

ASEAN NEWSLETTER

Prepared for the Ministry of Foreign Affairs and Trade, Republic of Korea by the Institute of Strategic and International Studies (ISIS) Malaysia

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ASEAN News Updates

ASEAN Community 2015 is High on the Agenda of 22nd ASEAN Summit

(April 29, 2013)

H.E. Le Luong Minh, Secretary-General of ASEAN shared his thoughts and briefed the diplomatic community, representatives of international organisations, and media on the highlights and outcomes of last week's 22nd ASEAN Summit in Bandar Seri Begawan, today at the ASEAN Secretariat.

SG Minh highlighted the good progress on the three ASEAN Community pillars. "The Leaders reviewed the progress made in the implementation of the Roadmap for an ASEAN Community across three Community pillars. They agreed to redouble efforts to ensure the realisation of an ASEAN Community 2015 which is politically cohesive, economically integrated, culturally harmonious and socially responsible," said SG Minh.

(Source: ASEAN Secretariat News)

ASEAN and ROK Determine Future Directions

(April, 22 2013)

The 15th ASEAN-Republic of Korea (ROK) Joint Planning and Review Committee (JPRC) Meeting was held recently at the ASEAN Secretariat in Jakarta. The Meeting highlighted several important areas to further strengthen cooperation, including expediting cooperation in political security and ASEAN Connectivity.

The Meeting reviewed the ASEAN-ROK cooperation for the past year, in particular the progress in the implementation of the ASEAN-ROK Plan of Action (2011-2015), and exchanged views on the future direction of the ASEAN-ROK relations. The Meeting also discussed the follow-up to the initiatives and outcomes of the 15th ASEAN-ROK Summit, which was held in November 2012 in Phnom Penh, Cambodia. Both sides underscored the need to ensure that all follow-up actions are undertaken in a timely manner.

(Source: ASEAN Secretariat News)

Malaysia benefits from Korean effort to establish Asean R&D network

(April 17, 2013)

Malaysia is among three countries to initially benefit from Korea's efforts to establish a research and development (R&D) network across Asean. The others are Vietnam and Indonesia. Towards this end, the Malaysian Industry-Government Group for High Technology (MIGHT), in collaboration with the Ministry of Trade, Industry and Energy Korea and the Korea Institute of Advancement of Technology, jointly organised here yesterday the Korean-Asean Research and Development (R&D) Cooperation Forum 2013. Supported by the Malaysia Korea Technology Centre (MyKOR), the forum seeks to enhance networks in research and development (R&D) across Asean. (Source: The Borneo Post)

Philippines to Asean: We need legally binding sea code

(April 12, 2013)

Foreign Affairs Secretary Albert del Rosario urged the Association of Southeast Asian Nations (ASEAN) to focus on solidarity in taking a stronger position on violations of the Declaration on the Conduct of Parties in the South China Sea.

Speaking at the ASEAN Foreign Ministers' Meeting in Bandar Seri Begawan, Brunei, Del Rosario said: "We will continue to work with ASEAN and China in crafting the COC (code of conduct) and in implementing our commitments under the Declaration on the Conduct of Parties in the South China Sea."

Del Rosario said the Philippines has resorted to the rule of law by initiating arbitral proceedings under the 1982 United Nations Convention on the Law of the Sea (UNCLOS) to clarify its maritime entitlements in the West Philippine Sea. (Source: Philippine Star)

ASEAN Launches a Guidebook for Businesses and Investors

(April 5, 2013)

ASEAN launched the ASEAN Comprehensive Investment Agreement: A Guidebook for Businesses and Investors (ACIA Guidebook) during the Forum on the ASEAN Comprehensive Investment Agreement - Transforming Investment in ASEAN through ACIA (ACIA Forum). (Source: ASEAN Secretariat News)

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Highlights of the 22nd ASEAN Summit

Bandar Seri Begawan, Brunei Darussalam, 24-25 April 2013

Under the theme ‘Our People, Our Future Together’, heads of ASEAN governments met in Brunei to discuss community building efforts and the future of ASEAN beyond 2015. The annual meeting reinforced the importance of realising the central vision of a ‘People-Centred’ ASEAN post 2015.

Leaders of ASEAN had extensive discussion encompassing the following three major themes:

- Intensifying efforts to realise the ASEAN Community by 2015 and strategizing for a post 2015 ASEAN Agenda
- Enhancing ASEAN’s central role in the evolving regional architecture
- Exchanging views on regional and international issues of common interest and concern

Within that framework, leaders also discussed regional and international issues in particular that of the South China Sea, the Middle East and developments on the Korean Peninsula.

Marred by deep divisions from last year on dealing with the South China Sea dispute, this year’s 2-day summit took a shift towards rebuilding unity with leaders finding common ground on the issue. The summit’s concluding communique tasked ASEAN Ministers to ‘work actively with China’ for a conclusion of the proposed agreement.

The 10-member bloc however moved away from setting 2015 as a firm goal of achieving the much anticipated ASEAN Community, by referring to the deadline as a milestone instead. Having to deal with a more developed Singapore compared to newer members who have recently embarked on the development process such as Myanmar, Cambodia, Laos and Vietnam, ASEAN is seen to be bowing to the realities of the economic gaps within the bloc.

Brunei’s Sultan Hassanal Bolkiah at the concluding press conference reiterated this saying “Essentially ASEAN’s community-building is an on-going process that will continue even after our 2015 milestones,” later attributing this to the challenges of varying development levels among member-states.

According to Secretary-General H.E. Le Luong Minh , discussions at this summit included visa-free travel in ASEAN countries for ASEAN Nations, ASEAN Common VISA for non-ASEAN nationals, ASEAN immigration lanes, ASEAN Business travel Card, and ASEAN Conference on Financial Literacy.

At the summit, the leaders tasked the ASEAN Coordinating Council (ACC) to review ASEAN’s processes and institutions to better safeguard ASEAN centrality in the regional architecture and recommendations will be provided at the 23rd ASEAN Summit. The Leaders also acknowledged the accession of Norway to the Treaty of Amity and Cooperation in Southeast Asia (TAC) in June 2013.

Reflections on the 22nd ASEAN summit

By: *Bunn Nagara*

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If the nature and prospects of ASEAN were defined by its summits, there was much in the recent 22nd summit in Bandar Seri Begawan that may be elusive or contradictory. It was an occasion when ASEAN watchers needed to be more circumspect and attuned to the nuances peculiar to South-East Asia and to ASEAN in particular. While this can be challenging at the best of times, it was particularly demanding at the time of the 22nd summit in April 2013.

Two major issues remained prominent and outstanding at the time: disputes over maritime territory with China in the South China Sea, and achieving ASEAN's three pillars (an Economic Community, a Political and Security Community, and a Socio-cultural Community) by 2015. ASEAN is nothing if not ambitious, even when it happens to be located in a key region of global geo-strategic significance packed with pressing issues. A constant challenge that ASEAN appears to be setting itself is to make its achievements match its rhetoric.

Four ASEAN countries – Brunei, Malaysia, the Philippines and Vietnam – are enmeshed in various combinations of rival maritime territorial claims with China and Taiwan. Since last year, Vietnam and the Philippines have experienced some sharp diplomatic spats with China over particular islands. Although these disputes have been around for many years, they have typically simmered and occasionally flared diplomatically without resulting in open armed conflict.

The latest heated exchanges from last year have since cooled, but as always remain unresolved. At the ASEAN Foreign Ministers' meeting in Phnom Penh in July last year, Vietnam and particularly the Philippines tried but failed to make the concluding joint communique reflect ASEAN's stand on China's provocative moves. As host, Cambodia refused to refer to the differences that the Philippines and Vietnam individually had with China since that did not involve the rest of ASEAN.

The 22nd summit this year was different. As host, Brunei not only included the issue in the agenda but listed it as the first item. Philippine President Benigno Aquino III congratulated Brunei Prime Minister Sultan Hassanal Bolkiah for that, while diplomatically refraining from mentioning Cambodia's contrasting position the year before.

This time, it appeared that all the 10 ASEAN countries would treat the matter from a single position. ASEAN Secretary-General Le Luong Minh said as much, with reference to China. Since the Declaration on the Conduct (DoC) of Parties in the South China Sea had been agreed between ASEAN countries and China, the task remained getting all on board a Code of Conduct (CoC) to realise the intent.

On paper, there seemed little disagreement over fashioning a CoC. However, the challenge remained crafting a substantive and definitive document that all countries can ratify. The tiffs between some ASEAN countries and China did not help the atmosphere in trying to get there. Two issues in particular have been unsettling for ASEAN: China's (until recently) uncharacteristically provocative actions, and the sense that it has been treating different ASEAN rival claimants differently.

Meanwhile, brighter prospects flickered for the work of building the ASEAN community on its three pillars. Although some foreign (Western) commentators have been cynical about ASEAN realising it by 2015, ASEAN leaders themselves have been optimistic enough without being unrealistic. Progress towards the community might have slowed lately, but then the original deadline had been 2020.

Since ASEAN had brought that forward to 2015, what is the community's current status? By the 22nd summit, 77% of the work for completing the economic community had been done. The remainder may prove the most difficult, since it covers national industries that need to be opened further but which governments tend to feel still need protection.

ASEAN works on consensus, so progress depends on the rate of change of the slowest member. The most challenging obstacle has been non-tariff barriers. National laws that obstruct traffic across borders also need to be addressed. Individual countries can do only so much within themselves, but to work as ASEAN as a whole a median pace comfortable to all is needed.

Completing the work of the economic community is therefore largely a matter of political will. Less developed ASEAN countries still need some catching up to do, but all are agreed on what needs to be done. Much depends on national gumption and overcoming entrenched politico-bureaucratic inertia. The ultimate question is not whether the economic community will be established, but when exactly.

After the deadline had been moved forward from 2020 to the beginning of 2015, it has now been shifted back to the end of that year. ASEAN leaders remained confident that the latest deadline can be met. The summit affirmed 9 May 2013 for convening talks for a new trade area based on ASEAN + 2 + 3 (with China and Japan, as well as India, Australia and New Zealand).

Progress has been better with the political and security community. Ironically, this might have been helped by China's posturing over disputed territory. Thus efforts to build an ASEAN Political and Security Community saw greater unity at the 22nd summit than ever before.

Differences over territorial claims have already spilled over into official names: the Philippines prefers to call the South China Sea the West Philippine Sea. Brunei, as host of the 22nd summit, was credited for allowing open discussion of the issue instead of ignoring or neglecting it. The result was a clearer ASEAN stand on the South China Sea, with a consensual view being that the ball was now in Beijing's court.

The foregoing may suggest that ASEAN deliberations are overwhelmingly if not exclusively state-centered. If so, that is because ASEAN and its work are precisely that. This heavy state orientation has long been a weakness of the organisation, especially when the work involves community-building.

Much more needs to be done by ASEAN non-state actors by way of joint civil society activity, private sector operations, and similar work. There is no reason why all these could not have been done earlier. ASEAN governments have only lately understood the imperative of a more wholistic ASEAN, but they must still work actively to cultivate it.

Indeed, such cooperative endeavours by various non-governmental groups can make the work of ASEAN governments easier by fostering closer cooperation and easier agreements among them. That takes ASEAN to its third pillar of the socio-cultural community. One obvious fact about building the three pillars is that each is dependent on the others, just as its growth also helps the others to grow.

In the pipeline are provisions for visa-free travel for ASEAN nationals between ASEAN countries, a common ASEAN visa for non-ASEAN nationals, ASEAN immigration lanes at points of entry, and an ASEAN Business Travel Card. All these are long overdue and can help in building a comprehensive, fulfilling and meaningful ASEAN community. To strengthen ASEAN further, the association of national governments must now encourage more people-to-people relationships across their borders.

ASEAN need only deliver what its member nations and peoples require to succeed. It should not be evaluated by its summits but rather by the quality of life it can help provide the people. ASEAN must develop its own priorities and criteria for success: work for a post-2015 vision is already underway for discussion at the 23rd summit.

At 25: The role of the ASEAN-ISIS Network

By: Ms. Natalie Shobana Ambrose

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Officially formed in 1988, the ASEAN- ISIS network of think tanks has been the forefront of regional affairs and Track 2 diplomacy. This diverse network of think tanks initially consisted of the original five (a) the Centre for Strategic and International Studies (CSIS) Indonesia (2) the Institute of Security and International Studies (ISIS) Thailand, (3) the Institute for Strategic and Development Studies (ISDS) Philippines, (4) the Institute of Strategic and International Studies (ISIS) Malaysia and (5) the Singapore Institute for International Affairs (SIIA). Just like ASEAN, the network has since expanded to include other similar organisations to represent member states namely the Brunei Darussalam Institute for Policy and Strategic Studies (BDIPSS), Laos's Institute of Foreign Affairs (IFA), the Diplomatic Academy of Vietnam (DAV), the Cambodian Institute for Cooperation and Peace (CICP) and finally, the Myanmar Institute of Strategic and International Studies (MISIS) which joined the network in June 2012.

Though bound by a common objective of fostering regional cooperation and peace, the constituents of the network could be divided into three broad categories: government, independent and hybrid. Four of the ten member institutions are either part of the government structure or have very close links with the government.

BDIPSS is an organic component of the Ministry of Foreign Affairs and Trade with members comprising of serving diplomats and government officials. Laos's IFA shares the same set up. Myanmar's MISIS used to be housed within the Ministry of Foreign Affairs, Department of Training and Foreign languages. Vietnam's DAV however is a full- fledged education, training and research entity and serves as the think tank for the country's Ministry of Foreign Affairs.

Juxtaposed against this backdrop are the four ASEAN-ISIS members that are categorised as "independent"¹. Within such classification there are three distinctions. Indonesia's CSIS is positioned as a 'stand-alone' institution, while Singapore's SIIA and Philippines's ISDS are independent entities that draw a degree of expertise and staffing from the National University of Singapore and the University of Philippines respectively. Thailand's ISIS is directly linked and embedded within Chulalongkorn University, while Malaysia's ISIS and Cambodia's CICP are unique not falling into solely a government or independent category.

Malaysia's ISIS is not a government entity but maintains informal linkages with the government enjoying close working relations with government institutions. CICP also shares similar characteristics but is founded and led by a member of the royal family who previously held senior positions in the government while some fellows hold government appointed positions and actively advise the Cambodian government.

To better understand the functions and roles of various ASEAN-ISIS it is important to also examine their respective sources of funding. Institutions such as BDIPSS, IFA, DAV and MISIS are part of the government and are directly funded by their home institutions – which is usually the ministry of foreign affairs. It follows that these institutions are more likely to reflect and echo the interests and positions of their respective governments.

Within the ASEAN-ISIS network, CSIS is in the envious position of having an autonomous source of funding and it has also been successful in attracting grants and funding from internal and external sources. SIIA though has been one of the most successful institutions in drawing corporate support and sponsorship.

Most ASEAN-ISIS institutions rely on a mixture of funding and support from their home institutions (i.e. ISIS Thailand – Chulalongkorn University), research grants and the occasional government grants. Please refer to figure 1 on the next page.

¹ Defined as having little or no structural and formal linkages with their respective governments.

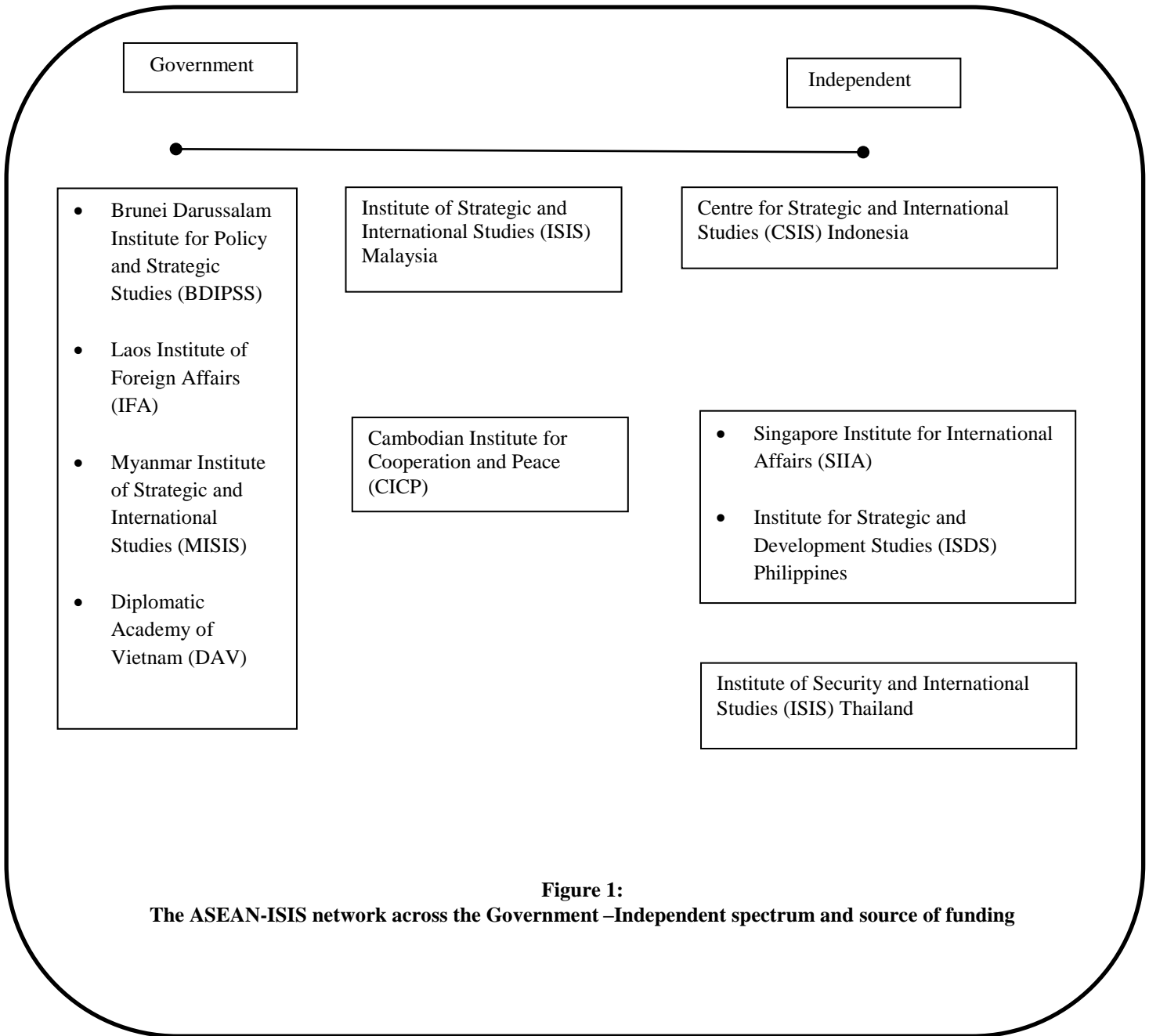


Figure 1:
The ASEAN-ISIS network across the Government –Independent spectrum and source of funding

So what does ASEAN-ISIS do? Firstly, it brings the member institution’s respective “national” voices to the regional and international plane functioning within the ambit of Track 2 diplomacy. This of course contradicts the fact that four of its members have direct links to the government.

The most indispensable value of ASEAN-ISIS remains its function to link and cement the institutional ties among its ten members. To date, ASEAN-ISIS remains the only network on regional affairs in Southeast Asia. It is also the only organisation recognised and listed under the category of ‘think tanks and academic institutions’ in the ASEAN Charter. The close rapport among the AI members enables a better understanding of each other’s positions and perspectives which directly contributes to ASEAN community-building.

To some extent, most all ASEAN-ISIS members have some degree of association or relationship with their respective governments. ASEAN-ISIS’s links with Track 1 remains a strong advantage that feeds into effective

policy making and encourages collaboration with their respective governments. This also ensures a high degree of probability that the voice and positions of the ASEAN-ISIS network gets heard in government circles.

Increasingly, ASEAN-ISIS is seen as playing a the role of 'Track 1.5' by bringing government officials within a conducive environment to exchange views and spar ideas with scholars, public intellectuals and researchers. More so, the ASEAN-ISIS network bridges the gap between the ten member institutions and facilitates intellectual and policy-relevant discussions. Externally ASEAN-ISIS is one of the most important focal point for extra-regional cooperation.

In the case of ASEAN-ISIS such exchange includes participation in regional collaborations and discussions with the ASEAN Secretariat and the United Nations, the ASEAN-Australia-New Zealand Dialogue, the ASEAN-ISIS Institute for International Relations (IIR) Dialogue, the ASEAN-China Dialogue and the ASEAN-Japan Dialogue. Through its flagship project, the Asia-Pacific Roundtable (APR) now in its 27th year, ASEAN –ISIS leads and facilitates an annual discussion on regional security that gathers more than 300 participants from 30 countries, international organisations and entities in Kuala Lumpur making the APR the longest running and pre-eminent Track 2 security conference in the Asia-Pacific.

This year the ASEAN-ISIS network turns 25, and has become a success story of how an idea to strengthen the bonds of friendship in pursuit of regional peace led to the formation and institutionalisation of one of the region's most well-known and respected security and international affairs network. Yet as it grows, ASEAN-ISIS finds itself in a more crowded field and has to contend with other institutions. New additions to the network have been primarily government – linked think tanks and research institutions and thus tends to lean towards towing the government line into discussions pulling in debilitation Track 1 stiffness permeating its way into Track 2 discussions. At the same time, the inclusion of these quasi-government voices adds to the richness of the discussion allowing for government positions to be freely discussed and critiqued in Track 1.5 meetings.

Thinking ahead, ASEAN-ISIS needs to come to terms with the issue of succession and generational shift. New personalities bring new ideas and influences and these changes will have a measurable impact on how ASEAN-ISIS continues as the region's premier regional affairs and security grouping. To be sure, ASEAN-ISIS has a track record and this will stand the ten-member network in good stead as it charts its course in a region increasingly marked with strategic uncertainty.

The Beting Serupai (*James Shoal*) incident

By: *Dr. Tang Siew Mun*

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(This article was originally published in the New Straits Times on April 16, 2013, ISIS Malaysia on April 17, 2013 and on 23 April 2013 in PacNet, a newsletter published by Pacific Forum Centre for Strategic and International Studies CSIS)

Led by the guided missile destroyer, the Lanzhou, a four-ship flotilla of the People's Liberation Army's Navy (PLAN) set sail for the South China Sea (SCS) last month. It would not be the first nor the last time that China puts on a display of its burgeoning military might in the disputed and politically turbulent waters of the SCS.

On March 26, the PLAN ships sailed into the waters of Beting Serupai, which is located 80km from Malaysian shores. The intrusion into the maritime area which is also known as James Shoal was widely reported from Beijing to Washington. Critics bemoaned China's gunboat diplomacy as yet another affirmation of Beijing's assertiveness.

The PLAN's "patrol and training missions" in the vicinity of Beting Serupai may prove too close for Malaysia's comfort. While it is the prerogative and right of China to conduct naval and maritime activities in international waters within the provisions of international law, its increased activities in the area claimed by Malaysia is worrisome and will only serve to heighten tensions in the SCS.

Showing up Malaysia is a strategic mistake as Kuala Lumpur has been one of the most moderate voices in counseling for reason and diplomacy when others pushed for a hard balancing approach. This episode will strengthen the "realist" camp in Malaysian policy circles that has long advocated a more cautious line toward China in SCS disputes.

A prominent Peking University don, however, downplayed the significance of the naval activities. Zhu Feng explained that these actions were "an important, symbolic declaration of Chinese sovereignty intended to show that Beijing will not waver on its territorial claims despite pushback in the region."

Under normal circumstances, China - as well as other sovereign nations - has the right to patrol and deploy military assets within their territorial boundaries. However, in the case of the SCS where the issue of sovereignty is far from established nor recognized, such actions will be contentious at best. Thus, the rationalization for the Beting Serupai "visit" is flawed in two regards.

First, if Beijing maintains the right to assert its sovereign claims in the disputed areas of the SCS, it must also be ready to accept that other parties to the disputes have the same right. It is almost a certainty that China will react strongly to any overtures and actions by other nations that will undermine its purported sovereign rights. As long as the disputes are extant, Beijing cannot exercise unchallenged rights in the SCS and expect others to acquiesce to its actions.

Consider Beijing's reactions if Kuala Lumpur were to deploy a permanent naval presence in Beting Serupai. If Malaysia were to undertake such action or other options in response to the PLAN's "visit," it would set in motion a vicious cycle of "action-reaction" that would bring the two countries closer to the precipice of an armed conflict, and imperil their erstwhile good relations.

Second, the reference to "pushback," which is an unequivocal admission of Beijing's unease with the increasing US military presence under Washington's pivot strategy, is unfounded and erroneous. It would be a mistake for Beijing to conflate the SCS disputes with its strategic rivalry with Washington. The former centers on China's overlapping claims with four ASEAN states - Brunei, Malaysia, the Philippines, and Vietnam - while the latter revolves around the inability of China and the US to establish a *modus vivendi* in their bilateral ties.

If a "pushback" does exist, it is the Chinese who have been doing the "pushing" on two counts. On the one hand, the US pivot to Asia can largely be explained as a response to Beijing's success in crowding out Southeast Asia at the expense of Washington's standing and influence in the region. Concomitantly, China must also realize that the expansion of its economic and military power in the last two decades had the effect of "pushing" China to

the forefront of regional politics. While the region seeks to understand China's strategic intent, Beijing's growing power and influence is creating an uneasy state of uncertainty.

It also follows that Beijing should recognize that the power relation between China and ASEAN is one of asymmetry weighted heavily in favor of the former. Every time China undertakes measures to reaffirm its sovereignty, it is drawing a line in the sand to deter and warn off ASEAN claimants. These actions are backfiring on China and are detrimental to its long-term strategic interests. Far from being cowed, ASEAN states are responding to what they perceived as Chinese heavy-handedness by moving closer to the US.

Malaysia's preference for quiet diplomacy will mean that the Beting Serupai incident will be handled "off the radar" and without any grand-standing. However, the manner in which Malaysia decides to effect its diplomacy should not be construed as weakness or a lack of resolve to protect its sovereign rights in the SCS. Malaysia firmly believes in the peaceful management and eventual resolution of the SCS and does not subscribe to the vicious cycle of "an eye for an eye." However, in the face of continuing Chinese pressure and "tests," Beijing may have inadvertently sowed the seeds for Malaysia to rethink its China strategy.
