

Chapter 6

Southeast Asia: ASEAN and Greater US Engagement

The countries of Southeast Asia, influenced in part by the United States' "rebalancing" toward the Asia-Pacific, have been active in security cooperation, and the progress of reforms in Myanmar has brought changes in its relations both within the region and beyond as well. The reforms that began with the inauguration of "civilian rule" in March 2011 continued during 2012, giving the sense that the reform trend has taken root as established policy. Can reform of the economic system and political liberalization accompanied by expansion of Myanmar's external relations continue? The answer will depend on whether the overall trend, including the relationship between the pro-democratization factions and the conservatives within the government and elsewhere, can be kept moving toward liberalization. There has been progress since 2011 in reconciliation between the central government and the ethnic minorities, whose relationship has been marked by decades of deep-rooted confrontation including sporadic armed conflict, but the political dialogue has reached a bottleneck. Myanmar's dealings with the Rohingyas have also begun to cause problems in the country's external relations, being presented internationally as persecution of Muslims. The expansion of Myanmar's foreign relations has been moving in parallel with its progress in political reform, and during 2012 the normalization of its relations with the United States attracted particular attention.

In the South China Sea, friction continued between China and both the Philippines and Vietnam. Philippine relations with China in particular deteriorated during the two-month stand-off over Scarborough Shoal that began in April. Although bilateral negotiations resulted in agreement on mutual withdrawal, the situation has not calmed down since Chinese vessels are considered to have continued their activities in that area. In talks between the Association of Southeast Asian Nations (ASEAN) and China, there has been no particular progress in discussion of setting up a "code of conduct" in the South China Sea; on the contrary, such events as failure to agree on a joint communiqué for July's ASEAN Ministerial Meeting give hints of a lack of agreement within ASEAN regarding the South China Sea issues.

The US "rebalancing" toward the Asia-Pacific incorporates strengthening security cooperation with the countries of Southeast Asia on a bilateral basis. In addition to its allies Thailand and the Philippines, the United States is searching for how to strengthen cooperation in differing ways with countries such as Singapore and Indonesia. While the various countries are accepting the US

approaches, there is still strong concern that greater US military involvement in the region might well be an irritant to China. In that sense, progress in the promotion of multilateral security cooperation through such means as the ASEAN Defence Ministers' Meeting-Plus (ADMM-Plus) is expected to contribute to reducing tensions in the region.

1. Myanmar: Continuation of Reform and Its Outlook

(1) Domestic Political Trends: Government, Military, and NLD Share Aims for Reform

The new administration of Myanmar installed in March 2011 as a “civilian government” has changed the country’s course sharply toward expansion of political freedoms. It has surprised international society with its release of political prisoners, cooperation with the National League for Democracy (NLD) led by Aung San Suu Kyi, permitting the formation of unions and allowing some demonstrations, relaxation of censorship, and the string of other new policies it has adopted. The government of Myanmar continued its reforms during 2012 to seek national unity, which encompasses reconciliation with ethnic minorities, legitimacy for its governance, sustainable economic development, improvement of its relations with the United States and Europe to support those efforts, and recovery of Myanmar’s position in the international community.

One trend that stands out in particular is the large-scale release of political prisoners. Release of prisoners, including political prisoners, took place twice in January, once in July, once in September, and once again in November. Domestic and international reaction to the presidential pardon of January 13 was particularly strong, coming as it did as part of the mass release of political prisoners. The government of Myanmar announced on January 12 that it would pardon 651 prisoners, and that pardon was carried out on the following day. Over 300 political prisoners were included in that release, such as leaders of the NLD, former leaders of student movements, and other “major” political prisoners. In addition, former prime minister Khin Nyunt, who was deposed in 2004 and had lived under house arrest ever since, was given a reprieve. Originally it was reported that the government would release “all political prisoners,” but many remain in prison; estimates by the government and the various pro-democracy movements of the actual number still being held vary greatly from 120 to 1,300. Whatever the case,

the releases have been highly significant for Myanmar, strongly impressing the international community with the government's will to reform and presenting the United States and other nations with an opportunity to move toward relaxing or removing sanctions against Myanmar as well as normalizing and strengthening their relations with the country. Efforts toward expanding political freedoms have also continued, including the August 20 announcement by the Ministry of Information that advance censorship of publications was being halted.

In the national legislature, pro-democratization forces have grown. A by-election for the Union Assembly was held on April 1. This by-election was conducted much more freely and fairly than the general elections of November 2010, and to display such improvements to the international community, the government accepted election observers from ASEAN, Japan, the United States, and the European Union (EU). The NLD won handily, securing election to forty-three (thirty-seven in the lower house, four in the upper house, and two in regional assemblies) of the forty-five seats up for election (thirty-seven in the lower house, six in the upper house, and two in regional assemblies); the newly-elected members included Suu Kyi. These results made the NLD the strongest opposition party and permitted it to shift the focus of its political activities to the Union Assembly. Still, the NLD secured only 6–7 percent of the 664 seats (224 in the upper house and 440 in the lower house), with the great majority of seats remaining reserved for the military (one quarter of the total) or in the hands of the Union Solidarity and Development Party (USDP) with its close ties to the old military regime. In the future, close attention will be paid to just how the NLD will seek to work with the other opposition parties and factions, the reformist wing of the USDP, and in particular President Thein Sein, who has been the driving force behind government reform.

Starting early in 2012, Thein Sein made frequent changes in his cabinet, with his new ministers markedly including reformists. For example, Vice President Tin Aung Myint Oo, seen as a staunch backer of the conservatives, resigned in July citing reasons of health, but he was replaced by naval commander Nyan Tun, considered a moderate, a selection which allowed the president to balance his promotion of reform along with attention to the military. As part of a broad restructuring of the cabinet in late August, hardliner Kyaw Hsan, the minister of information, was replaced by Minister of Labor and Social Welfare Aung Kyi, who had been responsible for communications between Suu Kyi and the

government, while the cabinet member in charge of negotiations with ethnic minority forces, Minister of Rail Transportation Aung Min, was shifted to a post of the same rank in the office of the president. In addition, a large number of academicians and technocrats who supported reform were brought into the cabinet. This series of changes in the cabinet seems to have given the president even greater initiative in pursuing his reforms.

Amidst this process of rapid political reform, it is said that some groups within the military are resisting reform to preserve the vested interests they enjoyed under the old military regime. At present, however, such anti-reform factions are not making themselves obvious. Relations between President Thein Sein and the commander-in-chief of the Myanmar military, Min Aung Hlaing, are good, and the military is said to be supporting the government's reforms. One reason for their support would be that the constitution specifically gives the military a certain level of guarantees for their interests in the political arena. It provides, as already mentioned, that one-fourth of the seats in the two houses of the Union Assembly shall be occupied by members of the military named by the commander-in-chief. The constitution also provides that the heads of three of the ministries charged with ensuring public order domestically and internationally—the Ministry of Defense, the Ministry of Home Affairs, and the Ministry for Border Affairs—shall be appointed by the president from a list of military personnel provided by the military commander-in-chief. Second, progress in reforms should promote foreign investment and the subsequent development of Myanmar's economy, and members of the military with vested interests can expect to reap some of the rewards of such development, making it more likely that they would accept political change. Third, as can be seen in Indonesia and other countries that have undergone a similar process, establishment of a new political system can depoliticize the military and permit it to become more professional; the military is likely to support changes which will permit it to concentrate on problems of national security and the education and training necessary for that purpose. In this sense, it is worth noting that at the IISS Asia Security Summit (Shangri-La Dialogue) held in June, Minister of Defense Hla Min explained the 25 percent quota for the military in the Union Assembly specified in the constitution as a transitional measure, suggesting that the constitution is also open to change.

There is still, however, ample room for concern regarding the military's unresisting acceptance of the process of reform leading to Myanmar's

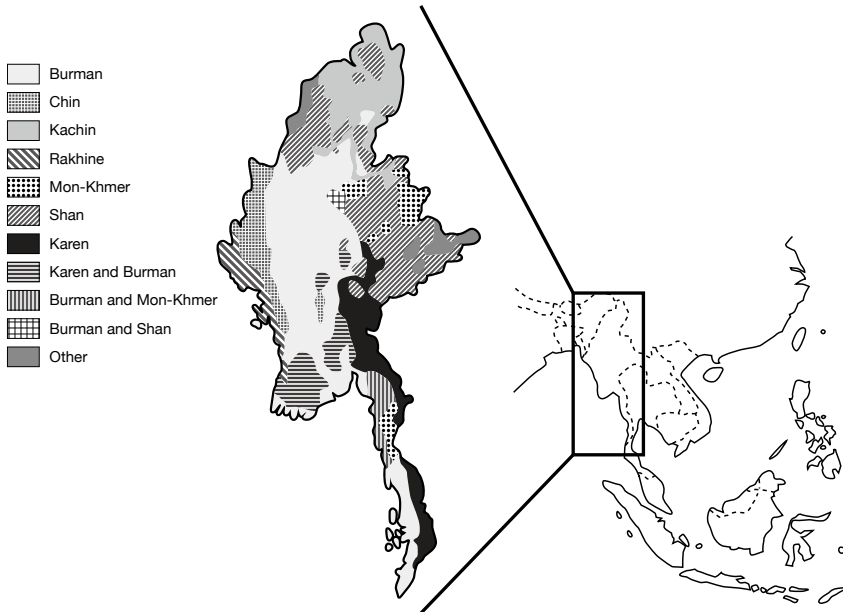
democratization. For example, the second round of general elections under the new constitution is scheduled for 2015. If the NLD and the other pro-democracy groups should make major gains in the elections, it is possible that conservative factions within the military could reassert their opposition. There also remain questions about the health of President Thein Sein, a main proponent of reform, which puts into question whether he will be able to serve out his term as he pushes forward with reform, and whether he will be able to lay the rails for continuation of reform by his successor. Likewise, there is also the problem of whether Myanmar's economic development will live up to expectations in rewarding all of the country's people, including the conservatives and the vested interests. What can be said, however, is that the search for how to establish a freer political system, including cooperation between the government and the NLD, will continue until the 2015 general elections.

(2) Ethnic Minority Issues: Political Dialogue Stagnates, New Problems Arise

Just as in other countries of Southeast Asia, the issue of Myanmar's ethnic minorities has been at the heart of the search for national unity since its independence. At the same time this has been the most important security problem in terms of domestic peace and order. For the old military regime, ethnic minority policy meant focusing narrowly on the domestic security aspect; the military saw ethnic minorities simply as targets for suppression, and sporadic clashes between the military and armed groups from the ethnic minorities have continued for decades. This has meant ongoing instability along Myanmar's borders, which in turn raised concerns for Myanmar's relations with neighbors such as China and Thailand. The new government has done an about-face on ethnic minority policy, and since 2011 it has concluded a string of ceasefire agreements with such armed groups. This trend continued in 2012: in January alone, armed forces of the Chin National Front, the Karen National Union, and the Shan State Army-North reached ceasefire agreements with their respective states. As of the end of 2012, the government had reached ceasefire agreements with eleven armed groups. Clashes continue, however, between the military and the Kachin Independence Army.

The ethnic minority policies of the new government aim at an overall approach that includes political dialogue. In his March 1 speech to the Union Assembly, President Thein Sein explained the three-stage process for reconciliation with the

Figure 6.1. Distribution of Myanmar’s ethnic groups



Source: Compiled by the author from Martin Smith, *Burma: Insurgency and the Politics of Ethnicity*.

ethnic minorities. The first stage, at the state level, is conclusion of ceasefire agreements between the state governments and the armed ethnic groups. The second stage, at the national level, is talks on economic development, elimination of drug cultivation, participation in politics, and incorporation of the ethnic armed forces into the national military. Here, “incorporation into the national military” means inclusion in border guard units under direction of the national military. The third and final stage, which takes place in the national assembly, is conclusion of an agreement among the government, leaders of the ethnic minorities, political parties, and other major political players. At present Myanmar is in the first stage, with the government having reached ceasefire agreements with the main ethnic groups with the exception of the Kachin, so the reconciliation process has progressed far beyond the days of military rule.

The president himself has shown a strong interest in political dialogue, actually meeting directly with the leaders of ethnic minority political parties on August 4 to discuss achievement of a complete ceasefire and promotion of political dialogue. Little progress has been made, however, on moving to the second stage.

Table 6.1. Ceasefire agreements concluded with Myanmar's main ethnic minorities

Armed Group	Date of Agreement
United Wa State Army	September 2011
National Democratic Alliance Army	September 2011
Kloh Htoo Baw ("Golden Drum" Group)	November 2011
Shan State Army-South	December 2011
Chin National Front	January 2012
Karen National Union	January 2012
Shan State Army-North	January 2012
New Mon State Party	February 2012
Karen National Liberation Army Peace Council	February 2012
Karenni National Progressive Party	March 2012
Arakan Liberation Party	April 2012

Source: International Crisis Group, "Reform in Myanmar: One Year On."

One reason is the ethnic minorities' deep-rooted distrust of the central government born out of long years of confrontation. Another reason is that the central government still has not made clear its vision for the future coexistence of the Burman majority and the ethnic minorities, including topics such as the distribution of the natural resources to be found in the border regions. It will also be no easy task to incorporate the various armed ethnic groups into the border guard units under the national military.

The first-stage ceasefire agreements are also fraught with the possibility of collapse, as repeated sporadic, small-scale skirmishes can lead to recurrence of full-fledged armed conflict. Indeed, tension has again risen between the Shan State Army and the national military, bringing the danger that fighting could break out again. The reforms through which the central government is seeking political stability and economic development for Myanmar, however, cannot be maintained without reconciliation with Myanmar's ethnic minorities, and the current government is aware of that fact. Even though the decades of dangerous confrontation and mutual distrust cannot be cleared away quickly, the government seems likely to continue on its basic course of seeking political dialogue.

Apart from the problem of reconciliation between the central government and the ethnic minorities, persecution of the Rohingyas has generated problems which

could shake Myanmar's overall social stability. The Rohingyas problem is by nature very different from the problems Myanmar faces with its other ethnic minorities. Roughly a million Rohingyas, followers of Islam, live in the western state of Rakhine along Myanmar's border with Bangladesh. The May 2012 rape and murder of an ethnic Rakhine woman, a Buddhist, by a group of Rohingya men sparked clashes between the two ethnic groups in June, resulting in injury and death for many local members of both groups. The government declared a state of emergency in Rakhine state on June 10, and the army was sent in. Many media reports alleged, however, that rather than trying to separate the two parties and restore calm, the security troops themselves were responsible for suppression of the Rohingyas. Such reports brought condemnation of "persecution of the followers of Islam" from Iran, Turkey, Pakistan, Indonesia, and other Islamic nations and even expressions of concern from the United Nations (UN) as well.

From the outset, the government of Myanmar has regarded the Rohingyas not as one of the ethnic minorities which make up the nation of Myanmar but as illegal immigrants from Bangladesh who were ineligible for citizenship. More generally, the largely Buddhist population of Myanmar has viewed the Rohingyas as heretics to be ostracized, and in fact, Buddhist monks who are revered in Myanmar society and who carry considerable influence have held demonstrations on a number of occasions in opposition to any support for the Rohingyas. Even such a vocal proponent of democracy in Myanmar and reconciliation among its peoples as Aung San Suu Kyi has found herself forced to remain silent regarding the Rohingyas out of concern for a broad negative reaction. Given this situation, the government of Myanmar has found itself under pressure from a variety of countries, including Indonesia and other ASEAN members whose cooperation is very important to Myanmar. In the attempt to avert such pressure, Myanmar has, for example, permitted a delegation from the Organisation of Islamic Cooperation (OIC) to visit Rakhine and has set up a government fact-finding committee. Whichever response it may apply—whether to permit the Rohingyas to remain in Myanmar with some degree of stability or to try to push them out to Bangladesh or some other country—Myanmar will find itself in a very difficult position. A second round of large-scale clashes took place in late October, with many injuries and deaths both among the Rohingyas and other Muslims and among Buddhists. While the government has indicated that it is seriously studying ways to reach a solution, including the possibility of extending citizenship to the Rohingyas, it

has not yet applied any effective measures. There is ongoing concern that future disturbances in Rakhine state could impact problems with other ethnic minorities and result in instability for Myanmar's society as a whole, thus blocking reforms.

(3) Broad Improvement in Foreign Relations, including with the United States

Using the leverage provided by its political liberalization, Myanmar is seeking to improve its image abroad and expand its international relations. One reason for such efforts is to promote its economic development through expansion of foreign

Confrontation between Myanmar's Ethnic Minorities and the Central Government

Myanmar is indeed a multiethnic country. In addition to the Burmans who represent some 70 percent of Myanmar's population, it is also home to more than 130 ethnic minorities. Like many other countries of Southeast Asia, Myanmar has faced the challenge of dealing with its ethnic minorities ever since gaining independence from colonial status. Some of the ethnic minorities include armed factions that have engaged in violent confrontation with the central and regional governments and have fought with the national military. A number of these armed groups were established around the time of Myanmar's independence in 1948, such as the Karen National Union which appeared in 1947, and have remained active ever since. Such factions as the Kachin Independence Organization and the Shan State Army were in place by the 1960s in border areas abutting China and Thailand and during the Cold War drew assistance from those countries for their activities.

The military regime which took control in 1988 sought to deal with the armed ethnic groups principally to maintain domestic civil order. The military government first attempted to reach ceasefire agreements with the armed groups, and in fact, a number of the major armed groups such as the Kachin Independence Organization and the Karen National Union halted fighting. But such ceasefire agreements became moot as the armed groups and the national military renewed hostilities, and dialogue which could be to the minorities' political and economic benefit has bogged down to a halt.

The civil government which was inaugurated in 2011 has prepared a road map of approaches to the ethnic minorities so as to seek reconciliation. As a first stage, the government has tried to respond to the probable expectations of the ethnic minorities and has successfully concluded ceasefire agreements with eleven armed groups. Future political dialogue will be faced with the complex and difficult task of finding points of agreement between the two parties, and the process will be closely watched to see whether it can lead to solution of the ethnic minority problems that have continued since independence, achieve the national stability that is essential to economic development, and result in true nation-building and national unity.

investment in Myanmar, and it is in fact making steady progress in improving its investment climate, for example through a new foreign investment law adopted by the Union Assembly in September. In the days of military rule, Myanmar was internationally isolated, largely due to the economic sanctions applied by the United States and Europe, leaving it little choice but to depend politically and economically on China and some of its other neighbors. Now the situation has changed radically, and Myanmar is broadly expanding its relations with the United States and the European Union.

The direct opportunity for such expansion was Myanmar's large-scale release of political prisoners mentioned above. With the release of political prisoners, the United States decided to send an ambassador to Myanmar for the first time in twenty-two years, and Derek Mitchell, who had been special representative and policy coordinator for Burma, took up his position on July 11. On February 6, the US government announced a loosening of sanctions on Myanmar, making possible visits by study teams from international financial organizations such as the World Bank and the International Monetary Fund (IMF) as well as limited technical assistance. On the same day as Ambassador Mitchell's arrival in July, the President issued an executive order removing some of the economic sanctions, which would permit investment in Myanmar by US enterprises, principally in the energy sector. In addition, in a September 26 meeting with President Thein Sein during the UN General Assembly, US Secretary of State Hillary Clinton announced US intentions to loosen some of the restrictions on imports from Myanmar, an event which would augur the removal of all US sanctions on Myanmar. On November 19, President Barack Obama made the first visit ever to Myanmar by an American chief executive, meeting with both Thein Sein and Aung San Suu Kyi. This visit impressed on the international community that relations between the United States and Myanmar had been fully normalized.

The US side has been particularly positive about the possibility of bilateral security cooperation. US Secretary of Defense Leon Panetta, while attending the Shangri-La Dialogue, welcomed the progress of reform in Myanmar and noted the possibility of improved relations with Myanmar in the security sector. According to Thai defense ministry sources, the United States formally sounded out Myanmar right before Obama's visit regarding participation as an observer in the multilateral military exercise Cobra Gold sponsored by the US and Thailand, and Myanmar had accepted this invitation.

In addition to the United States, the EU, Australia, and Canada one after another announced the relaxation of sanctions. On January 9, 2012, Australia announced moves to reduce restrictions on travel to Australia by high-ranking government officials from Myanmar. The EU foreign ministers meeting on January 23 decided to rescind the ban on issuing a visa to the president of Myanmar and on April 23 further decided to suspend all economic sanctions on Myanmar for one year except for the export of weapons. The following day, April 24, Canada as well announced a halt to all economic sanctions. Japan moved to expand its relations with Myanmar principally through economic aid, providing international yen-based loans for the first time in twenty-five years, while South Korea enthusiastically strengthened the bilateral relationship through such steps as a visit to Myanmar by President Lee Myung-bak.

In the process of expanding its foreign relations, Myanmar is also going through an adjustment in the relative weight of ties to countries such as China and India, whose cooperation had been so important in recent decades. This shift, however, only reflects a decline in the relative level of dependence on such countries, and Myanmar cannot disregard the need to maintain its ties with these nearby giants. At present China, faced with US, EU, Japanese, and South Korean enthusiasm over expanding their relations with Myanmar with the emphasis on economic development, seems likely to be stepping back a pace in its competition with other countries and working to maintain the cooperative relationship it has built up with Myanmar while awaiting further developments. Calls on Myanmar during 2012 by Chinese government leaders included the February visit by Jia Qinglin, chairman of the National Committee of the People's Political Consultative Conference, and the September visit by Wu Bangguo, chairman of the Standing Committee of the National People's Congress. Such visits by very visible leaders of the Chinese Communist Party seem more symbolic of attempts to maintain the bilateral relationship than evidence of attempts to strengthen that relationship. In military affairs, the only development of note would be reports of the donation of two Chinese frigates to Myanmar's navy. The Myanmar government's unilateral proclamation in 2011 of a halt to construction of the Myitsone dam on its border with China brought no open backlash from the Chinese; China seems to have preferred to view this as a domestic political problem over Kachin opposition to the dam and to watch further developments. India, on the other hand, seems to be aiming at maintaining its importance to Myanmar by actively strengthening

Indian cooperation. At the end of May, Indian Prime Minister Manmohan Singh was the first prime minister of India to visit Myanmar in twenty-five years. India also reached decisions on providing Myanmar with military equipment and training, in this and other ways seeking to strengthen the relationship with an eye to moves by China and other countries as well.

Regarding its relations with North Korea, the government of Myanmar has admitted its past relationship but at the same time has clearly stated that it now has severed any cooperation with that country. In an interview with *The Straits Times*, one of Singapore's leading newspapers, President Thein Sein addressed suspicions about past nuclear development in cooperation with North Korea, clearly stating that there was no such cooperation at present nor in the past. Further, in his speech at the Shangri-La Dialogue, Minister of Defense Hla Min stated that Myanmar had been engaged to some extent with nuclear development in the past but denied suspicions of nuclear weapons development, and he stressed that such activities had been solely for peaceful purposes. He also stated that at present, nuclear development has been halted. In addition, in his talks with President Obama during the November visit to Myanmar, Thein Sein agreed to an inspection by the International Atomic Energy Agency (IAEA). During May talks with South Korean President Lee Myung-bak, Thein Sein commented on weapons trade with North Korea, recognizing that such trade had taken place in the past but indicating the intention to no longer engage in such activities. The very fact that the government of Myanmar should address its (past) relationship with North Korea is a major break with the past. Since the United States has repeatedly urged Myanmar in the past to break its "inappropriate" ties with North Korea, Myanmar's recent actions likely were aimed at improving its relationship with the United States, and its clear refutation of suspicions of nuclear development for military purposes should contribute to building bonds of trust with the members of ASEAN, which has proclaimed a nuclear weapons-free zone, and in particular with its neighbor Thailand.

2. Waves Still Rough in the South China Sea: The Twists and Turns of Territorial Claims

(1) Tensions Continue between China and the Philippines, Vietnam

Continuing the trend of 2010 and 2011, the Philippines and Vietnam during 2012

applied various approaches to deal with China and the conflicting claims of territorial rights in the South China Sea, periodically heightening tensions in the region. One such cause of tension involved invitations for international bids in disputed areas. For example, at the end of February 2012 the Philippine Department of Energy announced an invitation for bids to develop resources in the waters near Reed Bank, which includes some areas for which China claims territorial rights. China cited this as an infringement on its sovereignty. In late June, the China National Offshore Oil Corporation invited international bids on an ocean area which Vietnam claims as part of its exclusive economic zone (EEZ). The Vietnamese Ministry of Foreign Affairs issued a statement condemning this action.

Both Vietnam and China have sought to strengthen their own claims of territorial rights by applying domestic law and setting up administrative bodies. In June, for example, the Vietnamese national legislature passed a Law of the Sea that specified that the Paracel and Spratly Islands were subject to Vietnam's sovereignty and administration, which China strongly protested as an infringement of Chinese sovereignty. Vietnamese Minister of Foreign Affairs Pham Binh Minh maintained that the new law was a legitimate measure based on the United Nations Convention on the Law of the Sea (UNCLOS). Clearly in response, China announced—on the same day that the Vietnamese legislature adopted the Law of the Sea—that it had established an administrative unit called Sansha City that encompassed the Paracel, Macclesfield, and Spratly archipelagos. China's invitation for international bids mentioned above can also be seen as a response to Vietnam's similar actions. In addition, both countries have taken steps to reinforce their effective control over these areas, such as a visit to the Spratlys by a Vietnamese government inspection group and China's construction of communications facilities in the Spratlys and organization of tourist visits to the Paracels.

Such interactions included some that caused more serious friction between the Philippines and China. On April 10, for example, the Philippine naval frigate *Gregorio del Pilar* attempted to seize Chinese fishing vessels near Scarborough Shoal some 200 kilometers west of Luzon Island. This attempt was blocked by two patrol boats belonging to China Marine Surveillance, putting the two sides in confrontation. This confrontation stretched out over two months, during which time the Philippines called for a solution through diplomatic means such as submitting the matter to the UN's International Tribunal for the Law of the Sea, a call which China ignored. China in contrast applied economic pressure by

restricting imports of bananas, one of the Philippines' main exports, and halting group tours to the Philippines. The two sides later had the opportunity for their two defense ministers to meet face to face in late May at the ASEAN Defence Ministers' Meeting (ADMM), and the confrontation seemingly came to an end as both sides agreed in early June to withdraw from the shoal. The Philippines, however, maintains that despite the agreement, Chinese patrol boats have continued to appear frequently around the shoal, blocking Philippine naval vessels from approaching, and that Chinese fishing boats have continued to operate. China has shown no sign that it will not continue on the offensive regarding Philippine claims of territorial rights there.

In order to increase its naval defense capacity in the South China Sea, the Philippines is seeking to strengthen cooperation with the United States under their mutual defense treaty. The US policy of rebalancing its stance toward the Asia-Pacific, with greater involvement in Southeast Asia as a major element in that policy, probably contributed to Philippine expectations of a larger US military presence in the region and heightened military support for the Philippines, making it more willing to take a harder line toward China. In a sense, the hardened Philippine stance in particular could be called a manifestation of US rebalancing and the US-China rivalry.

Actually, the United States and the Philippines had been studying ways to strengthen their security cooperation before escalation of tensions with China over Scarborough Shoal. At the vice-ministerial-level bilateral strategic dialogue on January 26 and 27, the two countries had studied specific approaches to strengthening and expanding their alliance. Attention is said to have been given to methods for the US military to strengthen its presence other than permanent stationing of troops, such as US naval vessels using the Philippines as a point of departure for military action, the presence of US troops on a rotational basis, or further efforts toward joint military exercises.

Sparked by the new level of tension between the Philippines and China regarding Scarborough Shoal, the Philippine government grew alarmed at its lack of sufficient maritime self-defense capacity, and it sought additional support from the United States. At the bilateral security talks (the "2+2") held in Washington, DC, on April 30, the Philippines requested the United States to provide a third coast guard patrol boat, F-16 fighters, radar, and communications facilities and sought a "confirmation" that under the Mutual Defense Treaty, the United States

would provide support in the event that the Philippines' territorial sovereignty were violated. The joint statement issued at the end of the meeting reaffirmed maintenance of freedom of navigation and the peaceful settlement of territorial issues on land and at sea as mutual strategic goals. It further addressed building the Philippines' maritime security capabilities and providing support for improvement of its maritime surveillance capacity. At a joint press conference following the 2+2, Secretary of State Clinton noted that while the Philippines and the United States shared a deep concern over the tensions surrounding Scarborough Shoal, the United States did not take sides on the competing sovereignty claims in the South China Sea but supported a collaborative diplomatic process by all the countries involved. The joint fact sheet prepared for the 2+2 also touched on the Balikatan ("Shoulder to Shoulder") combined military exercise conducted by the two countries in the South China Sea April 15–27 and the reinforcement which such joint exercises provided to the bilateral partnership.

The second US Coast Guard cutter which the United States agreed at the 2+2 to provide to the Philippines was handed over on May 22. Since that time, however, the United States has taken no further concrete steps to strengthen Philippine maritime self-defense. The US rebalancing toward Asia and the Pacific seems to be reflected in the way it has responded to repeated calls from the government of the Philippines, alarmed over the situation in the South China Sea, for more support; the United States has applied a formula of attention to Chinese actions combined with further cautious and indirect involvement. In order to avoid any direct confrontation with China regarding issues in the South China Sea, the United States has also avoided making specific references to fulfillment of obligations under its mutual defense agreement with the Philippines. Such a response by the United States is raising concern in some Philippine minds whether the United States is really prepared to act as an ally and cooperate in the defense of the Philippines. Senator Gregorio Honasan, vice-chairperson of the Philippine Senate's National Defense and Security Committee, is among those who have been trying to assess the US will to get involved in the Philippines' defense; he wondered in an interview with a Philippine newspaper whether it was necessary to maintain the mutual defense treaty if the Philippines had nothing to gain from it. For its part, China has suspicions that the United States rebalancing and strengthening of security cooperation with the Philippines underlies that country's hard-line stance and is escalating the situation.

The Philippines is hoping that it can use US support for the physical strengthening of the equipment and facilities of its navy and maritime police, and also that the United States will make clear its readiness, based on the mutual defense agreement, to support defense of the waters over which the Philippines claims territorial rights. The United States, however, has not been willing to put itself on the line by responding to all the Philippine requests and has not deviated from a cautious position regarding both provision of equipment and facilities on the one hand and involvement under the mutual defense treaty on the other. This has influenced the Philippines to assign more importance to bilateral negotiations with China and to give more consideration to keeping China from becoming overly exercised if the US rebalancing produces enhanced US military presence. One example of this concern can be seen in the strong denial by the Philippine Ministry of Defense of reports that the United States was planning to construct a Marine command post on Palawan Island, which faces on the South China Sea.

In this context, it would appear that the Philippines' interest in security cooperation with Japan and Australia aims to supplement US-Philippine cooperation. After Japan's announcement of such measures as a revision of its "Three Principles on Arms Exports" and of its strategic use of official development assistance (ODA), the Philippines asked Japan to provide patrol vessels. In addition, on July 24 the Philippine Senate ratified the Status of Visiting Forces Agreement (SOVFA) with Australia. This agreement was directed at cooperation between the two countries' military in education and training, but based on the SOVFA, the Philippine Ministry of Defense is expecting to receive aid from Australia in building capabilities for maritime security.

During 2012, friction between Vietnam and China over the South China Sea was at a relatively lower level than for the Philippines. This does not mean, however, that Vietnam experienced improvement in its security environment in the South China Sea. Chinese authorities continued to restrict Vietnamese fishermen, and in late March, China seized two Vietnamese fishing vessels and twenty-one crewmembers operating near the Paracels and detained them for a month. As mentioned above, there was also friction over assertion of legal administrative authority and invitations for international bids on resource development.

There are three aspects of Vietnam's South China Sea policy that merit attention. One is security cooperation with the United States. In recent years, and particularly since 2010, Vietnam has greatly developed its security cooperation with the

United States against the background of growing instability in the South China Sea, and in 2011 the two countries signed a memorandum on the subject. The major areas for cooperation are combined exercises and conducting a regular strategic dialogue. April 23–27, 2012, the US Seventh Fleet and the Vietnamese Navy conducted a combined exercise on disaster relief off Da Nang in central Vietnam. The fifth US-Vietnam Political, Security, and Defense Dialogue (vice-ministerial level) was held in Hanoi on June 20. Regarding the South China Sea, the two countries agreed that problems of territorial rights should be peacefully resolved based on international law, such as UNCLOS, and also agreed to emphasize the Declaration on the Conduct of Parties in the South China Sea (the Declaration on Conduct) signed by China and ASEAN in 2002 and support efforts to establish a legally binding code of conduct.

This series of regularly scheduled events indicates that over the last few years, US-Vietnamese security cooperation has steadily taken root. Coming at such a time, the June visit to Cam Ranh Bay by US Secretary of Defense Panetta symbolized the progress in bilateral security cooperation. For two days beginning June 3, Panetta visited Vietnam and met with figures such as Prime Minister Nguyen Tan Dung and Defense Minister Phung Quang Thanh. He also visited Cam Ranh Bay, historically one of Vietnam's major military centers, and gave a speech aboard the US Navy transport ship USNS *Richard E. Byrd*, which was in port for routine maintenance. Panetta expressed the US aim for greater cooperation with Vietnam in such areas as humanitarian assistance and disaster relief (HA/DR) or peacekeeping operations as well as territorial disputes in the South China Sea, and he declared that this politically significant visit to Cam Ranh Bay by a US secretary of defense itself testified that the relationship with Vietnam had reached a new stage in US strategy toward Asia and the Pacific.

As Secretary Panetta noted at a joint press conference, this “new stage” was reached as part of the US rebalancing toward the Asia-Pacific region, with an eye to achieving even closer security cooperation with Vietnam, and more specifically, permitting regular port calls on Cam Ranh Bay by US Navy vessels. In contrast to this enthusiastic US position, however, Vietnam has continued to show a serious stance that aims to avoid inciting China. The Vietnamese stance suggests that Deputy Minister of Defense Nguyen Chi Vinh briefed China in advance on plans for the visit to Cam Ranh Bay by the US defense secretary, seeking Chinese understanding. A further indication of the Vietnamese attitude would be a



Secretary of Defense Panetta speaking during visit to Cam Ranh Bay (DOD photo by Erin A. Kirk-Cuomo)

comment at the joint press conference by Defense Minister Thanh, who said that his country was interested in having US Navy logistical support vessels visit its “commercial ports” for repairs. While Vietnam has sought US removal of its ban on weapons exports to Vietnam, it has also steadfastly maintained that it is not in alliance with any country, suggesting that it is seeking a delicate balance in particular

in its search for support for improving its maritime defense capacity in the South China Sea.

In that sense, a second aspect of note would be the series examples of Vietnamese concern toward China. First, in terms of Vietnam’s diplomatic activities, Foreign Minister Pham Binh Minh called on China during mid-February 2012, meeting among others for discussions with Yang Jiechi, the minister of foreign affairs. In the talks between the foreign ministers, both sides agreed on the peaceful resolution of issues in the South China Sea. Based on this ministerial-level concurrence, Deputy Minister of Defense Ho Xuan Son visited China later that month and reached agreement on establishing working-level talks regarding demarcation of territorial waters outside the Gulf of Tonkin and joint development there as well as on setting up a maritime hot line between the officials concerned. The two countries are conducting regularly-scheduled security cooperation activities, for example the thirteenth round of joint patrols by both navies in the Gulf of Tonkin on June 4 and the third strategic defense dialogue held on September 3. Vietnam is thus using confidence-building measures to keep open a pipeline to China for dialogue and exchanges, at the same time showing some degree of willingness to engage in the bilateral consultations on maritime problems called for by China, even if Vietnam itself is not necessarily enthusiastic.

The third aspect of Vietnam’s response to South China Sea issues is reinforcement of its maritime defense capability as an example of “self-help.” In January 2012, the Vietnamese Navy received the first patrol boat constructed in Vietnam with Russian assistance, and in March, two patrol boats set out to provide defense in the South China Sea. It has also been reported that Vietnam has begun production

of antiship missiles with Russian cooperation. In this sense, Vietnam is showing strong interest in exploring expanded cooperation with Japan as well, through future cooperation regarding equipment and in particular through a revision of Japan's Three Principles on Arms Exports and the strategic use of ODA. Japan's Ministry of Defense has been promoting support for capacity building, and Vietnam's interest would probably concentrate on support involving maritime security and military medicine.

(2) ASEAN's Internal Disharmony: Failure to Issue a Joint Communiqué and Attempts to Mend Unity

During 2011, ASEAN and China made some headway toward resolution of South China Sea issues. As a result, the Guidelines for the Implementation of the Declaration on the Conduct of Parties in the South China Sea which China and ASEAN signed in 2002 was adopted in July at the China-ASEAN foreign ministers conference, and at the China-ASEAN summit conference in November, the two sides further agreed to open consultations regarding establishing a code of conduct. In 2012, ten years after the signing of the Declaration on Conduct, the Chinese side continued to maintain a cautious attitude despite ASEAN's goal of early achievement of a legally binding code of conduct. This gap in the two sides' approach to a code of conduct, the sporadic outbreak of heightened tension in the South China Sea, and the bilateral relationships between China and ASEAN member states have cast a broad shadow over China-ASEAN discussions.

That shadow began to show itself as early as the ASEAN Foreign Ministers' Retreat held January 10–11. An annual event in January, this informal meeting permits the foreign ministers to discuss the basic policies for the upcoming year to be raised at the ASEAN Ministerial Meeting, but at the senior officials meeting on the ninth, Cambodia, which occupied the ASEAN chair for the year, produced a draft agenda which omitted South China Sea issues. The Philippines, Vietnam, and Indonesia all raised objections and in the end the South China Sea was entered on the agenda for discussion, but Cambodia's attitude was a strong indication of its deference to China, which provides it with major amounts of aid.

At the working level, the contrast between China's negativity toward a code of conduct and ASEAN's positive support was striking. At the China-ASEAN senior officials meeting held January 13–14 to discuss implementation of the Declaration on Conduct, the officials exchanged opinions on guidelines for implementation.

The Chinese foreign ministry made no particular mention of the code of conduct, instead shelving territorial issues in favor of emphasizing promotion of practical cooperation, such as the China-ASEAN Maritime Cooperation Fund which China had helped establish by providing \$300 million. ASEAN, on the other hand, had been convening a working group of the senior officials meeting roughly every other month since November 2011 to address the code of conduct, and the working group was seeking to develop consensus within ASEAN on a draft code. At the May 24 working group session, agreement was reached on the various elements to be included in the code of conduct, including abiding by UNCLOS, the creation of peaceful methods for resolution of problems, and establishment of mechanisms both to supervise implementation of the code and to handle disputes on application and interpretation.

ASEAN efforts to achieve its goals, however, soon ran aground. When the Chinese-Philippine confrontation occurred at Scarborough Shoal, the ASEAN member states did not immediately gather to discuss a resolution, nor did they even issue a joint communiqué to express their concern over the situation. In addition, the July ASEAN Ministerial Meeting for the first time ever was unable to put together a joint communiqué. At meetings of the foreign ministers to confirm the contents of a joint communiqué, in addressing South China Sea issues the Philippines and Vietnam sought resolute language which would also make reference to reefs and EEZs. It is said that the impasse resulted when Cambodia, the current ASEAN chair, stubbornly refused to permit this. At the July 8 China-ASEAN senior officials meeting, ASEAN presented China with a draft code of conduct, but China showed its disapproval with the contents of the draft and sought revision of the draft by a joint China-ASEAN working group, meaning that discussion returned to its starting point.

It is not difficult to imagine that China put considerable pressure on Cambodia to ensure that any joint communiqué from the ASEAN Ministerial Meeting contain nothing that would be unacceptable to China. In fact, China's "aid offensive" toward Cambodia, the ASEAN chair, was brought to bear effectively before the major ASEAN meetings. For example, Chinese President Hu Jintao visited Cambodia in early April before the ASEAN summit conference and announced \$80 million in aid; at the time of the ADMM in late May, Chinese Minister of Defense Liang Guanglie visited Cambodia and promised \$20 million in grant assistance for the construction of military facilities. In addition, during a

mid-June visit to Cambodia, He Guoqiang, Secretary of the Communist Party Central Commission for Discipline Inspection, signed documents for the provision of \$420 million in financing for construction of infrastructure. Following an ASEAN conference in July, a Chinese Ministry of Foreign Affairs spokesperson ducked criticism that China was responsible for ASEAN's failure to produce a joint communiqué, instead expressing satisfaction that so many countries in the region had appreciated China's position. Further, at an early-September meeting between Cambodian Prime Minister Hun Sen and Premier Wen Jiabao, the latter expressed his "gratitude" for the important role Cambodia had played in the China-ASEAN relationship.

The ASEAN Ministers Meeting's inability to produce a joint communiqué was unequivocally a failure of ASEAN diplomacy and an internal problem for ASEAN. But seen from the outside, the actions of chair state Cambodia at the ASEAN meeting seem to be closely related to Chinese aid to Cambodia, and China's actions can only be said to have greatly influenced what took place at the Ministerial Meeting. In that sense, Chinese diplomacy can probably be described as a success, since in the short run it prevented a joint communiqué containing passages regarding South China Sea issues which would not be to China's liking. That is only a short-term effect, however, and past examples of China obstructing ASEAN solidarity have had a somewhat longer-term negative influence on the relationship between ASEAN and China. This applies not only to countries such as the Philippines and Vietnam that are experiencing tension over the South China Sea in their relations with China, it can also negatively affect the image of China in countries such as Indonesia and Malaysia, which have been relatively neutral and have served a coordinating role between the Philippines and Vietnam on the one hand and China on the other. In fact, perhaps because China is also aware of such "side effects," Foreign Minister Yang Jiechi made a tour of Indonesia, Malaysia, and Brunei in August 2012, where Yang could be seen taking pains

to maintain stable relations with each of these countries.

Cambodia, however, seems to be hard pressed on how to respond in the face of such overpowering Chinese influence. Cambodia is not intentionally trying to be constantly so extremely pro-China that it always puts its relationship with China first, to the extent that it harms ASEAN's functions and greatly lowers its own reputation within ASEAN. Rather, it hopes to pursue a more balanced foreign policy, but it finds itself with such a narrow range of options that as a result it is faced with little choice but to stay very close to China. In that sense, an effective policy for the United States, Japan, and other countries outside the region to correct the balance of Cambodian foreign relations would likely be to provide more aid. Vietnam is very obviously interested in strengthening its relations with Cambodia and is seeking ways to prevent one of its important neighbors from leaning further and further toward China. While Vietnam is unable to provide the huge amounts of aid that China can offer, it is very actively conducting personal exchanges. This cannot be expected to bring about major changes in Cambodia's current emphasis on China, but it can be considered important to ASEAN as well as Japan and other countries that have strong strategic interests along the Mekong and elsewhere in Southeast Asia for Cambodia to have more choices in its strategic concerns.

As cracks in ASEAN unity began to appear at the July Ministerial Meeting, initiative to restore that unity was undertaken not by the chair, Cambodia, but by ASEAN's traditional leader Indonesia. In two days, July 18–19, Indonesian Foreign Minister Marty Natalegawa made the rounds of five countries and consulted with the foreign ministers of the Philippines, Vietnam, Thailand, Cambodia, and Singapore. As a result, ASEAN's "Six-Point Principles on the South China Sea" was released on July 20 as a joint communiqué of the ASEAN Ministerial Meeting. The six principles are: (1) full implementation of the Declaration on the Conduct of Parties in the South China Sea; (2) guidelines for this implementation; (3) early conclusion of a regional code of conduct in the South China Sea; (4) respect for international law, including UNCLOS; (5) self-restraint and non-use of force; and (6) peaceful resolution of disputes. Although this was basically a confirmation of already-espoused principles, it had the political effect of reviving a common stance among ASEAN members, including Cambodia. It also advanced the argument for joint monitoring of the South China Sea by Indonesia, the Philippines, Vietnam, and the other ASEAN member states.

(3) Discussions Fail to Converge, Tension Again Grows at Sea

In short, China declined at all of the ASEAN meetings during November to agree on a start to discussions aimed at establishing a code of conduct, and there was no real progress in China-ASEAN consultations on the South China Sea. Although Cambodia announced that ASEAN and China had agreed to oppose the internationalization of the problem, the Philippines and other ASEAN member states denied that there had been any such agreement, again clearly displaying a difference of opinions within ASEAN. As a result, what stood out most clearly regarding discussion of the South China Sea during 2012 was the confrontation between the views of the ASEAN chair Cambodia, so greatly influenced by China, and the Philippines and other ASEAN members who are parties to the questions of territorial rights. The ASEAN chair for 2013, however, is Brunei, itself a party to the territorial disputes, and since Brunei is much less influenced than Cambodia by Chinese aid and strategic concerns, discussions on the South China Sea during 2013 can be expected to show a different face than during the preceding year.

Following the various ASEAN meetings in November, starting from around the installation of a new Chinese Communist Party leadership team, China seems to have renewed its offensive on the South China Sea with added vigor. The Chinese government has started to issue new passports which clearly show the South China Sea as Chinese territorial waters, bringing a reaction from the Philippines and Vietnam, and Hainan Province has enacted regulations permitting boarding of foreign vessels in the South China Sea for inspections and the seizure of vessels. Late in November, another incident took place when a Chinese fishing boat severed an instrument cable from a Vietnamese resources survey ship. In response to such developments, Vietnam has announced establishment of a fishery monitoring agency in its Ministry of Agriculture and has joined with the Philippines to open consultations on establishing maritime territorial boundaries that have so far been unclear. There appears to be little likelihood of early reduction in tensions between China and the concerned parties in ASEAN, and future China-ASEAN consultations are likely to experience rough going.

3. US Rebalancing toward the Asia-Pacific and Responses from ASEAN Countries

In January 2012, the US Department of Defense announced new Defense Strategic Guidance, making clear that the US strategy was a rebalancing of its approach to

the Asia-Pacific region. Against the background of China's growing prominence, this represented the Obama administration's continuation of the United States' return to Asia. For Southeast Asia, this is interpreted as greater attention to South China Sea issues as well as a strengthening of the US military's presence in the region through such steps as the deployment of US Marines in Darwin, Australia, and a plan to deploy littoral combat ships (LCS) to Singapore. While this has been welcomed as a means to restrain China's excessive expansion of its military influence, there is also concern that it may well increase military tensions in the region and contribute to instability there. US bilateral approaches have not been limited to the Philippines and Vietnam as described above; US ally Thailand, a cooperative Singapore, and regional giant Indonesia have also been included in such approaches.

(1) Thailand: A Prudent Approach

Thailand is a longstanding ally of the United States in Southeast Asia, and that bilateral cooperative relationship has been maintained through combined exercises such as the annual multilateral exercise Cobra Gold, US provision of equipment and facilities and assistance to education and training, and the sharing of intelligence. While Thailand has maintained good relations with China since the 1970s, the military relationship is expanding through mutual visits by military personnel, provision of equipment and facilities by China, and combined exercises. In May 2012, the two countries' marines conducted the Blue Assault exercise for three weeks in Zhanjiang in south China's Guangdong Province.

The US rebalancing also means expansion of the US presence in the islands of Southeast Asia and in the Mekong region. As one important aim of rebalancing would seem to be response to Chinese emergence, it puts Thailand in a somewhat delicate position in the US-China relationship, and Bangkok is being cautious in particular about any too-obvious reinforcement of cooperation with the United States in defense activities that might incite China. Given such circumstances, a request from US National Aeronautics and Space Administration (NASA) to use facilities on the Thai naval base at U-Tapao for atmospheric studies has also been interpreted as a way of sounding out the possibility of using a Thai naval facility as a base for the US Navy's HA/DR activities in Southeast Asia, implying reestablishing Thailand as a base for the US military for the first time since the Vietnam war. Since the Thai government has continued to withhold its reply to

this US request, NASA withdrew the request at the end of June, saying that it would be too late to include in this year's studies.

This US proposal likely aimed at strengthening US presence in Thailand as well as the Mekong region through scientific studies and non-traditional security cooperation, but Bangkok's cautious position toward the US approach indicates that Thailand is carefully seeking balance in its relationship with the United States on the one hand and with China on the other. Reactions within Thailand to the US proposal have been varied. Some have been marked by such qualifications as "So long as the US rebalancing contributes to regional stability" or "If the goal is clearly humanitarian assistance," indicating a willingness to accede to the US proposal, but only so long as Thailand does not follow the Philippines in becoming a stage for increasing tension in the US-China relationship. There has also been some criticism of the Thai government's delay in its response to the NASA proposal as detracting from the bilateral relationship. For its part, the United States is seeking a prudent strengthening of its relationship with Thailand out of concern that if problems were to arise in US-Thai relations that had a negative effect on the relationship, this might invite a Thai move closer to China.

(2) Singapore: Seeking Both Strategic and Economic Benefit

Singapore and the United States have a close relationship of security cooperation based on the 2005 Strategic Framework Agreement, but the plan to deploy LCS there has drawn a complicated response from the government of Singapore. Minister for Defence Ng Eng Hen has commented, "The US's strong presence and continued engagement in this area has been, and will continue to be a critical force of stability and progress for this region," indicating a positive position on the plan. One of Singapore's leading newspapers, *The Straits Times*, noted that the US rebalancing did not represent a fundamental change in policy, but rather was no more than a tweaking by the Obama administration of the well-established trend of US return to Asia that it inherited from previous administrations. Singapore's search for balance in its relationships with China and the United States is based on the strategy of attaining stability and prosperity for itself and the region as a whole through security cooperation with the United States on the one hand and economic cooperation with China on the other. To that end, Singapore has characterized the US rebalancing as "one aspect of a long-term trend" and has sought to avoid overemphasis on the move as a hedge against

China. It is particularly concerned that the LCS deployment, a matter that directly involves Singapore itself, is rather being interpreted in the context of US-China relations. At the same time, Singapore has also been concerned that too much emphasis has been placed on the military and security aspects of the rebalancing. For example, speaking at the February 2012 Singapore Conference held by the US Center for Strategic and International Studies (CSIS), Minister for Foreign Affairs K. Shanmugam expressed a strong concern that US media sometimes tend to view the US-China relationship in win-lose terms and to emphasize Asia as a means to contain China.

(3) “Potential Cooperating Country” Indonesia

Regional giant Indonesia is also one of the countries the United States identifies in its rebalancing toward the Asia-Pacific region as a target for strengthened cooperation. Although specific countries are not mentioned by name in the new Defense Strategic Guidance, Indonesia is cited by Secretary of State Clinton in an article in *Foreign Policy* along with Singapore, Malaysia, Vietnam, Brunei as a Southeast Asian nation with which to build a new partnership, in keeping with the principle of an “Asia pivot.” The multilateral military exercise Garuda Shield, first held in 2007, was conducted again June 11–22, 2012, at training facilities in Malang, East Java; the combined exercise saw the US and Indonesian armies contributing to UN peacekeeping operations along with Japan, South Korea, Australia, Singapore, Thailand, and others. The Indonesian air force has also shown interest in introducing F-16 fighters from the United States. Indonesia at first was cautious toward US deployment of Marines to Darwin, Australia, but more recently it has put the reinforcement of a US military presence to use for regional security, for example by conducting combined exercises with US Marines.

At the same time, Indonesia has been steadily advancing its security cooperation with China as well. Bilateral exercise Sharp Knife began in 2011 and took place in China again July 1–15, 2012, with over seventy special forces troops from the two countries conducting live-fire exercises in Jinan, Shandong Province, including antiterrorist search and rescue operations. Indonesia is also engaged in missile joint development plans with China. Early in 2012, the two countries signed a memorandum on military technology cooperation, based on which they have discussed joint production of the C-705 antiship missile, to include technology transfer to Indonesia. The discussions reached agreement in August,

with a contract to be officially signed in March 2013. In addition, China has provided a maritime monitoring system to be installed in the Indonesia straits.

As its basic policy, Indonesia is attempting to have a balance between the influences of the two powers, China and the United States. And by leaning neither toward the United States nor toward China in its relationship with those two countries, Indonesia is seeking both to maintain its own and ASEAN's strategic autonomy and to play the role of mediator between the United States and China in Southeast Asia. Indonesia was initially cautious toward a strengthened US military presence in Australia; the fact that Indonesia has begun to express its position in more positive terms can be seen as a reflection of China's hardline stance toward South China Sea issues and of an emerging positivity toward the strengthened US military presence in Southeast Asia.

4. Development of ADMM and ADMM-Plus

Even as tensions appear in the South China Sea between China and the ASEAN countries and disharmony has started to appear among members within the ASEAN alliance itself, ADMM-Plus has shown steady development as a structure for multilateral security cooperation between ASEAN and China and with other countries outside the region as well. Here in ADMM-Plus, there is an intersection of two seemingly contrary trends, tension among the countries of East Asia and promotion of cooperation among them. In particular, the fact that Vietnam and China are serving as joint chairs of the ADMM-Plus Experts' Working Group for HA/DR is itself a factor in their bilateral security cooperation, and this also indicates the possibilities of confidence building within a multilateral framework.

ADMM-Plus offers cooperation in five areas: maritime security, military medicine, peacekeeping, counterterrorism, and HA/DR. During 2012, efforts were made to seek a cooperative structure through fusion of the HA/DR area with the military medicine group jointly chaired by Japan and Singapore. At the sixth ADMM on May 29, 2012, it was announced that as a way to give concrete form to the practical cooperation within ADMM-Plus, a combined exercise on HA/DR and military medicine would be held in 2013 in Brunei. This decision was reached through discussions at the ASEAN Defence Senior Officials' Meeting-Plus (ADSOM-Plus) convened in Siem Reap, Cambodia, in April. A meeting to conduct initial planning for the exercise was held in Brunei August 28, to bring concrete progress toward holding the exercise. ADMM-Plus was originally to be

held every three years, but the sixth ADMM announced that the frequency had been changed to every other year. Since ADMM meets every second year, the change would increase the frequency with which defense ministers from throughout the Asia-Pacific region would gather together, meaning that ADMM would be better able to fulfill its role of providing an opportunity for dialogue among defense ministers should security problems arise among the participating countries. Such an arrangement could contribute to confidence building. In fact, since the confrontation over Scarborough Shoal took place during the time period for the sixth ADMM, and since China's Minister of Defense Liang Guanglie visited Cambodia at the same time as Philippine Defense Secretary Voltaire Gazmin, the two had the opportunity to meet and discuss the impasse.

Just as is the case for the ASEAN Regional Forum (ARF), conducting combined exercises in areas of nontraditional security is an example of concrete cooperation in a multilateral framework within the Asia-Pacific region. In this respect, ADMM-Plus is in a position to provide direction and promotion for development, including conducting combined exercises for HA/DR-military medicine and other areas as well. In particular because the ARF has produced no notable effects during the fifteen-plus years since its formation, ASEAN is placing hopes on ADMM and ADMM-Plus, frameworks for dialogue among defense ministers, to offer greater effectiveness. Given the tension and confrontation between nations seen over the South China Sea and over events elsewhere in East Asia, however, it is still difficult at present to predict whether the growing record of practical results from cooperation in nontraditional fields can have a ripple effect on confidence building as well as the reduction of tensions in traditional areas. Just the opposite, it is possible to think that deterioration involving problems in traditional areas such as territorial rights could possibly result in the halt or retreat of multilateral cooperation in nontraditional areas.