

Special Feature

The Emerging Security Landscape in Southeast Asia*

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This article examines the evolving security landscape in Southeast Asia. While the process is still fluid certain structural features and policy preferences of elites are discernible and can be identified. Naturally the region is subjected to the power and influence of larger external powers, in particular the United States, China and Japan. In more recent times proximate regional powers like China and Japan have exercised greater influence than before and in fact appear to compete strategically in the region. This competition is evident in terms of investments and infrastructural developments in particular. Additionally, it may be noted that Myanmar and Thailand in mainland Southeast Asia and Indonesia and Malaysia in the maritime region appear to be at the centre of such broad based competition. This competition has the potential to reorder regional dynamics and alter its geopolitical dynamics including the opportunities and constraints that were seemingly deeply etched in the past.

In order to place the main arguments in their perspective a chronological narrative of how the region evolved from the time of political independence to the Cold War and the post-Cold War period is detailed at the outset. The various sections identify dominant patterns of interaction within the region as well as the impact of major external actors in the region. Suffice it to say that the post-Cold War period has significantly complicated regional dynamics with much less convergent foreign and defence policies. There has been a significant rise and intensity in non-traditional threats that have plagued the region. China's rise and Japan's competition with it in the region for both economic and political influence is part of the reason for this development. The trade tensions between China and the United States since 2015 and the latter's more inward looking trade policies have also worked in China's favour. While ASEAN has expanded to include the entire region in the 1990s the centrality that it claimed in ordering East Asian regionalism has dissipated. And this development is also partly attributable to the broader structural changes that have affected the regional political and economic architecture in the last decade.

In terms of organization, the paper is divided along five broad areas. The first of these examines the historical background of Southeast Asia which is followed by an assessment of the impact of the Cold War on the region. Then the paper looks at how the post-Cold

War period has impacted on the region especially in relation to the rise of non-traditional security threats. Such threats are typically defined as those that do not threaten territoriality and sovereignty – the hallmarks of statehood in international relations. After that it examines the impact of the United States, China and Japan on the region in the post-Cold War period before examining how the Sino-Japanese rivalry is being played out. Finally, the last section looks at the likely future developments and trajectories for the region on the basis of the ongoing situation.

1 Historical Background

The region of Southeast Asia comprises 11 countries with Timor Leste as the most recent independent state to join it in 2002. Traditionally the region has often been sub-divided into mainland and maritime Southeast Asia. There were compelling reasons for this distinction based on geography, historical patterns of interaction and ethno-linguistic differences that corresponded to this bifurcation.

Mainland Southeast Asia comprises of five countries and includes Cambodia, Laos, Myanmar, Thailand and Vietnam. The states located here are contiguous states and the dominant ethnic groups are the Tibeto-Burman and Sino-Tai. The region is also home to the widespread practice of Theravada Buddhism.

Maritime Southeast Asia by contrast comprises of two of the largest archipelagic states in Indonesia and the Philippines. And they exist alongside Malaysia which is partly located as a peninsula from Thailand and includes the states of Sabah and Sarawak in the island of Borneo. The sultanate of Brunei is also located in Borneo and literally sandwiched between the two Malaysian states. Singapore is an island located south of peninsular Malaysia and Timor Leste occupies the eastern half of the island of Timor. It became independent following a referendum in 1998 from Indonesia after the collapse of the Suharto government. The Indonesian and Thai governments were both casualties of the Asian financial crisis of 1997 that led in turn to their collapse and domestic political restructuring afterwards. The crisis in fact started in Thailand with the government's decision and subsequent failure to defend the Baht currency before the contagion spread to the rest of the region and beyond.

With the exception of Thailand all the countries in the region were colonized by the European powers and achieved their independence after World War II. In the mainland Cambodia, Laos and Vietnam were part of the French Indochinese Union while Burma was colonized by the British from India and ruled from there until 1937. In the maritimes, Spain colonized the Philippines early on from the mid-16th Century although the country became

an American colony in 1898 after Spain was defeated in a war between the two countries. That same fate befell Spain's other territories like Guam and Puerto Rico as well. The Dutch colonized Indonesia and the British colonized Malaysia and Singapore while Brunei was a British protectorate. The Portuguese who were more interested in trading ports rather than occupation controlled trading ports in Malacca and East Timor. The former was traded over from the Dutch in exchange for the port of Bencoolen so that both the colonial powers had discrete rather than overlapping areas of control under the Anglo-Dutch Treaty of 1824.

The entire region was occupied by Japan during World War II with the exception of Thailand that facilitated the entry of Japanese troops into the region through two landing points in the east and the south. In exchange and appreciation for this cooperation the Japanese gave control of the four northern Malay states of Kedah, Terengganu, Perlis and Kelantan to Thailand. The attacks on the region began from occupied Manchukuo into Vietnam in 1937 and ended with the occupation of the Philippines after the battle of Corregidor in June 1942. The entire region then came under occupation until the Japanese surrender in August 1945.

The end of the occupation was marked by a rising tide of nationalism and calls for political independence from the European colonial powers. The indigenous population was extremely unhappy with the swift manner in which the colonies had fallen to Japanese invasion and occupation. The myth of European superiority had ended and this fed the call for independence even more. The first country to achieve its independence was the Philippines in 1946 followed by Burma in 1948 as part of the British policy of granting negotiated independence to its former colonies. The former's independence had already been guaranteed earlier in 1934 under the Tydings-McDuffie Independence Law that was adopted in the U.S. Congress. Then independence was granted by Holland to the United States of Indonesia in 1949 albeit the Japanese proclaimed independence for the Republic of Indonesia in 1945 to make it difficult for the returning colonizer to reoccupy the territory. Cambodia and Laos were granted independence in 1953 and shortly afterwards Vietnam was severed into two halves following the French defeat at Dien Bien Phu in July 1954 under the terms of the Geneva Accords brokered by the great powers. The second stage of decolonization began with the British-negotiated Federation of Malaya in 1957 that was then expanded to include Sabah, Sarawak and Singapore to become the Federation of Malaysia in 1963. Singapore separated from the Malaysian federation to become an independent state in 1965 while the British removed the protectorate status over Brunei in 1984. And following the referendum in 1998 Timor Leste became independent from Indonesia in 2002. The dynamics of the Cold War that affected the international political system from 1950 onwards dovetailed into developments associated with political independence in the

region.

2 The Cold War and Its Impact

The Cold War occurred during the period when many Southeast Asian states were newly independent or still under colonial rule. As a result of this situation the region was strongly affected by the Cold War. There were a few major legacies arising from the Cold War. Regional countries became caught up in the structural bipolarity associated with the Cold War and took sides that often led to tensions and conflict (Alagappa 1986).

The United States concluded bilateral mutual defence treaties with its two closest allies in the region – the Philippines and Thailand as part of its hub and spokes strategy. Additionally, it enrolled both countries in the Southeast Asia Treaty Organization (SEATO) in 1954 as well. It also stationed troops in both countries and through the Military Bases Agreement concluded in 1948 obtained the largest bases in the Philippines at Subic Naval Base and Clarke Air Base. Again, this was part of a broader strategy to protect its Pacific flank after the Japanese attack on Pearl Harbour and included similar deployments in Guam and Okinawa, among others. The troops stationed in Thailand were primarily used in the fight against the Vietnamese communists up to the time of their withdrawal in 1975 following the conclusion of the Second Indochina War that also led to the reunification of Vietnam under communist rule.

China became communist in 1949 and Mao Zedong who led the new country avowed the export of revolutionary communism to the region. Accordingly, China began to support the communist insurgent movements in the region and in particular the Indochinese Communist Party led by Ho Chi Minh. The French were defeated with the help of Chinese support and materials the same way that much of the support for South Vietnam came from the United States. China also supported the less successful communist parties and insurgencies in other countries in the region that were eventually defeated and dismantled.

The Indochina Wars that were in turn a function of the Indochina Security Complex where Vietnam was the regional hegemon in mainland Southeast Asia determined the international relations of the region from the end of World War II up until 1989 (Buzan 1988; Alagappa 1991). The reason for this assertion is because following the American withdrawal from the region in 1975 regional dynamics were determined by the growing Sino-Soviet rift and rivalry that replaced the Cold War (Zagoria 1962). Vietnam's alignment with the Soviet Union and its Treaty of Friendship and Cooperation signed between both countries in 1978 was the precursor to the Vietnamese invasion and occupation of Cambodia that lasted for a decade from 1979 to 1989.

Apart from Thailand that was an ally of the United States the only other country in the mainland, Burma, was subjected to a military coup in 1962. Ne Win who staged the coup introduced a radical form of socialism in the country and also practiced a foreign policy of passive neutrality obtained through isolationism that effectively removed the country from broader regional dynamics albeit China provided moral and material support to the Burmese Communist Party (BCP) up to the time of its collapse in 1989. China was also involved in military conflict against a large Chinese nationalist army that was trapped in the Shan states and supported by Thailand, Taiwan and the United States from 1949 (Taylor 1973). Martial law was subsequently declared in the areas and fighting continued into the 1960s and was complicated by the government's decision to end the system of the hereditary Shan sawbwas who had been previously recognized by the British government as the region's traditional rulers in 1959.

In the maritimes where the international relations were determined by the Malay Archipelago Complex and Indonesia the hegemon, there was much less conflict that generally did not invite external intervention. Sukarno's undertook a policy of military confrontation against the newly formed Federation of Malaysia that included territories from the island of Borneo in the middle of the archipelago that was anathema to Indonesian nationalists. But apart from this development and some residual tensions deriving from Singapore's independence from the Malaysian federation in 1965 the maritime region was much calmer.

The collective impact of these developments on the entire region was the division of the region into two, a mainland where communist regimes were in place with the exception of Thailand and the maritimes where communist insurgencies were defeated (Weatherbee 1985). And this broad division was given further structural form when the Association of Southeast Nations (ASEAN) was formed in 1967. The founding member countries of ASEAN that were primarily located in maritime Southeast Asia were part of a regional security sub-structure that reflected the Cold War dynamics of the period. While ASEAN remained lethargic for the first decade it began to better coordinate foreign and defence policies in the wake of the Communist victory in Vietnam and sought to influence regional developments. With Indonesian leadership and a virulently anti-communist regime led by President Suharto ASEAN evolved a collective security and defence policy that was pro-West and anti-communist from 1976 onwards. Consequently, ASEAN's policies became staunchly anti-Vietnamese following the latter's invasion and occupation of Cambodia in 1979. While this was the general policy position of ASEAN Indonesia and Malaysia continued to regard China as a threat to regional stability as well given such traditional perceptions. Singapore and Thailand, on the other hand, regarded Vietnam as the greater threat to

regional stability.

In order to stave off Vietnam ASEAN practiced a two-pronged approach. In the first prong it pushed for the recognition of the Democratic Kampuchea (DK) government that was previously in power at the United Nations in New York. And after the atrocities of the Khmer Rouge became widespread knowledge, it broadened the exiled government to include Son Sann's Khmer People's National Liberation Front (KPNLF) and Sihanouk's Front uni national pour un Cambodge indépendant, neutre, pacifique, et coopératif (FUNCINPEC) to form the Coalition Government of Democratic Kampuchea (CGDK) that held the seat until 1989. Separately, Thailand that claimed it had become a frontline state against Vietnamese aggression after the Cambodian buffer against Vietnam was removed pursued a policy of alignment with China (Paribatra 1988). This policy in turn led to China's punitive expedition against Vietnam in February 1979 as well as joint efforts with Thailand to arm and equip Khmer Rouge fighters to regularly make forays from the Thai-Cambodian border to attack regular Vietnamese occupation troops.

3 The Post-Cold War Situation

The post-Cold War period is generally marked as having started after the conclusion of the Third Indochina War following the withdrawal of Vietnamese occupation troops from Cambodia. The resolution of the Cambodian political situation by the international community and ASEAN's enlargement to include the Indochinese states also signaled the collapse of the Cold War regional divide that was premised on ideological considerations. Subsequently ASEAN worked towards the enlargement of the regional grouping to fulfill the declaratory intent of the founding fathers of the organization for it to embody and represent the entire region.

While the absence of ideology facilitated the reduction of regional tensions at the broadest level resulting in a peace dividend that was amplified by the end of the earlier Indochina proxy wars fought in the region new fissures began to emerge. Paradoxically, the Cold War had actually allowed for a good measure of convergence in the foreign policy output of the ASEAN states on the one hand and the Indochinese states on the other. The dissipation of this ideological glue led to much higher levels of bilateral tensions among geographically proximate states (Ganesan 1990). And replacing the previous state centric security threats were new ones that were couched in non-traditional garb. Such threats included illegal migration and refugees, illegal fishing, piracy, air and marine pollution and ethno-religious tensions (Ganesan 2001a). Hence while widespread conflict was averted compared to the past the new threats tested the unity of the region and its much celebrated

success in regionalism.

Malaysia and Thailand were the two countries most affected by illegal migration and refugees. In the case of Malaysia, the two major sources of illegal migration were from Indonesia and the Philippines. While Indonesian illegal migrants who topped 2 million in number terms in the 1990s were generally to be found in peninsular Malaysia, Philippine illegal immigrants normally made their way to the East Malaysian state of Sabah. The staggering numbers often led to mass arrests and deportations especially in the wake of the Asian financial crisis in 1997 when regional countries became much more introverted and attended to their own domestic woes. Malaysia also hosted a large number of illegal immigrants from Nepal, Bangladesh and Myanmar who were attracted by the demand for low skilled labour and high wages. Seemingly lax security and enforcement capacity also encouraged such illegals. Since the mid-2010s however, the number of documented migrant workers from Bangladesh and Myanmar have exceeded those from the Philippines. Additionally, over time the country also hosted a large number of Muslim Rohingya refugees from Myanmar who had fled persecution from where they were settled. The Myanmar military and Rakhine Buddhists in Myanmar always regarded the Rohingya as illegal immigrants from Bangladesh and treated them poorly with a host of restrictions. Additionally, the interethnic violence in 2012 and 2017 displaced a large number of them into Bangladesh as refugees. And some 140,000 of them have been held in internment camps as internally displaced persons. Hence the Rohingya on both sides of the border have constantly sought to flee to a more hospitable environment. As a result of these developments bilateral political relations between Indonesia and Malaysia on the one hand and Malaysia and Myanmar on the other tended to be tense. The religious nature of the conflict involving Myanmar also led to tense relations between Indonesia and Myanmar from time to time. While Malaysia's criticisms of the situation were very local Indonesia maintained a much more subdued response in general and the country's Foreign Minister Retno Marsudi even visited refugee camps to try and mediate the situation. Indonesian diplomat Marzuki Darusman who is the Chairperson of the United Nations International Independent Fact-Finding Mission on Myanmar has also been extremely critical of the situation. And in late 2019 The Gambia has filed genocide charges against Myanmar at the International Court of Justice in the Hague on behalf of the Organization of Islamic Cooperation (OIC).

In the case of Thailand, the major source of both illegal migrants and refugees were from Myanmar that was led by a military authoritarian regime from the time of the collapse of the Ne Win government in 1988 until 2010 when the first quasi-democratic elections were held (Ganesan 2001b, 2013). Illegal immigrants numbering some two million came in search of employment and to escape the harsh economic conditions in their home country.

And the refugees, many of who were Karen fled the violence arising from fighting between the military and the Karen National Union (KNU) that was particularly intense from 1993 to 1995 when the military overran the KNU's major bases in Kawmoora and Mannerplaw along the Thai-Myanmar border. Even today, after third country settlements and repatriation, there are some 92,000 such refugees in Thailand. This cross border flow from Myanmar has in the past almost led to war between the two countries since Thailand has in the past been accused of arming and supporting the Karen National Union (KNU) and the Shan State Army-South (SSA-S) as part of a broader buffer policy against its historical enemy (Chachavalpongpun, 2005; Aung Myoe 2002).

Illegal fishing was also an extremely sensitive issue in the region in the 1990s and led to tense relations between Myanmar and Thailand and the Myanmar navy sank a number of Thai trawlers that it accused of fishing illegally in the Gulf of Martaban and subsequently halted the sale of trawler licenses to Thailand in 2000. Similarly, the Royal Malaysian Navy opened fire on a Thai trawler that led to the death of two Thai fishermen in the 1990s and the two countries had to avert a major diplomatic row owing to the Thai trawler fleet threats to block the country's coastline where the disputed activity took place (Ganesan 2001b). This continues to be a major issue in Southeast Asia and at the present time Indonesia has launched an aggressive policy of sinking fishing boats that operate illegally in its waters. Since 2014 the country has sunk more than 500 trawlers with more than half of them coming from Vietnam. The Indonesian navy had a number of aggressive encounters with Fisheries Patrol vessels from China and Vietnam near the Natunas Islands that it claims. The region is also rich in oil and gas and Indonesia is anxious to protect both its fisheries and mineral resources in the area. Toward this end the Joko Widodo government is constructing a naval station there that is capable of docking three warships in order to strengthen its surveillance and interdiction capabilities.

Piracy also emerged as a major concern in the Strait of Malacca that connects the Indian and Pacific Oceans and is a major maritime route for the transport of commercial cargo as well as oil and gas. Much of the piracy used to occur at the mouth of the Andaman Sea near Aceh when the region was flush with weapons when the Indonesian military was fighting Gerakan Aceh Merdeka (GAM - Free Aceh Movement). Fortunately, the political solution achieved after the 2004 tsunami that devastated the area led to lesser incidence of such attacks. The second area where piracy was rife was in the Sulu Archipelago where Indonesia, Malaysia and the Philippines are in close maritime proximity to each other. The pirates who typically operated from the southern Philippines were often religious extremists who kidnapped tourists for ransom as well. Owing to these developments both Indonesia and Malaysia have strengthened their naval deployments in the region. Such deployments

are also meant to thwart the Muslim extremists from infiltrating into their countries and launching attacks there. Finally, at the prodding of the Pacific Fleet Command in Honolulu, Indonesia, Malaysia and Singapore have conducted coordinated patrols in the Strait of Malacca since 1995 to deter piracy there as well. Whereas the initial call was for joint patrols, this proposal was rebuffed by both Indonesia and Malaysia that only agreed to the lesser coordinated patrols on account of sovereignty issues. The London-based International Maritime Bureau has also set up a Piracy Reporting Centre in Kuala Lumpur, Malaysia in order to coordinate maritime safety in the Strait of Malacca.

Pollution is a common problem in developing countries especially those that are involved in extractive industries and plantation agriculture. When it occurs within the boundaries of individual countries it becomes an internal matter albeit the lives of the country's citizens are negatively affected. However, air pollution in particular has become a major problem that resulted in bilateral tensions in maritime Southeast Asia. Throughout the 1990s and until very recently virgin forests in the Indonesian Islands of Kalimantan and Sumatra were often burnt to make way for palm oil plantations. Such illegal clearings created fires that often could not be controlled and led to high levels of air pollution that affected neighbouring countries and in particular Malaysia and Singapore. Not only did the pollution threaten public health but also negatively impacted on air and maritime travel and safety. Poor visibility often shut down smaller airports and propeller planes as well as fast ferries and hover crafts that are popular in the region. The region is also a major transshipment hub that makes it even more dangerous with congested ports and waterways. In fact, Indonesia only signed on to the ASEAN Transboundary Agreement on Haze Pollution in 2014 just before President Susilo Bambang Yudhoyono stood down from power. The task of monitoring indiscreet burning of forests has thus fallen on President Joko Widodo who has done much to map landholdings and ownership so as to prosecute perpetrators of such crimes. He has also undertaken the construction of a canal system to stem such fires especially in areas with underground peat deposits that are especially prone to such fires.

Ethno-religious issues are often a cause of tensions and violence within individual countries like Indonesia, Myanmar and Thailand. These countries have extremist groups that are often prepared to incite hatred and get involved in violence. Many of these groups with extremist agendas often parade as Non-Governmental Organizations (NGOs) in order to obtain legal cover and legitimacy. The Indonesian group Front Pembela Islam (Islamic Defenders' Front) is especially notorious for the use of intimidation and violence in pursuit of its agenda (Hadiwinata and Schuck 2015). However, there is also evidence of growing transnational linkages between some of the radical groups in Indonesia, Malaysia and the Philippines. Sustained suppression and greater intelligence sharing and cooperation has

generally thwarted the spread of such transnational activities. The Indonesian government's special anti-terrorist unit, Densus 88, has been extremely successful in its operations at tracking and detaining terrorists and averting large scale attacks. The unit was set up in 2003 after the Bali bombings and has been especially successful in dismantling the network of Jemaah Islamiah, the central-Java based religiously inspired terrorist network. Its last major operative Noordin Mohammad Top was killed in a shootout in Solo in 2009. The unit comes under the Indonesian National Police and reports directly to the President. Other than these regional developments that were often internally derived the actions of the major powers also had a strong impact on the region. In fact, historically this was always the case and the post-Cold War period was no exception to that rule

4 The United States, China and Japan in Southeast Asia

At the broadest level China and Japan exercise a strong influence on Southeast Asia as resident regional powers. The United States does maintain a presence in the region and is a regular participant in security meetings and military exercises. And commercially it does maintain very strong trade and investment interests in the region. It has publicly noted that it is a Pacific power with legitimate interests in the region. In the past it has attempted regional hegemony through structural economic ventures. This included the Pacific Basin concept together with Japan and Australia. Then in the late 1980s it sponsored the creation of the Asia Pacific Economic Cooperation (APEC) forum and President Clinton hosted the organization's first summit meeting in Seattle in 1993. Finally, the latest initiative that was strongly endorsed by the Obama government but scuttled by the Trump administration was the Trans Pacific Partnership (TPP). While these initiatives are couched in primarily economic terms there is no question that there are political motivations meant to include like-minded countries and exclude those that are not a part of the liberal economic network.

In security terms the American presence is felt in terms of its sponsorship and participation in a number of multilateral exercises that are often coordinated by its old allies. For example, Thailand hosts the annual Cobra Gold exercise that has widened its participation and the Philippines that voted out the American military bases in 1991 replaced it with a Visiting Forces Agreement (VFA) under the Gloria Arroyo government in 1999. This arrangement allows for a discreet presence and support for counter insurgency operations in particular. In security terms Singapore is the country with the most formal arrangements under the terms of the 1990 bilateral Memorandum of Understanding, Addendum and Implementation Arrangements (Ganesan 1998, 2005). These agreements allow for the stationing of the Command and Logistics Arm of the Seventh Fleet (COMLOG WESTPAC)

in Singapore. Additionally, they also allow for the rotational deployment of F16 fighter aircraft, amphibious assault craft and the refueling and supply of large warships including aircraft carriers at the Changi Naval Base. In 2003 Kitty Hawk was the first such carrier to visit the port. Beyond these exercises and arrangements, the United States regularly sails its warships through the South China Sea to ensure and enforce freedom of navigation. Such sailings have become much more common lately after the discovery of Chinese installations in the Spratly Islands. More recently these ventures have also included other countries like the United Kingdom and Japan, much to the chagrin of China that regards such activities as provocative and challenging it in its own sphere of immediate influence.

China's presence and influence has grown by leaps and bounds in the last two decades. It has an asymmetrical relationship with many of the countries and is one of the top trade and investment partner for many regional countries. ASEAN signed a Free Trade Agreement with China in 2004 and then upgraded it in 2018 and China has been ASEAN's largest trading partner since mid-2019 after overtaking the United States (Xinhua 23 July 2019). In 2019 China was the most important trading partner for Cambodia, Malaysia and the Philippines.

The China-ASEAN Strategic Partnership Vision 2030 envisages that bilateral trade with ASEAN will peak at 1 trillion dollars and include Chinese investments to the tune of 150 billion dollars. The fact that China does not attach conditionalities for economic engagement also means that regime types and authoritarian domestic practices are of no consequence in Chinese decision-making. Consequently, it has seen its influence rise markedly not just with small countries like Cambodia and Laos but also larger ones that have run afoul of international norms like Myanmar and Thailand. The former has suffered from international condemnation for its anti-Muslim violence in Rakhine state and ongoing military operations against the ethnic armed groups. And Western countries were unenthused with the 2014 military coup in Thailand and the ongoing attempts to structurally entrench the military in domestic politics. It would be fair to say that Thailand has a better political relationship with China rather than its traditional ally the United States now.

China's influence and reach has also been significantly raised by its two major policies that are aimed at furthering Asian infrastructural development and its funding. The first of these is the Asian Infrastructure Investment Bank (AIIB) that was set up in 2016 specifically to fund the infrastructural needs of developing countries. The second initiative that has been championed strongly by President Xi Jinping is the Belt and Road Initiative (BRI) that is meant to link China to the rest of the world and recreate the old Chinese silk route through Iran and Turkey and onward to Europe and Africa (Ganesan 2018a). In fact, even a number of European countries like Italy and Luxemburg have recently signed on to the

projects associated with the BRI.

In the case of Japan, as a result of its own inhibitions arising from its pacifist constitution and the region's bad experience with the Japanese occupation during World War II it has traditionally engaged Southeast Asia economically. This approach was strengthened with the Fukuda Doctrine in the 1970s that informed Japanese policy output towards the region (Sudo 1992). Japan is a major investor in the region in production facilities and automobiles in particular. It is also a major provider of infrastructure and funding needs directly as well as through the Asian Development Bank (ADB) located in Manila. Additionally, it sources much of its raw materials including timber, rubber, palm oil and oil and gas from the region. And given its long history of economic engagement with the region it previously had a significant lead over China in trade and investments. However, that is no longer the case and in a seeming attempt to recapture that role it has formulated a broad policy under the current government to engage the broader Asia Pacific region.

This new policy referred to as the Free and Open Indo Pacific (FOIP) strategy is a policy that is aligned with the United States and also takes into account Australia and India as major partners. The Quad, as these four countries are sometimes referred to is meant to capitalize on like-minded countries and allies with similar political and structural features including the rule of law, the practice of democracy and a free market economy. And there have been some developments in relation to FOIP. They include the United States naming its Pacific Command headquartered in Honolulu as the Indo-Pacific Command and an agreement with Australia to build a naval station in Papua New Guinea in seeming response to growing Chinese assertion and influence in the Pacific Islands. Japan has also eked out an important place for Indonesia as part of FOIP but the latter has been much more reticent since the project is often viewed as an attempt to contain China. Additionally, Indonesia is keen to establish its maritime sovereignty over its own exclusive economic zone, one that is vast and recognized following the decision by the United Nations Conference of the Law of the Sea (UNCLOS) to recognize the concept of the archipelagic state in 1982. Southeast Asian countries that have generally benefitted and developed on the basis of open trade are not keen to participate in any venture that is viewed as being exclusionary and to the detriment of major Asian powers like China and Japan. Nonetheless, both Indonesia and India agreed to the construction of a naval base at Sabang on Weh Island at the mouth of the Strait of Malacca in the Andaman Sea in May 2018. This bilateral defence cooperation is generally viewed within the framework of India's attempts to work more closely with regional countries, secure maritime connectivity and balance China's aggressive developments in Asia generally. And for Indonesia, the agreement serves to consolidate the Joko Widodo government's greater emphasis on regional maritime security and resource protec-

tion.

5 Countries Most Affected by Sino-Japanese Competition

In general, the Sino-Japanese rivalry is most clearly visible and expressed in a number of countries in the region. This includes Myanmar and Thailand in the mainland and Indonesia and Malaysia in the maritimes. Such competition often takes the form of competitive bidding practices for infrastructure projects and also the offer of softer loan terms in order to make the projects attractive. Japan that in the past had a head start in the region is being swiftly challenged by Chinese capital and largesse. However, Japan has capitalized on its historical linkages, the structural quality of its projects and interpersonal linkages as well (Jamrisko 2019).

The situation in Myanmar is a little more complicated than the other cases since the country bore the brunt of a wide ranging international sanctions regime from 1988 onwards. The military authoritarian regime in power then until 2009 cracked down on the 1988 democracy movement violently, detained a large number of opposition politicians and refused to recognize the outcome of the 1990 elections that was handsomely won by the National League for Democracy (NLD) led by Aung San Suu Kyi. Consequently, China which does not impose conditionalities on trade and investments had significant leverage over Japan then and evolved a strong bilateral relationship. Japan had strong historical linkages with Burma from early on through the 30 Comrades that led the independence movement against the British colonizers. These leaders of the resistance movement were Japanese trained. The resulting special relationship was kept intact into the 1980s and 1990s but had to be scaled back as the country was forced to comply with the sanctions regime. Hence the opportunity to reestablish the relationship opened up again under the Thein Sein government in 2010 and it acted swiftly to balance Chinese influence in the country.

The engagement came at multiple levels including support for the peace process with the armed ethnic groups through the Myanmar Peace Centre. There were frequent visits by the leaders of both countries and Prime Minister Shinzo Abe has appointed Yohei Sasakawa from the Nippon Foundation as the country's Special Envoy for National Reconciliation in Myanmar since 2013. Japan offered substantial loans and grants and offered to upgrade the road and rail infrastructure in Yangon. Additionally, it was the first foreign country to complete a deep water port in Thilawa near Yangon in December 2015. Leveraging on that success it developed two Special Economic Zones in the vicinity of the port that offered a beach head for Japanese companies with a strong infrastructural support grid. Then it

offered to help Thailand develop the port of Dawei and has plans for a rail linkage from Myanmar to Thailand to connect with Thailand's Eastern Seaboard Project. And last year it announced a \$120 million upgrade of the port facilities there. That area is also home to a large number of Japanese automobile manufacturers from early on. On the flip side Japan is one of the largest buyers of Thai poultry and marine products.

China's geographical proximity to Myanmar and its long 2,200 kilometers common border has traditionally meant dense interactions between the two countries (Ganesan 2018b). In fact for a long time half of all external trade for Myanmar was overland through Yunnan province in China. While China's early leverage dissipated somewhat from 2010 it has reemerged strongly. And the reason for this has to do with domestic politics and in particular the army's clearance operations in Rakhine state against the Arakan Rohingya Salvation Army (ARSA) that led to the displacement of some 740,000 Muslims into Bangladesh. The horrific stories of mass killings, torture and rape turned international attention against Myanmar with calls for the re-imposition of punitive sanctions. This negative international publicity again offered China the leverage to step up the bilateral relationship in the last two years including shielding Myanmar in international fora and the United Nations. As part of its BRI China has built the port in Khaukphyu in Rakhine state and put in place an oil and gas pipeline connecting the port to Kunming in China. Additionally, it has proposed rail links from China to the two major cities of Mandalay and Yangon and the port of Khaukphyu. Finally, it has recently proposed the construction of economic corridors near the border areas and a direct rail line from the border town of Muse to Mandalay.

Thailand is also an important part of the BRI for China and it has long advocated the construction of a rail network that connects Kunming with Thailand through Laos and Cambodia. The Chinese plan is to run the rail line in the northeast through Nong Khai and Nakhon Ratchasima and then to link up with the Eastern Seaboard Project as well. Thailand is the geographic gateway between the mainland and the maritimes and China has worked on this linkage. And like the case with Myanmar China has also had a better relationship with the military government led by Prayuth Chan-ocha and has sold Thailand weapons including armoured personnel carriers and submarines. In fact Thailand now appears to be diplomatically closer to China than its traditional ally the United States. In May 2019 Thailand signed an agreement to build a landing platform dock valued at 120 million dollars with funding to come from the 2020 defence budget (Parameswaran 2019) Bilateral exchange visits between the political and military elites of both countries have grown markedly since the 2014 coup. Both Japan and China are keen to capitalize on Thailand's Eastern Seaboard Project as a potential bypass to the Strait of Malacca. For Thailand this development has the advantage of strengthening its own position in mainland Southeast

Asia with better linkages to the port cities of Vung Tau in Vietnam and Sihanoukville in Cambodia. The latter was built with funding and technical expertise from Japan.

In maritime Southeast Asia Indonesia was in the middle of competing bids by China and Japan for the rail link from Jakarta to Bandung that was eventually won by China. But Japan managed to showcase its technology with the mass rapid transit line in Jakarta that started operations in March 2019 with a second phase for a much longer line. Indonesia is an important source of raw materials for Japan including timber, rubber oil and gas. Japan is also heavily invested in maintaining the security of the sea lanes in the Strait of Malacca through which much of its shipping traffic passes. Indonesia and Malaysia also have had a testy relationship with China in the past since their Cold War threat perceptions pointed towards China and ethnicity remains a much politicized issue in both countries (Tilman 1984). In fact Indonesia only normalized diplomatic relations with China in August 1990, well after Malaysia that did so in 1974 (Suryadinata 1990). Malaysia had always expressed far greater latitude in its foreign policy output from the time of the Abdul Razak administration beginning in 1970, a policy that was continued and significantly strengthened by Mahathir Mohamad from 1981 with his open disagreements with Western countries and the announcement of a Look East policy. In fact, since reassuming the country's Prime Ministership in 2018 he has reaffirmed his previous policy output privileging Asia.

In the case of Malaysia, China was involved in many large projects under the previous government led by Najib Razak. Two of the most significant were a large housing project catering to foreigners and especially Chinese nationals in the southern state of Johor and the East Coast Rail Link (ECRL) from the east coast port of Kota Baru across the peninsula to the west coast port of Klang. This project was just now renegotiated by the new Mahathir-led government for a shorter and cheaper substitute route (Teoh 2019). The Chinese plan like in the case of Khaukphyu in Myanmar was to be able to bypass the Strait of Malacca and save on shipping and transportation costs. And for Malaysia it would have helped to create jobs and develop the east coast of the peninsula that is much less developed and subjected to the vagaries of the Northeast monsoon for 4 months of the year from November to February. The project would also have strengthened the hand of the government in bringing much needed jobs and investments to an area that has long been controlled by the political opposition through the Parti Islam Se Malaysia (PAS- Pan Malaysian Islamic Party).

Mahathir has always had a fondness for Japan and has long envied the country's work culture and values and established strong bilateral ties with Japan during his earlier term of office from 1981 to 2003. In fact, Japan figured very prominently as part of his Look East policy that has just now been rekindled. It was with Japan's Mitsubishi Motors that he undertook to build the national car Proton in 1983 and it was to Japan where he first

travelled after becoming Prime Minister again hoping to get cheaper Japanese loans to pay off the debts arising from Chinese investments. Japan has expressed interest in building the high speed rail line from Kuala Lumpur to Singapore that has been on the cards but postponed for a few years recently by Malaysia. And like in the case of Indonesia Japan is a large buyer of Malaysian palm oil, rubber and oil and gas. It is also a major investor in Malaysia from early on in the consumer electric and electronic sectors.

6 Likely Future Developments and Trajectories

The recent attempts by major powers to engage Southeast Asia have both added to and detracted from broad-based post-Cold War developments that have characterized Southeast Asian international relations since the 1990s. The first of these is the relative withdrawal of the United States from the region and its attempts to eke out a role as part of a larger Free and Open Indo Pacific that seeks greater engagement with Australia, India and Japan. This engagement is premised on mutually shared values and ideas that include democracy and the rule of law. While these so-called Quad countries have clearly signaled their desire to be part of this new security architecture, Southeast Asian countries have been far more reticent about openly endorsing the concept. And the major reason for such a position is their unwillingness to alienate China since the scheme is often viewed as a competitor to growing Chinese influence and interest in the region. And the United States that in the past used to anchor regional organizations like APEC and the still born Trans Pacific Partnership (TPP) is viewed as having taken a back seat. While Japan has stepped up to the challenge of leading the reconstituted latter trade bloc it has been far less successful with the FOIP. The United States' aggressive trade policies towards China is another negative reason for reticence. After all, most of the regional countries have prospered on the basis of liberal trading regimes in the past and behavior seen as inhibiting such practices have little attraction for these countries.

The Chinese initiatives have been much better received generally. ASEAN has upgraded its trade relationship with China and is keen to remain engaged with a regional political and especially economic powerhouse. It has also gone on to conduct maritime exercises with the Chinese navy since 2018. While some traditional threat perceptions pointed in the past towards China many of these have been assuaged over time. China's highly valued bilateral trade and investment relationships are generally courted while domestic regimes ensure that they do not impinge on state latitude and sovereignty. This freedom is important especially for the larger countries. China's residential status in the region and shared borders with many countries is another reason for its greater influence

and interest that are viewed as a natural extension of such attributes. Consequently, on balance, broad Chinese initiatives have received stronger support since they are not viewed as exclusionary. The willingness of ASEAN countries to take advantage of Chinese funding and support for infrastructural developments and further strengthen trade relations attests to this support. Additionally, such initiatives are not viewed as anti-American or anti-Japanese.

The new regional political and economic architecture has brought some cost to ASEAN in terms of its ability to fashion structural norms that are applicable to the region and the wider Asia Pacific community. Chief among these is the loss of its influence in being able to determine regional norms and aggregate behavior for greater congruence and shared norms. It has also deprived ASEAN of its much celebrated centrality in East Asian regionalism. Such centrality that in the past used to blunt competing demands between the United States and China no longer obtains. Consequently, what little convergence used to obtain towards East Asian regionalism in the past has rapidly dissipated. Not only are China and Japan increasingly having a competitive relationship towards Asia but importantly bilateral ties between Japan and South Korea have also frayed recently. And with the United States seemingly unwilling or unable to heal this rift the structural bonds that arose from the Cold War are also rapidly dissipating. It remains to be seen whether China, Japan and South Korea can return to broader regional initiatives like in the past or whether they will simply be recorded in the annals of history as a bold but unrealized vision.

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