

# ASEAN NEWSLETTER

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## ASEAN News Updates

- ❖ **China Welcomes Positive US Role in Region; 'Let's keep a cool head on South China Sea'**  
(The Nation, June 25, 2012)  
In an interview with The Nation, Chinese Vice Foreign Minister Fu Ying said "Asean should exercise its independent judgment to move this region forward. If Asean takes sides, it would lose its relevance." On the South China Sea dispute, the Vice Minister reiterated that China wants to handle the issue peacefully through direct negotiations between countries concerned." At the same time, we must protect China's sovereignty and maritime rights and interests. We remain committed to working with countries concerned to reach a farsighted and wise solution," she added.  
Read More: <http://www.nationmultimedia.com/politics/Chinese-minister-Asean-can-shape-power-play-in-E-A-30184834.html>
- ❖ **Thai Government Promotes SMEs to continue to invest in ASEAN**  
(Bangkok, June 25, 2012)  
Industry Minister M.R. Pongvas Svasti says his ministry has a policy to encourage Thai small-and medium sized enterprises (SME) to invest more in other ASEAN countries as the ASEAN Economic Community (AEC) will be implemented in 2015. Thai investors in the past decade invested approximately US\$5 billion in ASEAN, ranking second in terms of largest investment after Singapore.
- ❖ **ASEAN and Belarus seek closer cooperation**  
(Jakarta, June 13, 2012)  
The Secretary-General of ASEAN, Dr. Surin Pitsuwan, extended his congratulation to H.E. Sergei Martynov, Minister of Foreign Affairs of Belarus upon the official inauguration of the new Embassy in Jakarta. The embassy will serve as a contact point for future cooperation between ASEAN and Belarus.
- ❖ **US Supports ASEAN to Strengthen High-Level Legal Networks**  
(Phnom Penh, June 13, 2012)  
Over 70 judges and justice ministry officials from the ASEAN Senior Law Officials Meeting (ASLOM), ASEAN Member State judicial bodies, and the ASEAN Secretariat gathered at an ASEAN legal and judicial cooperation workshop in Cambodia this week for an unprecedented exchange of ideas on the Rule of Law in the ASEAN region. Challenges discussed include the national implementation of international treaties, the nature of ASEAN law, transnational crime, justice administration, international arbitration, and trade and investment law.
- ❖ **The Sixth Meeting of the ASEAN Intergovernmental Commission on Human Rights (AICHR) on the ASEAN Human Rights Declaration (AHRD)**  
(Yangon, June 3-6, 2012)  
The Meeting, chaired by H.E. Dr. Chet Chealy, continued deliberations on the draft AHRD along the guidelines given by the ASEAN Foreign Ministers Meeting (AMM) and also taking into consideration the many inputs it has received from the Sectoral Bodies during the first Regional Consultation in May 2012. AICHR had its 7<sup>th</sup> Meeting on the AHRD in Kuala Lumpur which included the Regional Consultation with civil society organizations (CSO's) on June 22.

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## Interview with the Russian Ambassador to Malaysia on ASEAN and the Asia Pacific

*H.E. Vorobyeva Lyudmila Georgievna*

*Russian Ambassador to Malaysia*

**1. The ASEAN-Russia Dialogue Partnership can be traced back to July 1996 and the relationship has since flourished. How will President Putin's third term impact ASEAN? How and where does ASEAN fit into Russia's new foreign policy direction?**

ASEAN is very important to Russia. Since the official establishment of our dialogue-partnership in 1996, a lot of things have been done. We've since had 2 Summits, the first held in Kuala Lumpur and the second one in Hanoi. We have an impressive set of documents signed between Russia and ASEAN beginning from the Joint Declaration in Partnership, Peace, Security, Prosperity and Development in the Asia Pacific signed in 2003 in Phnom Penh including the Comprehensive Programme of Action to Promote Cooperation between the ASEAN and the Russian Federation 2005-2015, and many other documents focusing on different aspects of our cooperation with ASEAN. We have set some bilateral mechanisms to promote international cooperation, joint committee on cooperation, numerous working groups on economic, trade, science and technology cooperation, countering terrorism and transnational crime and meetings on political issues such as the recent one in June in Moscow and the Moscow ASEAN committee formed by the Ambassadors of ASEAN in Moscow and the Russian Ambassador to Indonesia is the Permanent Representative to the ASEAN Secretariat in Jakarta. A lot of things have been done but of course there are a lot of things to do. We view ASEAN as a very important partner as an entity and on a bilateral basis between Russia and the members of ASEAN. We have traditional relations with some of the ASEAN members from the Soviet times such as Vietnam, Cambodia, Laos and Myanmar and since then Russia has maintained such ties and has cultivated bilateral political-trade relations with Thailand, Indonesia, Malaysia, Singapore and other ASEAN states.

Russia is a Euro-Pacific nation and so the Asia Pacific region is of key importance to our country. If you look at a map of Russia, you will see that two-thirds of our territory is in the Asia Pacific region. So we cannot develop our country without being fully integrated in the Asia Pacific. Our foreign policy concept endorsed by our President clearly stipulates that one of our priorities is the Asia Pacific and within that ASEAN.

We recently had our presidential election and Mr. Putin is in his second term and a new government is in place. But our foreign policy is very consistent and has been for many years. It is very transparent. We have no hidden agenda in the Asia Pacific. We are open to cooperation to every country that wants to cooperate with us. We don't seek to have any military alliances or to build any political blocks in the Asia Pacific.

Basically, we are for equal security, the possibility to cooperate and to ensure peace and security in the Asia Pacific as part of the global security. Actually we are doing everything to promote cooperation with countries in the Asia Pacific.

The documents are just the framework and what is important is the practical steps. If you look at trade and investment last year, our whole trade with ASEAN countries was about 15 billion dollars and we are now trying to promote trade and investment, which needs to be improved. There is not enough information in our country about investment opportunities about what each country can offer on both sides. We need to bring our business communities closer, which is being done through the business councils on a multilateral and bilateral level. Russia's hosting of the APEC Summit will help promote not just in an inter-governmental contacts but also direct contacts between business communities. One example is the recent meeting held in Kuala Lumpur of the APEC advisor Business Council which attracted business people from Russia.

Priority areas of cooperation with ASEAN from our point of view are energy, space exploration, food security, transport and human resources development. Energy includes alternative, renewable sources of energy and nuclear. Space exploration and the results of the space exploration can be used in the development of the economy. With Malaysia we had a very good experience of launching the first Malaysian cosmonaut. In food security, we are ready to share our experience through our national programmes.

**2. What role does Russia see itself playing in the Asia Pacific region? How is it positioned compared to the US and China?**

Well, as I've mentioned Russia is a Euro Pacific nation and in the recent year we have taken a strategic course towards restoring the balance between the European and Pacific vectors of our foreign policy, and I think we have been quite successful in that respect. Of course, our foreign policy in the Asia Pacific region is based on the understanding that the future of our country depends to a very large extent on the cooperation with countries in this region that is increasingly becoming one of the centres of gravity of global development. There is no alternative for Russia other than to make its economy part of this region's integration processes which is steadily gaining momentum.

It is very important that we offer our partners in the region a positive agenda that can bring us together because we are not seeking any unilateral advantage or trying to capitalise on the existing differences. We are open to cooperation with every country in the region that wants such cooperation. One highlight in our foreign policy is the Joint-Initiative between Russia and China in September 2010 to improve the security and cooperation architecture in the Asia Pacific. The essence of this initiative is that countries in this region should build their policy on the principles of shared and indivisible security and renounce any attempt to strengthen their own security to the detriment of the security of their neighbours.

We hope that these approaches to the Asia Pacific region's security can help the region to get rid of the confrontational heritage of the Cold War and prevent the creation of new division lines which can jeopardise the future integration and common development goals of the Asia Pacific nations. We encourage all the nations in the region to join the dialogue on this topical issue of the new security architecture that can be conducted in the framework of the East Asian Summit, ASEAN Regional Forum on security and other multilateral mechanisms.

Asia Pacific unlike Europe does not have a common security system like the Helsinki Act and no organisation like that of the European Security and Cooperation Organisation. We think that this region needs a multilayered, multidimensional flexible architecture that will be open and transparent based on the principals and norms of international law and taking into account as much as possible the interest of every country in the region. These are the ideas that we have tabled to our partners in the Asia Pacific and we hope that we can work together to develop security architecture based on the network of multilateral mechanisms that already exist in the Asia Pacific and with the EAS being the umbrella framework to promote these kinds of ideas. The networks I have mentioned could include ASEAN dialogue mechanisms, Shanghai Cooperation Organisation, APEC, ARF, CICA and others.

China is our strategic partner. We enjoy excellent relations with our neighbour and active comprehensive cooperation. Our respective leadership shares very similar views on most of the global and regional issues. We work very closely with China on a bilateral level and in the framework of international organisations and we hope that this will continue in the future. As for the US, we have different views on some global and regional security issues but the US is a very important partner. We are cooperating and seeking to make our position closer on many issues. Both China and the USA are very important partners. There are different ways on how we develop our relations and how we develop our interaction with these two countries but we see no other alternative but to work together in order to promote peace and security in the region and in the world.

**3. How has the ASEAN-Russia Action Plan (2005-2015) benefitted Russia? What are the outcomes and where do you see it heading?**

We have done a lot to promote cooperation with ASEAN countries. We also set up a financial fund with ASEAN to be able to finance our joint projects, but actually there is a lot of unused potential that should be capitalised on. To be fair while our political dialogue is very active, a lot more could be done with regards to trade and investment. Our goal is to raise the level of our economic relations with ASEAN to be at par with the political dialogue. So the efforts will be focused on these types of cooperation. Post-2015, after the programme's term ends, the emphasis will be on increasing the economic and investment partnership. We are now working on a Roadmap of Cooperation in Trade, Economy and Investment between Russia and ASEAN. Once the roadmap is adopted, there will be long-term joint programmes with priority areas being information and high technologies. Another area will be trade liberalisation with ASEAN.

This year Russia is joining the WTO which opens new opportunities with ASEAN as an entity and bilateral ties with members of ASEAN. Russia also has a customs union between Russia-Belarus-Kazakhstan and are moving towards a joint economic community. With these new developments, ASEAN will also be exposed to these new markets as well.

**4. Tell us more about Russia's policy initiatives in supporting ASEAN's community building process?**

This is an integrated process and with our multilateral cooperation with ASEAN, we have our own interest in mind because we need to develop the Asian Pacific part of our country. Of course, while promoting these types of cooperation we are looking to how we can contribute to building the ASEAN community. One example is through our participation to developing the Mekong Region which includes cooperation with our traditional partners – Vietnam, Cambodia and Laos.

Cooperation in education and development of human resources can also contribute to the ASEAN connectivity process. We have a number of students from ASEAN countries which has long been a traditional cooperation area. Looking at Laos there are 7,000 graduates from the former Soviet Union, Cambodia around 10,000, Vietnam even more than that and there are 3,000 Malaysian students currently studying in Russia.

Russia has been a firm supporter of political and security cooperation within the region and has signed a Joint Declaration on Cooperation in combating International Terrorism (2004) and is ready to sign the protocol to the Treaty on Southeast Asia Nuclear Weapons Free Zone (1995).

**5. Could you elaborate about the Asia Pacific Economic Leaders Meeting that will be held later this year in Vladivostok and hosted by President Putin? If possible what is on the agenda?**

Held in the beginning of September on the Pacific Coast, it reflects Russia's efforts to be an integral part of the Asia Pacific. The four priority areas to be discussed is part of what the APEC economies are working towards; (1) Trade and investment liberalisation and promotion of regional economic integration (2) Strengthening food security (3) establishing reliable supply chains (4) intensive cooperation to foster innovative growth.

The economies are working to facilitate member economies development and provide a better environment for businesses. We also keep in mind the concept of an eventual regional free trade area for the Asia Pacific. Discussions on this subject continue and the emphasis is on examining the best practises of the many FTA's that still exist and are still evolving in the region in order to identify a model that would be best to move towards a region-wide mechanism.

Strengthening food security is also crucial for APEC. We hope to promote sustainable development in the agriculture sector by introducing innovation and biotechnology, facilitation of investment and trade in agriculture projects, establishment of sufficient and resilient food market, and reducing price volatility. Establishing reliable supply chains is also one issue that APEC has been discussing for a number of recent years, and its solution is very important for economic growth and prosperity because the transportation infrastructure serves as the basis for steady development of trade and investment and must meet the growing demand from markets for speedy and reliable delivery.

Innovation and technology have become the main sources of economic growth for developing, emerging and advanced economies alike and one of the priorities of the Russian government and leadership is to modernise our economy and foster innovative growth for our economy which is consistent with APEC goals.

**6. With overall ASEAN-Russia trade slightly over USD10 billion and investment under USD200 million are there plans to expand trade ties with ASEAN?**

We are discussing the idea with the Commonwealth of Independent States (CIS), we have a pilot project with New Zealand and we are just at the initial stages of negotiations with Vietnam. If we want to integrate into the Asia Pacific, we will need to develop this framework of free-trade agreements and we will be looking even closer at the opportunities offered by these kind of arrangements once we are initiated into the WTO.

**7. In what way is Russia keen to see the expansion of the Master Plan of ASEAN Connectivity?**

It is really up to ASEAN to see how the member states would like to work with Russia. As for now the two priority areas identified are transportation infrastructure, and education, human resource development.

**8. What are Russia's concerns with the US deployment in the region?**

Our position is that no dispute can be effectively resolved by military means. We are not interfering in other countries' affairs. Our firm belief is that using military means will not in any way improve peace and security.

**9. China and Russia have formed a camaraderie on its stand with regards to Syria in the UN compared to the other superpowers. What can be said about that? How will the conversations at the G-20 affect Russia's stand with regards to Syria?**

First of all, it's not only about Syria or support of the current regime but the observance of international law and the correlation between international law and international relations. Our goal in Syria is to stop the violence and the bloodshed. You cannot blame one side for the violence. We appeal to both sides involved in this conflict to stop the violence, to stop the bloodshed, not just the government but also the very heavily armed opposition. We cannot stand passive when the situation in Syria is being used to change the regime. It's up to the people of Syria to do so. We also have a very firm position that no outside military intervention can help solve the conflict in that country. We think that the sides involved in Syria should sit together in peaceful dialogue and negotiation between the parties involved. We think no one from outside should be instigating the opposition or arming it which only worsens the situation and leads to more human losses.

**10. As a country that is not a claimant but has interest in the region, from a superpower view, what is the way forward with regards to the South China Sea situation?**

We are not taking any sides in this dispute with our position being that it should be resolved through peaceful negotiations by diplomatic means.

## **The Asean Economic Community 2015 Scorecard: Will Reality Meet Perceptions?\***

*By Dato' Dr. Mahani Zainal Abidin*

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Imagine a region with a single market and production base, highly competitive, with equitable economic development and fully integrated into the global economy. That's the Asean Economic Community (AEC) target, and we have less than three years to achieve it.

Malaysia assumes the rotating Asean chairmanship in 2015 and will be tasked to deliver the results of the AEC Report Card, which we hope will be praiseworthy.

How well is AEC doing in achieving its targets? In April this year, the Asean Secretariat published the AEC Scorecard, which measures the progress of the regional integration efforts from 2008 to 2011. The scorecard provides quantitative indicators of the implementation progress of the measures specified in the AEC Blueprint.

Divided into four phases - Phase I (2008/09), phase II (2010/11), Phase III (2012/13) and phase IV (2014/15) - this measurement is made up of four pillars of integration: single market and production base, competitive economic region, equitable economic development and integration into the global economy.

According to the April 2012 AEC Scorecard, 68.2% of the measures in the AEC Blueprint have been successfully implemented. The highest achievement measured was integration into the global economy (85.7%), followed by competitive economic region (69.2%) and equitable economic development (66.7%). The single market and production base pillar scored the lowest at 66.5%.

It is ironic that Asean is integrating better with the outside world rather than forming its own single market and production base. This, however, does not come as a surprise as a number of its members have been signing numerous free trade agreements with partners from outside the region. In 1998, after the Asian financial crisis, Singapore started the trend and admittedly, some member states feared that Asean regional integration might receive less attention.

Notwithstanding that, the group's integration thus far is no small feat considering the diversity of its member countries. The Asean Free Trade Agreement (Afta) has been realised with zero import tariffs with the Asean-6. The Asean Trade in Goods agreements (ATIGA) is now in force, as is the Asean Comprehensive Investment Agreement, the completion of seven packages of services commitments under the Asean Framework Agreement on Services (AFAS) and the launch of the Asean Regional Guidelines on Competition Policy. The full list of achievements is too long to enumerate here.

Somehow, this list of achievement does not correspond with the perception of Asean integration. There is this nagging feeling that the achievements on paper may not match the reality on the ground.

One possible explanation is the shortcomings of the AEC Scorecard. The scorecard is only a compliance tool and is not for assessing the impact of the measures implemented. Most of the achievements are gauged by member states' compliance in ratifying Asean-wide agreements. However, translating these regional agreements into domestic laws is not measured.

Many of the shortfalls in the achievements of the AEC measures are due to these delays. Hence, even though achievements have been checked at the regional and national levels, the actual measures have yet to be implemented.

The scorecard results are not fully indicative because the data provided is in aggregate scores. No information is available on individual country scores. Perhaps this reflects Asean's stance of not shaming member states for non-compliance. This stance is derived from the group's principle of non-interference. If Asean is truly serious about integration, it must be prepared to provide more detailed information and move away from glossing over individual country performance by using aggregated data.

The scorecard also does not explain the reasons for implementation shortfalls. As such, the Asean public, including the business sector, cannot put pressure on governments to accelerate implementation. The integration process has no mechanism to impose penalties if member states fail to comply or give incentives to encourage them to minimise delays.

Although the method of calculating the AEC Scorecard can be improved, the real achievement in creating a regional economic community goes beyond that. There are fundamental issues and critical areas that need to be addressed if the AEC is to be achieved in 2015.

Asean has made a remarkable achievement in liberalising trade in goods through Afta, and subsequently, through ATIGA. Unfortunately, the same cannot be said about trade in services. After several rounds of AFAS, trade in services among member states is still insignificant. Among the key reasons for this low level of trade is that the services liberalisation goals under the AEC are far from ambitious, with only partial liberalisation of foreign equity in commercial activities.

Even if foreign equity is liberalised, setting up businesses in Asean countries is not that easy because there are barriers to the rights of foreigners to hold land, hire foreign professionals or obtain business permits. Therefore, there may not be a massive tide of cross-border investment and services trade even though the AEC services goals have been achieved.

Another major future action that can determine the effectiveness of Asean integration is the region's ability to allow free flow of skilled labour. Skilled labour mobility is essential for effective implementation of services and investment liberalisation.

From 2008 to 2009, Mutual Recognition Arrangements (MRAs) for major professional services - architectural services, accountancy services, survey qualifications, medical practical practitioners, and dental practitioners - were completed. MRAs for other professional services are currently being developed.

But having these MRAs inked does not mean that skilled professionals can move freely. There are many reasons why progress on recognising professional qualifications is limited. These include the wide range of practices relating to education and training of professionals, fear of loss of regulatory sovereignty or that recognition will lead to harmonisation of standards/practices at the lowest common denominator. There is also the concern that particular local knowledge may not be adequately reflected in these MRAs.

The flow of skilled workers can be difficult due to the absence of licensing systems for some professions or of formal qualification mechanisms in some countries. In addition, professional associations may be reluctant to be involved in recognition initiatives without clear benefits to their members.

Efforts to ensure free movement of skilled workers, in some cases, have to contend with constitutional and legal provisions that reserve jobs for nationals. For example, in the Philippines, the constitution reserves for its nationals the practice of licensed professions (including engineering, medicine, accountancy and architecture).

There are also other barriers in the form of national treatment limitations where qualifications and restrictions are based on nationality, economic needs test, numerical quotas for each profession, ethnic and religious preferences or language requirements.

One of the biggest laggards in the AEC Scorecard is the transport sector. For example, in the Competitive Economic Region Pillar, of the 25 measures that have not been implemented, 18 are from the transport sector. The primary reason is the slow enactment of the necessary domestic legislations for the various Asean-wide agreements that have been signed.

In addition, Asean countries also find it difficult to reach a common position on implementing other infrastructure-related initiatives such as trade facilitation and customs integration.

Beyond liberalisation in trade in goods, real economic integration is difficult to measure. As such, the AEC Scorecard is still very much needed, even with its existing shortcomings. Its methodology can certainly be improved to go beyond mere compliance. Assessment of the implementation of the measures is essential.

An important area for improvement is the strengthening of the institutions for monitoring the AEC. Monitoring work should not just be carried out by the Asean Secretariat. AEC monitoring units should also be established at the country level, accompanied by enhancing internal coordination among government agencies and market players.

However, Asean economic integration should go deeper than the present AEC measures. Accelerating the ratification of AEC agreements and translating these regional agreements into national laws are very necessary.

Countries must be prepared to amend national constitutions and laws so that these legislations are consistent with the spirit of Asean integration. A dispute settlement mechanism and penalties for noncompliance are very sensitive areas but the grouping should be bold and consider these possibilities. All these will require strong political will.

*\* A version of this article was published in The Edge, 11 June 2012.*



***Rebalancing, Hedging and Regional Security******By Dr. Tang Siew Mun****Director for Foreign Policy and Security Studies**Institute of Strategic and International Studies (ISIS) Malaysia*

In the wake of the Cold War, there was a genuine concern in Southeast Asia of a US strategic withdrawal from the region. The pullout from Clark Air Base and Subic Bay Naval Base gave credence to these anxieties and fuelled talks of a strategic vacuum in Asia. Two decades later, the US put paid to these perceptions by unequivocally reaffirming its commitment to the region.

Last year, Secretary of State, Hillary Clinton confirmed the primacy of Asia in the US grand strategic outlook in her much referenced “pivot” article. Using the poker analogy, American thinkers have posited that the US is “all in” on Asia. With a growth rate of 8.3% and accounting for close to 21% of its exports (2011), it is easy to understand why the East Asia and Pacific region is of primary importance to the US.

“Pivoting” has since given way to “rebalancing.” Secretary of Defence, Leon Panetta recently outlined that “by 2020 the Navy will reposition its forces from today’s roughly 50/50 percent split between the Pacific and Atlantic to about a 60/40 split between those oceans.

Without downplaying the significance of the “rebalancing” exercise, the quantitative increase in combat ships plying the Asia-Pacific waters may not be as pronounced as thought. Robert Haddick pointed out that the US Navy is expected to have a total of 181 major combat ships in 2020, and 109 of these will be deployed in the region. This, argues, Haddick is an increase of eight ships from today’s numbers. Eight ships still pack a lot of firepower, especially if one of these is an aircraft carrier with more air assets and firepower capabilities than most of the regional air forces except China and Japan.

The main storyline on the rebalancing strategy is not – while important – the redeployment of US military assets in the region. US military forces have been a fixture in the region’s strategic balance since the 1945. The pertinent questions are where would these assets be located and how would this strategy affect regional security?

To pre-empt concerns of attempts to re-establish a network of bases in the region, Washington was quick to put this issue to rest with the “places not bases” doctrine. The US is enlarging its military footprint in the region by expanding its scope of partnership and cooperation with regional parties.

Recently, Singapore agreed to support the forward deployment of four littoral combat ships. The Philippines and Thailand – which are US treaty partners – appear to be prime candidates to join the roster of “places” for US forward deployment. Australia has subscribed to this strategy when it agreed to host the rotational deployment of up to 2,500 US Marines last year. To date, the US have two firm “places” of operations, and may add to this number with either or both Bangkok and Manila joining the fold.

To be sure, “places” is different from “bases.” The former is more politically palatable for the host country and implies an impermanent arrangement. The effect, however, for regional security is similar. Both arrangements will enable the US to position and operate out of “places” in the region.

While the US's diplomatic and political "return" to the region is applauded and welcomed, the reception for the rebalancing strategy may be less enthusiastic. There are several reasons for such pessimism. While the erstwhile pivot strategy is multifaceted and not uni-dimensionally focusing on military power, its newer incarnation appears to be "military heavy." This may prove to be controversial. To the extent that rebalancing entails an enlarged and more visible military footprint, it will be destabilizing and anathema to regional security. An increased US military profile will generate what academics understand as a "security dilemma" and make China feel uncomfortable, to put it mildly.

When asked for her opinion on "rebalancing" by *The Nation*, China's Vice-Foreign Minister, Ambassador Fu Ying, diplomatically offered that "China has no problem accepting the US presence and its positive influence in the Asia-Pacific." At the same time, she noted that Chinese and Asian commentators are uncomfortable with the US heavy emphasis on the region's security agenda.

It is difficult to accurately gauge the region's reactions to the rebalancing strategy. Thus far, responses from the region have been rather diplomatic and positive. ASEAN states need to be more circumspect and carefully weigh the pros and cons of an enlarged US military footprint in Southeast Asia.

The bottom line is military assets are tools to achieve strategic goals. It is all too convenient to justify the increased military presence in the context of humanitarian assistance and disaster relief or other non-traditional security concerns. The strategic implications of the rebalancing strategy need to be fully understood.

The rotational deployment of US Marines in Darwin changes the dynamics of Southeast Asian security. Washington and Canberra were quick to emphasize the transient nature of the deployment, but whichever way one attempts to slice and dice "Darwin," in the eyes of the Chinese and the rest of Southeast Asia, this move puts hundreds of well-trained and highly mobile US military personnel at the edge of the region. It is a potential "beach head" for the US to organise and launch military operations into Southeast Asia and the Indian Ocean.

Additionally, if the Philippines and Thailand joins Australia and Singapore in supporting US military operations – in temporary or permanent forms – it will give the US unparalleled access to the strategic waterways from the eastern part of the Indian Ocean to the South China Sea. Coupled with its bases in South Korea and Japan, the US will have a string of operational platforms spanning from the Indian to the Pacific oceans. US efforts to buttress its military presence across the Indo-Pacific region are not lost to Chinese policy-makers and strategists or their Asian counterparts. The rebalancing strategy fundamentally changes the "latent" nature of the US hubs-and-spokes alliance system to one that is "active." It also adds another dimension to the alliance with Thailand and the Philippines from the defence of these countries by a third party attack to utilising the relationship to pursue Washington's strategic objectives vis-à-vis China and other emerging strategic competitors.

In this regard, the implementation of the rebalancing strategy is not a matter of bilateral concern between the US and its strategic partners. It is a bilateral decision that will have regional implications. There may be quarters in Southeast Asia that embrace a larger US military role and profile. Notable among these are the "hedgers" who no doubt see the US as the ultimate "insurance policy" to guard against strategic uncertainty. When it is diplomatically untenable and militarily impractical to balance against China's expanding military might, then the growing presence of the US is reassuring to say the least. Hedging is not without its risks and drawbacks. It takes strategic finesse to execute and maintain a hedging strategy. Increased US military presence in the region may imperil this delicate hedging strategy and even entrench hedgers into the orbit of the US. Thus, ASEAN states should evaluate Washington's rebalancing overtures comprehensively and in a regional context. Is the acceptance of some form of enhanced US military presence part of the hedging strategy vis-à-vis China or is this the beginning of a shift toward balancing China?

ASEAN states are hesitant to address these questions for fear of marginalizing either of the major powers. Our time-honored mantra is “not having to choose” and we shall strive to maintain close relations with China and the US. If China is not a threat, we should be witnessing a scaling down of military power, rather than an increase as what the rebalancing strategy seems to be doing. There is something fundamentally wrong when we advocate cooperation while concomitantly be laying the groundwork for strategic competition. ASEAN states would do well to tread with caution. For us, the rebalancing strategy goes beyond affirming our friendly and cooperative ties with the US. It will also be an important marker of our relations with China and the US. The price for hedging has increased and the days when ASEAN states have to make the difficult choice is looming.