SOUTHEAST ASIAN AFFAIRS 2019

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Introduction

Khairulanwar Zaini and Malcolm Cook

The year 2018 was an eventful one for Southeast Asia, with many of its developments likely to shape those in 2019 and beyond. In 2018, the United States' policy towards China, and by extension towards the region more broadly, crystallized into one of full-spectrum major power rivalry. The broader Indo-Pacific regional strategic concept is gradually replacing the long-standing Asia-Pacific one. It could well be that 2018 is seen as the year that the post–Cold War Asia-Pacific era ended.

There was better news on the regional economic front. The inelegantly named Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) was signed by eleven states and ratified by seven, while the ASEAN-led Regional Comprehensive Economic Partnership (RCEP) negotiations experienced what in diplomatic language is termed "substantial progress".

A number of domestic developments in the eleven states of Southeast Asia also had wider regional implications. The Rohingya crisis in Myanmar demonstrated the limits of the ASEAN Way, as noted by Leszek Buszynski in his chapter on regional security. Malaysia's surprise election result and first change of government by the ballot box countered the narrative about the decline of democracy in Southeast Asia and brought Dr Mahathir back on to the regional scene. In the Philippines, the passage of the Bangsamoro Organic Law offers the best chance of addressing the long-running Moro insurgency in Muslim Mindanao and the safe haven this conflict has provided for local and regional terrorists.

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The twenty-four chapters of *Southeast Asia Affairs 2019*, written by twenty-nine authors, reflect the diversity within the eleven countries that make up the region, and they provide timely analysis of the current political, economic and social developments at the regional level and in each country. Four themes in particular connect a large number of these chapters and reflect structural, rather than temporary, factors that will help determine the trajectories of the region as a whole and those of its eleven states for the foreseeable future.

The Indo-Pacific

The regional section of this edition features four shorter pieces looking at the development of the Indo-Pacific regional security concept in the United States, Japan, India and Australia. Brian Harding's contribution on the United States focuses on the role of strategic rivalry with China. Tomohiko Satake for Japan and Rory Medcalf for Australia address directly Southeast Asian and ASEAN's concerns with the Indo-Pacific, particularly the place of ASEAN in the concept. Rohan Mukherjee's contribution on India is organized around the elaboration by Prime Minister Modi of the Indo-Pacific concept in his keynote speech at the 2018 Shangri La Dialogue in Singapore. The four national concepts are overlapping but are far from the same.

Leszek Buszynski presents the Indo-Pacific concept as a major challenge for ASEAN, which has long favoured an Asia-Pacific outlook. Natalie Sambhi's review of Indonesia covers Indonesia's own Indo-Pacific concept, which it has been promoting with limited success within ASEAN since 2013. It is unlikely that the Indonesian version will supplant those of the United States, Japan, India or Australia. How these Indo-Pacific concepts of the United States, Japan, India and Australia develop and deepen strategic cooperation between the four countries, and how China reacts to this, is a major new strategic factor for Southeast Asia, and one that Southeast Asian states have limited ability to affect.

Chinese Economic Penetration into the Region

The strategic rivalry between the United States and China occurs as China's economic activities in Southeast Asia gather pace, especially through its signature Belt and Road Initiative (BRI). For many countries in the region, Chinese investment has proven to be a much-needed economic boon. For instance, Mahani Hamdan and Chang-Yau Hoon describe how "Chinese investments are important to Brunei's economic diversification strategy" as the oil-rich sultanate pursues an economic future less reliant on fossil fuels.

As China deepens its economic penetration into the region, it has increasingly sought to parlay its economic largesse into political influence and geostrategic advantage. Sorpong Peou reveals how this has unfolded in Cambodia, for whom China remains the largest donor and investor. Commenting on the "nineteen new memorandums of understanding and other agreements" signed during Premier Li Keqiang's state visit to Cambodia in January 2018, Peou suggests that this indicates "Cambodia's growing dependence on China, not only for economic development but also for political protection and security". China was also key in defending Prime Minister Hun Sen's electoral victory in July amidst domestic and international accusations of a sham election. In return, Cambodia has adopted a staunchly "pro-China foreign policy", which involves being "a reliable supporter" of China's territorial and maritime claims in the South China Sea and scuppering regional efforts by ASEAN to address the issue. Morten Pedersen also describes how China pursues a similar strategy in Myanmar, with China agreeing to finance various economic initiatives and mega-infrastructure projects while shielding Myanmar from scrutiny at the United Nations over the Rohingya issue.

This is not to say that China has been entirely successful in its efforts to translate its economic influence into regional hegemony. Gregory Raymond charts how China has not merely functioned as a critical economic partner, but also as a potential model of governance for Thailand over the past five years since the 2014 military coup. However, Raymond argues that the imperatives of national identity and sovereignty are gradually prompting Thailand to move away from further embracing the "China Model of marrying political authoritarianism with free market liberalism", and to pursue instead improved relations with Thailand's other strategic partners in order to balance and manage China's dominance. In a similar vein, Boike Rehbein argues that the "return to socialist rhetoric" under the government of Prime Minister Thongloun Sisoulith is an effort to both negotiate the ongoing capitalist and consumerist transformation of Laotian society as well as to manage Chinese economic influence in order to avoid becoming "China's puppet". Alexander Vuving also details Vietnam's cautious approach towards economic opportunities under the BRI, with Vietnamese government officials seeking "to find a way to placate Beijing without increasing its dependence on China".

Furthermore, there remains lingering scepticism in the region towards Chinese economic generosity. The spectre of Hambantota looms large. Chinese offers of infrastructural investment are often underwritten by loans from Chinese state-owned financial institutions, involving sums that are relatively considerable, especially for

the smaller economies in the region. In their chapters, Rehbein and Vuving raise the growing domestic anxieties in Cambodia and Vietnam about the possible use of debt diplomacy by the Chinese. These fears are echoed by the authors of the two chapters on the Philippines, especially as President Rodrigo Duterte continues to leverage his administration's friendly relations with China to secure Chinese funding for his infrastructure programme.

The growing Chinese economic presence can also prove to be a domestic liability for some governments in the region. For instance, Geoffrey Pakiam identifies how this issue became "a major flashpoint" during the Malaysian general elections in May, with incumbent prime minister Najib Razak receiving flak for his government's dependence on Chinese money to fund signature infrastructural initiatives. Similarly, Dewi Fortuna Anwar reports that President Joko Widodo, or Jokowi, is coming under "increasing criticism for not sufficiently protecting Indonesia's wider national interests in his pursuit of Chinese foreign investment". According to Natalie Sambhi, this is an especially potent line of attack against Jokowi as he faces re-election in April 2019, with his opponent looking to mount a populist campaign accusing him of "allowing the country's resources to be plundered by foreign forces". Moreover, one significant bugbear for Indonesians, as Sambhi notes, is the influx of Chinese migrant labour as a result of the infrastructural projects. Dewi Fortuna similarly discusses how widespread misapprehensions about Chinese immigration have been manipulated into a "massive black campaign on social media" against Jokowi, accusing him of "being a handmaiden of both China's and local [Chinese Indonesian] interests". In their thematic chapter on the Philippines, Teresita Ang See and Carmelea See also discuss how the prominent presence of Chinese migrants (and their reported involvement with crime) has contributed to societal tensions as well as reinforced public resentment at President Duterte's accommodationist policies with China.

Furthermore, countries in the region may find themselves burdened with the long-lasting environmental repercussions of Chinese economic investment. In his discussion of Chinese-owned banana production in the Mekong riparian regions, Yos Santasombat documents how the system of "shifting plantations" has resulted in health hazards and environmental degradation in one particular Laotian town. As these banana plantations occupy plots of land only on short-term leases, there is also uncertainty about whether the small and medium Chinese investors would assume responsibility for soil depletion upon their departure, especially since the aggressive growth and irrigation techniques in these banana plantations leave the ground barren and unsuitable for re-conversion to rice cultivation. For Santasombat, this will become an increasingly regional concern as Chinese investors seek

to replicate the practice of shifting plantations, particularly along the Mekong borderlands of Myanmar, Cambodia and Thailand.

Regime Renewal: Elections

Three countries in the region — Malaysia, Timor-Leste and Cambodia — underwent elections in 2018, with new governing coalitions emerging victorious against the incumbents in Malaysia and Timor-Leste.

Geoffrey Pakiam narrates the developments in Malaysia that preceded the "stunning" electoral victory of the Pakatan Harapan on 9 May. Defeating the UMNO-led Barisan Nasional — which had hitherto been in power in one incarnation or another since Malaysia's independence in 1959 — required a political rapprochement between Mahathir Mohamad and some of his erstwhile foes during his first term in office, including one-time protégé Anwar Ibrahim. Pakiam raises concerns about the Pakatan government's future prospects, especially when it comes to stabilizing its intra-coalitional politics in light of the pending succession of the premiership from Mahathir to Anwar within an agreed-upon two-year time frame.

In a similar vein, James Chin highlights how coalitional politics in Malaysia will have to contend with the growing importance of local political parties in East Malaysia in determining the federal balance of power. This means that any governing coalition relying on the support of East Malaysian federal parliamentarians to maintain their majority must seriously address the pervasive sense of "historical grievance" felt by the residents of Sabah and Sarawak over what they perceive to be the federal government's persistent failure to respect the "special position" of the two states under the Malaysian Agreement of 1963 (MA63). The continued underdevelopment of Sabah and Sarawak, especially relative to the progress in the peninsular states, also engenders public resentment. Despite leading the country in oil and gas production, the East Malaysian states have yet to reap much benefit, since ownership of natural resources is vested by law in the federal government. Hence, as the parties in Sabah and Sarawak follow the lead of public sentiment in becoming more attuned to issues of state nationalism and sovereignty, federal coalitions must be prepared to negotiate with these parties over their demands for greater autonomy and a more equitable share of petroleum revenue, not least to avert the development of outright secessionist or independence movements in the two states.

Coalitional politics also played a significant role in Timor-Leste, although it came with the unprecedented challenge of "cohabitation tensions" between the president and parliament. Michael Leach recounts how the failure of the Fretilin

minority government to pass its budget prompted a second election in as many years, leading to the "decisive" victory of the Alliance of Change for Progress (AMP) as it emerged with an outright, if narrow, parliamentary majority — a significant feat under Timor-Leste's proportional electoral system. Two of the parties in the three-party AMP coalition are the National Congress for Timorese Reconstruction (CNRT) and the Popular Liberation Party (PLP), the respective parties of Xanana Gusmão and Taur Matan Ruak — two former presidents of Timor-Leste as well as veteran leaders of the armed resistance group FALINTIL who had been "at loggerheads" during the 2017 elections. Leach characterizes the campaigns of the 2018 election in terms of a "resurgence of the 'history wars' ", with the hustings turning into "a contest between the military front and members of the diplomatic front, who were outside the country during the occupation". However, despite the resounding victory of the AMP, Leach describes how hopes for stability were thwarted by the "first experience of genuine 'cohabitation' in Timor-Leste's semi-presidential system between a Fretilin president and an AMP [parliamentary] government". The AMP government encountered early difficulties as President Francisco Guterres refused to approve certain ministerial appointments, which portends future challenges as the AMP lacks the necessary two-thirds parliamentary majority to override presidential vetoes.

The election results in Cambodia however bucked the trend of deposing incumbents. Sorpong Peou identifies "the beginnings of a one-party state" in Cambodia as the ruling Cambodian People's Party further consolidated its control with a clean sweep of all parliamentary and senatorial seats. This was in large part due to Prime Minister Hun Sen's sustained persecution of the opposition, in particular the Cambodia National Rescue Party (CNRP). Expectations that the CNRP could improve on its electoral performance in 2013 (in which it secured 55 out of 123 seats) were thwarted by the imprisonment of party president Kem Sokha for treason in 2017, the same year that the party itself was dissolved by the Supreme Court and had 118 of its party officials banned from participating in politics for a period of five years.

Meanwhile, forthcoming elections in 2019 drove the political momentum in Indonesia and Thailand. Natalie Sambhi describes the "calm before the storm" in Indonesia as it looks forward to a "rematch of the 2014 presidential race" between Jokowi and Prabowo Subianto. Sambhi discusses the significance of Jokowi's new running mate, describing how the choice of Ma'ruf Amin — spiritual leader of Nahdlatul Ulama and head of the Indonesian Ulama Council — helps to "further boost Jokowi's Islamic credentials" and to counter the support that Prabowo has cultivated among certain Islamic parties and organizations.

In Thailand, the junta prepares to hold the first general election since the May 2014 military coup, which will also be the first to be organized under the new "permanent" constitution promulgated in April 2017. However, Eugénie Mérieau argues that the elections will not herald Thailand's "return" to democracy. This is due to the slew of constitutional, statutory and administrative provisions which effectively guarantee that "the tutelary powers, identified as the monarchy and the army, can veto decisions of elected politicians whenever needed, while allowing some degree of electoral politics to play out". Mérieau also outlines the challenges that a non-military prime ministerial aspirant might face, both in terms of getting elected and of governing in tandem with a Senate fully appointed by the military.

Political developments in Myanmar and Singapore also signalled the incumbents' preoccupations about the prospect of elections in the near future. With elections looming in 2020, Morten Pedersen identifies how the National League for Democracy (NLD) in Myanmar has engaged in a "new reform push" in order to "maintain voter support and consolidate civilian, democratic government", which has included the election of the "more decisive" U Win Myint as the new head of state and the restructuring of the Cabinet economics team with the elevation of U Soe Win as finance minister and U Thaung Tun as investment minister. These changes, according to Pedersen, signal the NLD's pivot towards economic issues, with both State Counsellor Aung San Suu Kyi and the new president reiterating "the need to step up efforts to improve the socio-economic lives of the people" in their speeches following the latter's inauguration.

For Singapore, while Prime Minister Lee Hsien Loong is expected to remain as party leader in the next election (which is not due until April 2021), George Wong and Woo Jun Jie analyse how the ruling People's Action Party (PAP) is assiduously preparing for its "first leadership transition since the passing of Lee Kuan Yew". Wong and Woo describe how members of the fourth-generation (4G) leadership ranks are being accorded more ministerial responsibilities, with the appointment of Finance Minister Heng Swee Keat as the party's 1st Assistant Secretary-General, indicating his status as the frontrunner to succeed to the premiership. For Wong and Woo, the cautious management of this transition belies the PAP's "stance of not throwing caution to the wind" as it approaches the ballot box with its new slate of 4G leaders.

Regime Renewal: Power Consolidation

Regime consolidation was another significant feature in the domestic politics of the region as many governments invested significant effort in entrenching their

power and lengthening their longevity through illiberal and authoritarian policies. Sorpong Peou describes how the Hun Sen government in Cambodia has not only used the judiciary to harass and suppress the opposition but has also sought to terminate the work of the Extraordinary Chambers in the Court of Cambodia, the tribunal responsible for prosecuting the former leaders of the Khmer Rouge regime for crimes against humanity and war crimes during their reign of terror. In a similar vein, Nicole Curato depicts the increasingly "toxic character" of Philippine democracy under the administration of President Duterte, arising especially from harassment by his government of online media platform *Rappler* and the ouster of chief justice Maria Lourdes Sereno from the Supreme Court. Curato also draws attention to the "strongman" tendencies of the president, especially in his "iron-fisted" approach to governance and his aversion to public consultation in the shutdown of Boracay and in the rehabilitation of Marawi.

There was also a noticeable tightening of civil society in Laos and Singapore. Boike Rehbein identifies how a recent revision to Decree 115 compels all civil society organizations in Laos to register and seek official approval on an annual basis, which narrows the already-constrained space in which these organizations operate. In Singapore, George Wong and Woo Jun Jie describe "how the PAP government continued to act vigorously against what it regarded as unfounded charges of corruption in government or slurs against the country's judiciary". In 2018, a civil society activist and a opposition politician were found guilty of scandalizing the judiciary with their Facebook posts, while the nephew of the prime minister is currently contesting a similar contempt of court charge.

Alexander Vuving discusses the anti-graft campaign undertaken in Vietnam under the supervision of the Communist Party of Vietnam general secretary Nguyen Phu Trong, which Vuving characterizes as an effort ultimately aimed at staving off "political liberalism". Currently wearing the "dual hat" of party chief and head of state, Trong has sought to dismantle various rent-seeking networks in the government, military and police, and these efforts have resulted in the arrests and imprisonment of a significant number of senior officials. Vuving however highlights the circumspect reach of this anti-corruption programme; Trong has chosen to leave untouched certain officials and their rent-seeking networks in order not to "break the vase when beating the rats". This, Vuving suggests, reflects the "higher goal" of political stability underlying Trong's crusade against corruption.

Identity Politics: Ethnic and Nationalist Revivalism

With the legacy of colonial migration, and national borders reflecting administrative rather than organic boundaries, the management of polyglot societies remains a pre-

eminent concern for many of the post-colonial states of Southeast Asia. However, the increasing weaponization of identity politics portends how sectarianism may become an abiding feature of regional politics in the near future. In her chapter on Indonesia, Natalie Sambhi conveys her concerns about the potential "blacksliding in social and religious pluralism" as hard-line groups like the Islamic Defenders Front (FPI) gains ascendancy, especially in the wake of the conviction of then Jakarta governor Basuki Tjahaja Purnama (or Ahok) for blasphemy in May 2017. The Surabaya church bombings in 2018 have also contributed to a more hostile atmosphere for the country's Chinese-Christian minority.

Suspicions of the ethnic Chinese are also rife in the Philippines. Teresita Ang See and Carmelea Ang See describe how local resentment against China and Chinese immigrants has occasionally spilled over into a general animus against local-born Chinese Filipinos, or Tsinoys. The authors also point out that the situation has been aggravated by China's failure to strictly distinguish between Chinese nationals abroad and foreign citizens of Chinese descent in its recent iterations of its diasporic policy.

The two chapters on Myanmar also highlight the centrifugal capacity of ethnic politics, as the military remains "unable to make any substantial progress" with the various ethnic armed organizations (EAOs) under the 21st Century Panglong peace process. While the Tatmadaw expects EAOs to disarm under the National Ceasefire Agreement prior to peace negotiations, many EAOs consider such unilateral disarmament to be a "de facto surrender". Moreover, the situation in Myanmar is also complicated by the persecution of the Rohingya Muslims in Rakhine State. For Moe Thuzar and Darren Cheong, the shared "contextual origin" of the two issues lies in "the entrenchment of Bamar ethnic nationalism", which leads to the "marginalization of Myanmar's minority ethnic populace".

Conclusion

In a presentation on 8 January 2019 at the ISEAS – Yusof Ishak Institute, the Australian diplomat Peter Varghese noted how "trends are like waves. We can see them on the horizon but we do not know exactly when they will break and in what pattern they will reach the shore".[1] Some trends like the major power rivalry between the United States and China became visible at the horizon, while others like the end of UMNO-led rule in Malaysia crashed on to the shore. The scanning of the 2018 horizon contained in this edition of *Southeast Asian Affairs* should help readers to have a better idea of what may appear on the region's horizon in 2019, and on those of its eleven diverse states.

Note

1. Peter Varghese, *The Indo-Pacific and Its Strategic Challenges: An Australian Perspective*, Trends in Southeast Asia 2019, no. 4 (Singapore, ISEAS – Yusof Ishak Institute, 2019), p. 13 <https://www.iseas.edu.sg/images/pdf/TRS4_19.pdf>.