

## The Seventh ASEAN-Australia-New Zealand Dialogue



*Participants of the Seventh ASEAN-Australia-New Zealand Dialogue*

*The issues highlighted in this article were gathered from the seventh annual Track Two dialogue between ASEAN, Australia and New Zealand, held from 18 to 20 November 2014 in Kuala Lumpur. The Dialogue was organised by ISIS Malaysia in collaboration with Asialink and the Asia New Zealand Foundation. Participants discussed topics on the strategic dynamics in and economic integration of Asia Pacific, humanitarian assistance and disaster management, cyber security, and irregular migration in ASEAN. ISIS Research Assistant **Ms Nurul Izzati Kamrulbahri** and Intern **Mr Abu Bakar Badruddin** report.*

### Managing strategic dynamics in the Asia Pacific

*ASEAN has to ... [deal] with great powers. Yet ... the Association needs to maintain its centrality because it is still the main driver of regional institutionalism.*

China's current leadership, led by President Xi Jinping, has initiated a shift towards the orthodox left and corrected the Communist Party's line that has gone unchecked. Unlike the previous leadership, the current leadership has exhibited the political will, military capacity and greater appreciation of international legal as well as institutional structures. China also sees the Association of Southeast Asian Nations (ASEAN) as a receptive audience and thus a window for its diplomatic initiative.

There is a link between Chinese nationalism and sovereignty. Modern Chinese nationalism is a humiliation-based-nationalism, one that is related to a century of humiliation. Chinese sovereignty rests on this particular memory of the past. Xi's 'Chinese Dream' to bring back the glory of the Chinese nation is a call for the young Chinese 'to dare to dream, work assiduously to fulfil the dreams and contribute to the revitalisation of the nation'. The rise of China is seen as a defining factor of Asia's growing influence because of its strategic wealth, spurred by its rapid economic growth and military modernisation. Although the United States still has the strategic primacy in the Asia Pacific region, the US-led unipolar strategic order is eroding.

Truth be told, we are witnessing the relative decrease in power of the West and rapid rise of influence of the East, creating a power shift in the region. In fact, regions all over are likely to encounter more uncertainties and tensions. Circumstances are not what they used to be. There is no particular solution for such matters but the best way forward could be to somehow anticipate and identify issues before they arise.

It would seem that the Southeast Asian region has become a 'playing field' for both China and the United States. Undeniably, ASEAN has to face the perennial dilemma of



*From left: Pou Sothirak, Paul Sinclair, Sow Keat Tok and Thitinan Pongsudhirak*

dealing with great powers. Yet, at the same time, the Association needs to maintain its centrality because it is still the main driver of regional institutionalism. In this sense, Australia and New Zealand could help ASEAN uphold its centrality in the region.

The East and South China Seas are security flashpoints for the region. Nonetheless, ASEAN has pursued a desirable security regime, which must remain open, inclusive and transparent. With ASEAN as the driving force and working alongside members of the East Asia Summit (EAS), greater cooperation in the region can be achieved when global norms and universally recognised values are strengthened.

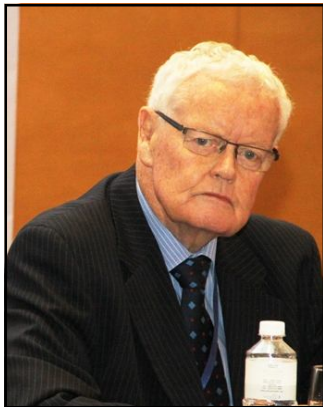
ASEAN must continue to evolve and aspire to obtain unsolicited and unwavering commitment from its dialogue partners — especially from the United States and China as well as Australia and New Zealand — to address the persistent tensions caused by transnational security as well as traditional and non-traditional security.

Additionally, ASEAN could help promote a better relationship between the United States and China. For instance, ASEAN could convince China to readjust its perception of its absolute maritime claim and modify its use of military might. Meanwhile, ASEAN could appeal to the United States to refrain from carrying out the idea of containment and urge its allies in the Asia Pacific to make an effort to find a compromise with China.

### **Open for business?**

With various visions of multilateral trade arrangements in the Trans-Pacific Partnership (TPP), Regional Comprehensive Economic Partnership (RCEP) and Free Trade Area of the Asia Pacific (FTAAP), and China's emerging role in shaping the region's robust economic landscape, is economic integration in the Asia Pacific headed towards competition or consolidation? How will the region reconcile these different frameworks? What opportunities and challenges are inherent for the region's businesses and governments in interacting with each other?

In recent years, the Asia Pacific region has widened its endeavours in trade with more trade agreements planned and adopted. Among these are the ever growing efforts from the United States in reviving the United States Trade Facilitation Agreement, and the progress on Geneva's Government Procurement Agreement.



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Work has also been vigorously put into realising the plurilateral agreements allocated for services.

Over 50 free trade agreements (FTAs) have been signed among Asia Pacific Economic Cooperation (APEC) members. Several bilateral agreements between major countries have also shown developments such as the agreements between Australia and China, China and South Korea, and South Korea and New Zealand. Despite controversial tensions between China and the United States, Beijing has clearly shown its interest in pushing the concept of free trade area forward.

But where is New Zealand's position in this link of trade networks? New Zealand has traditionally been very close to Europe, especially Britain. This is due to its traditional security engagement with Europe. Although Europe is still New Zealand's main trading partner, the trend has slightly changed and New Zealand is progressively engaging with Asia Pacific and Southeast Asia. Seven of New Zealand's top 10 trading partners are now from the Asia Pacific region. Like many states, New Zealand now considers China as its top trading partner. The free trade agreement signed in 2008 marked a significant achievement for both New Zealand and China.

### **Inclusive region-wide free trade agreements needed**

Despite the tensions and subtle unease that linger around the relationship between China and the United States vis-à-vis the Asia Pacific region, the two states have come to agree that the region needs a concrete set of free trade agreements to further foster stronger bonds between states. However, it is apparent that they do not share the same views concerning the TPP and RCEP. Consequently, China is not part of the TPP agreement and the United States is absent in the RCEP. Efforts to bring the region towards an inclusive and effective agreement seem to be lacking.

China and the United States are in favour of bringing both mega trade agreements to the table to boost Asia Pacific's economy. However, responses of the stakeholders are mixed. Some are happy while some are pessimistic. This could be due to the per capita income gap of each participating country. Singapore recorded a per capita income of USD 38,000 in 2013, while Vietnam achieved USD 5,500 in the same year. Unsurprisingly, countries like Vietnam will avoid signing any type of agreement that will jeopardise its comparative advantage and resort to protectionism instead. More countries seem pressured to further protect their trade from being badly affected by an open market. Nonetheless, many are optimistic that the gap between the TPP and RCEP will narrow in time as the two evolve through a series of negotiations.

## Lessons from MH370

The disappearance of Malaysia Airlines flight MH370 — with 227 passengers, two flight crew and 10 cabin crew on board — prompted a level of international collaboration that we have rarely witnessed before. The unprecedented tragedy gathered both attention and assistance from all around the world. The plane reportedly lost contact with Air Traffic Control during a transition of airspace between Malaysia and Vietnam while en-route to Beijing on 8 March 2014. Extreme weather and rough seas have made the search for the plane very difficult.

In the spirit of togetherness, members of ASEAN acted swiftly and sent the necessary help needed to find the missing plane. The maritime security assistance was among many aids that have been most active and prominent during the search and rescue (S&R) operation. Areas covered in the operation were the South China Sea, the Strait of Malacca, the Andaman Sea and the southern Indian Ocean.

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160 assets involving 65 aircraft and 95 vessels as well as experts from 25 countries were involved. China deployed the most assets with 13 aircraft and 19 vessels. Other countries that contributed S&R assets were Australia, Cambodia, India, Indonesia, Malaysia, New Zealand, Singapore, South Korea, Thailand, United Arab Emirates and the United States.

The S&R operation was categorised into different specialisations. The first category was the setup of a committee specifically to establish and maintain relationship with the victims' next-of-kin. The aim was to boost the level of communication between the Malaysian government as well as other relevant parties and families of missing passengers. The second category was the technical setup, followed by the deployment of assets. A committee was also formed to deal specifically with communications during S&R operations.

### Assistance and cooperation

The Brunei experience while hosting the ASEAN Humanitarian Assistance and Disaster Relief (HADR) exercise in 2013 was shared to give a clearer description of the many joint exercises held by ASEAN. The main objective of the exercise was to enhance practical military cooperation as well as to assess the exercise under the



From left: Garry Ibrahim, Muhammad Ruzelme Ahmad Fahimy, Thitinan Pongsudhirak and Christopher Alexander Barrie





*From left: Nguyen Thai Yen Huong, Rastam Mohd Isa, Anthony Milner, Simon Merrifield and Wiryono Sastrohandoyo*

framework of the ASEAN Defence Ministers' Meeting Plus Experts' Working Group (ADMM-Plus EWG).

ASEAN has always been more experienced in dealing with natural disasters such as typhoons, floods, tsunamis and earthquakes. The disappearance of flight MH370 was indeed a different case. ASEAN has also setup exercises that deal with coordinating aid for member countries affected by natural disasters. The ASEAN Regional Forum Disaster Relief exercise, which will be held in Malaysia as it assumes the 2015 chairmanship of ASEAN, is one among many. Indonesia, at the 2014 EAS held in Bali, collaborated with the World Health Organization (WHO) to organise the Indonesia-Australia Rapid Disaster Response Workshop to enhance the collective regional rapid disaster response capability.

The main outcome from these exercises was not the physical exercises that were carried out, but the process of creating a steering committee. The process has developed deeper and more intense cooperation as well as relationship among the participating teams.

#### **Lack of institutionalised mechanisms**

ASEAN's endeavours to improve its capability and reachability for humanitarian assistance exercises should be applauded. Yet not many exercises have been carried out in regard to the finding of flight MH370, which gave no clear indication of its last position. This particular circumstance generated certain limitations, but help poured in from various parties of different backgrounds. The data collected came from military agencies, civil aviation agencies as well as foreign ministries. Nevertheless, obtaining such vast and diverse sets of information made it difficult for the Malaysian government to convey solid and uniformed information to the public.

This raises the issue of the lack of institutionalised mechanisms in ASEAN for addressing disasters. Member countries often have to take action as a lone state during the assistance period. This reflects the slight failure of ASEAN to stay collective for the joint exercises — which have been carried out annually and intensely — especially since the kickstart of the ADMM in 2006. It is obvious that the need for a uniform standard operating procedure (SOP) is crucial if ASEAN is

serious about becoming more integrated and unanimous. With a constant and agreed-by-all SOP in hand, ASEAN will have better coordination for S&R operations, even for unprecedented scenarios such as the mysterious disappearance of flight MH370.

### Evolution in cyber affairs

The cyberspace (or the Internet) has an ever growing influence over one's daily life. The phases of innovation are extraordinary. The use of Internet has grown tremendously but we have yet to develop effective rules to regulate cyberspace at national, regional and international levels.

The average growth of Internet penetration — the percentage of a nation's population with Internet access — across ASEAN countries has been 10.3 per cent annually since 2008. To put it in another way, over 60 million people in the region gained access to the Internet every year. This increasing dependence on the Internet increases our vulnerability to cyber attacks from bad actors.

Cyber attack and cyber espionage have the potential to significantly harm a state's economic progress and performance, and critical infrastructure such as water, energy and transport. There is also a growing concern over cyber operations, which are increasingly being used by military and defence intelligence agencies.

Cyber security at a basic level involves protecting the computer and its network from cyber attack. Cyber crime is currently the biggest challenge for cyber security. Both the state and non-state actors engage in some form of cyber crime. For example, espionage, credit card scam, phishing attacks, bank fraud, identity fraud, and so on. Cyber espionage is also a significant problem — carried out by a company against another company or one state against another. Both have the means and capability to execute it at an unprecedented scale.

Meanwhile, cyber protest or 'hacktivism' is used mainly as a political protest or to promote a political end. For example, the Syrian Electronic Army hacked into Associated Press' Twitter account in April 2013. The false Tweet caused the stock markets, oil and gold prices to plunge.

In addition, there is a need to make a distinction between the general use of the Internet by terrorist groups and 'cyber terrorism' specifically. For instance, the

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From left: Joe Burton, Carolina Hernandez and Tim Scully

Islamic State uses the Internet and social media to coerce political changes. Cyber warfare, on the other hand, is cyber attacks during armed conflict; for example, Russia's 2007 cyber attacks against Estonia.

There has not been much progress in the development of international law, norms and institutions concerning cyber security. In fact, there are differences between the world's leading powers on how the cyberspace should be governed internationally. Debate on the rules and regulations of cyberspace revolve mainly on the concept of cyber warfare and whether or not existing international law applies to cyberspace.

Nevertheless, ASEAN should still work towards an integrated approach to cyber resilience. The disparities in information and communications technology (ICT) and Internet penetration among ASEAN members could be an obstacle for the region. But if ASEAN can work to overcome the gaps, its cyber resilience blueprint could serve as a model for others. The blueprint needs to be clear in the categorisation of cyber security threats, to understand the motives behind each threat. The region, as a whole, should also improve its sharing of cyber threat information. Mechanisms to monitor the cyberspace and collective policies on cyber security could then be put in place.

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### **Irregular integration in a people-centered ASEAN**

Does migration contribute to or undermine community building efforts? It has been proven that migration can lead to both probabilities. Migrants could bring the sense of unease or instability among the local community and authorities. However, in the long run, migrants who adapt to the host society could foster greater understanding and tolerance in that society.

United Nations' latest statistics estimate that at least five per cent or 214 million of the world's adult population are actively crossing borders. According to a survey conducted by Asia Barometer, 30 per cent of Indonesia's adult migrants have expressed their wish to stay abroad permanently if they had the chance. This is followed by 40 per cent of Myanmar's adult migrants, 51 per cent of Filipinos and 61 per cent of Cambodians, being the highest.

The sceptics in receiving countries — such as Malaysia, Singapore and Thailand — are often paranoid that migrants will cause social discord and bring in diseases as well as snatch jobs from locals. To them, migrants threaten the sense of community in the country.

Although allegations have occurred in a few unfortunate incidents, the movement of people has also proved to bring about rapid development and economic growth in receiving countries. Taking the case of Japan into account, Japan would need to attract about 650,000 migrants a year to survive as it has a worrying trend of birth and death rates. Influxes of labourers are also needed to maintain competitiveness in many labour-intensive sectors.

### **Conflicting provisions**

ASEAN has to be applauded for establishing the ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers. However, some of the provisions overlook certain interests of migrant workers. A clear and cohesive charter can only be formed if there is reliable and updated data. ASEAN has to





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improve the way it addresses conflicting policies between receiving and sending countries. The Association needs to be serious in its efforts to build mutual respect and understanding between its members.

According to a research done by the International Labour Organization (ILO), the number of intra ASEAN migrants has increased from 1.5 million in 1990 to 6.5 million today. This has led to 14 million more job opportunities for adult men and women in the region and could bolster better economic cooperation for the benefit of all. Most migrants are economic migrants — skilled especially in construction work, plantation sectors and domestic work. Migrant workers would benefit from their earnings and gain further knowledge, skill as well as experience. These are some long term positive effects for community building in ASEAN.

### **The fear of big market competition**

The fear among labour-abundant countries like Indonesia in times of heightened trade and economic cooperation is noteworthy. From the perspective of Indonesia, the ASEAN Economic Community (AEC) will turn Indonesia into a big market for other ASEAN members. The dilemma is understandable. However, positive results could come out if countries made efforts to strengthen the effectiveness of their foreign policies vis-à-vis ASEAN initiatives.

Myanmar faces the same dilemma as Indonesia although the government is slightly more positive after years of political isolation. The Myanmar government seems keener to gain more benefits from the movement of workers. Although Myanmar's irregular migrant workers in Thailand and Malaysia have caused much unease, the sending country seems to be serious in conducting more bilateral meetings with the affected receiving countries. Myanmar is also hoping to receive more skilled and professional labour to further help the growth of the country.

The Bali Process — initiated by the government of Australia in 2002 — was established to raise regional awareness of the consequences of people smuggling, trafficking in persons and related transnational crime. One of its core objectives is to have an enhanced focus on tackling the root causes of illegal migration, including increasing opportunities for legal migration between states. The Bali Process also seeks to advance the implementation of an inclusive non-binding regional cooperation framework. Interested parties can then cooperate more effectively to reduce irregular movement through the region. ASEAN still lacks cooperation on human rights issues. More work, research and discussion ought to be underway in order to maintain ASEAN's centrality in the region.



