

# ARF Summit Meeting at Naypyidaw: An Assessment

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## Introduction

The ASEAN Regional Forum (ARF) concluded its meeting at Myanmar's capital of Naypyidaw on 9-10 August 2014. One core objective of the forum included fostering dialogue and consultation in the region and promoting confidence-building preventive diplomacy. This year's meeting is significant because it took place amid impending threats from North Korea's nuclear weapons ambitions, the firing of missiles close to Japan and South Korea, and growing territorial disputes in the South and East China Seas.

The ARF is a formal, multilateral dialogue in the Asia-Pacific region consisting of 27 countries, and it acts as a regional security forum. The meeting at Naypyidaw represented an important opportunity for the entire Asia-Pacific to discuss issues of mutual interest and identify opportunities for cooperation and the management of tension. The ARF draws senior officials from a wide variety of nations across the Asia-Pacific, including the ten members of the ASEAN, plus Australia, China, India, Japan, New Zealand, Russia, South Korea, and the United States.

In the lead up to the ARF, US Secretary of State John Kerry co-chaired the ASEAN-US Ministerial Meeting, as well as two meetings aimed at enhancing cooperation on environmental and health issues in the Lower Mekong. The meeting discussed several key issues impacting regional dynamics, including maritime security and sovereignty disputes in the South and East China Seas, cyber security, and nuclear non-proliferation, in particular the recent missile launch and rocket firing by North Korea.

Previous ARF meetings also discussed the issue of sovereignty disputes in the South China Sea, but all failed to achieve a code of conduct as significant divisions remained among ASEAN members on how best to respond to Chinese assertiveness and on what many considered to be inconsistent attention to Southeast Asia from the US.

The meeting at Naypyidaw took place against the backdrop of ASEAN's preparations to launch its integrated economic community in 2015, which would ease tensions on trade and labor across borders. As expected, the South China Sea was high on the agenda. In fact, China's temporary positioning of an oil platform in waters also claimed by Vietnam has further exacerbated tension in the region of late. In view of China's massive military strength, one might expect for Beijing to exercise restraint, lest its moves send the message of intimidation to the weaker neighbors. Unfortunately, this has not been the case. None of the countries with claims are prepared to surrender an inch of the areas they claim as their own. Therefore, so long as historical legacies remain, progress on resolution of disputes will remain slow. The problem is compounded because the nations in the region are suspicious of the other parties' intent and lack trust. The sense of insecurity is increased as China enhances its military capability and shows intent to project power. The many decades of turmoil during the colonial period and later during the Cold War has stiffened the positions of many nations with no sign of flexibility.



In the political domain, the ASEAN region continues to remain in turbulence. While the long period of military rule in Myanmar has ended, ushering in the restoration of 'managed' democracy, Brunei's recent decision to impose Sharia law drew flaks in many world capitals. Then the military coup of 22 May in Thailand led to diplomatic pressure from the West and Thailand had to face cuts in military assistance for suspending democracy. This led to concerns that the military leader in Thailand might be drawn closer to Beijing. It would be in Thailand's long-term interest that the military pursues a balanced approach and remain engaged with other ASEAN member countries and learn some lessons from Myanmar and Cambodia, or else disunity amongst the ASEAN nations will be against everyone's interest.

Though Myanmar chairing the ARF meeting for the first time was a welcome development, the Myanmar leadership continues to face problem of dealing with communal violence and insurgencies even while transiting away from absolute military rule. One of the founding principles of the ASEAN since 1967 has been non-interference in another member country's internal affairs. This has remained a strength as well as a weakness of the organization. While this has been in accordance with the principle of non-interference, it has at the same time deterred, if not prevented, consensus on critical issues, which raises questions on how effective ASEAN has been in coping with the changing world.

### India's Position

Since Prime Minister P.V. Narasimha Rao launched the Look East policy in the early 1990s, Indian governments have pursued the same engagement strategy with the region with a view toward integrating India's economy with the world. Reaching out to the ASEAN corridor has been the first step. The Modi government has too been keen to pursue the same policy, while at the same time strengthening India's neighborhood policy. Prime Minister Modi chose Bhutan as the country for his maiden visit abroad, and then he visited Nepal. Both visits were seen as attempts to wean away both the nations from the possible Chinese "embrace". External Affairs Minister Sushma Swaraj visited Nepal and then Myanmar to attend the ARF meeting.

Seeking to deepen ties with the ASEAN, the Modi government has initiated measures to draft a five-year action plan starting in 2016 to take the "trajectories" of common interests with the 10-member grouping to a new level. The main focus of this plan is to improve connectivity in the region and boost trade. The region has had maritime relations for centuries and the Modi government's policy is appropriate for reinvigorating old ties, as they are more relevant today than ever before. Promoting cultural diplomacy is another step to bring the peoples of the region together. In her first speech at a multilateral forum, Sushma Swaraj assured India's com-

mitment to take the "trajectories" of common interests higher in the coming years, "both in terms of achievement and relevance" to India's ties with the ASEAN and also, "in terms of the multilateral ambition at the regional and global levels". Such an action plan shall complement with the organization's goal of forming the ASEAN Economic Community by 2015 and a move forward to fulfilling people's aspiration of growth and development. While addressing the 12<sup>th</sup> India-ASEAN Foreign Ministers meeting, Sushma Swaraj suggested that India, Myanmar and Thailand begin negotiations on a Transit Transport Agreement "at the earliest so that this can be concluded by the time the Trilateral Highway completes in 2016".

India has always stressed connectivity as an important move in its economic engagement strategy with ASEAN nations. In this endeavor, Myanmar has an important role to play as the only member of ASEAN that shares a border with India. Pitching strongly for improvement in connectivity, Sushma Swaraj emphasized that India wanted connectivity in all its dimensions – geographic, institutional and people-to-people. Referring to 5Ts of government of India, she observed: "To the 5Ts of the Government of India – Tradition, Talent, Tourism, Trade and Technology, I would like to reiterate the value of a 'C' before them all in foreign policy – the 'C' of connectivity in all its dimensions, geographic, institutional and people-to-people. I would like this 'C' of connectivity to translate into tangible and urgent action on the ground, bringing our capacities together to mutual benefit".

In the economic realm, India's bilateral trade has shown signs of upswing. It grew by 4.6% from US\$68.4 billion in 2011 to US\$71.6 billion in 2012. While ASEAN's exports to India totaled US\$43.84 billion, its imports from India amounted to US\$27.72 billion in 2012, which means India has a negative balance of trade with the region as a whole, though it is not the same in case of individual countries. A target has been set at US\$100 billion by 2015 for ASEAN-India trade.

At another level, India is also seeking to deepen economic ties with China and Russia. There already exists a trilateral meeting forum between the foreign ministers of the three countries to deepen understanding on bilateral, regional and global issues. While in Naypyidaw, Sushma Swaraj met with Chinese Foreign Minister Wang Yi, her second meeting with him since Modi took office in June. She also met with her counterparts from Australia, Brunei, Canada, Indonesia, the Philippines and Vietnam. While she discussed with her Australian counterpart Julie Bishop the proposed Indo-Australian civil nuclear agreement, she discussed possibilities of greater cooperation with Brunei in the petroleum sector especially export of LNG from Brunei to India. The Philippines shared with her its action plan and approach to the South China Sea. Sushma Swaraj will travel to Beijing to participate in the trilateral meeting on 29 August with Wang Yi and Russian Foreign Minister Sergey Lavrov.



### Coping with Perceived Threats

Even while multilateral initiatives continuing to serve as confidence-building measures, there still exists fear of a military conflict over territorial sea claims. China's neighbors are increasingly anxious that Beijing's maritime disputes with countries like Vietnam and the Philippines could lead to military conflict. A Pew Research Centre study conducted in 44 countries shows that even in China itself, 62% of the public are worried that territorial disputes between China and its neighbors could lead to an armed conflict. According to the study, at 93%, Filipinos were most concerned, followed by the Japanese at 85%, Vietnamese at 84% and South Koreans at 83%.

While Beijing and Hanoi are embroiled in a territorial row over China's positioning of a major oil rig in waters claimed by Vietnam, China has also seen tensions rise with Japan and the Philippines, both of which claim Beijing has taken inappropriate steps in the East and South China Seas, where claims of several island chains are under dispute. According to the Pew report, Japan, the Philippines and Vietnam see China as the greatest threat. Interestingly, China, Malaysia and Pakistan list the United States as the biggest threat. Every other Asian nation surveyed, including Bangladesh, India, Indonesia and Thailand, see the United States as their greatest ally – although Indonesia also sees America as its greatest threat.

### China's "Cabbage Strategy"

In a recent article in *Epoch Times*,<sup>1</sup> Joshua Philipp came out with some interesting information about how China is spreading its control over the South China Sea. According to the article, China's navy consists of hordes of fishermen whose boats are fitted with military-grade satellite navigation systems that link up with the Chinese coast guard. While the fishermen cover only about 10% of the cost, the Chinese regime shoulders the rest. After installing the system, the regime also offers subsidies as the fishermen help the regime enforce its territorial claims.

The regime encourages fishermen in Hainan to sail into the disputed area where, besides fishing, they are expected to report sightings of foreign ships. The Beidou satellite system (BDS), similar to a GPS location system, comes with an alarm and short message system (SMS), which allows fishermen to alert authorities and nearby vessels. China has vastly increased both its naval reach and its ability to locate and deny access to ships from other countries. The BDS system used by the fishermen has facilitated this process.

China has adopted this strategy as a part of its Air Defense Identification Zone (ADIZ). Announced on 23 November 2013, ADIZ established a no-fly zone over in-

ternational waters in the East China Sea, which also includes Japanese territory. Using this ADIZ, China then announced a "no-fishing" zone in the South China Sea and then as legal excuses to harass ships from other nations. Chinese fishermen are thus emboldened to not only respond to the regime's strategy, some even volunteer to take part in China's military maneuvers to capture and control new territory in China's growing bid to rule the South China Sea.

When China moved an oil rig into Vietnam's Exclusive Economic Zone, far south of Hainan, in May 2014 it was not only accompanied with an armada of close to 80 ships but coast guard ships and the fishing vessels also played their part in harassing and allegedly rammed Vietnamese ships. The Chinese military is not shy to admit the use of the fishermen as a part of the country's military strategy to snatch new chunks of territory. As a part of this "cabbage strategy", China plans to take one layer of sea at a time, first by sending fishing ships to the area, then marine surveillance ships, and finally warships. "The island is thus wrapped layer by layer like a cabbage", Maj. Gen. Zhang Zhaozhong remarked, according to Philipp's article. It is believed that by December 2013, more than 50,000 Chinese fishing boats had installed the BDS system.

If Philipp's claims are true, then Beijing is playing a dangerous game. Besides Vietnam, which reacted sharply to the oil rig issue, other nations are not expected to take the Chinese position kindly. Vietnam is determined to fight Chinese advances even if no external military help comes in its time of need. The Philippines has already taken the case to The Hague court for arbitration. Just before the ARF summit meeting at Naypyidaw, the Philippine court found 12 Chinese fishermen guilty of illegal fishing in Philippine waters and sent them to jail.<sup>2</sup> These were the first convictions since tensions flared over rival claims in the South China Sea. Philippine rangers caught the fishermen after their boat ran aground on Tubbataha Reef in April 2013. The reef is not claimed by China. Beijing insisted the fishermen drifted into the Philippine waters because of bad weather, and therefore they were innocent. The fishermen were also allegedly carrying a cargo of pangolins, an endangered mammal like an anteater, which are eaten in China. Such incidents are likely to strain already tense ties.

### Japan's Position

Like Vietnam and the Philippines, Japan wants a peaceful environment in the region but at the same time it is readying for undesirable developments. While beefing up its own strength, Japan has been cooperating with others that face the Chinese challenge. Since coming to power in December 2012, Prime Minister Shinzo Abe has already travelled to 47 countries, where he articu-

1 Joshua Philipp, "China Just Weaponized Its Fishermen" (*Epoch Times*, 30 July 2014).

2 "Philippines sentences 12 Chinese fishermen to jail" (*Reuters*, 5 August 2014).



lates Japan's view of the world. Japan has been extending economic assistance to many of the ASEAN member countries with a view toward deepening economic ties and spreading economic prosperity. For example, while in Naypyidaw for the ARF meeting, Foreign Minister Fumio Kishida offered his Myanmar counterpart, Wunna Maung Lwin, ¥10.5 billion in low interest loans in order to improve Myanmar's communications network. With this loan, Myanmar will be able to strengthen its communication network involving Yangon, Mandalay and the capital Naypyidaw, as well as improve Internet access in Yangon, the country's largest city. With a view toward facilitating business travel, Myanmar announced the issuance of one-year multiple-entry visas for Japanese businesspeople as part of relaxation measures sought by Tokyo. As the chair of the ARF in 2014, Wunna Maung Lwin promised Myanmar's commitment to promote regional security through measures such as strengthening the rule of law and curbing North Korea's nuclear aims. Amid China's growing territorial ambitions in the South China Sea, Japan is also expanding cooperation with ASEAN in enhancing the groups' coast guard capability and training coast guard personnel. While in Naypyidaw, Kishida vowed to increase maritime security cooperation with ASEAN by providing patrol ships, communications and other equipment.

On 1 August, Tokyo agreed to provide Vietnam with six patrol ships to assist Vietnam's efforts to strengthen in law enforcement capability in the South China Sea. The deal for the six used vessels, worth ¥500 million, was announced in Hanoi when Kishida was on a two-day visit to Hanoi to deepen bilateral ties. Relations between Vietnam and China plummeted to their lowest point in decades in early May when Beijing moved a deep-water oil drilling rig into waters in the South China Sea claimed by Vietnam. Though China withdrew the rig in mid-July, a month earlier than expected, bitterness and suspicion about the rig's purpose remained.

The placing of the rigs led to repeated skirmishes between dozens of Chinese and Vietnamese vessels. Hanoi accused Beijing of ramming and sinking one of its wooden fishing vessels. Meanwhile, Beijing blamed Hanoi's fishing fleet for the incidents. The rig's deployment also triggered a wave of violent anti-China demonstrations and riots in Vietnam, which damaged many Chinese-owned businesses.

Indeed, China's muscle-flexing and asserting control over the land features and waters encompassed by its U-shaped "nine-dash line" in territorial disputes with Brunei, Malaysia, the Philippines, Taiwan and Vietnam, are drawing many nations in the region together. The ASEAN organization has welcomed Japan's "constructive role" in the security field that defends the rule of law. Japan is also facing with the Chinese assertiveness with regard to the uninhabited Senkaku/Diaoyu Islands that it administers, but which is also claimed by China and Taiwan.

Japan took control of the islands in January 1895, when it says they were unoccupied. Beijing counters that the islands have always been its "inherent" territory. In view of this situation, continuing dialogue at the bilateral as well as regional level is the ideal way to a solution. Naypyidaw offered the ideal opportunity to Kishida to have meetings with his Chinese and South Korean counterparts, Wang Yi and Yun Byung-se, respectively. In view of Japan's frosty ties with China and South Korea, summit meetings with the Chinese and South Korean leadership with Abe have not been possible. Kishida's meeting with his counterpart, the first in two years, may break the ice. Though the talks took place on the sidelines of a meeting of foreign ministers from the ASEAN and other countries, it was the first time the Japanese and Chinese foreign ministers have had a direct exchange since the launch of Abe's second cabinet in December 2012.

Japan has been making sincere efforts to mend ties with its two neighbors that have remained strained over comfort women and history issues and Kishida's meeting with his counterparts is the first significant move. Both Kishida and Wang shared their perspective on the Senkaku problem in an atmosphere of cordiality. The last time senior officials from both the countries talked was September 2012, in New York, soon after Japan placed the Senkaku Islands under state control in Okinawa Prefecture. Wang did not commit to anything, but he said that China would carefully watch the course of action taken by Tokyo to improve ties and judge Japan's sincerity. On its side, Japan hopes the Kishida-Wang meeting will pave the way for realizing a formal summit meeting between the two nations, which last took place in December 2011.

### North Korea

The leaders also discussed the North Korean issue and shared perspectives on how to deal with the threats posed by Pyongyang's nuclear weapons program. In fact, the Naypyidaw summit commenced amid an array of North Korea's short-range missile and rocket launches, and threats by Pyongyang to conduct a fourth nuclear test.

Japan has the long-standing abduction issue with North Korea and seeking resolution. Pyongyang has been playing a hide-and-see game, as is its habit. Kishida used the opportunity to talk with his North Korean counterpart Ri Su-yong seeking information on Pyongyang's investigation into the fate of Japanese abductees and other issues. North Korea is scheduled to release the first report on the results of its probe in early September. Ri, who became foreign minister in April and is believed to be an influential figure in the communist regime with close ties with North Korean leader Kim Jong-un, declined to answer questions from reporters. The Naypyidaw meeting was also significant in the sense that all six countries directly involved in the North Korea denuclearization talks



– the two Koreas, Japan, China, Russia, South Korea and the US – participated in the meeting. The Six-Party Talks (SPT) remain suspended after Pyongyang walked away from the table in 2008. In fact, by firing off a series of missiles and rockets, snubbing fresh UN condemnations, and threatening to conduct a fourth nuclear test, Pyongyang has brought in a new dimension to the security threats to the region. South Korea is the nation most directly impacted by Pyongyang’s antics, and Seoul is seeking international support to help end the North’s provocations.

### Concluding Observations

While it is essential that peace and stability in the region are maintained, all efforts should be made to settle existing disputes “in accordance with international law by peaceful means”. This is the only acceptable route to safeguard the interests of all countries involved. There are risks of misadventure best be avoided, lest the prosperity achieved so far by sound economic planning over the years be negated overnight. The relevance of multi-lateral forums should be seen in this light.

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