The Region
SEEKING STABILITY IN
TURBULENT TIMES
Southeast Asia’s New Normal?

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Political and security developments in Southeast Asia in 2014 reflect efforts on the part of Southeast Asian countries as well as ASEAN (the Association of Southeast Asian Nations) to adjust and adapt to the conditions and circumstances of a “new normal” in the wider Asia-Pacific region: a rapidly changing regional strategic environment where emerging powers display greater assertiveness and assurance of their newfound status, whilst established powers experience relative decline and seek to rebalance against the growing power and influence of their rivals. China’s rising power and influence appears to have grown from strength to strength, notwithstanding putative efforts by the United States, Japan and others to balance against it partly through rallying Southeast Asian partners in support of their cause. Adding to the growing prospect of regional instability and turbulence was Russia’s annexation of Crimea in March, which raised fears among some Southeast Asians over the prospective emulation of Russia’s action by more powerful claimant states over the South China Sea region.

At the same time within Southeast Asia, a number of states and societies underwent political transition. Indonesia conducted a successful presidential election in July which saw a popular non-establishment figure, the then Jakarta Governor Joko Widodo (or “Jokowi”), win the presidency. It remains unclear at
this point what Jokowi’s foreign policy will look like. However, there are early hints that Indonesia might not be as fixated with ASEAN as in the past. Going beyond the “Indo-Pacific” idea advanced by the Yudhoyono administration, the Jokowi administration’s vision for Indonesia is as a global maritime fulcrum connecting the Indian and Pacific Oceans. Known as “PACINDO”, the area of engagement envisioned here is ostensibly geographically more extensive than the Indo-Pacific region the Yudhoyono administration had in mind. To that end, India and the Gulf states have been identified as countries with whom Jokowi would engage more deeply. As a foreign policy adviser to Jokowi has declared: “We used to say ASEAN is the cornerstone of our foreign policy. Now we change it to a cornerstone of our foreign policy.”

After considerable unrest in Thailand caused by the rift between the so-called “Red Shirts” and their “Yellow” rivals, senior officers of the Thai military launched a bloodless coup in May which brought temporary relief but left many questions unanswered. The coup appeared to sour relations between the new military regime and the Thai royalists that supported the coup, on one hand, and the United States on the other. With this downturn in Thai-U.S. relations and its potential ramifications for their security alliance — including the U.S. decision to scale back the Cobra Gold 2015 military exercise — there is growing concern over whether Thailand may seek to deepen further its already substantial ties with China — a step likely to worry Thailand’s ASEAN neighbours given their apprehensions over China’s actions in the South China Sea. On the other hand, Washington would presumably repair its ties with Bangkok so as not to push the latter into Beijing’s embrace.

To be sure, post-colonial Southeast Asia is no stranger to turbulence, not least for a region born out of the Pacific War and forged in the furnace of great power collapse, war and political upheaval. That said, the current regional situation is unprecedented in that at no time in the region’s annals has there ever been the concomitant (albeit uneven) rise of three regional powers, China, Japan and India, and the complications that has posed to the post-World War Two hegemony long enjoyed by a United States. Of these, India remained the odd man out in 2014 in terms of involvement, although Indian Prime Minister Narendra Modi took advantage of the East Asia Summit (EAS) in November to signal his intent to recast India’s decades-long “Look East” policy, defined mostly by missed opportunities, to an “Act East” policy under his premiership. The growing strategic competition and alignments among the great powers have engendered uncertainty among Southeast Asian states, whose dedicated
project of regional community formation has been confounded by the temptation to break ranks and undermine ASEAN cohesion through unilaterally siding with a particular great power so as to advance their own interests.

At least three noteworthy trends defined Southeast Asia’s new normal in 2014. Firstly, China was the outstanding performer among the big powers in the regional diplomatic and economic stakes. A generation removed from the “keeping a low profile” approach that had dominated Chinese foreign policy since the time of Deng Xiaoping, the People’s Republic appeared sufficiently self-assured to assert itself on the regional and global stages. Secondly, notwithstanding the presence of multiple players in the South China Sea, China remained the key without which there would be no progress in the maritime disputes among the claimant states. Finally, Southeast Asia and ASEAN continued to labour, frustratingly so in the light of a self-imposed 2015 deadline, for the formation of the ASEAN Community that is unlikely to be achieved in terms of depth of regional cooperation and integration that would satisfy the collective needs of the region.

The Great Game in 2014

The region has been marked by the growing rivalry between emerging and established powers, whose complex interactions threaten to muddy the distinction between what constitutes revisionist actions and what constitutes status quo. For a long time and as a consequence of its role as a strategic guarantor, the United States has occupied a privileged place in the security calculi of East Asian countries in general. The rise of China, the focus of considerable analysis among Asia watchers throughout the post-Cold War period, has often been discussed in terms of its “potential” to rival the United States — an as yet unrealized prospect further deferred by the relative alignment of interests between Beijing and Washington over the global war on terrorism. Two major dynamics are now changing that. The first involves the perceived relative decline of the United States, whose post-Afghanistan strategic “pivot” or “rebalance” to Asia — seen by many Chinese as a containment effort directed against China, even though U.S. officials have strenuously denied that — appeared to be a half-hearted proposition following the global financial crisis of 2007–08 and severe cuts to the U.S. defence budget. The second involves the considerably more recent development of Russia’s annexation of Crimea and its ongoing support of the armed rebellion in eastern Ukraine. The chief beneficiary of both these trends, at least in 2014, has arguably been China.
America’s Rebalance on Track?

It has been argued that East Asia’s security order is undergoing transition from the Cold War-era great power bargains, namely the U.S.-Japan alliance, which made Japan dependent on America for its security and indirectly assured China its security through the restraining impact of the alliance on Japan’s strategic ambitions and, the 1972 U.S.-China rapprochement, which paved the way to a tacit coalition against Soviet influence. However, the transition is as yet unformed or at best incomplete great power bargains. The post-Cold War rise of China and the ongoing military “normalization” of Japan — the expectation for a more active and enhanced military role for Japan within the context of its alliance with the United States — led to the dissolution of the older great power bargains. While it could conceivably be argued that the broad-based legitimacy enjoyed by the United States as the region’s strategic guarantor constituted a bargain of sorts, its hegemony was at best incomplete given the potential challenge to its leadership posed by China. As the former head of Council for Security Cooperation in the Asia-Pacific (CSCAP) China, Ambassador Shi Chun-Lai, once declared at a CSCAP meeting, China does not accept America’s preponderance in the region as much as it “tolerates” it for the time being.

Against this backdrop, America’s pivot or rebalance towards Asia, formally announced by President Barack Obama before the Australian Parliament in late 2011, has elicited as many questions from, as it has furnished answers to, security allies and partners who wonder aloud whether their American friends have the stomach to see their commitment to Asia through in the face of serious fiscal constraints, political uncertainties and diplomatic distractions dogging the United States. In April, Obama undertook a four-nation visit to the region reassuring that the pivot “is real”, while his then Defence Secretary — Chuck Hagel, who resigned in late November reportedly because the White House felt he was not the right man to handle shifting priorities like the rise of the Islamic State-led insurgency in Iraq and Syria and the Ebola pandemic in Africa — argued that America “is a Pacific Power for many years. We’ve looked forward to a continuation of building those relationships and those partnerships [in the region] as we go forward”.

Obama’s attendance at the Asia-Pacific Economic Cooperation (APEC) summit and the East Asia Summit (EAS) constituted a success in themselves, given his no-shows at both summits in 2013. On the sidelines of APEC 2014, a landmark climate change agreement with China that specifies a timetable for
emission reduction was announced. However, Obama’s international reputation appeared diminished among the Chinese; for example, a conservative Chinese periodical dismissed the U.S. president’s leadership as “insipid” — a far cry from 2009 during Obama’s first presidential visit to China where he reportedly dazzled a student audience at a town hall-style meeting in Shanghai.\textsuperscript{13}

**Russia Leans towards China**

On the other hand, Ukraine, where a new pro-Western government came to power after a coup in February 2014, has become the locus of the trans-Atlantic stand-off. Sanctions and diplomatic pressure by the European Union (EU) and the United States have effectively forced Russia to gravitate towards China. Presumably, the Chinese are not particularly enthused by Russia’s annexation of Crimea but, at the same time, they worry over the implications the February ouster of Ukrainian President Victor Yanukovich could have had on the region.\textsuperscript{14} Moscow has concluded deals, unprecedented in scale, with Beijing to supply China with Russian oil and gas through projects totalling US$400 billion, and has opened the Russian market for Chinese strategic investments.\textsuperscript{15} The original plan for Russia was to have two geopolitical support pillars on both ends of the Eurasian continent: China in the East, and Germany in the West. But with the scrapping of its EU-bound South Stream gas pipeline project, it appears Russia’s ties with the EU — more specifically with Germany — are now in disrepair.\textsuperscript{16} Although the Kremlin has undertaken steps to regroup \textit{vis-à-vis} the EU, its heavy dependence on China is now undeniable, providing Beijing a putative strategic advantage against Washington.

Fairly or otherwise, some Southeast Asians view the Crimean annexation with concern in that it might embolden China to adopt a similarly aggressive approach towards its territorial claims in the South China Sea\textsuperscript{17} — a view shared by some Americans.\textsuperscript{18} However, on the whole, Southeast Asians are ambivalent over what the Ukraine question might mean for their region. Against those who worry over the prospect of enhanced Chinese assertiveness, there are others who believe U.S. inaction in fact indirectly mollifies China towards self-restraint over Ukraine. Whichever case, the perception cultivated has been that of a United States incapable and/or unwilling to do anything to prevent the belligerence of others despite being the world’s sole global power. Arguably, America’s troubled pivot and Russia’s act of aggression and resulting isolation by the West has been to China’s benefit.
China Gains

In many ways, 2014 marked China’s emergence as an active and assertive global power. Nowhere has this been more apparent than in Chinese achievements garnered at international meetings, both those chaired by China and those in which it participated. At the APEC Summit in Beijing in November, China demonstrated economic leadership in calling for the creation of a Free Trade Area of the Asia-Pacific (FTAAP) and its “one belt, one road” plan — to which the Chinese have committed a Silk Road fund worth US$40 billion for infrastructure-related investments in addition to its Asian Infrastructure Investment Bank (AIIB) proposal that twenty-one countries have already joined. Beijing’s successful conclusion of free trade pacts with Australia and South Korea has only added to China’s standing. China will reportedly invest US$1.25 trillion abroad over the next ten years, and import more than US$10 trillion in goods in the next five years. “As its overall national strength grows”, as China President Xi Jinping noted in his address to the APEC CEO Summit in November, “China will be both capable and willing to provide more public goods for the Asia-Pacific and the world, especially new initiatives and visions for enhancing regional cooperation.” In language reminiscent of his so-called “Chinese dream”, Xi told his audience in Beijing, “We are duty-bound to create and fulfil an Asia-Pacific dream for our people.” That said, according to Alan Bollard, executive director of the APEC secretariat, “None of the economies want to start negotiating on the FTAAP. It is far too early to do that.”

Secondly, China demonstrated diplomatic finesse in improving its troubled ties with Japan. While much was made of the frostiness Chinese President Xi exhibited towards his Japanese counterpart Shinzo Abe at their bilateral exchange on the side of the APEC meeting, the exchange — the first in two years between the two leaders — was an affirmation of the agreement reached in early November between Chinese State Councillor Yang Jiechi and Japanese National Security chief Shotaro Yachi on a four-point consensus on improving Sino-Japanese ties. Chinese nationalistic sentiment over the disputed islands and waters aside, greater stability in its relationship with Japan — particularly in the light of Abe’s continued leadership following his successful re-election in mid-December — benefits China more than the prolongation of toxic ties. Thirdly, as noted, the landmark agreement with the United States on climate change is another feather in the Chinese cap.

Finally, China, arguably with less success, has persisted in its efforts to promote a vision for regional security that some see as exclusivist towards
the United States. At the Conference on Interaction and Confidence-Building Measures in Asia (CICA) held in Shanghai in May 2014, Xi pledged that China would stick to peaceful methods to resolve its disputes over territory.25 Echoing his predecessors, Xi has claimed that China would never seek “hegemony or expansion” in the Asia-Pacific, even as it strengthens its diplomatic and military footprint in the region.26 The logic undergirding Xi’s pledge, according to analysts, is a “new security paradigm” that China wishes to promote, where elements such as mutual respect and understanding and the search for common ground while shelving differences would provide the basis for Asian security to “be handled in the Asian way”.27 In much the same way during the Jiang and Hu presidencies, China consistently advanced its principles of peaceful coexistence and promoted a “new security concept” — first introduced in 1997 and subsequently reintroduced each time with slight modifications — that emphasizes equality, mutual trust, respect and cooperation, consensus through consultation and the peace settlement of disputes.28

Beyond 2014, whether the aforementioned developments point to a new Chinese charm offensive in the foreseeable future — or, at the least, a restrained version of the “tailored coercion” that Beijing’s East and South China Seas policy has been called — remains to be seen, however.29 At the CICA gathering referred to above, Xi issued a veiled threat against unnamed Southeast Asian countries over their alleged efforts at strengthening military alliances to counter China, reflecting Beijing’s inherent suspicions. It raises the possibility that China feels that the United States — presumably having encouraged, if only indirectly, its allies Japan and the Philippines and even a former foe, Vietnam, to harden their stances on their respective islands disputes with China — has not shown it the respect it feels it rightfully deserves. At the Sunnylands summit between Xi and Obama in June 2013, the former outlined China’s two key wishes: one, respect from the United States, and two, for “a new relationship among major powers” to be forged between the two countries. Although Obama acknowledged the need for a “new model of cooperation” at the time, others have nonetheless noted his studious avoidance of the Chinese phraseology of a “new model of major country relationships”,30 which perhaps hinted that Washington neither viewed Beijing as responsible nor major — at least not yet. Be that as it may, Southeast Asian countries have by and large taken care to eschew fostering the impression that they are bandwagoning with the Americans to contain China. The influential international relations scholar John Mearsheimer predicted in 2013 that:
If China continues to grow economically, it will attempt to dominate Asia the way the United States dominates the Western Hemisphere. The United States, however, will go to enormous lengths to prevent China from achieving regional hegemony. Most of Beijing’s neighbours, including India, Japan, Singapore, South Korea, Russia, and Vietnam, will join with the United States to contain Chinese power.\(^{31}\)

However, there has been no obvious taking of sides with the United States to contain China, although the actions of many Southeast Asian countries imply that they continue to subscribe to strategic hedging, institutional engagement through the ASEAN-based regional architecture, and maintaining a balance of the major powers in the region. In an interview with Yoichi Funabashi, the editor-in-chief of the Japanese news daily, *Asahi Shimbun*, Singapore’s founding leader, Lee Kuan Yew, once complained about the unfortunate predilection of the conservative Chinese press to translate the phrase “to balance” (*pingheng*) as “to conscribe” (*zhiheng*), hence connoting containment.\(^{32}\) Such mistakes arouse Chinese anger unnecessarily.

**The South China Sea: Choppy as Ever?**

As expected, the issue of territorial disputes in the South China Sea dominated the ASEAN Regional Forum (ARF) in Naypyidaw in August. The divergence in perceptions and narratives on the South China Sea (hereafter SCS) was noticeably acute. On the one hand, the U.S. Secretary of State, John Kerry, noting the “provocative steps” taken by claimant states “aimed at changing the status quo” (to use Kerry’s words), indirectly fingered China as the main culprit whose actions, according to Kerry, have purportedly caused regional trade to suffer and regional relations to deteriorate.\(^{33}\) The provocations in question presumably included China’s controversial placement of its Haiyang Shiyou-981 oil rig — owned by the China National Offshore Oil Corporation (CNOOC) — near the Vietnamese coastline in May, which elicited anti-Chinese violence in Vietnam and the forced evacuation of thousands of Chinese citizens. The Vietnamese Foreign Ministry claimed that Chinese ships “intentionally rammed” two Vietnamese Coast Guard vessels near the oil rig.\(^{34}\) It has been argued that China’s deployment of the oil rig was no strategic mistake but a considered decision to advance its economic interests.\(^{35}\) That the placement of the oil rig took place a mere few months after the establishment of a wide-ranging agreement between China and Vietnam on trade, infrastructure, energy and maritime affairs in October 2013 suggests however that Beijing likely did not anticipate the extent of Vietnamese anger in reaction.
The Chinese subsequently removed the oil rig in July, one month ahead of the previously announced schedule. This left room for speculation whether China sought to mollify its counterpart after a provocation, or if it achieved what it wanted anyway.

Going further, Kerry proposed a moratorium on provocative actions in the SCS, which his Chinese counterpart, Foreign Minister Wang Yi, roundly rejected as “premature”. Challenging Kerry’s assessment, Wang insisted that the “situation in the SCS is generally stable, and the freedom of navigation there has never seen any problems”, and “countries out of the region can have their legitimate concerns, but if they come here for finger-pointing, then we are opposed to that”. China similarly rejected calls by the Philippines and other ASEAN countries for disputes to be resolved through arbitration within the framework of the United Nations Convention on the Law of the Sea (UNCLOS). Although China insisted that it would resolutely safeguard its sovereignty and maritime rights in the South China Sea, it nonetheless reiterated its commitment to a “dual track” policy — bilateral consultations and negotiations between claimant states, on the one hand, and between China and ASEAN in their joint pursuit of a binding code of conduct for the South China Sea on the other — to resolve the situation in the South China Sea.

Hitherto, little progress has been achieved on the proposed code of conduct other than member countries of ASEAN reaching a consensus at the ASEAN Summit’s leaders retreat in Naypyidaw in November over “the need to expeditiously work towards early conclusion” of the code of conduct without specifying its possible contents much less a timeline for completion. That ASEAN foreign ministers had affirmed as far back in August 2013 that the ASEAN states would from henceforth speak with “one voice” in their effort to press China for a speedier conclusion to the code is a stark reminder to the Southeast Asians that the progress in the negotiations is more or less determined by the Chinese. Yet the process has not been without accomplishments like the establishment of “early harvest” measures, such as hotlines for maritime emergencies to enhance communication.

**ASEAN: Still More Neighbourhood than Community?**

With the 2015 deadline for the official début of the ASEAN Community — with its economic, political-security and socio-cultural “pillars” — looming, ASEAN foreign ministers concurred at their leaders retreat in November on the need for their countries to speed up community building and ASEAN integration and to
move forward to the realization of the “master plan” for the ASEAN connectivity. In practically every conceivable domain — economic, political, security — the regionalism project has encountered considerable challenges and constraints, many of which ASEAN and its member countries have yet to surmount.

**Not Quite There Yet**

Supporters and critics of the Association alike are agreed that the anticipated ASEAN Economic Community (AEC) is unlikely to be realized in terms of its envisaged targets, by the end of 2015. In response, ASEAN officials have insisted that the AEC will be pushed through as planned and that it has addressed 80 per cent of the required action lines — or as official reports have it, “ASEAN has implemented 82.1 per cent of the 229 AEC key deliverables targeted for completion by 2013” — largely in areas such as tariff reduction and the facilitation of trade and investment liberalization. Many are sceptical about the ability of the member states to complete the remaining and arguably more intractable issues — eliminating non-tariff barriers, creating the ASEAN Single Window, increasing cross-regional mobility of skilled labour and the like — in time for the launch of the AEC.

Ironically, the delay comes at a time when the need for integration is greater than ever before as many Southeast Asian countries, once over-dependent on export-led growth, are now rebalancing their economies and shifting their development strategies toward growing domestic demand. ASEAN states will need to manage their capital flows better and foster deeper economic integration not only to reduce developmental gaps among member countries but also — particularly for Indonesia, Malaysia, the Philippines, Thailand and Vietnam — to overcome the “middle-income trap” as their pace of growth falters. Sundram Pushpanathan, the former ASEAN Deputy Secretary General responsible for implementing the AEC, has urged the leaders of ASEAN countries to move beyond the “process-based regionalism” that had historically served their national needs but has become a bane in the way of regional progress. Calling for a new regionalism that emphasizes concrete results and outcomes based on a structured and rules-based regime, Pushpanathan argued that for the AEC to be ready by 2015, “it is imperative that ASEAN shifts aggressively towards ‘result-based regionalism’. We must act now.” Likewise, Surin Pitsuwan, the Secretary General of ASEAN from 2008 to 2012, has declared that it is time for ASEAN to move beyond the provision of “the centrality of goodwill” to “the centrality of substance”.
Nagging Constraints

Nor, for that matter, would the ASEAN Political-Security Community (APSC), which has received considerably less attention from regional policymakers relative to the AEC, be ready by 2015. In the wake of challenges such as the Burmese junta’s crackdown on the Buddhist clergy-led demonstrations in Yangon in 2007 (the so-called “Saffron Revolution”), ASEAN leaders amended their initial plan for the “ASEAN Security Community” — as originally stipulated in the 2003 Bali Concord II — to the APSC in an apparent effort to scale back expectations. Recent developments have underscored the wisdom of that decision. They include border disputes among members like that between Cambodia and Thailand over the Preah Vihear promontory — which the International Court of Justice eventually ruled in Cambodia’s favour in November 2013 — or intramural discord at the ASEAN Ministerial Meeting in Phnom Penh in July 2012 over the organization’s position on the South China Sea disputes. The latter led to the ignominy of failing, for the first time in the Association’s history, to produce an end-of-meeting communiqué. Subsequently, Indonesia exercised its de facto leadership in the Association to cobble together the so-called “six point agreement” as a compromise.

While the ASEAN Coordinating Centre for Humanitarian Assistance on disaster management (AHA Centre) has deployed an Emergency Rapid Assessment Team (ERAT) to the Philippines ahead of Typhoon Hagupit in early December, many worry whether the region has successfully digested the lessons from last year’s Typhoon Haiyan, which devastated wide swathes of the Philippines in November 2013. Although some ASEAN states furnished crisis relief in response to Haiyan, they did so on their own national accords rather than under the Association’s aegis. Then, the conspicuous lack of an ASEAN-led response was equally revealing about the extent or dearth of collective capability and will, notwithstanding the availability of the AHA Centre and protocols like the ASEAN Agreement on Disaster Management and Emergency Response (AADMER), as well as the participation by the respective militaries of ASEAN members in joint humanitarian assistance and disaster relief (HADR) exercises. The need for concerted and coordinated action among member states is equally true of all areas of intramural collaboration in general; the leader of a member nation has argued that ASEAN ought to respond in a decisive and coordinated fashion to geopolitical developments such as maritime disputes in the South China Sea and security issues like the rise of the Islamic State.
Looking Outward, Not In

When Xi Jinping urged for Asia’s security issues to be handled by Asians alone at the CICA meeting in Shanghai in May, few made the connection at the time that the Chinese leader’s appeal implicitly recalled the Indonesian mantra of “regional solutions for regional problems”. The notion that Southeast Asians are best placed to manage their own security challenges has long captivated the regional imagination and, together with the Cold War concern against “interference” in Southeast Asia by outside powers, has served as a basis for ASEAN treaties and protocols like the 1971 Zone of Peace, Freedom and Neutrality (ZOPFAN) and the 1995 Southeast Asia Nuclear Weapons Free Zone (SEANWFZ). On the other hand, the emergence of ASEAN in the post-Cold War period as the region’s leading facilitator of “open” and “inclusive” regionalism — through its participation in the APEC and its formation of a suite of regional arrangements like the ARF, ASEAN+3, East Asia Summit (EAS) and the ASEAN Defence Ministers Meeting-Plus (ADMM-Plus) — has underscored a growing reliance on external powers, rather than their rejection, in the management of regional security.

In the case of the ADMM-Plus, for instance, ASEAN countries look to eight dialogue partners (America, Australia, China, India, Japan, Korea, New Zealand, and Russia) for assistance to develop their national and regional capacities in HADR, nuclear counter-proliferation, ensuring safety and security in the maritime domain, counter-terrorism, and the like. And as noted, despite the focus paid to the development of ASEAN’s capabilities in HADR, the organization’s relative inaction in response to Typhoon Haiyan — the efforts by individual ASEAN states were obviously nowhere near what America and Britain contributed — only served to underscore the extent and depth of their dependence. However, the aspiration for regional solutions still matters to the extent that the Association’s members persist to ensure that the norm of ASEAN centrality in Asian regionalism continues to enjoy the support of all stakeholders, especially the non-ASEAN countries.

One Step Forward, Two Steps Back

The region’s democratic transition, uneven at best, had mixed results in 2014. Promising to bring “true democracy” to Thailand, the coup leaders, led by General Prayuth Chan-ocha who had installed himself as prime minister, have formed a Cabinet made up of the junta and former officers — former army chief, Prawit Wongsuwan, is a deputy prime minister; Anupong Paochinda, another former
army chief, is interior minister; and Tanasak Patimapragorn, the chief of Thai Defence Forces, is the new foreign minister — plus a few senior bureaucrats — including Pridiyathorn Devakula, a former central banker, as a deputy prime minister with special responsibility for overseeing economic strategy. While most Bangkok residents are relieved that the bloodless military putsch engendered a return to normalcy, a host of problems remain, not least the poor performance of the Thai economy and uncertainty over how the junta will deal with the restive south and with former premier Yingluck Shinawatra and her supporters.

In Indonesia, Joko Widodo defeated the controversial ex-general Prabowo Subianto in the July presidential election and became the first outsider to clinch the Indonesian presidency. Having campaigned on a reformist agenda, Widodo, popularly known as “Jokowi”, raised expectations among many Indonesians regarding the prospect of much needed reforms to the nation’s infrastructure, social welfare and level of corruption, among other things — a challenging task in the light of the odds stacked against him. However, Jokowi’s picks for his Cabinet marked the triumph of what one noted analyst has termed “realpolitik over reform”, where requisite compromises to political parties and forces of patronage which backed his candidature had to be made. The surprise, however, was in the extent to which he chose to go in making those compromises. A key example was the inclusion of Ryamizard Ryacudu, a former army chief often criticized by human rights groups, as defence minister; Ryacudu is an ally of former Indonesian President Megawati Sukarnoputri, on whose patronage Jokowi relied heavily. Be that as it may, the new President’s decision to make good on his electoral promise to reduce state energy subsidies in an effort to free up funds for development plans is viewed by many economists as a good start.

**Myanmar’s Chairmanship: Better Than Expected?**

The year 2014 marked the first time that Myanmar became chair of ASEAN. The country joined the Association in 1997, but was denied its right to assume chairmanship in 2006 due to the international emphasis on Myanmar’s poor track record in the area of human rights and the rule of law which resulted in pressure against the country’s assumption of the chairmanship for the year. The decision against Myanmar in 2006 was unpleasant for ASEAN as a whole as it went against the members’ general commitment to non-interference in each other’s domestic affairs. But it also highlighted the Association’s incremental shift towards
that which it has termed “enhanced interaction” where particular instances of intramural interference if not interventionism are rationalized and justified.\textsuperscript{62}

Notwithstanding the country’s ongoing ethno-religious problems, the economic, social and political transformation that Myanmar has undergone under the leadership of President U Thein Sein has been nothing short of remarkable. There remain significant constraints against further change, to be sure. For example, for dissident turned parliamentarian Aung San Suu Kyi to become president — constitutionally she is barred because her late British husband was a foreigner, as are her children — her political party, the National League for Democracy (NLD), would have to win nearly three-quarters of all the seats contested in the upcoming election due (putatively) in late 2015.\textsuperscript{63} But the positives achieved have not been insignificant. Freedom of information reforms, including the abolition of media censorship, facilitated in part the public outcry that led to Naypyidaw’s abrupt \textit{volte face} in September 2011 over the construction of the Myitsone Dam, a Chinese-sponsored project which, when completed, would have supplied generated energy to China and likely caused adverse environmental damage to Burmese soil.\textsuperscript{64} In 2013, Myanmar passed Cambodia on Transparency International’s Corruption Perceptions Index, making Cambodia the lowest-ranking ASEAN member.\textsuperscript{65} Myanmar was placed 157th in the Berlin-based group’s 2013 study, an impressive climb of fifteen spots from its rank of 172nd of 176 countries in the 2012 study, while Cambodia tied for 160th place.\textsuperscript{66} As ASEAN Secretary-General Le Luong Minh has noted, “Myanmar’s chairmanship comes amidst the country’s ongoing democratisation and reform process which has been enjoying strong support from ASEAN Member States and the international community at large.”\textsuperscript{67}

Myanmar came to the chairmanship mindful of the damage to ASEAN’s reputation under Cambodia’s chairmanship in 2012. “The lesson for Myanmar here is to respect ASEAN tradition, which is to take tiny little diplomatic steps without creating political friction among other ASEAN members, and to know its strategic limits”, according to Peter Tan Keo, an independent analyst who focuses on ASEAN. “It would behove the country to understand its role in stewarding issues, not to stifle them for its own strategic gains or interests, as was clearly the case with Cambodia.”\textsuperscript{68} In that respect, Myanmar performed remarkably well for a first-timer. The most significant testament to Myanmar’s diplomatic prowess in 2014 was the non-escalation of the dispute over South China Sea issues, which returned to the tentative status quo by the end of August. Considering how upset Vietnam, the Philippines, and the United States had been with China’s behaviour,
what the Burmese accomplished was no small feat. Furthermore, Myanmar managed to avoid antagonizing any of the parties involved. Beijing seemed sufficiently placated that ASEAN’s joint statement on the matter did not contain any direct references to China. On their part, Hanoi and Manila, the members most affected in the debacle in Phnom Penh in 2012, managed to get a dedicated ASEAN statement that addressed the South China Sea disputes.

Finally, as ASEAN has increasingly done over the past few years, the organization has used its summits to stress the importance of upholding the principle of “ASEAN centrality” in East Asian regionalism and its supporting architecture. Under Myanmar’s leadership, the 2014 ASEAN Summit was no different. The centrality of ASEAN has come under challenge from within and without in the past few years. Crucially, the absence of new great power bargains in the immediate post-Cold War period, allowed ASEAN, from the early 1990s onward, to step into the breach as the region’s convenor by providing a regional architecture and convention which brought together regional countries, including the big powers, and institutionalized regular dialogues on political and security issues among them. Put differently, ASEAN’s centrality in East Asia’s regional architecture has principally been dependent on the regional consensus concerning the Association’s relevance to regional order and security. If anything, it is the regional grouping’s professed neutrality and relative weakness that great powers, unable to form bargains among themselves, find most attractive because ASEAN threatens no one. However, as events in the Association’s recent past suggest, the regional grouping’s ability to persuade the external powers to maintain that consensus in a rapidly shifting regional strategic environment has been eroded. Nevertheless Myanmar did what it could to ensure that ASEAN centrality meant something more than mere rhetoric.

Looking Ahead to 2015

It is the contention of this chapter, firstly, that 2014 has effectively been China’s year in terms of its accomplishments amid an evolving regional strategic environment characterized by rising and rebalancing powers, and secondly, that ASEAN has lagged in delivering on its regional goals. With the United States likely to look increasingly inward as its polity gradually gears up to vote for a new president in 2016, China will presumably seize the opportunity furnished by a distracted America to cultivate and deepen its ties to Southeast Asia. With Malaysia assuming the chairmanship of ASEAN in 2015, the emphasis will be
on mobilizing member countries to complete the task of delivering the AEC by the end of the year; concluding the negotiations for the Regional Comprehensive Economic Partnership (RCEP) comprising the ASEAN states and six of its dialogue partners (Australia, China, India, Japan, New Zealand and South Korea); and strengthening ASEAN and its suite of institutions by urging ASEAN members to agree to increase their contributions to the organization.73 On the other hand, it remains to be seen what role Indonesia, which has long treated ASEAN as the cornerstone of its foreign policy, would want to play under its new president. Given that Indonesian intellectuals known for their advocacy of a “post-ASEAN foreign policy” for Indonesia are reportedly advising the new President on foreign policy raises the possibility that Indonesia’s ties to ASEAN might not be as robust as before.74

Notes


14. Author’s discussion with members of the China Institutes of Contemporary International Relations (CICIR) in Singapore on 19 December 2014.


24. The two countries agreed to the following: (1) continue to develop a mutually beneficial relationship based on common strategic interests; (2) agree to overcome political difficulties by “facing history squarely and looking forward to the future”; (3) mutually address the Senkaku/Diaoyu Islands; and (4) agree to gradually resume political, diplomatic and security dialogues through various multilateral and bilateral channels. Shannon Tiezzi, “A China-Japan Breakthrough: A Primer on Their 4 Point Consensus”, *The Diplomat*, 7 November 2014, available at <http://thediplomat.com/2014/11/a-china-japan-breakthrough-a-primer-on-their-4-point-consensus/>.


67. Cited in “Myanmar Hosts ASEAN Summit for the First Time”.

68. Justine Drennan, “Myanmar’s ASEAN Chairmanship: Lessons from Cambodia”.


