

# policy dialogue brief

Critical thinking from Stanley Foundation Conferences

October 18-20, 2007 Singapore

Sponsored by the Stanley Foundation in collaboration with the S. Rajaratnam School of International Studies

This brief summarizes the primary findings of the conference as interpreted by the project organizers. Participants neither reviewed nor approved this brief. Therefore, it should not be assumed that every participant subscribes to all of its recommendations, observations, and conclusions.

# New Power Dynamics in Southeast Asia: Changing Security Cooperation and Competition

### Introduction

Fair or not, the longstanding perception that Southeast Asia remains on the back burner of the United States' strategic agenda endures. Since the end of the Second World War, with the exception of the Vietnam War, Southeast Asia has played second fiddle to Northeast Asia. Driven primarily by post-September 11, 2001, concerns—and consistent with its preference for a hub-and-spokes approach—the United States has engaged with Southeast Asian countries according to individual security concerns rather than through multilateral frameworks such as the Association of Southeast Asian Nations (ASEAN), the ASEAN Regional Forum (ARF), or the East Asia Summit (EAS). While this arrangement has served the practical interests of both sides well and will probably continue in the immediate term, there is at the same time a growing need to reconsider the role of regional institutions as new power dynamics and evolving concepts of security take shape in the region. These trends include:

- 1. The proliferation of multilateral security arrangements in the region. These may be military-based (such as the treaty-based and non-treaty-based strategic alliances led by the United States) or soft-power mechanisms (such as the ARF and the six-party talks in Northeast Asia). Paradoxically, there may be a risk of creating greater instability through these arrangements, especially if they are viewed as competitive rather than complementary. The risk increases where strategic alliances are perceived to target a regional power, usually China.
- 2. A growing confidence among Southeast Asian states to manage regional security affairs on their own through ASEAN, or at least to have greater input into the wider security architecture of the ARF. The signing of the ASEAN Charter and the Declaration of the Bali Concord II—committing member states to the establishment of an ASEAN Community founded on the three pillars of economics, security, and sociocultural development—is symbolic of the comfort level among member states, their political and economic variances notwithstanding. Issues like Burma may remain problematic for ASEAN, but the latter's move toward greater integration marks the passing of old interstate suspicions into the age of shared transnational threats such as terrorism, pandemics, and natural disasters.
- 3. The uncertainty of Southeast Asia's role in a wider regional architecture encompassing Northeast Asia. One of the obvious differences between Southeast and Northeast Asia is that there is no equivalent to ASEAN in the latter. A comparable Northeast Asian security arrangement arising from the six-party talks would probably be desirable for the region's overall stability, but closer cooperation of the region's major powers may sideline ASEAN as a "neutral platform" for any future regional security architecture. This would also have implications for the United States' hub-and-spokes alliance system, particularly if positive trends in relations between China and Japan continue to develop.

- 4. The growing economic interdependence of regional powers-notably, China, India, Japan, and the Republic of Korea—and its implications upon their relations. Whether economic linkages and stability alone can guarantee security among these powers gets into the debate of balancing interests against values. The latter has been trumpeted as the cornerstone of US-Japan and US-India relations while the former seems to underpin the changing security matrix in the region. Although Northeast Asia has yet to resolve its historical differences, economic relations among China, Japan, and the Republic of Korea have been deepening. The notion of comprehensive security long fashionable in variant forms in China, Japan, and Malaysia—appears to be back in vogue. It also offers a powerful mechanism for regional security by fusing the concepts of economic and technological development with political security.
- 5. The changing perspective of Asia as competing markets rather than competing nation-states. Washington's geopolitical view of Asia is increasingly becoming a minority one. With the United States no longer having a monopoly on large financial investments, there is growing nervousness on "Wall Street" about American competitiveness in the face of a rising Asia. The issue is no longer one of how to deal with Communist governments in the region, but rather how to withstand and compete against the burgeoning Chinese and Indian economies as well as stock markets in Hong Kong and Shanghai.

#### **Terrorism**

Southeast Asia has had a long history of dealing with terrorism, but the attacks of September 11, 2001, on US soil were both a boon and a bane for the region. One of the consequences of the United States' immediate focus on Southeast Asia as the "second front" in the war on terror was to direct funding, intelligence, and training to Indonesia and the Philippines. In Indonesia, US antiterror assistance has reaped tangible rewards in the form of arrests, prosecutions, and convictions. Further terror acts have also been averted since 2002. In the Philippines, September 11, 2001, added a religious dimension to what had always been a primarily developmental problem—that of socioeconomic inequality between Muslim Mindanao and "colonial Manila."

The regional consensus is that terrorism, in a domestic context, is a community issue best resolved by the police. There is, in this regard, a continued role for the United States in helping to build the capacities, capabilities, and resources of the police in the region rather than providing Special Forces or drones, or increasing defense cooperation. Where there is a military presence because of traditional alliances, this has been especially well-received by local communities, not because of their combat roles but for their assistance in building infrastructures and improving the capacity of local governments there.

The US Navy could replicate these efforts on- and offshore in the context of maritime security in Southeast Asia. Goodwill operations run by the Pacific Command, such as dedicating ships for medical purposes where they are both needed and wanted, should be encouraged and supported for its counterterrorism, local livelihood improvement, and image-boosting aspects.

US public diplomacy efforts would be optimized by a sound and nuanced understanding of the domestic situation in Southeast Asian countries. Today fewer Southeast Asians are pursuing their studies in the United States, and many who work there often stay and never return to their home countries. This means that the United States is losing influence in the senior levels of policymakers in Southeast Asia. The lack of a comprehensive understanding of the region can also result in the backfiring of well-intentioned efforts by creating suspicion of American influence over—or worse, intervention in—domestic affairs amongst the target population. The United States, therefore, needs to cultivate homegrown Southeast Asia specialists for the long term.

#### Security—Nontraditional and Traditional Issues

The emergent question of securitizing transnational issues such as climate change, environmental damage, and pandemics has received urgent attention in recent times, due in large part to globalization, information technology, travel, and the media. Commonly referred to as nontraditional security (NTS) issues, they lend themselves to wider regional and multilateral cooperation in the face of inadequate national and bilateral responses. The 1997 Asian financial crisis, for example, led to the formation of the ASEAN+3 and prompted the acceleration of regional financial cooperation through various initiatives.

It is unclear just how nontraditional these threats for the region are, as many of them, such as terrorism and other transnational crimes, have long plagued the security domain of Southeast Asian countries. The distinction between nontraditional and traditional threats is further blurred when militaries are used to combat the former, and fraudulent financial transactions, for example, are used to fund terrorism. It may, however, be possible to adopt the NTS approach to resolve certain threats such as pandemics. This would have the benefit of involving interested nonstate actors such as civil society and the business community.

Whether regional security architectures can be built around NTS issues remains to be seen, but there has already been increasing penetration of those issues into regional structures such as the ASEAN Socio-Cultural Community. Even ASEAN+3, which was originally a financial and economic process, has discussed women's issues and poverty. Likewise, APEC's agenda expanded to consider security matters post-September 11, 2001.

While there have been a number of achievements in NTS cooperation, including ASEAN's campaign against intellectual property piracy and an improved level of

international and interagency cooperation in combating an avian flu pandemic, other areas deserve prioritization. Climate change, for example, relates to the survival of island states. The issue is particularly crucial for Southeast Asia as much of the population in the region depends on agriculture. The destruction of whole archipelagos, such as the Pacific Islands, would have serious implications for migration and resource security in the region.

US assistance could, in particular, be lent to the areas of clean technology, reforestation, and nuclear energy. The Asia-Pacific Partnership on Clean Development and Climate's (AP6) initiative in cleaner burning technologies was triggered by pollution problems caused by coalburning in China and India. This could be expanded to Indonesia if it joins the AP6. The United States could also extend its technical expertise in ensuring public safety in the production and handling of nuclear energy.

There are encouraging trends for cooperation among the regional powers in the traditional security domain, especially with deeper economic integration in the region. China and India have embarked on confidence-building measures since 1993 to resolve their Himalayan border dispute, and the United States has expressed openness to the idea of China sharing responsibility in protecting its sea lanes through the development of the Republic's own blue water navy. Additionally, China-Japan relations are warming up, and India and the United States' civil nuclear agreement—although controversial—is a significant symbol of closer ties.

Major power relations in Southeast Asia have also impacted the United States' treaty allies in the region. While Thailand has engaged with the United States since the 19th century, it was also China's strategic partner in the 18th century when approximately three million Chinese went to Bangkok. In more recent times, both powers have contributed to Thailand's development, but their competing strategies on the political and security fronts have sometimes pulled Thailand in different directions. For the first time, Thailand will break with tradition and purchase major weapons from Ukraine and Sweden rather than the United States. The suggestion is that for Southeast Asia to attract and sustain Washington's engagement in the region, it must build up and modernize its militaries. This would apply to the United States' treaty allies, in particular, since defense has long been the backbone of those relations.

## Changing Regional Security Architecture

The reality facing Southeast Asia is that China will only continue to grow in the region and any relationship that it has with a rising China must, for practical purposes, be positive. The argument for increased US engagement in the region is that, in its absence, Southeast Asian countries will only move closer toward China. The question for US consideration is, therefore, whether it

will be prepared to move beyond its preference for bilateral ties, or for APEC as a multilateral security forum. APEC is primarily a grouping of economies, rather than states, and APEC's ability to discuss wide-ranging strategic issues is limited by the participation of Hong Kong and Taiwan.

Although ASEAN+3 was born of the 1997 financial crisis, its role has grown to constitute a new sort of security architecture. The Chiang Mai Initiative became multilateral in 2006 and has doubled in size since then. Now it operates with the cooperation of the IMF. Those sympathetic to calls for greater involvement by the United States in the region argue that it would be in the US interest to protect its commercial and business interests there.

Despite widespread agreement that the United States remains engaged in Southeast Asia in many different areas, particularly in business, there are sustained calls for the United States to become a formal part of the region's institutions, especially if the EAS is reconstituted as a forum for the discussion of strategic regional issues. This would, however, require the United States to sign ASEAN's Treaty of Amity and Cooperation (TAC). The proponents of US accession to the TAC argue that apart from a symbolic recognition of the multilateralism of security and the way Southeast Asia views security, the United States would be in a direct position to shape regional institutions and structures. It would also help maintain stability in a region that is a major market and security arena for the United States. In a region where perceptions matter, the United States' signing of the TAC would reflect its view of Southeast Asia as an equal. With Washington preferring product over process, however, the onus would be on ASEAN to provide more than anecdotal evidence that it is more than a "talking shop."

If the United States did join the EAS, it would be difficult for the group to deny Russia a place there. From the standpoint of having an inclusive structure, membership by both Russia and the United States would be a positive development. However, domestic politics not only in these two countries but also in China may complicate the building of a new Asian security architecture. The status quo seems to be that there is some dissatisfaction. Because the region is unclear as to the exact security architecture that the present situation warrants, existing alliances continue while new ones falter. A difference in the conception of security also contributes to this disconnect. While the United States tends to think in terms of hard security, Southeast Asia thinks in terms of comprehensive security.

To contribute to regional security and stability in the near term, the United States should:

 Pay more attention to capacity-building in regional countries, particularly in soft and technical skills such as law enforcement training and NTS threat management.

- 2. Reassess the bilateral-multilateral dynamic in US security policy in Southeast Asia. This process would offer insights into an appropriate role for the United States in the region's changing security frameworks, as well as update the bilateral alliances that thus far have been based largely on US military deployments and cooperation.
- 3. Focus on energy security in several dimensions, e.g., ensuring greater safeguards for civilian nuclear energy regimes and encouraging cleaner and more efficient use of coal.
- 4. Develop its own cadre of Southeast Asia specialists intimately familiar with the nuances of politics and culture in the region.
- 5. Continue and encourage the trend toward greater intelligence cooperation. This has the multiple effects of enhancing security in the region, promoting defense and security transparency, and increasing confidence-building measures among the major powers.

# Participant List

#### Co-organizers

Barry Desker, Dean, S. Rajaratnam School of International Studies, Nanyang Technological University

Long Shin Ruey Joey, Assistant Professor, S. Rajaratnam School of International Studies, Nanyang Technological University

Michael Schiffer, Program Officer, Policy Analysis and Dialogue, The Stanley Foundation

#### **Project Chair**

Catharin E. Dalpino, Visiting Associate Professor, Southeast Asian Studies, Georgetown University

#### Rapporteur

Elina Noor, Analyst, Institute of Strategic and International Studies, Malaysia

#### **Participants**

Zakaria Haji Ahmad, President, Malaysian International Affairs Forum Mely Caballero Anthony, Associate Professor, Coordinator of Non-Traditional Security Programme, S. Rajaratnam School of International Studies, Nanyang Technological University

Greg Barton, Herb Feith Foundation Research Professor for the Study of Indonesia, School of Political and Social Inquiry, Faculty of Arts, Monash University

Ummu Salma Bava, Professor, Centre for European Studies, School of International Studies, Jawaharlal Nehru University; Associate Fellow of the Asia Society, New York

**John J. Brandon**, Director, International Relations Program, The Asia Foundation, Washington, DC

Chulacheeb Chinwanno, Chairman, Department of International Relations, Faculty of Political Science, Thammasat University

Luan Thuy Duong, Director, Centre for Southeast Asian Studies, and Deputy Director General, Institute for International Relations, Ministry of Foreign Affairs, Vietnam

Akiko Fukushima, Senior Fellow, The Japan Foundation

Harry Harding, University Professor of International Affairs, The Sigur Center for Asian Studies, The George Washington University

Carolina Hernandez, Chair, Board of Directors, The Institute for Strategic and Development Studies

Lionel C. Johnson, Senior Vice President, GoodWorks International Consulting

Manoj Joshi, Strategic Affairs Editor, *The Hindustan Times*Bilahari Kausikan, Second Permanent Secretary, Ministry of Foreign
Affairs, Republic of Singapore

Weston S. Konishi, Visiting Research Fellow, Institute for

International Policy Studies, Tokyo; Adjunct Fellow, The Maureen and Mike Mansfield Foundation

Michael Kraig, Director, Policy Analysis and Dialogue, The Stanley Foundation

Lam Peng Er, Senior Research Fellow, East Asian Institute, National University of Singapore

Irman Lanti, Program Manager, Deepening Democracy, Governance Unit, United Nations Development Programme, Indonesia

Satu Limaye, Director, East-West Center Washington

Liu Xuecheng, Executive Vice President, Center for China-US Relations Studies, and Senior Research Fellow, China Institute of International Studies

Matthew Martin, Program Officer, Policy Analysis and Dialogue, The Stanley Foundation

C. Raja Mohan, Professor, S. Rajaratnam School of International Studies, Nanyang Technological University

K. S. Nathan, Professor and Head, Center for American Studies, Institute of Occidental Studies, National University of Malaysia

Norodom Sirivudh, Chairman, Board of Directors, Cambodian Institute for Cooperation and Peace

Michael Richardson, Visiting Senior Research Fellow, Institute of Southeast Asian Studies, Singapore

Leonard Sebastian, Associate Professor and Coordinator of Indonesia Programme, S. Rajaratnam School of International Studies, Nanyang Technological University

Sheng Lijun, Senior Fellow, Institute of Southeast Asian Studies Sheldon Simon, Professor of Political Science, Arizona State University

Richard Smith, Distinguished Visiting Fellow, S. Rajaratnam School of International Studies, Nanyang Technological University

Ian Storey, Fellow, Institute of Southeast Asian Studies, SingaporeSu Hao, Department of Diplomacy, China Foreign Affairs University,Beijing

Shankari Sundararaman, Associate Professor, School of International Studies, Jawaharlal Nehru University

Tan Seng Chye, Senior Fellow, S. Rajaratnam School of International Studies, Nanyang Technological University

Tang Shiping, Senior Fellow, S. Rajaratnam School of International Studies, Nanyang Technological University

Jusuf Wanandi, Senior Fellow, Centre for Strategic and International Studies, and Vice Chair, Board of Trustees, CSIS Foundation

Panitan Wattanayagorn, Associate Professor of International Relations, Chulalongkorn University

#### Staff

Peter Ee, Senior Administration Officer, S. Rajaratnam School of International Studies

Daisy Yeo, Conference Secretary, S. Rajaratnam School of International Studies

Elaine Schilling, Program Assistant, The Stanley Foundation

Affiliations are listed for identification purposes only. Participants attended as individuals rather than as representatives of their governments or organizations

# The Stanley Foundation

The Stanley Foundation seeks a secure peace with freedom and justice, built on world citizenship and effective global governance. It brings fresh voices, original ideas, and lasting solutions to debates on global and regional problems. The foundation is a nonpartisan, private operating foundation, located in Muscatine, Iowa, that focuses on peace and security issues and advocates principled multilateralism. The foundation frequently collaborates with other organizations. It does not make grants. Online at <a href="https://www.stanleyfoundation.org">www.stanleyfoundation.org</a>.

The Stanley Foundation encourages use of this report for educational purposes. Any part of the material may be duplicated with proper acknowledgment. Additional copies are available. This report is available at <a href="http://reports.stanleyfoundation.org">http://reports.stanleyfoundation.org</a>.

The Stanley Foundation

209 Iowa Avenue • Muscatine, IA 52761 USA

563-264-1500 • 563-264-0864 fax • info@stanleyfoundation.org

Production: Amy Bakke, Margo Schneider, and Kathy Sunderbruch