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Overview of the main political events in East and Southeast Asia in 2010

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Summary

The year 2010 was a relatively good one in economic terms for most of the countries in East and Southeast Asia, and which showed clear signs of recovery from the world financial crisis. China's strong economic recovery, in contrast with the majority of Western economies, precipitated the transfer of power from the West to the East, thus transforming the political and security scenario in East and Southeast Asia. Given that in 2010 China was creating uncertainty over how it will exert its geopolitical power in the area it now considers its own "backyard", the USA's "return to high-profile" was to some extent welcomed, in particular by the member states of the Association of Southeast Asian Nations (ASEAN). However, no country in Southeast Asia wants to be forced to choose between the US and China, and thus ASEAN has taken steps to maintain a strategic balance. Another point of conflict was the bilateral quarrels between different neighbouring countries, such as Cambodia and Thailand, the growing tensions in the Korean peninsula and the different incidents that took place in the East China Sea and which have affected diplomatic and political relations between various countries in East and Southeast Asia.

Introduction

2010 was a relatively good year economically for most East and Southeast Asian countries. Their economies were able to bounce back from the sharp drop in trade in early 2009 at the onset of the global financial crisis. All economies recorded positive economic growth, and the rapid recovery actually fuelled fears of overheating towards the end of 2010.

The strong economic recovery in China in contrast to the lacklustre economic performance of most Western economies, and in particular the persistent unemployment and lack of recovery in the United States hastened the shift of power from the West to the East. The increasing weight of China has been a key factor driving geopolitical changes in East and Southeast Asia for more than a decade now, and in 2010, the rising assertiveness of China interplayed with

the "perceived" decline of the US to provide an interesting strategic backdrop of the overall political and security developments in East and Southeast Asia.

Events in 2010 seemed to have generated greater unease with regards to how China will exercise its geopolitical power backed by its enormous economic prowess in what is seen as its own "backyard". Hence, the "high profile return" of the US to the East and Southeast Asian region was somewhat welcome by the rest of East and Southeast Asia, and in particular, by the member states of the Association of Southeast Asian Nations (ASEAN). At the same time, there is also awareness that the strategic competition between the US and China need to be managed cautiously and a balance of power has to be maintained. No one in Southeast Asia wants to be forced to choose sides between the US and China and hence great efforts were made by ASEAN to maintain a strategic balance despite the fact that China's assertiveness and manoeuvre in the South China Sea has irked many claimant states such as Philippines and Vietnam.

Politically, the general atmosphere has been somewhat "upset" by the bilateral spats between neighbours such as Cambodia and Thailand, rising tensions in the Korean peninsula and incidents in East China Sea and South China Sea that affected diplomatic and political ties amongst several East and Southeast Asian countries. In short, the political and security environment of the East and Southeast Asian region has been plagued by various challenges, many with roots in domestic politics.

Tensions in the Korean Peninsula

2010 was the most turbulent year in inter-Korean relations in the recent decade. Provocations by North Korea from the sinking of the South Korean frigate Cheonan in March, and the attack on Yeongpyon Island in November raised the military alert to the highest level in the Korean peninsula. One explanation offered by North Korea observers for the erratic behaviour and provocations taken by North Korea was that the country is undergoing a difficult political succession period. The Dear Leader of North Korea Kim Jong-il

has been in ill health for a number of years, and in 2010, he “formally anointed” his younger son, Kim Jong-eun as his successor. Kim Jong-eun’s relative youth and lack of experience (he is said to be only 26 or 27) raised concerns about his ability to hold the command and respect of the older party cadres and military commanders despite the fact that he was promoted to a four-star general in September.

These two incidents plus the unusual move by North Korean authorities showing off a new fully operational uranium enrichment facility to a US nuclear physicist have sunk inter-Korean relations to its lowest level.

The refusal by China to join the international community to condemn North Korea for the sinking of the Cheonan which killed 46 South Korean sailors and the unprovoked attack by the North on Yeongpyon island killing some civilians had led some analysts to view it as a “turning point in China’s relations with Asia and the wider world” (Glaser & Glosserman, 2010).

“Ensuring that relations between the two Koreas remain on a steady footing (calm if not warm) and moving towards a reduction of nuclear capacity of North Korea are now top priorities. How this should be pursued – whether through dialogue or a more limited form of diplomacy – is the challenge currently facing US and South Korean policymakers” (Chubb, 2011). The visit by the US New Mexico’s Governor, Bill Richardson to Pyongyang at the end of the year was seen as a move to reduce tensions and miscalculations in the Korean peninsula (Yoon, 2011).

Despite the unstable security environment in the Korean peninsula, South Korean economy performed relatively well, growing by almost 6% in 2010. It has also emerged on the global stage more confident as it hosted the G20 summit in Seoul in November.

East China Sea and Japan-China relations

The disputes over the sovereignty of Senkaku islands (as known to the Japanese) or Diaoyu islands (as the Chinese would have called them) have remained unresolved, and this has always been a potential flash point in Sino-Japanese relations. In September, following the seizure of a Chinese fishing boat and the arrest of its Chinese captain and crew by Japanese Coast Guard, China launched into a series of actions to pressure Japan into returning the boat and releasing its crew members. The Chinese action included the cancellation of several planned visits and exchange and

economic pressure in the form of “cutback” in exports of rare earth metals to Japan. Anti-Japanese protests spread through China and a few Japanese in China were arrested on unclear charges. And, when the Japanese caved in to the pressure and released the boat and its crew, Chinese went further to demand an official apology from the Japanese.

The Chinese actions were perceived as “bullying” by many Japanese, and some Japanese also expressed dismay at its own government for “succumbing” to Chinese pressure and releasing the boat and crew. A video was then released (apparently by one of the Japanese Coast Guard) that allegedly showed the Chinese fishing boat captain deliberately ramming his board against Japanese Coast Guard ship in the disputed water near the Senkaku/Diaoyu islands. The whole incident had significant impact on public opinion in Japan, resulting in a significant rise in the number of Japanese who consider China as a threat.

The Chinese actions had also the effect of drawing Japan closer to the US, and reaffirming their bilateral security alliance. It was a big setback for Sino-Japanese relations, which

have been on the uptrend after historic low in 2006 during Koizumi’s time as Prime Minister. The new DPJ government that came into power in 2009 has sought to improve ties with China, and also adopted a more independent stance from the US in its foreign policy. In the first half of 2010, then Prime Minister Yukio Hatoyama was working in fact to reduce the US military presence in Okinawa, partly acting on its campaign promise to the residents of Okinawa to review the presence of US bases on the island.

After the Senkaku/Diaoyu islands’ incident in September-October, the US repeated its longstanding policy that while the US takes no position on the sovereignty of the islands per se, it is clearly committed to defending them as they are territory administered by Japan and hence subject to the bilateral security alliance between Japan and US.

South China Sea

China claims most of the South China Sea (SCS) as its own and has disputes with Vietnam, the Philippines, Brunei and Malaysia over various claims. In the 1990s, there were a number of clashes that raised the anxiety in Southeast Asia over Chinese intentions. However, as China became much more enmeshed in the various regional architectures such as the ASEAN+3 and ARF, tensions have been brought under control. The signing of the Declaration on the Conduct of

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Parties in the South China Sea (DOC) in 2002 signalled China's new foreign policy approach then in emphasizing its peaceful rise and stressing the spirit of cooperation, putting aside disputes and concentrating on possible joint development.

This document, however, is not legally binding, and moves to come up with a set of implementation guidelines on how to resolve the disputes have foundered because China has insisted on dealing bilaterally with each claimant state rather than through an ASEAN-China framework.

Since 2009 however, China seems also to have "second thoughts about the DOC, fearing that it could jeopardise its sovereignty claims in the South China Sea" (Chalermpananupap, 2010) and thus has been more forceful in staking its claims in the SCS. 2010 saw the intensifying of these tensions between China and its Southeast Asian neighbours over territorial claims in SCS. Disputes between China and the claimant states in Southeast Asia "went up a notch" in July "when US Secretary of State Hillary Clinton weighed in on the issue, urging China and ASEAN countries to come up with a code of conduct to settle the disputes" (Ho, 2011).

The moves by US to "multilateralise" the issues in South China Sea and those concerning maritime security and navigational rights had led China to soften its stand and a meeting was held in Kunming in December to discuss a code of conduct on maritime security cooperation. At the same time, it also reiterated that the South China Sea disputes should be handled only "by the nations directly involved in the disputes" and should not involve "outside forces" (Sutter & Huang, 2011)

Some Key Domestic Developments in Southeast Asia

"Southeast Asian security environment continues to be shaped by the persistence of everyday security challenges that are primarily domestic in nature and weaken state capacity. They have the potential to spill over and affect neighbouring states" (Thayer, 2010) and, as also pointed out by Christopher Roberts in his study, "state weakness impeded regionalist endeavours" as they are too engrossed with "intra-state centrifugal challenges, ranging from dealing with secessionists (such as in Philippines), terrorists, militias and others" and detracts them from "considerations of regional cooperation and integration" or "external security dilemma" (Roberts, 2011).

Elections and by-elections

The announcement by the Myanmar junta that an election will be held on 7 November 2010 was greeted with much scepticism from western watchers. However, Myanmar's neighbours were more willing to see this as a positive, albeit, small step towards political reforms and reconciliation in Myanmar.

The first election after two decades (the last election was held in 1990) was marred by many irregularities, and even before the election, the "playing field was tilted heavily in favour of the USDP". The Union Solidarity and Development Party (USDP) is set up by the military regime to contest the elections, and hence it was to no one's surprise that the USDP "won a landslide victory leaving the military elite still in control" (ICG Briefing No 118, Mar 2011).

The 2010 General elections in Philippines was the first national computerised elections in the history of the Philippines, and things went pretty smoothly. It was believed that the use of fully automated polling system would cut down election fraud and ensure clean, fair and honest elections.

The Presidential and vice-presidential elections which took place at the same time also went on without a hitch. Senator Benigno Aquino, son of former president, Corazon Aquino, who led the people power resulting in the down-

fall of Ferdinand Marcos in 1986, was elected the 15th President of the Philippines. Benigno Aquino has campaigned on a platform of fighting corruption, but since being sworn in on 30th June as the president, there is not much in concrete policies to show any strong resolve in tackling corruption.

Malaysia continued to see a series of by-elections being staged throughout 2010. Since the last General Election in 2008, the number of by-elections that took place was unprecedented. Many of these by-elections had to take place mainly because of the deaths of incumbents, but also quite a number due to resignations and defections reflecting the rather fluid political situation in Malaysia.

Insurgencies, ethnic and religious tensions

Ethnic and religious tensions, which had been on the rise since the 2008 general elections in Malaysia, continued unabated in 2010. A series of attacks on Christian churches, a Sikh temple, and increasing religiosity among the

Malay Muslims had negative impact on racial and religious harmony. Some political analysts, such as Professor Zakaria Ahmad, believed that these tensions are “symptomatic of conflicting economic and political pressures on the leading government party, the United Malays National Organisation (UMNO)”, which for the first time in election history lost its 2/3 majority in the parliament during the 2008 general elections. Zakaria further alluded that the government in order to “shore up its support within the Muslim Malay community” began to adopt “more hardline actions on issues of race and religion” (Padden, 2010).

To tackle this trend of rising tensions, Prime Minister Najib Razak launched the Malaysia political programme earlier on, calling for the cabinet, government agencies and civil servants to more strongly emphasize ethnic harmony, national unity and efficient governance. At the same time, in September 2010, the Malaysian government also rolled out an ambitious Economic Transformation Programme aimed at transforming Malaysia into a high-income society by 2020.

The security situation in the Philippines in 2010 appeared to have worsened due to continued insurgencies waged by the Moro Islamic Liberation Front (MILF) and the communist rebellion led by the Communist Party of Philippines (CPP) through its New People’s Army (NPA). The latter had carried out at least 250 tactical offensives against government forces in 2010 resulting in significant losses of soldiers and policemen. The separatist rebellion in Mindanao led by the MILF also continued to be a threat, and situation in Southern Philippines is also further challenged by terrorists associated with the Abu Sayyaf Group.

2010 was generally a good year for Indonesia as it raises its profile on the world stage as a successful democracy after decades of authoritarian rule. Indonesia is now a member of G20 and its economy has been relatively unscathed by the global financial crisis, showing steady growth rates.

The visit by President Obama to Indonesia serves to highlight the importance that the US placed on “Indonesia’s status as the world’s largest Muslim majority nation with a predominately moderate brand of Islam” (Anwar, 2010) and one that is also a functioning democracy. Yet at the same time, there were emerging signs of rising religious intolerance among Indonesian Muslims according to a survey conducted by the Centre for the Study of Islam and Society. “The survey, which compared data from 2001 to 2010, showed that Muslim opposition to churches and non-Muslim religious buildings rose from 40.5% to 57.8%” (Hariyadi, 2010). Research results separately released by two Indonesian civil society organisations that work to promote tolerance and understanding in Indonesia, the Moderate

Muslim Society and the Wahid Institute showed that the number of religiously motivated attacks and discrimination against minority religious groups have gone up in 2010 (Testriono, 2011).

Indonesia also continued its relatively successful anti-terrorist strategy and 2010 saw further crippling of terrorists cells in Aceh, Jakarta and Banten, with the arrests and deaths of several terrorists including Dulmatin, the most wanted of the remaining fugitive Bali bombers.

Deep political divide in Thailand with impact on bilateral ties and ASEAN solidarity

Politics in Thailand continued to be plagued by deep divisions but it was business as usual as the Thai economy is estimated to grow at a respectable 7-8% for the whole of 2010 despite months of protests by the Red Shirts.

Thailand has suffered from a prolonged series of protests since 2008, starting with the campaign by the so-called Yellow Shirts, or the People’s Alliance for Democracy, to bring down the democratically elected governments which they saw as too closely allied to the former Prime Minister Thaksin who was himself “deposed” by a military coup in 2006. “Their protests contributed to the ouster of two governments” and “led to the creation of the current government” (Padden, 2011) through what was seen as “undemocratic” means by Thaksin’s supporters.

In 2009, opposition against the Democrat Party-led government and demands for new election rose. A coalition of Thaksin supporters, calling themselves the United Front of Democracy against Dictatorship (UDD) or the Red Shirts began to mount a series of protests.

In 2010, the Red Shirts’ decision to take to the streets again was triggered by the Supreme Court’s decision to seize a sizeable chunk of Thaksin’s fortune. The protracted occupation of Central Bangkok area by the Red Shirt protesters unfortunately ended in violence in May leaving close to 90 people dead and thousands injured. Several Red Shirt leaders surrendered to the police and told protestors to disperse when the full force of the military were used to clear the protestors from Central Bangkok. Arrests continued to be made and the opposition by the Red Shirts was suppressed for the time being. Many political analysts were however convinced that Thai society remained deeply divided and the political crisis is not over.

The deep political divisions unfortunately also claimed another victim in the form of heightened tensions with Cambodia over the area surrounding the Preah Vihear temple. While it is true that the sovereignty over the land sur-

rounding the temple has never been fully settled, the fact that the dispute first flared up in 2008 led some analysts, such as Carl Thayer and Pavin Chachavalpongpun, to conclude that the issue has been driven by domestic politics and become the subject of nationalist political posturing. The heightened tensions in 2010 with shots being fired was driven mostly by the political situation in Thailand (Padden, 2011). In August, Cambodia had sought ASEAN's help to resolve the border issue, but Thailand has refused ASEAN mediation insisting that it should be resolved bilaterally. ASEAN's image and solidarity was thus adversely affected by this border dispute.

ASEAN and East Asian Regionalism

ASEAN's solidarity and ability to drive the regional processes have been increasingly questioned over the last few years. The role of ASEAN in stabilising great power relations was an important moot point in 2010 as the US stepped up its engagement in Southeast Asia and appeared willing to employ the various multilateral forums such as the ASEAN Regional Forum (ARF) to promote its national interests. ASEAN certainly wants the US to remain engaged and committed to the security, and is happy that the US under the Obama administration has put emphasis on Asia and ASEAN. However, it is also unwise for ASEAN to be overly dependent on the US, and it certainly does not want to give the impression that it seeks for the US to contain China.

ASEAN thus has to manage the likely tensions between China and the US in the various regional forums with great skill and tenacity. ASEAN would need to have all the diplomatic dexterity to manage the increasing strategic competition between the US and China and strike a careful balance between the two big powers, as friction between them would complicate broader regional dynamics. As Aileen Baviera noted, "recent tiffs between China and Japan, China and Vietnam and China and the US concerning the status of disputed islands and waters in South and East China Seas possess a significance quite distinct from disagreements of the past. More specifically, previous contests amongst coastal states for sovereignty, fisheries, energy resources and maritime navigational rights continue to exist, but they are now overshadowed by the rivalry among powers in pursuit of the broader goal of establishing and expanding strategic influence" (Baviera, 2010).

ADMM and ADMM Plus

During the 4th ASEAN Defence Ministers' Meeting (ADMM) held in Hanoi in May, plans for a broader multilateral ADMM + 8 (China, Japan, Korea, India, Australia, New Zealand, the US and Russia) was agreed on. The first meet-

ing of these 18 defence ministers took place in Hanoi on 12 October and the agenda was very carefully pointed towards non-traditional security issues such as disaster relief and humanitarian assistance, maritime security and counter-terrorism in order to prevent the meeting being marred by the rising tensions over sovereignty claims in the East and South China Seas.

The meeting reaffirmed the central role of ASEAN in any institutional initiative and stressed that the ASEAN way emphasizing "respect for independence and sovereignty, non-interference in internal affairs of member states, consultation and consensus and moving at a pace comfortable to all parties" should be respected (Cossa & Glosserman, 2011). Still despite the rather modest step taken and the usual "rendition" of the ASEAN way, "much optimism surrounds the establishment of the ADMM Plus" which is seen as an "optimal architectural formula for Asian security" (Capie & Taylor, 2010).

It was also during the ADMM + 8 meeting that ASEAN invited the US and Russia to participate in the East Asia Summit (EAS) meeting in 2011, and US State Secretary Clinton in a speech immediately following these developments acknowledge the "central role of ASEAN" and also expressed the US desire to see EAS emerge as a forum for substantive engagement on pressing strategic and political issues, including nuclear non-proliferation, maritime security and climate change" (Cossa & Glosserman, 2011).

East Asian Regionalism

Region-building in East and Southeast Asia through the ASEAN + 3 processes has not made much progress except for the set-up of a US\$120 billion fund under the Chiang Mai Initiative Multilateralisation (CMIM). This fund – a response to the global financial crisis – came into effect in March and is meant to provide emergency liquidity for the ASEAN +3 countries. The 13 member states of ASEAN +3 have also agreed to establish a regional surveillance unit to be located in Singapore to bolster the operation of the CMIM.

The CMIM has been the most symbolic achievement of East Asian regionalism requiring close cooperation in particular amongst the three North-east Asian countries, China, Japan and Korea. Beyond this, East Asian regionalism has not made much progress in other fields, and risks being overshadowed by the East Asia Summit (EAS) as the US signals strong intention to be involved in the region and in the various regional architectures of which it is currently a member.

East Asian regionalism is not likely to make significant progress in the near future because of a few reasons. Firstly,

China's charm offensive in Southeast Asia is wearing off, and its relations with Japan has remained somewhat difficult because of incidents in the East China Sea. Secondly, Korea, who used to be a prime driver of ASEAN + 3 processes is preoccupied with developments in North Korea, and also with its elevation to the status of a global player as reflected in its membership of G20.

Conclusion

A good year economically but with a political and strategic backdrop that is increasingly complex as the US and China became more active and assertive in the region respectively – this is how 2010 can be summed up for East and Southeast Asia. Many of the political events that impacted the region revolve around the increasing assertiveness of China – in the East and South China Seas –, and the scramble for appropriate responses from the other countries in the region – Japan, ASEAN and its member states –, and the “return” of the US. In the realm of domestic politics, a few of the countries are under stress, fuelling the concern that domestic issues may become potential sparks for broader regional tensions – as seen in the Korean peninsula and the Thai-Cambodia border conflict. But overall, East and Southeast Asia had maintained relative peace and stability for most of 2010 keeping tensions well under control.

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