

# Southeast Asian Strategies towards the Great Powers



Report of a conference organised by the Strategic and Defence Studies Centre to mark the launch of the Graduate Research and Development Network on Asian Security **(GRADNAS)**

7 September 2015  
Canberra, Australia



Australian  
National  
University

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*Participants at the conference on Southeast Asian Strategies towards the Great Powers*



# Preface

The Graduate Research and Development Network on Asian Security (GRADNAS) initiative aims to build an informal network of scholars pursuing cutting-edge research on Asian strategy and security. Our first focus is to promote Asian security research that is not only empirically rigorous, but also effectively informed by concepts and theories. Second, GRADNAS is geared towards developing opportunities for research training, exchange, and collaboration for advanced doctoral students and promising early career researchers. GRADNAS builds on two of the Australian National University's traditional strengths: the impressive concentration of scholars working on Asia, and their disciplinary diversity.

While the Network will be international in scope, this launching conference concentrated on bringing together scholars from the ANU and neighbouring Australian universities as a first step. The theme of 'Southeast Asian Strategies towards the Great Powers' was chosen to showcase one of the particularly vibrant areas of ongoing research at the ANU and with our project partners. In addition to its timeliness, the topic is also one that has seen very significant progress in the type of research that GRADNAS aims to foster, and the conference bibliography at the end of this report will be helpful to those who wish to delve further into this realm.

GRADNAS is still in the process of being developed, and going forward, we envisage further opportunities for substantive research exchange, and on a wider range of themes. Moreover, the Network is concerned with Asia broadly defined; and also seeks international collaborators.

Meanwhile, we thank the Strategic and Defence Studies Centre at the ANU for seed funding that supported this conference. We are also grateful to the ANU Chancery, the College of Asia and the Pacific, and the Coral Bell School of Asia Pacific Affairs for their encouragement. Above all, we thank our many colleagues who participated in this conference, especially Bates Gill and my other collaborators on the USSC MacArthur project on emerging US security partnerships in Southeast Asia, for their generous and stimulating contributions.

**Evelyn Goh**

Canberra

1 November 2015



# Opening Remarks



**Brendan Taylor** | Head of the Strategic and Defence Studies Centre (SDSC), welcomed participants to the conference and to the launch of GRADNAS. He remarked that SDSC has grown into the leading Australian academic centre of strategic and defence studies and that a core element of the centre is the study of Asian security. Taylor stressed the need to build upon the centre's impressive legacy by attracting world-class scholarly talent, while also developing home-grown talent. GRADNAS is an ambitious and timely initiative that relies on both these approaches to foster a new class of Asian security scholars.



**Veronica Taylor** | Dean of the ANU College of Asia and the Pacific, officially launched GRADNAS, congratulating Goh on her vision of bringing together established scholars, advanced doctoral students and rising academics from leading universities around the world for research exchange and collaboration. Taylor highlighted that the network embodies some of the core priorities of the College of Asia and the Pacific, and observed that it will help to celebrate and strengthen research on Asian security, strategy, and international relations at the ANU.



**Evelyn Goh** | Research Director at SDSC and Convenor of GRADNAS, introduced the initiative and outlined its vision to build an international network of scholars undertaking cutting-edge research on strategic and security issues in Asia. GRADNAS promotes Asian security research that combines conceptual rigour and innovation with deep empirical analysis. Goh highlighted the growing demand in the international academy for such research, and the pressing need for it. Even as many Asian countries experience unparalleled economic growth, interdependence and prosperity, significant inter-national and intra-national conflicts persist and evolving forms of trans-national security threats also impinge on regional stability. Understanding these complexities requires in-depth scholarly research based on area expertise, as well as theoretical tools to interpret empirical trends and puzzles.

# Panel 1 Myanmar



'The Emerging US Security Partnership with Myanmar' | *Jurgen Haacke, LSE (presented by Bates Gill, US Studies Centre, University of Sydney)*

'Burma/Myanmar's Management of China's Strategic Influence' | *Evelyn Goh (co-authored with David I. Steinberg, Georgetown University)*

'Contemporary Chinese Influence in Myanmar Society' | *Nicholas Farrelly, Bell School, ANU*  
Chair/discussant | *Andrew Selth, Griffith University and ANU*

This panel examined the evolving three-way relationship between China, the United States and Myanmar and the way in which Myanmar has managed these relationships. The first paper, 'The emerging US security partnership with Myanmar', was written by **Jurgen Haacke** and presented by **Bates Gill**, who is leading the project for which it was prepared.<sup>1</sup> Gill began by noting very serious constraints on the prospects for a deeper security relationship between the United States and Myanmar: the need to change the political consensus in the United States regarding Myanmar; the likelihood that Myanmar will hold tightly to its traditional policy of neutrality; the special relationship between Myanmar and China; and remaining challenges in Myanmar's long journey of state-building and political reform. Thus, in spite of a remarkable past three to five years in US-Myanmar relations, we should not have overly high expectations about the nascent security partnership.

Gill acknowledged significant progress in the bilateral relationship since the Obama administration adopted the new policy of 'pragmatic engagement', as evidenced by a number of high profile visits between Naypyidaw and Washington since 2011. But he noted that the most successful US engagement has been in the form of development assistance to Myanmar in the areas of health and education, investment to support democratic reform, and electoral assistance. There has also been some limited support for Myanmar's security and border protection forces to strengthen their counter-terrorism and narcotics capability.

A number of significant challenges lie ahead. The economic relationship has not returned to the levels prior to the imposition of the sanctions in the late 1980s, and attracting American investment is difficult because companies see hurdles to setting up businesses in Myanmar. Moreover, the military's continuing dominance over Myanmar's political and economic system will likely constrain the types of reforms that Washington would like to see. Gill queried the prospects for pragmatic engagement after Obama and concluded that in spite of some interest in trying to deepen security cooperation, this will be difficult for years to come.

The second paper by **Evelyn Goh** (co-authored with **David I. Steinberg**) dealt with 'Burma/Myanmar's management of China's strategic influence.' Goh observed that since 1948, China's influence in Myanmar has not been unconditional, and has been mediated by two factors on Myanmar's part: the availability of other strategic options and the balance of regime security and national interests. Goh defined influence as the application of resources to bring about outcomes that China wants. One of China's overarching strategic goals is to secure peaceful borders and safeguard national sovereignty by promoting internal

stability within neighbouring states. In Myanmar's case, from this overarching strategic goal flow four secondary Chinese objectives: (1) to avoid refugees seeking sanctuary inside China as a result of border conflicts; (2) to maximise opportunities for Chinese businesses in border areas; (3) to prevent other major powers' military presence and influence near China's frontier with Myanmar; and (4) to ensure Myanmar's alignment with China in key international affairs.

Goh and Steinberg's paper analyses China's influence over Myanmar in four time periods: post-independence from 1948-1987; military rule under the State Law and Order Restoration Council (SLORC) from 1988-1996; the period from 1997 to 2010 under the rebranded State Peace and Development Council (SPDC); and the reform period from 2011 to the present (mid-2015). They argue that Myanmar has offered more resistance to Chinese influence than might be expected in all four time periods.

In the first period analysed, the government in Rangoon never departed from its formal non-aligned stance despite significant coercion by the Chinese Communist Party to join the Chinese communist camp. In the second period, domestic events including the 1988 Burmese coup and subsequent international isolation had direct implications for Myanmar's ability to practice neutrality. As Burmese perceptions of coming under the threat of external invasion from the United States intensified, Myanmar turned to Beijing for economic and military needs. But there were limits to China's influence in Myanmar, with Yangon blocking the installation of Chinese military bases in the country.

The key tests of China's influence, are to be found during the SPDC period (1997-2010), when Myanmar's international isolation intensified and the two countries moved towards a relationship of mutual dependence. During this period, Chinese influence can be assessed in its diplomatic support for Myanmar, particularly in the United Nations, through Chinese strategic infrastructure development in Myanmar, and through counter-insurgency in the border areas. Goh particularly noted that Naypyidaw used delay tactics in relation to strategic infrastructure development as leverage at various junctures when the Myanmar government felt it was not receiving sufficient Chinese support in international fora.

In the fourth period, the significant reforms undertaken by the Thein Sein government opened up Myanmar's strategic options, particularly with the United States. Goh interpreted the US opening and Thein Sein's decision to postpone the Chinese-funded Myitsone Dam project as evidence of the Burmese quest for autonomy in the face of growing dependency on China. But she qualified this by pointing out other significant Chinese infrastructure developments in Myanmar that have not been compromised.

**Nicholas Farrelly** presented the final paper on 'contemporary

1 More details of the project can be found on page 13 of this report.

Chinese influence in Myanmar society', starting with a discussion of the difficulties of accurately determining the Chinese population in Myanmar due to the contentious nature of ethnic categorisation. Estimates suggest, however, that the number of Chinese living in Myanmar today is around 2.5 million. With this figure in mind, Farrelly summarised key characteristics of Chinese influence in Myanmar society. One characteristic is constant mobility across the Sino-Myanmar border, which has dramatically increased over the past twenty five years. As a result, the Chinese living in Myanmar have found different ways of integrating into Myanmar society.

Farrelly argued that the Chinese in Myanmar have been largely accepted because their presence has been economically productive and important. The flow of money from China to Myanmar has completely recast the relationship between the countries. In 2014, for example, there was a new record of US\$25 billion worth of bilateral trade, almost twice as much as in 2013. With China's investment in the new Kyaukphyu-Kunming oil and gas pipelines project, there is potential for bilateral trade to rise to US\$40-50 billion.

Farrelly also noted the fault lines, antagonism and consternation between China and Myanmar. This is evident by the violent clashes between Myanmar armed forces and rebel groups supported by the Chinese along the Sino-Myanmar border. The Myanmar public are increasingly able to express themselves, evident by Facebook material that suggests loyalty to particular units of the Myanmar Armed Forces involved in border activities and anti-Chinese sentiment. Farrelly argued that if Myanmar is to be a peaceful and prosperous country then this ethnic conflict needs to be resolved and China would need to be part of the resolution. Myanmar would need to draw on its deep reservoirs of tolerance and inclusion to make it's multiethnic tapestry work together.



Presenter Nicholas Farrelly

**Andrew Selth**, the session chair and discussant, noted that the three papers highlighted pertinent questions about how Burma/Myanmar's relations with China have evolved over the last quarter century. Selth argued that since the advent of the reformist

government of Thein Sein in 2011, scholarship examining Burma's foreign relations and the subsequent implications for the regional strategic environment has enjoyed certain advantages that did not previously exist. Greater access to information, public officials, analysts and the public who can now speak openly, has accompanied renewed interest in Burma by journalists and other commentators, which has in turn reinvigorated public debate. Since 2011, there has been a greater emphasis on strategic analyses that are more objective and evidence based. Through a greater appreciation of Burma's complex social and political makeup, Western analysts and commentators have given greater weight to Burma's own concerns, placing greater emphasis on the viewpoints of local political and social institutions and individuals. Selth reflected that Myanmar is increasingly being recognised as an important actor in its own right. Indeed, the panel's discussion about the evolving relations between China, Myanmar and the United States suggests that, in some instances and contrary to the perceived wisdom, it is not Beijing or Washington that is setting the agenda, but Naypyidaw.

During the discussion with other participants, **John Blaxland** argued that Myanmar's membership of ASEAN has allowed it to play off China and the United States in new ways, and queried whether the panel did not mention ASEAN because of the perception of its institutional failures. Farrelly responded that over the past fifteen years, ASEAN has gone from being irrelevant in Myanmar policy interests to being one of the key elements of the story. This was most evident when Myanmar chaired the Association in 2014, with hundreds of ASEAN meetings held in Naypyidaw. He claimed that Myanmar will continue to be an active player in ASEAN. Goh observed that there is still a sense within the ASEAN bureaucracy that Myanmar needs to have more institutional development and capacity building before it can play a more active role within ASEAN. Selth added that Myanmar joined ASEAN in 1997 as part of its balancing strategy so ASEAN does play a key role. Moreover, the United States has managed to overcome a key hurdle in its relationship with ASEAN by changing its Myanmar policy.

**Richard Brabin-Smith** asked what the panel would recommend in terms of Australian government policy towards Myanmar. Farrelly stated the need for greater recognition of the important contributions Australia has made through investing in Myanmar's growing education capacity, and noted that there is a great opportunity for Australia to strengthen defence cooperation, given that Australia cooperates with many armed forces that have even less palatable human rights records. Selth suggested that there is considerable scope to build on the existing cooperation arrangement with the Burmese police force.

**Leszek Buszyński** called for careful consideration over how the Chinese in Myanmar are categorised: if the Chinese there are viewed as a minority, then what was once regarded as threatening can also be viewed as the natural movement of people across an arbitrary border. Farrelly concurred, stating that this is an important issue that needs further study. He explained that there are very large and politically significant minorities on both sides of the border and that there is something akin to a 'shatter zone' between the two countries. **Greg Raymond** asked whether there is any evidence of a deliberate approach towards the development of a national identity or state ideology

along the lines of what has been seen in Thailand or Indonesia. Farrelly responded that there is a state-making project under way based on the idea of 'Union Spirit', with Myanmar as a union of one hundred and thirty five national race categories.

**Tony Reid** commented that in 1940 there was a larger percentage of Indians in Burma than there are Chinese today and they filled critical roles in the governance. However, the expulsion of many of the Indian population in 1942 generated embitterment and significant hostility. Reid queried whether these hostilities are still present in Myanmar society and whether Myanmar's other borders are as significant. Farrelly responded that while the panel's focus was on China and the United States, Myanmar is a country most defined by its relationships with its near neighbours, thus its borders with India and Thailand are also of great significance.

## Panel 2 Vietnam



'The Emerging US Security Partnership with Vietnam' | *Bill Hayton, BBC (presented by Chin-hao Huang, Yale-NUS College)*

'Vietnam's Management of Chinese Maritime Assertiveness' | *Thanh Hai Do, SDSC*

'Vietnam in Japan's Approach to the South China Sea' | *Leszek Buszynski, SDSC*  
Chair/discussant | *Carlyle Thayer, UNSW @ ADFA.*

This panel examined strategic interactions between Vietnam and regional great powers. The first paper by **Bill Hayton** addressed 'the emerging US security partnership with Vietnam.' It was presented by **Chin-hao Huang**, who is co-investigator of the project for which it was prepared. Huang put forward three key observations from the paper. First, a stable international security environment is critical for continued domestic political and economic reform in Vietnam. Vietnamese decision-makers are likely to continue pragmatic engagement with major external powers like the United States (and China) in political, diplomatic, economic, and security affairs, while reducing over-reliance on any single external power. In the near- to medium-term, Vietnam's security policy strategy would continue to emphasise foreign policy independence and non-alignment. Huang observed that within the Vietnamese policy elite, there are no fixed camps that are either pro-China or pro-US, and there are often fluid factions within the Party. In addition to the multiple motivations – ideological, institutional, financial and personal – national decision-making is opaque.

Huang's second theme was that the future success of US engagement in the region will hinge upon broadening its partnerships with Vietnam beyond the security realm. A rebalancing strategy that focuses primarily on defence-related and military manoeuvres, while important and a necessary force stabilizer in the region, overshadows the larger and more pressing domestic needs and priorities in Vietnam. Direct US overtures and outreach to the Communist Party of Vietnam (CPV) and encouraging more people-to-people and party-to-party exchanges are required. Huang explained that until 2015, Washington had stressed government-to-government relations, but in a remarkable development, it has recently attempted to match China's advantage in party-to-party discussions with Vietnamese counterparts too. The biggest breakthrough was CPV Secretary-General Trong's visit to Washington in July 2015.

The third key observation was that Western expectations of the necessary reforms needed for Vietnam to become a US security partner should be tempered. US policy-makers will have to understand the nuances of domestic politics and priorities in Vietnam. Huang outlined three potential hurdles facing the emerging US-Vietnam security partnership. First, Vietnam is unlikely to give the United States special military access to Cam Ranh Bay. Second is the issue of human rights and the existing arms embargo in the form of the International Traffic in Arms Regulations (ITAR). Huang contended that managing these potential pitfalls would require deft diplomacy from both sides. Third, the Trans-Pacific Partnership will become a cornerstone of bilateral relations, if and when the trade deal passes. The trade deal is important to both sides; for Washington, this will become Obama's signature initiative in the Asia-Pacific and goes to the heart of his pivot strategy, and for Hanoi, it will spur economic

growth, turning Vietnam into a new manufacturing hub, and helping to reduce its trade deficit with, and dependency on, China.

The second panellist, **Thanh Hai Do**, presented a paper on 'Vietnam's management of Chinese maritime assertiveness.' Do claimed that since the dissolution of the Soviet Union in 1991, Vietnam's overarching strategic interest has been to preserve its basic sovereignty and to strengthen its economic development. One of the key challenges that Vietnam faces is how to defend its maritime rights without provoking a conflict with China. Do explained that while there is consensus regarding Vietnam's sovereignty claims and strategic interests in the South China Sea, there is division within the leadership as to how to achieve these goals.

Conservatives prefer bandwagoning with China through strengthening bilateral negotiations and ideological ties in the hope that China will respect Vietnam's autonomy and territorial integrity. Conversely, pragmatists support hedging against China through diversifying security partnerships and multilateralising foreign relations. They hope to maximise the political and economic benefits of engaging with China, while using relations with other major powers to deter threats from China.

Do explained that there is a basic consensus among the Vietnamese leadership on the need to maintain stable relations with China, Vietnam's most important neighbour. Through bilateral channels Vietnam hopes to communicate its strategic intentions and expectations and avoid misperceptions. From 1991, Vietnam established extensive networks of engagement with China through high-level talks and a series of bilateral summits. Regular summit meetings provided Vietnamese and Chinese leaders access to each other's decision-making circles. This led to the establishment of a number of joint working groups to deal with territorial disputes.

Yet, Do argued that bilateral engagement has proven insufficient to manage China's assertiveness in the South China Sea. Just three months after the historic high-level meeting on the normalisation of relations with Beijing in 1992, China reasserted its claim over the Paracels, Spratlys and Macclesfield Bank. Engagement with China has also failed to prevent Chinese encroachment upon the potential oil-rich maritime area of Vanguard Bank, 200 nautical miles off the Vietnamese coast. Do claimed that the intractable nature of the South China Sea dispute played into the strategic calculations of the Vietnamese leadership in their decision to join ASEAN in 1995. It has also led Hanoi to develop strategic partnerships with other major powers. A major turning point took place in June 2003 when Vietnam opened the door to greater engagement with the United States. Do concluded that ideology is gradually fading as a factor in determining friend or foe and that national interest is driving the search for strategic partnerships.

Vietnam has demonstrated its capacity to hedge against China through the development of international networks, and to develop a multi-component hedging strategy.

**Leszek Buszynski** presented the third paper, on 'Vietnam in Japan's approach to the South China Sea', observing that Japan is emerging as a significant security player in the region. He highlighted US pressure on Japan to contribute a greater maritime surveillance role in the South China Sea. This is the context for Tokyo's latest round of revisions of its defense guidelines and for Prime Minister Abe's bills in the Diet in early 2015 to reinterpret the Constitution to allow expansion of the scope of Self Defense Force (SDF) cooperation with allies. The role of the SDF would be limited to maritime surveillance, logistics supply, maritime capacity building and the patrol boat program. Because the expansion of the role of the SDF has been such a contentious issue in Japanese society, Buszynski suggested that it would be unlikely that its role would be further expanded. Buszynski explained that there is a clear point of intersection between Japan assuming an indirect security role in the region and Vietnam seeking security partnerships abroad in order to hedge against China. Within this context, Japan has offered the Vietnamese six patrol boats for use in the South China Sea and Vietnam concluded the Memorandum of Understanding (MOU) with Japan in October 2011.

Buszynski claimed that some Japanese officials predict that China will expand its reclamation projects in the South China Sea



*Presenters Buszynski, Huang and Thayer*

by building an airfield on Scarborough Shoal. The result would be the formation of a security triangle between Fiery Cross Reef, Scarborough Shoal and Hainan Bay, which would enable China to supply air cover for operations in the South China Sea. This will have important implications because strengthened Chinese military presence and airpower would effectively neutralize Vietnam and force it to accommodate China's interests. Such a development would place limits on the potential for a deeper security partnership between Japan and Vietnam, and Tokyo would likely place greater emphasis on cultivating a partnership with the Philippines.

**Carlyle Thayer**, the panel discussant, argued that Vietnam's main strategy is to refrain from being pulled into a great power orbit, which would compromise its independence. He remarked that the Vietnamese are not pro-China; they are pro-Vietnam. He added that the Vietnamese leadership disagree on how to apply

the strategy of bandwagoning or hedging. Moreover, while there are people who want to engage more with the US, this does not mean that they are pro-American. Thayer observed that the next party congress is due to be held in early 2016 and that this could result in significant changes to the leadership, which may in turn galvanise those who would support the aim of building a more activist international profile for Vietnam.

During the general discussion with participants, **Leng Thearith** commented that relations between Vietnam and Cambodia appear to have weakened in the wake of the ASEAN Summit in 2012, and asked whether the South China Sea dispute has affected the Vietnam-Cambodia relationship. Do responded that at the 2012 ministerial meeting, Vietnam had expected Cambodia to sympathise with its position, but it appeared that Cambodia has moved closer to China.

**Tomohiko Satake** questioned whether Japan could maintain an indirect role in the region, as there is pressure for Japan to become more active in the dispute in the South China Sea. If this happened, what kind of regional response would there be to a more direct role for Japan in the region? Buszynski responded that the United States will demand more of Japan in future and the pressure will become greater as China becomes more assertive. However, while it is possible that Japan will devise a strategic framework for greater involvement in the region, domestic constraints will mean that Japan will not get involved in a military conflict. Buszynski added that Japan is ill-prepared for the kind of role that it is designating for itself.

Goh highlighted a key point from Do's presentation, that Hanoi has deliberately applied multiple strategies at the same time to preserve normalcy of asymmetric relations between Vietnam and China. She asked the panel whether they agreed with this interpretation and whether Vietnam would simplify its strategy as the pressures in the region grow. Huang stated that the upcoming party congress would determine whether Vietnam's strategy would continue to be a mixed approach or a consolidated one. The mixed strategy reflects the fact that different ministries have competing views and visions of how to engage with the major external partners. He claimed that Vietnam lacks a cohesive foreign policy vision. However, as it is a small state next to a giant neighbour in a body of water where the largest military in the world is actively navigating, it is a survival tactic to pursue a mixed strategy.

## Panel 3 Indonesia



'The Emerging US Security Partnership with Indonesia' | *David McRae, University of Melbourne (co-authored with Natasha Hamilton-Hart, University of Auckland)*

'Strategic Hedging in Indonesia's Defence Diplomacy' | *Iis Gindarsah, CSIS Jakarta*

'Great Powers in Indonesia's Developing Maritime Strategy' | *Ristian Atriandi Supriyanto, SDSC Chair/discussant | Anthony Reid, CHL, ANU*

The first speaker, **David McRae**, presented a paper co-authored with **Natasha Hamilton-Hart** on 'the emerging US security partnership with Indonesia.' McRae explained that the broader project from which the paper is drawn examines Indonesia's evolving security partnership with the United States in the context of its developing ties with China. They find that while China has become a more important economic partner, Indonesia's relationship with the United States is more substantive on security issues. McRae explained that although China's economic capabilities make it attractive to Indonesia as an economic partner, it also drives considerable wariness towards China, which has limited the security relationship.

McRae noted that, just as previous speakers had noted the proliferation of Vietnam's strategic partnerships, a similar phenomenon has occurred in Indonesia over the past decade. Indonesia now has eighteen strategic or comprehensive partnerships. These are the highest forms of agreement that Indonesia will enter into with foreign powers as its 'free and active' foreign policy eschews formal alliances. However, while Indonesia's formal position is to appear even-handed in its dealings with the major powers, McRae argued that Indonesia has a much more extensive security partnership with the United States. Indonesian foreign policy makers view the United States as a benign and trustworthy power and senior officials indicate that Indonesia has a familiarity and comfort with pax-Americana. What friction does exist has more to do with low-politics areas of trade, market access and human rights.

McRae observed that President Obama's election paved the way for the United States and Indonesia to step up bilateral cooperation. In 2008, President Yudhoyono proposed that Jakarta and Washington sign a comprehensive partnership to broaden and deepen relations between the two countries and this was officially inaugurated in November 2010. However, he argued that while the partnership is extensive, it lacks depth and this is apparent through an examination of a number of joint security issues. For example, beyond cooperation in counterterrorism within Indonesia to tackle the threat of Islamic State, there is no broader joint cooperation between the United States and Indonesia. In relation to the South China Sea, McRae explained that while Chinese reclamation projects are a clear threat to Indonesia's security interests, there is only lukewarm support within Indonesia for some of the more assertive stances taken by the United States in response. Indonesia's continued preference is to seek resolution through a united ASEAN approach or to alter its own force position to move its military assets closer to the Natuna Islands.

Military-to-military relations also demonstrate the relatively limited nature of the security partnership. McRae argued that despite the large volume of contact, most of this is in the areas of peacekeeping and humanitarian and disaster relief. Moreover, Indonesia's 'free and active' foreign policy stance prevents US troops from being stationed in the country, and Indonesia's limited military capacities restrict opportunities for the two militaries to



Presenter David McRae

operate together.

McRae argued that for Indonesia to deepen its partnership with the United States, it would need to invest more heavily in strategic capabilities. However, Indonesian perceptions of a relatively benign strategic environment give it no incentive to do this. He cautioned, however, against interpreting this as a sign that President Widodo will push for a closer security partnership with China that would ultimately eclipse the partnership with the United States. This is because of the significant amount of wariness within the foreign policy community in Indonesia towards China. McRae predicted that there would be significant domestic backlash if there were an attempt by Widodo to deepen the relationship with China.

The second speaker, **Iis Gindarsah**, presented a paper on 'Indonesia's defence diplomacy: harnessing the hedging strategy against regional uncertainties.' Gindarsah argued that the Indonesian government relies on diplomacy as its first line of defence. He explained that during the formative years of the republic of Indonesia, the TNI played a mainly coercive role in their various military campaigns. After the Cold War, however, Indonesia pursued a new form of defence diplomacy, involving the peacetime cooperative use of military forces and related infrastructures to serve broad foreign policy objectives. In the process, Indonesia has built an extensive network of defence and military ties with ASEAN countries as well as external powers including Australia, China, Russia, South Korea and the United States. Gindarsah argued that Jakarta regards defence diplomacy as a strategic means to promote regional ties and cooperation through confidence building and harnessing military capability, while contributing to the development of indigenous defence capabilities.

Indonesia's defence diplomacy is influenced by a number of regional security concerns including the growing power of China and the potential for major power rivalry; the challenge to Indonesia's goal of regional cohesion and security posed by maritime disputes; uncertainty over the future relationship between China and ASEAN; the worrying trend of regional arms build-up that has the potential to alter the balance of power;

and the complex nexus between traditional and non-traditional security issues (such as illegal fishing, maritime piracy and shipping route vulnerabilities).

Amid these regional uncertainties, Gindarsah argued, Indonesia maintains its tradition of a 'free and active' foreign policy doctrine and the core interest of the Indonesian government is the maintenance of the country's 'strategic autonomy' in its external relations. With this in mind, Indonesia adopts a hedging strategy in order to avoid a situation in which it must decide to align with one competing power at the expense of another. Indonesia combines regional engagement mechanisms with internal balancing in the form of military modernisation to maintain the country's deterrence capability. Defence diplomacy plays a vital role in both elements of this hedging approach, which allows the Indonesian government to preserve a maximum range of strategic options.

The final speaker, **Ristian Atriandi Supriyanto**, presented a paper on 'great powers in Indonesia's developing maritime strategy.' Supriyanto argued that Indonesia does not have an official maritime strategy, rather it has principles and guidelines for developing maritime strategic thinking. These are based on two foundational concepts: the Archipelago Principle formulated in the 1950s which claims all waters surrounding, between and connecting the islands as part of the Indonesian state; and the *Wawasan Nusantara* (Archipelago Outlook) which was conceived to promote the internal security of the nation. These two concepts reflect the national sentiment that Indonesian waters are not international waters and as such there is suspicion towards the external maritime powers transiting through the archipelago. Supriyanto contended that there are seven great powers in the maritime context, including the United States, Russia, France, Great Britain, India, China, and Japan.

Supriyanto argued that the two concepts above reflect Indonesia's 'continental view' of the sea, which stresses that land and water are inseparable. This helps to explain why Indonesia may not seem to have a maritime strategy; and how the preoccupation with national unity influences strategic maritime thinking. Against this backdrop, Supriyanto explained the concept of *Poros Maritim Dunia* (Global Maritime Fulcrum), introduced by the Jokowi government, which aims to transform Indonesia into a maritime power by capitalising on its 'maritime crossroads' location between the Indian and Pacific Oceans. There are indications that under this doctrine, Indonesia will prioritise naval and air force modernisation between 2015 and 2019 under the 'minimum essential force' guidelines. Indonesia will also create three Joint Regional Defence Commands, which reflect the geographical focus on external security. However, Supriyanto argued that while it bears close resemblance to a maritime strategy, the PMD does not yet clearly articulate how Indonesia would use its maritime forces to achieve specific policy goals or what Indonesia intends to do with its maritime power in relation to the Indian and Pacific Oceans.

Supriyanto argued that the PMD reflects more continuity than change in how Indonesia conceptualises maritime strategy. There are constant underlying factors shaping this thinking: Indonesia's cross-road location; the socio-economic reality of being an archipelago where the national lifeline is centred at sea or along the coast; and anxiety towards great power maritime force projection within or through the archipelago.

**Tony Reid**, the panel discussant, commented that the papers raised important questions as to whether there is a return within Indonesia to an assertive nationalism. Recent developments—including the nationalist stance of both candidates in the Presidential election, the burning of intruding fishing boats, and the executions of foreign drug smugglers—suggest that this may be the case.

Reid also highlighted the important point made by the speakers regarding Indonesia's limited naval or maritime security capacity. He added that Indonesia has more pressing national priorities to attend to, such as education, poverty alleviation, and basic infrastructure, and that Jakarta should concentrate on these areas rather than building up military hardware. Indeed, Reid contended that, in the past, the principle threat to Indonesia's democratic system has come from within its own military, rather than from foreign powers, so strengthening the military is not an easy decision for civilian leaders. Reid questioned, however, whether Indonesia's benign strategic stance emphasising constructive multilateralism will continue to be viable if Chinese pressure in the South China Sea continues to mount and populist pressure at home begins to focus on the Archipelago Principle and the need to exclude foreign fishing.

During the general discussion, **Greg Fealy** commented that since Jokowi became president, western diplomats have complained that they receive much less attention from the President than their Chinese counterparts; does this suggest that the nature of the relationship between Indonesia and China has changed in the last year? McRae replied that there has been increased attention on China, which comes in part from the expectation that China can deliver on the infrastructure investments that Indonesia needs. There have been nine bilateral meetings between Jokowi and Chinese President Xi Jinping.

However, McRae was unsure how far the Indonesian government would go in that direction given the significant wariness of China within Indonesia. Gindarsah offered the opinion that we will see further development of Indonesia-China economic ties, especially with regards to infrastructure building and foreign investment in manufacturing industries, because this is a key way for Indonesia to diversify its economic ties and achieve domestic economic development. The fact that Indonesia joined the Chinese-led Asian Infrastructure Investment Bank can be seen as hedging against the existing financial system that is dominated by the United States.

**Thanh Hai Do** asked whether Indonesia views China as a cooperative partner or a challenge on the maritime front. Supriyanto replied that Indonesia attempts to manage Chinese maritime assertiveness through diplomatic and economic means. Indonesia has tried to obtain formal assurances from China that it does not have disputes with Indonesia not only over the Natuna Islands, but also in relation to Indonesia's exclusive economic zone and continental shelf. Indonesia wants China to invest in the Natuna Islands, thereby gaining indirect recognition that these belong to Indonesia. Economically, however, this is problematic as China wants to dominate the entire fishing production chain, disadvantaging the local populations.

## Panel 4 Related ANU research projects



**'Emerging US Security Partnerships in Southeast Asia'** (MacArthur Foundation) | *Bates Gill, Evelyn Goh and Chin-hao Huang*

The project is run through the US Studies Centre at the University of Sydney with funding from the MacArthur Foundation. Investigators Bates Gill, Evelyn Goh, and Chin hao-Huang examine how Southeast Asia and the United States will respond to the challenges and uncertainties that dominate the regional strategic landscape.

Most Southeast Asian countries calibrate their foreign policy to balance the strong interest for a constructive relationship with China with concerns about its growing power and assertion of interests in the security sphere. Equally, this challenge is being felt in the United States, both in bilateral relations with China and in managing American security partnerships in Asia. As part of the US 'rebalancing' strategy toward the Asia-Pacific, Washington's policies to engage its existing and potential partners in Asia—diplomatically, economically, and on security issues—will likely intensify in the coming years, and with it, the expectation that allies and friends will bear a greater share of responsibility for regional security.

Compared to traditional US partners in Asia, especially in the Northeast such as South Korea, Japan, and Taiwan, Southeast Asia has attracted less investigation. The project focuses on Vietnam, Myanmar and Indonesia as particularly interesting case studies: all have longstanding and complex relations with China; each has recently reopened more positive relations with the United States; all have intensive trade and diplomatic relations with China; all have past or current territorial disputes and continue to experience tensions along their common land or maritime borders with China. The project engages international and local experts through in-country workshops and interviews, and will publish its results to fill this important gap in the field.



**'Thailand's Military, the US, and China'** (Minerva, US Department of Defense) | *John Blaxland, SDSC and Greg Raymond, SDSC*

Funded by the United States Defense Department's Minerva Research Initiative, investigators John Blaxland and Greg Raymond are collaborating on a project which seeks to uncover whether Thailand's alliance ties with the US have declined in recent years, and whether the US-Thai relationship is under pressure as China's regional influence grows. The project undertakes an empirical data collection exercise centred on large-scale surveys of the attitudes and beliefs of serving junior to mid-level Thai military officers currently studying at up to ten Thai military educational institutions. The survey covers a wide range of factors affecting the thinking of the Thai military, including the fluctuations of US and Chinese influence over time. A series of interviews with senior serving and retired military personnel from across the Thai armed forces, as well as other former senior officials and leaders with foreign policy experience and insights, augment the research.

Coupled with documentary research and a robust theoretical framework, the project offers a new analysis of the culture, history, strategies, and significance of external influences on Thailand's security choices. The project commenced successfully this year with fieldwork conducted in July 2015. Six hundred and

seventy-four Thai military personnel at nine different Thai military educational institutions were surveyed. Blaxland and Raymond also interviewed nine former high office holders (including a former prime minister and two former foreign ministers) and several former senior military commanders.

Early indications suggest that the current poor US-Thai political dynamic is hampering the US rebalance. While a significant proportion of respondents were aware of it, a smaller proportion rated the US rebalance as significantly beneficial. The survey data confirmed that China's influence is perceived to have surged following the Global Financial Crisis (GFC).

The investigators' preliminary hypothesis is that Thailand will pursue balanced policies towards the two great powers. Nonetheless, the defence relationship with the US will remain Thailand's strongest, not least because the Thai military's investment in US doctrine and training is firmly embedded.



**'US Alliances and Security Partnerships in East Asia'** (MacArthur Foundation) | *Brendan Taylor and William Tow, IR, ANU*

In collaboration with the East-West Center in Washington DC, Brendan Taylor, William Tow, Ian Hall, and David Envall explore the continued relevance of US alliance politics in the Asia-Pacific and examine alliances as an element of both regional stability and regional tension. The project is funded by a grant from the MacArthur Foundation's Asia Security Initiative.

This project focuses on regional allies' perceptions of interests and behaviour within the broader context of their alliance relations with the US. It compares how formal bilateral treaty allies in the region— Australia, Japan, the Philippines, South Korea and Thailand— think and behave relative to so-called US regional security 'partners', such as India, New Zealand, Singapore and, more recently, Vietnam.

China's economic growth has forced a long overdue evaluation of the purposes of alliances and partnerships, underscored by the growing intersection between economics and regional security. Initially, the project was conducted without Chinese participation, to encourage participants from US allied and partner countries to express their views on sensitive issues as openly and candidly as possible. Chinese analysts participated in the later stages of the project and in response to initial project findings.

Fieldwork was undertaken in countries targeted for review. The investigators conducted interviews with key mid-level policy officials responsible for security ties with the United States. They synthesised 'in-country' findings about US alliance politics in the region and how China may be responding to American policies.

The ultimate project objective is to broaden and sustain dialogue and analysis on alliance and coalition politics by applying previously under-explored approaches and concepts.

# Conference Programme

## 09:00 - 09:30 | **Introductory remarks**

*Brendan Taylor, Head of SDSC, ANU*

*Evelyn Goh, Research Director, SDSC*

## **Official Launch of GRADNAS**

*Veronica Taylor, Dean of the College of Asia and the Pacific, ANU*

## 09:30 - 11:00 | **Myanmar**

'The Emerging US Security Partnership with Myanmar' | *Jurgen Haacke, LSE (presented by Bates Gill, US Studies Centre, University of Sydney)*

'Burma/Myanmar's Management of China's Strategic Influence' | *Evelyn Goh (co - authored with David I. Steinberg, Georgetown University)*

'Contemporary Chinese Influence in Myanmar Society' | *Nicholas Farrelly, Bell School, ANU*

Chair/discussant | *Andrew Selth, Griffith University and ANU*

## 11:30 - 13:00 | **Vietnam**

'The Emerging US Security Partnership with Vietnam' | *Bill Hayton, BBC (presented by Chin - hao Huang, Yale - NUS College)*

'Vietnam's Management of Chinese Maritime Assertiveness' | *Thanh Hai Do, SDSC*

'Vietnam in Japan's Approach to the South China Sea' | *Leszek Buszynski, SDSC*

Chair/discussant | *Carlyle Thayer, UNSW @ ADFA.*

## 13:00 - 14:30 | Working lunch: **The China angle**

Discussant | *Amy King, SDSC*

## 14:30 - 16:00 | **Indonesia**

'The Emerging US Security Partnership with Indonesia' | *David McRae, University of Melbourne (co - authored with Natasha Hamilton - Hart, University of Auckland)*

'Strategic Hedging in Indonesia's Defence Diplomacy' | *Iis Gindarsah, CSIS Jakarta*

'Great Powers in Indonesia's Developing Maritime Strategy' | *Ristian Atriandi Supriyanto, SDSC*

Chair/discussant | *Anthony Reid, CHL, ANU*

## 16:00 - 17:30 | **Projects exchange**

'Emerging US Security Partnerships in Southeast Asia' (MacArthur Foundation) | *Bates Gill, Evelyn Goh and Chin-hao Huang*

'Thailand's Military, the US, and China' (Minerva, US DOD) | *John Blaxland, SDSC and Greg Raymond, SDSC*

'US Alliances and Security Partnerships in East Asia' (MacArthur Foundation) | *Brendan Taylor and William Tow, IR, ANU*

# List of participants

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## About GRADNAS

The Graduate Research and Development Network on Asian Security (GRADNAS) initiative aims to build an international network of scholars undertaking cutting-edge research on strategic and security issues in Asia. GRADNAS promotes Asian security research that effectively combines conceptual rigour and innovation with deep empirical analysis. Based at the Australian National University, this network will include established scholars from leading universities around the world, as well as advanced doctoral students and promising early career researchers in a series of programmes for training, exchange and research collaboration.

*Convenor:* Professor Evelyn Goh is the Shedden Professor of Strategic Policy Studies at the Australian National University, where she also is Director of Research at the Strategic and Defence Studies Centre.

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