Chapter Three
SECURITY SCENARIO IN SOUTHEAST ASIA: THE ROLE OF EXTERNAL POWERS

In the past two decades the world was witness to three major events with far-reaching political and strategic impacts. The post-Cold War period was a time of academic speculation as Soviet Union fell like a pack of cards. It left US as the sole triumphant superpower ready to savour the fruits of its victory. In the decade known as the post Cold War decade (1990s) relative US disengagement from the Asia Pacific, particularly Southeast Asia, was balanced by its involvement in other parts of the world - the Gulf War and the civil war in Yugoslavia. Such a change of mind can be explained. For many years the US remained engaged in the Cold War conflict in Southeast Asia costing the country a lot of money and men; it had thus become necessary for the US to pull out of that mould and refresh its image as a state with international responsibilities. The opportunities were provided by Saddam Hussein’s invasion into Kuwait in 1991 and by Milosevic’s policies of ethnic cleansing of minority groups in the post-Yugoslav period. In both the cases US played a prominent role either on its own (as in the case of the Gulf war) or in unison with allies (as in the case of the civil war after the break up Yugoslavia).

Asia Pacific, particularly the region Southeast Asia was extremely important during Cold War period; it too had its own share of ups and downs during the nineties. The impact of the disintegration of the Soviet Union has been profound on the region. The political warming in Europe had its impact on Asia Pacific as well as on Southeast Asia. Important dividends of the political warming efforts include the warming of the Sino-Soviet relations. It also implied the improvement of the Sino-Taiwanese relations, and the rapid improvement of the relations between ASEAN and the Indo-Chinese states. It also witnessed as mentioned earlier the relative disengagement of the US from the region especially Southeast Asia.¹ This region had been reactive to

¹ The US Policy on Force Reduction in Asia known as East Asia Initiative (EAI) had decided too bring down the forces by 12% by the end of 1992 from 135,000 to approximately 120,000. In light of their decision to close their bases in the Philippines, some addition 8,100 personnel were sent home, bringing the presence of US forces to a little over 11,000. However after repeated concerns expressed by many Asian countries especially from Southeast Asia, the Bush administration decided to keep some forces. The force present hence forth in East Asia was not less than 100,000 military personnel. For more on US force reduction initiatives see, Michael Leifer, “A New Regional Order in Southeast-Asia: ASEAN in the post Cold War Era”, Adelphi Papers, no.279, London, International Institute of Strategic Studies (IISS), 1993, pp.12-13. Ron Huskein, “Southeast Asia: Major Power Playground or Finishing?” Strategic Defence Studies Centre (SDSC) Working Paper, no.408, Canberra, Australian National University SDSC, April 2008, p.4.
the changing political and strategic patterns of the post Cold War developments. Particular to Southeast Asia was the remarkable breakthrough in the Cambodian situation. Some of the other positive impacts include the normalisation of the Sino-Vietnamese relations, the restoration of Sino-Indonesian diplomatic ties, the betterment of the Sino-Singapore relations and the Sino-Brunei ties. For Southeast Asia, US involvement in conflict in different parts of the world was reminiscent of the Cold War experiences with the US in their region. The Philippines Government was interested in closing US bases. However the events at the turn of the twenty first century strengthened the rationale for its international policing. The 9/11 terrorist attacks on World Trade Center was followed by US retaliatory expedition in Afghanistan. After this major expedition, US engaged in international policing and outdid Saddam Hussein’s regime in Iraq on the pretext of its illiberal nature and on pretext of Iraq’s possession of weapons of mass destruction. However these expeditions in the beginning of the twenty first century was received with less suspicion in Southeast Asia as some states of the region like, Indonesia and the Philippines fell prey to terrorism. In the case of the Philippines, relations with the US did one full circle with the revitalisation of the US-Philippine defence relations and the subsequent opening of the Clark Air Base and Subic Bay Naval Base to the US troops in 2001.

In short, the observations below are indicative of the type of developments that characterised the two decades of post Cold War environment of the region:

> Asia-Pacific and in turn Southeast Asia, is the confluence point of interest of major powers who wish to ensure continuity and stability in the region and yet would like to further their interests here;

> Until the economic crisis that took place in 1997, the speed and rate of economic development in these countries had been much higher than in any other regions of the world. Subsequently, enhancement of national comprehensive strength and economic health of these countries have taken precedence over political complexities strategic rivalry.

> Majority of the states of Southeast Asia have a colonial past. As post colonial entities these states have begun to value the importance of independence, sovereignty, sovereign equality, and non-aggression. Such
positive thinking helps reinforce the principle of enduring peace and stability in this region.

Notwithstanding these positive developments that were visible in the post Cold War period a number of other tensions are prominent in the region. It includes traditional problems like border disputes, overlapping claims over land and sea areas of Southeast Asia. Such problems are rooted in history and await peaceful and satisfactory resolution. Defence procurements add fuel to such thriving bilateral disputes. Besides Southeast Asia is increasingly challenged by non-conventional security threats. Conventional security threats here imply where there is no use of military forces and where there constitutes no war or scope of use of military forces. For instance, in 1997 Southeast Asia was victim to the economic crisis that crippled large economies like those of Indonesia, Malaysia and Thailand and also hit other economies of Vietnam, and the Philippines, partially. It also spiralled into other kinds of tensions within states like the anti-Chinese riots in Indonesia. It also led to the downfall of the Indonesian President Suharto through a democratic upsurge in the country. Likewise Malaysia was witness to political turmoil that activated the demands for the longest serving Prime Minister Dato Mahathir Mohammmed. Demands for separate independence in East Timor tested the ability of the Indonesian State to deal with crisis – East Timor became independent in 1999, but violence tore apart the new born state. UN peacekeeping began restoring peace and order and though political transition has taken place peacekeeping forces are stationed there. Other kinds of non conventional threats include threats of terrorism, ethnic insurgency and separatist movements, environmental disasters, degradation of the environment and its effect on mankind, disputes over resources especially petroleum and marine resources, growth of population and health challenges – epidemics and pandemics, illegal migration and population movements, illegal trade in drugs, small arms, human trafficking, prostitution and child labour. Such emergent challenges have changed the way security has been conceived and conceptualised in Southeast Asia.

Notwithstanding the fact that non-conventional security threats are increasing in number and in kind and have taken away attention from conventional security threats, Southeast Asia is one of those regions where most of the big powers continue to have
interest. For long, the political textures and attendant strategic balance in the Asia Pacific and in turn in Southeast Asia had been determined by the changing relationships and political strategies of the erstwhile super powers and regional powers. It is only in that continuing spirit that their interests towards the region have not been lost. In terms of their geographical proximity and in terms of relevance to the region, the countries that could be focused upon are United States, China and Japan. It is not to imply that other countries in the neighbourhood like Russia and India are of no consequence. In fact in the post-Cold War period Russia was of lesser relevance to the region and that, its interests and political stake in the region were not of equal stature than those of the first three. However, recently Russia’s position has been changing and therefore it deserves attention before proceeding to discuss the former three countries.

1. Russia

In the immediate post Cold War period, Russia’s struggle to attain internal stability and order led to a virtual repudiation of its super power status. Subsequently, Russia lost its immediate interest in maintaining allies in the Asia Pacific specifically in Southeast Asia. Russia has no geographical contiguity with Southeast Asia; therefore in a cooling off period, Southeast Asia was of no direct strategic consequence to her. On the other hand, it became only more realistic that Russia would give attention to her contiguous neighbourhood, especially China considering the latter’s profile and policies towards the region. It may very well be interpreted as Russia’s failure to formulate a substantial policy towards Asia and that disappoints Washington too. US, while thinking of Asia had expressed its disappointment, alleging Russia’s inability to downplay the Chinese factor. What is of fearsome relevance to Southeast Asia is that Russia is likely to support China’s position in Southeast Asia whether the US likes it or not. The Russians cannot make unhappy a very important client in their arms sales market.

In the post Cold War period members of Southeast Asia were expecting Russia to play a more substantial role particularly in terms of countering the Chinese influence. After an initial attempt by Foreign Minister Kozyrev in 1992 to push for
multilateralism in Asia, ASEAN being one of the forums, Russia failed to carry on with similar vigour. This was partly because of her internal problems but partly also because China was soon acquiring priority in Russian foreign policy agenda. Subsequently, members of the Southeast Asia were not expecting strategic support or huge economic dividends from Russia. At the strategic front, Southeast Asian countries were not particularly happy with Russia’s support for China in her claims towards the Spratlys. Russia’s military presence in the Cam Ranh Bay had been reduced and subsequently evacuated in 2002. It made an impression that Russians were ready to downsize their role as guardian to the countries of Southeast Asia particularly the littoral states of South China Sea. In particular Vietnam, Russia’s Cold War ally had not received enough positive vibes from Russia so much so that they were not very keen to renew their joint oil exploration deal at the South China Sea.\(^3\)

Notwithstanding arms sale which the Russians were anyway selling to other Asian countries outside Southeast Asia, ASEAN members consider Russia a marginal player. In the post Cold War period Russia was selling arms to Southeast Asian countries such as, Myanmar, Philippines, Thailand, Indonesia and Malaysia. Sooner however, Russia began to loose some of these clients because most Southeast Asian countries are not rich and also because they were also open to arms sale offers from other countries. Myanmar found their budget short of the price for ten Russian MiG-29s and two MiG-29 UB trainers negotiated for US$ 130 million.\(^4\) Besides, Russians were also giving assistance to Myanmar in building nuclear reactors. However, the deal broke down as there were serious problems regarding the mode of payment for Russian light-water nuclear reactors. The Myanmar government was not at a loss as they soon found friends in North Korea and China for the same kind of assistance. Perhaps the same may not be said of Russia who lost a chance to establish some kind of influence in Myanmar and in the process balance the Chinese preponderance in Myanmar. Russians offered MiG-29s to Myanmar’s neighbour Thailand in order to

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\(^2\) Read Address by A.V. Kozyrev, Minister of Foreign Affairs of Russia at the Consultative Meeting with the ASEAN Ministers of Foreign Affairs, July 25, 1992

\(^3\) Russians and the Vietnamese had established a joint oil exploration project Vietsovpetro in 1981. However by the twenty first century, Vietnamese were not interested in renewing this lease that involved operations in at least three oil fields in the South China Sea off the coast of Vietnam.

\(^4\) Ibid, p. 282.
pay-off a debt arising from the purchase of 500,000 tons of rice. However the Thais were comfortable with US weapons and found them of better quality. Malaysia is known as one of the most important Southeast Asian clients in the Russian arms market but Russian weapons and deals were facing serious competition from western countries including the US. Moreover, the terms of deals were not necessarily mutually acceptable. Indonesians were buying weapons from the Russians not because Indonesia had returned to Sukarno's foreign policy orientation but because the US had slammed an arms embargo in response to rising Islamic fundamentalism in that country that began in response to the mass killings in East Timor after it declared independence in 1999 and remained in place till 2005. Within this period Indonesian Presidents Megawati Sukarnoputri and Bambang Yudhoyono bought weapons from Russia. Russia is continuing to expand its increasingly massive arms trade with Indonesia. Rosoboron Export, the Kremlin's monopoly corporation to direct and coordinate arms sales around the world, has concluded contracts to supply six Sukhoi Su-30 Flanker-C jet fighters and 18 BMP-3 infantry fighting vehicles to the armed forces of Indonesia.

In the post Cold War Russian trade was also not fairing very well. One plausible explanation is that Russians were mixing up arms sale with normal trade where payments were being balanced through counter trade in kinds and commodities. Trade during this period was also not very substantial with the Southeast Asian neighbourhood mainly concentrating on Vietnam and Singapore. This was perhaps because of the appalling condition of the Russian economy and the weak governmental institutions, organised trade could not have gone a long way. Therefore Russians were not only deprived of core monetary and economic gains through trade, but also from the chance to gain influence over the region through economic diplomacy. Given this context, the invitation to the ASEAN Regional Forum (ARF)

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6 In the 1990s the mode of payment involved both hard currency and counter trade through palm oil to be bought by the Russians. The latter were not particularly interested in palm oil as it takes not much time to understand that the Russians were cash hungry and were in arms sale to earn quick hard cash.
7 For details on the kind of weapons deals between Indonesia and Russia during the period of these Presidents see, Op.Cit, pp.287;289.
was just a courteous gesture from Southeast Asia, which Russia had no reason to deny.

Relations have begun to be put into order by the ambitious and very enterprising Yelstin-successor President, Vladimir Putin at the turn of the twenty first century. The tone had been set by the appointment of Yevgeny Primakov in 1996. He was known for his non-ideological, pragmatic approach in reorienting Russian foreign policy from steep anti-Western outlook to one based on economic strength and practical political calculations. For President Putin, one of the first jobs to be established was to reinstate Russia’s belief in multilateralism and institutionalism. It seems he had his brand of ‘new realism’ that was propelled on the mute acceptance of multi-polarity as the order of the day. For him the focus was to act as a responsible big power, and ensure its own interests in Asia Pacific and in Southeast Asia. The region was and is certainly a very important part of this multilateralism. Under such circumstances staying clear of power competition seemed difficult. While in the case of US Putin had boldly expressed his unhappiness and concern over the “uncontained hyper use of force” by US in excuse to fight war, he showed intelligent foreign policy thinking in accepting China as a strategic partner and encouraged cooperative relationship with that country. Its implications would not have been good for Southeast Asia excepting for the fact that Putin saw ASEAN as an integral part of his policy towards Asia. Putin’s intelligence foresaw that ASEAN as a regional grouping could provide Russia a large market for trade especially trade in arms. In the process, Russia under Putin was able to rejuvenate arms sale to her old clients – Vietnam, Malaysia and Indonesia. Particularly with Vietnam, a strategic relationship was put in order to bring about continuity in the state of relation from Cold War and yet not loose sight of the requirements of present times. Apart from boosting bilateral economic relations, recently Vietnamese Deputy Prime Minister cum Minister of Foreign Affairs Pham Gia Khiem and Deputy Foreign Minister Denisov stressed that Russia be involved in developing the nuclear energy sector in Vietnam. Besides, the two countries in 2006, have signed a Supplementary Protocol on the “Vietsopetro” Joint Venture

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11 Speech and the following Discussion by Russian President Vladimir Putin at the Munich Conference on Security Policy, Munich, February 10, 2007
12 Bo Ngoai Giao Viet Nam, Ministry of Foreign Publications, November 11, 2008.
contract for ensuring its terms of its operations beyond 2010. Malaysia has once again become an important buyer. The country also benefited from Russian initiatives to build cooperative trade relations and assistance to his people in strengthening infrastructure. Buszynski writes, "The Russians lavished much attention on Malaysia in various ways to strengthen the relationship; Russia agreed to launch Malaysian satellites and to train Malaysian cosmonauts who would be launched on Russian rockets." Malaysia's response to Russia was warm to the extent Malaysian Prime Minister Mahathir, while visiting Russia in 2002 offered to be Russia's "gateway to Southeast Asia." Yet one must not lose sight of the fact that Malaysia's positive response to Russia's cooperative gestures was at a time when most Islamic countries in Southeast Asia especially its neighbour Indonesia were booked by the west for being a hub of notorious Islamic activities. Russia's arms deals with Indonesia however have not been that smooth. Russian arms companies for one are not very approving of counter-trade. On the Indonesian side, governmental scandals during Megawati's period led to oppositional challenges on decisions to buy arms from Russia. However things were put in order with Putin's visit to Indonesia in 2007 where trade ties and military co-operation became important in a region increasingly defined by Sino-US rivalry or competition. Putin's visit can be seen as a very bold step in the direction of making Russia's presence felt in this archipelagic region of Southeast Asia. The Russian authorities are hopeful that the initial problems with counter-trade would be compensated with more orders from Southeast Asian buyers and that would balance the initial imbalance in trade. More important is the spirit in all these attempts to attract buyers – to win the confidence of these countries and find a way into the multilateral spirit of Southeast Asia.

It better be left to time to see what kind of strategic scenario would evolve out of Putin's enthusiasm in making Russia's presence felt in strategic places in Southeast Asia. To put it simply for now, it may once again tickle the complexities of a US-Sino-Russia triangle in Southeast Asia. Whether it will be comparable to the Cold War times would always a subject of political speculation and strategic calculation. In the meanwhile Russia is wasting no time in reaping the benefits of emerging

13 Ibid.
14 Op.Cit, no.4, p. 287.
15 Ibid, 286.
16 Ibid, p.288.
institutionalism and multilateralism. She became a full dialogue partner to ASEAN in 1996. Starting with the establishment ASEAN-Russia Joint Cooperation Committee in 1997, economic and trade relations have certainly gained momentum. It has been reflected through the initiation of the First ASEAN-Russia Business Forum at Kula Lumpur in 2000. That was followed by the first meeting of the Malaysia-Russia Business Forum in February 2003. In the same year, ASEAN and Russia have also established a Working Group on Trade and Economic Cooperation (ARWGTEC). At the political front, the Joint Declaration of the Foreign Ministers of ASEAN and the Russian Federation on Partnership for Peace and Security, and Prosperity and Development in the Asia-Pacific region signed in 2003 in Phnom Penh, Cambodia, has played a significant role in strengthening the Dialogue Partnership. However, it was Russia’s acceptance of ASEAN’s Treaty of Amity and Cooperation (TAC) at the 10th ASEAN summit at Vientiane on 29 November 2004 that must have infused enough confidence about her good will towards Southeast Asia for it led ASEAN to propose the first ASEAN-Russian Summit in 2005 to which Putin was invited. At the end of the Summit, at Kuala Lumpur, a Joint Declaration was signed by the heads of the ASEAN countries and President Putin. It was a credible achievement for Putin for he had taken a substantial step towards his claims towards Asian multilateralism and Asia Pacific regionalism. However Russia’s achievement should be taken with a pinch of salt as Buszynski writes, “[d]espite such hopes, however, Russia failed to obtain agreement to regularize these meetings. Singapore was the coordinator for the ASEAN dialogue with Russia and Prime Minister Lee Hsien Loong rejected the idea of regular meetings until Russian relations with ASEAN became more substantial.”

Putin’s presence at the East Asian Summit at Kuala Lumpur 2005 would have not been possible except for erstwhile Prime Minister Mahathir’s vehement campaign. There was substantial difference with other members of ASEAN over Russia’s

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17 In the joint declaration a wide array of very positive steps and provisions have been mentioned that would promote the dialogue partnership between ASEAN and Russia. In order to strengthen the dialogue process a number of dialogue channels have been identified. A part of this declaration is also devoted to strategic political cooperation. See, Joint Declaration of the Heads of State/Government of the Member Countries of the Association of Southeast Asian Nations and the Head of State of the Russian Federation on Progressive and Comprehensive Partnership, Kuala Lumpur, December 13, 2005, at http://www.aseansec.org/18071.htm. 18 Op.Cit, no.4, p.290. 19 Originally the idea of an East Asia grouping was the brainchild of erstwhile Malaysian PM Mahathir Mohammad. He strongly supported Russia’s inclusion in the Summit and justified it on the grounds that if New Zealand and Australia could be included in the Summit, then Russia should also be included. At the 1st Summit Russia in 2005 was present as the observer; a fifteen minute time slot was kept for Putin’s speech. However Russia is still not a member of the summit.
inclusion. While Singapore still found it difficult to accept Russia as a state with close ties with ASEAN, Indonesia feared Russia’s inclusion would mean expansion of the East Asian Summit which would reduce ASEAN’s weight as an important actor in the summit. Therefore there are still some countries in ASEAN who are not comfortable with Russia’s inclusion in the Asian multilateral system; this perspective could prove to work as a cross current to Putin’s idea of Asian multilateralism. Of very late institutional cooperation between the two sides has gained momentum. Both the 6th Meeting of the ASEAN-Russia Joint Planning and Management Committee (ARJPMC) and the 7th Meeting of the ASEAN-Russia Joint Cooperation Committee (ARJCC) were held in the Smolny Palace, Saint-Petersburg, in October 2008. The positive spirit of joint cooperation was highlighted in their joint statement release, it mentioned very clearly the purpose of their discussion, “[t]o realize the Roadmap on the Implementation of the Comprehensive Program of Action to Promote Cooperation between ASEAN and the Russian Federation, 2005-2015 … the Meeting focused discussions on the progress achieved in the priority areas like culture, tourism, energy, disaster management, counter-terrorism, science and technology, identified under the Comprehensive Program of Action to Promote Cooperation.”  

In terms of realpolitik, Russia can earn itself a position of influence over the Southeast Asian countries either through arms sale or through the sale of oil and gas. As far as the former is concerned, it has not been such a promising picture; there are several other external powers like the US and China who sell arms to some of these countries. In turn, they have good relations and considerable influence over them – China over Myanmar, US over Thailand and Singapore for instance. Further, it can be argued that arms are hardly a good investment. Southeast Asia being such a vulnerable zone with endless political differences and conflicts, arms are a fuel for trouble. Besides, arms only produces more arms, the spiral effect is hardly desirable in a conflict prone region like Southeast Asia.

On the contrary, oil and gas are more valuable to the growth hungry region of Southeast Asia and Russia could be a regular supplier to meet this need. It is in this realisation that at the East Asian Summit Putin showed his interest in supplying oil

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20 Co-Chairman’s Report of the ASEAN-Russia 6th Joint Planning and Management Committee Meeting, St.Petersburg, Russian Federation, October 8, 2008.
and gas to the ASEAN countries. It may not be easy considering the distance between Russia and ASEAN. It will depend on Russia’s ability to construct pipelines from their oil fields located in Siberia. Constructing pipelines at the shortest distance would certainly be a priority in order to control supply costs, but the Russian domestic front has failed to arrive at a consensus over whom to prioritise as suppliers. Putin seemed to prefer the Angarsk – Nakhodka pipeline with the intention that it will also provide for a branch line to supply China. Perhaps Putin aimed to acquire buyers both near and far. But on the other hand Russia’s energy ministry sees it as practical to concentrate more on the Angarsk – Danqing Pipeline and supply oil to an energy hungry China. The erstwhile Russian Industry and Energy minister in December 2005 Viktor Khristenko had echoed their disinterest in Southeast Asia by boldly declaring that Russian oil would flow to China, Japan and India but not to distant Southeast Asia. Yet of recent, Russia has constructed an oil pipeline from Siberia to Nakhodka in the Pacific in order to facilitate direct sales to the energy-hungry states in Southeast Asia.

Russia’s energetic inclination towards Southeast Asia must be analysed with one pertinent point in mind that Russia is in greater need to earn for herself a position of respect and warm reciprocity from Southeast Asia than vice-versa. Putin’s vision of Asia Pacific regionalism may have gained life with its inclusion in regional institutions like the Asia Pacific Economic Co-operation (APEC), ASEAN and the East Asian Summit (EAS). However Russia will have to play its role very sensibly and with a lot of patience. In the East Asian community China will always try to steal the show for she has her own calculations regarding US or Japan and in this context, Russia will certainly be placed as the second perhaps even the third place. In the context of Southeast Asia, there are more serious contenders from East Asia itself – China, Japan and to a lesser extent South Korea who have, over the years, cultivated an evolving relationship with ASEAN (they have been rewarded with ASEAN +3). The most important challenge to Russia even after so many years after the Cold War, is that with the kind of past she has it is difficult to dissociate Soviet Union from Russia. It portrays its image as an extraneous power with European linkages; moreover its history is a testimony to its drive towards power

and imperialism. Therefore ASEAN countries would at best discuss and debate regional strategic trends by excluding Russia, or at worst accept its presence as a necessary evil. In any case Russia cannot escape the controversy and debate accompanying its presence in this part of the Globe.

2. United States

United States' military presences in foreign lands have largely been dependent upon friends and allies in various parts of the world through alliances and treaties. In the case of Southeast Asia the alliance during the Cold War period was known as the South East Asia Treaty Organisation (SEATO). In the post Cold War period there was an intense debate in US over the roadmap of the future US foreign policy towards the region. The 'isolationists' argued for the withdrawal of the US forces since the 'US overstretch' was draining the country of all its economic accomplishments. Subsequently, the early nineteen nineties saw a substantial decrease in military deployment from the Asia Pacific. In Southeast Asia, US closed its Clark Air Base and Subic Naval Airbase in the Philippines. At the same time the senior Bush administration announced US$84 billion cut in defence expenditure in order to cope up with domestic expenses. On the other hand the 'internationalists' argued for a continued dynamic role for the United States. They basked in the glory of unipolarity. They saw US as a commercial, maritime and trading nation which needs a stable environment to serve its interests. The fact that Asia Pacific and in particular Southeast Asia was economically, politically and strategically vibrant made the region very attractive to the US. Subsequently, US policy towards Southeast Asia was regulated by the three overarching principles of stability, democracy and access. James Baker, US Secretary of State who proclaimed in the 1991 issue of the Foreign Affairs that, "the Pacific Community needs to be founded on the three pillars. First...framework for economic integration. Second...foster the trend towards democratization. Third...define a renewed defence structure...a prerequisite to maintain stability." He imagined US foreign Policy towards the


region as a fan with three spokes. In an attempt to draw an operational framework for achieving such foreign policy objectives he wrote, "Imagine a fan spread wide, with its base in North America and radiating West across the Pacific. The Central Support is the US-Japan alliance, the key connection for the security structure and the new Pacific partnership we are seeking. To the north, one of the spokes represents our alliance with the Republic of Korea. To the South, others extend to our treaty allies – ASEAN. Further South the spoke extends to Australia – an important, staunch economic, political and security partner."\(^{24}\)

Therefore US depended on Japan to build a new regional security relationship with the East and the Southeast of Asia. Towards ASEAN, US sought to develop a closer security relationship. However, not all ASEAN members were convinced of US intentions. Philippines President Fidel V. Ramos in one of his speeches aired some of that apprehension, "...on the issue of propositioning American material, no large ASEAN country has offered forward-basing arrangements in the United States. In my view, this caution arises partly from a lesson remembered from the colonial period. Every Southeast Asian culture has a variant of the Malay proverb, ‘when elephants fight, the mouse deer between them is killed’."\(^{25}\) Yet US presence based on a collective security relationship forged through ASEAN institutions was Washington’s policy preference for the future after the Cold War. US continued to consider ASEAN a vital spoke in its Pacific fan. Though the US reduced its overseas military presence in various parts of the Pacific, it did not wish to reduce its military strength below 25 percent in Southeast Asia; Washington considered this minimal amount of military deployment essential to its interests in the region.\(^{26}\)

While addressing the implications of continued US presence, two factors are of relevance to Southeast Asia and its strategic scenario. First, the chance of continued competition and conflict between US and other major powers, those were once so common during Cold War. Second, is the direct relationship between US and

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Southeast Asia, which has many components and dimensions to it. Thus, both these dimensions need brief discussions.

When US would look out for potential powerful contenders and rivals in the Asia Pacific particularly in Southeast Asia, the People’s Republic of China by far will seize all the attention. China is the emerging great power and the US has been the predominant one. Under such circumstances, their common presence is likely to keep the Southeast Asian security scenario complex and fraught with contentious issues that would emerge periodically. There was once a time when these power giants of the Pacific Rim viewed each other as strategic allies, both compelled into relation of compromise in order to counter the ascendance of the Soviet Union in Asia. With the end of the Cold War, and the demise of the common enemy, conflicts between them begun to emerge in a number of areas – trade, human rights, Taiwan, weapons proliferation and the issue of non-proliferation. Truly after the Cold War, cooperation seemed secondary to strategic and political considerations. Circumstantially, certain unfortunate events have added on to make the difference. Security relations between Beijing and Washington have become increasingly strained due to unpredictable events and differing strategic outlooks. On the one hand Beijing is concerned with the developments within the US foreign policy world wide and certainly those related to the Asia Pacific. North Atlantic Treaty Organisation’s (NATO) eastward expansion and military activities in Kosovo is of international concern, but other activities like the prospects of the US Theatre Missile Defence in East Asia, the reaffirmation of the US-Japanese security alliance, arms supply, and special political attention to Taiwan aroused China’s suspicions of American strategy to contain China in its own region vis-à-vis US hegemonic designs. On the other hand, Washington is concerned with improving Sino-Russian relations and the Chinese acquisition of advanced conventional Russian weapons, China’s own efforts at modernisation of its armed forces as well as military equipments including nuclear forces, China’s aggressive claims over the disputed

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27 For instance on April 1, 2001 a US navy spy plane collided with a Chinese fighter plane leading to tensions between the two countries. China claimed that the surveillance intruded into Chinese air space and when chased by two Chinese fighter jets, it collided into one of them. China claimed that this surveillance plane was actually collecting information about Chinese defence and was spying on Chinese military activities. It led to a stand-off between China and the US as had in its custody of all the crew flight personnel of that spy plane.
areas within the South China Sea towards Taiwan buttressed by the incidents of missile deployment along its southern coast opposite the island.

The Sino-US summits of the late nineteen nineties helped improve relations marginally as US shifted its official position from strategic competitor to strategic partner. However, US has failed to comprehend how to go about dealing with China even after she becomes a partner. Realists are always sceptical about China's intentions; extensive writings can be found to substantiate this realist viewpoint that no matter what Washington thinks of China, it will be the "...chief strategic obstacle to its own geopolitical ambitions." Realists are particularly pessimistic because China has no transparency of their defence expenditures and related Chinese publications they believe, only give part of the real information. A Rand Corporation report issued in 2005 estimated that China’s defence spending is between 2.3% and 2.8% of the nation’s Gross Domestic Product (GDP). This is 40% to 70% higher than official Chinese government figures. The study estimates that the purchasing power of Chinese military spending ranged between US$ 69 billion and US$ 78 billion in the value of dollars in 2001 and could reach US$85 billion in the value of 2001 dollars by 2025. This amounts to more than 40% of the US defence spending during the same period. The Chinese claimed that their defence expenditure has been on the decline (in reference to GDP) – US$37 billion in 2005. It was increased to US$43 billion in 2006. In 2007, Chinese defence expenditures were around US$53 billion which they claimed was a 19.3% increase than previous year; the budget allotted that year was nearly US$63 billion. It was nearly a 19% increase from the previous budget. Therefore in absolute terms, there seems to be an increase in Chinese defence spending. Chinese government's published 2008 military budget was US$59 billion, a 17.6% increase on the previous year. China insists its military preparations are strictly defensive. Yet going by the realist psyche, China must have allotted much more than what has been put out for public consumption. Moreover in arms acquisition and weapons funding, a substantial part of it come from the profits from missile sales to rogue

30 Ibid.
nations such as Iraq, Iran, Libya and Syria. This is a contentious issue and a constant source of tension in Sino-US relations. On the other hand, the Chinese the military authority feels they need to reckon with US strategic dominance there in order to plan their defence planning. However, China’s need to challenge US hegemony in this region is undercut by its intent on avoiding any needless embroilments that might lead to a near-term standoff with the United States. Unlike the uncompromising characteristic of Chinese bureaucracy, the People’s Liberation Army (PLA) leadership surprisingly shows some amount of pragmatism in accepting the contemporary Sino-US accommodation provided their military development goes uninterrupted.

Since the 1997, the Asian crisis provided ample scope to the US to expand its influence by acting as a guarantor of economic and political stability of the region. Some countries of Southeast Asia like Singapore have reacted positively to the US. The point is that if US needs to make a place of its own in this region, then it makes sense that US see China as a strategic partner and vice versa. It would mean not only that Beijing be more tolerant of US presence but also of the activities of her allies. For instance, incidents like that on April 17, 2001, when a PLA naval patrol vessel intercepted three Australian warships sailing through the Taiwan Strait would send wrong messages to Washington contrary to what is desirable out of a warm Sino-US strategic relationship. Some other vital issues continue to put stress on the Sino-US relations. US plans for missile defence shield had certainly irritated China. US argued that it had the sovereign right to develop and deploy the National Missile Defence beyond the Anti Ballistic Missile Treaty. Although US has tried to convince China that the arrangement is not directed towards it, the latter finds it difficult to believe that US is investing billions of dollars keeping in mind the rogue states only. Chinese authorities fear loosing their capacity of strategic deterrence

32 Ibid.
33 For detail on these conflicting views , see, Jonathan D. Pollack, “Asia’s Shifting Strategic Landscape: China and the United States Post 9/11”, Orbis, Fall 2003, pp.617-623. Also read Justin Bernier, “China’s Strategic Proxies”, Orbis, Fall 2003, pp. 629-643.
35 As a matter of fact, excluding the P-5, only Israel, Saudi Arabia, India, Pakistan, Democratic People’s Republic of Korea and Iran are countries believed to have medium range missiles above 1000km. Only four of these states – India, Pakistan, DPRK and Iran have the capacity to run intermediate range missiles with ranges over 3000 km, it is unlikely that they will acquire ICBM capacity in the near future. That leaves with China; although they do not make clear their nuclear
and retaliatory capacity. In response to the situation, China has tried to gather friends with a common cause. The Sino-Russian Good Neighbours Treaty of Friendship and Cooperation concluded in July 2001 was a step in that direction. It revealed that both Beijing and Moscow were eager to demonstrate to the US that they have a common concern. Yet the treaty did not amount to an alliance to provoke retaliatory response.

In relation to Southeast Asia, US was provided with a golden opportunity to warm its relations with those countries in 1997. The financial meltdown of 1997 and the following year gave the US the opportunity to play the role of a saviour. Yet the truth is that US was not very serious of the meltdown at least in its beginning. Rizal brings out the nonchalant US attitude. "The economic crisis in Southeast Asia began with the collapse of the baht in 1997, and the US response some think was not enough. It was seen that "with the Thai baht plummeting... the United States remained on the sidelines as the International Monetary Fund mobilized leaders for a US$17 billion bailout of Thailand in August 1997." Further when Indonesia asked for help in October 1997, the Clinton administration still hesitated to act.

One therefore might of the view that the ASEAN countries were not an immediate priority to the US. Nonetheless, this constitutes only a minor part of the general impression about US responsibility towards the region. The fact is that no other country had the capacity to organise coalitions that may provide financial support to countries in economic peril. It was the US markets that provided the source of purchasing power that helped the Southeast Asian economies survive. US also used its influence to direct the policies of the key international institutions like the IMF and the World Bank. If US had been initially hesitant over playing the role of a saviour, it was because of strong perception that ASEAN needs US more, but US

programme, they have CSS-4 Intercontinental Ballistic Missile force with an approximate range of 13,000 km making it easily capable of targeting Washington. Given such facts, needles to say that China feels uncomfortable about the NMD.


38 Ibid, p.87.
does not need ASEAN that much. Further, US seemed interested in building relationships at a bilateral level than as a corporate entity – it goes on to imply that US relations with ASEAN, as far as it may have progressed, is an aggregation of bilateral relations with individual countries in either economic or in political or strategic terms. Since US bilateral relations with all the ASEAN member countries are not on an equal footing, it may be derived that US-ASEAN relations are not entirely flourishing.

There are also problems relating to the fact that ASEAN and US hold different views on the question of regional security arrangements. The main issue of contention centres on the problem of differing motives that guide the respective approaches – ASEAN’s attitude and that of the US towards the growing importance of multilateral security dialogues in the region especially the ASEAN Regional Forum (ARF). US response to such multilateral forums has not been very warm; calls for multilateral forums have been received by US with suspicion. The US has only tried to maintain a policy of rhetoric approval to multilateral arrangements. In that spirit, the US administration did send words of encouragement to the ASEAN; for example Bill Clinton’s Secretary of State Madeline Albright declared at the 1999 ARF meet at Singapore that “The United States is a strong supporter of the ASEAN Regional Forum.” At an earlier instance, the 1998 East Asia Strategy Report maintained that, “[US] also highly values the substantial progress we have made in our bilateral and multilateral relationships throughout the region as we explore a range of vehicles for promoting constructive ties among nations.” US strategists don’t believe that defence multilateralism were an alternative to defence bilateralism; at best the former could be a supplement to the latter. In this context, ARF being an essentially a very regional organisation, it would not be exactly US’s cup of tea to the extent that neither the US will manage to further its macro interests (like China, Taiwan and North Korea, and at present terrorism). The ARF does not consider its existence under the leadership of the US plausible. It implies that, while

39 For instance, while US relations with Singapore and Thailand has been fair, but with Indonesia US has not been in comforting terms, differences had cropped up on the question of East Timor, Islamic fundamentalism and terrorism.
US will try to enhance bilateral gains through Southeast Asian multilateralism,\textsuperscript{42} Southeast Asian countries (or for that matter most of Asia Pacific) will stress on multilateralism for 'hegemony management'.\textsuperscript{43}

Even at the bilateral level, ASEAN countries are not very convinced with the assurances of the US security commitments to their region. This has coupled with US's initial reluctance to respond quickly to the Asian crisis.\textsuperscript{44} US has varying levels of engagement with the members of ASEAN, with old bilateral allies – Philippines, Singapore, Malaysia and Thailand relations are quite warm. With newer members of the ASEAN – Vietnam, Laos, Cambodia and Myanmar, relations are yet to gain momentum. In regard to Indonesia complications have risen in the recent past. US has embarked on a policy of propagating and help establishing democracy worldwide; among the prioritised countries Indonesia was one of them. Especially after the Asian Financial crisis, US was convinced that her democratic agenda will have a better opportunity. However Indonesia response was factored by two factors. First, were suspicions about the kind of involvement and commitment of the US towards this region. Second, Southeast Asian countries are not cordially receptive of US interference in their domestic affairs because they have consciously promoted the principle of non-interference in the ASEAN. Further, Indonesia was forced almost cajoled into accepting International Monetary Fund (IMF) packages so as to ensure quick recovery from the financial meltdown. As the IMF was perceived as an organization largely under US influence, anti-US sentiments begun to grow in Indonesia.\textsuperscript{45} Malaysia, Indonesia's neighbour and a one-time friend of US also expressed its suspicion; ex-Malaysian Prime Minister, Mahathir Mohammed went to the extent of accusing the West including the US of engineering the economic crisis to punish Asia for its success.\textsuperscript{46} Dissatisfaction with Washington's role in the crisis led them realise that the crucial components of the post Cold War American

\textsuperscript{43} Davis B. Bobrow makes an impressive presentation of this concept where he shows how in the Asia Pacific Region APEC has served as a fine example of the process of hegemony management. Davis B. Bobrow, "Hegemony Management: the US in the Asia Pacific", \textit{The Pacific Review}, vol.12, no.2, 1999, pp.173-197.
foreign policy like human rights and democracy and Washington’s determination to apply those to Southeast Asia are patronising, intrusive and inconsistent with ASEAN’s principle of non-interference. As a case to the point, when Indonesian Minister of Finance Bambang Sudibyo was being pressurised by the US ambassador to Indonesia on the appointment of the Chairman of Indonesian Banking Restructuring Agency (IBRA), Chairman of the People’s Consultative Assembly, the MPR (Majelis Permusyawaratan Rakyat), reacted angrily to what was seen as an act of interference by the US in Indonesia’s internal affairs. Vice President Megawati Sukarnoputri also reacted very strongly to this event.

From the above discussion it becomes clear that US role in the post Cold War and reactions to them period at least in the decade of the 1990s had depended on the following factors:

- Ability to promote economic and political reforms in the countries without running the risk of provoking backlash;
- The degree of success in assisting in reforming political institutions;
- Ability to show a genuine concern to draw all the victim economies from the crisis;
- Readiness to maintain military presence inspite of weak financial allies;
- Constant Congressional support so that US can sustain its efforts at assisting reforms in Southeast Asia;
- Ability to sustain increasing trade deficits that will be a part of an Asian recovery strategy based on export based rejuvenation.

The terrorist attack in the US on September 11, 2001 had far reaching consequences. It demonstrated the need of a coordinated effort between nations to fight the scourge of terrorism. It produced a common agenda between the US and many countries across the world, many in the Asia Pacific. The United States National Security Policies have acted in that direction. Taking note of the fact that US shall remain an inescapable part of the region and its strategic dimension, in

48 ibid, pp.19-20.
order to serve its own interest a successful anti-terrorist campaign requires US make alliances with the states of this region.\textsuperscript{50} In Southeast Asia, the ASEAN countries have condemned the acts of terror. Further they have taken serious steps towards combating terrorism. The 2001 ASEAN Declaration on Joint Action to Counter Terrorism clearly reflects their seriousness at forging closer cooperation at all levels respective governments. Inspite of the fact that the declaration made no explicit mention of an active US military involvement, the declaration bears the message and gesture of willingness of the association to join international efforts to combat terrorism. This in turn implies that US may also have the chance to use force and acquire assistance from ASEAN states to quell terrorism in this part of the world.

US has sought to go the usual way of bilateralism and thus the US-Philippine security relations have been rejuvenated. In the aftermath of the 9/11 attack Philippine President Gloria Macapagal Arroyo was prompt in offering US access to the once important Subic Naval Base and Clark Air Base for military purposes. It was followed by a fourteen stage counter-terrorism programme to enhance intelligence cooperation with Washington and other members of the global coalition against terrorist activities. The Bush administration increased the scope of US military involvement in the government campaign on the southern island of Basilan, Mindanao against the Abu Sayyaf guerrillas who were believed to have links with the \textit{Al Qaeda}. The same administration also approved the participation of 200 US troops in a two-and-a-half week joint exercise with the Filipino forces as well as 190 Special Forces Officers to train the Armed Forces of the Philippines (AFP) in counter-terrorism tactics.\textsuperscript{51} Again on January 16, 2002, US Secretary of Defence Donald Rumsfeld announced the deployment of about 600 US troops to the island of Basilan. The troops would play the role of military advisors to the AFP’s Southern Command and would be based there at least for six months.\textsuperscript{52} Sooner the base agreement ran into rough waters as anti-American groups along with the left ones launched a vigorous campaign against the Arroyo administration in January.

\textsuperscript{52} Ibid, 981.
2002. Apprehensions were expressed that the military exercises would take longer than needed and it would become more complex. US deployment was feared to spur radical Muslim sentiments that would spiral more Islamic fundamentalism. Besides the spate of violence did not cease as sporadic murders and kidnappings continued. More important the communist guerrillas suspended their formal negotiations with the Filipino government because the US recognised them as foreign terrorist organisation. Philippine's military assistance lead to unpleasant consequences abroad. For instance in Iraq a staunch military organisation kidnapped and threatened to behead a Filipino driver Angelo de la Cruz until Philippines withdrew its army from Iraq in 2004. President Arroyo was under tremendous pressure to withdraw forces before the scheduled time of their return but had to bow down before US pressure. However she was lucky not to have lost her Presidency as in de la Cruz was ultimately released.\textsuperscript{53}

This recent involvement of the US in the Philippines was different from the earlier ones. To begin with, US troops' deployment made possible through the revitalized Philippine-US Mutual Defence Agreement is a part of US global war against terrorism. Therefore, US has no particular objectives or obligations to protect sea lanes and air spaces. The temporary stationing of US troops in the Philippines is undertaken to help a regional ally untangle the links between terrorist groups and transnational criminal organization that converge within the so called 'seam of lawlessness' – a geographic area that stretches from Afghanistan to Southeast Asia.\textsuperscript{54} Through this kind of military operation in the Philippines the Bush administration set up an important precedence for all possible future US military expeditions in Southeast Asia. Robert Rotberg, Director of the World Peace Foundation Program on Inter-state Conflict, Conflict Prevention and Conflict Resolution at Harvard University's Kennedy School of Governance, summarises the nature of US military involvements in developing countries as a part of the global anti-terrorism campaign, "Basically we [the US government] want to add military deployment left through training and cooperation to friendly governments who have Muslim insurgencies that might or might not be fertile ground for Al-Qaeda. The idea is some kind of \textit{cordon sanitaire} which is an expression of US muscle by

\textsuperscript{54} Op.Cit, no.51, p. 982.
Therefore the US military objective in the Philippines is extremely confined and restricted. Subsequently, it becomes evident that US has very well defined interests that dictate its involvement in Southeast Asia. It will not only define future engagements in Southeast Asia but also hammers home the point that US still prefers bilateral engagement to multilateral interactions.

One cannot ignore the fact that popular Muslim sentiments in Southeast Asia were against US adventurism against terrorism. US operations in Afghanistan caused widespread anger; various Muslim groups in the region were spearheading those sentiments. In turn this created domestic turmoil unleashing a fresh series of Islamic dogmatism especially in those countries that were ready to support the US led military intervention in Afghanistan. For instance in Indonesia protests were visible in mosques all over the country. In Malaysia, however there was a general feeling that US fight against terrorism was actually a form of witch-hunt where they were hunting their potential enemies. Ironically these countries later became the hub as well as the victim of terror related violence. However, some contend that resentment against the US’s and the subsequent proliferation of terror violence in Southeast Asia is also related to the intricacies of local politics than to any larger US foreign policy objective.

The fact is that US attempts at countering the spread of Al-Qaeda will not be free from some major impediments. Surprisingly these impediments are related to the commitments of the individual partner countries. There are four such identified obstacles -- bilateralism versus multilateralism; anti-Americanism; alliance with some unsavoury regimes; and domestic concerns with a host of countries:

• Bilateralism versus multilateralism – Most Southeast Asian countries would not be interested in forging long time ties with the US; there are not adequate institutions to help forge meaningful cooperation only to root out terrorism. Southeast Asian states are also not forging ties with the US through multilateral forums, at best they would rather confine to time bound bilateral arrangements.

This may seem a plausible option considering the fact that there are intra-state

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differences within ASEAN countries. Multilateral forums encourage cooperation to fight terrorism amongst member states and not with any particular external party. Over and above mutual distrust and long rooted animosity is very likely to defeat the sole purpose of countering terrorism.

- **Anti-Americanism** – Suspicions about US hegemonic designs over the region is quite common both at the government and public levels. Anti-American feelings within the government will result in refusal to cooperate with the US. Popular opposition to cooperation with the US will either prevent the regimes of Southeast Asian states from cooperating or they risk the chance of being dethroned. Anti-American sentiment may work to the detriment of future US interests in the region.

- **Alliance with unsavoury regimes** – In its war against terrorism US runs the risk of having to ally with authoritarian regimes like Malaysia and Singapore. Such regimes may exploit the anti-terrorism rhetoric to come down heavily on their political opponents. If Washington’s partners are countries with disappointing political and human rights records, US rhetoric based on democratic ideals would ring hollow.

- **Domestic concerns of host states** – Unlike the US states in Southeast Asia do not consider terrorism as an issue of highest strategic priority. Therefore these states would cooperate to the extent as long as it is in their best interest to do so. Some states are supportive of a general US presence in the region and may subsequently participate in US anti-terrorism campaign in order to ensure their objective. They would prioritise US objectives lesser to theirs and needless to say no one will risk their own security. The US will have no option but be happy at best with limited cooperation from its Southeast Asian partners.

Notwithstanding the above mentioned impediments the reality is that Southeast Asia has become one of the most active hubs of Al-Qaeda activities. Therefore it will always remain at the forefront of US strategic agenda. Apart from countering terror, US also desires to maintain access to the sea lanes of Southeast Asia. US must learn to respond to the challenges mentioned above. In addition US may run the risk of misidentifying religious philanthropic organisation as terrorist ones. US must also be
careful in identifying and distinguishing terrorist outfits with global reach from internal insurgencies that are common to the region.

It is also important to take note of the fact that Southeast Asia has a large Muslim population. There is a strong critical view growing from the fact that the US has placed military solution before trying out a political one. The US initiative is criticised as ‘thin multilateralism’ because it does not embody the reciprocal security commitments that is not only common to traditional alliances, but is so necessary to combat terrorism.\(^{57}\) It implies that US attempts to fight terrorism in alien lands, based on its unilateral commitment may become dysfunctional if the host countries decide to oppose US anti-terrorist military expeditions in their country. Moreover with no compulsion to remain within the alliance, there is a general opinion that such arrangements will not last long once confronted with political and moral compromises of action that are likely to follow the first phase(s) of military operation\(^ {58}\) Under such circumstances, assembling a permanent coalition for combating terrorism is not viable either politically or diplomatically. Given the history of US involvement during the Cold War, no state would be interested in a long-term military relationship with the US because they apprehend being dominated by the US.

Last but not the least, if US remained overtly preoccupied with its war on terror, particularly in this region, dealing with China would become challenging. At worst, some Southeast Asian states in frustration with US may seek Chinese intervention. It would be the last thing US would desire considering the fact China has far reaching claim over contentious areas, like the South China Seas being one such area. Most of the issues discussed have done the rounds amongst security advisors and are recorded in Bush administration’s National Security Strategy.\(^ {59}\) US involvement in this region whether the multilateral or the bilateral way is not free from its vices. Sustained involvement seems difficult from both the sides yet US considers all the troubles and challenges worth the effort. After all US would reap benefits by keeping in touch with the region. It could benefit from the sprawling economies of Southeast Asia. Besides,


US realised that in order to counter the Chinese influence in the region, it must remain engaged with the states of Southeast Asia either through multilateral arrangements or through bilateral agreements. US maintains bilateral relations with all the countries of the region and is also involved with the ASEAN.

3. China

China is certainly to have substantial impact on the region because of two reasons—first, its geographical proximity and second, its sustained economic development. China’s performance, some claim, has been much better than that of Japan in the post-crisis period. In this context, two articles help us have a preliminary idea about a comparative performance of the two economies in question. While David Kruger’s article on Japan inform us that, "The common theme is that Japan’s political and economic stagnation has stripped the country of its ability to influence the international community and left it worthy of little attention".\(^{60}\) David Murphy at the same time presents a promising picture of the prolific rise of the Chinese economy especially the software industry. He notes that, “China wants to catch up with regional IT players like India. On glamorous indicators such as foreign investment, China is way ahead of its neighbour".\(^ {61}\) China also reaps economic benefits by virtue of its ethnic Chinese population in the region who have direct economic stakes in the region. Joesph S. Cheng gives a cumulative account of ethnic Chinese who have direct economic interests in the region and points out to Chinese business groups—in Singapore with capital exceeding US$ 100 million, about forty overseas Chinese in Malaysia each with capital exceeding US$ 200 million and more than ten business groups in the Philippines each with capital exceeding US$100 million; overseas Chinese are also strong in Indonesia and Thailand.\(^ {62}\) Besides, Fujitsu Research in Tokyo, while listing companies in six Asian countries came to discover the fact that an overwhelming majority was owned by overseas Chinese: 81 percent in Thailand, 81 percent in Singapore, 73 percent in Indonesia, 61 percent in Malaysia and 50

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percent in the Philippines.\textsuperscript{63} China is a major attractor of Foreign Direct Investment (FDI). Investments to China increased as China planned to join the World Trade Organisation (WTO). A substantial part of their FDI comes from ethnic Chinese population spread in large parts of Southeast Asia. No wonder China has a special stake in their well being throughout the region.

China’s role in the region like that of US need to be evaluated at two levels – First, China’s role in maintaining the crucial balance of power in the region which in turn will have consequences for Southeast Asia. Second, the state of relationship with Southeast Asia.

China, for long now, has been playing a crucial role in maintaining the balance of power in the region and even at present China’s perception of an order in the world especially in the Asia Pacific bears the impression of its earlier experiences. Bonnie S. Glaser observed that China’s concept of balance of power is primarily mooted in its perception of self as the vital fulcrum between USA and Japan.\textsuperscript{64} Beijing suffers from a sense of insecurity that derive from a number of reasons – NATO’s expansion, conspiracy of the peaceful evolution by the US but more important developments within the Asia Pacific, viz. reaffirmation of the US-Japan Security alliance, arms sale to Taiwan, as mentioned earlier the perils of NMD and the overwhelming presence of the US on the pretext of war against terrorism. Besides unpleasant events like the previously mentioned spy lane incident preceded by the bombing of the Chinese in embassy at Belgrade have only provoked China to react sternly. Chinese bulletin boards reflected the anger of the Chinese, “[t]he so called international practice is nothing when they bombed other’s embassy or when they collided other’s plane in another country. When it concerns their interests, they would clamour international practice. What a robber’s logic!” \textsuperscript{65}

Some scholars have also related the spy plane incident to the deliberate vagueness of the Chinese territorial claims relating to not only the Spratly Islands, but also the waters of the South China Sea itself. In fact they


\textsuperscript{64} Bonnie S. Glaser, “China’s Security Perceptions”, \textit{Asian Survey}, vol. 33, no. 3, March 1993, pp.253-254.

\textsuperscript{65} \textit{The South China Sea and the Spy Plane Incident}, available at, \url{www.subcontinent.com/sapra/military/military(html) 20010403a html.military articles}.
were of the opinion that the National Security Agency plane which force landed in Hainan on April 1, 2001, after colliding with a Chinese plane. The plane was sent there not only to collect electronic intelligence, but also to re-assert the US position that the air space over the South China Sea constituted international and not Chinese air space.\textsuperscript{66}

China has been balancing US by cultivating warm ties with Russia. The Friendship Treaty of 2001 is the cornerstone of this growing relationship. On its part China sees this treaty as a response to Bush administration’s scheme to isolate China by forging ties with Russia. Under Sino-Russia joint defence initiatives Russia will allow China to use its space based Global Navigation Satellite System (GLONASS) for military purposes which would enhance China’s defence capability.\textsuperscript{67} Russians have already sold a number of arms to the Chinese and though of late there have been differences between the two, sales still continue.\textsuperscript{68} Chinese defence preparations and security strategies have been largely guided by ideological doctrines, but gradually practical aspects were also being incorporated. One of the outcomes of such an effort was the launching of the ‘Offshore Defence’ doctrine in the early nineteen eighties. The concept of Offshore Defence extended the concept of the ‘Active Defence’ beyond the yellow land. During the 1990s the Active Defence doctrine evolved into a sophisticated doctrine. Explaining the doctrine James Lilly comments, ‘Active Defence’ entails a limited high-tech war with weaker neighbours of China’s periphery, especially maritime periphery. An integral part of this strategy is the establishment of a defensive zone around the heart of China, an island chain or


perimeter extending from the Spratly Island and anchored in Korea in the north.\textsuperscript{69} He further qualifies that “within this the zone of Active Defence China plans to be a dominant power. Current strategy seems to be one in which China will largely rely on people’s war: to defend China proper and will use high technology weapons to support active defence.”\textsuperscript{70}

Based on its Active Defence Doctrine Chinese have a very handsome acquisition of arms. Apart from sophisticated weaponry it has a nuclear force to flaunt. Its nuclear forces today include a triad of land based missiles, bombers and submarine launched ballistic missiles. The total number of nuclear warheads deployed is approximately 176.\textsuperscript{71} The Pentagon Annual Report to the Congress in 2008 reported that the Chinese have increased their nuclear arsenal by 25% since 2006. The increase has taken place due to the deployment of long ranged solid fuelled ballistic missiles and cruise missiles. Missile Deployed include DF-31, a longer version of it – DF31A (that can be targeted towards US). The ranges of both the DF-31 and DF-31A have been lowered. In addition DF-21s have been deployed since 2006. DF31A-JL2 long range strategic ballistic missiles have been deployed since 2008. It has given China the preliminary capacity to engage in three dimensional nuclear strikes (land, air and sea). China has already produced the service life of its existing DF-3 and DF-4 long range strategic missiles. Some of the high sections have been revamped and new preliminary positions have been constituted. Subsequently DF-31A highway mobile ICBMs will take DF-4s. Since at present China does not have a sufficient quantity of ICBMs with a range of above 10000kms, efforts are on to upgrade and prolong the service life of DF-5s. With this kind of missile profile, the total number of China’s long range missile war heads range between 153-164.\textsuperscript{72} Chinese Command Control and Communication have also been upgraded. Communications have been upgraded through six communication satellites. In connection to this China launched a


\textsuperscript{70} ibid.


\textsuperscript{72} Andrew Chang, “China’s Nuclear Warhead Stockpiling Rising”, \textit{Military Might}, April 05, 2008, available at, \url{http://www.upiasia.com}. 

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As Chinese defence preparations progress in leaps and bounds it has a negative impact on other big powers but most important on its neighbourhood. It has instigated a spiral arms race where powers like US would take full advantage of the situation and flood the region with sophisticated arms. Such an arms-gush will imperil the delicate peace of the region.

The sudden exposure to terrorist activities in the region has brought about substantial change in the balance of Sino-US relations in this region. In a way US’s overt involvement with terror was considered beneficial for China. In Jyotsna Bakshi’s observation in this regard, “China gained, as combating international terrorism became the number one task of US policy instead of China being projected as the emerging strategic rival of the sole super power.” She also asserts, “Undoubtedly the US military presence close to its western borders is detrimental to China’s larger geopolitical goals and ambitions.” Therefore Chinese response to US expeditions world over particularly in this region reflected a mixed signal of support and reaction. Chinese were certainly concerned with renewed US military presence in the Philippines. Considering the fact that China realised that it was not immune from the threat of terror, the general premonition was that in the global age of terror Sino-S relations were likely to become stable and to a certain extent cordial. Particular to China was the case of rising Islamic fundamentalist threats from the Xinjiang-Ugyur Autonomous Area situated very close to Central Asia. Instead of making out alliances with the US, Chinese chose a different way to find its own brand of anti-terror arrangements – it has pulled in its three of its Central Asian neighbours and Russia and built the Shanghai Five in 1996. It later became Shanghai Cooperation Organisation (SCO) in 2001 and included Uzbekistan in the organisation taking its membership to six. Chinese President Jiang Zemin at the Dushanbe summit of 2000 (when it was still Shanghai Five) stressed, “...the five States should unite their efforts and direct them against terrorism, separatism and extremism and also should

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75 Ibid.
formulate and update a legal framework for cooperation."\textsuperscript{76} Through the SCO Chinese poses three challenges to the warming of Sino-US relations. First, it provides another platform to the growing Sino-Russian axis; it may be more than a mere coincidence that the Sino-Russian Good Neighbourly Treaty of Friendship and Cooperation was also signed in the same year in which the SCO was born. Second, SCO serves as a means of expanding Chinese influence over Central Asian neighbourhood. It would work in complement to Chinese influence over Central Asian and at the same time contain US influence in the region. Third but most important, China was providing an alternative umbrella for organised anti-terror activities — it was a non-US, China led anti-terror organisation. It stresses on the fact that global counter-action to terrorist activities at the operational level must be left to regional and sub regional arrangements. Given this sentiment, this is a direct message to the US that China does not welcome its policing in the Asia Pacific especially in the region where China imagines a prerogative to influence. It is also a very important message to the Southeast Asian neighbours that they ought not to look for far seated guardians to protect them from acts of terror, the Chinese will only be too happy to be their security guardian.

China’s strategic influence over the region can be gauged by looking at the two basic factors of the relationship — economic factors that constitute the economic conduit to influence and strategic factors that constitute the more contentious source of influence overt Southeast Asia. This discussion thus is divided into two parts.

China’s economic relation with Southeast Asia — With high growth, low inflation, huge foreign currency reserves and the productivity of the cheapest labour in Asia, China has grown to become a major economic power in Asia. In order to sustain the economic growth and savour the performance, China desires a very stable and peaceful Asia Pacific particularly the region that it considers its periphery and its immediate neighbourhood. China’s reform programmes has been one of the most pro-active ones and with a commendable economic foresight, Beijing had attacked the problems that took a number of victims in Southeast Asia in the later years of the 90s. Records bear testimony to the fact in the four years prior to the regional crisis that

China achieved remarkable progress. Most remarkable is the growing belief amongst Chinese belief in regional cooperation in order to reap the benefits of the global economy. With this positive state of mind, China has been participating apart from ASEAN, in the APEC and the Pacific Economic Cooperation Council (PECC).

China and Southeast Asia for at least the last two decades have been concentrating on strengthening their economic bases. In their pursuit of economic development and prosperity, economic linkages between them in the areas of trade, investment, finance and technology have been strengthened. Much of the economic cooperation has been made possible because of shared Asian values. Trade relations between China and ASEAN countries had been expanding at a respectable rate before the financial crisis but ASEAN states were concerned with the fact that China beats them in the matter of attracting Foreign Direct Investment (FDI). For instance whereas from 1994-1999, FDI flows into ASEAN dropped from US$20.37 billion to US$16.89 billion, in the same time FDI flows to China increased from US$33.87 billion to US$ 40.4 billion. It is not only because of China that FDI flows to ASEAN countries have decreased, it is also because investors are sceptical about the political and economic stability of the countries of this region. The financial crisis has only reinforced the fears.

China’s response to Asia’ financial crisis has been surprisingly active, engaged and constructive. In the way China fulfilled the expectations of the region and played a pivotal role in assisting the ailing Southeast Asian economies. To begin with, as a financer of the IMF bailout package, she was the first to provide financial assistance to the tune of US$7 billion and also pledged to support the IMF bailout package to Indonesia. Second, China decided not to devalue her renminbi (RMB) as the Chinese authorities realised that it would harm the Asian markets further including the Hong Kong Dollar. Her promise to support the Hong Kong Dollar peg helped contain

77 From 1994-1997 China controlled inflation, from 22 percent to a negligible amount, maintained a growth rate in the range of 9 percent, stimulated a series of record grain harvests, raised foreign exchange reserves from US$ 21 billion to US$140 billion, attracted foreign direct investment that reached more than US$40 billion per year and initiated wide ranging tax, legal and banking reforms. For greater details, see, William Overholt, “China’s Economic Squeeze”, Orbis, Winter 2000, pp. 14.
devaluation pressure on regional characteristics. Chinese cooperation comes from the fact that her own economy depends on the health of those of her neighbours. For instance the Chinese economy took a beating during the Asian slowdown and a definite fall in FDIs was noticed. This has its negative spiral effects – a slowdown of the Chinese economy resulting in decreasing average national income and unemployment. China displayed resilience in agreeing to absorb its economic losses and yet help out the ailing Southeast Asian neighbours.

Such responsible and magnanimous gestures towards the ASEAN countries earned China respect and confidence from the Southeast Asian states. This was a valuable political capital that the Chinese could invest to strengthen its relations with ASEAN countries. Since the crisis, China was eager not only to build strong bilateral relations, it has shown genuine interests towards ASEAN institutional arrangements both formal and informal – ARF, Council for Security Cooperation in the Asia Pacific CSCAP.

Chinese interests towards regional multilateralism have evolved in the direction of East Asian regionalism. It began with the Chiang Mai Initiative agreed upon in May 2000 during the ASEAN plus Three finance ministers’ meeting. The arrangement talks of an extended ASEAN swap arrangement that will include all the ASEAN countries and a network of bilateral swap arrangements among these States and the States of China, Japan and South Korea. This arrangement was aimed at offering support to member States that have run into short term exchange difficulties. The arrangement discourages any economic policy or activity that will lead to another bout of economic crisis; at the same time it seeks to establish a network of countries with foreign exchange reserves that amount to US$ 1 trillion. Establishing such a network will come handy during troubled times and financial help can be sought from them.

China’s contribution towards Southeast Asia has been immense in terms of brotherly assistance during bad times and economic sacrifices, in terms of financial assistance, in terms of bilateral trade, and in terms of investment in individual ASEAN States.

80 In another perspective, apprehensions are expressed regarding Chinese economic power and its threat to the ASEAN economies. To get a brief idea of this perspective read, John Ravenhill, "Is China an Economic Threat to Southeast Asia", Asian Survey, vol. 46, no. 5 September/October, 2006, pp.653-674.
They have also reached an agreement to complete a China-ASEAN Free Trade Area before 2010. Trade between ASEAN and China was targeted at US$200 billion in 2008. Yet no Southeast Asian country can lose sight of the fact that China has its own interests and designs. Perhaps because of the same reason, not all states of Southeast Asia are very receptive of an enthusiastic China busy helping here and there in order to get involved in their economies. Vietnam is one such state, so is Singapore and to a certain extent Philippines. In other countries it must be made clear that there are at least some sections in the administration, in the business community who would take the Chinese with a little more caution. Often one may feel that China has been pushing for economic space within the ASEAN and is also a little pushy about acquiring it fast. If China is seeking a role as guardian to ASEAN, the latter will never be ready to give the driver’s seat to the former. There is also a feeling that by improving economic relations with Southeast Asia, China is trying to project itself as a soft power but power nonetheless. Its soft-power projection in ASEAN is only a stepping stone towards the larger East Asian Community where it will certainly want to play the leader, it commensurates with its historical role of the Middle Kingdom. I wonder whether ASEAN would be so permissive as to allow China to use this organisation as a pedestal to a higher level of leadership.

China’s Strategic Relations with Southeast Asia – A cursory look at Chinese Defence White Paper 2000 will help locate a few very relevant points. First China emphasises on consolidating national defence, resisting aggression, curbing armed subversion and defending State sovereignty, territorial integrity and security. Second, China proposes to make armed forces transparent emphasising on military-to-military contacts across countries in the Asia Pacific. Third, China hopes to reduce apprehensions and misperceptions about potential Chinese threat to other countries particularly neighbours. Modernisation of the Chinese military includes a genuine attempt to engage in multilateral and regional institutions based on strong economic and military strength. These points send mixed signals regarding the actual strategic calculations.

China gives utmost attention to the question of territorial integrity. Her position on territorial integrity is shaped by her cultural and historical legacy. There is great conviction in the da yi tong or the great national unity, it implies that unity is always preferred to division and any division is a temporary, abnormal phenomenon while unity is the permanent feature. Therefore China always pays serious attention to any aberration of the da yi tong; their efforts to recover lost territories are a part of the nation building process. As far as maritime claims are concerned, there is another practical dimension in addition to national unity. The sea zones provide for valuable marine resources which are so essential to support the huge Chinese population and sea ways are of strategic importance to the country.

In this context, the territorial dispute over the Spratly Islands is the most prominent problem involving China and the four ASEAN States – Vietnam, Philippines, Malaysia and Brunei. These claimants to either the whole or part of the islands have tried to shore up their ability to enforce their claims on these islands. The islands are of great importance to China – claims over those islands are in consonance with China’s need for national unity as well as her need for valuable fuel resources and access to sea lanes and naval thoroughfares in South China Sea. Since China is in practical need of sea based resources and would like to control the sea ways in order to keep a check on external intervention, China has strategised to extend its da yi tong upto South China Sea and Spratlys.

To a certain extent, part of the current Southeast Asian defence expenditure are a consequence of the contingency defence planning related to the complex situation in the Spratly Islands. For instance, Chinese intention in the region had become clear in the mid-nineties when China had encroached on Mischief Reef within the Spratly’s, the reef in question was originally claimed by the Philippines. Subsequently Philippines went about expanding and modernising its defence preparations.

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86 In order to get an idea on the Chinese claims and those of the others on the Spratlys see, Khoo How San, “ASEAN and the South China Sea Problem”, in Chandran Jeshurun (ed), *China, India, Japan and the Security of Southeast Asia*, Singapore, Institute of South East Asian Studies, 1993, pp.181-207.
Vietnam’s claim over the Spratly’s led to a virtual clash of interests with China. In fact Vietnam’s differences with China on the issue of territorial claims highlighted the extent to which the islands in South China Sea are a potential source of regional instability. Vietnam’s approach in dealing with conflicting claims was to enlist a Western third party to substantiate their claims and thereby impeding possible Chinese advances in the region. It was in the form of Hanoi’s award to Mobil Oil, an American company in 1994 to explore oil in the zone of overlapping claims.  

Vietnam’s dispute over maritime zone delimitation in the Central part of South China Sea – or the Eastern Sea or the Bien Dong as the Vietnamese call it are complicated by rival sovereignty claims by other states to the Paracel Islands (east of Vietnam and Southeast of Hainan) and to the many islets, reefs and atolls that are spread out over a vast so called ‘Spratly area’ between southern Vietnam, Eastern Malaysia, Brunei and Palawan (Philippines). On the old European maps, this area is more accurately described as ‘Dangerous Grounds’. According to the same map “Spratly” was the English name for only one island, it is situated in the western part of the area which the Vietnamese call Truong Sa. This island is under Vietnamese occupation. However, other claimants like the Philippines, China and Malaysia have garrisons on some of the isles of the larger Spratly area. The tension between China and Vietnam has been certainly serious because both perceive South China Sea as a rival quest for ‘maritime territory’, pool of fish and hydrocarbon resources. Both countries perceive the sea as analogous to land and subsequently discussion on demarcation and delimitation need be done on the same principles that are used to delineate land borders. Both countries tend to exaggerate their need to protect maritime territories. An uncompromising attitude stems the tendency to use military force for forceful occupation. Unhappy clashes have already occurred in late 1980s where more than seventy Vietnamese sailors lost their lives trying to thwart Chinese occupation on some of the reefs of Spratlys. Vietnam has maintained very strong position regarding the claims to the Spratlys. In April 2001, the Vietnamese Foreign Minister Nguyen Dy Nien announced that the Ten Year Plan endorsed by the Congress had

89 Ibid, p.201
indicated that the government would establish settlements in islands related to national security implying the building of strategic logistical bases in Spratlys and strengthening its coastal defence.\(^91\)

In 1992, China passed a Special Territorial Sea and Contiguous Zone Act to legalize its claims to the Spratlys. Article 2 of this legislation specifically identifies both the Paracels and Spratly archipelagos as Chinese territory.\(^92\) Coincidentally ASEAN in the same year at the ASEAN Ministerial Meeting (AMM) had made a declaration calling for peaceful settlement of disputes and that Indonesia would play the honest broker to bring about permanent solution to the conflicting claims. China endorsed the 1992 ASEAN Declaration on South China Sea. However China, however, proceeded with foreign company contracts to explore areas with overlapping sovereignty claims.\(^93\) In 1995, 1996 and 1998, China destroyed Filippino military structures and erected Chinese concrete markers on the Philippine-claimed Mischief Reef. These antagonistic moves by China, virtually rendered the 1992 joint declaration null and void. It also speaks for Chinese disregard for the multilateral conflict resolution. China also has overlapping claims with Indonesia in South China Sea which include part of Indonesia’s Natuna Islands, however there has not occurred till date military clashes between the two sides have occurred till date.

The proximity of Spratlys to the South China Sea shipping lanes adds an important strategic element to the dispute. The region’s economic growth and security depends upon continued freedom of navigation for both merchant and military vessels. Under such circumstances if any claimant State threatens to inhibit freedom of navigation along adjacent Sea Lines of Communication, many nations with trading and strategic interests will be put in a tight corner. All other claimants, China particularly have

\(^91\) Ming Pao, April 21, 2001, cited in Joseph Y.S., no.78, p. 441.


ensured that their actions and claims do not hamper international navigation rights. Beijing is farsighted and pragmatic enough to neutralise any possible US reaction by emphasising that PRC’s Spratly policy does not intend to threaten freedom of sea lanes.94

The end of the Cold War and the widespread ratification of the Law of the Seas brought enough opportunities to resolve the South China Sea disputes. It is not clear whether China at all realise that. One cannot discount the fact that whenever the Chinese have carried out military expeditions in the Spratly region, whether in the late 1980s or in the 1990s, they did not consider it as an action in foreign territory but rather as an assertion of control over their own space.95 This is in harmony with the spirit of da yi tong.

So, not much progress on South China Sea conflict resolution can be expected. The Chinese are not exactly comfortable with making commitments at multilateral forums. They have conducted research that concentrate on the legal aspects of territorial jurisdictions and they have reservations against the 1982 United Nations Convention on the Law of the Seas (UNCLOS). Chinese claim that UNCLOS has increased the fears of new geographical claims by littoral states. This is largely due to the international recognition of the 200 mile Exclusive Economic Zone (EEZ) and that has rekindled tensions over old claims and previous claims over maritime territory. Far from reducing disputes in the South China Sea, the UNCLOS sets out, in very clear terms, the right of littoral states to claim a 200 mile EEZ, yet it is not mentioned in very clear terms that how to settle a disputed EEZ.96 China further argues that there is no possibility of demarcation within the EEZ because the territories on which the EEZ is located is disputed. It goes on to say that Chinese conviction in UNCLOS is not well founded.

The alternative is to look for political solutions. The ASEAN Declaration of 1992 was a modest start and Indonesia has been spearheading the effort to establish parameters for functional cooperation but that pertains to non-governmental efforts. ASEAN's efforts to continue establish a conflict resolution mechanism involving China is far from success. The only concrete achievement at hand is the 2002 Declaration on the Conduct of Parties in the South China Sea that had very non concrete proposals like commitment to International Law, UNCLOS (which in any case the Chinese are not very convinced about). The Chinese are still insistent on bilateral ways of solutions, it makes solution sound difficult. Chinese threat looms large because so long as China thinks that Spratly is of extreme geopolitical significance it shall never scale down from its claims. Moreover, China shall not allow US intervention in its imagined domain of influence. At the same time US oil companies are already fishing around their luck through other countries. As China grows energy hungry it goes desperate to establish its claim and grab as much of it as possible through military means. China's claim over Spratlys by itself is one of the largest threats to Southeast Asia's security.

China's maritime ambitions are not one confined to Spratlys only. As an expanding maritime power Chinese have chosen to flex its muscles where they deem it necessary to maintain their influence. The Strait of Malacca and the Strait of Hormuz are crucial waterways that figure within China's maritime interests. China also has interests in the Indian Ocean region - it depends on certain South Asian countries to get an access to that oceanic zone. However by maintaining a good relation with Myanmar, China can get access to both Indian Ocean and the Straits of Malacca. By basing itself along Myanmar China is in a position to survey the movements along shipping lanes in the Indian Ocean and the Strait of Malacca. At the same time the Irrawaddy River waterway provides China with the perfect connectivity between Chinese mainland and the wide waters of Bay of Bengal and Indian Ocean. According to Bertil Lintner, "China has already taken steps towards establishing a trade route through Myanmar to give its Yunnan province an outlet to the Indian Ocean, which neighbouring States fear that the Myanmar connection might contribute not just for trade but also for Beijing to play a significant naval role in the Indian Ocean."97

One should not come to the conclusion that the Indian Ocean and Malacca Strait are the only waterways of strategic and economic relevance to insiders and outsiders alike. There are a number of other Straits and sea passages used for commercial and military transportation – Sunda Strait, Lombok Strait, Makassar Strait, Ombai-Wetar Strait are some of these very active waterways. Yet Malacca Strait is certainly of greater importance to the Chinese because it is the shortest way between the Indian Ocean and Southeast Asia. China seeks control over the strait because of two reasons – first, it wants to ensure steady flow of oil from the Middle East through the waterway in question. Second, some form of control over the strait will ensure maritime influence over Southeast Asian states, certainly at the least the littoral ones. In addition China sees Malacca Strait as a crucial waterway to expand its naval power into the Indian Ocean and beyond. PLA strategists have considered it one of the most urgent tasks to control Malacca Strait so that no other power can interdict that passage to the movement of the PLA navy (PLAN) units.

Chinese are quite possessive of the Malacca Strait to the extent that they would rather not share shipping rights with other external candidates, but frankly in this case, they have sought to pick out the Japanese. It has been reported that the PLAN vessels have at times stopped and searched Japanese ships (at times Russian and Taiwanese ones) passing through the South China Seas before they entered the Straits. Such actions clearly send the signal that China is the predominant power in that part of the seas and must be faced in order to access the Malacca Strait. What bothers Japan at the end of the day will bother US and the latter will certainly react to the whimsical assertions by the Chinese army. In contrast, though some of the states of Southeast Asia are tensed, they have the good sense to accept Chinese naval presence in the Strait. Such complacency indicated not only a change in the attitude of the regional members but also a resultant change in the strategic balance of the region which is likely to tip off the strategic balance of that particular region in favour of the Chinese. PLA has a long

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98 For a preliminary idea on the profiles of these various waterways see, Lee Jae Hyung, “China’s Expanding Maritime Ambitions in the Western Pacific and the Indian Ocean”, Contemporary Southeast Asia, vol. 24, no. 3, December 2002, p. 560-562.
101 Steven W. Mosher, China’s Plan to Dominate Asia and the World, San Francisco, Encounter Books, 2000, p. 156.
term plan designed to bring crucial waterways well within its parameters and its extended periphery will comprise both of surface and naval combat elements that is sought to be established sometime after 2020.\textsuperscript{102}

The discussion of Chinese strategic influence and Southeast Asian threat perception will be incomplete without reference to the role of the ethnic Chinese communities living right across the length and breadth of Southeast Asia. Implications of extensive Chinese presence in the region extend well beyond boundaries of any individual Southeast Asian host country. It has been observed that the economic interaction of the ethnic Chinese will have socio-political consequences, redefining the current Chinese state leading to a new ‘Chinese Commonwealth’.\textsuperscript{103} Discounting the possibility real or imagined – of a fifth column of ethnic Chinese throughout the region whose allegiance to their country of residence are suspect, this influence would be of strategic concern to the countries of Southeast Asia.\textsuperscript{104} The prospect of multinational or supranational Chinese Commonwealth provides additional weight and new dimension to concerns about the possible consequences of Chinese nationalism and the parameters of international interdependence.\textsuperscript{105} There is no homogenous identity of the ethnic Chinese throughout Southeast Asia. In fact unity and homogeneity even within individual countries is quite illusory, political interests thus from vary community to community. However, throughout Southeast Asia, ethnic Chinese is a completely different category. Nationalist feelings in Southeast Asia are based on social and economic intolerance. Their ambivalence and hostility towards the ethnic Chinese have been manifested through periodic riots in various Southeast Asian countries – Malaysia, Indonesia. However, this is one part of the picture, in the other case, the affluent ethnic Chinese have managed to carve out a place of importance for them. By cooperating with local elites and thus receiving

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greater attention from the host States they have developed into a noticeable. Despite not being directly involved in politics, their close relationship with the political power centres and because of their substantial contribution towards developing capitalism in host countries, some ethnic Chinese have managed to reach the political centres. Assimilation has become a common feature of ethnic Chinese in Southeast Asia. The major reason for going overboard with the issue of the ethnic Chinese seems to flow from the concern about the impact of an evidently vigilant neighbour. A Chinese commonwealth may not be immediately in the horizon but the way in which Chinese policies mould themselves and abruptly, ethnic Chinese may soon become a channel for Southeast Asian trepidation. If the China decides to use the ethnic Chinese as a softer version of the fifth column, it will create another vicious circle of suspicion and hatred against the Chinese population in Southeast Asia. Internal tension resulting from social opprobrium would eventually take the shape of tension between concerned Southeast Asian countries and China.

China’s position towards Southeast Asia in the age of global terrorism is that of ‘wait and watch’. Not that China is very receptive of external policing by the US, yet it has not directly opposed the latter’s anti-terrorist interventions in Southeast Asia. China has issued its own declaration to fight terror. This may give a hope for Southeast Asian States to evolve some anti-terrorist network in not so distant future. Chinese are interested in being part of a regional anti-terrorist network; as Yan Xuentong, director of the Institute of International Studies at Qinghua University expressed this keenness, “We do not want to stand alone.” The Chinese have spent time trying to figure out the reasons behind the proliferation of Islamic terrorism in the ASEAN region. Scholars like Professor Xinsheng Wang have emphasised that Chinese have a natural potential to lead the anti-terrorist endeavours in Southeast Asia because of the geographical contiguity and that she ought to use that advantage to work together with ASEAN in countering terrorism. This is in tune with China’s recent overtures towards multilateral diplomacy. However, the Southeast Asian neighbours will reciprocate to the Chinese in a pragmatic manner not loosing sight of the fact that

108 Remarks by Professor Xinsheng Wang, at University of California on the issue of ASEAN and Terrorism in Southeast Asia at a talk sponsored by Centre for Southeast Asian Studies, Los Angeles, reported by Leslie Evans, May 13, 2004, available at, http://www.international.ucla.edu/article.
China’s policies and approaches are always piloted by their own interests that change according to time and situations.

3. Japan

Extensive studies on Japan’s defence and security have tried to draw on the significance of the country that has remerged as great power in its own rights. Japan’s strategic calculations are conditioned by more than one factor – limited physical resources, and the complex security surroundings of Asia Pacific ensure that traditional security concerns remain salient. Japan’s location is also a source of strategic concern – close neighbours like China and Russia and farther ones like the US across the Pacific increase the scope of being caught in the political whirlwind; besides, the Korean peninsular is traditionally the hotbed of major power conflict in Northeast Asia. Japan’s location makes it a maritime state and with limited land resources, marine ones become crucial for sustaining their versatile economy. Secure sea lanes are of crucial concern to Japan’s survival both economic and strategic. While some observers see Japan’s activeness in the post Cold War period as reflective of its ambition to emerge as a great ‘normal’ power, there is a huge difference between this hyper perception about the country and the nature of changes taking place in the post Cold War period.109 Much of the evolution is however rooted in its post War politics and strategic posture.

Japan’s foreign policy has been constrained by the legacy of its aggression in the Asia Pacific before 1945 with which it had yet to come to terms satisfactorily. Reflecting on the legacy of Japan’s militaristic behaviour as a great power, post War Japanese society has developed a strong anti-militarist norm that is deeply knit into the constitutional and legal institutions, political culture, public opinion, the party system and the decision making process. Subsequently in the post War period, the Japanese government have sought to manage national security needs by limiting the scope of Japan’s self help efforts strictly to self-defence in order to conform to the pacifist clause of Article 9 of the post war constitution,110 but compensates for this limitation

110 Article 9 reads, “Aspiring sincerely to an international peace based on justice and order, the Japanese people forever renounce war as a sovereign right of the nation and the threat or use of force as means of settling international disputes. (2) In order to accomplish the aim of the preceding paragraph,
by relying heavily on the security treaty with the United States. This posture constitutes the essence of Japan's post War realism, which carried the basic message that Japan has been a major actor in international politics but chosen not to act independently in the security arena. Subsequently, the US-Japan Security Alliance remains central to Japan's security perceptions and policy.

Japan's foreign policy in the post War period was propelled by two denominators - first, surge for economic power and political recognition and second, the security outlook that is firmly ingrained in the US-Japan Mutual Defence Treaty that began in the 1950s and continues to the present times. A look at these two constituents is necessary to understand Japan's foreign policy posture which in turn has an effect on its neighbourhood.

- Economic outlook - Emerging out of the period of US occupation that ended in 1952, the then Prime Minister of Japan Yoshida Shigeru brought forward a security concept wherein Japan gave exclusive priority to the pursuit of economic recovery and maintaining political stability while deferring indefinitely the task of preparing the Japanese people themselves for the harsh realities of international politics. Prime Minister Yoshida thus set Japan's Foreign policy along a course of neo-mercantilism and his contribution is acknowledged in the form of 'Yoshida Doctrine'. The stage was set for US to have the dominant say in Japanese policy formulation. 111

US domination weaned away Japan from important East Asian trade partners including China. Perhaps at that point Japan was in no need of them because first, the strongest economy of those times US economy was supporting it. Second, Japan was reaping rich benefits from the Korean War as she was providing service to the UN land, sea, and air forces, as well as other war potential, will never be maintained. The right of belligerency of the state will not be recognized.” Although most Japanese constitutional experts read Article 9 as prohibiting all armaments including the Self Defence Forces (SDF), the government's interpretation has been that the stipulation does not deny the right of self defence which is innate in any independent country and therefore does not prohibit armaments if they are maintained for the purpose of defending Japanese territory and not as means of settling international disputes. For further details see, Yoshihide Soeya, “Japan’s Normative Constraints Versus Structural Imperatives”, in Muthiah Alagappa (ed), Asian Security Practice, Material and Ideational Influences, Stanford, Stanford University Press, 1998, p.198.

forces and their equipments. Political conditions related to Cold War blocked off trade prospects with communist regimes. Southeast Asian neighbours were yet to find a cause to renew relations with Japan in the post war period. Warming of relations was initiated by US and negotiations were anchored in the 1950s and 1960s but they were undertaken primarily to serve US purpose. US was looking for a containment armoury against formidable foes.

The basis of US led economic recovery began to loose its appeal at the end of the 1960s forcing the pro-Japanese political elite to be sorry for what missing out what they thought would produce wonders for the Japanese economy. Yoshida himself was caught repentant over his policy decision:

For an independent Japan, which is among the first rank countries in economics, technology and learning to continue to be dependent on another country is a deformity (katwa) of the state...I myself cannot escape responsibility for the use of constitution as a pretext (tatemae) for this way of conducting national policy.113

Starting from self realisation, Japan began exploring independent models of economic development and growth. The economic nationalists pushed for economic protectionism particularly in light of the 1970s oil crisis. Changes in economic policy were juxtaposed along with a somewhat semi-independent foreign policy especially in terms of candid resource diplomacy towards the oil rich Middle East even at the cost of defying the Americans. This trend began to grow and the views of the military realists began to gain ascendancy, they looked much beyond the US alliance and advocated for a rearmed Japan capable of its own role and decision in international affairs. Alongside a change from the minimal self-defence posture to a more active role particularly in the neighbourhood, in Asia began from the 1980s. In the post Cold War period, Japan’s urge to acquire a seat of respect in East Asia became one of its primary foreign policy goals.

- Security Outlook – Prime Minister Yoshida’s decision to enter into a bilateral defence arrangement with US was reflective of Japan’s concern for the balance of power in the Asia Pacific. The US-Japan Security Alliance helped maintain its dual security framework.

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identity in the post War period – as a major actor attempting to cope with traditional security issues and as a pacifist nation committed to a non-threatening security posture. It was further reinforced by Japanese maiden effort in the 1970s to establish a linkage between its own self defence and the mission of the US-Japan security arrangements. A concrete outcome of such an effort was the adoption of the Guidelines for US-Japan Defence Cooperation in November 1978. The Japanese National Self Defence Programme Outline or the Taiko had been articulated in earlier defence programmes in the 1950s, 60s, and the 70s. The basic principles of the programme were included in 1957 in the “Basic Policy for National Defence or the Kokubo ni Kihon Hoshin."114 It bore the basic message the Japan’s defence acquisition be a gradual one to “commensurate with its national power and conditions and within the limits necessary for self defence."115 The Taiko adopted in October 1976 was very different from its earlier versions as it officially established the link between Japan’s self defence efforts and US-Japan self defence relations. The 1976 Taiko called for the establishment of ‘Standard Defence Force’ to ensure the maintenance of a full surveillance posture in peacetime and the ability to cope effectively with situations up to the point of limited and small-scale aggression. “Any contingency beyond this limited and small scale aggression would be taken care of by the US-Security structure.”116

Japan’s self help efforts matured further into the “Comprehensive Security Strategy Report” forwarded by Prime Minister Masayoshi Ohira in 1980. The launching of this comprehensive document bore a testimony to the fact that Japan’s attitude was changing and they realised the importance of military security issues relevant to Japan. The Sogo-augezenhosho Kenkyu Group, in its study observed that, “for the first time in the post War years, Japan has to think seriously about its own efforts towards (military) self-help.”117 In the following years the Japanese cabinet, under Prime Minister Nakasone Yasuhiro, officially lifted political limit on self defence spending of 1 percent of the GNP.118 To commensurate Japan’s changing role,

114 Yoshihide Soeya, Op. Cit. no.109, p. 211.
115 Ibid.
Japanese government also began to supply military technology to the US, it is a change from its general ban on arms exports.\textsuperscript{119}

With the end of the Cold War, Japan-US relations was feared to lose its focus and coherence and it was not until the mid 1990s that the bilateral alliance seemed to have some relevance as tensions in the vicinity like, the Taiwan confrontation, Korean peninsular crisis began to emerge. In tune with the requirements US-Japan Joint Declaration on Security was signed in 1996 and the new defence arrangements were laid in Japanese Defence White Paper 1997 it laid the guidelines for the Japan-US Defence Cooperation emphasising on the need of functional diversity of Self-Defence Forces and Military bases in Okinawa.\textsuperscript{120} Alongside, US and Japan have agreed to conduct a joint study on the Theatre Missile Defence Programme for the purpose of dealing with the North Korean Missile Project. On November 25, 1998, the National Security Council of Japan approved the initiation of cooperative technological research with US into Ballistic Missile Defence Systems. Subsequently, U.S. and Japan Military Security Agreement was signed on August 10, 2007.

For our scope of discussion, it is necessary to focus on the implications of this relationship for Southeast Asia. Southeast Asia has the right to be concerned with the developments involving big power relations. Given that Sino-US relations are extremely crucial to the Southeast Asian security scenario and also given, Japan is a fulcrum of balance in the US-China relations, Sino-Japan relations is of extreme relevance to Southeast Asia. Scholars also argue that there is a triangular relationship among them.\textsuperscript{121} For long a sustained influence of the US on the Japanese decision making capacity, cocooned Japan from establishing any meaningful relation with its neighbour China. The 1978 Treaty of Friendship and Cooperation between the two

\textsuperscript{119} United States Security for the East Asian Pacific Region, Department of Defence, United States Office of International Security Affairs, 1995, p.74.

\textsuperscript{120} The White Paper made clear of the measures needed to enhance the credibility of the Japan-US Security Arrangements. Chapter 4, Section 4, including an attempt to clarify (or justify) the reasons why such bases are maintained in Okinawa. The paper also discussed the efforts being undertaken for realignment, consolidation and reduction of U.S. military facilities and areas in Japan and securing the right to continued use of facilities and areas Section 5 relates to measures of Armed Forces Facilities and Areas in Okinawa. For details see “Defence of Japan 1997”, Outline of 1997 White Paper Draft, Defence Agency of Japan, 1997, available at http://www.jda.go.jp/e/pab/def97e/def97ed.htm.

countries (Japan and China) ought to be seen in the light of improving relations between US and China in the 70s and not more than that. Yet Official Development Assistance (ODA) that was a provision within the Treaty carried on well into the eighties. Records prove that from 1982 to 1998/1999 China was the largest recipient of Japanese ODA. However much of the euphoria over Sino-Japanese relations in the 80s had been dampened by irritating issues and incidents like the Japanese official visits to the Yakuin shrine, disputes over the settlement of the Guanghua Hostel. The continuing uncompromising situation between the two States on the territorial disputes over some rocky islands called the Senkaku in Japanese and Diaoyudao are yet the other problems. Therefore Sino-Japanese relations were characterised by a duality of extensive economic cooperation and heightened political tensions. Frictions in bilateral trade were out in the open because the Chinese felt entitled to favourable treatment on account of past wrongs from the war which they did not even claim reparations because of the favourable balance enjoyed by Japan. Chinese are in anyway not going to forget the war time atrocities easily; Japanese Prime Minister Tomiichi Murayama was the first ever head of the state of Japan to apologise but such efforts had been offset by the gaffes of the bureaucracy.

In the post Cold War the triangular strategic calculations are likely to continue and particular the relationship between Japan and China, it is feared that the intensifying rivalry will overtake cooperation. Where historical animosity serves as the source of tension, bilateral tension is unlikely to be in abeyance. With the change in the relative balance of the region, China gained confidence about its systemic infallibility, its economic performance and defence impregnability. In comparison, Japanese economy had begun to slow down and therefore the Chinese were enjoying their power and position, oblivious and even perhaps inconsiderate to Japan’s concerns about them.

123 Ibid, p.376.
On the other hand, leadership in Japan would no longer like to live in the shadow of China overbearing presence, present leadership do not mind looking back at Japanese history even at the risk of offending the Chinese. Mutual apathy is the fallout of these mismanaged relations between the two countries. Subsequently, chauvinistic textbooks, provocative visits to war shrines, duelling claims to natural gas deposits in East Asia Sea, these are some of the developments that have challenged the prospects of some sustained relationship. Economic means seemed not to have yielded the right kind of results – solve the political problems at the least. Both seemed to suffer from economic insecurity, Chinese fear economic invasion from its neighbour to the extent they term it as ‘second invasion’ by the Japanese; the Japanese are also disapproving overbearing Chinese presence.

An upcoming perception is that with all the complexities arising from the tensions between Japan and China vis-a-vis China and the US placed alongside the US-Japan security relationship, Asia Pacific is destined for ‘strategic overcrowding’. Yet there is another perception, that leaving aside US which is an external power, Sino-Japan relations are likely to be fraught with tensions because these two Asian giants are certain to fight over influence and leadership in Asia. In this context Japan also has been a contender in Southeast Asia, trying to fill up the strategic vacuum in the region since the end of the Cold War. It would require some kind of nascent strategy to contain Chinese ambitions in Southeast Asia. Japan is not very satisfied with the way the Chinese have made forays into Southeast Asia, particularly in Myanmar. Japan apprehends that, not only in strategic terms, China may also become the centre of economic activity of that region in the future. Notwithstanding the ample reasons for mutual suspicion and animosity there is one last very important point to consider. In the present age of global terror, if there be a possibility of an anti-terror coalition of these two Asian giants and if that coalition tries to counter terrorism in Southeast Asia, for the latter it shall be anything but a welcome development. It implies that Southeast Asia will become further susceptible to external intervention. The prospect


of long term presence of China or Japan or worse, both in Southeast Asia only further complicates the already complex politico-strategic landscape of Southeast Asia.

In contemporary history one can associate Japan’s imperial image with the War and this in turn conditions much of its relations with the Southeast Asian States. Japan’s motives in Southeast Asia is based on her needs for natural resources to further boost the economic developments and eventually develop export markets that would finance economic developments. Unhappy historical memories initially prevented ASEAN members from participating in the political and strategic affairs of the region. Robert O Tilman argues, “… it is obvious that trade balance and strategic political thinking do not have a one to one correspondence.” Over the years perceptions about Japan’s involvement in the political and strategic sphere have changed. Japan’s involvement in the region is underlined by its age old need for raw materials and a viable market. Japan has evidently resorted to pragmatism, carefully working out policies and programmes that are apparently directed at development of Southeast Asia. In order to acquire a positive image, and convince ASEAN members of their non-predatory intentions and at a point of time, in non-communist parlance, the establishment and assistance through the Asian Development Bank (ADB) was seen as an intelligent decision. However it has been also argued that Japan foresaw ASEAN as an economic group that could threat Japan’s interests, sending assistance through the ADB was an antidote.

In the 1970s Japan’s increasing interest the region was reinforced by the Nemawashi Diplomacy and the Fukuda Doctrine. The former ensured a more participatory approach towards the ASEAN acknowledging both its economic potential as well as its role in ensuring safety of certain maritime communications. The latter, the Fukuda Doctrine, envisaged a holistic approach for future Japanese diplomacy.

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embracing economic, political and cultural policies towards Southeast Asia. In the post Cold War period, Japan's eagerness to enlarge its political role was obvious and in order to do so Japan began to show interest in strategic involvement and military activism. The 1992 Japanese Defence White Paper explaining the change that had come about in Japanese perspective was well explained, "[a]s a means of ensuring security, diplomatic effort is indispensable, but military force cannot be replaced by any other means". Emphasising on regional stability Prime Minister Junichiro Koizumi says, "Political Stability is indispensable for economic development. Securing regional peace, preventing conflicts and establishing political foundations will provide economic growth. Political stability and security of social infrastructure are necessary for economic development and Japan will cooperate with ASEAN by taking measures to respond to new challenges, including terrorism. Japan began interacting in accordance to its new found 'autonomous diplomacy' that provided it with some scope to get involved strategically. Such a diplomatic posture would give Japan ample scope to expand the ambit of its activity. Incidentally, such a postulation was also made at Japan's proposal for the 'Great East Asia Co-Prosperity Sphere'.

Prime amongst Japan's strategic interests towards the region include maritime security in and around Southeast Asia. The reason for this concern is that Southeast Asian maritime thoroughfares are used for Japanese trade, primarily oil and other commodities too. Therefore, Japan is certainly concerned with any event or development whether it is political unrest in the littoral States of Southeast Asia or sea

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131 Ibid.
133 Speech by His Excellency, Prime Minister of Japan Junichiro Koizumi at ASEAN Japan Investment-Business Alliance Seminar (ABIMS), December 10, 2003.
135 Japanese Prime Minister Matsuoka Yōsuke announced the idea of the Greater East Asia Co-Prosperity Sphere (referred to as "Co-Prosperity Sphere in this essay) in August 1940. However, the roots of the Co-Prosperity Sphere go back many years prior to its formal announcement. The Japanese envisioned the Co-Prosperity Sphere to be an autarkic bloc of Asian nations led by the Japanese and free of Western powers. In 2003 in similar lines, Japan floated a proposal for the creation of an East Asian Community. Tokyo envisages the ambitious plan, which will be formally announced in mid-December at an Association of Southeast Asian Nations (ASEAN) gathering there, as Asia's version of the European Union. Sean Curtin, "Japan's Risky Anti-foreign Rhetoric", Asian Times, November 20, 2003.
piracy that hampers safe naval passage. Japan is also concerned with the developments in the South China Sea as they are too close to the sea lanes of communications. As Japan wishes to expand its military stretch, it will not hesitate to send its own war vessels to fight piracy. However, ASEAN countries are not very comfortable with Japanese naval presence close to their shores. Philippines and Malaysia have shown their reservations in this connection. In early 1990s, Malaysian Defence Minister Najib Tun Razak expressed in clear words, "We do not like to see a Japan that can give us the impression, the spectre, of Japanese military warships plying up and down the stairs of Malacca. The kind of scenario is something which we are concerned about and I don't think really Japan would go that way." The Japanese Coast Guard vessels have already done the rounds close to some Southeast Asian States like the Philippines and the Malaysia at the turn of the twenty-first century. Japan plans to continue to stretch its naval power to keep the regional sea lanes easily accessible in order to reach the outer seas.

As discussed earlier Japanese are not comfortable with the Chinese and have supported the ASEAN countries in their stand against the Chinese on the South China Sea. It is easily understandable that Japan has a stake in safe sea passages. Japan has also its own proposal for free trade with ASEAN but the most viable proposal was that of ASEAN+3 that Japan felt could contain China. Japan has taken a step further than China and shown a lot of concern about human security, something that became very crucial for the country ever since the Asian crisis. Therefore, Japan is not only thinking in terms of containment of China or in terms of flexing its military muscles once in a while particularly in the sea, but has conceived of a much expansive and loosened up concept of strategic presence by trying to weave in its interests and concerns with those of the countries of Southeast Asia, making them common and as inclusive as human security. It is perhaps here that, as an Asian giant, Japan has thought a step ahead of China for it has stepped beyond the domain of military security. But it remains to be seen whether Southeast Asian countries will be able to accept Japan's new approach towards security, because that will certainly need the disengagement from historical prejudices against the nation.

4. India

India has never been considered as a state of direct consequence to the security scenario in Southeast Asia. India has never jumped on to the Cold War bandwagon nor has it displayed any strong ideological affiliation towards any of the existing camps in the Cold War period. More important, India has no bitter history of imperialism or military expansions into Southeast Asia. Therefore, the region feels no direct threat from this large South Asian neighbour. This does not mean that India had no relations with Southeast Asia. Like China, India had strong ancient historical and cultural ties that form the basis of the relation between India and Southeast Asia. During the British period, Myanmar was a part of the British Empire until 1935. In course of the Indian Nationalist Movement India’s only national army against the British, the Indian National Army under the leadership of the legendary leader Subhas Chandra Bose, started its military expeditions from Myanmar.

The relations between India and Southeast Asia in the post independence period form the real background to the present state of relations. It has also helped in forming ideas on threat perceptions and security estimations regarding each other power projections. Scholars have described India’s policy towards Southeast Asia between 1950s and 1980s as, “desultory and never assumed a coherent and well thought out policy approach backed by diplomatic and other capabilities.” India’s relations with Southeast Asia was based on the ground that India had consciously rejected the ideological camps but had not abandoned the realistic goal of emerging as a regional leader based on the its own ideological stance – Non-Alignment. India’s desire to emerge as a role model of non-aligned politics was in tune with Prime Minster Jawaharlal Nehru’s desire to emerge as a world statesmen providing leadership to the Afro-Asian states. It started with India’s proposal to launch an Asian Federation; this idea was promoted through the Asian Relations Conference in 1947. However her novel image had failed to inspire Southeast Asia and soon India realised that the newly independent states of Asia were not interested in bonding together under her leadership. In the fifties India went a long way in supporting Indonesia’s struggle against the Dutch. By arranging a conference in New Delhi on Indonesia in 1949,

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138 Baladas Ghoshal, “India’s Relations with ASEAN: the historical setting”, *World Focus*, vol.25, no.9, September 2004, p.3.
India was trying to establish its image as a responsible South Asian neighbour who supported the cause of independence and freedom. However India's position as an Asian leader was challenged at the Bandung Conference in 1955 because Chinese Premiere Chou en Lai stole the limelight and attracted many Afro-Asian states. This was the beginning of the Sino-Indian competition for claim to leadership in Asia. Unfortunately, Southeast Asian states have failed to get convinced of her leadership qualities. There are number reasons:

- India could not sustain its friendship with Indonesia. Indonesian President Sukarno soon after independence embarked on a personalised authoritarian brand of democracy called Guided Democracy. Indian Prime Minister Nehru did not support this new form of democracy. Sukarno also introduced the idea of Old Established Forces and New Established Forces. This was not accepted by India because India did not, in any case, support the idea of groups and alliances. As Sukarno began to lean towards China, the distance between India and Indonesia began to increase.

- India’s humiliating defeat at the Sino-India war in 1962 sent a message to her Southeast Asia neighbours that China was by far a more powerful state and if the Southeast Asian States were looking for regional leadership, China was more capable than India.

- India’s gradual inclination towards the Soviet Union in the post Sino-Indian war was something Southeast Asia took with great suspicion because India claimed to be a non-aligned state without affiliation to any ideological camp. It culminated in the signing of the Treaty of Friendship and Cooperation with the Soviet Union in 1971. The ASEAN states looked at this Treaty with some disquiet discontent. Indonesian Foreign Minister, Adam Malik’s comments reflected the mood of the region, “[w]e do not need a treaty like that one. Our need is not the same as that of India.”139 It implied that India need not be emulated and to that extent Southeast Asia was not looking for some form of relationship with India.

- India’s military campaign in East Pakistan lead to its independence and the state of Bangaldesh was born in 1971. India’s involvement in the Bangladesh

War was indicative of India's assertion as the South Asian giant. Moreover, it questioned her image as a peace loving South Asian neighbour.

- Apprehensions about India's intentions were strengthened due to her first nuclear explosion in 1975. This nuclear explosion made India a potential nuclear weapon state. Its implications on Southeast Asian countries were quite grave for they were stuck between two nuclear Asian giants India and China. From then onwards Southeast Asia would become the crucial balance between China and India.

- India's policy towards the Vietnam was very interesting. At the beginning, India was critical of US presence in Vietnam and compared Vietnam's struggle against US with the case of Bangladesh. India was supportive of the Paris Peace accords of 1973 but was far more excited with the communist victories of 1975.\textsuperscript{140} What earned India the ire of ASEAN countries was India's reluctance to condemn and pressurise Vietnam to withdraw its troops after it invaded Cambodia in 1975. ASEAN countries interpreted Indian position in light of its warm relations with Soviet Union. On the contrary she was critical of the Chinese involvement in the Cambodian conflict as it was a reminder of Chinese aggression of 1962. However India recognised its mistake in not condemning Soviet Union and Vietnam and therefore in 1979 New Delhi insisted that until the Vietnamese troops withdrew from Cambodia, India would not recognise the new regime.\textsuperscript{141}

- India also failed to fulfil ASEAN's expectations in context of the Soviet occupation of Afghanistan in 1979. While ASEAN members found it similar to Soviet intervention in Cambodia, India insisted that the two cases were different. Moreover, India considered US and Chinese activities more destabilising than the interventions by Vietnam or Soviet Union. Subsequently India had recognised the Vietnam supported Heng Samrin government in Cambodia thus creating a gap between India and ASEAN states. Later India tried to gain the confidence of the ASEAN states by urging the NAM meetings to propose a solution for Cambodia. The ASEAN countries could not outright reject Indian moves as India still enjoyed the support of the Indo-Chinese states. Thus Sridharan describes, "India obviously seemed to enjoy the confidence of the Indochinese side but had clearly lost credibility among the

\textsuperscript{140} \textit{Indian and Foreign Review}, vol.12, May 15, 1975, p.10.

\textsuperscript{141} \textit{Times of India}, May 9, 1979, cited in, Kripa Sridharan, \textit{The ASEAN Region in India's Foreign Policy}, Aldershot, Dartmouth publishing Company Limited, 1996, p.124.
ASEAN states. This was the net result of India’s diplomatic exercise in the region.\textsuperscript{142} At the end India did play a role in the solution to the Cambodian conflict as India became Chairman to the International Control Commission (ICC) that was to oversee the withdrawal of Vietnamese troops from Cambodia.

- Southeast Asian apprehensions about India’s military might and political intentions were once again high in the 1980s particularly at the end of the Rajiv Gandhi administration. India’s military build up was an issue of serious concern. India strengthened its naval defence through Russian assistance. India acquired Russian carrier aircraft from Russia and leased a submarine from them.\textsuperscript{143} During this period, the naval facilities at Port Blair in the Andaman Islands, in the Nicobar Islands, and in Lakshadweep were significantly upgraded and modernized. A new line of Leander-class frigates was manufactured at Mazagon Dock in collaboration with Vickers and Yarrow of Britain. These frigates, re-designated as the Godavari class, have anti-submarine warfare capabilities and can carry two helicopters. During the 1980s, plans were also finalized for the licensed manufacture of a line of West German Type 1500 submarines (known as the Shishumar class in India). In addition to these developments at Mazagon Dock, the naval air arm also was upgraded. India purchased nearly two squadrons of the Vertical and Short Takeoff and Landing (VSTOL) Sea Harriers to replace an earlier generation of Sea Hawks.\textsuperscript{144} In addition, India’s military expeditions in Siachen\textsuperscript{145} and in Sri

\textsuperscript{142} ibid, p.173.
\textsuperscript{143} P. Lewis Young, “India’s Nuclear Submarine Acquisition: A Major Step towards Regional Dominance”, \textit{Asian Defence Journal}, November 1988, pp.4-18, cited in, ibid, p.176.
\textsuperscript{145} In April 1984, the Indian Army launched Operation Meghdoot in the Siachen where, the Kumaon Regiment of the Indian Army and the Indian Air Force went into the glacier region. Pakistan quickly responded with troop deployments and what followed was literally a race to the top. Within a few days, the Indians were in control of the entire area, as Pakistan was beaten to all of the Saltoro Ridge high ground by about a week. The two northern passes - Sia La and Bilacond La - were quickly secured by India. Pakistan lost almost 900 square miles (2,300 km\textsuperscript{2}) to nearly 1,000 square miles (2,600 km\textsuperscript{2}) of territory to India. Since then Pakistan has launched several attempts to displace the Indian forces, but with little success. The most well known was in 1987, when an attempt was made by Pakistan to dislodge India from the area. The attack was masterminded by Pervez Musharraf (later President of Pakistan) heading a newly raised elite SSG commando unit raised with United States Special Operations Forces help in the area. A special garrison with eight thousand troops was built at Khabalu. The immediate aim was to capture Bilacond La but after bitter fighting that included hand to hand combat, the Pakistanis were thrown back and the positions remained the same. See, “Siachen Conflict”, available at, http://en.wikipedia.org/wiki/Siachen_conflict.
Lanka\textsuperscript{146} one again reminded the ASEAN countries that her desire to play a pivotal role in South Asian politics does not exactly commensurate with her projection as a friendly and peace-loving neighbour.

The end of the Cold War ushered in prominent changes within Southeast Asia that enhanced the scope of interaction between India and ASEAN. India’s urge to build a strong relationship ASEAN was based on two factors. They are:

- The world order had changed and with the disintegration of the Soviet Union, India had lost a reliable support. It left India alone to counter the pressures of China, the closest Cold War actor in Asia. In order to balance the Chinese influence in South and Southeast Asia, India found it necessary to strengthen its relationship with Southeast Asia. In this, India believed to have a better chance. As a non-aligned state and with no history of war against Southeast Asia, India could “refurbish its image as a responsible major power and convince (sic) ASEAN that it had greater stake in peace and stability rather than extending its influence to fill the so called power vacuum in Southeast Asia...”\textsuperscript{147}

- India’s initiation of the economic reforms in the beginning of the nineties was based on policies of market liberalisation. It became necessary for India to establish relations with Southeast Asian markets. Moreover liberalisation of its markets helps in bridging the differences that were evident in the economic structures of both the sides. India followed a mixed economy blending together socialistic patterns with private ownerships, ASEAN economies on the other hand, were based on liberal market systems. They were generously

\textsuperscript{146}  On 29 July 1987 India and Sri Lanka signed an accord whereby an Indian Peace-keeping Force (IPKF) would be sent to Sri Lanka to engineer the disarming of Tamil guerrillas in the northern province of the country and oversee a ceasefire. In May 1987 the Sri Lankan army began a major ground and air campaign against Tamil rebels concentrated in the Jaffna Peninsula in the north of the country. Over the next one and half years, the IPKF carried out various operations, it annoyed the Tamils both in Lanka and back in India. The Indian government, which faced growing discontent among its own southern Tamil population, began to pressure Colombo to cease its offensive. In Sri Lanka too there was popular discontent. Sri Lanka soon called up on India to withdraw the IPKF from the Island, but the Indian government responded with counterproposals. After some brinkmanship and with the IPKF ready for any eventuality, the issue was finally resolved on 28 July 1989 with an agreement for a phased withdrawal. Six hundred IPKF soldiers left for India the very next day, but the major de-induction process began in October 1989. Thirty-two months after the IPKF’s arrival in Sri Lanka, the last batch of soldiers returned to Madras harbour aboard INS Magar on 25 March 1990. Pushpinder Singh, “Indian Peacekeepers in Sri Lanka”, World Air Power Journal, available at, http://www.bharat-rakshak.com/IAF/History/1987IPKF/Pushpindar01.html.

funded by foreign capital from Western States. Liberalisation of the Indian economy helped ASEAN shed its long time reservation about India as a state belonging to the Soviet camp and rearing a state controlled economy. Both, especially India could reap economic benefits by rejuvenating ties with ASEAN states.

- India was also becoming increasingly wary of the separatist violence in the Northeast. The six states of Northeast India have been up in arms against the Indian government some time or the other, but some of the states like Assam, Nagaland, and Manipur are still very violent.148 The Indian government has discovered in many cases the involvement of external forces and a large part of it has to do with the neighbouring states of Southeast Asia. The closest Southeast Asian state is Myanmar, since the early nineties a number of these insurgent groups have found shelter in Myanmar. Relations between India and Myanmar were strained since the advent of the army regime in the early 1990s. However in response to the cross border links to the insurgency challenge in the northeast, the Indian government found it impending to establish relations with the once forbidden regime of Myanmar. In course of time, the Myanmar government has also responded by assisting the Indian government by flushing out terrorists from the border regions of Myanmar.

Thus India’s attention towards Southeast Asia was determined by practical factors and not by any ideological considerations. As G.V.C. Naidu explained, “What started as an attempt to assuage negative reaction to the navy, the post-Cold War political atmosphere offered an opportunity to convert that into a policy initiative expanding the scope considerably to include aspects political as well as economic. Devoid of any policy statement or document explaining the details or objectives, gradually it took shape to be known as the Look East Policy.”149

The term ‘Look East Policy’ found mention in 1995-1996 in the Annual Report of the Ministry of External Affairs.\textsuperscript{150} The tenets of the Look East Policy had laid by the former Prime Minister Narasimha Rao at his famous Singapore lecture speech titled, “India and the Asia Pacific: A New Relationship”. He underlined the rationale of cooperation in the Asia Pacific stressed,

It takes a good deal of statesmanship to proceed on the path of nation-building on democratic lines, while ensuring that the nation remains a worthy member of the international community....The Asia-Pacific region is rather loosely defined, I understand. While organizations such as APEC [Asia-Pacific Economic Cooperation] and ARF [ASEAN Regional Forum] have a membership based more or less on geographic criteria, there can be no gainsaying that political and economic imperatives have mainly contributed to the process of the coming together of these nation-states.\textsuperscript{151}

Relations with ASEAN have improved over time. India was promoted from the status of Sectoral Dialogue Partnership in 1992 to that of a Full Dialogue Partnership in 1995. This has paved the way for greater economic interaction and political exchange and provided her an opportune moment to provide leadership focusing on common security issues. India was therefore invited in 1996 to the ARF-PMC meetings. Admission to the ARF underlines the acceptance of India's role and position in the Asia-Pacific region. India became a member of the ARF in 1996. ASEAN and India have common security issues. For instance, India and Southeast Asia for own reasons would like to keep the region of South and Southeast Asia free from big power interventions. In the case of India, as a non-aligned country, she would not support external intervention that would put to jeopardy her prospects of providing leadership in South and Southeast Asia. Interestingly, for Southeast Asia, they view India as an external power to the region. Southeast Asian states view US, China, Japan and India as the possible players in their region and ASEAN would act as the centre of politics. In the geopolitical realm states of Southeast Asia see India as a useful option to diversify their external economic linkages and act a balance to China. Perhaps it was for this reason India was provided a status of a dialogue partner before China and Russia.\textsuperscript{152}

\textsuperscript{151} India and the Asia Pacific: Forging a New Relationship with the Asia Pacific”, Speech by Indian Prime Minister P. V. Narasimha Rao, Singapore, September 8, 1994.
India’s involvement in Southeast Asia would also bring into picture the delicate balance between India and China. India can earn itself the trust of the ASEAN countries as it has no territorial conflict with any state(s) of the region. ASEAN’s concern over China’s ambitions in the region can be juxtaposed with ASEAN’s mild reaction to the India’s nuclear reaction in 1998. ASEAN side stepped a strong condemnation against India and just, “expressed grave concern and strongly deplored the recent nuclear tests in South Asia.”153 India understands that with its present capacity, it cannot outdo China’s influence. Therefore India has been trying to present itself only as an alternative to China. This approach has been received well ASEAN; in 2005 with the strong support from Indonesia, Thailand and Singapore, India was inducted a member in the East Asian Summit. This was a significant step in India’s drive for strong linkages with East Asia as well as in ASEAN’s efforts to have India strategically and economically engaged in the affairs of the region, as well as play a counterweight role vis-à-vis China. As bilateral relations between India and ASEAN have improved, bilateral economic relations economic relations have also shown a positive trend. From 2005-2007, trade in goods between ASEAN and India increased at an average annual rate of 28 percent. ASEAN exports to India during the same period grew at an annual rate of 31 percent on average, the fastest among ASEAN’s exports to major trading partners. The share of ASEAN-India trade in relation to total ASEAN trade continued to increase and India remains ASEAN’s seventh largest trading partner. On the investment side, in 2007, India’s Foreign Direct Investment to ASEAN, valued at US dollar (USD) 641 million, and was the highest ever recorded since 2000.154 In 2008, the Ministers announced the conclusion of the ASEAN-India Free Trade Agreement (AIFTA) negotiations for trade-in-goods.

In 2001, India had projected the commonality of the security concerns between her and ASEAN countries and went to the extent of endorsing her commitment to the SEANWFZ. Former Prime Minister Atal Bihari Vajpayee explained,

The security of India and that of ASEAN are closely interlinked. We believe that a multi-polar world order would provide the best guarantee of equal security for all states. We respect the status of Southeast Asia as a nuclear Weapons Free Zone and,

154 Joint Media Statement of the Sixth AEM-India Consultations, Singapore, August 28, 2008.
as a nuclear weapon state, we are willing convert this recognition in to a de jure commitment.155

India’s eagerness to endorse the SEANWFZ was a step towards earning the confidence of ASEAN states in the post Pokhran situation. Explaining India’s position in the post Pokhran period Prime Minister Vajpayee said,

There is better understanding in the world today of our decision to maintain a minimum credible nuclear deterrent. We have declared a unilateral moratorium on underground explosive tests. We have a declared policy of no first use, and a commitment never to use nuclear weapons against non-nuclear states. We have proved that India is neither a proliferation threat nor an exporter of sensitive nuclear or missile technology. This cannot be said to be true of all parties to the NPT. Our approach is further underpinned by our abiding commitment to the goal of a nuclear weapon-free world.156

India is building defence ties with ASEAN countries and has conducted joint military exercises. Joint military exercises are considered to be a CBM. For instance, in 2003, India and Singapore signed a Joint Defence Agreement that included exchange of personnel, intelligence sharing, joint air, naval and land exercises as well as defence dialogues. There have been agreements allowing Indian military personnel to train with Vietnamese troops in jungle warfare. India has sought to allay fears of its Southeast Asian neighbours who have voiced apprehension over the increasing presence of the Indian Navy in the Andaman & Nicobar Islands by holding annual naval exercises "Milan" with ASEAN & ARF member states. In a first ever, in January 2000, Myanmar's Chief of the Navy visited India in hopes of improving future cooperation between the two navies. Furthermore in an attempt to counter Chinese monopoly over Myanmar's military government, India has offered to train Myanmar's armed forces. In April 2000, India announced that it would hold bilateral naval exercises with both Vietnam and South Korea (ARF member) and it also plans to hold a unilateral exercise in the South China Sea.157 Besides traditional security issues, India and ASEAN have face common non-conventional threats of which terrorism ranks first. India and ASEAN both are victims to the scourge of terrorism including maritime terrorism. Both India and ASEAN adopted in October 2003, a Joint Declaration for Co-Operation to Combat International Terrorism. The objective

155 "India and ASEAN - Shared Perspectives", Prime Minister Vajpayee’s address to the Institute of Diplomatic and Foreign Relations, Kuala Lumpur, May 16, 2001.
of this Joint Declaration was to "reaffirm the importance of having a framework for cooperation to prevent, disrupt and combat international terrorism through the exchange and flow of information, intelligence and capacity building." This has been supplemented by Extradition Treaties between India and some of the Southeast Asian States at a bilateral level. India has extradition treaties with the Philippines, with Thailand and with Singapore. India has been paying a lot of attention to maritime security. For instance, India along the US organised an ARF Workshop on Maritime Security Challenges, in Mumbai from February 27-March 1, 2003. This was followed by, Workshop on Training for the Cooperative Maritime Security, Kochi, India, October 26-28, 2005.

As India continues to strengthen its relations with ASEAN, it is necessary to consider China as a constant factor in Southeast Asia. Relations between the two Asian giants are based on a realistic estimation of mutual threat perceptions. There is also a very silent act of balance of power involving both South and Southeast Asia. For instance, as China finds a reliable ally in Pakistan who can act as a pressure point against India, India seems to consider ASEAN as a counter balance against China. ASEAN's pro-western orientation makes it easier for India to consider the organisation as ideal counter-measure against China. It also helps India to evolve its image from an anti-ASEAN (during Cold War) pro Soviet country to a more pro-active and friendly neighbour to the ASEAN states. India has paid special attention to Myanmar. Myanmar is considered to be important to India for various reasons. First, Myanmar is the next door neighbour to India. Second, Myanmar is a country with noticeable Chinese influence and presence. Third, Myanmar has been the hub of anti-Indian activities especially for the northeast; it is a major conduit of illegal trade in arms, drugs and contraband. Fourth, Myanmar is the geographical gateway to Southeast Asia. Thus India-Myanmar relation is the symbolic manifestation of the kind of relation that exists between India and China in Southeast Asia. India has already made forays into Myanmar by establishing road links, for instance the Tamu-(India)-Kalemyo(Myanmar)-Kalewa(Myanmar)-Highway has been already established. Besides, the Mekong-Ganga River Cooperation Project involves India and Myanmar and four other ASEAN countries (Thailand, Cambodia, Laos and Vietnam). India has

158 ASEAN-India Joint Declaration for Cooperation to Combat International Terrorism, Bali, Indonesia, October 8, 2003.
also found another forum of interaction where China or Pakistan is not a member, the Bangladesh, India, Myanmar, Sri Lanka, and Thailand Economic Cooperation (BIMSTEC) where India can strengthen its ties with Myanmar.\textsuperscript{159} Yet India has to accept the fact that the roots of Chinese influence in the region runs quite deep and as a fallout Indian waters are also not safe in the Bay of Bengal where the Chinese have set up their naval radars in the Coco Islands. The islands have been leased to the Chinese.\textsuperscript{160} India’s bilateral exercises with Singapore, Malaysia and other members of the ARF like the US and Australia can be viewed as a counter strategy to keep the waters of Bay of Bengal, the Straits of Malacca and even the Indian Ocean free from Chinese overtures\textsuperscript{161} India is also keen to gain from the massive petroleum resources available in the Rakhine regions of Myanmar but there has been not much success in this front; both India and China have been jockeying for a share of Myanmar’s gas reserves, but in January 2007, India lost gas from A-1 and A-3 blocks to China. The truth is that China has more influence over that country due to its long drawn relations with the state since the advent of the army regime in the early nineties. India has been pragmatic not to mention or make any negative remarks on the internal developments in Myanmar. This has been evident in India’s silence with regard to the latest democratic protests in Myanmar in 2007. Yet India has to wait for a while before Myanmar gives her due importance. In so far as Sino-Indian competition is concerned two factors will control this competition. First, it depends on the over all state of relation between India and China which of very recent seem to be improving with the Declaration of “Strategic and Cooperative Partnership for Peace and Prosperity” by Chinese Premiere Wen Jia Bao during his visit to India in 2005.\textsuperscript{162} The countries have found reason to cooperate on the issue of counter-terrorism. Earlier, India and China had held the first joint naval exercise in November 2003 off Shanghai on Chinas eastern seaboard. On December 6, 2008, the first-ever Sino-Indian military combat

\textsuperscript{159} In 2004 BIMSTEC has signed an Agreement on establishing the Free Trade Area.

\textsuperscript{160} There are various reports on the status of Chinese engagement in the Bay of Bengal region and in the coastal regions of Myanmar. It is known that China was operating radar stations and signals intelligence (SIGINT) posts at many of these locations, including in the Little Coco Island. One report indicated that in 1994 China acquired the Great Coco Island on lease from Myanmar. A 1998 report indicated that India had 'eyewitness' evidence of Chinese naval officials working in at least nine naval bases in Myanmar.

\textsuperscript{161} India conducted exercise 'Milan 2003' (11-15 February 2003) a confluence meeting of the navies from the Indian Ocean countries. Warships and naval delegates from several nations (Australia, Indonesia, Malaysia, Myanmar, Thailand, Sri Lanka and Singapore) participated in the event.

\textsuperscript{162} Joint Statement of the Republic of India and the People’s Republic of China, New Delhi, April 11, 2005.
exercises on Indian soil to counter terror and insurgency began. Called the Exercise Hand-in-Hand 2008, the event between the third largest army in the world and the largest army of the world is a continuation of ongoing Army-to-Army cooperation, as part of the Annual Defence Dialogue (ADD) initiated between India and China in 2006. Second, Sino-Indian relations in context of Southeast Asia will be controlled by the ASEAN. It will serve as the crucial fulcrum between China and India in this part of Asia. Therefore both the countries will compete each other in gaining ASEAN’s confidence; it is for ASEAN to choose between the two, but it is unlikely that ASEAN will choose one state at the cost of the other. In that case India-ASEAN-China will also determine the future balance of power of Southeast Asia.

A somewhat elaborate discussion on the role of the external powers is done with enough reason. Gathering experience from its immediate past, i.e. the Cold War period, it is evident that Southeast Asia is the playground of power politics and the region has been on the receiving end of such power games and ploys. Much to the peculiar characteristic of this region, security issues and economic ones all translate into matters of political importance. In this age of complex interdependence, political instabilities and tensions are unlikely to remain constricted or compartmentalised to one issue or to one region. They are almost certain to have spill over effects beyond their geographical contours. Under such circumstances, it is imperative that in a fluid, fast changing region like Southeast Asia the big powers clear their interests and intentions that are yet to happen. Consequently the region will continue to remain under the scanner of security experts so long as a stable balance of power emerges. It is easier said than done.