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SOUTHEAST ASIAN AFFAIRS 2018



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SOUTHEAST ASIAN AFFAIRS 2018

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Introduction

Daljit Singh¹

As foreshadowed in *Southeast Asian Affairs 2017*, key developments in 2016 helped shape Southeast Asia's regional environment in 2017 and the domestic developments of the eleven countries covered in this volume.² As discussed by Lee Hwok-Aun, the improvements in the global economy and the wider East Asian one meant economic headwinds were positive for Southeast Asia in 2017. The beginning of the Trump administration in the United States of America has added a new source of regional geostrategic and geoeconomic uncertainty. In contrast, China's growing influence and assertiveness in the region is a source of geostrategic and geoeconomic certainty. The five-month siege of Marawi City and fears of Rohingya radicalization in Myanmar and the refugee camps in Bangladesh are a reminder that the threat of violent extremism is a structural rather than a cyclical factor. Election cycles in the region's democracies and leadership renewal cycles in the non-democracies were the most important determinants of domestic politics in most regional states.

Southeast Asia and the Great Powers

The year 2017 heralded the coming of more great power rivalry in the Indo-Pacific region, a geopolitical framework of Japanese origin but one adopted by U.S. president Donald Trump and featuring prominently in official U.S. documents like the National Security Strategy (NSS) of December 2017 and the National Defence Strategy (NDS) soon after. China's assertiveness and pressures on other countries had been leading to a pushback from the United States and its allies.

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There were at least two important indicators of this. The first was the Quadrilateral Security Dialogue (the Quad), an informal forum of Japan, Australia, the United States and India to discuss security challenges in the Indo-Pacific. Though not a formal military alliance and still at the discussion stage, it is likely to evolve further. Second, the NSS and the NDS for the first time describe China (together with Russia) as a strategic competitor and the most significant security challenge to the interests of the United States and its allies and friends in the region, replacing terrorism. There were also more freedom of navigation (FON) operations conducted by the U.S. Navy in the South China Sea.

The Trump Administration

Two chapters in the regional section of this volume deal with major-power policies for the region, by Joseph Liow Chin Yong and by Walter Lohman. Lohman argues that, after the early alarms and uncertainties, by the end of 2017 much more continuity in the Trump administration's security and political policies was evident than change. U.S. alliance commitments remained strong. The president had bilateral meetings in Washington with several of the leaders of Southeast Asian states and also attended the APEC leaders' meeting in Hanoi and the important meetings under the rubric of the Association of Southeast Asian Nations (ASEAN) in Manila in November. The United States remained committed to ASEAN centrality in the ASEAN-centred regional security architecture.

Although this was reassuring to many countries in the region, some unease remained. As Liow points out, the administration's "America First" approach could mean a narrower conception of U.S. interests in the region and some abandonment of America's traditional leadership role. There were worries in particular about the protectionist feature in the administration's economic policies, which Lohman also underlines, which has been generating considerable uncertainty. The U.S. withdrawal from the Trans-Pacific Partnership (TPP) was a significant setback for the United States in its competition for influence with China. As Liow points out, the TPP had been seen as a crucial expression of American commitment to the region. The Trump administration will need to have a judicious mixture of diplomatic, economic and military instruments to sustain U.S. engagement in the Indo-Pacific region. Nguyen Manh Hung's thematic chapter on Vietnam addresses Hanoi's concerns regarding the "Trump Surprise".

China's Influence

Meanwhile, China continued to advance its influence and presence through increasing trade and investment flows, the Belt and Road Initiative (BRI), and

an assertive “neighbourhood” diplomacy. It was also rapidly modernizing and expanding its air and naval forces and militarizing its “islands” in the South China Sea.

Growing Chinese influence and importance is one of the most powerful cross-chapter themes in *Southeast Asian Affairs 2018*. Lee Hwok-Aun flags the growing importance of China as a regional trade partner and source of foreign direct investment. Lye Liang Fook’s thematic chapter for Singapore is devoted to the strengthening of China–Singapore ties, while President Duterte has placed China, not the United States, at the centre of Philippine foreign policy. Pushpa Thambipillai notes that China’s foreign direct investment in the non-oil sectors is central to Brunei’s plans for economic diversification, while Oliver Tappe looks at the importance and risks for Laos of its huge railway project with China. Priyambudi Sulistiyanto and Eve Warburton both address political opposition efforts in Indonesia to play up the perceived negative effects of growing Chinese influence in Indonesia. Mary Callahan notes that growing Western criticism of the Myanmar government and military is encouraging Myanmar to seek closer relations with China.

Growing concern with China and uncertainty with the United States are behind Japan’s and India’s stepping up of their engagement with Southeast Asia, as Liow delineates in his chapter. Japan has signed strategic partnerships with some key Southeast Asian states involving economic and maritime cooperation and assistance, stepped up high-level diplomacy, and increased aid and investments, including for infrastructure development. It has also pledged to support the defence capabilities of the Philippine armed forces. India, too, is paying more attention to Southeast Asia, with high-level visits and cooperation in the maritime security domain. A new naval agreement was signed with Singapore. India also announced the provision of \$500,000 of aid to the Philippines to help it fight terrorist groups. Liow notes that this is the first time that India has sent aid to any country to help in the fight against terrorism, signalling its intention to be a security provider in the wider Asian region.

Southeast Asian Responses

In response to the Trump administration’s withdrawal from the TPP, the other eleven signatories signed a revised version of the agreement called the Comprehensive and Progressive Trans-Pacific Partnership (CPTPP), hoping that eventually the United States will rejoin. The U.S. withdrawal also gave urgency to the successful conclusion of the sixteen-nation Regional Comprehensive Economic Partnership (RCEP) to keep the flame of trade liberalization burning. However, this proved

elusive by the end of 2018 because of the difficulty of harmonizing qualitatively and quantitatively different free trade agreements between ASEAN and its six Plus countries.

The year 2017 marked the fiftieth anniversary of ASEAN. Indeed, there was much to celebrate as the association had contributed much to advance peace and stability among the countries of Southeast Asia and taken important steps towards economic integration. However, as Liow points out, 2017 must also have been a year of introspection for ASEAN, as challenges had been developing to its centrality in the regional security architecture. This was due to more major-power competition, specifically with regard to South China Sea issues which had strained ASEAN unity. During the year, China and ASEAN agreed on a “framework” for a Code of Conduct and to begin negotiations for the code. Whether the code eventually agreed on will meet ASEAN’s expectations is left to be seen. The emergence of the Quad as an apparently serious proposition and talk of a new Indo-Pacific strategy of the United States and some of its allies also caused unease. While many in ASEAN would quietly welcome a pushback against a perceived overbearing China, ASEAN would not want to see its centrality in major-power interactions with Southeast Asia diminished, given the fact that Southeast Asia is geographically located in the middle of the Indo-Pacific region.

Insurgencies and Terrorism

ASEAN also arguably had to face the two most dramatic developments in Southeast Asia in 2017 — the Rohingya crisis in Myanmar and the Marawi siege in the southern Philippines. Apart from the humanitarian dimensions of the two events, they portended new political and security risks for Southeast Asia and ASEAN. A common problem is that the existing peace processes to address insurgencies in southern Thailand, the southern Philippines and in Myanmar are showing more signs of strain than progress, as noted by Mary Callahan for Myanmar, Dennis Quilala for the Philippines and Pongphisoot Busbarat for Thailand.

The Politics of Southeast Asian States

Political consolidation and continuity may be broadly described as the situation in Brunei, the three Indochina states, Indonesia, the Philippines and Singapore in 2017. Malaysia, Myanmar and Timor-Leste may be classified as experiencing significant political strain or uncertainty. Thailand lay somewhere in-between: clearly, the military government had consolidated its power, but considerable uncertainty loomed on the horizon.

Political Consolidation and Continuity

Brunei marked the fiftieth anniversary of the ascension of Sultan Hassanal Bolkiah to the throne with no significant threat to the monarchy or domestic stability despite the recent downturn in prices of hydrocarbons. In Singapore, the People's Action Party retained its firm hold on the state apparatus with little or no prospect of an opposition government coming to power. However, as Shashi Jayakumar points out in his chapter on Singapore, there was some anxiety about who the next prime minister would be, since Prime Minister Lee Hsien Loong had earlier stated he would step down after the next general election, to be held by 15 January 2021, after making sure somebody was ready to take over from him.

There was also little prospect of major discontinuity or regime change in the countries of Indochina. Oliver Tappe's chapter on Laos argues that Prime Minister Thongloun Sisulith's efforts to tackle key economic and governance problems, especially illegal logging and corruption, have enhanced the ruling communist party's standing at home and the government's esteem abroad. In Cambodia, covered in two chapters by Khatharya Um and Steve Heder, respectively, long-serving Prime Minister Hun Sen, sensing a looming electoral threat to the grip on state power of his Cambodian People's Party (CPP), banned the increasingly popular opposition Cambodian National Rescue Party (CNRP) and took action against opposition leaders and members of parliament, some of whom fled abroad or joined the CPP. The National Assembly seats of those who fled or were imprisoned were distributed among some minor friendly parties in the assembly. General elections will go ahead in 2019 with the carefully crafted appearance — but without the spirit or substance — of a continuing multiparty system. Western countries criticized this as the blatant undoing of the political arrangements made under the 1991 Paris Peace Agreement, but Hun Sen had the support of China, a major economic provider, and Vietnam, which feared that a CNRP government in Phnom Penh would inflame Cambodia–Vietnam tensions by playing up the sensitive issue of Vietnamese residing in Cambodia. Also, neither China nor Vietnam would be comfortable with a freewheeling democracy, unguided by the experienced hand of Hun Sen, in their neighbourhood.

Nguyen Manh Hung, in his chapter on Vietnam, notes the consolidation of power in the hands of the Communist Party of Vietnam under General Secretary Nguyen Phu Trong, who placed his supporters in all the top positions of the Central Committee and in two key positions in the party secretariat. A powerful protégé of former prime minister Nguyen Tan Dung was removed from the politburo. Hung sees these moves as restoring the dominance of the party over the state from the ambivalent power division between the two during former premier

Dung's stewardship. Trong also mounted a vigorous anti-corruption campaign that netted senior figures from the banking sector and Petro Vietnam. Hung expects the campaign to continue, arguing that Trong has reached a point of no return: he cannot afford to let up for fear of being seen as not serious, which could affect his standing and the legitimacy of the party. Yet, persistence in the enterprise would lead to more serious and dangerous resistance. But if Trong succeeds he will become the most powerful general secretary of the party since the 1990s. The anti-corruption campaign was accompanied by steps to rebuild and strengthen the party, streamline the administration and reinvigorate the economy.

In his review of Indonesia, Priyambudi Sulistiyanto argues that during 2017 President Jokowi not only consolidated but strengthened his domestic political position. This was against expectations, because the mass demonstrations and tensions of 2016 and early 2017 against Jakarta governor Basuk Tjahaja Purnama (Ah Hok) had been seen as probably denting the president's authority. Jokowi achieved this through a mixture of constitutional means and political manoeuvres against extremist and anti-Pancasila organizations and moves to limit the impact of outspoken critics. He also energetically engaged community and religious leaders at the grass-roots level across Indonesia to put across his message of religious tolerance and the importance of Pancasila. By the end of the year, opinion polls were showing him having high levels of popular support, putting him in a strong position for the 2019 national elections. However, Sulistiyanto cautions that this still does not guarantee a win in 2019. Jokowi will need all his political skills to ensure that a coalition of forces of the sort that undid Ah Hok does not jell into a powerful anti-Jokowi force.

Eve Warburton analyses the nationalist and populist issues which could be used by opposition groups against Jokowi in the 2019 election campaigns. She maintains that a nationalist and anti-Chinese narrative could draw some public support, reminding that it was telling how public opinion shifted against Ah Hok after such an offensive mounted at the time of the Jakarta gubernatorial election campaign. Already Jokowi's detractors were framing the problem of inequality in ethno-religious terms: that foreign investments, especially Chinese investments and workers, harmed the interests of poor Muslim masses in the country and that the president was "unable or unwilling to address the gap between the poor Muslim majority and a wealthy, predominantly non-Muslim — or Chinese Christian — elite".

In Thailand the military had strengthened its hold on power and seemed determined to retain a strong influence in the governing of the country through a new constitution, under which elections are expected to be held in late 2018 or early 2019. Despite this consolidation, the titles of two chapters on Thailand

also point to the underlying uncertainties: Pongphisoot Busbarat's chapter entitled "Stability without Certainties" and Prajak Kongkirati's entitled "Haunted Past, Uncertain Future". Despite the apparent stability under military rule in 2017, the tensions between the contending political groups which had led to the military coup of 2014 had not been resolved and "would continue to challenge Thailand in the immediate and long-term future", according to Busbarat. Uncertainties about the future role of the military in politics, the future of Thai democracy and the future of the pro-Thaksin forces and their leadership remained.

There were uncertainties, too, about whether Thailand will be able to balance its closer relations with China since the military coup with the improvement of relations with the United States under the Trump administration. Busbarat feels this may not be easy, because the U.S. law prohibiting full military cooperation and assistance to a foreign government that came to power through a military coup remains on the books. The new government after the elections will still face opposition from human rights and pro-democracy groups in the United States and European Union, which could colour the policies of their governments. Further, the military hopes to revive the lacklustre economy with Chinese help, and this may well require more policy concessions. Kongkirati explains how the military has been restructuring the political order to prolong its power and influence through various institutional mechanisms. He traces two models of military rule in Thailand since the 1950s.

The Philippines also saw consolidation of power by the incumbents. As Malcolm Cook shows, President Duterte and his administration finished the year in a stronger position than at its start, notwithstanding the outcry among human rights groups against the killings in the "war on drugs" and the tragic and hugely destructive Marawi conflict. Duterte's "intensely personal, brusque and often confrontational approach ... has been well received by a large majority of the electorate", says Cook, citing opinion polls that show high approval ratings across all sub-sections of the population, including among the most educated and the wealthiest. He was able to further strengthen his position in both chambers of Congress. He was also helped by good economic growth, estimated at 6.7 per cent, and his diplomatic embrace of China which led to a 40 per cent increase of tourists from China over 2016.

Political Strain or Uncertainty

The political tensions and uncertainties in Malaysia revolved mainly around the next general election, which must be held before the expiry of the term of the present

government in June 2018. As Faisal S. Hazis says in his chapter on Malaysia, the country was in election mode in 2017, with rhetoric from both the Barisan Nasional (BN) government and the opposition raising the political temperature, which, according to Hazis, was having a divisive and destabilizing effect in the country. The stakes were high because the election would determine whether, for the first time since the country's independence in 1957, an opposition coalition would unseat the BN government.

Hazis considers this unlikely, because Prime Minister Najib Razak has strengthened his grip on his party, the United Malays National Organisation, and on the government, while the opposition was divided. The opposition's prospects may have brightened somewhat with former prime minister Mahathir Mohamad leading it, but Hazis feels this will not compensate for the fact that the Islamic party, Parti Islam Se-Malaysia (PAS), with its grass-roots networks in the Malay rural areas of the northern states, was no longer part of the opposition coalition, as it was in the 2013 general elections.

In Myanmar, as Mary Callahan explains in her chapter, the good feelings generated by the remarkable transformation of the country from military dictatorship to democratic civilian rule (even though the military remained an important player) dissipated under a number of challenges and failures. The most important was the violence in Rakhine State which led to the exodus of nearly 700,000 Rohingya Muslims to neighbouring Bangladesh, widely believed to be caused by disproportionate use of force by the Myanmar security forces and local Rakhine Buddhists armed by the military in response to the attacks by the Arakan Rohingya Salvation Army (ARSA). The Myanmar government, both Aung San Suu Kyi and the military, faced mounting international opprobrium, especially from Western countries and the United Nations, with renewed talk of sanctions against the country. It was like the replay of an old, familiar narrative from the days of military rule from the 1990s till 2011, happening at a time the country could ill afford this damage to its international standing, given the lack of progress in other important areas.

Perhaps foremost among them was the lacklustre economic performance because of the slow pace of reforms, as discussed by Aka Kyaw Min Maw. The economic growth rate declined in 2017 and foreign direct investment commitments were 30 per cent lower than in 2016. Then there was the failure to achieve any breakthrough in the government's negotiations with ethnic armed groups as violent conflict with insurgent groups continued in the north and northeast of the country.

Timor-Leste ended 2017 with a political impasse. A FRETILIN minority government had been unable to implement its national programme and budget

because it did not command a majority in the national parliament. Rebecca Strating — in her chapter “Timor-Leste in 2017: A State of Uncertainty” — sees the likely resolution of the impasse through fresh elections in 2018, though there were concerns that if not resolved the situation could lead to a constitutional crisis.

ISEAS’ Golden Anniversary

The year 2018 is the fiftieth anniversary of the ISEAS – Yusof Ishak Institute, and *Southeast Asian Affairs 2018* celebrates this golden moment in two ways. Nick Farrelly’s regional thematic chapter looks at the future of Southeast Asian Studies as a discipline and the positive trend that the discipline is becoming less Western-dominated and more locally based. This is very much in line with the mandate of ISEAS. Second, the book cover is indigo blue, the colour of the Institute’s logo.

Notes

1. I acknowledge the valuable comments of my co-editor Malcom Cook on an earlier draft of this introduction.
2. Authors were required to submit their chapters for editing and preparation for publishing in early December 2017 with little scope to revise them to take into consideration new developments or the unfolding consequences of changes identified. ISEAS would like to thank the authors and the readers for their appreciation of this unavoidable situation.

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Apologies to anyone inadvertently omitted.

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