

REVIEW OF REGIONAL DEVELOPMENTS

Multilateralism in Southeast Asia: Some Accomplishments, Yet Turbulences Remain

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The second quarter of 2013 has seen two occasions of multilateralism involving Southeast Asia, namely the 22nd ASEAN Summit and 6th meeting of Forum for East Asia and Latin America Cooperation (FEALAC). It has also been engrossed in a number of upheavals, for example the spread of violence in Myanmar and post-Election dissatisfaction in Malaysia. This review discusses these recent developments in Southeast Asia.

22nd ASEAN Summit in Bandar Seri Begawan

Southeast Asian leaders were positive on 25 April 2013 about progress made on an ambitious plan to weld the region into a European Union-style economic community as a counterweight to Asian powerhouse China, while efforts were stalling on South China Sea disputes. In distinct contrast to what transpired at last year's summit, Southeast Asian leaders agreed yesterday to initiate talks with China over sea disputes as well as push for a code of conduct to govern maritime issues. At last year's summit, host Cambodia would have pushed for ASEAN to adopt China's position to limit talks on territorial issues to the bilateral level had it not been for the objections of other claimant

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states. ASEAN member-countries had to struggle with perceptions of disunity at and after last year's meeting, after Cambodia was rebuked by the Philippines for trying to downplay the South China Sea issue despite increasing tensions due to Beijing's nine-dash theory claiming the whole of the disputed area.

2013's ASEAN chair, Brunei, put the issue high on the agenda right from the start of the summit. Leaders attending the Association of Southeast Asian Nations summit in Brunei had hoped China would soon agree to start talks on a nonaggression pact to prevent a major clash in the disputed territories that could smoke out their region's robust economies. However, China has given no clear indication when it would agree to negotiate such a stopgap accord, known in ASEAN parlance as a "code of conduct."

"Our People, Our Future Together" was the theme of the 2013 summit and the title of the Chairman's Statement. This theme emphasizes the role of the people of the member nations in the ASEAN community's building efforts and the future of ASEAN beyond 2015. The nations noted the importance of realizing a truly "people-centered" ASEAN as a central element of a post-2015 vision of ASEAN. The following are the excerpts from the Chairman's Statement of the 22nd ASEAN Summit as they relate to infrastructure development.¹

1. On maritime security: *"We recognize that maritime security, including maritime safety, is crucial to a vibrant, peaceful, stable, and resilient Southeast Asia. Therefore, we encourage the strengthening of regional cooperation in maritime security through, inter alia, capacity building, the exchanging of experiences, and sharing of best practices, by utilizing existing ASEAN frameworks including the ASEAN Maritime Forum (AMF) and the Expanded AMF."*
2. On energy cooperation: *"We are determined to enhance ASEAN energy cooperation in order to address major energy challenges and thus ensure a secure and reliable energy supply to the ASEAN region. We aim to strengthen coordinating efforts between ASEAN member states to accelerate the implementation of the ASEAN Plan of Action for Energy Cooperation, 2010–2015."*

¹ Chairman Statement of the 22nd ASEAN Summit, "Our People, Our Future Together," April 2013, accessed on 30 June 2013 <http://www.asean.org/news/asean-statement-communications/item/chairmans-statement-of-the-22nd-asean-summit-our-people-our-future-together>

3. On Master Plan on ASEAN Connectivity and role of ASEAN Infrastructure fund: *"We note the progress in realizing the Master Plan on ASEAN Connectivity (MPAC) and emphasize the importance of increasing its implementation rate, particularly through more effective coordination, communication, and resource mobilization towards our vision of an ASEAN Community by 2015. We recognize the importance of mobilizing financial and technical resources, the utilization of the ASEAN Infrastructure Fund (AIF), and the promotion of public-private partnerships (PPPs)."*
4. On transport infrastructure: *"We commend the efforts of the ASEAN transport ministers on the progress made in land, sea, and air transport in supporting ASEAN's connectivity. We note the completion of the master plan and the feasibility study on the establishment of an ASEAN roll-on roll-off shipping network and short sea shipping and look forward to the signing of Protocol 7 on ASEAN Customs Transit System by the ASEAN finance ministers. In supporting the establishment of the ASEAN Single Aviation Market, we acknowledge the endorsement of the vision and objectives of the Air Traffic Management Harmonization that envisages the ASEAN airspace as a seamless block of airspace in the Asia-Pacific region."*
5. On water resources: *"We welcome Thailand's hosting of the 2nd Asia-Pacific Water Summit, entitled "Water Security and Water-related Disaster Challenges: Leadership and Commitment", in May 2013, which will provide an opportunity to exchange views on how to address challenges regarding water resource management."*
6. On increasing ASEAN's competitiveness: *"Given the current regional and global economic landscape, we recognize the need to enhance ASEAN's competitiveness by better facilitating trade and investment, leveraging on ongoing work to establish the ASEAN Economic Community, and therefore enhancing ASEAN's position strategically. Hence, we have tasked our ministers to develop a road map that will set out initiatives to ease the way of doing business, address investment impediments, institutionalize discussions on regulatory improvements, and incorporate innovation policies into ASEAN's efforts."*
7. On trade: *"Trade will continue to be one of the main cornerstones of BIMP-EAGA cooperation. As such, we are pleased to note that the total trade value of BIMP-EAGA grew significantly by 70 per cent from \$100*

billion in 2009 to \$170 billion in 2011. Intra- EAGA trade constituted nearly 25 per cent of the total EAGA trade over the same period. We are also pleased to note the positive trend in foreign direct investment in BIMP–EAGA member countries, which surged by 129 per cent from \$24 billion in 2009 to \$55 billion in 2011.”

8. On priority infrastructure projects: *“We are pleased with the progress of the implementation of the priority infrastructure projects since our endorsement of the Implementation Blueprint (IB) 2012–2016 at the 8th BIMP–EAGA Summit in 2012. We take note that the 2013–14 rolling pipeline projects that have been identified will further contribute to the attainment of the BIMP–EAGA vision. We look forward to the finalization of the Result-Based Monitoring and Evaluation Framework to provide indicators and assessments of the substantive outcomes and impacts of these projects on our community. We reiterate the need for the effective and timely implementation of the IB, and therefore, we have tasked our sectoral ministers to jointly coordinate and implement these BIMP–EAGA priority projects.”*
9. On coordination: *“We recognize the need to synergize through greater coordination among the four pillars of BIMP–EAGA, that is, connectivity, food basket, tourism, and environment, to further improve economic development and narrow the development gaps between the BIMP–EAGA member countries. We are pleased that, under the connectivity pillar, transport initiatives continue to be sustained. Among others, we welcome the commencement of Malaysia’s MA Swings flights on February 1, 2013 between Kota Kinabalu in Malaysia and Balikpapan in Indonesia, as well as flights between Kuching in Malaysia and Balikpapan in Indonesia.”*
10. On energy conservation: *“We have tasked our sectoral ministers to look into ways to promote the sustainable use of natural resources in the sub-region in an effort to conserve the environment for future generations. In this regard, we encourage the active engagement with global environment players to support our work in ensuring the preservation of two of the richest biodiversity areas in the world, namely, the Heart of Borneo and the Coral Triangle (Sulu–Sulawesi Marine Eco-region).”*
11. On investment: *“We call on the BIMP–EAGA Business Council (BEBC) to continue advocating for greater ease of doing business and the facilitation of cross-border trade and investment in the sub-region. We urge the private sector, our senior officials, local governments, and offi-*

*cial*s from the various sectors to strengthen PPPs and reinforce collective efforts at exploring innovative modalities for partnerships, particularly in the areas of enhancing connectivity, establishing food baskets, and promoting tourism in the BIMP-EAGA.”

The Forum for East Asia and Latin American Cooperation

Co-chairs Indonesian Foreign Minister Marty Natalegawa and Colombian Deputy Foreign Minister Monica Lanzetta Mutis officially opened the 6th Ministerial Meeting of members of the Forum for East Asia and Latin America Cooperation (FEALAC) in Nusa Dua, Bali, on 13 June 2013. FEALAC is the only formal dialogue between countries in Latin America and East Asia. It draws together 36 countries from East Asia and Latin America aiming to strengthen the relationship between the two regions.

FEALAC was the brainchild of former Singaporean Prime Minister Goh Chok Tong following a visit to Chile in 1998 in an effort to develop the relationship between the two regions, and involves in-principle annual Foreign Ministers, Senior Officials and Working Group meetings. Three Working Groups on Science and Technology; the Economy and Society; and Politics, Culture, Education and Sport operate to build collaboration across these thematic areas.

The first Senior Officials Meeting was held in Singapore in 1999 and the first Foreign Ministers Meeting was held in 2001 in Santiago, Chile. Membership includes 16 countries from the Asia Pacific (Australia, Brunei, Cambodia, Indonesia, Japan, The Republic of Korea, Laos, Malaysia, Mongolia, Myanmar, New Zealand, Philippines, Singapore, Thailand, and Vietnam) and 20 from Latin America (Argentina, Bolivia, Brazil, Chile, Colombia, Costa Rica, Cuba, Dominican Republic, Ecuador, El Salvador, Guatemala, Honduras, Mexico, Nicaragua, Panama, Paraguay, Peru, Suriname, Uruguay, and Venezuela).

Given the downward trend of the European economy and global recession, East Asia and Latin America have become engines for the world economy. The two regions are performing very well economically. But their cooperation in non-economic areas is still marginal. They still have to form common positions on global issues such as climate change, poverty eradication, among others. Other areas of cooperation including finance, science and technology, education, need to be strengthened.

The two regions make up 39 per cent of the world population, 33 per cent of world GDP, with total trade topping \$13 trillion or 30 per cent of global trade.² The FEALAC countries contribute 24 per cent of world foreign direct investment. Moreover, trade between the two regions has grown 20.5 per cent annually, totaling \$500 billion by the end of this year. Meanwhile, two-way investment has exceeded \$20 billion.

However, the latest figures show that certain members of the FEALAC are doing better in bilateral arrangements than others. For instance, relations between Indonesia and Brazil have progressed by leaps and bounds with increased trade and investment volume. Their newfound friendship was a result of more government contacts, leaders' visits and exchange of scholars. That helped explain why there is an urgent need to make the FEALAC cooperation more than just relations between two or more countries of both regions.³

The 2013 FEALAC in Bali concluded with the adoption of the Uluwatu Declaration and the appointment of the Kingdom of Thailand and the Republic of Costa Rica as regional coordinators for the period of 2013 to 2015. The group worked hard to revitalize their cooperation by fully realizing that the window of opportunity is present, given the rapid change in the global system and environment. However, aside from the fact that a large number of foreign ministers attending the event, the discussions often boiled down to the great distance and cost. Moreover, except within the official circle, very few media outlets know about the existence of the FEALAC, let alone writing about it. This shows the lack of popularity and appreciation of this forum.

Among FEALAC heavyweights, China, Japan, Brazil, Mexico and Indonesia should take a stronger lead, especially in trade and investment and global issues. Their status in international forums is formidable. Both Brazil and Japan aspire for a seat on the UN Security Council. However, with relations between China and Japan facing difficulties, others must step up collaborative efforts and show leadership.

ASEAN has long appreciated the potential of Brazil and Mexico. The grouping views them as their future source of investment and

² Kavi Chongkittavorn, "East Asia and Latin America: A Bridge too Far and too Few?" *The Nation Thailand*, 17 June 2013.

³ *Ibid.*

technological know-how. Indeed, they are the top candidates to become the first two ASEAN dialogue partners from Latin America as soon as the grouping lifts its 20-year-old membership moratorium. The other candidate is Turkey. Brazil signed the Treaty of Amity and Cooperation in 2011.

At the Bali meeting, several good recommendations were made by the FEALAC Vision Group.⁴ One of them is to increase the connectivity of the business, academic and media community. FEALAC business leaders should get together ahead of their ministerial meetings so they can provide valuable input and recommendations. Business leaders' summits and various forms of linkages in Asia Pacific Economic Cooperation (APEC) and ASEAN have helped to increase investment flows and promote trade volume. The FEALAC could do the same.

Promotion of area studies in respective regions along with exchange of scholars and cooperation of university networks and think-tanks is another priority. Some ASEAN ministers lamented the lack of East Asian Studies in Latin America and vice versa. Exchange students would also deepen understanding of these two dynamic regions, whereas experts from the regions should get together and identify common ground on global issues and areas of researches.

In Myanmar: Sanctions Lifted, Yet Still Living in Fear

In April, Myanmar hailed a European Union decision lifting political and economic sanctions against the former pariah state, pledging to continue its reforms and march toward democracy. The EU 27-nation bloc lifted all sanctions except those against the sale of arms and equipment that can be used for internal repression.

The economic sanctions were suspended last April for one year after Myanmar's military rulers handed over power to a civilian government. The measures had targeted more than 800 companies and nearly 500 people, and included the suspension of some development aid. EU officials say the sanctions' permanent abolition will encourage firms and development organizations from the bloc - the world's largest economy - to strengthen ties with Myanmar.⁵

⁴ The documents can be accessed on <http://www.fealac.org/2011/documents/all.asp>

⁵ "Myanmar Hails EU Lifting of Sanctions," *Herald Sun*, 23 April 2013.

An EU statement, approved without a vote and issued at a foreign ministers' meeting in Luxembourg, said: "In response to the changes that have taken place and in the expectation that they will continue, the Council (of ministers) has decided to lift all sanctions with the exception of the embargo on arms."⁶ The decision came in response to political reforms implemented by President Thein Sein, who came to power after elections in November 2010. His administration has freed many political prisoners and relaxed censorship.

British Foreign Secretary William Hague said Burma's political progress was substantial enough and serious enough for the temporary lifting of sanctions to be made permanent.⁷ Sanctions are one of the main tools of EU foreign policy and there is never a perfect time to impose them or to lift them again. Critics argue that the EU is too reliant on sanctions as a means of putting pressure on other countries. But despite the evidence of continuing violence directed against Burma's Muslim minority, it would have been a big surprise if this decision had gone any other way.

However, sectarian violence continues to occur and has since end of May 2013 spread to a new region of Myanmar. In Lashio, the remote northern town near China's border where the violence erupted, a mob burned down a mosque, a Muslim orphanage and shops in a north-eastern town after rumors spread that a Muslim man had set fire to a Buddhist woman. The full extent of the unrest was still unclear, with no immediate reports of how many people may have been injured.

This latest incident of violence is a step backwards from the already growing concerns that Myanmar has waged "a campaign of ethnic cleansing" against Rohingya Muslims, citing evidence of mass graves and forced displacement affecting tens of thousands. At the same time as the lift of the sanctions, on 22 April 2013, New York-based Human Rights Watch issued a special 153-page report⁸ that describes the role of the Burmese government and local authorities in the forcible displacement of more than 125,000 Rohingya and other Muslims and

⁶ "EU Lifts Sanctions against Burma," *BBC*, 22 April 2013, accessed on 30 June 2013 <http://www.bbc.co.uk/news/world-asia-22254493>

⁷ *Ibid.*

⁸ Human Rights Watch, "All You Can Do Is Pray: Crimes against Humanity and Ethnic Cleansing of Rohingya Muslims in Arakan State," accessed on 30 June 2013 http://www.hrw.org/sites/default/files/reports/burma0413webwcover_0.pdf

the ongoing humanitarian crisis. Burmese officials, community leaders, and Buddhist monks organized and encouraged ethnic Arakanese backed by state security forces to conduct coordinated attacks on Muslim neighborhoods and villages in October 2012 to terrorize and forcibly relocate the population. The tens of thousands of displaced have been denied access to humanitarian aid and been unable to return home. During the report release, HRW said that lifting the sanctions was "premature and regrettable," warning that the move lessens leverage over Myanmar.⁹

Election in Malaysia

Malaysia held general elections on 5 May 2013, following the dissolution of the Parliament announced by the Prime Minister on 3 April 2013. Both the House of Representatives and 12 out of 13 State Legislative Assemblies (with the exception of Sarawak) were renewed, following the practice established in 2004 to hold these elections simultaneously. The ruling Barisan Nasional (BN), dominated by the United Malays National Organisation (UMNO) of prime minister Najib Razak won a majority of seats, even though the Anwar Ibrahim-led Pakatan Rakyat (PR), formed by three oppositional parties, won more votes overall. This is because the seats are not allocated proportionally but on the constituency level (with strongly differing constituency sizes), following the first-past-the-post system. However, the PR slightly increased its representation, while the BN lost a few seats.

Malaysian Prime Minister Najib Razak may have won this month's disputed election but he faces a fight for legitimacy that could slow reforms, embolden a strong opposition protest movement and spark a leadership battle. The tense political atmosphere threatens to prolong policy uncertainty that investors hoped the polls would put to rest, as Najib braces for a possible leadership challenge and the opposition mounts a noisy campaign to contest the result.

By securing 60 percent of parliamentary seats with less than 50 percent of the popular vote, the BN's victory has served to expose

⁹ "EU Ends Myanmar Sanctions: Arms Embargo Remains," *Channel News Asia*, 22 April 2013, accessed on 30 June 2013 <http://www.channelnewsasia.com/news/world/eu-ends-myanmar-sanctions-arms-embargo-r/647660.html>

starkly the unfairness of a gerrymandered electoral system that is also prone to cheating and bias. That has galvanized the opposition, led by former deputy prime minister Anwar Ibrahim, into holding a series of big rallies as it refuses to accept the result and prepares legal action to challenge the outcome in nearly 30 close-run seats.

Disgruntled Malaysians have submitted more than 220,000 signatures to the White House online petition page, exceeding the number required for a response from President Barack Obama.¹⁰ In response, divisions have appeared in the United Malays National Organization (UMNO), the main party in the ruling coalition - in power since independence from Britain in 1957.

Hardliners have urged a crackdown on dissent and blamed minority ethnic Chinese voters for deserting the ruling coalition. That has raised racial tensions in a country whose ethnic Malay majority dominates politics and enjoys special privileges to offset what its leaders see as its disadvantaged position compared to relatively wealthy ethnic Chinese.

Reformers have urged Najib to press ahead with social and economic reforms to blunt the opposition's appeal and address the concerns of discontented young and urban voters. That includes many ethnic Malays who voted for the opposition.

The hardliners appeared to gain ground last week when police used the colonial-era Sedition Act to detain three opposition politicians and activists and charged a student with inciting unrest. The three arrested were later released after a court rejected the police remand order, but could still face charges.

Najib is under pressure from UMNO conservatives such as Mahathir Mohamad, who served as prime minister for 22 years, to show a tougher side ahead of a leadership election that could be held as early as August. At least until then, planned reforms such as steps to widen Malaysia's tax base and reduce heavy food and fuel subsidies are likely to stay on hold.

¹⁰ "Bitter Election Aftermath Undermines Malaysian PM Najib," *Reuters*, 26 May 2013, accessed on 30 June 2013 <http://www.reuters.com/article/2013/05/26/us-malaysia-politics-idUSBRE94P01120130526>

The opposition has yet to present clear evidence of widespread fraud, but Reuters interviews with 15 polling agents give an indication of why many Malaysians have lost faith in an electoral system that clearly favors the governing coalition.¹¹ A majority said officials of the Election Commission (EC), which is part of the Prime Minister's Department, did not follow procedures or were ill-equipped to oversee the polls. Meanwhile, in Selangor state near Kuala Lumpur, a Reuters examination found at least 2,000 voters had identity cards deemed "dubious" by a commission of inquiry in Malaysia's Borneo island state of Sabah. That commission is investigating long-standing allegations that the ruling coalition handed out citizenship to immigrants for votes.¹² The government denies the fraud claims, accusing the opposition of being sore losers and of trying to stir up an Arab Spring-style revolt. The EC says it took a tough approach in eradicating possible fraud in the electoral rolls.

Deep concerns over the integrity of Malaysia's elections are nothing new. The government has been shaken by huge street rallies in recent years organized by the influential Bersih (clean) movement that has called for sweeping reforms, including a clean-up of the electoral roll and equal access to media. Electoral boundaries that have been manipulated over the years to favor the BN are likely far more influential than fraud. Pro-opposition constituencies in urban areas have up to nine times the number of voters than pro-government seats.

¹¹ Ibid.

¹² Ibid.