcomes signify Najib's inclination to move closer to China. On the economic front, 15 business-tobusiness MoUs and 16 Government-to-Government MoUs were signed, covering port and rail construction, e-commerce, finance, energy, manufacturing, and other sectors. Accordingly to one observer, most of the commercial deals were sealed much earlier, but were arranged during this trip to ensure "money flowing in" without delay, to accelerate China's pledged investment into realized investment. The major deals that surprised many were two: the purchase of an initial four Littoral Mission Ships (LMSs) from China, and the award of the East Coast Rail Line (ECRL) project to China Communication Construction Company (CCCC). "A warm-up to the general election," the commercial MoUs and investments will help lay the foundation to develop Malaysia's future growth engines and "lend the much-needed feel-good factor" to Najib's BN.

In the geopolitical realm, there were signs the Malaysian leader sought to use the trip not only to strengthen the Malaysia-China partnership but also to play Beijing against Washington. While it remains a matter of conjecture whether this had anything to do with the 1MDB fallout, his message was clear. In *The China Daily* on the third day of his visit, Najib wrote, "we believe it is incumbent upon larger countries to treat smaller ones fairly. And this includes former colonial powers. It is not for them to lecture countries they once exploited on how to conduct their own internal affairs today." He emphasized, "Malaysia and China are united in

agreeing on the need to defend the sovereignty of the nation state and in the belief that the individual histories, values and governance systems of different countries must be respected" and added that this is particularly relevant "as the world's fulcrum shifts east." Earlier, in an exclusive interview just before his visit, Najib hailed China as "a true friend and strategic partner", saying he would ensure that "it continuously improves and reaches new heights," stating in written responses, "It is a relationship I am personally committed to; not just as the Prime Minister of Malaysia, but also as the son of Tun Razak -- our former prime minister who first established diplomatic relations with China 42 years ago." He also agreed with Xi Jinping's analogy in describing China relations with Malaysia "as being as close as lips are to teeth."

Defense has long been an underdeveloped area of Malaysia-China relations. In addition to the "landmark decision" (Najib's own words) to purchase the LMSs, the country's first significant defense deal with China, Malaysia has agreed to forge naval cooperation with China in the politically sensitive South China Sea, as stated in an MoU signed on November 1, 2016. Malaysia's decisions on the LMSs and naval cooperation should not be seen as isolated developments, but part of ongoing strategic recalibration that has gained momentum, with implications for the country's long-term security posture. In 2013, Malaysia and China upgraded their bilateral ties to a "comprehensive strategic partnership." In 2014, the two militaries conducted a joint table top exercise (TTX). In 2015, the two held their first ever joint live-troop exercise in the Strait of Malacca (the largest ever drill between China and an ASEAN country). This year, the two armed forces conducted their second joint live-troop exercises code-named Aman Youyi in Paya Indah from 21-25 November, about two weeks after Najib's China visit, with ten observers from the Thai military, led by a 2-star General. Malaysia proposed to expand from bilateral to trilateral exercises in 2017. These developments notwithstanding, there is still a big gap between Malaysia-China defense ties and the Malaysia-U.S. defense partnership.

The most controversial deal signed during Najib's trip was the RM55-billion-ECRL project. Since the announcement that China was given the 5-year contract to build and finance construction of the 620km-long railway line, concerns have been voiced by various quarters in the country. Despite the projected economic benefits of linking Port Klang and the Gombak integrated transport terminal near Kuala Lumpur with the eastern townships of Kuantan, Kuala Terengggganu, Kota Baru, and Tumpat, many are questioning the Najib administration's decision to award the contract to China's CCCC. Criticisms focus on: 1) the procedure (the contract was not awarded by open and competitive tender); 2) the high price tag (RM55 billion is much higher than the industry estimated cost of RM30bn-RM36bn,

sparking speculation that the project was inflated to pay the 1MDB debt); and 3) ramifications (concerns about over-dependency on China, limited technology transfer, little impact on generating jobs, an inflow of Chinese migrant workers and possible unbalancing of racial relations in the multi-ethnic country, etc.). The leader and his ministers had to openly refute the accusations. Najib said in a statement, "Some have scaremongered that Malaysia is being sold off. This is absurd and absolutely false." The premier insisted that all projects "will be owned and run by Malaysians."

The two leaders' high-profile visits have attracted much attention, leading to half-truths and misinterpretations in many commentaries. Three are widespread.

- Misinterpretation 1: The visits signify that smaller states have "abandoned" their earlier position, "shifted" their alignment choice, and become "pro-China."

It is correct to describe the visits as indicative of the weaker states' greater readiness to move closer to China and accord greater deference to it; however, these postures do not necessarily mean completely siding with and accepting a hierarchical relationship in an across-the-board manner. At issue is the degree and manner of deference. It is inaccurate to use the term "pro-China" if a state's deference to Beijing is only selective, and if this is accompanied by defiance behavior (in another realm).

Manila and Putrajaya's deference to Beijing has remained selective, displayed side-byside with quiet, subtle defiance. After pleasing Beijing with their praise and pragmatic actions, the two smaller states have stopped short of completely aligning themselves with the giant; as both have insisted on keeping their options open by exploring close partnerships with other powers, such as Japan. Both Duterte and Najib have chosen to visit Tokyo after Beijing (Myanmar de facto leader Aung San Suu Kyi did the same in August and November 2016); both have accepted patrol ships and agreed to strengthen maritime cooperation with Tokyo. During his Tokyo visit, Duterte reassured Abe that "he has no intention to sever diplomatic ties with the US." Malaysia is maintaining its robust military partnership with the United States. In addition to taking part in the annual bilateral CARAT exercises, Malaysia has also been participating in the "Pacific Partnership", the largest annual multilateral, multi-service humanitarian assistance and disaster relief preparedness mission in the Indo-Pacific region. Planning for the Pacific Partnership 2017 mission in Kuching (the state capital of Sarawak on the island of Borneo) is currently underway.

- Misinterpretation 2: The statements made by the two leaders during the visits indicate that these states have chosen to downgrade their U.S. ties.

While statements (and deals) made during the visits may have left this impression, this does not necessarily mean that Manila and Putrajaya have decided to move into that direction. Their statements' presumably were mainly the leaders' reactions to U.S. criticism, even if they also may be a deliberate act aimed at playing one power against the other, for bargaining. Indeed, both leaders have pledged to strengthen their respective relations with Washington after Trump's victory. Duterte congratulated Trump for a "well-deserved victory" and said he would stop quarrelling with the United States. Najib lauded Trump for and "outstanding" win and recounted fondly his golf game with the president-elect at the Trump National Golf Club in Bedminister.

- Misinterpretation 3: Because of growing reliance on China, the Philippines and Malaysia, both claimant countries of the South China Sea, are compromising their interests in the disputed areas and, possibly, on other issues as well.

It is premature to judge if China's economic inducements have already eroded the smaller states' autonomy, compelling them to surrender their interests in the South China Sea. Both leaders have insisted to the contrary. Duterte declared: "We will stick to our claim. We do not bargain anything there. We continue to insist what is ours." Having emphasized this, the leader talked about his preferred approach to manage the disputes, "There is no sense in going to war. There is no sense fighting over a body of water." He added, "It is better to talk than war. We want to talk about friendship, we want to talk about cooperation and most of all, we want to talk about business." Najib similarly stressed, "Malaysia would not compromise on its South China Sea claims, but wants them to be worked out through dialogue and peaceful negotiations." Malaysia's South China Sea policy has long been sustained by the following thrusts: exercise of sovereign rights, insistence on dialogue and peaceful means, avoidance of confrontation, emphasis on international law, and limited alignment. Each of these thrusts has been in place before Najib came to power; none of them has been given up after Najib's visit to China.

Conclusion: Recurring Themes of Small-State Alignment

The two cases reflect themes typical of weaker states' alignment behavior under uncertainty. Four are the most vital, likely to endure well into the Trump era.

First, power asymmetry compels pragmatism; growing asymmetry compels growing pragmatism, albeit almost always in an ambivalent manner. Smaller states' leaders realize that major powers like China (and also the United States) could help and harm them much more than all other actors, and in more than one realm. They realize that the big powers present them indispensable assistance and opportunities in certain domains, but pose challenges in others. Pragmatic recognition of such ambivalent realities drive - and limit -their policies towards the major powers, as in bringing the leaders to China for maximizing benefits, while seeking to mitigate certain risks.

Second, when power asymmetries meet power competition under uncertainty, pragmatism necessitates that smaller states avoid putting all of their eggs in *any* single power's basket, at times even attempting to play one big power off against the other. When there is only one dominating power in the region, smaller states are likely to pragmatically accept hierarchy as a given reality, embracing the regional hegemon for survival and profits. However, when there are two or more powers competing for influence and domination, but with *uncertainty* in their *relative resolve, strength, and future relations*, small-state ambivalent pragmatism is likely to take different forms: avoiding taking sides, while adopting deliberately contradictory actions vis-à-vis the competing powers to preserve fallback position for themselves. The higher the uncertainty, the higher the need to avoid taking-sides, and to adopt mutually counteracting actions to ensure maneuverability, to bargain for benefits from all powers, and most importantly, to reduce the risk of entrapment, abandonment, and over-dependency.

Great power relations have become even more uncertain under Trump. The structural reality of enduring uncertainty has profound implications for regional states' alignment decisions. Because of the high stakes and uncertainties in great power politics, the weaker states in Asia are keeping their options open.

Third, domestic politics dictate the substance of small-state alignment behavior. The ruling elites' respective judgments on how best to conceive, cultivate, and capitalize on external conditions for justifying and consolidating their own domestic authority determine a state's alignment choices. These choices include: how close (or distant) should a state position itself toward a big power (or any external actor), to what extent should one cooperate with (or confront against) the power, for what prioritized benefits, and over what (politically acceptable) price.

Fourth, when domestic conditions are complex and the external power structure uncertain, *ambiguity in small-state strategy* is a necessity. It is often manifest in multiple mutually complementary, competing, and even contradictory approaches, distinct

from single-directional, straightforward strategies like hard-balancing (e.g. a full-fledged alliance with the U.S. to check a military threat, the approach adopted by Aquino III) or complete bandwagoning (e.g. fully joining the China camp for benefits-- a near example being Hun Sen's Cambodia). Although those clear-cut strategies may bring benefits (e.g. maximizing security and/or prosperity), they incur external and internal costs (alienating the opposing power, eroding domestic authority, undermining autonomy), which may not be acceptable to certain elites, depending on the sources of their power at home.

What do the above themes mean for ASEAN states' future strategies? Why should Brunei bother? Taken together, the themes highlight that as global power structure and the U.S.-China relations are becoming more uncertain as the world enters into the Trump era, small states in Southeast Asia are facing a deeper policy dilemma vis-à-vis prosperity, security, and autonomy. Brunei has no exception.

To maximize prosperity, ASEAN countries are expected to embrace China's BRI (or for that matter, any big-power-centered initiative) for development benefits, but pursuing this without a limit will only expose it with the risks of harming its safety and eroding its independence.

To maximize security, a smaller state (especially those alarmed by China's maritime assertiveness) is expected to reject BRI and join a countervailing alliance, but doing these come with the costs of foregoing economic benefits, inviting larger hostility, and losing maneuverability to its stronger ally.

To maximize autonomy, a smaller state is expected to completely isolate itself from the outside world (including the competing powers), but this will still incur the price of weakening the state's ability to withstand the cyclical security and economic volatilities at the international level.

It is impossible to maximize all three policy goals at the same time. To strike a balance across these inevitable downsides, rational states often see the needs to optimize (not necessarily maximize) each of the trinity goals with a readiness to limit and even sacrifice some desired values at a level acceptable to the respective ruling elite's own domestic political needs. Fundamentally, the degrees and manifestations of "acceptable" tradeoffs – what benefits to be emphasized, relaxed, or foregone in exchange of what sorts of riskmitigation – are determined by the respective elite's pathways of domestic legitimation (as evidenced by the cases of Duterte's Philippines and Najib's Malaysia, as discussed).

In light of this impossible trinity, Southeast Asian countries are likely to insist to simultaneously pursue ASEAN-based regional multilateralism, limited-alignment, and pragmatic bilateralism – as the key thrusts of their external policies. Indeed, at a time when China's contradictory regional strategies and the U.S. rebalancing to Asia policy (and to some extent, Japan's pivot to ASEAN) have combined to increase the structural uncertainties and challenges but also opportunities to all regional countries, most if not all Southeast Asian states have stepped up each of the triple thrusts. Some have adjusted their alignment positions in recent years (e.g. Myanmar and the Philippines). All have attempted to leverage on ASEAN (despite lingering concerns on the grouping's cohesion and centrality), while simultaneously bolstering bilateral efforts vis-à-vis the key actors. It is true that the ASEAN-led forums (namely the ARF, APT, EAS, and ADMM+) have been and will continue to suffer a range of limitations typical of all international institutions, such as ineffectual role in handling sovereignty and traditional security issues, uneven perceptions of threat and opportunity as well as divergent interests and actions across its member states vis-à-vis the competing powers. Nonetheless, those institutions – because of their multilateral, regularized, and relatively non-intrusive nature – have provided valuable platforms for ASEAN states to perform multiple tasks that cannot be attained by bilateral diplomacy and military alignment. These tasks are, inter alia, engaging and binding the competing big powers in an institutionalized, cooperative setting; enabling the powers to compete to cooperate with regional countries through more persuasive and potentially productive initiatives; keeping open the channels of communication and negotiation; mitigating the problem of power asymmetry; encouraging institutional balancing among the powers; discouraging destabilizing acts; as well as maintaining the momentum for further regional integration and interdependence. Together, these mutually-reinforcing processes serve to produce mutually-counteracting effects: they augment the limitations of bilateral diplomacy (by increasing the collective bargaining leverage of the materially weaker states, thereby strengthening ASEAN cohesion and centrality in regional affairs), while at the same time complement the functions of military alignment (by softening the power-balancing tone, thereby offsetting any adverse effects of dominance-denial and indirect-balancing measures that might be perceived as targeting at China).

Such mutually offsetting measures are indispensable for ASEAN states in optimizing their multiple interests under uncertainty, particularly in light of the gradual emergence of China-centered initiatives as the emerging third pillar in Asian architecture (side-by-side with the U.S.-led alliances and partnerships and the ASEAN-led regional multilateralism, as noted). In sum, smaller states in Southeast Asia are likely to continue the multiple approaches in the years to come. It allows the weaker states to strike a balance across tradeoffs along three

lines: prosperity versus autonomy and security, external positions versus internal authority, and short-term benefits versus long-term risks.

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ASEAN: MOVING FORWARD WITH THE DIFFERENCES

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On the eve of its 50th anniversary, the Association of Southeast Asian Nations (ASEAN) has much to celebrate. The grouping has come far in consolidating its community-building efforts while maintaining a relatively stable and safe space for the members to grow and develop economically. Regional integration initiatives – particularly those designed to boost ASEAN's international role and profile – have attracted and engaged more interest from existing and new partners.

But ASEAN also faces several challenges to its continued relevance. Regional stability, the very reason for which the founding members of ASEAN came together in a time of turbulent rivalries, is being interpreted by a new generation of ASEAN leaders differently and in different ways. There are new and emerging difficulties in upholding the various dimensions of ASEAN's central role – internally, externally, and institutionally. Centrality is an expected sine qua non for ASEAN in leading the different regional dialogues under its broad ambit. But in the different ASEAN member states, national attitudes towards global or regional issues influence – and are influenced by – the positions and stances taken by leaders. And because sovereignty and non-interference continue to be cardinal principles for ASEAN's inter-state relations, the following three main trends will shape how ASEAN moves forward with these differences:

- ASEAN's inter-related regional approach is shifting from the multilateral emphasis to more bilateral interactions and approaches.
- These shifts are influenced by individual members' national interests and attitudes towards regional arrangements.
- ASEAN security cooperation will be affected by, and thus need to pay more attention to how national populations perceive and/or identify with regional processes.

This paper examines the future of regional cooperation by first looking at the broad geopolitical challenges affecting ASEAN integration, then delving deeper into the findings of a survey on attitudes of young people toward regional cooperation and integration, to identify entry points for working together towards shared regional goals.

What can affect ASEAN integration?

ASEAN's geographical location at the nexus of South and Northeast Asia and the Pacific Rim affords the Association's members with a collective strategic position to engage and interact with a wide range of external partners. The grouping made a conscious effort to establish dialogue relations with most of the key actors on the global scene since the 1970s, for both strategic and economic reasons. Experts have argued that ASEAN is a unique geopolitical region where the strategic interests of major powers such as the United States (US), China, Japan, Russia, as well as the United Kingdom (UK), France, Germany and the collective membership of the European Union (EU), converge.

This unique position brings both wide-ranging opportunities and challenges, including major power rivalry, competing strategic and economic interests, and globally relevant pressures brought on by changing climate conditions, stresses in the global financial system, population increases, the double-edged sword of technological advancement, and the insidious rise of extremism and radicalism under the guise of nationalism. All these can affect ASEAN's continued momentum for regional security cooperation as well as in entrenching its economic integration agenda and priorities for the peoples in every member state.

Moving forward, ASEAN members – collectively and individually – will have to manage these following trends:

- New dynamics in US-China relations, with the new US President and China's China's "core" leader President Xi Jinping, will raise the of global political leadership to new levels of competition and cooperation. While the US remains still remains the bellwether for the state of the world, the next US President inherits the unenviable task of healing a polarized nation and bridging the divisions in the organs of state before turning attention to reinvigorating the US rebalance to Asia. Under a more collective leadership, China has continued to make its role and impact felt in various Southeast Asian countries through the significant bilateral partnerships it has with each ASEAN member.

- Southeast Asia will thus continue to be the focus and locus of attention and rivalry from its Northeast Asian neighbours and the United States, in politics and in economics. ASEAN will need a fresh approach to its centrality principles, to work out clear regional positions to manage (and assuage) any tensions that may arise in either political or economic relationships with the big powers.

- On the ASEAN front, even as the ASEAN members settle into the ASEAN Community and start implementing targets for 2025, national priorities will continue to influence (and shape) the regional agenda and actions. "People" issues will come to the fore, most notably income inequality and increasing mobility across borders for economic, political or other reasons. The global economic climate will pose add an additional challenge to governments' responses and policies for the people.

- Non-traditional security challenges such as the effects of global warming, the increase in the frequency and intensity of natural disasters, and the threat of pandemics will place a strain on regional coordination capacities even as ASEAN members improve their preparedness and response capabilities.

- Brexit lessons have highlighted push factors that led to the "leave" vote, and important lessons for ASEAN's own regional integration efforts. While the EU experience is not directly comparable, it still shows that regional disparities and national interests may stand in the way of regional development goals.

- Top-level leadership transitions are taking place in several ASEAN members, in societies that are going through important transformational processes. These national-level changes all have the potential to affect regional political stability.

ASEAN's own state of play: Finding centrality in diversity

The political, economic, social, and geographical diversity of ASEAN member states affects the security orientation of individual governments and of the grouping collectively. ASEAN's diversity is both a challenge and an opportunity for regional cooperation.

ASEAN has lived with diversity since its inception in 1967. Its regional processes have evolved with some measure of flexibility to accommodate this, resulting somewhat paradoxically in having a broader scope for a regional role and space to manage external influences and at the same time being limited in the extent of effectiveness to do so.

Despite its diverse systems and levels of development, ASEAN is centralised in nature. Decision-making by consensus, and adherence to the principle of noninterference in internal affairs centres regional discussions. This ASEAN Way also centres how decisions are upheld. Member states constantly refer to these core principles in their discussions, particularly those in the political-security sphere.

Still, ASEAN's diversity colours perceptions of what the ASEAN members can or cannot do regionally and nationally. Additional considerations include the leadership transitions in several ASEAN members which have led to new or nuanced interpretations of the ASEAN Way's flexibility and how regional institutions and processes work[1]. Regional commitments also find different tractions with different national interests of member states. This is reflected in how the various ASEAN members lead or take positions in specific areas of regional cooperation:

- Indonesia and the Philippines in human rights promotion, and protection of migrant workers and victims of human trafficking;
- Singapore, Malaysia and Thailand in trade and economic liberalization, while there are individual initiatives by Brunei, Malaysia, Singapore, Vietnam and Thailand to join the TPP negotiations;
- Indonesia's championing of climate change responses globally contrast with the weak local enforcement of its ASEAN commitments on transboundary haze;
- Differing levels of enthusiasm or support for the US rebalancing to Asia and Japan's security assertions in East Asia; and
- Difficulties in reconciling bilateral relations with China to the regional (ASEAN) position regarding territorial claims in the South China Sea.

If ASEAN centrality requires ASEAN member states to exert collective leadership on issues important to the region (and therefore members), the diversity in national positions (on regional issues) and national interests may act as a centrifugal force to it. In the same way that different ASEAN member states lead different areas of cooperation in ASEAN, differences can also be found in how ASEAN members coordinate the grouping's relations with Dialogue Partners. The different external cooperation processes also add their own challenge to ASEAN centrality.

The emphasis on ASEAN's unity of purpose, which is assigned greater value than national or personal interests, has recently become a topic for soulsearching in the wake of several instances where regional unity has been seriously shaken over the clash of national interests with regional commitments. The 45th ASEAN Ministerial Meeting's failure in 2012 to issue its annual joint communiqué over disagreement on language to be used in referring to competing territorial claims in the South China Sea was the first major instance. Then, in 2015, the 3rd ADMM-

[1] I highlighted these realities in a paper jointly authored with Masahiro Kawai and Bill Hayton on "ASEAN's Regional Role and Relations with Japan: The Challenges of Deeper Integration" published by Chatham House in February 2016. The full paper is available at: https://www.chathamhouse.org/sites/files/chathamhouse/publications/research/2016-02-18-asean-regional-role-kawai-thuzar-hayton.pdf

Plus meeting failed to issue a joint statement over differences of national positions (by the US and China) on the South China Sea issue. In 2016, ASEAN planned to issue a joint statement on this topic on the sidelines of a special meeting among ASEAN foreign ministers and their Chinese counterpart, but did not manage to do so due to lack of consensus. Tensions between China and ASEAN member states after the Permanent Court of Arbitration in the Hague decided the legality of the Philippines claim in the Spratlys also affected the 49th ASEAN Ministerial Meeting discussions in Vientiane this year.

Thus, ASEAN today finds itself in a situation where a) the external dimension of ASEAN centrality continues on an active trajectory, as demonstrated by the lead role accorded to ASEAN in the ASEAN-initiated regional processes, as well as an increasing representational value at other regional and international fora; and b) the institutional centrality of ASEAN continues to be reinforced, especially in upholding the role and functions of the rotational ASEAN Chair, the ASEAN Secretary-General and the ASEAN Secretariat, and the Committee of Permanent Representatives to ASEAN; but c) the internal dimension of ASEAN centrality or the need to be serious about commitments to achieve an integrated ASEAN Community is a continuing concern.

ASEAN today

It is widely accepted that ASEAN is primarily a political community. The discussions on regional security among the ASEAN members and their dialogue partners, and with countries from a wide geographical reach[2], highlight the interlinked nature of political-security cooperation. ASEAN's political communitybuilding is considered more or less complete with the question of Timor-Leste's membership viewed as a function of time.

ASEAN has also focused on getting the economics right since its establishment. The ASEAN Free Trade Area has been a reality since 2003 and ASEAN is now working on economic integration through closer connectivity in the institutional and infrastructure areas. Economic integration will bring important benefits of lower transaction costs, greater mobility and wider consumer choices to the people in the member states. The timelines set for economic integration are on track, with strategic underpinnings acting as additional motivators.

[2]In addition to the ten ASEAN members and the ten ASEAN Dialogue Partners (Australia, Canada, China, the EU, India, Japan, Republic of Korea, New Zealand, Russia and the United States), the ASEAN Regional Forum also includes North Korea, Mongolia, Sri Lanka, Timor-Leste, Pakistan, Bangladesh, and Papua New Guinea.

ASEAN's main deliverables in the decade towards 2025 will be in delivering the "people-oriented, people-centred ASEAN" to populaces in the member states. Efforts will thus be shaped by an imperative to "get the people on board", i.e. more interface or engagement with national populations to make ASEAN – still an abstract idea to the person on the street – real for them. And yet, the daily lives of the 620 million people in ASEAN countries are touched by myriad aspects of ASEAN integration in motion. The challenge continues to be in connecting the dots of regional decisions affecting national situations which in turn influence how regional agreements are negotiated.

Establishing a sense of belonging and identification with the region is thus an important first step towards internalising the centrality of ASEAN and its institutions in representing the region – and its diverse concerns – as a collective whole. This is easier said than done.

At the regional level, ASEAN's people-related indicators paint an impressive picture. The male and female populations are roughly equal. A relatively young population with a median age below 40 points to a potential demographic dividend. ASEAN members have curbed the spread of communicable diseases. It has a high literacy rate, although more males than females are able to read and write. The use of English, which is ASEAN's working language, is widespread. The regional poverty rate is 15 percent. The unemployment rate is less than 10 percent. About 80 percent have access to safe drinking water and improved sanitation. The internet and smartphone revolutions have helped in broadening and flattening people's access to information – 120 percent have mobile phones through which they access the internet.

But when the regional aggregates[3] are separated into national-level indicators, a stratified ASEAN emerges with high-achieving Singapore at the top and countries such as Cambodia, Laos and Myanmar clustered at the bottom of most regional indices. The question of "what are the benefits of being in ASEAN" resonates differently among and within the member states.

Additionally, there is still a thin sense of belonging to the region, despite largely positive attitudes among the young people. A recent survey carried out in 2014-15 to gauge the awareness levels and attitudes of young people towards ASEAN[4] found that regionally, over 80 per cent view themselves as "citizens of ASEAN"[5], but views and attitudes towards ASEAN differed at national levels (with the newer members the most enthusiastic), as did national attitudes towards other ASEAN countries. ASEAN ambivalence continues in Singapore, and is emerging in Thailand.

The following section summarises the findings of the survey, which updated an earlier survey in 2007 carried out among university students in the ten ASEAN member states, to gauge levels of ASEAN awareness, as well as attitudes towards and aspirations for regional integration. The initial survey was undertaken at primary national universities in the major cities of the ten ASEAN countries. The 2014-15 update expanded the participating universities to include 12 additional universities, and involved a total of 4,623 university students across the region[6]. The results found that young people in this region identify ASEAN positively with regionalism and cooperation, but many view ASEAN and regional cooperation in the context of their own nation. This is probably due to how ASEAN is discussed in each national context, as well as the mainly urban, English-speaking focus of ASEAN initiatives.

Region and place matter[7]

In both the 2007 and 2014 surveys, positive attitudes towards ASEAN have remained generally consistent, while awareness and knowledge of ASEAN showed some increase. Generally, young people see ASEAN is culturally similar but politically and economically different. Singaporean students tended to see the greatest dissimilarity among ASEAN members while the greatest overall similarities were found in Indonesia, Vietnam, and Myanmar (in 2014).

Attitudes, Knowledge, Orientation and Sources of Information

- The sense of "ASEAN citizenship" remains strong among young people in the region, as do perceptions of benefits of ASEAN membership both to one's country and oneself personally.

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[3]ASEAN's statistical indicators are shared both in the regional aggregate and by individual country in the ASEAN Statistical Leaflet 2015, published by the ASEAN Secretariat. http://www.asean.org/storage/2015/11/ASEAN_Statistic_Leaflet_2015.pdf

[4]The key findings were first presented at a public seminar on 24 August 2015, held in Singapore and organised by the ISEAS-Yusof Ishak Institute on the sidelines of the Ministry of Foreign Affairs' ASEAN Day reception. The full report "Do Young People Know ASEAN?" co-authored by Eric Thompson, Chulanee Thianthai and Moe Thuzar was published in May 2016 by ISEAS.

[5]This is an improvement compared to 75 percent identifying themselves as such in 2007.

[6]This was in order to test for regional, socioeconomic and/or ethno-religious differences in particular nations.

[7]This section condenses and summarises further the key findings from the 2014-15 update to the ten-nation survey on ASEAN awareness and attitudes. The survey report has been published by ISEAS in May 2016. The report does not include the additional findings of descriptions for selected ASEAN dialogue partners.

- Interest in learning about other ASEAN countries also remains high. The same pattern of ASEAN enthusiasm continues, with the greatest interest coming from Cambodia, Laos and Vietnam, and now Myanmar.

- There is also increased objective knowledge about ASEAN compared to 2007. This may be because students are now more knowledgeable about ASEAN, particularly where attention has been given to the run-up to the ASEAN Economic Community (AEC) in recent years. The lowest objective knowledge about ASEAN was found among students in the Philippines, followed by those in Singapore. Myanmar students, who had been the least objectively knowledgeable about ASEAN in 2007, displayed knowledge in 2014 that was more in line with regional averages. Vietnamese students were best at identifying the date of ASEAN's founding. Thai and Brunei students were best at identifying ASEAN countries on a map. Recognition of the ASEAN flag was over 90 percent in Brunei, Indonesia, Thailand and Vietnam.

- Students from Mainland Southeast Asia (Cambodia, Laos, Myanmar, Thailand, and Vietnam) are generally more cognizant of other Mainland countries and similarly those from Maritime nations (Brunei, Indonesia, Malaysia, the Philippines, and Singapore) are generally more cognizant of other countries in the Maritime grouping. In some instances, students from the Mainland group exhibited greater awareness of Singapore and Malaysia than of other countries in their own sub-region. Thailand often had greater salience than Brunei among students from the Maritime group. Thailand and Malaysia remained the most salient countries generally for students across ASEAN as a whole. Brunei remained the least salient country to students across the region.

- Television and school remained the first and second most important sources of information in every nation (except Myanmar), followed by the Internet as the third most important source. Newspapers and books continue to be among the top five sources of information for the region as a whole. From a more varied media environment in 2007 in which the Internet was more important in certain nations while the radio remained popular in others, in 2014, the importance of radio had dropped (particularly in Cambodia). This is a good indication of the shifting, and, to some extent, homogenising of the media environment, at least in terms of the media of communication.

- In 2007, Singapore was the preferred destination for both travel and work work, with Thailand and Malaysia as second and third choices. In 2014,

Singapore again emerged as the most desirable destination for travel and work, and Thailand replaced Malaysia as the second most popular destination. Thailand was the popular choice for students in Indonesia, Brunei and Malaysia, but there was some variation based on co-ethnic or regional factors. In Indonesia, for example, Brunei was a strong secondary destination for travel and work among predominantly Muslim students in Aceh, but not so for the predominantly Christian students in Kupang, West Timor. Muslim-minority students from both Walailak University in Southern Thailand and Mindanao State University in the Philippines rated Malaysia as a desirable work destination to a much greater degree than theirnational counterparts at other universities surveyed.

Aspirations for regional integration

In 2014 as in 2007, there was a strong positive attitude across all nations when asked to indicate agreement or disagreement on the importance of eight aspects of regional integration and cooperation: 1) Cultural Exchanges, 2) Economic Cooperation, 3) Development Assistance, 4) Educational Exchanges, 5) Security and Military Cooperation, 6) Political Cooperation, 7) Sports Competitions, and 8) Tourism. In 2014, Economic Cooperation fell from first to third most important aspect of integration across the region. Tourism and Development Assistance, which ranked second and third in 2007, moved to first and second. The focus on launching the ASEAN Economic Community (AEC) in 2015, may well have highlighted the drawbacks as much as the benefits of economic cooperation to citizens of the region, leading some to view it with less enthusiasm.

Educational Exchange, Security Cooperation and Sports rated as mid-tier areas of importance for regional cooperation, but with a great deal of variation from nation to nation. For example, Educational Exchange ranked first in Laos and Myanmar and second in Brunei and Cambodia, but seventh in Malaysia and Singapore (both 'importers' rather than 'exporters' of exchange students). Conversely, Security Cooperation ranked first in Singapore and second in Malaysia, but seventh in Laos and Thailand. Sports Competitions ranked second in Indonesia and third in Malaysia, but seventh in Brunei and eighth (last) in Singapore.

The least important aspects of integration and cooperation across the region were Cultural Exchanges and Political Cooperation. These two were among the aspects ranked last in all nations except Singapore (where they ranked sixth and third respectively). Less enthusiasm for integration and cooperation was registered in Thailand, although the overall responses from Thailand remained positive.

Students continue to focus on issues of people-to-people exchange (Tourism, Economic Cooperation, and Educational Exchange) more than state-to-state issues (Security and Political Cooperation). This was also true for issues deemed crucial to cooperation and awareness of ASEAN. Poverty reduction and educational exchanges ranked in the highest (top three) areas of priority. Poverty reduction ranked first or second in every nation. Educational exchange ranked first through third everywhere except Singapore and Malaysia.

Science and technology development, health and disease control, and natural resource and environmental management occupy the next rung of importance. Singapore students ranked science and technology development low and there were divergent views on health and disease control (Singapore ranked this second, but it was seventh for Vietnam). Disaster assistance ranked highly in Malaysia, the Philippines and Singapore but in the bottom half everywhere else. Regional identity ranked last in five of the ten nations and in the bottom half in eight of the ten. However, it ranked as the most important issue in Vietnam, and fourth overall in Thailand. Cultural preservation was the least important issue in all nations except Indonesia and Myanmar.

Describing ASEAN

In 2014. survey respondents were given a list of 20 countries and regions, including ASEAN, the ten ASEAN member countries, and nine additional regions and countries for comparative purposes, and asked them to write one word that they would use to describe each. The one-word descriptions provide some insights into how students from across the region think about ASEAN and its members.

Across the region, words to describe ASEAN primarily related to regionalism (e.g. Southeast Asia, Asia, 10 countries) and cooperation (organization, unity, etc.). Economic cooperation and the AEC specifically featured in the answers from about half of the universities. Similarly, five nations associated ASEAN with development. Singapore and Thai students associate ASEAN with poverty, though Vietnam and Brunei students associated it with wealth. Many students associated ASEAN with their own nation, except for those from Brunei and the Philippines. Diversity, culture, cultural diversity and related terms were mentioned by all except those from Philippines and Thailand. The most negative descriptions of ASEAN were found in Singapore where about 11 percent of students described ASEAN as "useless" (or a synonym) and Thailand where about seven percent described ASEAN as "stupid" (or similar). Conversely, about 15 percent of Vietnamese students and five percent of Singapore students described ASEAN in positive terms.

The descriptions of individual ASEAN member nations and of some ASEAN Dialogue Partners were often complex and varied across the region.

ASEAN members

- Brunei was primarily described in terms of oil, wealth, its status as a sultanate, and its small size. Islam was an important descriptor for Brunei in Malaysia, Indonesia, Brunei and Singapore.

- Descriptions of Cambodia overwhelmingly centred on Angkor Wat and secondarily on poverty. Other frequent descriptors include "culture" (or similar terms) and references to the Pol Pot and Khmer Rouge era.
  Indonesia's many islands and large size featured in all responses from across the region. Islam was an important descriptor for Indonesia from six nations, but not in Brunei, Malaysia or Indonesia itself. Everywhere, except in Vietnam, Indonesia was associated with well-known places within the country, particularly Bali and Jakarta. There was a diversity of descriptions in economic terms. There was a tendency to associate the country with poverty or under-development by students from more affluent nations (such as Singapore, Malaysia and Thailand) and described in terms of development, a good economy or economic growth by students from less affluent nations (such as Cambodia and Laos).

- Laos appeared to be the least known country in the region. Laos rated the largest number of non-responses for descriptions, other than Laos' immediate neighbours. Poverty, underdevelopment, or, to a lesser extent, development was a leading descriptor for Laos everywhere, except Thailand. A secondary set of responses related to traditional culture, ethnic dress, food, and natural resources.

- Malaysia was described widely in ethno-religious (Malay, multiracial) and religious terms (associated with Islam). Reference was made in all university samples to tourism, frequently citing the Malaysia tourism slogan "Malaysia, Truly Asia." Locations (especially Kuala Lumpur) and landmarks (particularly the KLCC or Twin Towers) featured prominently in descriptions of Malaysia. Malaysia's economy was noted mostly in positive terms but in a few as "poor" or "developing." Also, given the timing of the survey, mention to air disasters was made in many university samples. Students from Mandalay University in Myanmar indicated Malaysia as a destination where there are many Myanmar migrants.

- Myanmar was associated primarily with the country's politics. Aung San Suu Kyi, as an iconic figure, featured in response from all nations except Vietnam. Common reference was also made to the military government as well as to war and conflict. Students from all nations also associated Myanmar with poverty and development, except in Laos where respondents referred to investment and trade. Reference to Myanmar's Buddhist heritage was particularly strong in Thailand, Laos and Cambodia, and elsewhere students made frequent reference to pagodas or specifically the Shwedagon.

- The two most common descriptors for the Philippines, found in all sets of responses, referred to natural disasters and islands. Other common associations were in reference to language, pop culture, Manila, sports, and food items. Many descriptive terms prominent in some nations' descriptions – such as labour migration, the economy, tourism, religion or education – appeared only in a few nations' responses.

- Singapore has a much more singular, common image across the region. The primary set of associations for Singapore, found across all university samples, centred on modernity, wealth and the country's small size. A second order set of associations, also found in all the sets of responses, referred to tourism, cleanliness and high standards of education.

- Thailand also had a strong, similar image across the region, centring on tourism, food and the country's political situation and conflict over the past decade. Other significant associations made were in reference to agriculture and exports, the transgender culture and to elephants. Less universally, but in several countries, Thailand was described in terms of culture, popular culture, the monarchy and religion.

- The two main associations for Vietnam were war and/or politics, and the economy. Reference was made as well to Vietnam's rapid economic growth. Other significant associations made reference to agricultural production, Vietnamese culture, food and tourism.

China, Japan, Korea

- China tended to be viewed in terms of its economy and size, Japan in terms of its tourist attractions and technological advancement, and Korea in terms of its pop culture including cosmetic surgery. Both Japanese and Korean food registered strongly. Japan and Korea were often similarly described. Some common associations for the three countries were related to tourism and

the economy, and to food and culture, and pop culture, though to varying degrees. Japan was also associated with natural disasters, especially the 2011 nuclear disaster and earthquake. Overall, Japan and Korea were positively described and China was associated with negative terms. Japan received the most praise, with words like "discipline", "polite", and "smart" forming primary or secondary terms. Students from several nations associated China with negative images, using various words like "rude", "gross", and "bully".

India

- India was commonly associated with its cuisine, in particular, curry. India was widely described as known for being 'big', 'crowded', and having 'many people' The Taj Mahal is also featured in the responses across the nations, with the exception of Cambodia and Vietnam. Among some nations, India is strongly associated with religion, such as Buddhism and Hinduism. Religion-related terms were featured in responses collected from all nations except Singapore. Myanmar students referred to India's caste system. Descriptors for India's culture and tradition were used by respondents from nine countries, featuring references to "dance", "Sari" , as well as the country's cultural and media productions such as Bollywood as well as some films and actors. Only Vietnam did not register any terms related to the media industry. Other descriptors include poverty, dirty, crimes such as rape, and technology.

America and Europe

- Economic terms featured strongly in the responses to both America and Europe. Both America and Europe were associated with economic development and wealth. America was also described with the words "capitalist" and "technology". There were also references made to the debts faced by America by Bruneian students, and Europe's economic crisis by students from Singapore and Thailand. Many responses to both America and Europe made references to the physical appearance of the population, with ethno-racial terms like "white", but also "tall" most common. America also tended to be described with "fast food". Positive terms were used more frequently in describing Europe (including "beautiful" and "classic"). Students from both Thailand and Vietnam described both America and Europe using the words "civilized" and "civilization". Myanmar students used "human rights" as a descriptor for America. All nations referred to politics when describing America, particularly to Obama. The only political terms used to describe Europe were in reference to the EU or the euro.

- Concepts found only in responses to America include power, symbols, pop culture, freedom, conflict, and negative terms. All nations except Brunei associated power with America. In contrast, this term was largely absent from the descriptions of Europe. Negative descriptors for America featured prominently in the responses from Singapore (ignorant,fat), Philippines (dumb, danger), and Malaysia and Brunei (evil), and were noted in responses from Thailand (Bossy). Students from Malaysia also mentioned "Israel" and "Jews", and US/USA .

- Concepts found only in responses to Europe include those relating to culture culture, sports, English, and luxury goods. References to culture were made by several nations, including terms like "dress" and "history" (Cambodia, Singapore, Philippines, Malaysia and Brunei), "high society", "aristocracy" and "luxury goods" (Thailand), and "king" (Philippines). Five nations associated Europe with football (Brunei, Laos, Indonesia, Cambodia, and Malaysia).

Cognitive Maps of ASEAN

In 2014, students were also asked to judge the similarities and differences among ASEAN member nations. The resulting "cognitive maps" of the ASEAN members indicate a strong national framing of perceptions of region. At the same time, the results also demonstrate several transnational patterns of perceptions about the region.

- A "Malay-Muslim" pattern was observed across Brunei, Indonesia (though not in West Timor), and Malaysia (at University of Malaya and Universiti Malaysia Sarawak, where the students were not themselves Malay-Muslim; though not at the private-run Universiti Tunku Abdul Rahman). In this pattern, the majority Muslim countries of Brunei, Indonesia and Malaysia along with Singapore are clustered together and contrast primarily with the "CLMV" countries (Cambodia, Laos, Myanmar and Vietnam) and secondarily with the Philippines and Thailand, which form a residual grouping. Some echoes of this are seen in clustering of Malay-Muslim countries in the cognitive maps of both Mindanao State University in the Philippines and Walailak University in Thailand, where samples were at least 80 percent Muslim.

- A "Mainland-Maritime" pattern was shared by all student samples from Thailand, as well as those from Cambodia and Laos. In the Mainland-Maritime pattern, the strongest contrast among countries are between the five Mainland countries of Cambodia, Laos, Myanmar, Thailand and Vietnam

and the five Maritime countries of Brunei, Indonesia, Malaysia, Singapore and the Philippines.

- A third pattern with some transnational reach was the "Singapore exceptionalism" pattern. In this pattern, Singapore is sharply contrasted with all other countries in the region. The Singapore exceptionalism pattern was produced by all students in Singapore (including Malay students from the National University of Singapore) and by the Chinese-Malaysian students from Universiti Tunku Abdul Rahman as well as Chinese-Malaysian students from Universiti Malaya when examined separately.

Along with these transnational patterns, those produced by Myanmar, Philippines, and Vietnam students were more unique to those countries. The Myanmar pattern shows some visual similarities to all three of the transnational patterns mentioned above, but it is not highly correlated with any. The Philippines pattern clusters the Philippines with Singapore, Indonesia and Malaysia in contrast to the CLMV countries, with Brunei and Thailand as intermediaries between the two. The Vietnam pattern clusters Vietnam with its neighbours Cambodia and Laos, primarily in contrast to the Maritime countries but secondarily in contrast to Thailand and Myanmar.

Perhaps the most intriguing of the findings is evidence of what might be considered a transnational, centralised and elite perspective in thinking about the relationship among ASEAN members, particularly in the primary, "flagship" universities in the survey. This suggests that along with strong national and subregional framings of perceptions of Southeast Asia, there is also a general, shared, transnational frame-of-reference that is being absorbed by university students at top, centrally located universities. This may reflect a transnational elite discourse about the region to which students at leading universities are most attuned (or exposed to).

The perceptions of ASEAN as an elite organisation are not new, and have probably been reinforced by the nature of ASEAN discussions which are carried out in English, ASEAN's official working language. ASEAN documents are also originally produced in English, and each member state then takes on the task of translating key documents into national languages. This presents an additional challenge to how the wider public identifies with or discusses ASEAN at national levels, in the local vernacular.

ASEAN has, in recent years, increasingly engaged civil society around topical themes on the regional agenda. This has both pitfalls and promises. Most of the recommendations of the annual ASEAN Civil Society Conferences have met with

slow progress in finding their way into regional or national-level initiative. It is thus timely for ASEAN to find and tackle some cross-cutting commonalities where regional actions will resonate nationally.

Moving forward with the differences: Where are the commonalities?

Going forward to the next community-building milestone of 2025, there are several concerns for ASEAN members collectively and individually. The impact of the global economic climate, which is currently on a downward trend, poses a challenge to the imperatives and prospects for regional economic integration. ASEAN members are in the final stages of negotiating the Regional Comprehensive Economic Partnership (RCEP) with Australia, New Zealand, India, China, Japan and the Republic of Korea. As negotiators seek to protect their national interests at the regional table, the need to obtain domestic consensus for regional commitments becomes more acute than ever.

The social impact of regional integration will also have national consequences. Common concerns for citizens in the ASEAN member states include mobility in education, employment and travel, which can be exacerbated by internal pressures of demographic changes, rapidly urbanising societies and the results of climate change and natural disasters. The rise of social movements in response to the challenges of surviving in increasingly globalised societies may result in harder attitudes towards national and regional policies.

The master plan on connectivity will link ASEAN countries and peoples together like never before in all aspects – physically through road, rail and energy networks, virtually through the internet and mobile networks, and culturally when people move across borders to live, work, study and spend their leisure in any ASEAN country of their choice. With less than one percent of the region's workforce covered by regional agreements for labour mobility, ASEAN's connectivity plan for 2025 now includes a new component to bridge gaps in vocational skills demand and supply across the region.

The region is also particularly vulnerable to climate change and natural disasters, with extensive, heavily populated coastlines in both maritime and mainland Southeast Asia, large agricultural sectors, and large sections of the population living below the poverty line. Impacts of climate change are resulting in social consequences such as migration (within or across borders) in search of better livelihoods.

The need for adequate access to food, energy and water, especially in rural or depressed areas, compete with narrowing disparities in education enrolment and attainment. Even with young populations raring to enter the workforce, ageing societies and job-skills mismatches will place additional stress on social protection needs. And, the role of religion and culture in Southeast Asia's multiracial, multi-cultural societies will continue to be an important consideration in dealing with threats of extremism and terrorism. There is a shared interest for ASEAN not to let religion become a vehicle for nationalism or divisive politics.

ASEAN's people-related challenges thus illustrate many cross-cutting issues that affect how countries coordinate actions internally and among themselves. ASEAN today has a unique opportunity to calibrate regional responses that may have political, economic and social consequences at national or sub-regional levels. While ASEAN's regional institutions will continue to be a useful framework for shaping the regional outlook, providing a middle ground to balance political tensions, and shaping attitudes towards regional integration efforts, geopolitics demands that ASEAN centrality be now infused with new ideas so that the Association can continue to be relevant in regionally and globally.

To this end, there is significant potential – albeit with considerable work – to centre the region and ASEAN as its representative organisation in the various national psyches. The survey results show that there is a nascent foundation upon which future efforts can be built.

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GROWTH OF MARITIME CAPABILITIES: A RECIPE FOR COOPERATION OR COMPETITION?

Collin S.L. Koh

Executive Summary

- Backstopped by hikes in military expenditures for the Asia-Pacific region, the focus of military modernization continues to be maritime oriented.

- The non-monolithic Asia-Pacific region's maritime security challenges are complex, multi-faceted and diverse, as represented in a nexus of non-traditional security – such as illegal fishing, piracy and sea robbery, including the recent spate of "kidnap-for-ransom" incidents in the Sulu Sea – and traditional security, as seen in the East and South China Seas.

- Maritime forces capacity development seen in the recent years builds on what transpired back in the 2000s: accumulation of more balanced naval capabilities alongside the expansion of maritime law enforcement (MLE) agencies – altogether they represent a continuity in the region's quest for maritime force projection, premised on long range, high endurance, combat/operational persistence as well as enhanced precision, firepower and force protection.

- Within the broad context of so-called holistic maritime forces capacity development, the increasing influx of offensive military technologies, as seen in the acquisition of sub-surface, surface and land-based maritime aerial assets equipped with a plethora of long-range anti-ship and cruise missiles (some are supersonic), as well as amphibious assault capabilities including both sealift and amphibious-capable land forces, could be potentially destabilizing when seen in the context of regional maritime disputes.

- However, it has become evident over the years since the end of the Cold War that regular naval forces have receded much to the background and become less involved on the frontlines of regional maritime disputes. Their deployment near and in the periphery of those disputed waters, while constituting a matter of concern, does not warrant alarmist predictions since their governments have come to regard these forces as a form of recessed deterrence, and mostly reserved for low-level show of force gunboat diplomacy that lends to better management.

- Moreover, it is evident that some of these supposedly destabilizing forces – foremost amphibious sealift assets – possess highly valuable utility in mitigating disasters and emergencies. They also contributed in no small manner to regional navies expanding the scale and scope of their participation in practical maritime security cooperation at the regional and international levels. In other words, the proliferation of these capabilities need not be necessarily destabilizing, yet they can also promote stability.

- The horizontal and vertical proliferation of coastguards, on the other hand, has become a matter of more pressing concern. The spike in number of incidents in the East and South China Seas is attributed mostly to MLE forces, though the nature of these incidents can still be characterized as low-intensity. But this still constitutes a worrying trend especially when seen in the light of their continued frontline role and the overall capabilities (especially ships become larger and better-armed) of these MLE forces.

- While efforts to promote the creation of new or improvement of existing confidence- and security-building mechanisms (CSBMs) ought to be encouraged, Asia-Pacific countries need to adopt a more pragmatic approach considering the long history of challenges encountered by naval arms control negotiations, the multi-faceted nature of the region's maritime security challenges and the ambiguous character of maritime forces. Negotiated mechanisms will invariably take more time, and for the foreseeable future the onus remains to be unilateral restraint on the part of regional governments and those forces deployed at sea.

- In parallel with regional efforts to push for multilateral CSBMs such as the proposed Code of Conduct in the SCS, regional maritime forces should maintain and if possible enhance current levels of interactions such as through joint training and exercises. These not only facilitate collective efforts against common maritime security challenges but also foster confidence-building. However, one area that warrants greater attention is the human capital aspect of maritime forces capacity-building – the enhancement of professionalism amongst not just commanders and operators at the operational and tactical levels, and better command and control, may have a positive effect in ameliorating the potentially negative consequences of maritime encounters, especially in disputed waters.

Introduction

The Asia-Pacific region presents a mixed picture. While it is a scene of socioeconomic advancements, contributing much to the rising affluence of the resident societies, it is also a region rife with a complex and diverse multitude of maritime security challenges, ranging from illegal, unreported and unregulated (IUU) fishing to simmering maritime disputes in the East and South China Seas.

Backstopped by socioeconomic development and driven by overarching strategic imperatives to secure their maritime interests – broadly and variously defined – Asia-Pacific governments have been engaging in a phenomenal spate of maritime forces capacity development efforts. By "maritime forces", one refers to both the regular navies and maritime law enforcement (MLE) agencies that are colloquially known as "grey" and "white" forces respectively.

Such processes may constitute a matter of concern, especially in the light of recent spike in tensions over those maritime disputes. This begs the question whether these processes, which could be characterized vaguely as naval arms "races" or at least "competition", would destabilize the region. This is in turn premised on the fundamental, associated question of whether these developments promote competition or cooperation.

This paper first argues that the accumulation of naval force projection capabilities which are increasingly offensive in nature may not necessarily be destabilizing since some are useful in times of disasters and emergencies, thereby contributing to stability. Second, it argues, the proliferation of MLE forces constitutes a matter of concern given their rapid expansion and better equipment, especially when these elements have come to the forefront of maritime disputes. These developments highlight not only the complexity of the Asia-Pacific maritime domain, but also enduring ambiguities associated to naval forces (even more so with the advent of "white hulls" MLE forces) that may challenge prospects of confidence- and security-building measures (CSBMs).

Varying and Complex Environment: A Brief Overview

It needs highlighting here that the Asia-Pacific region is not a monolith; it comprises distinct sub-regions each with its unique characteristics. Even within sub-regions, except for some which maintain bilateral military alliances that oblige these governments to incorporate the need for burden-sharing, individual countries embark on independent defense and security planning. Suffice to say, a myriad of

factors – interactive, semi-interactive and non-interactive – drive acquisitions of maritime capabilities.[1]

Nevertheless, it would not be in the interest of this paper to go through the whole laundry list of such drivers except to recognize that for virtually every Asia-Pacific country there is more often a confluence of the abovementioned three broad factors that motivate defense purchases. Yet this confluence does not remain static – it continues to evolve in response to elite perceptions of the domestic and external environment. For example, some countries' acquisitions are driven mainly by perceptions of external threats (some of which existential in nature) while others more affected by transnational non-traditional security (NTS) maritime challenges. Some would prefer to focus scarce national resources to socioeconomic or basically non-military expenditures.

Northeast Asia can be said to be dominated by state-centric maritime security challenges, considering that it is home to several outstanding, at times very tense, maritime disputes – Dokdo/Takeshima (Japan and the Republic of Korea or ROK); Ieodo/Socotra Rock (ROK and the People's Republic of China or PRC); East China Sea (ECS) disputes, particularly that revolving around the Senkaku/Diaoyu Islands (Japan, PRC and Taiwan); and Okinotorishima (Japan and Taiwan).

Moreover, remnant Cold War interstate conflicts with a strong maritime dimension continue to linger in Northeast Asia. Taiwan faces the primary threat of a military invasion by PRC especially following the passing of an Anti-Secession Law in 2005 which mandates Beijing to resort to force of arms to oppose any independence attempt by the island it views as a renegade province. The Korean Peninsula may potentially see renewed hostilities given a belligerent Democratic People's Republic of Korea (DPRK) and its significant nuclear weapon and missile programmed. Seen conversely, Pyongyang views the Americans as the foremost threat to its regime security. Japan sees growing military challenge from both the DPRK and PRC.

South Asia sees mainly NTS maritime challenges including natural calamities (the Indian Ocean earthquake and tsunami in December 2004); IUU fishing and threat posed by militancy and terrorism. Recent terror attacks in Bangladesh and India are examples.

However, there is also a unique nexus between traditional security and NTS problems. India and Pakistan have seen recurring bilateral tensions, especially over cross-border terrorism and significant buildups in conventional and nuclear forces. Following the alleged, Islamabad-sponsored militant attacks on an Indian military base in the disputed Kashmir territory in early October 2016, Indo-

Pakistani tensions spiked as both countries traded accusations, engaged in cross-border "surgical strikes" (by India as payback for the attacks) and artillery shelling. Fear of a Pakistani reprisal resulted in heightening of alert by Indian maritime forces – not so much against Pakistan Navy than seaborne terrorists abetted by Islamabad.[2]

Southeast Asia presents an even more varied picture given its diversity, particularly those ten which make up the Association of Southeast Asian Nations (ASEAN).

Cambodia and Laos primarily face land-based security issues. Brunei, Indonesia, Malaysia, Singapore and Thailand for the large part perceive NTS maritime issues such as IUU fishing; piracy and sea robberies; maritime terrorism; and "kidnap-for-ransom" incidents by militants in the Sulu Sea as the greater concern. Until recently, the Philippines has oriented towards the South China Sea (SCS) disputes, which remains the primary focus for Vietnam. Myanmar is geographically so detached from the SCS and essentially has an Indian Ocean seaboard, where problems largely emanate from NTS issues, including a severe cyclone that wracked it in 2008.

Oceania comprises Australia and to a lesser extent, New Zealand, as the key players. Generally, they and those smaller South Pacific island states do not face immediate threat of foreign aggression. Instead, NTS maritime challenges such as IUU fishing and seaborne human trafficking (for Australia especially) constitute their primary preoccupation.

However, Australia and New Zealand tend to have a more "extroverted" outlook – being involved in regional and international security affairs. For example, they regularly aided their South Pacific neighbors in tackling IUU fishing and natural calamities. Following the September 11, 2001 terror attacks Canberra has become more involved in "out-of-area" international security operations, for example in the Middle East, not to forget its longstanding interest in the SCS for sea lines of communications (SLOC) security reasons.

Backstopping the myriad of challenges across the Asia-Pacific region has been Great Power rivalries which have become increasingly evident in the maritime domain. The context has been underpinned by Washington's announcement in 2012 of what it termed "pivot to Asia" and plans to shift up to 60% of American naval forces to the region as part of its rebalancing strategy. There is also the rise of PRC and India and their rapid naval buildups and strategic forays into the Western Pacific and Indian Ocean – respectively Beijing's and New Delhi's traditional "backyards". Japan also has its version of "pivot" under the current Prime Minister Shinzo Abe,

to forge maritime partnerships with ASEAN countries and India. India, Japan, PRC and the United States constitute key players in this maritime Great Power dynamics, thereby shaping regional perceptions and consequently maritime forces capacity developments.

Maritime Forces Capacity Development: From a Bean-counting Standpoint

Variations across the Asia-Pacific region yield different focus of maritime forces capacity developments in each sub-region, despite overlapping security concerns given the interconnectedness of the Western Pacific and Indian Oceans. These sub-regions exhibit broadly similar approaches to maritime forces capacity developments along the parallel lines of expanding both naval and MLE capabilities enabled and sustained by military spending hikes amongst regional countries. According to the Stockholm International Peace Research Institute (SIPRI), spending in Asia and the Oceania rose by 5.4% in 2015 and by 64% between 2006 and 2015.[3]

The increased military expenditures help fuel major buildup of naval capabilities across key areas over the years. Tables 1 to 4 present the various naval force categories across four different periods, chosen based on pivotal geopolitical developments.[4]

Table 1: Northeast Asia, 1980-2015

	1980-1991	1992-2000	2001-2011	2012-2015
Submarines	153	171	173	194
Major Surface Combatants	150	162	171	169
Minor Surface Combat and Patrol Forces	1854	1711	1459	1647
Mine Warfare Forces	274	240	164	150
Amphibious Assault Landing Vessels	1147	1025	958	907
Fleet Auxiliaries	219	246	263	241
Maritime-capable Aviation	1872	2158	2195	2172

Table 2: South Asia, 1980-2015

	1980-1991	1992-2000	2001-2011	2012-2015
Submarines	22	27	25	22
Major Surface Combatants	37	35	34	43
Minor Surface Combat and Patrol Forces	132	169	214	345
Mine Warfare Forces	21	33	26	20
Amphibious Assault Landing Vessels	21	35	48	67
Fleet Auxiliaries	24	36	39	43
Maritime-capable Aviation	311	350	408	549

Table 3: Southeast Asia, 1980-2015

	1980-1991	1992-2000	2001-2011	2012-2015
Submarines	2	3	7	13
Major Surface Combatants	34	43	43	58
Minor Surface Combat and Patrol Forces	712	864	1107	1359
Mine Warfare Forces	34	50	51	50
Amphibious Assault Landing Vessels	373	486	535	461
Fleet Auxiliaries	61	88	105	107
Maritime-capable Aviation	452	581	660	715

Table 4: Oceania, 1980-2015

	1980-1991	1992-2000	2001-2011	2012-2015
Submarines	6	4	6	6
Major Surface Combatants	16	15	14	14
Minor Surface Combat and Patrol Forces	31	27	27	32
Mine Warfare Forces	25	23	23	26
Amphibious Assault Landing Vessels	23	27	31	35
Fleet Auxiliaries	15	20	20	21
Maritime-capable Aviation	144	174	169	178

The 1980-1991 periods represents the later Cold War decade. The 1992-2000 period represents the immediate post-Cold War era. The 2001-2011 periods represents the post-9/11 security environment. Finally, the 2012-2015 (still ongoing) periods represents the most contemporary era following Washington's announcement of the "pivot to Asia" and its rebalancing efforts. These different periods serve as contexts for varying maritime forces capacity development efforts in the region. Point to note is the "minor surface combat and patrol forces" and "maritime-capable aviation" categories which include not just navy assets but also MLE units.[5] They are generally considered low-capability maritime forces compared to such high-capability ones as major surface combatants and submarines.

A brief survey of these statistics presented in Tables 1 to 4 shows that Northeast and Southeast Asia see increases in submarines of all types, including mini-submarines, entering service whereas there is a decrease in South Asia and numbers remain static in the Oceania. Likewise, Northeast and Southeast Asia also saw consistent increases in major surface combatants – frigates and above, including aircraft carriers. But Northeast Asia saw a dip in those numbers during the 2012-15 periods. After preceding periods of decrease, South Asia saw an increase in major surface combatants entering service, whereas numbers represented by the Oceania saw slight decrease.

Where minor surface combat and patrol forces are concerned, South and Southeast Asia see increases whereas Northeast Asia and the Oceania see decreases until the 2012-15 period; the former experiencing a significant spike in numbers. Both South and Southeast Asia see increases in mine warfare forces in 1992-2000 onwards but the numbers remained stagnated or went downwards since. Northeast Asia sees steady decrease in this category from 1980 to 2015 whereas numbers are quite static for the Oceania throughout the same period.

Northeast Asia sees numbers of amphibious assault landing vessels – both large landing ships and small landing craft – entering service decrease steadily throughout 1980-2015. The other sub-regions experience general increases over the same period, except for Southeast Asia which sees increases in the 2012-15 period. Likewise, Northeast Asia see decreases in fleet auxiliaries from 1980 to 2015, whereas other sub-regions experience slight increases. South and Southeast Asia see increases in maritime-capable aviation from 1980 to 2015 while Northeast Asia underwent similar trend until 2012-15. The Oceania sees increases in 1992-2000, the numbers remaining static since.

Maritime Forces Capacity Development: Further Examining the Patterns

Generally, the forces capacity development patterns observed in the sub-regions reflect their constituent countries' defense and maritime security priorities, as well as the natural process of asset retirement and replacement when existing hardware reaches obsolescence. However, this bean-counting exercise may not necessarily exhibit those underlying technological changes occurring in the modernization process. For example, countries may not replace a warship one-for-one, especially in this modern era where one singular platform may possibly undertake multiple roles through adept use of modular technologies.

Besides technological enablers, fiscal pressures also incentivize the acquisition of fewer yet more versatile, multi-functional platforms to replace a whole range of older, dedicated function platforms. For instance, the Republic of Singapore Navy's new class of eight Littoral Mission Vessels (LMVs), developed based on a modular concept, is intended to replace 11 existing patrol vessels and potentially four mine countermeasures vessels.[6]

Submarines

The Asia-Pacific littorals are ideal playground for submarine operations – narrow, semienclosed waters with varying conditions (such as salinity that influences sonar detection), heavy sea traffic (loud propeller and other ship-emitted noises mask submarine acoustic signals) and thriving marine biologics (acoustic signals from submarines and marine creatures could be mixed up). For smaller, weaker Asia-Pacific navies submarines deployed in such a context may present formidable asymmetric deterrence and defenses against a stronger adversary, hence their attraction for regional navies aspiring towards "balanced fleet capabilities".

The regional trend is towards bigger, quieter and better equipped diesel-electric powered submarines (SSKs) increasingly oriented towards blue water missions, as evident in the growing sizes over time (from 2,000 tons back in the 1980s-1990s, to over 3,000-4,000 tons fully displaced at present). This is particularly the case of Northeast and South Asia, considering the more open geography of its adjacent waters. Generally, bigger size affords several advantages – bigger spaces for sensors, weapons, enhancements to propulsion (such as air-independent propulsion or AIP; or lithium-ion battery technology), and crew habitability for long-endurance missions.

Northeast and South Asian, and Australian, submarines are long capable of launching underwater-to-surface guided weapons (USGW) such as anti-ship cruise missiles (ASCMs). PRC and India have either armed right from the start or

retrofitted their submarines with sea-launched land attack cruise missiles (SLCMs), a move which is also replicated by ROK Navy to deter DPRK.[7] In the case of Southeast Asia, so far only Malaysia and Vietnam are equipped with USGW (SM-39 Exocet and Klub respectively), though it is possible Indonesia and Singapore may acquire equivalents. As new submarines entering service with Asia-Pacific navies become larger, the potential of them becoming equipped with USGW such as ASCMs and most importantly SLCMs will add another layer of complexity to regional security since they represent enhanced offensive capabilities.

Northeast and Southeast Asia lead in regional submarine proliferation not just in numbers but also the extent of technological infusions. The former has been a long-timer in underwater warfare, replacing old boats with newer and more capable ones. PRC spearheads the region in terms of the scale of its submarine programs, both nuclear and conventional, and is notable in making recent key technological achievements, for example AIP. Japan is in the process of modernizing its already state-of-the-art SSK fleet, with the *Soryu*-class displacing over 4,000 tons submerged and touting a revolutionary lithium-ion battery claimed to be superior to AIP.

ROK is in the process of completing the induction of KSS-2 boats and will soon move to the bigger KSS-3, displacing over 3,000 tons submerged. DPRK's submarine program is focused on small coastal and mini-submarines but apparently is also seeking to replace its aged and obsolescent Soviet/Chinese-origin boats for longer-range interdiction missions.[8] Australia, being the sole Oceania navy operating submarines, has so far maintained its fleet size but has recently inked a mega deal for 12 new boats displacing over 4,000 tons submerged, based on DCNS' *Short fin Barracuda* Block-1A design. This is to date the most recent major regional submarine buy.

By comparison, submarines are relatively "new game" for Southeast Asia starting from the mid-1990s and after a brief interlude due to the Asian financial crisis in 1997-98, continued in earnest since the early-2000s. Following Vietnam's major purchase of six *Kilo*-class SSKs in 2009 – the last boat due to be delivered in January 2017[9] – Indonesia has also seen progress in its submarine program, after launching two of three SS-209 (modified Chang *Bogo*-class) SSKs in ROK. Singapore ordered a pair of Type-218SG boats from Germany whereas Thailand's fluctuating submarine program has remained fixated on three PRCbuilt S-26T (export variant of the Type-039A/B *Yuan*-class) boats. Southeast Asian submarine choices reflect the green water focus – boats displacing 2,000-3,000 tons submerged would suffice; Vietnam's Kilo boats which displace slightly over 3,000 tons being the exception.

Both India and Pakistan are substituting old boats with fewer new ones, though replacement rates may not be as desired especially in the case of India with its Project-75 (modified *Scorpene*) which is recently mired in a data leak scandal by French DCNS. PRC's sale of eight S-20 (another export variant of the *Yuan*) SSKs to Pakistan has been confirmed.[10] These boats displace over 3,000 tons submerged – an improvement over the French *Agosta*-70/90 class boats Islamabad currently operates. Bangladesh became the third Indian Ocean submarine operator after receiving a pair of second-hand *Ming*-class SSKs from Beijing in November 2016.[11]

Worth mentioning has been an ongoing proliferation of nuclear-powered and armed submarines in Northeast and South Asia. Even though it has recently introduced new classes of nuclear-powered ballistic missile submarines (SSBNs) and attack submarines (SSNs), PRC is no longer the only Asia-Pacific navy (besides Russia and the US) with a sea-based nuclear deterrent. Pyongyang has an active diesel-electric powered ballistic missile submarine (SSB) programmed and has conducted numerous submarine-launched ballistic missile (SLBM) tests. India also just inducted its first SSBN, INS *Arihant*, armed with the K-15 SLBMs, besides having leased an *Akula*-II class SSN from Russia.[12] ROK is another potential candidate to watch, as domestic debates raged over whether nuclearpowered submarines are necessarily to effectively counter Pyongyang's SLBM threat.

Major Surface Combatants

Building on trends that began in the 1990s, all sub-regions have inducted new major surface combatants of frigate and destroyer (except Southeast Asia) sizes. The profusion of these warships resulted from evolving mission requirements to cope with changing maritime national interests. For several Asia-Pacific navies, major surface combatants are the workhorses for offshore sovereignty protection, SLOC security and seaward defense – functions which cannot be satisfactorily fulfilled by small coastal and inshore patrol craft. But such large vessels, though providing the luxury of space for longer endurance, more weapons, sensors, better crew habitability, and redundancies to adapt future retrofits, come with hefty price tags meaning that they cannot be acquired in huge numbers.

Southeast Asia, though recently inducting newer frigates, has not matched other subregions in numbers. Frigates constitute part of this "balanced fleet capabilities" quest but they remain a small element compared to other force categories. Besides green water tasks such as sovereignty protection these ships are often deployed for distant, "out-of-area" operations as part of defense diplomacy and obligations towards international security. Singapore for example has deployed its *Formidable*-class frigates to counter-piracy missions off Somalia.

For the other sub-regions, the requirement for larger major surface combatants of destroyer sizes is necessitated by the geographical nature of their adjacent waters. Furthermore, these navies have long operated destroyers and naturally, they replace older ships with fewer (due to cost) but larger and more capable ones. PRC for example used to operate destroyers displacing no more than 4,000 tons at full load but new models displace of no less than 6,000 tons. The same case applies to Australia, India, Japan, ROK and Taiwan. Unlike Southeast Asian navies whose frigates are designed for general-purpose roles, their major surface combatants tend to also be more heavily armed, usually for specific functions. Chinese and Indian destroyers can for example mount up to 16 ASCMs per ship – double of the configuration previously seen.

Several of these more powerful Asia-Pacific navies are engaged in what could be deemed an "Aegis race". The first non-US Asia-Pacific navy to operate the Aegis shipboard combat system – revolving around the AN/SPY-1 phased-array multi-functional radar that can simultaneously detect, track and engage multiple targets – is Japan with the *Kongou*-class introduced in the 1990s. This is followed by PRC's own rendition dubbed "Chinese Aegis" in the expanding fleet of Type-052C/D *Luyang II/III*-class. ROK and Australia have their respective analogues in the KDX-3 and *Hobart*-class Air Warfare Destroyer, whereas India's Project-15A *Kolkata*-class is an even more recent entrant into this "Asia-Pacific Aegis club". The proliferation of such technologies is driven by two different priorities. In the case of PRC especially, the objective appears to be towards blue water, fleet air defense centered on carrier battle groups. For Japan and ROK, these vessels are primarily optimized for homeland air defense; their Aegis destroyers having acquired ballistic missile defense functions to deal with the North Korean missile threat.[13]

Another interesting trend concerning major surface combatants in the region is the introduction of not just longer-ranged, but also supersonic ASCMs. PRC introduced this technology when it acquired Russian-built *Sovremenny*-class destroyers armed with the P-270 Moskit (NATO codenamed SS-N-22 Sunburn) ASCM designed to counter American aircraft carriers. India is next, introducing the BrahMos on its contemporary destroyer classes. Indonesia is the only Southeast Asian navy that is similarly armed, albeit modest – just one frigate retrofitted with the Russian P-800 Oniks/Yakhont (NATO codenamed SSN-26 Strobile). While supersonic ASCMs in other regional countries exist in shore- (such as Vietnam with its Bastion-P/Yakhont) and air-launched variants (Japan to introduce the ASM-3), the possible proliferation of this technology on board major surface combatants cannot be discounted. Taipei retrofitted existing warships, especially its *Cheng Kung*-class frigates, with the indigenous Hsiung Feng-3.

Major surface combatant proliferation in the Asia-Pacific has acquired yet another new dimension – that being aircraft carriers. Prior to this, India and Thailand were the only operators, following Australia's retirement of the HMAS *Melbourne* in 1982. Thailand's Spanish-built light carrier HTMS *Chakri Naruebet* has lost its fixed-wing component since its Matador vertical/short take-off and landing (VSTOL) fighters were withdrawn from service, hence in effect became a helicopter carrier. After decommissioning INS *Viraat* with its Sea Harrier VSTOL jets, India is bequeathed with INS *Vikramaditya* – albeit larger in size and more powerful, especially with its aviation component centered on the Russian-built MiG-29K/KUB Fulcrum-D multi-role fighters.

Most notable has been PRC's entry into this "Asia-Pacific carrier club" when it commissioned *Liaoning* – a refurbished, unfinished carrier acquired from Ukraine back in the 1990s – in late 2012. It has been declared "combat ready" in November 2016 by the carrier's political commissar,[14] following numerous training cruises including many flight trials for the locally-built J-15 Flying Shark – a lookalike of the Russian Su-33 Flanker-D – multi-role fighter jet.

Both PRC and India operate ski-jump carriers (evident in their new constructions – the Project-001A and IAC-1/INS *Vikrant* respectively) which limit the payloads of their fighter jets, since they do not possess catapult-assisted take-off and arrested recovery (CATOBAR) capabilities like those on board American and French carriers. However, India may introduce CATOBAR or possibly Electromagnetic Aircraft Launch System (EMALS) – a prospect made possible with the recent creation of a joint working group with the US Navy on aircraft carrier technologies – in future designs, especially IAC-2/INS Vishal.[15] But PRC has claimed to have also developed EMALS technology that may possibly find its way to follow-ons from Project-001A.[16]

Finally, one should also not ignore the latent potentials of other Asia-Pacific navies in acquiring aircraft carrier capabilities. Japan has first introduced the *Hyuga*-class – a through-deck "helicopter destroyer" displacing slightly less than 20,000 tons and most recently, an even more capable, over-20,000 tons *Izumo*-class. Thus far, these two classes embarked helicopters for anti-submarine warfare (ASW). Australia's pair of *Canberra*-class landing helicopter docks (LHDs) have a ski-jump, through-deck whereas ROK's *Dokdo*-class LHD also touts a similar configuration sans ski-jump. Though built as amphibious assault landing ships, with suitable modifications these vessels can be turned into light carriers operating such fixed-wing aircraft as the F-35B Lightning II Joint Strike Fighters, which both countries' air forces are acquiring.

Minor Surface Combat, Patrol, and Mine Warfare Vessels

South and Southeast Asian navies continue to employ considerable numbers of minor surface combat and patrol vessels – except for India such vessels tend to remain the predominant fleet assets. The increase in these vessels is mainly attributed to the horizontal and vertical proliferation of MLE forces after 2000, with Southeast Asia seeing particularly strong growth. In 2005, Kuala Lumpur established the Malaysia Maritime Enforcement Agency, whereas Indonesia created a maritime security coordinating board overlooking its diverse MLE agencies. Vietnam expanded the Marine Police (renamed Coast Guard) and created the Fisheries Resources Surveillance Force. These countries' navies see reduction of their surface combat and patrol fleet, transferring them in most cases to the MLE forces (notably the case of Malaysia).

But it is misleading to say that the quest for major surface combatants renders minor surface combat and patrol vessels irrelevant. South and Southeast Asian navies continue to induct new builds because such assets are still useful for the semi-enclosed, narrow and shallow littorals and cheaper to build and operate in larger numbers. In South Asia, Pakistan has inducted new missile fast attack craft built with Chinese assistance. Besides acquiring new frigates and former-British patrol vessels in recent years, Bangladesh has inducted new Chinese-built corvettes and missile fast attack craft.

Domestic naval shipbuilding industries enable some modicum of self-sufficiency in such simpler platforms. Indonesia produces an interesting series of KAL- and KCR-series patrol and missile fast attack craft to replace its ageing hodgepodge of Cold War-era predecessors obtained from a bewildering variety of foreign sources. Vietnam also builds Russian-design patrol and missile fast attack craft under license. This situation is certainly observed in Northeast Asian shipbuilders too, given their more developed state. ROK and Taiwan continue to churn out state-of-the-art, stealthy minor surface combat and patrol vessels. Even cash-starved DPRK has recently unveiled a new, *Nongo*-class missile fast attack craft armed with an ASCM that is possibly the Russian Kh-35 (NATO codenamed SS-N-25 Switchblade) or a lookalike. Most recently, the North Koreans are reported to have inducted a new, stealthy class of corvette which would possibly replace its ageing and long-obsolete Cold War-era light frigates.[17]

PRC is worthy of mention; it used to operate an enormous fleet of minor surface combat and patrol vessels, including small torpedo and missile fast attack craft which suited the prevailing naval doctrine premised on "People's War" and passive inshore defense. However, since the 1990s, PRC gradually retired numerous such vessels – scrapping some altogether, transferring to the MLE agencies or friendly

governments. Two key replacements were developed: Type-022 *Houbei*-class catamaran-hulled, stealth missile fast attack craft; and Type-056 *Jiangdao*-class missile corvette. They were not constructed as one-for-one replacement of the older assets, but these two new vessels are more powerful.

At the same time, PRC experiences the fastest growth in both quantity and quality of its MLE forces. Having reconstituted the diverse agencies in recent years, Beijing has built new classes of modern offshore patrol vessels. Some even share common hulls as preexisting naval platforms, for example the Type-054A *Jiangkai*-II class frigate and *Jiangdao* corvette designs. However, Chinese MLE forces started at a low base especially in offshore assets. Japan Coast Guard is recapitalizing its assets, though in the worsened ECS tension since late 2012, it is scrambling to not only build more new vessels but to preserve existing ones. This dispute has spawned a kind of "coastguard race" – Beijing built a pair of 10,000-ton patrol ships that surpass Japan's 6,500-ton *Shikishima*-class.

Investments in mine warfare vessels were low compared to most other categories. Much growth was observed in the 1990s but not in recent years. However, PRC and Japan continues to build new mine warfare vessels, whereas India's project has been stymied by delays. Most regional navies are instead upgrading existing platforms, for instance Singapore enhanced its mine countermeasures vessels with new mine-hunting suites whereas Vietnam has obtained foreign-made remotely-operated mine identification vehicles to work with its Soviet-era fleet of minesweepers.[18]

Amphibious Assault Landing Vessels

This force category's decline in numbers is attributed to successive retirements of ageing and obsolescent landing craft and landing ships, tank (LSTs), especially in Northeast and Southeast Asia. PRC once mustered an enormous fleet – mostly home-built but also former Nationalist and Japanese vessels inherited from past wars. These days, however, instead of one-for-one substitution Beijing inducted fewer but better replacements, many of them LSTs and above – the most capable thus far being the Type-071 *Yuzhao*-class landing platform, dock (LPD).

In fact, large amphibious assault landing vessels like LPDs have become much more sought after in the recent decade, especially following the spate of natural calamities. LPDs are more capable than LSTs; they are not just usually larger in size, which affords larger payload for men, vehicles and materiel, but also boast internal well-docks to disembark small landing craft as well as a larger aviation capacity. These attributes are of great value not just to an offensive landing operation where sufficient mass of troops and firepower need to be deployed onto

a landing zone within as short time as possible, but also in times of emergencies where sending sufficient humanitarian assistance and disaster relief (HADR) into affected zones constitutes a matter of life and death.

Hence, Northeast and Southeast Asia as well as Oceania have seen a rise in such numbers of such large sealift ships even as the overall numbers of landing vessels decline. Australia is the most recent entrant with its Spanish-built *Canberra*-class LHDs, while ROK is building a second *Dokdo*-class LHD and *Cheonwangbong*-class LSTs. While the *Hyuga* and *Izumo* classes are suitable for limited HADR functions, Japan is keen to build a dedicated LHD as part of plans for a more dynamic active defense posture[19] – including a scenario in which the Self-Defense Forces need to recapture territories in the remote Southwest Isles seized by foreign aggressors.

In Southeast Asia, the Philippines inducted its first Strategic Sealift Vessel (BRP *Tarlac*) built by Indonesia – reflecting also Asia-Pacific countries' growing self-sufficiency in building amphibious assault landing vessels of LST size and above – and is tipped to induct the second and final unit by 2017. Singapore is possibly seeking a LHD-type vessel, dubbed Joint Multi-Mission Ship,[20] which is intended to be more capable than its existing *Endurance*-class LPDs.

Some other related areas deserve attention. PRC notably introduced two new types of amphibious sealift capabilities. The first is its air-cushion landing craft programmed following Japan and ROK; not only building the indigenous Type-726 but also inducted a small number of Ukrainian-built *Zubr*-class – the largest such vessel in regional service. The second is semi-submersible sea-basing ships – Beijing has trialed an indigenouslybuilt one based in the SCS with a *Zubr*. This is ostensibly a Chinese answer to the American sea-basing concept, including the *Montford Point*-class Mobile Landing Platform with the Landing Craft Air Cushion (LCAC).

Finally, regional enhancements to amphibious fighting forces, especially in Northeast and Southeast Asia, warrant discussion. Marines or naval infantry-type forces have existed for decades and some of them – especially PRC and Vietnam – have been deployed to SCS garrisons. Indonesia, PRC and Vietnam implemented programmes to enhance the mobility and firepower of their amphibious forces, thereby raising their offensive capabilities. Taiwan has steadily reduced the size of its Marine Corps, which no longer has a Cold Warera "return to mainland China" offensive role but one currently configured for defensive counter-landing roles against a Chinese communist invasion. Yet the force has since become leaner but meaner. That is also the case for its ROK counterpart.

For newcomers, Australia is gradually operational zing its new Amphibious Task Force revolving around its LHDs, associated landing craft and helicopters as well as the amphibious-trained 2nd Battalion, Royal Australian Regiment for overseas expeditionary operations. Japan is in the process of establishing an analogue based on the US Marine Corps, albeit on a more modest scale premised on its Western Army Infantry Regiment which has been training with the Americans. Tokyo is planning to acquire V-22 Osprey tilt-rotor battlefield transport planes and AAV-7 amphibious assault vehicles for this new force.

Fleet Auxiliaries

Three key fleet auxiliaries are of interest here, namely: 1) fleet replenishment or combat support ships; 2) intelligence-gathering and surveillance vessels; and 3) hydrographic and oceanographic vessels. These forces are, like mine warfare vessels, generally not as prioritized compared to other categories.

Most notable has been PRC's rapid expansion of fleet replenishment ships – a move plausibly linked to not just the navy's overall blue water ambition but also the desire to create full-fledged carrier battle groups. More Type-903 series has been constructed, whereas the 50,000-ton Type-901 – which will become one of the world's largest, and Asia's biggest, such ship – is under construction. Taiwan recently commissioned an indigenously-built fleet replenishment vessel, ROCS *Pan Shih*, whereas Australia and New Zealand have ongoing replacement programmes. There is comparatively little movement in Southeast Asia, again reflecting the navies' green water focus; Indonesia recently inducted an indigenously-built fleet tanker, KRI *Tarakan*.

Intelligence-gathering and surveillance vessels are mostly restricted to Northeast Asia, where PRC has emerged as a leading player. It not only built new Yuanwang series space tracking ships – the newer ones made voyages as far out as the Indian and Western Pacific Oceans to support Beijing's space programs[21] – but also new intelligence-gathering ships, especially the Type-815/815G Dongdiao-class. These vessels often reside in the shadows of Beijing's naval buildup, but they are no insignificant actors in the recent ECS tensions. Some of these peculiar vessels were spotted traversing the Miyako Strait en route to the Western Pacific open waters, suspiciously cruising close to Japanese shores. They also stalked American naval activities, and one became an "uninvited guest" observing the Rim of the Pacific (RIMPAC) exercise off Hawaii in 2014 – all very much reminiscent of what happened during the Cold War times.[22]

Finally, an area often overlooked in the region's maritime forces capacity development has been the growth in hydrographic survey and oceanographic research vessels, which whether civilian or military owned and/or operated can be used for numerous purposes such as scientific work in support of national marine economic programs (fishery for instance). But novelized variants tend to have military-specific functions, especially charting seabed terrain and documenting marine conditions in support of sub-surface warfare. One is reminded by a March 2009 incident involving USNS Impeccable which was reportedly trying to collect information on Chinese submarine activities.[23] Chinese hydrographic and oceanographic ships were also involved in past ECS standoffs with Japan. In this regard, PRC's recent induction of new vessels becomes interesting to watch.

Smaller regional navies scrambling to fund priority projects tend to allot less investments in this area, hence comparatively smaller programmes. After Thailand and Vietnam, Indonesia inducted from France a pair of naval oceanographic research ships. Malaysia's navy sought a more cost-effective solution by leasing a hydrographic survey ship from an offshore energy company.[24]

Maritime-capable Aviation

This category includes both land-based and ship borne, fixed- and rotary-winged aviation capable of supporting maritime operations. Asia-Pacific maritime forces capacity development includes a significant buildup in this aspect, especially as regional navies and MLE agencies induct increasing numbers of surface platforms which are helicoptercapable. Chinese and Indian aircraft carrier programs and their associated carrier borne aviation have gained much limelight these days. While Beijing has tirelessly scaled the arduous learning curve of carrier borne flight operations – having reportedly lost some J-15 pilots in the process[25] – India has progressed from VSTOL planes to conventional, novelized MiG-29s.

Other aspects also deserve attention. The first is land-based aerial anti-ship strike. PRC's naval aviation leads the pack, replacing short-ranged fighter jets with newer multi-role fighter bombers, chiefly the indigenously-built JH-7 Flying Leopard armed with airlaunched variants of the YJ-82/83 ASCMs and other precision guided munitions. Regional combat air forces tend to operate fighter bombers capable of maritime strike. The Su-30MK2 Flanker-H (a maritime-optimized variant of the Su-30MK) armed with the Kh-31A/P (NATO codenamed AS-17 Krypton) anti-ship/anti-radar missile, is one of the most common, equipping not only PRC's naval aviation but also Indonesian and Vietnamese air forces.

Future fighter bombers entering service in this region, especially Northeast and South Asia, may be equipped with supersonic ASCMs. Japan Air Self-Defense

Force fighter bombers are slated to equip with the ASM-3 (the Mitsubishi F-2 has already trialed with the missile). Once India successfully trials the air-launched BrahMos, its Su-30MKI will gain not just an "air leg" of the nuclear triad, but also a formidable land-based anti-ship capability.

The second area of interest is maritime patrol and reconnaissance aircraft (MPRA) – a much neglected force category in the preceding decades. Few undertook indigenous pathways. Japan has begun to induct the home-grown Mitsubishi P-1, whereas China introduced a modified variant of the turboprop-driven Y-8 transport,[26] seen with a distinct magnetic anomaly detector "sting" tail protrusion that signals its ASW capability. It is most likely an inferior analogue to the American P-3. Most other regional players buy off-the-shelf. Notably, India and followed by Australia are inducting the American-designed P-8 Poseidon, capable of long-range, wide-area maritime surveillance and patrol and importantly, ASW. New Delhi plans to purchase more Poseidon's by the 2020s.[27] Taiwan inducted the older but also capable P-3 Orion while New Zealand recently announced plans to replace its old P-3K2.[28]

Comparatively less movements are seen in Southeast Asia, except for Indonesia which has inducted home-built CN-235PATMAR to revitalize its ageing naval aviation, while Vietnam put into service Canadian-built DHC-6 Twin Otter amphibious surveillance planes. By early 2017, the Philippine Naval Aviation is tipped to receive the first TC-90 trainer planes retrofitted as MPRAs, transferred from Japan.[29] Recent episodes, such as the loss of Malaysia Airlines MH370 in March 2014, highlighted the need for long-range MPRAs. This will certainly sustain regional interest for such planes.

Worth examining is the growing numbers of ship borne, ASW-optimized helicopters, which coincide with the regional submarine proliferation. India has an outstanding requirement for new ASW helicopters and a recent joint venture inked with Russia for Kamov Ka-226 utility helicopters signals a next step forward. PRC has unveiled in recent years a new Z-18 helicopter, evolved from the old Z-8 that is in turn based on the French Super Frelon acquired back in the 1980s. This model will become a common platform for various maritime uses, such as ASW, battlefield transport and airborne early warning. Its size makes it more suited for service onboard aircraft carriers (some were spotted on Liaoning), fleet replenishment and amphibious assault landing vessels and from shore bases. The new but smaller Z-20, an American UH-60 Black Hawk lookalike, is a more likely candidate for major surface combatants once a nasalized variant is developed.

Others are mostly expanding existing naval combat helicopters fleets. Australia augmented its older Seahawks with the newer MH-60R equipped with an enhanced surface attack function. In Southeast Asia, while Singapore has recently purchased more Seahawk choppers, Indonesia and the Philippines as part of broader plans to recapitalize their ageing naval aviation fleet placed new orders: 11 AS565MBe Panther and two AW 159 Wildcat ASW helicopters respectively. Indonesia's PT Dirgantara Indonesia (PTDI) has received three of the new machines from Airbus for outfitting into their naval configurations.[30] These new though modest acquisitions in Southeast Asia reflect growing concerns about submarine proliferation.

The last area of interest lies in unmanned aerial vehicles (UAVs). China made notable strides in developing high-altitude, long-endurance (HALE) and medium-altitude, longendurance (MALE) type drones. The Divine Eagle – an American RQ-8 Global Hawk lookalike – and some of the modern UAV designs have reportedly started to operate over the East and South China Seas. These new Chinese maritime-capable UAVs are not only designed for reconnaissance and surveillance roles but also combat; the Wing Loong II notably could launch the TL-10 ASCM.[31] This is an issue of concern, because a Chinese military UAV was observed flying close to Japan-administered Senkaku/Diaoyu Islands in 2013, prompting a scramble of Japanese interceptors.[32]

Vietnam also appears keen to match what Beijing is doing over SCS; as part of its little-spoken-about but still significant UAV program it is collaborating with Belarus to develop a HALE drone[33] – almost certainly destined for maritime surveillance over the SCS. In the coming years, new players will emerge – especially Australia and Japan with plans for HALE-type drones. Canberra is keen on the MQ-8 Triton, a maritime mission-optimized Global Hawk variant.[34] More regional maritime forces began to operate ship borne tactical UAVs, for example Australia and Singapore embarking the Scan Eagle from their warships, and Malaysia's acquisition of drones for its new MMEA patrol vessels.

Consequences of Asia-Pacific Maritime Forces Capacity Development: A Mixed Picture

Asia-Pacific governments are evidently embarking on a two-pronged approach in developing both navies and MLE forces, building on what has been already set in place since the early-2000s. Navies (and air force elements tasked to support maritime operations) are enhancing capabilities to project force into the air-and-sea domain; surface, sub-surface and aerial platforms are characterized by longer range, higher endurance, as well as greater levels of versatility, firepower,

precision, protection and mobility. MLE forces accumulate offshore capabilities alongside their "grey" counterparts, and in many respects, have either partially or fully taken over their usual peacetime constabulary tasks of maritime sovereignty protection and law enforcement.

This begs the pertinent question regarding what these developments all mean for regional peace and stability. It is important to point out that this has been a longstanding, ongoing yet unresolved debate stretching decades when naval arms control proponents scratched their heads over how to reconcile teething challenges in such an exercise.[35] Three interrelated issues stand out of this debate.

Firstly, the ambiguity of the seas as a medium imbuing much freedom of movement for ships, including warships and their exercise of naval coercion (or, as James Cable called, gunboat diplomacy).[36] Second, the inherent characteristics of naval armaments. Save for some specialized exceptions, many warships are dual-functional, fulfilling both defensive and offensive roles. Finally, and perhaps most salient of all, varied and broadly, sometimes ambiguously defined, national interests tend to justify acquisitions and employment of maritime forces. Since the end of the Cold War, this notion even extended into the regional and international realm in the name of preserving collective peace and stability.

A good example is the amphibious assault landing ship, which tends to invoke the most offensive manifestation of WW2 D-Day Normandy-style landing operations – that of a landing ship armada disgorging heavily-armed marines and fighting vehicles onto the enemy beach-head covered by close air support and ship-to-shore gunfire while facing enemy resistance. But the 21st Century ushered in a newfound role for these vessels: operations other than war (OOTW). Natural calamities raised the relevance of militaries as a first-responder due to their peacetime readiness levels, specialized skillets and technical capabilities that can be brought to bear swiftly – thus illuminating the importance of amphibious assault landing ships. Instead of disembarking combat troops and vehicles firing at the enemy beach defenses, they become "ships of salvation" disgorging relief supplies in the affected zone. This dichotomy is striking, yet remains a matter of concern for naval arms control diehards.

The same can also be said of major surface combatants – no longer just ships that come bristling with sensors and weapons all primed for a "hot war" fighting scenario. They have become essential guardians of the global maritime commons, the best manifestation of which seen in the piracy-rife waters off Somalia. Minor surface combat and patrol vessels cannot conduct such missions so far away from home bases and in the anticipated rough sea conditions. Therefore, major surface

combatants like frigates and destroyers have become the practical workhorses for such "out-of-area" international security operations. Even Japan's "helicopter destroyer" JS Ise was flying utility instead of ASW choppers, in support of post-Typhoon Haiyan HADR in the Philippines in November 2013.

But there are naval armaments that cannot be seen in this blurring of peace-war spectrum. The submarine is the best example, long associated with the WW2 image of Nazi German "wolf packs" wreaking havoc on Allied shipping in the Atlantic. Later during the Cold War, this image transformed into at times fatal "cat and mouse" underwater rivalry between the Soviets and North Atlantic Treaty Organization. The reported underwater intrusions off Stockholm in October 2014, at the height of tensions in Europe following the Ukraine debacle, brought back and further sharpened such images.

In theory, with the advent of technology a submarine's modern role can be more than simply shooting up vessels, firing SLCMs at land targets, or snooping on an adversary's warships. Notably, a Dutch submarine supported NATO counter-piracy operations off Somalia in 2010;[37] most ostensibly to reconnoiter the shores of pirate dens in preparation for land-based operations. But when Beijing recently sent submarines into the Indian Ocean on the pretext of "anti-piracy",[38] New Delhi remained skeptical.[39]

As such, Asia-Pacific maritime forces capacity development does not yield a straightforward answer to the question of whether it promotes competition or cooperation. What is comforting being this dazzling array of high-powered naval armaments accumulated in the region continues to serve in a peacetime deterrence role and, except for some navies which remain as the primary maritime law enforcement institution in their respective countries, contribute to regional and international security missions. Their latent offensive, and even destabilizing, potential continues to exist. But it becomes almost meaningless, even futile, to call for structural control measures to limit the quantity and type of naval armaments being introduced into a geopolitically tenuous Asia-Pacific region.[40]

To highlight the possible negative consequences of maritime forces capacity development in the Asia-Pacific, one may use the example of PRC which is in fact a "poster boy" for its laudable achievements in naval and MLE forces buildup and at the same time, a chief protagonist in regional maritime disputes especially after it started to build artificial islands in the SCS. Figures 1 to 3 seeks to tabulate for example the threat and use of force by Beijing in the SCS – the focal point of recent tensions – which thereby serves as an ideal geographical context.[41] What

transpired in 1980-2014 may give some indicator of what may hold for the present and future.

Figure 1: Number of Reported Incidents Involving PRC's Threat or Use of Force in the SCS, 1980-2014

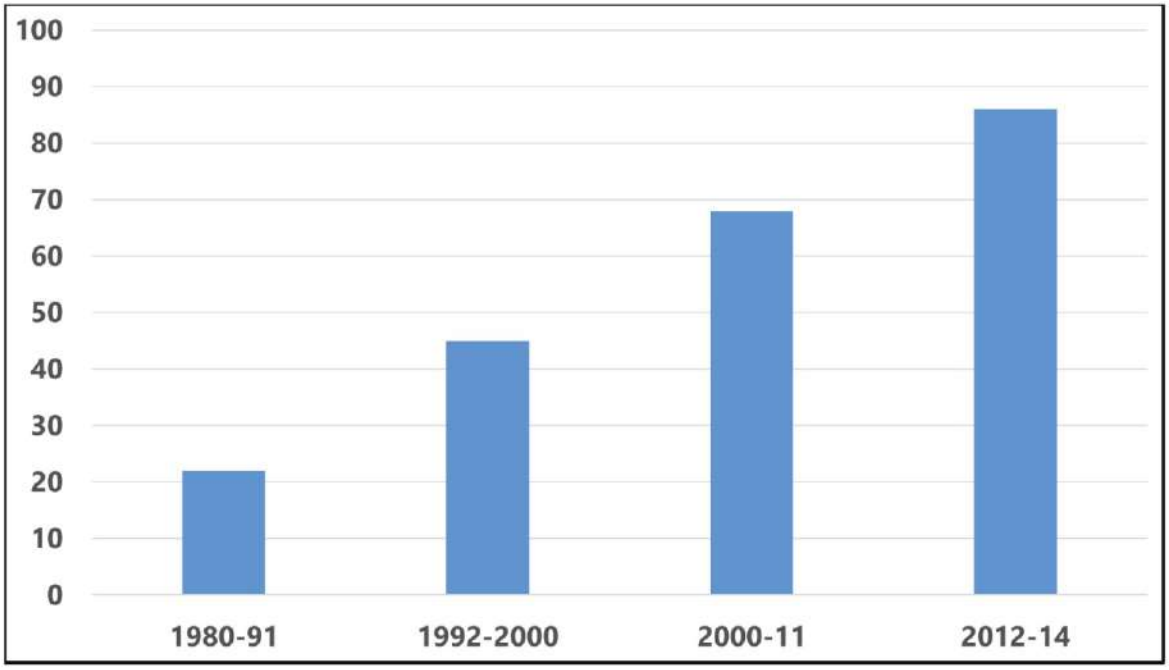


Figure 2: Extent of Force Applied by PRC in the SCS, 1980-2014

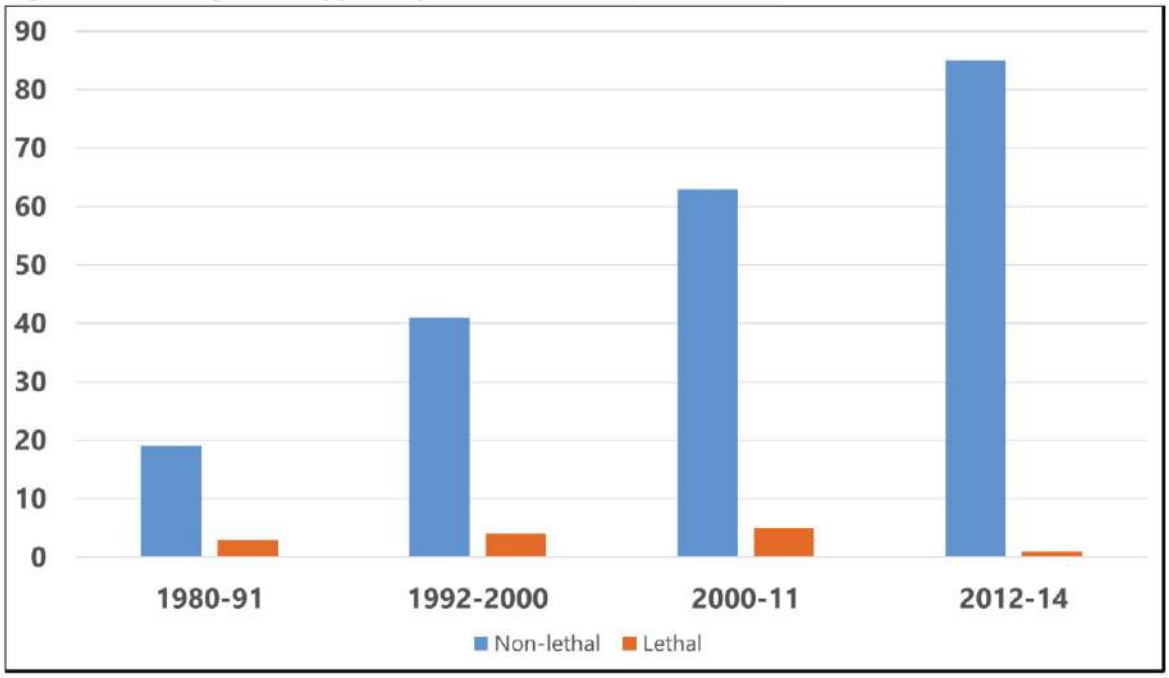
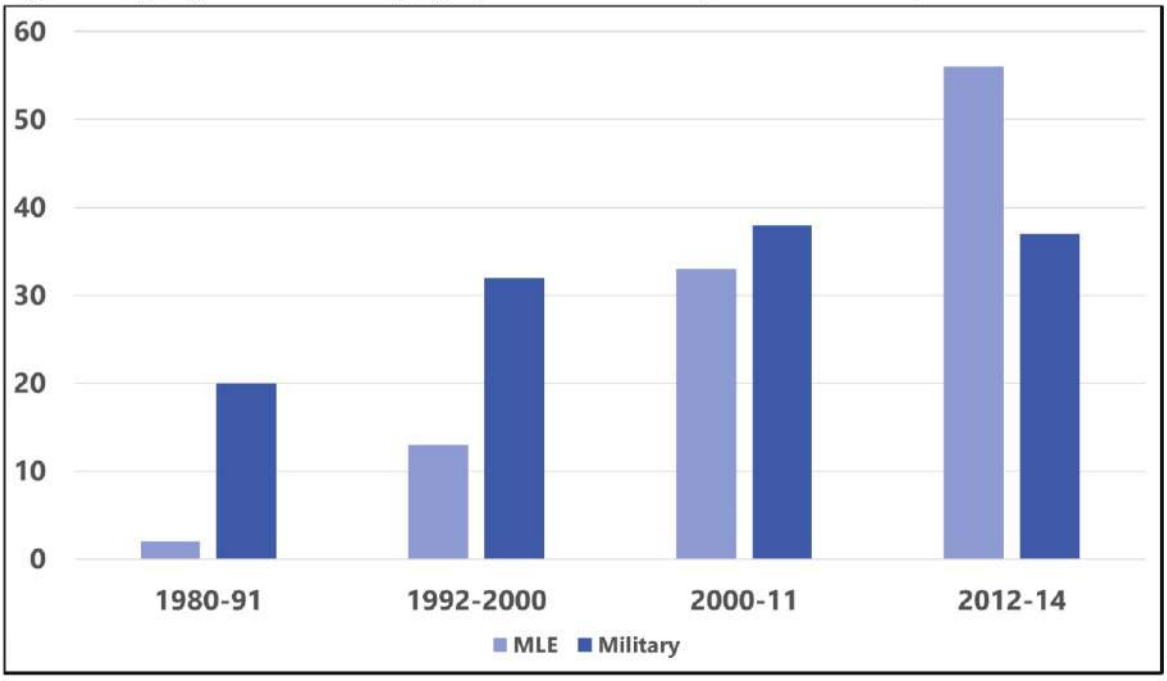


Figure 3: Type of PRC Forces Employed for Threat or Use of Force in the SCS, 1980-2014



Data presented in Figure 1 often constitutes the basis of concern about Asia-Pacific maritime forces capacity development, by drawing of a simplistic (in fact, at times overly so) relationship between naval buildup and the spike in number of reported maritime incidents. No doubt this concern is warranted and the author has no desire of downplaying it. But a deeper look at the data, seen in Figure 2, is that the number of reported incidents involving lethal application of force has decreased since 2012, meaning that even as it grows its maritime forces, Beijing has increasingly exercised self-restraint and calibrated the use of force in pursuing its SCS interests.

Shooting up somebody else's fishermen in disputed waters just does not engender goodwill, and can be prone to escalation. One recalls in May 2013, after the Philippine coastguard shot and killed a Taiwanese fisherman in the Balintang Channel where the two countries' exclusive economic zones overlapped, Taipei staged a combined navalcoastguard "show of force" to express unhappiness.42 Thankfully this did not further escalate. Nonetheless, it is still important to point out that lower-intensity, albeit more easily managed, forms of coercion at sea depending on the circumstances can still lead to escalation. Figure 1 brought this out, but Figure 2 gives a more nuanced understanding of the underlying context.

More interestingly, Figure 3 highlights the increasing involvement of MLE forces, compared to decrease of navies' involvement, in the reported incidents over

1980-2014. This means that, at least for Beijing, the accumulation of high-powered naval capabilities notwithstanding, the frontline players contributing to tensions in the SCS are less the People's Liberation Army than its MLE counterparts such as China Coast Guard and its predecessors. This presents a mixed picture. While the emergence of MLE forces can be linked to the spike in reported incidents where force has been threatened or used, thereby contributing to rising tensions, these remained properly controlled without spiraling into outright shooting – be it at another rival naval or MLE patrol, or fishermen.

Clearly, maritime forces capacity development enables PRC a broad berth of operational and strategic flexibility – precisely what navies tend to give governments – in times of peace and war. Beijing's naval buildup allows for better force projection in the region and beyond in pursuit of its widening overseas interests. This includes certainly the potential provision of common public security goods such as HADR and counter-piracy, as seen in the deployment of escort task groups to the Gulf of Aden since late 2008. While keeping these regular "grey" forces more as a recessed deterrence in the context of maritime disputes, Beijing prefers to deploy MLE forces on the frontline instead, and this reflects also its desire to keep the SCS escalations under the lid, yet at the same time still afford the strategic and operational flexibility to exert its interests through calibrated forms of coercion. It will not be presumptuous to say that Beijing is not alone in implementing such a strategy.

Concluding Thoughts

Asia-Pacific maritime forces capacity development presents a mixed picture characterized by both optimism and pessimism. This stems from the very nature of what maritime forces can do as a flexible instrument of statecraft in such ambiguous medium as the seas. The regional maritime domain is fertile ground for the application of this flexible instrument. But the very inherent characteristics of most if not all naval armaments – that being dualfunctional, capable of offensive and defensive roles – will continue to persist. However, structural naval arms control measures to limit the growth of these capabilities are and will remain not forthcoming for the abovementioned reasons. Compounding this difficulty is that certain high-powered naval platforms are not necessarily destabilizing. As it can be seen in recent emergencies and natural calamities, these capabilities may contribute to regional peace and stability.

The horizontal and vertical proliferation of MLE forces, however, constitutes a more pressing concern. Overall, the Asia-Pacific region's maritime forces capacity development could have played a role in the tensions and growing uncertainties

but a more nuanced examination in this paper yields a different picture. Most reported incidents in the region's disputed waters may have to do more with the emergence of these "white" forces on the frontline, assiduously exerting their respective governments' interests without unduly provoking further escalation even as they perpetuate low-intensity forms of maritime coercion. The recent observations about irregular forces (or, "patriotic fishermen" playing part-time maritime vigilantes) further complicate this picture. Lurking in the shadows, however, has been the looming presence of high-powered naval forces that have since taken on a primarily recessed deterrence role.

Altogether these developments, when viewed in the context of recent regional maritime tensions, begs the question whether it is possible to ameliorate the consequences if they can be potentially negative and positive at the same time. The "be safe or sorry" notion applies to not just contingency-based defense planning but also about mitigating the likelihood of maritime forces exploited to achieve national agendas through violent means. Recent commentaries and policy pronunciations have called for instituting new or strengthening existing CSBMs – a strand of what is called operational arms control measure that aims to promote transparency and places constraints on how forces are being used.43 But CSBMs are not that far from having an abysmal track record in the Asia-Pacific, where regional institutions are long criticized for being a "talk shop" if one goes down the befuddling multitude of acronyms (some alphanumeric) representing these initiatives – ARF, EAS, ADMM, ASEAN+3, ASEAN+6; the list goes on. While there has never been a war so far, the region can still do better with less tension.

The way forward, this paper suggests, may not sound endearing to strong proponents of regional institutions. While the author does not dismiss the potential utility of any forms of negotiated, multilateral CSBMs, it is time for Asia-Pacific countries to adopt a more pragmatic, measured approach considering the long history of challenges encountered by naval arms control negotiations, the multi-faceted nature of the region's maritime security challenges and the ambiguous character of maritime forces. Negotiated mechanisms such as the much talked about Code of Conduct for the SCS should require deep, careful deliberation instead of rashly being conceived and implemented, though the process would be long drawn and be fraught with risks of being stillborn. But this is essential. As an example, the Declaration of Conduct of Parties in the South China Sea (DOC) inked in November 2002 failed to stop claimant states from doing what they deemed fit in the disputed waters. The region needs no more such mechanisms created in haste, and largely for political symbolism. Mechanisms that can truly work, sustain for long and withstand tests are sorely needed.

For the foreseeable future, the onus remains to be unilateral restraint on the part of regional governments and those forces deployed at sea. While regional efforts continue for multilateral CSBMs such as the proposed Code of Conduct, regional maritime forces should maintain and if possible enhance current levels of interactions such as through joint training and exercises. These not only facilitate collective efforts against common maritime security challenges but also foster confidence-building. However, one area that warrants greater attention is the human capital aspect of maritime forces capacity-building – the enhancement of professionalism amongst not just commanders and operators at the operational and tactical levels, and better command and control, may have a positive effect in ameliorating the potentially negative consequences of maritime encounters, especially in disputed waters.

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crews are navy specialists. Therefore, this study necessarily must include air force assets deemed to be capable of support overwater operations.

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NORTHEAST ASIA: COMPLEXITIES IN RELATIONS AND WAYS AHEAD

Jaechun Kim

1. MAJOR CHALLENGES TO RELATIONS IN NORTHEAST ASIA

1.1. Growing Rivalry between Major Countries in the Region

There is very little doubt that Northeast Asia is one of the most dynamic and prosperous regions in the world, but the region is also plagued with a number of significant security challenges. Among many security challenges that Northeast Asian region is faced with, two major challenges stick out. One is growing rivalry between the major stakeholder countries in the region, and the other is North Korea's nuclear weapons and missiles program. Let us first focus on the growing rivalry between the major power countries in the region. The Cold War is a long gone history, but the geopolitics of Cold War is back in the region in full force. Geopolitical rivalry is escalating, because of the region's balance of power, that had been dominated by the US, has been changing very rapidly. Change of region's balance of power is mainly because of China's ascendency to super power status. China has all the rights in the world to keep developing its national power and maybe to become the most powerful country in the region, surpassing the US, but there is no denying that China's ascent has created strategic uncertainties in this very volatile region of the world. China suggests that its relations with the US should be based on a "New Type of Great Power Relations".[1] The US, on its own part, declared strategy of "Rebalancing toward Asia," reorganizing the importance of Asia in prioritizing the US foreign policy agendas.[2]

It is not just growing rivalry between the US and China, frequently dubbed as G2, that is causing tensions in the region. Japan's foreign and security policy has become increasingly militant and aggressive in recent years as well. Prime Minister Abe wants to amend Japan's Peace Constitution to acquire the right for "collective self-defense" to become a country that can fight war abroad. Japan's recent moves have reminded former colonies of Japan of imperialistic policies of Japan at the turn of the 19th century, hence great concerns to many in Asia. In addition to the escalating tension between the US and China, Russia's foreign relations with the US has been under the strain. By nominating Rex Tillerson, CEO of Exxon-Mobil who has been in good terms with Russia's President Putin, into the position of Secretary of State, the incoming US president Trump may attempt to

mend the fences with Russia. But it is very uncertain how Trump's pro-Russia policy will pan out and whether the relationship between the two countries would improve. The countries in the Northeast Asian region are heavily interdependent with each other economically, but in their security relations, they remain very hostile toward each other. It is paradoxical that economically intermingled countries to maintain such belligerent security policies toward each other, hence "Asia Paradox".[3]

1.2. North Korea as De Facto Nuclear Weapons Country

There is a host of threats and problems associated with North Korea such as human rights problems, environmental degradation, money laundering, and human trafficking, etc., but in terms of implications to the security in the region, no issue is more serious than nuclear and missiles program that the North has been developing. North Korea is now a de facto nuclear weapons country, although South Korea, the US, and also the international community as a whole do not want to officially acknowledge this fact. South Korea is faced with a dual task of denuclearizing North Korea, but also at the same time to engage the North to unify two Koreas. Coordinating policy to denuclearize the North and policy to unify the Korean peninsula has been very difficult, if not impossible.

North Korea is notorious for being the "land of bad policy options." The North is not likely to trade away nuclear weapons for economic or other political concessions. On March 31st 2013 North Korea's Kim Jong-eun government declared that the North would never give up on nuclear weapons. Instead, the North Korean leader promulgated the policy of *Byongjin*, the objective of which is to pursue both "economic developments" and "nuclear programs" simultaneously.[4] North Korea's nuclear capability has increased substantially, and the North is expected to continuously work on increasing nuclear and missiles capability.

2. HOW TO DEAL WITH ASIA PARADOX?

2.1. Northeast Asia Peace and Cooperation Initiative

To remedy "Asia Paradox" South Korean government suggested that the Northeast Asian region adopt Northeast Asia Peace and Cooperation Initiative (NAPCI). To overcome Asia Paradox, South Korea propose that the countries in the region cooperate on non-traditional security issues. Therefore, agendas for NAPCI are not overly demanding. The idea is that by cooperating on such non-traditional security issues as environmental degradation, new forms of epidemic, disaster reliefs, drug and human

trafficking, piracy, terrorism, etc., regional countries should cultivate the habit of cooperation and trust. In other words, successful cooperation on resolving non-traditional security issues is expected to generate other-regarding norms among member states, which in turn would prove instrumental in coping with more intractable traditional security issues such as territorial disputes and arms race. NAPCI is a bottom-up approach, rather than top-down one; it is rooted in functionalist approach that emphasizes the importance of spillover effects and gradualism. Given its historical record as "non-aggressor" and also its peculiar status as "middle power" without hegemonic ambition in the region, South Korea seems to be well suited to lead the region's discussion on multilateralism.

2.2 Eurasia Initiative

To counter Asia Paradox, South Korea also proposed "Eurasia initiative". The premise is of this foreign policy initiative is that the Eurasia should be united as one continent as it used to be a long time ago. Eurasia should be reconnected as one continent not just in terms of economy and transportation, but also in terms of peace and security. If Eurasia gets reconnected, it becomes the largest continent on earth; it is home to 71 percent of global population with 12 different time zones. Eurasia once was a cradle of ancient civilization and symbol of prosperity and connectivity. But the continent underwent a long period of isolation and disconnect because of geopolitical vagaries of the Cold War era. Now the Cold War is over, it is time to take advantage of geographical traits of Eurasia. This will bring about greatest economic benefits to people in Eurasia and also contribute greatly to peace and security in the region. Prosperity and peace in Eurasia will also have positive impact on Northeast Asian region as well. The habit of cooperation and international social capital accrued by Eurasian Initiative is expected to augment peace and security in Northeast Asia.

3. HOW TO DEAL WITH THE NORTH'S NUCLEAR WEAPONS?

3.1. Should-Nots

Detailing current status of North Korea's nuclear and missiles programs is beyond the scope of this paper. But all evidence suggests that the North's nuclear and missiles capabilities have increased substantially. Given the stage of the North's nuclear and missiles programs development, it is very difficult to denuclearize the North, unless it opts to denuclearize itself. That is why North Korea is often times dubbed as a land of lousy policy options. There aren't just many viable policy options. But there are things that the regional countries and the international community should not do. First,

we should not recognize the North as nuclear state and engage in nuclear arms reduction talk. Doing so is to repeat past mistakes. The simple truth of the matter is that "half-measures" would not work. We should not offer incentives to North Koreans first in the vain hope that the North would reciprocate our good will. Giving North Koreans incentives first is to repeat the vicious cycle of the North's nuclear threats → incentives → period of ambiguity → another nuclear provocation of the North (See Table 1). Unless North Korea takes substantial steps to denuclearize, the international community should not work on a comprehensive deal to trade "peace treaty" with "denuclearization".

3.2. Strengthen Nuclear Deterrence

Then what are the things that we should do? The most important thing that we should do is to strengthen deterrence and defense capabilities against the North. To this end, South Korea should increase its own deterrence capability such as KMD (Korean Missile Defense) and Kill-Chain with which the South could preempt the North's imminent nuclear attack. South Korea and the US should cooperate more closely for nuclear deterrence. South Korea should gain closer access to the operations of the US nuclear capabilities and make better use of the US "extended deterrence". America's NATO allies and the US have operated what is known as "Nuclear Strategic Planning Group (NSPG)". The US and South Korea need to establish "Northeast Asian equivalent of Nuclear Planning Group". This mechanism will lead to a better coordination and concrete plans of nuclear deterrence.[5] The trick here is to make North Koreans think that their nuclear weapons are useless. The point is to deny their strategic advantages that North Koreans think come with nuclear weapons and missiles.

3.3. Maintain Pressures

The international community has imposed the toughest ever sanctions on the North, after the North conducted 4th nuclear weapons test. It is imperative for the international community to maintain and strengthen this sanctions regime against the North. It is also very important to China in these efforts. It is necessary to make the North Korea regime feel that the international community is united vehemently against their nuclear weapons and missiles program. South Korea on its own part should exercise caution when initiating economic projects with the North so as not to undermine international sanctions against the North. The point is to make North Korea feel that there is nothing to gain but everything to lose with nuclear weapons and missiles programs.

3.4 Work on Nuclear Diplomacy

At the same time, it is also important to work on how the international community could resume nuclear diplomacy with North Koreans. With all the flaws and limitations, nuclear diplomacy can provide avenues through which the international community can manage North Korean nuclear and missiles problems, though the international community may not be able to resolve the problems altogether. Nuclear diplomacy also allows us to assess the North's intentions, if North Koreans ever change their intentions about the nuclear weapons. Nuclear diplomacy is an avenue to put diplomatic pressures on the North as well. There are some caveats, though. The international community should not just resume talks for the sake of talks and let North Korea buy time. Nuclear diplomacy does not necessarily have to take the form of 6 party talk. It is true that China wants to resume 6 party talk, and it is important to keep China in nuclear diplomacy, but 5 parties without North Korea can meet first before resumption of 6 party talk. Therefore, diplomatic coordination between South Korea, the US, and China seems to be particularly important. If this process moves along smoothly, South Korea should try to open nuclear talks with the North bilaterally. All in all, nuclear diplomacy will create an environment in the region that is more amenable for Korean unification initiative. The unification will be the ultimate solution for the North's nuclear weapons problem.

<Table 1: Policy Options for North Korea's Nuclear Weapons Problem>

Appeasement	**Half Measures** *Re-engagement with old incentives and old diplomacy*	**Proper Measures** *New-engagement with strengthened deterrence and pressures*	**Extreme Measures**
• Nuclear disarmament talk with the North • 'Peace Treaty' – 'Denuclearization' deal without progress in denuclearization	• Providing incentives in the hopes that good behavior would follow • Resumption of economic projects • Resumption of 6PT for just talking	• Start nuclear diplomacy with clear strategic orientation • Strengthen nuclear deterrence • Maintain international pressures (through sanctions)	• South Korea's own nuclear weapons development program • Deployment of the US tactical nuclear weapons on the Korean Peninsula • Preemptive strikes on the North's nuclear sites

4. CONCLUSION

Northeast Asian region is one of the most vibrant regions in the world, but because of growing inter-state rivalry amongst powerful stake holder countries in the region and threats posed by North Korea's nuclear weapons and missiles, the region is faced with mounting tensions and security dilemmas. Security is in short supply in the region, but unfortunately, security discussion is under-institutionalized and multilateralism is missing in region's security affairs. To remedy this, countries in the region might have to discuss less intractable security issues first. By cooperating on soft security issues, countries in the region should be able to cultivate the habit of cooperation and to generate social capital. After the habit of cooperation is cultivated and trust is generated, we can move on to the discussion on more intractable hard security issues.

Aside from the growing great-power rivalries, North Korea's nuclear threats have also complicated the region's security dynamics. After the 4th nuclear test of North Korea, the international community has imposed a very stringent sanction on the North. But it seems that stakeholder countries have different views about the objectives of sanctions and the means to achieve them. It appears that the objective of China is to bring the North to the negotiation table. As long as China can accomplish this objective, denuclearization of the North is not China's immediate concern. South Korea has insisted that the objective is to bring about a fundamental change to North Korea and then to denuclearize the North. Brining about the fundamental change in North Korea's regime behavior is the only way to denuclearization. Therefore, negotiation is missing as an intermediary objective in South Korea's scheme. As for the US, the objective of sanctions is denuclearization, but unlike South Korea, the US is more prepared to negotiate with the North. Therefore, it is imperative for three countries to have discussion channels to sort out these differences.

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[1]For more on "New Types of Great Power Relations," see Yangyue Liu, "The New Type of Great Power Relations between China and U.S.: A Complex Constructivist Perspective," *International Journal of China Studies*, Vol. 5, No. 3 (2014), pp. 733-751.

[2]Before "Asia Rebalancing," Asia policy of the Obama administration was referred to as "Pivot to Asia." "Asia Rebalancing" is to recognize that Asia is the most important region to the US national interests. See "Explaining the US 'Pivot' to Asia," https://www.chathamhouse.org/sites/files/chathamhouse/public/Research/Americas/0813pp_pivottoasia.pdf. (Search date: Dec 24, 2016)

[3]For "Asia Paradox," see "The Asian Paradox: Rising Wealth, Lingering Tensions," http://europesworld.org/2015/11/09/asian-paradox-rising-wealth-lingering-tensions/#.WF3PgBuLTb0. (Search date: Dec 24, 2016)

[4]For the policy of *Byongjin*, see the following Young Chul Chung, Yong Hyun Kim, and Kyungyon Moon, "State Strategy in the Kim Jong-un Era: The "Byongjin" Policy of Pursuing Economic and Nuclear Development," *The Institute of Korean Studies*, Vol. 47, No. 1 (2016), pp. 1-33.

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PHILIPPINES VS. CHINA POST-ARBITRATION AWARD: WHAT'S NEXT?

Jay L. Batongbacal[1]

Introduction

The Annex VII Tribunal's Award in the Philippines v. China case laid down significant rulings that will undoubtedly reshape the discourse over the SCS disputes in the years to come. The five broad categories of claims that the Tribunal decided in the Philippines' favor establish the guidance for how interested States, whether principal claimants or affected users, should interact with each other pending the final resolution of the SCS disputes.

Although technically, the Award has legally binding force only on the principal parties, it represents a contemporary and authoritative analysis of the current state of international law, especially UNCLOS, as applied to the SCS. Such reasoning, based on a lengthy analysis and detailed application of law to facts, undoubtedly influences the viewpoints of international legal practitioners and indirectly the subsequent legal positions of concerned States. The Award has particularly restrictive legal implications for China's claims to the SCS, and its assertiveness and maritime expansion into the SCS to the detriment of the surrounding Southeast Asian coastal States. This paper carries out an overview of the key rulings of the Annex VII tribunal and consider their legal effects. Afterwards it considers the most recent legal developments since July 2016.

Highlights of the Award

China's Excessive Claims

The Tribunal definitively interpreted and then struck down the most expansive of all the various claims to the SCS: China's historic rights claims, as represented by the "nine dashed lines" map. China alleges that these historic rights claims existed prior to and independently of the UN Convention on the Law of the Sea, and purported to apply not only to islands and rocks in the Spratly Islands region and Scarborough Shoal, but also to the living and non-living resources beyond the territorial sea of any such islands or rocks and within the sea areas encompassed

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within the nine dashed lines. The veil of ambiguity over China's claims, whether they referred to historic title, waters, or rights, or some other kind of claim not specifically mentioned in UNCLOS but encompassed in general international law (as China claimed), was finally removed by the Tribunal.

The Tribunal struck down the possible interpretation of China's claims as a claim to either historic title or historic waters. In the eyes of the Tribunal, China was in fact claiming a much more limited set of maritime rights. Based on the record of official statements in the past, "China does not claim historic title to the waters of South China Sea, but rather a constellation of historic rights short of title."[2] Furthermore, the Tribunal declared that

> "...to the extent that China's claim to historic rights extends to areas that would be considered to form part of the entitlement of the Philippines to an exclusive economic zone or continental shelf, it would be at least at variance with the Convention."[3]

The above interpretation directly address China's historical ambiguity and refusal to clarify the nature of its claims as represented by the nine-dash lines map. Rather than await China's own explanation, the Tribunal used as basis China's own varied and sometimes contradictory statements and allegations in numerous diplomatic communications in order to classify and interpret its claims.[4] This permitted the Tribunal to measure China's claimed historic rights against UNCLOS. It held that any and all historic rights claims to waters beyond the territorial sea or to living and non-living resources beyond 200 nm of China's coast, and particularly those within 200 nm of other coastal States were relinquished and abandoned by China when it signed and ratified UNCLOS and thereby agreed with the establishment of the EEZ and continental shelf regimes in favor of all coastal States.

> "Insofar as China's relevant rights comprise a claim to historic rights to living and non-living resources within the 'nine-dash line', partially in areas that would otherwise comprise the exclusive economic zone or continental shelf of the Philippines, the Tribunal cannot agree with this position. The Convention does not include an express provision preserving or protecting historic rights that are at variance with the Convention. On the contrary,

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[2]LAward, para. 229
[3]Id., para. 232
[4]Id., para. 180-187; 200-201; 207-214; and 263-272

> the Convention supersedes earlier rights and agreements to the extent of any incompatibility. The Convention is comprehensive in setting out the nature of the exclusive economic zone and continental shelf and the rights of other States within those zones. China's claim to historic rights is not compatible with these provisions.
>
> "The Tribunal considers the text and context of the Convention to be clear in superseding any historic rights that a State may once have had in the areas that now form part of the exclusive economic zone and continental shelf of another State."[5]

The Tribunal noted that even China itself, in the negotiations for UNCLOS, "was resolutely opposed to any suggestion that coastal States could be obliged to share the resources of the exclusive economic zone with other powers that had historically fished in those areas."[6] In addition,

> "...China's position, as asserted during the negotiation of the Convention, is incompatible with a claim that China would be entitled to historic rights to living and non-living resources in the South China Sea that would take precedence over the exclusive economic zone rights of the other littoral States. China never advanced such as a claim during the course of the negotiations, notwithstanding that the South China Sea and the question of sovereignty over the Spratly Islands was raised on several occasions in exchanges between China and the Philippines during the work of the Seabed Committee and between China and Viet Nam during the Third UN Conference."[7]

These mean that China cannot plausibly make any legitimate claim to any portion of the living and non-living resources within another coastal States' EEZ or continental shelf, such claims having been relinquished upon signing and ratification of UNCLOS as part of the package deal of the mutual compromises between the State Parties. Any historic claims it could make were limited to either the territorial seas around land territory, or living and non-living resources within its own EEZ or continental shelf.

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[5]Id., para. 246-247
[6]Id., para. 251
[7]Id., para. 252

The Tribunal even assumed *arguendo* that China did have some form of historic rights in areas located within the EEZ of other littoral SCS States. But in the end, even the presumed existence of such prior historic rights did not support China's cause:

> "The Tribunal has no doubt that Chinese fishermen have long made use of the waters of the South China Sea, including in areas beyond the territorial sea of any feature. If China had historic rigths giving it a privileged position with respect to the resources of such waters, the acceptance of the exclusive economic zone as a matter of customary international law and China's adherence to the Convention altered that situation. Through the Convention, China gained additional rights in the areas adjacent to its coasts that became part of its exclusive economic zone, including the areas adjacent to any island entitled to such a zone. It necessarily follows, however, that China also relinquished the rights it may have held in the waters allocated by the Convention in the exclusive economic zones of other States."[8]

Moreover, to drive home the point, the Tribunal found that China could not even make such historic rights claims because it never actually and officially clarified the extent of its claims until 2009;[9] it never actually exercised exclusive control over the waters or resources beyond the territorial sea areas within the nine-dash lines;[10] and its claims never received either the acquiescence or acceptance by any of the affected States.[11] In the absence of these essential elements, there was no legal basis for any of China's claims to historic rights to the entire area of the nine dashed lines, i.e., beyond the maritime zones allowed under UNCLOS.

Thus, whatever remained of China's historic rights claims could only be applicable to the islands and rocks and their adjacent 12 nautical mile (nm) territorial seas; but the Tribunal did not need to examine these since they were integral to the questions of territorial sovereignty that were expressly excluded from the case. It emphasized that historic rights claims to the islands were separate and distinct from the historic rights claims to the resources and waters around them:

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[8]LId., para. 257
[9]Id., para. 275
[10]Id., para. 270
[11]Id., para. 270, 275

> "Evidence that either the Philippines or China had historically made use of the islands of the South China Sea would, at most, support a claim to historic rights to those islands. Evidence of use giving rise to historic rights with respect to the islands, however, would not establish historic rights to the waters beyond the territorial sea. The converse is also true: historic usage of the waters of the South China Sea cannot lead to rights with respect to the islands there. The two domains are distinct."[12]

These rulings lay out the fundamental parameters that confine China's expansive claims based on "historic rights" or so-called "historic facts": implicitly, the "historic facts", based on China's own official actions and statements since the 1950s, demonstrate that China cannot use such claims as a basis for claiming rights, jurisdictions, or resources in excess of the 200nm EEZ and continental shelf from its baselines, and most especially not within the 200nm EEZ and continental shelf of other coastal States. At best, it could only make valid claims based on the islands and rocks; however, the potential scope of such claims were then limited by the succeeding rulings of the Tribunal on the maritime entitlements of the islands and rocks in the SCS.

Maritime Entitlements of SCS Islands

The ability to use the islands and rocks in the SCS to make disproportionately large claims to most of the area of the nine-dash lines was in fact restricted by the Tribunal, when it comprehensively characterized all of the features in the Spratly Islands region and Scarborough Shoal as not being entitled to either EEZs or continental shelf areas of their own. Directly addressing the issue of interpretation of UNCLOS Article 121(3), the Tribunal identified detailed rules for the proper application of the provision and established specific criteria for determining whether any island feature should be entitled to such extended maritime zones.[13] On the basis of such criteria, the Tribunal determined that none of the largest features in the Spratly Islands region, whether held by China (Taiwan) or her smaller neighbors in the past or present, could qualify as an island entitled to an exclusive economic zone and continental shelf. Even if any of these islands may have been historically used by the littoral States for many decades, such usage did not legally amount to human habitation and/or independent economic life required to generate extended maritime zones.

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[12]Id., para. 266
[13]Id., para. 540 - 549

The limitation of maritime zones around islands and rocks in the SCS effectively to only territorial seas, the maximum breadth of which would only be 12nm, again undercuts China's expansive maritime claims and restricts them legitimately to only 12nm enclaves around each island or rock above water at high tide. It is only within these 12nm enclaves that China could therefore legitimately claim or argue that it has basis for its more draconian assertion measures using maritime law enforcement and naval ships; beyond these areas, the high seas freedoms and due regard obligations in favor of all user States within the high seas and EEZs are applicable, and no State (especially China) could legitimately restrict the usage of the waters by other States except in accordance with UNCLOS or other specific conventions. Conversely, outside of the 12nm enclaves but within 200nm of the coastal State, the latter is fully empowered to carry out such management activities and exercise its full coastal State jurisdiction and rights under UNCLOS.

With no island or rock being capable of generating anything more than a 12 nautical mile (nm) territorial sea, the Tribunal was then able to consider the issues of interpretation and application of UNCLOS raised by the Philippines concerning China's activities outside those features' territorial seas. The islands and rocks created pockets of disputed territorial sovereignty, but the sea areas around them could be jurisdictionally allocated to adjacent coastal States in accordance with UNCLOS. Beyond the 12nm territorial enclaves around each island or rock, China's justification of its activities on the basis of historic rights enclosed within the nine dashed lines could not hold water against the legally-protected rights and jurisdictions of those coastal States.

The Tribunal thereafter proceeded to consider the specific status of features currently occupied by China to determine which among them could be considered to be entitled to 12nm territorial seas, and which ones were merely low-tide elevations that did not generate any such zones unless they were within 12nm of another feature that was so entitled. This presented a particular evidentiary challenge, considering that in the meantime, China had not only refused to participate to give evidence on the features it occupied, but it also undertook massive artificial island building activities that completely erased the natural conditions of the features. The difficulties this presented, and the impact of these China's actions on the SCS disputes, would later on be firmly rebuked in the subsequent portions of the Award, but the Tribunal was not deterred from declaring the status of the Chinese-held features on the basis of best available evidence, departing from the usual convention (based on cooperation of the parties) of requiring and utilizing up-to-date and accurate surveys. In the end, the Tribunal decided on the status of the features as summarized in the table below.

Name of Feature	High tide elevation with 12nm territorial sea?	Remarks/qualifications?
Scarborough Shoal	Yes	
Cuarteron Reef	Yes	
Fiery Cross Reef	Yes	
Johnson Reef	Yes	
McKennan Reef	Yes	
Hughes Reef	No, but...	...it may generate a territorial sea as a basepoint of Sin Cowe Island and nearby McKennan Reef
Gaven Reef	No, but...	...it may generate a territorial sea as a basepoint of nearby Namyit Island
Subi Reef	No, but...	...it may generate a territorial sea as a basepoint of nearby Sandy Cay
Mischief Reef	No	
Second Thomas Shoal	No	

The most important effect of the Tribunal's determinations above is to either categorize the features as disputed territorial enclaves or as high seas or EEZ/continental shelf features pertaining to the adjacent coastal State (in this case, the Philippines). Thus, Scarborough, Cuarteron, Fiery Cross, Johnson and McKennan reefs are encompassed within disputed enclaves at least 12nm across (depending on the actual or presumed location of the rocks above high water). Hughes, Gaven, and Subi reefs are low tide elevations, but since the Philippines admitted that they could be used as basepoints of adjacent islands, they could be regarded to possibly generate 12nm territorial zones connected to such adjacent islands or rocks. This actually creates a much larger disputed territorial enclave the first four. Mischief and Second Thomas reefs, however, are fully submerged areas that do not generate territorial sea zones and are therefore part of the Philippines EEZ/continental shelf, within which they are located. All other areas beyond these enclaves are either Philippine EEZ/continental shelf, or high seas and possibly extended continental shelf areas of the adjacent coastal States.[14]

[14]It should be noted that the seabed around Fiery Cross, Cuarteron, and Subi Reefs are subject of Vietnam's and Malaysia's joint submission for a continental shelf beyond 200nm, currently pending before the Commission on the Limits of the Continental Shelf. The Philippines may also lay claim to the same area as part of its own continental shelf beyond 200nm.

Legality of Chinese Maritime Assertion Activities

The Tribunal examined all of China's activities beyond 12nm from all islands or rocks and which aggrieved the Philippines, and in most cases found that they were in contravention of China's solemn obligations under UNCLOS. In particular, it found that China's interference with Philippine fishing and petroleum exploration activities, construction of artificial islands, and failure to prevent Chinese fishermen from fishing in the Philippine EEZ, were all in violation of the Philippines' sovereign rights over its EEZ and continental shelf.

Diplomatic correspondence per se did not constitute unlawful interference. The Tribunal accepted that "China has asserted its claim to rights in the waters within 200 nautical miles of the Philippine baselines in good faith,"[15] This good faith status, however, may be presumed to have ended as of 12 July 2016, because China may be presumed to be on notice from that date that it cannot legitimately assert such claims within the EEZ or continental shelf of another coastal State. Any further diplomatic interference subsequent to the Tribunal's judgment can be considered to be done in bad faith, i.e., with full knowledge that its claim or assertion is invalid under UNCLOS. China can no longer allege good faith in continuing to diplomatically interfere with or contest the coastal State's exercise of its rights within its own EEZ or continental shelf.

Actual interference with maritime activities at sea, or reasonably credible threats thereof, were deemed to cross the line. The Tribunal noted, for example, that instead of seeking to resolve the dispute over a petroleum exploration concession on Reed Bank through negotiations or other peaceful means, "China instead sought to carry out its own understanding of its rights through the actions of its marine surveillance vessels."[16] In establishing a fishing moratorium intended to apply to areas of the Philippine EEZ that was not limited to Chinese flagged vessels, the Tribunal declared that "[i]n contrast to mere statements, the fishing moratorium established a realistic prospect that Filipino fishermen, seeking to exploit the resources of the Philippines' exclusive economic zone, could be exposed to the punitive measures spelled out in the moratorium, including the

[15]Id., para. 704
[16]Id., para. 708

possible confiscation of the fishing vessel in question."[17] These were all deemed to have been in direct violation of the Philippines' sovereign rights to its EEZ/ continental shelf.

Even more odious were China's unlawful acts of creating serious risk of collisions to obstruct Philippine vessels carrying out their fishing, petroleum exploration, or other activities. The operations of Chinese law enforcement vessels against their smaller Philippine counterparts and fishing vessels were also called out for being in violation of Rules 2, 6, 7, 8, 15, and 16 of COLREGS and Art. 94 of UNCLOS.[18] China was found to have used such tactics in interfering with Philippine traditional fishing activities in Scarborough Shoal.[19]

These indicate that China's most blatant and dangerous interference activities against other ships operating in the SCS can no longer be legally justified. Active interference, especially dangerous interference, were adjudged by the Tribunal to be clearly incompatible with international law. Thus, should China continue such maritime assertion practices and maneuvers, it could be held internationally responsible for committing further deliberate breaches of international obligations. The Tribunal rebuked not only active and direct interference, but also China's failure to prevent its fishermen from engaging in destructive fishing practices, and in addition, promoting and protecting the violation by Chinese nationals of the sovereign rights and jurisdiction of the Philippines.[20] Thus, any future activities by China along the same lines would also make China internationally responsible for acting directly in contravention of international law effectively as a State-sponsor of illegal, unreported, and unregulated (IUU) fishing.

Most significant, the Tribunal declared in no uncertain terms that absolutely failed in its obligation to preserve and protect the marine environment in constructing its seven artificial islands in the Spratlys. The Tribunal was particularly pointed in its criticism, based on numerous reports from different sources and statements, including statements coming from China itself.[21]

It must be understood that in most cases, the legal status of the artificial islands themselves were not legally evaluated. Six of the seven artificial islands were

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[7]Id., para. 712
[18]Id., para. 1109
[19]Id., para. 794-814
[20]Id., para. 755
[21]Id., Art. 983

built on high tide elevations that generated land territory and territorial sea and thus were encompassed and integrated with the sovereignty disputes that were beyond the Tribunal's jurisdiction to consider. However, the very act of building such artificial islands were deemed to be contrary to international law due to their effect of aggravating the dispute between China and the Philippines and causing serious and irreparable harm to the marine environment in the SCS. Thus, while the artificial islands themselves were not contrary to international law per se, the act of constructing them in an admittedly disputed area clearly was.

The exception to this was Mischief Reef; the Tribunal ruled that the artificial island on it specifically was more egregious because it was constructed on a low tide elevation that definitely formed part of the EEZ and continental shelf of the Philippines, which the latter did not permit.[22] It is only this structure that the Tribunal may be deemed to have declared inherently illegal, because it is located within the Philippines' extended maritime zones without consent or approval.

These rulings have legally delimited China's range of legitimate actions in the SCS. They imply that beyond the disputed territorial enclaves, China has no legal basis for interfering in the future with Philippine resource activities within its own EEZ and continental shelf, whether diplomatically or through actions at sea. They also place upon China the burden, in the future, of being held accountable for active interference and environmental damage it has so far done, and will in the future do, in the SCS. Depending on location, continuation of China's maritime assertion activities against the Philippines may now definitely be illegal under international law and could expose them to various sanctioning mechanisms by international organizations or groupings. Should China's continued activities cause actual damage, China is additionally held responsible for taking corrective and remedial actions against its erring diplomats, mariners, and ships.

Not all of the Philippines' claims with regard to interference with fishing activities were granted by the Tribunal. For example, the Tribunal did not consider the Hainan fishing regulations to be in breach of the Convention, neither did it agree with the Philippines' claim that China prevented fishermen from fishing near Mischief Reef and Second Thomas Shoal.[23] With respect to the former, the Tribunal

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[22]Id., Art. 1043
[23]Id., para. 713 - 714

did not see the fishing regulations to be intended against foreign fishers.[24] It could not consider the alleged fishing activities due to lack of evidence.[25]

Notably, the Tribunal also did not rule on the Philippines' claim with respect to interference with the resupply and alleged harassment of the detachment based on Second Thomas Shoal for the most part due to their partly military character.[26] It may be noted that the lack of jurisdiction over military activities may be the only remaining loophole that would permit China's maritime expansion and assertion activities, i.e. through the use of its military/naval units and activities. However, this is an extremely sensitive and critical area. If China uses this loophole in the future, it would only lead to an emphasis on its potential use of force or threat of use of force in the SCS, which is certain to cause hedging and alliance-building behavior among aligned and non-aligned coastal States. China would also then itself be prompting the further militarization of the SCS, as it instigates an action/re-action pattern of military mobilization and presence.

Legality of China's Activities Pending Dispute Settlement

The Tribunal also found that China violated its obligations to refrain from taking actions that cause permanent and irreparable harm to the marine environment through the construction of artificial islands that destroyed extensive coral reef areas. In so doing, China acted prejudicially against the rights of the Philippines by permanently destroying evidence of their natural conditions thereby impeding the ability to determine their capacity to legally generate maritime zones under UNCLOS. China thereby also acted contrary to international law by aggravating the dispute. The Tribunal emphasized that "the duty to abstain from any measure capable of exercising a prejudicial effect in regard to the execution of the decision to be given and, in general, not allow any step of any kind to be taken which might aggravate or extend the dispute constitutes a principle of international law."[27]

This ruling of the Tribunal emphasizes the disputing parties' duty of self-restraint and abstention from permanently prejudicial or aggravating actions. Generally, it legally restricts China's freedom of action in its maritime assertion and expansion activities by calling for actions that are not damaging to the marine environment, and implicitly not of a permanent and irreversible nature. To do otherwise would

[24]Id., para. 713
[25]Id., para. 714
[26]Id., para. 1161-1162
[27]Id., para. 1173

be contrary to international law. The scope of such a restriction could be vastly interpreted: it may cover resource extraction activities such as seabed mining and coral harvesting, or unilateral petroleum drilling in the disputed enclaves, or the buiding of new artificial islands. Overall, the Award effectively seeks to promote and ensure the current status quo, and prevent any future massive changes.

Implications of the Ruling

The Award in the case of Philippines v. China has indeed turned a page on the SCS disputes, by marking out in clear terms what are the legitimate and illegitimate claims in the SCS, who may exercise exclusive resource jurisdictions and rights for the most part and where the disputed areas should rightfully be considered to exist and be limited to, and what are limits of permissible and legitimate behavior among the claimaints in the SCS. It is indeed a strong rebuke of China's recent tactics and practices in asserting its claims, and additionally provides the essential guidelines or parameters for acceptable State behavior in the SCS.

Most of China's maritime assertion and expansion activities have been judged and rebuked by the Award, and the standards of acceptable conduct in the SCS have been clearly defined. The range and extent of China's maritime assertion and expansion activities have been measured against a clear legal standard, and its future activities may now be definitively characterized in terms of law and legitimate conduct. Although the Award does not completely resolve the disputes between the Philippines and China (indeed, neither does not presume to address the rest of the SCS disputes), it does provide a legal, fair, and reasonable basis for assessing the legitimacy and legal effect of claimant States' actions.

Loopholes remain that could still spark confrontation; in particular, the disparate territorial enclaves scattered across the area and still relatively unrestricted range of claimant State actions within them (save for the no-harm and no-aggravation limits) still form the basis of destabilizing unilateral actions. China's insistence on its exceptionalist legal positioning and provocative unilateralism has not shown signs of diminishing sooner rather than later. But in the long run, China may soon find that it cannot sustain a direct and absolute opposition to the Award, because the way in which the latter disposes of the issues through reason and argument is compelling and hard to debunk. Persistence in opposition would only keep highlighting that China's actions have been, and may always be, in direct contravention of international law.

What's Next?

In the months that followed, the Philippines under new leadership took a different track from that expected by toning down its reception of the Award's announcement, and re-engaging China in bilateral diplomacy over the issue. On ,August 8, President Rodrigo Duterte sent former President Fidel V Ramos to China for an "icebreaker" session to explore possible topics of discussion and negotiation to end the deadlock over the SCS disputes.[28] Ramos succeeded in his mission by conveying Manila's openness and willingness to re-establish bilateral discussions, focusing on practical areas of maritime cooperation, paving the way for Duterte's successful state visit to China on October 18-21. Amid a surprising and controversial announcement of a "separation" from the US and alignment with China and Russia (which later on was downplayed as referring only to foreign policy),[29] Duterte won USD 24 Billion worth of Chinese financial pledges for investments,[30] and had an opportunity for a one-on-one discussion with Chinese President Xi Jinping.[31] Direct talks with Xi bore fruit when Filipino fishermen regained access to Scaroborough Shoal.[32] Although the CCG maintained a presence at the entrance to the shoal, Filipino fishermen were at least able to resume normal fishing operations.[33]

It should be noted, however, that the renewed access to Scarborough Shoal is not necessarily reflecte in areas further south, notably around the Spratly Islands region. There is, as yet, no public indication of any appreciable change in the situation there, with respect to either fisheries, Chinese patrols, or offshore petroleum activities. Certainly, the construction activities on the artificial islands continued apace, and it is expected that those dual-use facilities will be completed and operational soon.

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[28]Ex-Philippine leader Ramos travels to Hong Kong as 'icebreaker' with China. Reuters, 08 August 2016, at http://www.reuters.com/article/us-southchinasea-ruling-ramos-idUSKCN10J0Q7.

[29]In China, Duterte announces split with US: 'America has lost'. CNN, 20 October 2016, at http://edition.cnn.com/2016/10/20/asia/china-philippines-duterte-visit/

[30]China visit helps Duterte reap funding deals worth $24 Billion. Bloomberg, 21 October 2016, at http://www.bloomberg.com/news/articles/2016-10-21/china-visit-helps-duterte-reap-funding-deals-worth-24-billion

[31]Philippine President Rodrigo Duterte meets Xi Jinping: Key takeaways. Diplomat, 21 October 2016, at http://thediplomat.com/2016/10/philippine-president-rodrigo-duterte-meets-xi-jinping-first-takeaways/

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[33]Pinoys able to fish freely, undisturbed. Philippine Star, 30 October 2016, at http://www.philstar.com/headlines/2016/10/30/1638645/pinoys-able-fish-freely-undisturbed

Unlike his predecessor, President Duterte has taken a decidedly friendly and "soft" position vis-a-vis Beijing, and has even gone out of his way to distance the Philippines from the US in order to convince China of his independence. He intensified his rhetoric to the point of calling for an end to US military presence in the Philippines and threatening to abrogate the Enhanced Defense Cooperation Agreement. He also declared his intention to cut down US military exercises in the Philippines. It is likely that Duterte's "soft" stance will now characterize the Philippines' SCS policy, which also means that further discussions of the Philippine-China disputes will be taken out of the multi-lateral agenda of forums like the ASEAN. This will mark a return to "quiet diplomacy" as the principal means of handling the disputes, at least for the immediate future.

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Cheng-Chwee KUIK is an associate professor at the Strategic Studies and International Relations Program at the National University of Malaysia (UKM). He is concurrently an associate fellow at the Institute of China Studies at the University of Malaya (UM). Previously he was a postdoctoral research associate at the Princeton-Harvard "China and the World" Program at the Woodrow Wilson School of Public and International Affairs. Cheng-Chwee's research concentrates on three themes: weaker states' alignment positions and great power politics (with a focus on Asian states' hedging behavior), domestic legitimation and foreign policy (with particular reference to China's and ASEAN states' external policies), as well as the politics of multilateralism and its impact on Asian architecture. His English and Chinese publications have appeared in peer-reviewed journals such as *Journal of Contemporary China, Asian Politics and Policy, Chinese Journal of International Politics, Asian Security, East Asian Policy, Contemporary Southeast Asia, Shijie Jingji yu Zhengzhi*, as well as edited books. His essay "The Essence of Hedging" was awarded the biennial 2009 Micheal Leifer Memorial Prize by the Institute of Southeast Asian Studies (ISEAS) for the best article published in any of the three ISEAS journals. He is a co-editor (with Alice Ba and Sueo Sudo) of *Institutionalizing East Asia: Mapping and Reconfiguring Regional Cooperation* (Routledge 2016).

Dr. Kuik serves on the editorial boards of *Contemporary Southeast Asia, Australian Journal of International Affairs*, and Routledge's "IR Theory and Practice in Asia" Book Series. He holds a PhD from the Johns Hopkins University's School of Advanced International Studies (SAIS) and an M.Litt. from the University of St. Andrews. Cheng-Chwee has held visiting fellowships at the Chinese Academy of Social Sciences, Shanghai Institutes for International Studies, Lee Jong Chian Reference Library (Singapore), SAIS Southeast Asia Studies, American University's ASEAN Studies Center, the Centre for Strategic and International Studies (CSIS Jakarta), and Oxford University. He can be contacted at cckuik@gmail.com

Ms. Moe Thuzar is ISEAS Fellow and key member of the Myanmar Studies Programme at ISEAS Yusof Ishak Institute. She concurrently hols a position as Lead Researcher (socio-culutral), at the Institute's ASEAN Studies Centre. Moe provides analyses (on ASEAN, Myanmar) for Channel News Asia's news programmes.

She was involved in advising Myanmar's ASEAN chairmanship in 2014, and continues to monitor Myanmar's transformation process. Prior to joining ISEAS in 2008, Moe headed the Human Development Unit at the ASEAN Secretariat. As lead researcher (Socio-Cultural) at ASEAN Studies Centre at ISEAS since 2008, Moe assesses implementation of regional priorities in the areas under the ASEAN Socio-Cultural Community. She also monitors ASEAN's integration issues and ASEAN's dialogue relations. Moe was a Temasek Scholar for her master's degree in public policy at the National University of Singapore.

Dr. Chin-Hao Huang is assistant professor of political science at Yale-NUS College. Prior to this, he served as a researcher at the Stockholm International Peace Research Institute (SIPRI) in Sweden and at the Centre for Strategic and Instrnational Studies (CSIS) in Washington, DC. His focus area is international security, especially in the Asia-Pacific. His publications have appeared in _The China Quarterly_. _The China Journal_, _International Peacekeeping_, and in edited volumes through Oxford University Press and Routledge, among others.

He has testified and presented on China"s Foreign Affairs before the U.S.-China Economic and Security Review Commission, U.S. Association (APSA) Foreign Policy Section Best paper Award (2014) for his research on China's compliance behaviour in multilateral security institutions. Dr. Huang received his Ph.D. in political science form th eUniversity of Southern California and B.S. with Honors from Georgetown University.

Jay L Batongbacal is a lawyer with degrees in Political Science and Law from the University of the Philippines, as well as advanced degrees of Master of Marine Management and Doctor in the Science of Law, both from Dalhousie University in Canada. Since 1997, he has done diverse work and widely published in maritime affairs, including community based fisheries management, coastal resource management, marine environment protection, maritime boundaries, high seas fishing, offshore energy, seafaring, and shipping. He has carried out these research activities under the auspices of the Philippine Center for Marine Affairs between 1997-2003, as part of his own academic interests while undertaking his doctoral studies in Canada between 2003-2008, and as a member of the faculty of the UP College of Law from 2008 to the present. He has also served as legal/policy specialist on various foreign-assisted development/ management projects such as the Coastal Resource Management Project, the Fisheries Resource Management Project, and the Coral Triangle Initiative Support Program.

Dr. Batongbacal has also conducted, upon request, many briefings and submitted opinions to various government offices, such as the Office of the President, the Department of Foreign Affairs, Department of National Defense, National Security Council, Cabinet Committee on Maritime and Ocean Affairs, the Committee on Foreign Affairs of the House of Representatives, the Committee on National Defense of the Philippine Senate, among others. He remains actively involved with both government and non-government organization on many different issues involving a maritime component, including the mining and petroleum industries.

Dr. Batongbacal was legal advisor to the Philippine delegation that successfully pursued the Philippines' claim to a continental shelf beyond 200 nautical miles in the Benham Rise Region before the Commission on the Limits of the Continental Shelf in accordance with the United Nations Convention on the Law of the Sea (UNCLOS). He is currently assisting the Philippines in making an application to the International Maritime Organization for the designation of a Particularly Sensitive Sea Area in the Sulu Sea. He is also on his second term as being among the UNESCO List of Experts on Marine Scientific Research for purposes of Special Arbitration under UNCLOS Annex VIII. Presently, he serves as an Associate Professor at the University of the Philippines College of Law, and concurrently Director of the Institute for Maritime Affairs and Law of the Sea of the U.P. Law Center.

Dr. Swee Lean Collin Koh is Research Fellow at the Maritime Security Programme, part of the Institute of Defence and Strategic Studies which is a constituent unit of the S. Rajaratnam School of International Studies, based in Nanyang Technological University, Singapore. He is especially interested in researching on naval affairs in the Indo-Pacific, focusing on Southeast Asia in particular, and generally issues related to naval technologies, naval modernization, naval arms control and the offence-defence theory. Collin published a number of op-eds, policy- and academic journal articles as well as chapters for edited volumes covering his research areas. He has also taught various professional military education and training courses with the Singapore Armed Forces Training Institute, an experience he gained since 2010 when he first joined the Military Studies Programme at RSIS. Besides research and teaching, Collin also contributes his perspectives to various local and international media outlets, including BBC, Bloomberg, Channel NewsAsia, Reuters, South China Morning Post and The Straits Times. Further, he participates in activities with geopolitical risks consultancies Oxford Analytica and Wikistrat. At present Collin is in the process of compiling a database consisting of up to 18 selected countries in the Indo-Pacific, comprising information related to their naval forces development and structures, national policy discourses, confidence-building and cooperative measures, as well as incidences of the threat and use of force at sea. This is a continuation of his doctoral dissertation which compares naval modernization in Southeast Asia with those from the surrounding broader Indo-Pacific region.

9th EAST ASIA SECURITY OUTLOOK SEMINAR

Thursday, 10 November 2016
Wira Hall, Band Building
Ministry of Defence

PROGRAMME

Time	Event
0830 – 0900	**Registration** **Recital of Al-Fatihah& Doa**
0900 - 0910	**Welcome Remarks** *Mr Shahrul Nizzam Umar* *Director* *Sultan Haji Hassanal Bolkiah Institute of Defence and Strategic Studies (SHHBIDSS)* *Ministry of Defence*
Session: East Asia's Strategic and Security Environment	
0910 – 0930	**Major Power in the Western Pacific: Implications for Small State Security** *Professor Leszek Buszynski* *Lecturer at ANU College of Asia and the Pacific*
0930 – 0950	**Northeast Asia: Complexities in Relations and Ways Ahead** *Professor Kim Jae Chun* *Director, Sogang Institute of International and Area Studies* *Professor, Graduate School of International Studies (GSIS), Sogang University* *Republic of Korea*
0950 – 1020	**Q and A Session**
1020 – 1050	**Refreshments**

1050 – 1110	**Small-State Strategies and the Future of Southeast Asia's Foreign Policy Choices in the Trump Era** *Dr Kuik Cheng-Chwee* *Associate Professor* *Strategic Studies & International Relations Program, National University of Malaysia*
1110 – 1130	**ASEAN: Moving Forward with the Differences** *Ms Moe Thuzar* *Lead Researcher,* *Socio-Cultural Affairs ISEAS*
1130 – 1200	**Q & A Session**
1215 – 1330	**Lunch**
	Session: Dynamics in the Maritime Domain
1400 – 1420	**Maritime Security in the South China Sea** *Dr Chin-Hao Huang* *Associate Professor* *Assistant Professor of Political Science, Yale-NUS College*
1420 – 1440	**Post Arbitration Award: What is next?** *Professor Jay L. Batongbacal* *Director of the UP Institute for Maritime Affairs and Law of the Sea* *College of Law, University of the Philippines*
1440 – 1500	**Growth of Maritime Capabilities: A Recipe for Cooperation or Competition?** *Dr Collin Koh* *Research Fellow* *RSIS, Singapore*
1500 – 1530	**Q and A Session**
1530 – 1600	**Refreshments**