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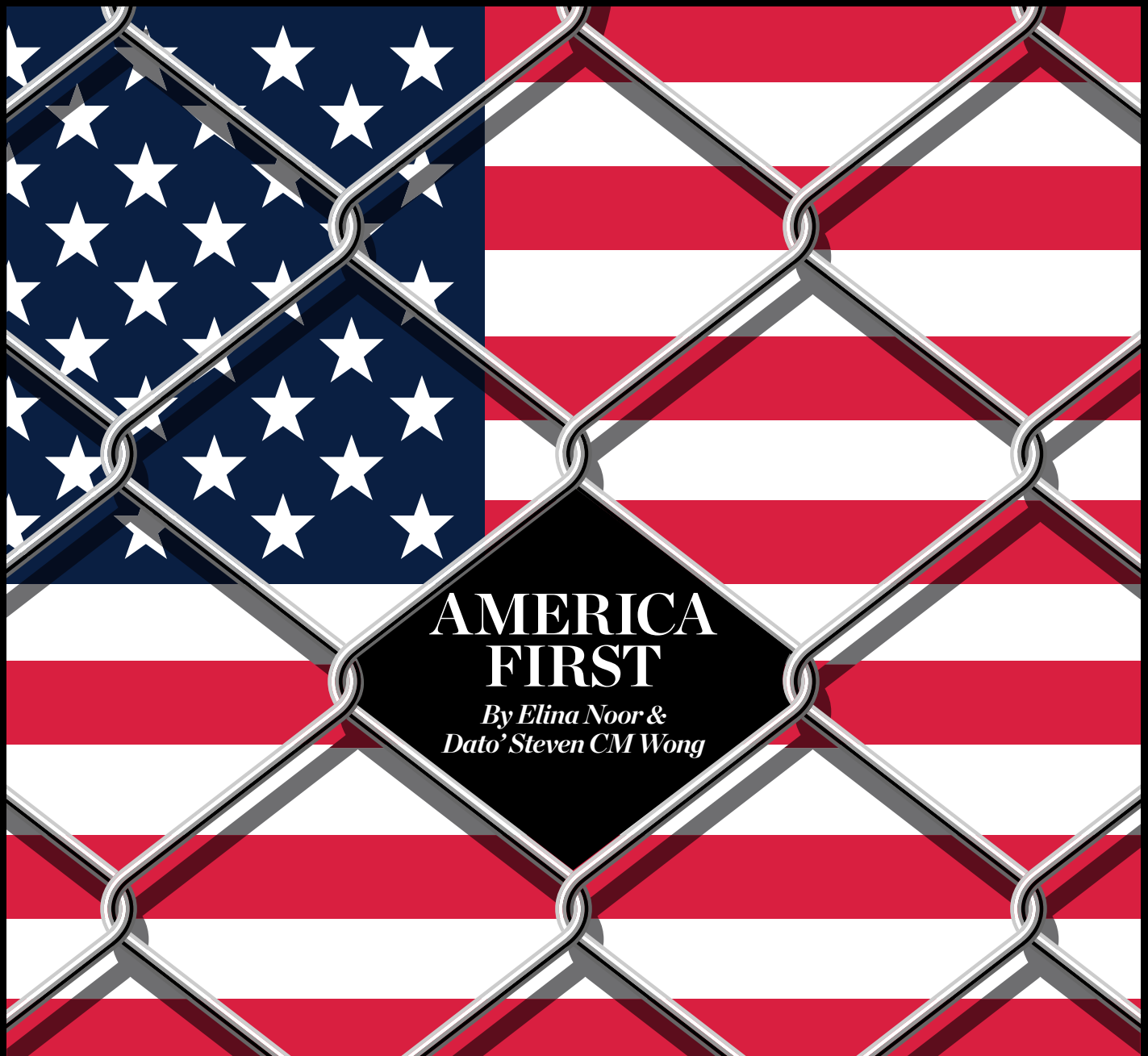
*INSTITUTE OF STRATEGIC & INTERNATIONAL STUDIES (ISIS) MALAYSIA*

# focus



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## Institute of Strategic and International Studies (ISIS) Malaysia

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# Editorial Letter

**The** first hundred days of the Trump administration have already passed, and the new presidency continues to surprise and sometimes confound both friends and rivals. The firing of FBI director James Comey is a recent example that saw some praise Trump for taking decisive action, while others in Congress, on both sides of the aisle, expressed concern at the almost unprecedented dismissal of an official who had been investigating the Commander in Chief himself.

In Asia, Trump has reversed his early questioning of the One China policy, but then startled South Korea, a longstanding ally, by saying the country would have to pay for the newly installed THAAD missile system – a demand quickly walked back by National Security Adviser HR McMaster. Elina Noor asks whether the president's ambiguity is a strategy in itself, and attempts to pin down what exactly Donald Trump means for the region, while Dato' Steven Wong assesses the state of the US-Malaysia relationship going forward.

Regardless of America's role, this year will see a big focus on ASEAN, especially as its 50th anniversary in August approaches. Bunn Negara looks back on the last half century and finds critics too ready to dismiss a considerable record of achievement.

Thomas Daniel considers whether ASEAN should expand or not – and Sholto Byrnes says the organisation should be commended for not following the overhasty approach of the EU.

With a take on Malaysia's record in the UN Security Council, articles on North and South Korea, and a report on Malaysia's shifting priorities in West Asia, we hope that you find much to enjoy – and possibly provoke – in this issue of Focus.

*The Editors*

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Elina Noor argues that while President Obama's rebalance to Asia is officially over, quite what approach the new White House will take to the region is unclear, although it will involve a far greater emphasis on America's interests. Will President Trump's transactional approach yield unexpected results – or uncertainty and instability?

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# *The PIVOT IS DEAD...*

## *(Long Live the Pivot?)*

**President Obama's successor has no intention of continuing the much-heralded rebalance to Asia. Will Donald Trump's ambiguity fuel instability – or could his fresh approach help solve long-running & intractable conflicts?**



BY ELINA NOOR

**D**onald Rumsfeld may have been on to something when, in 2002, he presented his theory of understanding the world through the knowledge trifecta of “known knowns”, or the things we know we know; “known unknowns”, or knowing there are some things we do not know; and “unknown unknowns”, or not being aware of the things we do not know.

At the time, of course, the neologism seemed comical if not absurd: a caricature of the case the 43rd president of the United States and his administration were struggling to build around Iraq, weapons of mass destruction and terrorists to justify an invasion. In hindsight, however, the Rumsfeldian logic seems a strangely apt framework to grasp the volatility emanating from President Donald J Trump's White House after its first 100 days.

After all, with a foreign policy approach and establishment that is still unfolding in fits and starts, it makes sense to start with what we know. There are at least five certainties with regard to the implications for Asia. Beyond these, we must grapple with understanding and anticipating the various shades of grey blackening or whitening out in turns with each Executive Order, presidential tweet, or summit read-out.

**First, we know** that the Trump administration is committed to an America First foreign policy that prioritises American interests and national security. This is neither unusual nor unnatural. All countries put their national interests and security ahead of others, even if they do not always express it quite so bluntly as when Trump declared at his inauguration

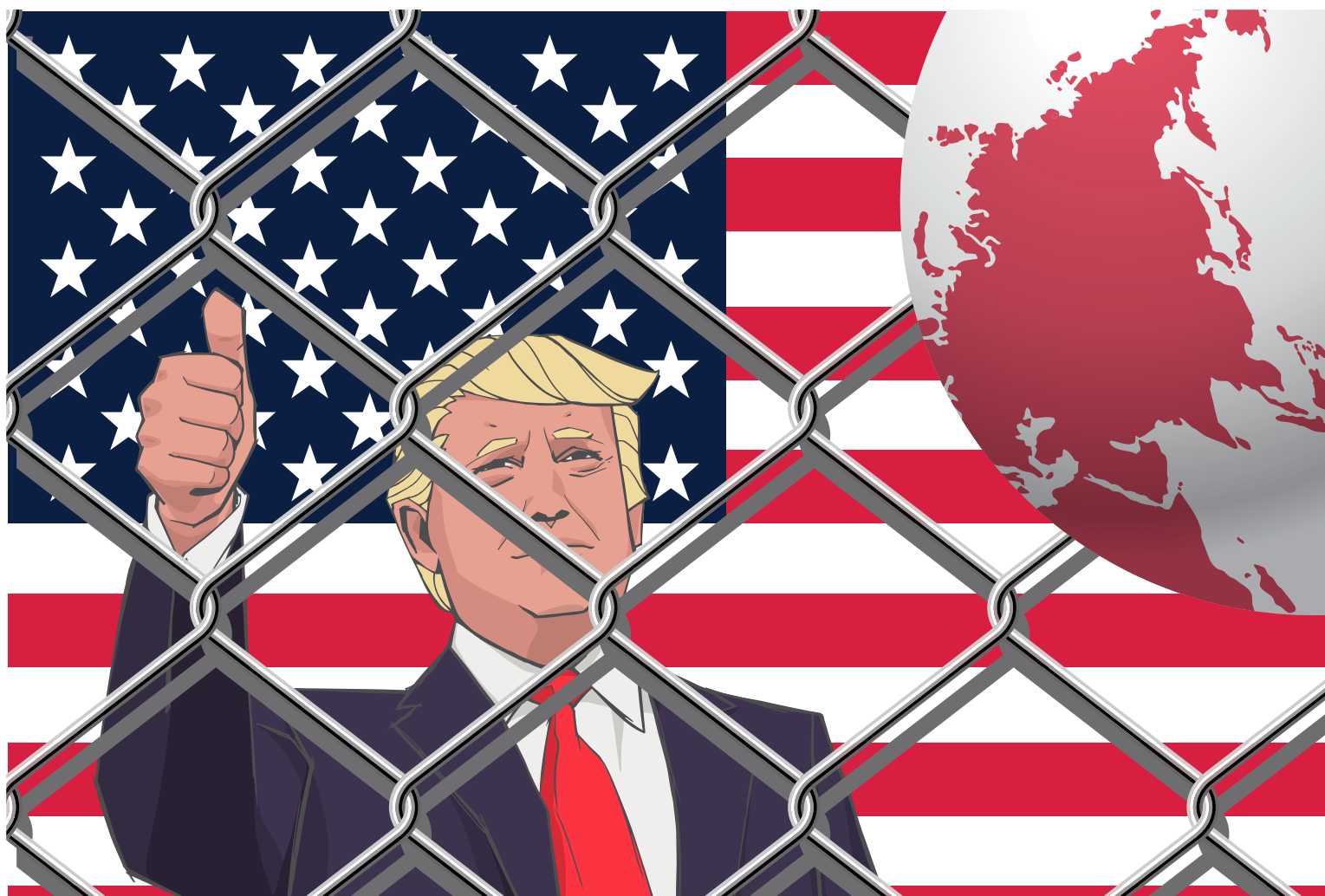
that it would be “only America first” from that day forward.

For Asia, this means the end at least nominally of the “pivot” or “rebalance” as we knew it under the Obama administration. To be sure, and lest we in Asia kid ourselves, the rebalance strategy was first and foremost about the United States. But it appealed to the region's stakeholders because it was assembled and championed as an inclusive package by two powerful forces: an experienced Asia-focused team at the US Department of State, led by Secretary Hillary Clinton, who understood the strategic importance of Asia to America's future; and the US's first self-declared “Pacific president” who had spent part of his formative years in Southeast Asia.

In all fairness, the US's rebalance strategy was not unveiled until 2011, nearly three years after President Obama took office in 2009. In the absence of a stated policy towards Asia under the Trump administration, we have temporarily been assured in speech and in action of America's commitment to remain engaged and active in the region, or at least in Northeast Asia. There have been cabinet-level visits between the United States and all the Northeast Asian states it has ties with, and President Trump has met with Prime Minister Shinzo Abe of Japan and President Xi Jinping of China. Even threatened rollbacks on longstanding US policy vis-à-vis China and Taiwan have since returned to the status quo. If Deputy Assistant Secretary of State Susan Thornton's remarks are anything to go by, a Trump formulation of the US's Asia policy will be more of the same with a pronounced results-oriented, transactional twist. Already, there has been an emphasis on







extracting more from allies and partners in exchange for a continued security guarantee.

Asia is no stranger to pragmatism in its dealings with larger powers so it will adapt to Trump's transactionalism, as it already has begun to. But processes are as important, if not more so, than results in Asia, and the art of the deal will have to take into account "face" for foreign policy transactionalism to be effective in the region.

**Second, we know** that the Trump administration places "peace through strength" at the core of that policy, to be effected by a US\$54 billion increase in proposed defence spending drawn from equivalent cuts across other agencies. This figure would constitute a 10 percent boost for the military, the largest since Ronald Reagan's administration. The message of "strength, security and resolve" prioritises US military deterrence and dominance at the expense of diplomacy, foreign aid and soft power leadership. If Trump has his way, peace and stability will be advanced and paid for by an unabashedly hard power budget.

Asia has already had a preview of this strength and resolve under the Trump administration. It is both reassuring and unsettling; reassuring because actions like the dispatch of the USS Carl Vinson towards the Korean Peninsula (when

it eventually made it there) demonstrated US commitment to its treaty allies, but unsettling at the same time because of the heightened risk of miscalculation. It used to be that the North Korean leadership was the only unpredictable factor in the equation. That factor is now multiplied by the end of US "strategic patience" and Trump's chaos theory. The US variable is expected to be tempered by the level-headedness and experience of Secretary of Defence James Mattis and National Security Adviser HR McMaster, but the bigger appetite for bluster and brinkmanship from both the United States and North Korea now raises the ante for the whole region. File under "known unknowns".

**Third, we know** that the Trump administration's highest priority will be defeating Daesh and similar (read: "radical Islamic") terror groups. This offers a practical point of convergence for cooperation with Southeast Asia given the shared threat. The White House has identified specific areas in which to work with international partners, including cutting off funding for terrorist groups, expanding intelligence sharing, and disrupting and disabling online propaganda and recruitment. But even countering terrorism – a cause every nation can agree on in principle – is not without its pitfalls and blowbacks, particularly



if efforts are disproportionately premised on aggressive military operations and appear to be selectively targeted based on religion.

Southeast Asia, home to the world's largest Muslim population and to veteran nations that have combatted violent ideologies of different stripes for more than half a century, has proven a willing and committed partner to the United States and others in countering terrorism. When the United States turned to Southeast Asia in the aftermath of the 11 September 2001 attacks, treating it as the second front in the Global War on Terrorism, the region grimaced at the focus of this attention, yet offered its closest cooperation to the United States.

Any meaningful counter-terrorism engagement that is folded into an Asia policy under the Trump administration should take the demographics and socio-political context of Southeast Asia holistically into account. Short-handed references like "radical Islamic extremism" that play well to the US domestic political gallery reverberate with meaning and intent to the far reaches of Southeast Asia. Similarly, whether extreme immigration vetting procedures actually amount to Trump's campaign promise to enact a "Muslim ban" is irrelevant. In countering violent extremism, perceptions equal reality. The rhetoric against Muslims is not only ready fodder for extremist recruiters but alienates the overwhelming majority of Muslims who are frustratingly dismissed as never doing enough to counter radicalisation.

**Fourth, Trump has** made his views about multilateral trade arrangements, specifically the Trans-Pacific Partnership (TPP) and the North American Free Trade Agreement (NAFTA), very clear. Just two days after taking his oath of office, the president directed his still-to-be-confirmed nominee for US Trade Representative to withdraw from the TPP and to focus instead on bilateral trade negotiations to promote American industry, protect American workers and raise American wages.

That there was no Plan B within the United States to replace the TPP as the economic underpinning of a successful Asia policy and a strategic tool of trade was bad enough. But the gaping void left by the demise of the TPP raises the question of whether bilateral deals will be sufficient in an economically interdependent environment and whether the gap left by the United States will be filled by other powers. Of course, it provides an opportunity for ASEAN to consolidate its Regional Comprehensive Economic Partnership (RCEP) and to lend heft to its own ambitions for leadership and centrality. However, the reality is that RCEP is likely to proceed at the level of the lowest common denominator and the intellectual vision for a free trade agreement of the Asia Pacific will be outlined by China. This is not necessarily a bad thing for the region, but it surely represents an erosion of the United States's intended stewardship in this area.

**Fifth, we know** that people make policy. While factious developments play out in the inner sanctum of the White

House, the rest of Asia is left to wonder about three (-and-a-half) questions. One, who will lead foreign policy in the White House? Two, will this policy be led by exclusionist or moderating voices? Three, will the United States have an Asia-specific policy under this administration? If so, who will craft it?

Secretary of State Rex Tillerson may be an untested diplomat. However, one could argue that he brings to his position niche experience in foreign affairs having negotiated complex cross-border deals with world and business leaders while at ExxonMobil. In his new role, he has so far been reticent on actual foreign policy and, by his own admission, is "not a big media access person". Similarly, neither Trump nor his closest White House advisers have government or foreign policy experience. In fact, that was part of the reason he was elected – as a break from Washington's normal modus operandi.

Asia may not need another pivot or rebalance. We got on fine for decades without one, and even when some in the region bristled, or felt politically neglected or abandoned by the United States under the George HW Bush administration, working level ties continued to be solid in the diplomatic, investment, and defence and security realms. It was certainly nice to be showered with US attention for five whole years as part of the Obama administration rebalance. One of the greatest under-told and hard-to-measure success stories of that strategy was its investment in, and outreach to, Southeast Asia's future through the State Department's Young Southeast Asian Leaders Initiative (YSEALI). This programme will reap dividends in the future contributing to the progress of this region and the United States in unquantifiable, non-transactional ways. Goodwill, capacity and amity are difficult line items for any budget but soft power is still hard currency in this part of the world.

So, it was heartening to note Vice President Mike Pence's meeting with YSEALI participants during his April trip to Indonesia and his acknowledgement of it as a "great programme" contributing towards the bright future of Southeast Asia.

We do not quite know how America First will play out in practice throughout Trump's time in office. All American presidents set out to be a change agent as they ride into office on a popular – or populist – wave of support. As outliers, Trump and his team could well bring refreshing institutional change to international affairs. In the process, long intractable tensions, such as the Korean Peninsula issue, the South China Sea dispute, even the Israeli-Palestinian conflict, might be resolved. However, Trump's much-touted tactic of strategic ambiguity, whether by deliberation or default, is already leading to uncertainty, which in turn, contributes towards instability. This may yield favourable outcomes for one party in a business deal but international relations simply cannot be a zero sum game. The stakes are far too high. That much we know. ■



# America & Malaysia: STILL PARTNERS?

*The Trump administration has so far sent mixed signals about its engagement with Asia. What issues will define its relationship with Malaysia?*



BY  
DATO' STEVEN CM WONG

**U**S President Donald Trump has tried to pursue his change agenda but had to contend with the realities of national and global leadership. Where he has been influential is in ordering or authorising military engagements. These include the botched Yemen raid against Al Qaeda soon after taking office, the use of the Massive Ordnance Air Blast (MOAB) bomb in Afghanistan, the missile attack against the Syrian government's airfield said to house chemical weapons, and ordering the USS Carl Vinson Strike Group to the Korean Peninsula in response to North Korea's missile tests.

The Trump administration has, at least temporarily, helped assuage regional fears with the visits of Secretary of State Rex Tillerson and Vice President Mike Pence, and the successful holding of the US-ASEAN Ministerial Meeting in early May. Pence's announcement that Trump will attend the

November ASEAN Summit and East Asia Summit in Manila provides a ray of hope that the Trump administration recognises the need for continued engagement with ASEAN. Whether this proves to be the case will remain to be seen.

**Many Malaysians** might have wished for a Democrat president, given the personal charisma of, and the attention they received from, former president Barack Obama, but Trump's surprise win was not entirely negative. Prime Minister Dato' Sri Najib Razak had once partnered Trump in a golf game (that they won) and exchanged phone calls before the US presidential race. On the morning after Trump's victory, Prime Minister Najib tweeted his congratulations to him; later they spoke and said that they would work together to strengthen the US-Malaysia comprehensive partnership.

For US-Malaysia relations, three significant issues stand out going forward.

The first is Malaysia's annual rankings in the Trafficking in Persons (TIP) Report issued by the US State Department. The TIP Report is regarded as one of the most extensive and authoritative reports in its field and is widely quoted and reported among academics, research institutions and the media.

In 2015, Malaysia was upgraded from Tier 3 to the Tier 2 Watch List, a fact that did not sit well with certain members of the US Congress, including Republican Senator Bob Corker, current Chair of the Senate Foreign Relations Committee, Democratic Senator Bob Menendez, former chair of the same committee, and Republican Senator Marco Rubio. The allegation then was that the decision was unmerited and had been politicised by the Obama administration in order to enable Malaysia to participate in the Trans-Pacific Partnership (TPP).

The Tier 2 Watch List applies to countries that do not meet minimum US legal standards. They are, however, making "significant efforts to bring themselves into compliance". They are further defined as: (i) numbers of





severely trafficked persons are significant or significantly rising; (ii) there is a failure to provide increasing evidence of efforts to combat severe forms of trafficking; and (iii) they are making significant country commitments in the year ahead.

The 2016 TIP Report highlighted the need for anti-trafficking laws allowing greater freedoms of movement for trafficking victims and opportunities for legal employment; and greater work rights, remedies and legal recourses – not just for victims of smuggling and trafficking, but also for foreign workers, against traffickers and employers. Malaysia needs to demonstrate that there is a comprehensive and sincere effort, within our limitations, to address all these concerns.

The 2017 TIP edition is expected in June of this year and Malaysian officials are quietly confident that our ranking will be maintained. Efforts to combat trafficking have been stepped up and there were more than 100 human trafficking-related cases in 2016, compared to only seven in 2015. Further progress was made in terms of protection of victims of trafficking and employee exploitation in shelter homes, and in outreach and education campaigns. A cabinet decision in favour of a pilot project allowing some Rohingya refugees to work legally is an additional plus.

Set against this is the release earlier this year of 12 Malaysian policemen, detained after the discovery of death camps near the Malaysian-Thai border in 2015, on the grounds of insufficient evidence. Four foreigners, however, were charged and convicted. The 2016 TIP Report pointed to a lack of transparency and an apparent reluctance on the part of the government to prosecute officials and officers suspected of involvement in human trafficking and smuggling. This will no doubt remain a pivotal factor in the coming report and the future of the relationship.

**Second, in the wake** of the February assassination in Kuala Lumpur of Kim Jong-nam, the half-brother of the Democratic People's Republic of Korea's (DPRK) leader, Kim Jong-un, Malaysia's relations with the country, previously kept low-key, have been highlighted. In particular, the ability of North Koreans to gain visa-free entry, run arms businesses and work in Malaysia have all come under international public scrutiny.

That Malaysia has had longstanding and friendly relations with a country that the United States regards as a state sponsor

of terrorism, and on which it imposes a wide range of sanctions, would already be noteworthy. With claims that the DPRK had successfully tested a hydrogen bomb in early 2016, and with almost monthly missile tests since President Trump took office, the US administration has announced an end to its policy of strategic patience and that “all options are on the table”. The positioning of the Carl Vinson Strike Group in the East China Sea (at the time of writing) has ratcheted up tensions in the Korean Peninsula.

**All ASEAN countries** have diplomatic relations with North Korea and five have embassies in Pyongyang. This led Secretary of State Tillerson to call for ASEAN to ensure “leak-proof” enforcement of sanctions against North Korea, as well as to minimise their diplomatic relations so that its nuclear aspirations do not benefit from its diplomatic channels. Malaysia has significantly lowered relations in the wake of the Kim Jong-nam assassination, the subsequent war of words during police investigations and the prevention of Malaysians from leaving North Korea. The United States will no doubt be placing a priority on this matter and it may be a key point when President Trump attends the ASEAN Summit.

**The third issue** concerns the trade surplus that Malaysia racks up against the United States and the risk of being labeled a “trade cheat” or, even worse, an “evil doer”. On his 100th day in office, President Trump signed a Presidential Executive Order Addressing Trade Agreement Violations and Abuses. Among other things, it requires the Secretary of Commerce and the United States Trade Representative (USTR) to conduct, in association with relevant departments and agencies, comprehensive performance reviews on “countries governed by the rules of the World Trade Organization (WTO) with which the United States does not have free trade agreements but with which the United States runs significant trade deficits in goods” within six months.

The Executive Order further requires the review to identify “unfair treatment by trade and investment partners that is harming American workers or domestic manufacturers, farmers, or ranchers; harming our intellectual property rights; reducing our rate of innovation; or impairing domestic research and development” and which have “failed with regard to such factors as predicted new jobs created, favorable effects on the trade balance,

expanded market access, lowered trade barriers, or increased United States exports”. The Secretary of Commerce, the USTR and other heads of executive departments and agencies, as appropriate, “shall take every appropriate and lawful action to address violations of trade law, abuses of trade law, or instances of unfair treatment”.

Malaysia is one of 16 countries that run surpluses against the United States. According to US Department of Commerce data, the trade deficit with Malaysia amounted to \$24.8 billion in 2016, while Malaysia's Ministry of International Trade and Industry places its surplus with the United States at only \$6.2 billion. This discrepancy, together with the wide terms of reference in the Order, in particular, the bilateral effects of what the United States interprets as “unfair practices” on US workers, exports and surpluses, are deeply troubling from an economic and business point of view.

**These are, by** no means, the only issues. The Obama administration, for example, had quietly but persistently expressed concerns about what it perceived as Malaysia's tilt to China. The North Korea problem has attenuated this somewhat given the US's need for China to exert its influence. It may be only a matter of time, however, before China's leadership in the region reemerges as a central issue.

There is as well the US Commission on International Religious Freedom Report of 2017. Malaysia is not a country of particular concern but has a number of issues and restrictions that the US government will pursue “at every level of the US-Malaysia relationship”. Included are the arrests, detention and forced rehabilitation of Muslims deemed to be deviationists, and addressing human rights shortcomings presented by the dual civil-sharia justice systems.

The critical overarching question is what Malaysia and the United States want to do with their 2014 Comprehensive Partnership signed under the Obama administration. Bilateral relationships are more than the sum of their transactions. Malaysia no doubt runs greater risks from US indifference or antipathy but the United States would lose from having one less friend in an increasingly important and complex region. ■



# ASEAN AT 50

## *Misunderstood, maligned & middle-aged*

*The Association is more than an institution; it is a state of mind. Getting to grips with the nature of this simultaneously “strong” but “weak” organisation is key to working out its purpose – and its future*



BY  
BUNN NAGARA

**W**hat happens when an institution is pushing middle age on its birthday? Expect the usual congratulations for its achievements and for its good health thus far, a retrospective of sorts of its finer moments, and perhaps a stocktake of opportunities seized and lost. However, much also depends on the institution itself, the track record it is able to show, popular expectations of it – and, especially if it is ASEAN, its capacity for reinvention.

By 8 August 2017, ASEAN will be 50 years old. This venerable half-century emerged in the otherwise global backwaters of Southeast Asia in the volatile 1960s. It has since come to preside over a strategic neighbourhood of ten countries with more than 620 million residents and a combined nominal GDP of some US\$3 trillion – and growing. Hailed as one of the most successful regional organisations in the world, its 50-year mark suggests that the stakes are as considerable as its aspirations are significant.

Nonetheless, since this is ASEAN, detractors and their brickbats are no less prominent, if still fewer, than admirers – however justified or not the complaints and criticisms may be. Where they register disappointment, ASEAN is seen as falling short of its promise. This may be because they had invested much more faith in ASEAN's competence; and this faith can be harnessed to help drive ASEAN further. For much of the time, however, disappointment and disdain are accompaniments to a general lack of appreciation of ASEAN's background, origins and purpose.

Southeast Asia in the 1950s and early 1960s bore witness to the tail end of Asia's decolonising period. Imperial Japan's fascist project of Asian domination and conquest had collapsed, and Western strategists projected their concerns over the Korean War and the First and Second Indochina Wars into a fledgling maritime Southeast Asia at a time when Britain was deciding on a military withdrawal "East of Suez" (principally from Malaysia and Singapore, 1964–1968).

An early stab at regionalism was the Southeast Asia Treaty Organization (SEATO) from September 1954. A Cold War instrument of the West to stop "communism's advance" in what was perceived to be a series of countries in danger of falling to the "domino effect", only two of its eight members – Thailand and the Philippines, both US allies – were actually from the region. The first indigenous regional organisation was the Association of Southeast Asia (ASA) from July 1961, which comprised only Thailand, Malaya and the Philippines. The limited membership and deteriorating Philippine-Malaya relations over Sabah with Malaysia's proposed formation also meant a withering away of ASA.

In July 1963, the Philippines convened a summit to establish MAPHILINDO, another regional combination of three countries: Malaya, the Philippines and Indonesia, purportedly to unite the dominant Malay race. Besides its declarations of regional unity,



## “Understanding ASEAN is to appreciate what it is, what it is not, and why it simply had to be”

MAPHILINDO was also perceived as a means by which the Philippines and Indonesia would scupper the proposal by Kuala Lumpur for a multiracial Malaysia bringing together the Malayan states, Sabah, Sarawak and Singapore in a new federation on the eve of its formation. Such suspicions, together with Indonesia's growing policy of Konfrontasi against Malaysia, led to the dissolution of the MAPHILINDO idea within a month.

**Malaysia** was supposed to be established on 31 August 1963 to coincide with the sixth anniversary of the Malayan Federation. However, diplomatic activism by the Philippines and military manoeuvres by Indonesia against Malaysia delayed arrangements until 16 September. Following the success of peace talks between Malaysia and Indonesia in 1966 and the emergence of a new generation of Indonesian leaders under General Suharto, regional leaders sought a new, comprehensive organisation to put such conflicts behind them. Thus the Association of Southeast Asian Nations (ASEAN) was established in 1967.

Understanding ASEAN is to appreciate what it is, what it is not, and why it simply had to be. Conflict between Indonesia and Malaysia, and the dispute between the Philippines and Malaysia, had eased sufficiently for ASEAN to be possible. At the same time, these disputes were also enduring enough to make ASEAN necessary. Singapore, too, had separated from Malaysia in 1965 with lingering doubts over a host of issues, from security provisions, to railway property and water supply. A new regional organisation with sufficient members, tasked with mutual reassurance and confidence building, emphasising regional peace through non-intervention and equality of status through decision-making by consensus, was essential.

ASEAN was never meant to be an expression

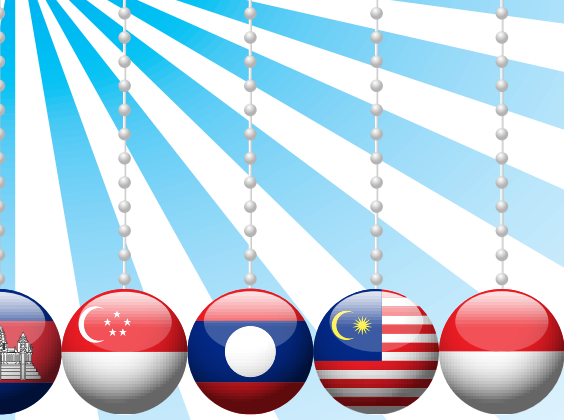
of idealism, or to proclaim to be any ideal type of organisation. Rather, it has been and continues to be one region's pragmatic response to a set of situations that had arisen historically. Armed with diplomacy and a strategy of avoiding or mitigating disputes before they arise or escalate, ASEAN is about building the region's shared positives to eclipse any negatives. Limited territorial disputes such as those over outlying islands may remain, but they are contained and rendered manageable without straying out of control.

Given ASEAN's background and history, its nature and character are not difficult to understand. Each member country is free and entitled to pursue its own type of social, economic and political system so long as it does not violate ASEAN norms or international law. Non-intervention does not prescribe or proscribe any system for any country. All ASEAN member nations enjoy equal rights and responsibilities regardless of size, strength, wealth or other circumstance. These values and principles as formally contained in ASEAN documents make for its character, identity, strength of purpose and international appeal – and help ASEAN endure.

Besides the founding document of the ASEAN Declaration (Bangkok Declaration) of 1967, the most essential document for ASEAN is the Treaty of Amity and Cooperation in Southeast Asia (Denpasar, Bali) of 1976. Other key ASEAN documents are the Zone of Peace, Freedom and Neutrality Declaration (ZOPFAN, or Kuala Lumpur Declaration) of 1971 and the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ, or Treaty of Bangkok) of 1995. These are essentially diplomatic instruments powered by ASEAN's moral purpose, policy consistency and internal cohesion. These earlier ASEAN documents retain their importance and thrust.

In more recent times, additional documents have become at least as important. These





include the ASEAN Charter, which gives ASEAN a formal legal identity, adopted in November 2007 and effective from December 2008. The Declaration of ASEAN Concord II (Bali Concord II), endorsed at the Ninth ASEAN Summit, calls for the formation of an ASEAN Community by 2020 comprising three principal pillars: an ASEAN Economic Community, a Political-Security Community, and a Socio-Cultural Community. The deadline was moved forward by five years to 2015, only to see delays. Since community formation is always a process rather than a starting or end point, identifying the right direction and continued progress towards it are key.

Besides the “diplomatic hardware” of treaties, declarations and other documents defining and identifying ASEAN, there is the more implicit and less definable “software” of what is generally termed “the ASEAN way”. In dealing with one of the world’s most normative and intuitive regional institutions, known for conducting business in ways as much implied as expressed, understanding ASEAN also requires appreciating this software. As former Malaysian Foreign Minister Tun Ghazali Shafie famously put it: ASEAN is more than an organisation; it is a state of mind. A crucial stage of ASEAN membership is when a new member psychically settles into and absorbs ASEAN’s culture by attaining a working comfort level with others, regardless of their history, or even despite their history. It is an emotional, psychological and edifying experience.

All of the above have been the working components of ASEAN for half a century, components that ASEAN officials were never taught at diplomatic school. They are likely to remain ASEAN’s working components for more than another half century. Some new documents may emerge, some new details on codified practice may arise, or some new emphasis or adjustments to norm-setting may occur. But such cardinal principles as equality among members, a capacity to absorb differences, contradictions or shocks (“resilience”), and non-alignment as a bloc will

remain. Individual member countries may be aligned to one major power or another as part of their historical development, but ASEAN as a whole has never been and will never be aligned in any major power scenario.

ASEAN has always been, and remains, a fraternity of sovereign nations of small to middling status. The largest country, Indonesia, is very much a developing nation while the most developed, Singapore, is a city state. Their common, collective entity still makes for an aggregate developing region – and a region increasingly buffeted by the interests and adventures of several major powers. Given the kinds of diversity and disparateness among ASEAN members, and the disparities between them and the world’s major powers, ASEAN will remain what it has always been: unique, evolving, and working closely with but separate from all the major powers that are its partners.

These are the features that have made ASEAN “strong” and “weak” at the same time. ASEAN is strong in forming a collective front to face any challenges confronting its region. However, it is not a strength based on the hard power of the state, since such strengths operate only at the individual state level within ASEAN. It is the strength of seasoned diplomacy and principled propriety, as based on ASEAN’s judicious treaties and declarations, international law, and the common regional interest in peace, stability and prosperity. But it is also a weakness in lacking the power and sanction of enforcement, while its internal flexibility affords differences of views between members. Both facets of the ASEAN way are direct results of how ASEAN originated and developed.

This is an area where ASEAN differs markedly from the European Union (EU). Albeit aiming for Community status, ASEAN is still a conglomeration of sovereign nation states in which individual state prerogatives apply. The depth and range of diversities between members also far exceed virtually anything in the EU. There is unlikely to be a common foreign policy, defence policy, security policy, immigration policy, human rights policy or monetary currency. There may not even be a common “ASEAN policy” if member countries conceive of ASEAN in different ways. However, what matters and what holds ASEAN together are the centripetal forces inducing member countries to converge to form the larger collectivity that is ASEAN.

The relative looseness in the ranks allows individual member nations the space to exercise their sovereignty and express their

identity, while permitting the development of commonalities in other areas. By offering what is practicably the best of both conceivable worlds, ASEAN possesses the internal resilience to prevent brittleness and cracks in membership. This is sometimes seen as a lack of cohesion, such as when there is disagreement over the precise wording of a post-summit statement. Yet despite the challenges, all member countries have sought membership while none have felt obliged to leave or been asked to do so.

However, ASEAN cannot afford to be complacent for the present or the future. It needs to anticipate unfavourable trends and pre-empt untoward developments. The swirl of events in its region is gathering pace, comprising the renewed or enhanced attentions of the United States, China, Japan, Russia, the EU and India. Their respective strategic agendas may not always be complementary or serve this region’s interests. For the sakes of the region, its constituent nations and ASEAN the institution itself, matters in the region must remain on an even keel. To ensure this, ASEAN must be even more visible and vocal than before – and particularly as a Community.

One way to do this is to expedite the smooth and seamless development of the ASEAN Community on all three pillars. Diplomatic language aside, this may take longer and prove more challenging than has been acknowledged so far. ASEAN cannot afford to be in denial or to rely on platitudes alone. Its greatest challenges may yet be ahead of it. Achieving an ASEAN Community – eventually – is not in doubt, but the quality and depth of such a Community may be in question.

The proverbial ball is in ASEAN’s court. It has no natural enemies or rivals. All nation states and regional entities are comfortable with ASEAN and its development, since it is benign, non-threatening, and can serve as a catalyst for positive developments in international relations even outside Southeast Asia. That ASEAN unity and cohesiveness are vital is a given, but an enlightened appreciation of it would afford room for occasional disagreements amid its formal Agreements. As ASEAN leaders like to put it, they still sovereign nations may “agree to disagree without being disagreeable” in the true ASEAN way. After all, they already agree the rest of the time. ■

# Room for one more?

*With ten members, decision-making by consensus is no longer so easy. Could adding more countries to the group compromise its increasingly successful role as a regional actor and influencer?*



BY  
THOMAS DANIEL

**T**his year, the Association of Southeast Asian Nations (ASEAN) celebrates its golden jubilee. After the formal declaration of the establishment of the ASEAN Community in 2015, the organisation is moving towards strengthening that Community through the realisation of its goals and aspirations via the Vision 2020 and 2025 blueprints. Amidst the progress, however, there remain lingering questions about possible expansion.

ASEAN came into being when the foreign ministers of Indonesia, Malaysia, the Philippines, Singapore and Thailand signed what became known as the Bangkok or ASEAN Declaration on 8 August 1967. The “founding five” were joined in 1984 by a newly independent Brunei. As the Cold War came to its end in the 1990s, the decade would see the consolidation of ASEAN as a regional player in trade and security issues as well as its expansion with the inclusion of the CLMV countries – Cambodia (1999), Laos (1997), Myanmar (1997) and Vietnam (1995).

The criteria for membership are clearly spelled out in Article 6 of the ASEAN Charter. A member must: (i) be located in the recognised geographical region of Southeast Asia, (ii) be recognised by all ASEAN member states, (iii) agree to be bound and abide by the Charter, and (iv) have the ability and willingness to carry out the obligations of membership. As with all major decisions in ASEAN, once an applicant fulfils these requirements, there must be a full consensus by all members to recognise and admit the applicant.

Aside from its current ten members, other countries commonly associated with either having been offered or having attempted to obtain ASEAN observer status or membership include Sri Lanka, Bangladesh, Papua New Guinea and Timor-Leste.

Sri Lanka was allegedly invited to join the group at its founding in 1967 but refused. Contrary reports, however, claim that Sri Lanka was in fact interested in joining ASEAN after being approached but its membership was vehemently opposed by the then Singapore Foreign Minister S Rajaratnam, who argued that the South Asian island nation was too distant and had too many internal problems for the new organisation. Bangladesh has also pursued observer status, although it does not yet have sufficient support to be granted that status.

ASEAN currently has one observer state – Papua New Guinea – and one candidate state – Timor-Leste. The former has long indicated its desire to formally join ASEAN as a full member. But despite being granted observer status in 1976, every attempt by Papua New Guinea, which borders Indonesia’s Papua province on the island of New Guinea, to join ASEAN has been met with a polite but firm “no”.

The reasons aren’t exactly opaque – apart from questions as to whether Papua New Guinea is more of an Austro-Melanesian or a Southeast Asian nation, there are also concerns over the general lack of development and, in some cases, governance of the country. Nonetheless, Papua New Guinea appears to be determined to work towards the possibility

of becoming an ASEAN member, and in 2015 it appointed a special envoy for ASEAN. It has also indicated that it will examine and align the necessary policies to be better positioned in its quest towards a formal application.

Timor-Leste, currently ASEAN’s sole candidate state, is the only country with a viable chance of becoming a full member of ASEAN in the near future. Since independence, the former Indonesian province has always indicated that it sees ASEAN membership as a strategic priority. Becoming an observer to ASEAN in 2002, it has worked over the years to meet the conditions necessary for full membership, for which it officially applied in March 2011.

While there were early objections to Timor-Leste’s joining, these have dissipated. Officially, all member states now support, in principle, Timor-Leste’s desire to join ASEAN, and it is just a matter of time until it does. The final decision as to when this happens ultimately rests with the leadership of ASEAN and its member states.

When looking at the possibility and viability of ASEAN’s expansion, a proper understanding of the environment that led to the creation of the organisation, how it has evolved to where it is today, and where ASEAN would like to see itself in the future is a significant consideration.

An appreciation of the existing internal and





## **“What ASEAN should do is focus on strengthening itself, increasing cohesion, and reducing internal and external threats to its centrality”**

external challenges faced by ASEAN is also important. ASEAN today, especially with the advent of its Community and its central role in several key multilateral forums, is probably beyond anything its founding members envisioned when they put pen to paper 50 years ago. In fact, the expansion of ASEAN probably wasn't high on the list of priorities in its early days. The region had just seen the end of the Konfrontasi and still had its share of internal conflicts. The Cold War – not so cold in certain parts of Southeast Asia – was still raging and the fingerprints of big powers, the United States, Soviet Union and China, were everywhere.

Times have changed, however, and ASEAN did eventually come to include all the ten nations within Southeast Asia. Some have argued that as ASEAN moves forward with its Community, it could be strengthened by being more inclusive and open to prospective members. The evolution and growth of the European Union (EU) is held up as an example, especially in its period of growth over the last two decades.

Additionally, ASEAN, through platforms like the ASEAN Regional Forum (ARF), ASEAN Plus forums and the East Asia Summit (EAS), plays a central – some would say indispensable – role in shaping the regional trade and security architecture. A bigger ASEAN could make it ever more relevant in the wider Asia-Pacific region. Why shouldn't ASEAN expand?

Ultimately, however, ASEAN needs to be

viewed in its proper perspective. There is only so big an organisation like ASEAN, with all its complexities and sensitivities, can grow. In order for ASEAN to operate effectively it needs to be manageable. Recent developments in Europe have caused many to wonder if the EU has grown too fast. Some claim that the resulting complex bureaucracy that inevitably follows a large regional grouping is essentially responsible for the host of problems and growing backlash that the EU has faced in the last few years.

For those that have long observed and worked with ASEAN, the last thing the group needs is a more overarching and complex bureaucracy – not least because ASEAN also has its own issues to sort out, both internally and externally.

There have been calls for increasing reforms within ASEAN, especially on how the organisation operates to better prepare for emerging global and regional challenges. These include strengthening the ASEAN Secretariat while gradually re-examining ASEAN's decision-making by consensus approach. As ASEAN moves forward with its Community, there is also increased pressure on member states to agree to and meet key goals outlined within its three pillars – namely, the ASEAN Political-Security Community (APSC), the ASEAN Economic Community (AEC), and the ASEAN Socio-Cultural Community (ASCC).

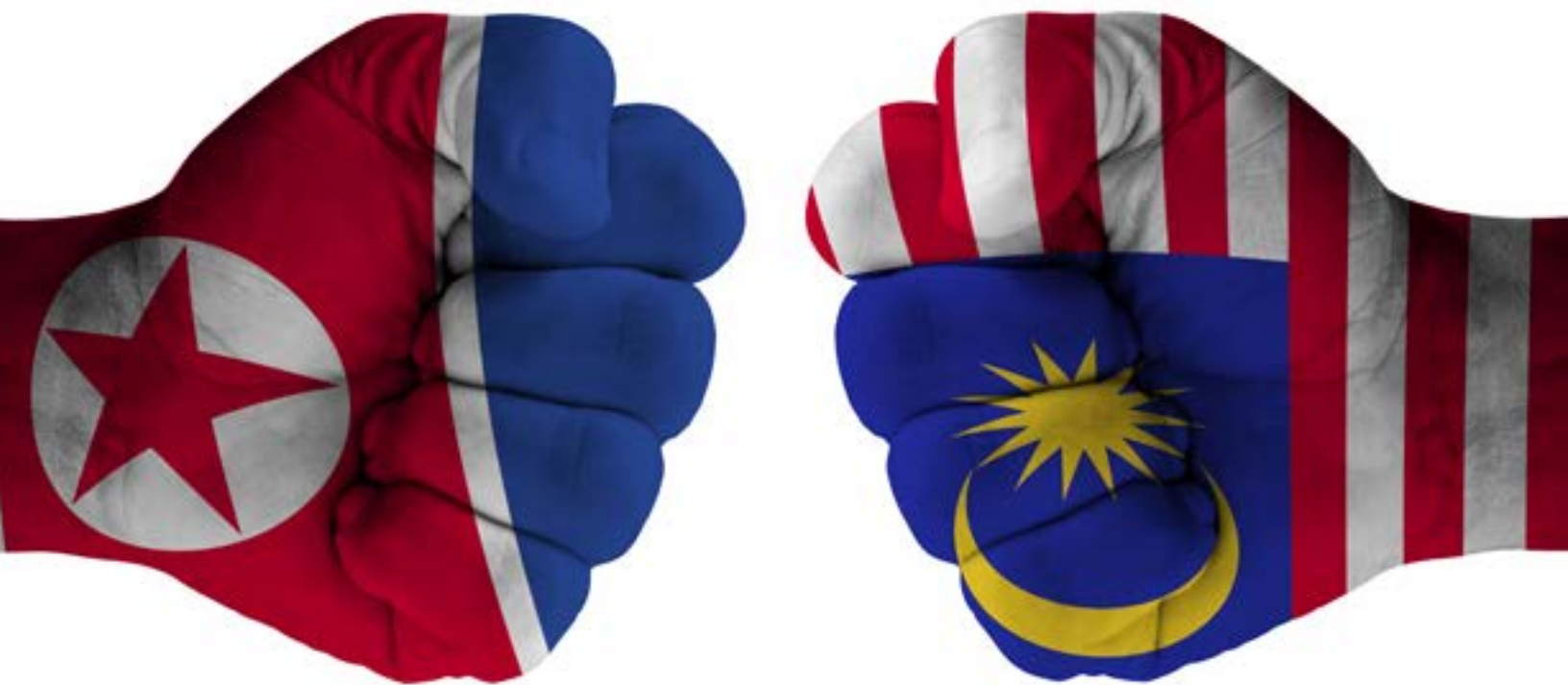
For the many member states that highly value their sovereignty and are always ready to complain about perceived internal interference by other member states, the acceptance of these pillars is an underappreciated achievement. Policy matters previously the exclusive domain of national governments, such as the environment, education, healthcare, human rights and domestic security, are being discussed and debated in a multilateral setting – something that was borderline impossible for ASEAN in the 1990s.

On the external front, the growing contestation for strategic influence in the Asia Pacific between the United States and China remains an ongoing challenge for ASEAN. Concerns remain over whether ASEAN will be strong enough to maintain its neutrality, centrality and cohesiveness in the face of increasing pressures. The South China Sea dispute is another potential point of discord – with the division between ASEAN members increasingly apparent in recent years. Questions, and accusations, have been raised on the extent of influence that China has with decision makers in some member states and how that impacts ASEAN's decisions and statements. How ASEAN manages these challenges and its ability to continue successfully playing a leading role in driving the ARF and EAS will have a lasting impact on the organisation and its relevance as a regional player and influencer.

Based on the issues raised above, should ASEAN expand? As things stand, no it shouldn't – with the exception of agreeing to Timor-Leste's pending full membership. Given the ongoing challenges it faces, if anything, any expansion of ASEAN should be to include members that can bring strategic advantages and muscle, not further complications and baggage, to the organisation.

Additionally, an expanded ASEAN could seriously complicate its collective decision making processes. As it is, consensus was much easier when ASEAN was just five countries. What ASEAN should do is focus on strengthening itself, increasing cohesion, and reducing internal and external threats to its centrality. That way, it can remain amongst the longest-lasting and most successful state-led multilateral regional organisations in the developing world. ■





# *Malaysia & North Korea:* A PECULIAR RELATIONSHIP UNRAVELS

*Ties that were originally based on non-alignment and Third World solidarity  
have been tested to the limit by a murder that shocked the world*



BY SHAHRIMAN LOCKMAN

**It was an act as brazen as it was bizarre.**

On 13 February 2017, two women approached a man standing in the busy departure hall of the low-cost carrier terminal of Kuala Lumpur International Airport. According to police accounts of the incident, as North Korean agents watched from a distance, the two proceeded to smear the man's face with a lethal dose of VX nerve agent, a

substance listed under the Chemical Weapons Convention.

Five seconds was all it took to seal the man's fate. But the murder, whose victim was later revealed to be Kim Jong-nam – the estranged half-brother of North Korean leader Kim Jong-un – would lead to a 45-day diplomatic crisis between Malaysia and North Korea. During that tense period, Malaysia expelled

the North Korean ambassador for questioning the impartiality of local investigations. The situation crescendoed as North Korea announced that it was prohibiting Malaysians in Pyongyang from leaving the country, effectively making them hostages.

The murder of Kim Jong-nam brought unprecedented attention on Malaysia-North Korea relations. So how did it all come about? Did the visa-free travel arrangement between the two countries (a privilege that Malaysia has since rescinded) indicate a relationship that was deeper than meets the eye? What was in it for Malaysia and North Korea?

This peculiar relationship began and



developed at peculiar moments in history. Diplomatic ties between Malaysia and the Democratic People's Republic of Korea – to use North Korea's official name – were established in 1973. Malaysian foreign policy was then undergoing a shift from being largely pro-Western towards non-alignment. Being non-aligned was as much about identity as it was strategy: it underscored that the nation sought a degree of autonomy in the conduct of its foreign relations. Thus, in the same year, Malaysia also formed relations with two other members of the communist bloc: East Germany and North Vietnam.

North Korea employed similar rationales – non-alignment and Third World solidarity – in initiating ties with Malaysia. Furthermore, it had only recently become possible for North Korea to establish ties with countries that already had diplomatic relations with South Korea. Until the late 1960s, the Republic of Korea – as South Korea is formally known – had demanded countries choose between itself and the North: they could not simultaneously have relations with both.

For much of the next three decades, however, Malaysian-North Korean ties lacked substance. While official visits were made and pro-forma congratulatory messages were exchanged on key anniversaries, there was hardly any trade and cooperation to speak of. But that began to change at the turn of the new millennium. In April 2000, the two countries inked a bilateral agreement on visa-free travel of up to 30 days for their nationals (although Malaysians were required to arrange their trips through a North Korean-approved travel agency). In 2003, North Korea opened an embassy in Kuala Lumpur. Malaysia reciprocated by setting up its embassy in Pyongyang in 2004.

Again, these steps reflected broader developments. The election of Kim Dae-jung as South Korea's president in 1997 had brought about a sea-change in that country's policy towards North Korea. Propelled to office by a generation of voters with no experience of the Korean War, Kim Dae-jung jettisoned the hard-line stance of his predecessors and sought to engage North Korea through dialogue and aid. Dubbed the "Sunshine Policy", it underpinned a decade of South Korean foreign policy, including during the administration of Kim's successor, Roh Moo-hyun.

Malaysia's approach towards North Korea during this period was largely in response to the apparent warming of inter-Korean relations that attended the Sunshine Policy.

## **"For too long, North Korean-related entities have exploited Malaysia's business-friendly environment in order to break UN sanctions"**

And it was not alone in this regard. The same period witnessed the establishment of relations between the European Union and North Korea while the United Kingdom opened an embassy in Pyongyang. Underlying Malaysia's moves were also the practical calculation that it would have an "early-mover advantage" if North Korea were to implement economic reforms that had been successfully pursued in China – the ultimate aim of the Sunshine Policy.

Such hopes would unfortunately come to naught. While North Korea has made modest economic reforms in the past decade, its 2009 departure from the Six-Party Talks and persistence in developing nuclear weapons have only invited round after round of international sanctions. Unsurprisingly, trade between Malaysia and North Korea amounted to the paltry sums of RM22 million in 2015 and RM18 million in 2016 – less than 0.002 percent of Malaysia's annual international trade of about RM1.5 trillion.

But those trade figures hardly reflect how North Korea has benefitted from the relationship. Indeed, North Korea has actively sought to exploit whatever opportunities it has in various countries – including Malaysia – to skilfully circumvent international sanctions. Since 2010, the extent of these violations has been laid bare in the annual reports of the Panel of Experts Established Pursuant to Resolution 1874, which assists the United Nations Security Council in the implementation of sanctions against North Korea.

A particularly egregious example involves two Malaysia-based companies – International Golden Services Sdn Bhd and International Global Systems Sdn Bhd – that have sought to sell North Korean military communications equipment under the label "Glocom". The UN Panel of Experts believes that these companies have served as fronts for North Korea's premier

intelligence agency, the Reconnaissance General Bureau. Alarming, these companies claim to have exhibited their equipment in a biennial arms show held in Malaysia, Defence Services Asia, at least three times since 2006.

Another key example of North Korea's sanctions-busting operations is Malaysia Korea Partners (MKP). A conglomerate engaged in construction, financial services and coal trading in Asia and Africa, MKP was incorporated in Malaysia in 1996. Investigative reporting by Reuters, suggests that MKP and its various subsidiaries have illicitly channelled funds to the North Korean leadership. Following these revelations, the Malaysian central bank has announced that it would investigate the possible flow of money to North Korea. It is also worth noting that the UN Panel of Experts has highlighted how MKP has operated banks in North Korea, an activity that foreign-registered companies are prohibited from doing under international sanctions, since 2013.

The diplomatic spat precipitated by the assassination of Kim Jong-nam came to an end on 30 March 2017. Negotiations led North Korea to allow the nine Malaysians in Pyongyang – three Malaysian embassy officers and their family members – to return to Malaysia. Simultaneously, following an autopsy and the receipt of a letter from Kim Jong-nam's family asking that his remains be returned to North Korea, Malaysia agreed to release the body to the country's authorities. After being questioned by the police, several North Koreans previously sought in connection with the murder were also allowed to leave Malaysia.

In spite of it all, Malaysia has decided against cutting diplomatic ties with North Korea. However, a re-evaluation of the relationship is unavoidable. And greater scrutiny on North Korea activities in Malaysia is all but inevitable. A good start would be to implement UN sanctions against North Korea with renewed vigour and to the letter. For too long, North Korean-related entities have exploited Malaysia's business-friendly environment in order to break UN sanctions. That needs to stop. A relationship that may have been characterised in the past by benign neglect – at least on Malaysia's part – needs now to adhere strictly to international norms, with no repeat of the peculiar, the brazen or the bizarre. ■

# THE WINNER TAKES IT ALL

– *A NEW MOON RISES?* –

*South Korea's presidential election was extraordinary in many ways. The victor now urgently needs to decide how to handle relations with the North and with a newly pugilistic White House*



BY JAEHYON LEE

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## “Given the political background of Moon Jae-in, he has two predecessors whose direction he could choose to follow: Kim Dae-jung or Roh Moo-hyun. The difference is striking”

**A**lthough the favourite, Moon Jae-in, won as expected in the end, South Korea's recent presidential election was extraordinary, for many reasons. First, due to the unexpected impeachment of former president Park Geun-hye, the election was held not in December, but in May, a season when the full rose blossoms in Korea, giving the polls the name of the Rose election. Second, unlike previous presidential elections, conservative parties and candidates were extremely weak. The conservative political force, which has had the upper hand over the progressives in most of the elections, was hit severely by the scandal that brought about the impeachment. Moreover, the conservative camp was divided into three competing parties: those who supported the impeachment, those who objected to the motion, and Park's loyalists.

**Third, the Korean people** had more choices than they normally did. Usually, there were only two or three major candidates in most presidential elections – a conservative, a progressive, and (or) one breakout either from the conservative or progressive party. This year, there were at least five candidates from major parties due to the divisions within both conservative and more liberal political parties. The conservative Saenuri Party was divided into two conservative parties – the Liberty Korea Party (with Hong Joon-pyo as candidate) and the Bareun Party (Yoo Seung-min). The name Saenuri was claimed by another minor candidate. A section of the progressive Democratic Party (led by Moon Jae-in) defected and formed a new centrist People's Party (led by Ahn Cheol-soo). On top of this, there was the Justice Party (Sim Sang-jung), which is on the far left in the Korean political spectrum.

For some time there was a general consensus that Moon Jae-in from the Democratic Party was far ahead of the other candidates. The party has long been the biggest vehicle of support for

a more progressive section of Korean society and was instrumental in the candlelight protests against Park and in her impeachment. Ahn Cheol-soo from the People's Party tried to catch up to Moon, but the gap between them was impassable, and he eventually came a poor second nearly 20 percent behind Moon's 42 percent of the vote.

As is the case in many other countries, foreign policy was not much talked about in the presidential election. On the contrary, inter-Korean relations were very flammable during the campaign. There was a clear line between the conservative and progressive positions on how to manage inter-Korean relations and how to deal with threats from North Korea. It was this, rather than conventionally understood definitions of left and right, that divided them.

Now that Moon Jae-in has won, as a member of the former Roh Moo-hyun government, he is likely to return to the Sunshine Policy, which means engaging more with the North. The only problem with this policy change is how to coordinate with the US posture towards North Korea. The new president is likely to resume inter-Korean dialogue, economic cooperation including the Kaesong Industrial Complex, and family reunions, but the United States under President Donald Trump will not want to be so accommodating, which may lead to tensions.

Nevertheless, the partnership with the United States, which has been the lynchpin of the country's security policy, will be largely preserved. There have been difficult moments in the alliance, especially under more progressive governments, but they were not because of fundamental disagreements. The working level cooperation between South Korea and the United States has always been healthy. The most difficult issue between the new government and the United States will be THAAD, or Terminal High Altitude Area Defense. The new government has to persuade either the South Korean people



to accept THAAD or the United States to cancel the deployment, while at the same time having to juggle relations with China. It is more likely that the new president will try to persuade the people to continue with deployment for security reasons.

But the new government must also quickly fix relations with China, which were strained over the installation of THAAD. More fundamentally, bilateral relations have deteriorated due to disagreements on how to handle North Korea.





**In terms of the region**, the new government has to send a strong signal to Japan not to keep revisiting contentious issues, such as the comfort women, the disputed Dokdo islets, and revisionist history textbooks. At the same time they must address the Korean people's concerns over the previous government's mishandling of these issues.

Unfortunately, foreign policy concerning Southeast Asia, ASEAN or regional multilateral cooperation hardly figured in the candidates' election promises.

Sooner rather than later the new government will have to formulate its policy towards these important neighbours. Given the political background of Moon Jae-in, he has two predecessors whose direction he could choose to follow: Kim Dae-jung or Roh Moo-hyun. The difference is striking. Kim was instrumental in the early days of East Asian regional cooperation. He was also deeply interested in promoting a robust partnership with Southeast Asian countries. He had his own vision of East Asian regional

cooperation and Korea's partnership with ASEAN. Roh, on the other hand, was more focused on South Korea being the hub country of Northeast Asia. It remains to be seen which scenario the new government will take, but given the urgency of the North Korean issue and dynamics in Northeast Asia, Moon is more likely to be another Roh, rather than a Kim. ■

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# MALAYSIA IN THE SECURITY COUNCIL — *How did we do?* —



BY HARRIS ZAINUL AND TENGKU NUR QISTINA

**M**alaysia concluded its fourth term at the United Nations Security Council on 31st December 2016. Its agenda was to strengthen peacekeeping operations, promote accountability for perpetrators of child abductions, update the non-proliferation agenda in light of

technological advancements, reaffirm the illegality of Israeli settlements in Palestinian territory, and bring to justice those responsible for the downing of Malaysia Airlines flight MH17.

Firstly, efforts on peacekeeping operations resulted in Resolution 2272. Malaysia

co-sponsored the US draft addressing the lingering issues of sexual exploitation and abuse by peacekeeping troops. The resolution allows the UN Secretary-General to protect potential victims by replacing troops or the police, if the perpetrator is found to have come from the ranks of forces



## **“Deemed to be Malaysia’s ‘crowning glory at the United Nations’ by the then Malaysian Permanent Representative to the United Nations, Ambassador Dato’ Ramlan Ibrahim, it is noteworthy that Resolution 2334 was the first Security Council resolution on the Middle East peace process in eight years, and the first in 36 years on Israeli settlements”**

from the same country as them. However, this is only if and when appropriate steps are not taken by the perpetrator’s country.

As the resolution states: “the Secretary-General is now empowered to replace all units of the troops ... if appropriate steps were not taken by the contributing country to investigate the allegation ....”

Moreover, building on Malaysia’s already longstanding involvement and accomplishments with peacekeeping operations, Malaysia announced during its term in the Council that it will be henceforth volunteering an infantry battalion battle group and an engineering unit as a standby force.

Secondly, during its presidency of the Security Council in June 2015, Malaysia, which was also Chair of the Security Council Working Group on Children and Armed Conflict, organised a high-level open debate that led to additional triggers being listed on top of pre-existing ones, such as the killing and maiming of children, recruitment and use of children as soldiers, sexual violence against children, attacks against schools or hospitals, and the denial of humanitarian access for children.

This significant debate culminated in the unanimous adoption of Resolution 2225 (2016), which added “child abductions” as a trigger for listing in the Secretary-General’s Annual Report on Children and Armed Conflict. A listing on this report leads to international pressure and the shaming of the state or non-state perpetrator, with the aim that it should cease targeting these most vulnerable members of society.

This was in response to 2014 being among the worst years for children’s safety, with 58 groups being responsible for violence against children in 23 conflict situations.

Thirdly, on the issue of non-proliferation

of weapons of mass destruction (WMDs), Malaysia co-sponsored Resolution 2325 (2016) which requests Member States be highly aware of and vigilant about, where relevant, the continually evolving nature of the risks of proliferation of WMDs by non-state actors. This builds on the preventive control mechanisms for WMDs set forth by Resolution 1540 (2004).

Resolution 2325 was a result of the high-level open debate organised by Malaysia during its August 2016 presidency, which reviewed the nexus between advances in technology and how they might potentially facilitate the acquirement of WMDs by non-state actors.

**Fourthly, on the** contentious issue of Israeli settlements on Palestinian territory, Malaysia had, along with Venezuela, Senegal, and New Zealand, co-sponsored a draft resolution that was ultimately adopted by the Security Council as Resolution 2334 (2016).

Resolution 2334 reaffirms that the Israeli settlements in Palestinian territory occupied since 1967, including East Jerusalem, have no legal validity and constitute a flagrant violation under international law. The resolution goes on to reiterate the Security Council’s demand that Israel immediately and completely cease all of its settlement activities and that it should fully respect all of its legal obligations in this regard.

Deemed to be Malaysia’s “crowning glory at the United Nations” by the then Malaysian Permanent Representative to the United Nations, Ambassador Dato’ Ramlan Ibrahim, it is noteworthy that Resolution 2334 was the first Security Council resolution on the Middle East peace process in eight years, and the first in 36 years on Israeli settlements.

Besides bringing the UN regional groupings together to co-sponsor the

draft resolution, Malaysia also organised an Arria-formula meeting on the matter. Using this formula – which allows informal, confidential discussions within a flexible procedural framework – meant that Israeli non-governmental organisations could be consulted on the issue of the settlements, which could not have happened otherwise.

While credit is due to Malaysia for its role, it is important to note the external factors that contributed to the successful adoption of Resolution 2334, particularly the US abstention from voting. In the then US Ambassador Samantha Power’s statement following the voting, she described her government’s decision to abstain as being due to the dramatically changing circumstances since 2011 – when the United States vetoed a draft resolution exclusively on Israeli settlements.

Moreover, as President Barack Obama’s second term was drawing to a conclusion, there was growing frustration in the US government over the lack of progress on the Israeli-Palestinian issue. In fact, the increasing number of Israeli settlements in the occupied territories, with plans for expansion, was actively threatening the viability of a two-state solution.

Fifthly, the reality of great power considerations and the limit of a non-permanent membership were not lost on Malaysia. This was most evident during the tabling of draft resolution S/2015/562 (2015), which sought to establish an international tribunal to prosecute those responsible for the July 2014 downing of Malaysia Airlines flight MH17 over Donetsk Oblast, Ukraine.

Despite obtaining 11 votes in favour, the negative vote cast by the Russian Federation vetoed the draft resolution. However, it would not be fair for its non-adoption to be taken as a setback for Malaysia, or for the other sponsors. Nonetheless, it is evidence of the reality of the great powers’ sway on the Council and the upper limits of what a non-permanent member is capable of.

Given these constraints, it is generally felt that Malaysia’s performance during its stint in the Security Council reflected creditably on a country of its size and stature. If not all its efforts met with success, there were achievements to be noted as well. ■



# Malaysia's Own Pivot in West Asia

*Relations with Saudi Arabia have become significantly closer in the last few years. What does this mean for the historically friendly ties with Iran – and could there be repercussions?*



BY AMALINA ANUAR

**W**ith fewer sanctions shackling its rise, Iran's re-entry into the global economy has huge potential.

Historically warm relations between Malaysia and Iran opened the door to various bilateral opportunities. Nevertheless, despite resurgent engagements aiming to restore diplomatic ties to pre-sanctions levels, Malaysia's West Asian courtship appears no longer to be characterised by the balance that has long informed its foreign policy due to intensifying

relations with another regional powerhouse: Saudi Arabia.

Since 2016, Malaysia has initiated six out of seven bilateral visits and calls – four being made by Defence Minister Datuk Seri Hishammuddin Hussein – with the sole Saudi initiative being King Salman's 2017 Malaysian tour.

In contrast, two official Iranian-Malaysian visits have occurred since 2016: President Rouhani's two-day visit to Kuala Lumpur

last October, and a Tehran-bound Malaysian delegation pursuing a free trade agreement (FTA) this February.

Recent Malaysia-Saudi military cooperation reflects Putrajaya's shifting priorities. Previously, the Mahathir administration was adamant in distancing itself from the competition for influence in West Asia. At one point, Malaysia refused to send any troops to Saudi Arabia unless Mecca and Medina were besieged. Now, Malaysia has a larger military footprint in the region.

Datuk Seri Hishammuddin said that Malaysia's involvement in Northern Thunder, West Asia's largest military exercise that took place in Saudi Arabia in February and March 2016, was strictly for learning purposes. He also said that there would not be any Malaysian



military commitment to the Islamic Military Alliance to Fight Terrorism, a coalition some perceive as a Saudi front to dethrone Yemen's Houthi-led government.

Yet the state-controlled Saudi Press Agency still named Malaysia as a coalition member. In addition, a recent UN report claimed that Malaysian officers had been working at the coalition's headquarters in Riyadh.

Under the Mahathir and Badawi administrations, Malaysia stood fast beside Iran in the face of international opprobrium: Putrajaya criticised the US Iran-Libya Sanctions Act of 1996, and ten years later threatened to end FTA negotiations with the United States over the latter's insistence that Malaysia cancel a US\$16 billion oil deal with Tehran.

**In the social sphere**, while Malaysia has banned Shia proselytisation, Putrajaya continues to open its doors to Iranian immigrants. Moreover, Malaysia has supported Iran's nuclear programme, speaking up for Tehran's right to use nuclear energy for peaceful means.

Though Malaysia later recalled its ambassador for not voting according to procedure, it was one of only three countries to oppose a November 2009 International Atomic Energy Agency resolution rebuking Iran, and has previously offered to help Iran normalise relations with the international community.

Yet these ties are already being strained by the Saudi-Malaysia joint statement released in the aftermath of King Salman's visit, in which both countries "expressed serious concerns over the Iranian interference in the internal affairs of countries in the region" – a move that Tehran immediately condemned. Without efforts to rebalance its approach to West Asia, Putrajaya may witness further instability in what Wisma Putra deems to be "close bilateral ties".

Malaysia's unrivalled rapport with Saudi Arabia is, however, less of a pivot than a gradual shift – and even then, perhaps not a surprising one. Socio-religious ties have long made the relationship with Saudi Arabia a priority for Malaysia. As the Kingdom is the beating heart and bastion of Sunni Islam, Malaysia's predominant denomination, the Government's relations with the Custodian of the Two Holy Mosques are symbolically sacrosanct, politically expedient, and linked to ease of pilgrimage for millions.

Both countries also share a long history of collaboration in the Organisation of

## **“It is difficult to envision Putrajaya forging military bonds with Tehran in lieu of Riyadh. Military matters in West Asia are inexorably tied to religious expansionism, and Malaysia and Iran do not support the same sect”**

Islamic Cooperation (OIC). Economically, official development assistance (ODA) flows, reciprocal foreign direct investment (FDI), as well as oil and gas cooperation have fortified ties, capped by Saudi's state-owned Aramco agreeing to invest \$7 billion in Petronas's ambitious refinery project in Johor during King Salman's visit in February.

It is difficult to envision Putrajaya forging military bonds with Tehran in lieu of Riyadh. Military matters in West Asia are inexorably tied to religious expansionism, and Malaysia and Iran do not support the same sect. Strengthening military cooperation with Shia Iran, long deemed a mortal enemy by the Kingdom, could alienate Malaysia's majority Sunni population – especially when the trend is towards Arabisation, not Persianisation, to showcase fervent piety.

This shift may not be surprising, even if the way it has been manifested – such as the Saudi royal family's \$681 million donation to Prime Minister Dato' Sri Najib Razak – has been at times.

Where, then, does this leave Malaysia-Iran ties? Malaysia's reinvigorated association with Iran – through FTAs, joint oil assessments and establishing regional palm oil offices – is insufficient to counter its perceived shift to Saudi Arabia. Nor does it rectify Malaysia's image as a balancing state regionally.

It does, however, secure national economic interests and may prove important in advancing a core project for Malaysia: Islamic banking and finance (IBF). Iran's integration into the global economy could dramatically boost the industry's viability. Islamic assets comprising 37 percent of the global \$1.9 trillion IBF market make Iran a significant industry player alongside heavyweights like Malaysia, the global IBF and sukuk leader, and Saudi Arabia, another major IBF market.

In the 2016 Islamic Finance Country Index calculating domestic IBF environments and international IBF leadership, Malaysia ranked first (with 77.77 points), Iran second (77.39), and Saudi Arabia third (66.98). The United Arab Emirates (36.68), Kuwait (35.51) and

Indonesia (24.21) trailed far behind.

Since 2002, Malaysia and Iran have cooperated through the Islamic Financial Services Board (IFSB) headquartered in Kuala Lumpur. More than sheer pragmatic instrumentalism, this collaboration also buttresses Malaysia's image as a moderate Muslim-majority nation.

If institutions reflect host countries, the fact that Iran has been a core member since the IFSB's inauguration and is now 2017 Chair in a rotational leadership system – a stark contrast to the Bretton Woods institutions' exclusively European and American chairs – is a fine example of religious tolerance in the veins of Islam Hadhari and wasatiyyah.

The IFSB's institutional reports also acknowledge Iran as fully Sharia-compliant, despite raging external debate by Islamic scholars on both sides of the Sunni-Shia divide.

Financial cooperation will not erase sectarian differences or historical rivalry. But this partnership sets the stage for cooptation: Iran may draw investment away as the largest market, but its inclusion will help grow the international IBF pie. Along with Malaysia's collaboration with other Muslim and non-Muslim countries like Kuwait and Japan, a Malaysian-Iranian partnership could help reach the 682 million unbanked Muslims globally.

As an added bonus, heightened economic interdependence may even further reduce the possibility of conflict in West Asia. Continuous socialisation and repeated interactions in a multilateral forum like the IFSB can build confidence and trust. It also bolsters the moderate Islam movement Malaysia wishes to grow.

Malaysia's changing approach to West Asia may have diminished its image as a balancing state, but it does not translate into a foreign policy metamorphosis. For as far as can be told, Malaysia's relations in West Asia represent an exception rather than a new rule. ■



# The EU at 60

## *A most unhappy birthday*



BY SHOLTO BYRNES

**W**hile ASEAN prepares for its 50th anniversary this September, another regional organisation marked an even more significant milestone earlier this year. If the celebrations for the European Union's 60th were somewhat muted, however, it was with good reason. Last year's Brexit vote was the first time a member state had ever signalled its intention to leave the Union, while support appeared to be rising across the continent for populists who railed against Brussels for its failure to contain immigration and stand up for "indigenous" – ie white and Christian – values.

Some argue that the victory of the EU-ophile Emmanuel Macron in the French presidential election shows that the tide of popular opinion has turned back to the Union. But after the Eurosceptic National Front won its highest ever vote – 35 percent – there is little for Brussels boosters to crow about. In fact, given the multiple crises facing the EU, it should be clearer than ever that it

is an example for ASEAN and other regional groups of what not to do, rather than one to follow.

This should have been obvious long ago. If the catastrophe of the Eurozone, which bound poorer countries, notably Greece, to rules better suited to wealthier fellow states, particularly Germany, was not enough: the fact that almost every time a country voted "no" in a referendum concerning an EU issue, it was then asked to try again, with the implicit message that "yes" was the only acceptable answer, ought to have pointed to the real flaw in the Union.

The democratic deficit has been there from the start, when its founding treaty (of Rome, in 1957) committed its signatories to an "ever closer union" that the peoples of Europe have never shown much, if any, sign of actually wanting. Should any doubt that, it is worth noting that it was the people of France who voted "no" to the proposed European Constitution in 2005, thereby

scuppering the whole idea. If even one of the two ultimate core nations of the EU – the other being Germany – felt integration was going too far, too fast, still more the doubts in less EU-enthusiastic states.

The problem is that the people at the top of the EU have always felt unconstrained by the popular will and democratic votes in pursuit of their dream of "ever closer union". And these voices have become ever-more important in running the Union.

The rules governing the various EU institutions are too complex to go into here, but the key distinction is that while the Council of Ministers represents the democratically elected governments of the member states, greater power has shifted to the European Commission, which is made up of nominees for whom no one has voted.

To illustrate the way in which the Commission chooses to use this power, imagine that Malaysia decided to leave ASEAN, and the response was the following:

The Secretary-General of ASEAN allows his staff to leak what happened at a private dinner with Malaysia's prime minister. Reports then reveal that the Sec-Gen called the PM "deluded" and "living in another galaxy", and told him that Malaysia's exit "cannot be a success". The former finance minister of another ASEAN country then warns that "Malaysia will have to be made an example of. Any recalcitrant government that steps outside the modus vivendi will be crushed."

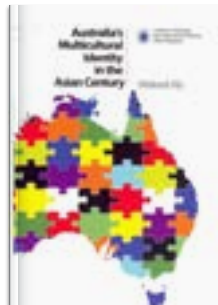
In the EU context, this was the result of EC President Jean-Claude Juncker's evening with British Prime Minister Theresa May, with the extra commentary provided by Greece's Yanis Varoufakis.

Would Malaysia, or any other ASEAN country, want to be part of an organisation that had so little respect for national sovereignty; one in which a high official with no democratic mandate from the voters dared speak with such presumption to the leader of a member state? The answer is obvious.

ASEAN has been criticised for being the slow tortoise, lagging in comparison to the EU's energetic hare. But we know who won that race. And while the EU may have reached the greater age, there is no doubting which birthday celebration will have been the happier – and deservedly so. ■

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# / *Selected Publications* /



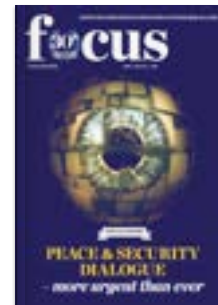
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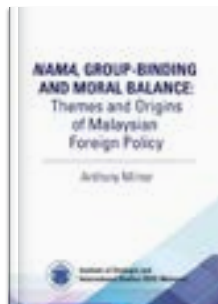
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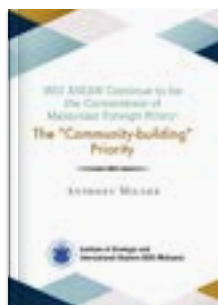
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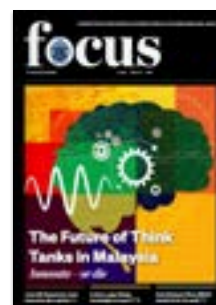
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