
REVIEW OF REGIONAL DEVELOPMENTS

Paying Attention to International Issues in the Midst of Election

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AS INDONESIA IS BUSY in the midst of domestic grand developments in relation to the 2014 election, the regional environment where Indonesia is located is also witnessing some significant developments in some crucial issues. This review of regional developments for the second quarter of 2014 highlights four significant matters relating to Southeast Asia specifically, and the Asia Pacific in general. First, Obama's visit to four countries in Asia in April 2014 has significant consequences on the region, in particular with regards to the U.S. strategic rebalancing policy. Second, the domestic turmoil in Thailand, with particular the imposition of martial law, will impact on the wave of democracy in Southeast Asia. Third, as Indonesia looks forward to a new leader, another big nation in Asia, India, has sworn in a new leader. And fourth, there are new incidents in the South China Sea, which complicates, if not further deteriorate, the already ugly situation in the area.

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Obama's Visit to Asia

The President of the United States, Barack Obama, visited Japan, South Korea, Malaysia, and the Philippines during his Asia trip in late April 2014. The trip was itself a has been widely considered as some sort of "make-up trip" for the one that was cancelled in October 2013 because of the government shutdown in Washington, DC. That trip was supposed to take him to the Philippines and Malaysia for bilateral visits, as well as to Indonesia and Brunei for regional conferences.

This visit called into question how effective the "Asian pivot" in U.S. foreign policy has been. A few years ago, Obama announced that a rebalancing of U.S. interests toward Asia would be a central tenet of his legacy. This visit is supposed to reassert the message that the U.S. is truly focused on Asia – despite finding itself repeatedly pulled away by events in other parts of the world, such as Ukraine and the Middle East, and its domestic politics. One argument emphasizes that the pivot as practiced continues unabated; while the pivot as perceived has suffered from its displacement on various attention spans by superseding events and concerns, both foreign and domestic.¹ The pivot certainly serves U.S. interests; most notably the upgrading of American security commitments and the effort to negotiate freer trade. There are opportunities for trade and investment that Asia's most dynamic economies will continue to generate.

On the other hand, every visit of an American leader to Asia would raise the issue of the Sino-American relations, and the major power rivalry. The week since President Obama's return from his Asia-Pacific tour has, unsurprisingly, seen a stream of negative commentary from Chinese state-run media on the U.S. role in Asia. China was especially unhappy with a U.S.-Japan joint statement confirming that the allied nations' security treaty applies to all territories administered by Japan, including the disputed Diaoyu/Senkaku Islands, and with a U.S.-Philippines defense agreement boosting America's troop presence in the island nation. An annual joint military exercise between the United States and the Philippines currently underway is also being viewed with apprehension from China.

Such sentiments show a continuing attitude of bitterness toward the United States and its Asian alliances, and a sense that the United States is trespassing on China's "backyard" with its presence in Asia. As in

1 Clifton B. Parker, "Obama's Asia Trip Reflects New Global Dynamics, Stanford Scholar Says," available at <http://news.stanford.edu/news/2014/april/asia-qna-emerson-042414.html>

previous statements, they reveal a fixation on the idea that America seeks to "contain" China, even as U.S. power declines according to Chinese observers. Japanese and Philippine "troublemaking," according to China, is also a recurring theme.

Domestic Turmoil in Thailand

Thailand's army has seized power in a coup after months of political turmoil. The showdown is the latest chapter in a divisive political conflict that has unsettled the country since 2005 and shows no signs of a resolution. In May 2014, the Thai military announced that it had taken control of the government and suspended the constitution in order to restore order and enact political reforms.

Thailand, unfortunately, is currently in a political mess, with the opposition saying the democratically elected government must go because it is corrupt. The protesters insist they are not opposed to democracy but want wide-ranging reform to clean up Thai politics and root out corruption before elections are held.

After weeks of protests, the martial law was upheld. The cabinet has been ordered to report to the military and gatherings of more than five people have been banned. A nationwide curfew is in force between 22:00 and 05:00 local time. The broadcast media have been told to suspend all normal programming. A military statement said the army chief would head a ruling military body - the National Peace and Order Maintaining Council - but that the upper house of parliament and courts would continue to function. Political party leaders, including opposition leader, were taken away from a venue where they had been holding talks with the army after troops sealed off the area. Shortly after the coup announcement soldiers moved rapidly on the "red shirt" camp on the outskirts of Bangkok, as well as towards the anti-government demonstrators' camp in the centre of town. Troops fired into the air to disperse the pro-government protest camp but there are no reports of major violence.

These events should be of special concern to Thailand's Southeast Asian neighbors, with which Thailand forms the Association of Southeast Asian Nations (ASEAN). With regards to the impact on the region, political instability in Thailand has dented its economy, but the risk of contagion to the rest of the region should be minimal with some countries even standing to benefit. On the political front, the latest turmoil may yet

again expose the weakness of ASEAN as a regional grouping, as it is yet to decide how to respond to the ongoing struggle for democracy in Thailand.

Concerning Thailand, before the peak of the protests in May 2014, the ASEAN Heads of State and Government issued an official statement on 14 December 2013, calling “on all parties concerned to resolve the current situation through dialogue and consultations in a peaceful and democratic manner.” Although the statement could be interpreted as pro-government, it nonetheless stands out as a noticeable peak in ASEAN’s cherished principle of non-interference with the internal affairs of its member states. With the army’s seizure of power, the situation in Thailand has not been solved through dialogue, consultations or in a democratic manner. ASEAN should thus follow-up its December statement, especially because its expressions of democracy are also backed by principles in the 2008 ASEAN Charter. In this document, the organization subscribed to the ideas of democracy, human rights and the rule of law. Certainly, critics of the association have denounced the gap between ASEAN’s identity on paper, and its actions when faced with real situations. The question for ASEAN therefore, is whether it wants to live up to its self-ascribed standards, or continue to just pay lip-service.

Indonesia has expressed its attention and concern, although some experts have urged to respect the ASEAN commitment of non-interference.² Nonetheless, the Indonesian Foreign Minister Marty Natalegawa said: “Without meaning to intervene in the domestic affairs of Thailand... the development of the situation [there] should be a concern of Indonesia, together with the ASEAN.”

One concern for ASEAN is not necessarily regional instability, which is still far off from being affected by the Thai turmoil. A point of concern is actually how the situation is perceived in Myanmar, a direct neighbor of Thailand, which is going through the early (and fragile) phase of democratisation. ASEAN should have a strong interest in Thailand going back toward democracy as soon as possible, so as not threaten the new and still fragile developments in Myanmar.

Regionally and internationally, the human rights situation and the further deterioration of Thai democracy were viewed with concern. UN High Commissioner for Human Rights expressed her deepest concern about the situation in Thailand. Several other non-governmental, regional and international organizations like the EU, the International Federation for Human Rights (FIDH) and the Southeast Asian Press Alliance

2 “Indonesian Govt Urged to Stick to ‘Asean Way’ after Thai Military Coup,” *The Jakarta Globe*, 23 May 2014.

(SEAPA), have strongly condemned the military's seizure of power. The situation in May, when the army launched its "half-coup," did not justify the imposition of martial law, which severely restricted human rights, civil liberties and media freedom. Considering these developments, it remains to be seen whether an ASEAN voice will also be heard in the current discussion.

India's New Prime Minister

After a historic election victory, Narendra Modi was sworn in as India's 15th prime minister on 26 May 2014, ending two terms of rule by the Nehru-Gandhi dynasty. Modi's political vehicle, the Bharatiya Janata Party (BJP), advocates a strong India that can resist pressure from world powers or regional rivals. Indeed, when in power previously, it was a BJP-led government under Atal Bihari Vajpayee that made India into a nuclear power and underlined its independence by refusing to sign the Nuclear Non-Proliferation Treaty.

Modi will first have to deliver on his election pledge to get the country's faltering economy back on its feet. Modi knows that India can close the power gap with China only by achieving and sustaining high economic growth rates. Some commentators translate that to fixing three things that ail the Indian economy the most: corruption, red tape, and lousy infrastructure.³ With an average growth rate of around five percent over the last two years, the economy has not been expanding fast enough to provide jobs for the 13 million young Indians flooding onto the job market every year. Moreover, the manufacturing sector only accounts for 15 percent of the economy compared to 31 percent in China. This is where Modi's expertise – on display for 12 years in Gujarat – in attracting domestic and foreign investment, creating jobs and a building a modern infrastructure could come into play.

In terms of foreign relations, commentators have also predicted more continuity than change.⁴ Nonetheless, Modi has surprised many people already. He invited Pakistani Prime Minister Nawaz Sharif to his swearing-in ceremony and doubtless understands that intermittent confrontations with Pakistan will divert him from focusing on the economy. Soon after, he

3 "Narendra Modi: More Continuity than Change in Foreign Policy," *Inter Press Service News Agency*, 23 May 2014, <http://www.ipsnews.net/2014/05/narendra-modi-continuity-change-foreign-policy/>

4 See *Ibid*; and Raja Menon, "India under Narendra Modi," *Huffington Post*, 27 May 2014, http://www.huffingtonpost.com/rajan-menon/india-under-narendra-modi_b_5382883.html

held a summit of sorts with the leader of neighbouring Pakistan on his first day in office, which is a great deal considering the India-Pakistan relations. Nonetheless, while India will put diplomatic pressure on Pakistan, there is also a view that there is an acceptance that the civilian government in Islamabad is not in a position to control all militant groups and that New Delhi needs to address weaknesses in its homeland security.⁵

A crucial point for Pakistan is the disputed territory of Kashmir, where a low-level separatist insurgency continues. The BJP is committed to withdrawing the special constitutional provisions that guarantee Kashmir a degree of autonomy within India. It has been claimed by some experts that concessions on this would be tough for Modi to envisage, let alone enact.⁶

What will be interesting to analyse is the future India-China political relations. Interestingly, Moreover, Modi has invited Chinese President Xi Jinping to visit India, seeking greater engagement between the world's two most populous nations on trade and regional security. He extended the invitation when he spoke by telephone with Chinese Premier Li Keqiang, who had called to congratulate him on his victory in India's general election, the Ministry of External Affairs said in a statement. According to an official statement from the Prime Minister's Office in New Delhi, the Chinese Premier conveyed his government's desire to "establish robust partnership with the new government in India for further development of relations between the two nations."

With regards to India's relations with the U.S., India's immediate environment is evolving rapidly as the U.S. and other remaining international combat troops are withdrawn from Afghanistan by the end of this year. Indian security officials fear this could result in a small army of unemployed militants who will head, or be directed, towards Kashmir or India itself, with the support of some elements of Pakistan's security establishment.

Even at the personal level, while Modi has been happy to welcome US investors to Gujarat over the 13 years he has governed the state, there has been little love lost between Modi and Washington. The administration of President George W Bush denied Modi a visa in 2005 under a 1998 US law barring entry to foreigners who have committed "particularly severe

5 "Eying Pakistan and China, India's Modi Bolsters Security Team," *CBC News*, 31 May 2014, <http://www.cbc.ca/news/world/eyeing-pakistan-and-china-india-s-modi-bolsters-security-team-1.2660955>

6 "Narendra Modi: What Does His Victory Mean for America, China and Pakistan?" *The Guardian*, 19 May 2014. <http://www.theguardian.com/world/2014/may/19/narendra-modi-india-election-victory-america-china-pakistan-world>

violations of religious freedom."⁷ Of course, now that Modi is the Prime Minister, very likely the treatment will change. Indeed, as expressed by Fareed Zakaria: "If the United States and India, the world's oldest and largest democracies, could create a genuine partnership, it would be good for Asian stability, for global prosperity, and, most especially, for the cause of democracy and human rights around the world."⁸

South China Sea

Incidents in May 2014 reflect how the territorial disputes in South China Sea will continue to escalate. Vietnam reacted angrily after China towed a deep-sea oil rig on 1 May 2014 close to the Paracel Islands, which are controlled by China but claimed by Hanoi. It has sent a flotilla of vessels to try and disrupt the rig. Some of the Vietnamese boats have clashed with Chinese ships sent to protect the oil rig. Afterwards, the Vietnamese government gave rare permission for street protests against China in cities across the country. Those protests were enthusiastically covered by the state media.

In mid-May 2014, these protests escalated to the point where anti-China mobs torched up to 15 foreign-owned factories and trashed many more in southern Vietnam amid rising anger over China's recent placement of an oil rig in disputed Southeast Asian waters. The unrest at industrial parks established to attract foreign investors was the most serious outbreak of public disorder in the tightly controlled country in years. It points to the dangers for the government as it manages public anger at China and also protests itself against the Chinese actions in a part of the South China Sea it claims as its own.

Before the incident, the ruling Communist Parties in both countries maintain close links and had been trying to handle tensions over the territorial disputes quietly. Vietnamese authorities are normally highly nervous of spontaneous public gatherings of any sort. Many of the leaders of the anti-Chinese protests are also calling for basic democratic reforms, presenting a challenge to one-party rule. The standoff underlines China's intention to aggressively pursue its territorial claims in disputed waters despite complaints from smaller nations such as Vietnam and the Philippines, which also claim parts of the waters. The United States, a treaty

7 Ibid.

8 Fareed Zakaria, "U.S. Policy on India, and Modi, Needs to Change," *The Washington Post*, 15 May 2014.

ally of the Philippines, has called the latest Chinese action "provocative."

During the same time, on the other side of the South China Sea, the Philippines has protested China's reclamation of land in a disputed reef that can be used to build an airstrip or an offshore military base in the increasingly volatile region. Filipino Foreign Secretary Albert del Rosario said that the Philippines lodged the protest against China last month after surveillance aircraft confirmed and took pictures of the reclamation and dredging being done by Chinese vessels at the Johnson Reef in the Spratly Islands, which Manila says violates a regional nonaggression pact. Del Rosario said it was not clear what China would build on the reef, which Manila claims as part of its western province of Palawan, but that one possibility was an airstrip.

Reports have raised the concern that the discovery of the reclamation, and the possibility of China building an airstrip in the reef, called Chigua by China and Mabini by the Philippines, would likely raise alarm among rival claimant countries because it would bolster Beijing's naval and air force mobility in a South China Sea region far from the Chinese mainland.⁹ The reclamation is estimated to have turned the submerged reef and a sand bar into a 30-hectare (74-acre) land mass that transformed the underwater outcrop into an islet.¹⁰ It's the latest of several territorial spats between the Asian neighbors that have ratcheted tensions in the potentially oil- and gas-rich region, which also straddles one of the world's busiest sea lanes.

Del Rosario said the Philippines raised the reclamation issue along with the deployment of Chinese coast guard ships at the Second Thomas Shoal and "harassments of our fishermen" during a summit of the Association of Southeast Asian Nations last weekend in Myanmar. Four members of the 10-nation bloc — Brunei, Malaysia, the Philippines and Vietnam — are locked in territorial disputes in the Spratlys with China and Taiwan.

ASEAN issued a statement expressing concern over recent territorial spats in the South China Sea after the summit, which was attended by Southeast Asian heads of state. During the ASEAN summit, Philippine officials also reported the intrusion by a suspected Chinese research ship last month near the Philippine Galoc oil field off Palawan province.

These latest incidents have increased the concern that things in South China Sea might get really ugly. China and ASEAN member states signed a nonbinding 2002 declaration urging rival claimant countries to settle

9 "Factories Torched in Anti-China Protest in Vietnam," *The Jakarta Post*, 14 May 2014, <http://www.thejakartapost.com/news/2014/05/14/factories-torched-anti-china-protest-vietnam.html>

10 "Manila Says China Is Reclaiming Land on Disputed Sea," *The Jakarta Post*, 14 May 2014, <http://www.thejakartapost.com/news/2014/05/14/manila-says-china-reclaiming-land-disputed-sea.html>

their disputes peacefully, refrain from occupying new islands or reefs and launching construction efforts that could raise tensions. However, accusations of repeated violations of the pact have sparked international calls for a legally binding "code of conduct" that could prevent a major armed conflict in the South China Sea.

Concluding Notes

As Indonesia is very much inward-looking and pre-occupied with domestic issues during this period with regards to the elections, developments in the region may come in lower priority. Nonetheless, as the Asia Pacific grows to be even more dynamic, it would be very interesting to witness how the new leader of Indonesia would respond. Relations with major powers would be even more crucial, and the resolution of ongoing disputes will impact greatly on Indonesia's foreign policy and regional cooperation.