

154TH BERGEDORF ROUND TABLE

1 – 3 November 2013, Jakarta

**PEACE AND SECURITY
IN THE ASIA-PACIFIC**

KÖRBER FOUNDATION
INTERNATIONAL AFFAIRS

November 2013

Executive Summary

- The military is being modernised and upgraded throughout the Asia-Pacific region. This is increasing the risk of existing conflicts escalating into violence.
- The US 'pivot to Asia' and China's rising assertiveness are raising tensions in the region.
- Conflict resolution in the South China Sea will only be successful with the help of international law. Internationalising the conflict could strengthen the position of individual ASEAN states against that of China.
- There is a growing danger of a limited military confrontation between China and Japan in the East China Sea.
- Europe is unlikely to play a relevant security policy role in the Asia-Pacific region in the near future. However, Europe could become an important trade partner and provide development assistance, capacity building, and support for regional cooperation.

In the economic realm, Asia and Europe are closely linked: almost half of all EU trade is now conducted with Asia. At the same time, a number of central shipping routes pass through the Asia-Pacific region. Yet trade is not the only field in which the region is expanding its importance. Global challenges such as climate change, international organised crime, piracy, global security and stability, and nuclear non-proliferation and disarmament will only be solved through dialogue with the emerging powers in the region. Unfortunately, however, tensions and conflicts throughout the Asia-Pacific are currently intensifying.

Military Developments – Strategies and Capabilities

During the discussions, five key developments in military capabilities in the region were identified. (1) The armed forces in the Asia-Pacific region are increasing their capabilities and undergoing significant modernisation. These developments have been made possible by the economic successes of the countries concerned, as this enabled them to provide more financial resources to the defence sector. (2) Unmanned systems and cyber warfare play an increasingly important role in the region. (3) The North Korean nuclear program is a continued cause of regional tension, and it seems unlikely that the country's leadership will be willing to compromise in the near future. (4) Chi-

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na's rising power is questioning US military supremacy. China has invested heavily in its air and naval forces and is currently pursuing an anti-access/area denial strategy (A2/AD). Eventually, more countries in the Asia-Pacific region will develop the capacity to prevent other actors from accessing their territory and territorial waters. One participant noted that this could also help promote stability in the region. (5) China has modernised and expanded its nuclear arsenal.

“CHINA IS INCREASING ITS NUCLEAR CAPABILITIES. THIS IS CHANGING THE STRATEGIC BALANCE IN THE REGION.”

This has altered the strategic balance and is causing concern both in the US and Russia.

The participants noted that it would be difficult to prevent a conventional confrontation between China and the US from escalating into a far-reaching, possibly nuclear conflict.

Relations between the US and China after the ‘Pivot to Asia’

The US and China are strategic rivals in the Asia-Pacific. The 2010 ‘pivot to Asia’, which was introduced by the Obama administration, has further increased tensions in the region as China interprets the policy as a containment strategy. The ‘pivot’ consists of a comprehensive economic, political and

military approach. Although the participants argued that the US government views the economic dimension of the pivot as at the core of its realignment, the pivot’s military dimension – the relocation of US military contingents to the region – has received most attention. Some participants stressed that US political and diplomatic engagement in the Asia-Pacific region has actually lagged behind expectations. They questioned the sustainability of current US policy: internal political problems, such as the on-going budget dispute, it was argued, were limiting the country’s scope for action. Obama’s recent absence at the Asia-Pacific Economic Cooperation (APEC) summit in October 2013 served as the latest example of this.

Although the participants generally believed that China and the US are engaging in extensive dialogue, their assessment was that this has rarely been productive. However, a number of positive developments at the level of military cooperation were identified. Furthermore, specific projects and military exercises (RIMPAC, Cobra Gold) were seen as contributing to long-term confidence building between the two countries. However, the participants also stated that smaller countries in the region viewed the increas-

“THE US AND CHINA ARE ENGAGING IN EXTENSIVE DIALOGUE – THE ACTUAL OUTCOME, HOWEVER, IS RARELY PRODUCTIVE.”



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ing rivalry between the US and China with great concern, as good relations with both sides are perceived as critical to maintaining economic growth. This led some participants to welcome a more active political role for Europe in the region. They argued that this could provide a strategic alternative to Sino-American competition, especially in the economic sphere. The EU has already successfully negotiated a number of bilateral free trade agreements. The regional alternatives, the Trans-Pacific Partnership (TPP), a US initiative, and the Regional Comprehensive Economic Partnership (RCEP), under Chinese leadership, follow a more comprehensive approach, their success, however, yet remains unclear. Neither of the agreements currently foresees EU membership.

Conflicts in the South China Sea

It was argued that the current escalation in the South China Sea needs to be seen against the background of the region's economic success. Economic growth, they claimed, had led neighbouring states to have stronger interests in gaining access to new resources.

“THE CONFLICTS IN THE SOUTH CHINA SEA ARE CHALLENGING THE FREEDOM OF THE SEA LANES OF COMMUNICATION AND THUS TRADE WITH ASIA-PACIFIC.”

Additionally, economic growth was also viewed as having provided these countries with an opportunity to increase their defence budgets.

A large number of the participants interpreted Chinese policy in the region as assertive. Although China was not viewed as having caused military confrontations in this context, the participants stated that China was using its coast guard to gain de

facto control over large areas in disputed territory. The participants also pointed out that multilateral diplomatic initiatives have so far achieved very little, and that China generally seeks bilateral solutions to conflicts. Furthermore, the participants expressed the view that the Association of Southeast Asian Nations (ASEAN) currently lacks a common approach.

The participants discussed four possible means of diffusing the conflicts:

(1) Strengthening the role of civil actors in relation to the military. One way of doing this would be to engage the foreign ministries in the region in the process and encourage them to meet on a regular basis. (2) Reminding international actors that stability in the region is in their interests. Conflict in the disputed territories threatens the freedom of navigation and trade routes. As such, a common European position could enable Europe to help peacefully resolve these regional conflicts in accordance with international law. In the long-term, this would also make it difficult for China to ignore judgements issued by the International Court of Justice (ICJ) or the International Tribunal for the Law of the Sea (ITLOS). Over the past six to twelve months, China has shown the first signs of developing a more cooperative approach. (3) New mechanisms of settling disputes must be found. The negotiations on a code of conduct in the region were viewed as an important start.

(4) European participants indicated that other sea areas provide examples of successful cooperation between neighbouring states. They pointed to the Council of Baltic Sea States and the Arctic Council as demonstrative that multilateral formats can pro-

“THE FOREIGN MINISTRIES IN THE REGION WILL REMAIN POWERLESS UNLESS WE GIVE THEM A ROLE IN THE DISPUTE RESOLUTION PROCESS.”

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vide an important forum for exchange and confidence building.

Security in the East China Sea

In the discussion on the security situation in the East China Sea, it became clear that differences between China and Japan on the Senkaku/Diaoyu Islands currently cannot be resolved. The Japanese side denies that a territorial conflict exists. The discussion underlined the symbolic importance of the archipelago, alongside its strategic relevance. It also became clear that resources thought to be located close to the islands or on the continental shelf only play a minor role in this dispute.

The Japanese side emphasised that China was not only sending its navy and coast guard into the coastal waters surrounding the islands, but was also intruding into Japanese airspace with drones. Japan is countering this activity with fighter jets that were said to be scrambled almost daily. The vast majority of participants agreed that this situation had a significant potential for military escalation and called for pragmatic steps to de-escalate the conflict.

The participants went on to propose three ways of doing so. (1) A number of participants argued that Japan would first have to acknowledge the existence of a dispute over the islands in order to pave the way for

negotiations. In return, China would need to minimise patrols around the archipelago to one or two times a year. In addition, both sides would have to refrain from landing on the islands. This compromise would need to be legally binding and accompanied by confidence building measures. (2) The conflict should be brought before the International Court of Justice, which would then need to make a judgement on ownership. In order to reduce the potential for dispute in the run-up to the court decision, it could be helpful if China and Japan were to agree in advance to treat the archipelago as a rock according to international law. This would minimise the size of the area that could later be treated as an exclusive economic zone (EEZ).

The participants questioned why China has failed to appeal to the International Court of Justice. It seems doing so would go against China's position towards other conflicts in the South China Sea, where China rejects international jurisdiction. (3) Finally, an attempt could be made to work on a compromise such as in the case of Taiwan.

This could be done following the principle of 'one island, different interpretations', and at the same time open up diplomatic space for cooperation in other areas.

“HOW CAN THE CURRENT TREND TOWARDS ESCALATION BETWEEN CHINA AND JAPAN BE STOPPED?”



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Implications for Europe

The participants from Asia all agreed that Europe is economically and politically important to the Asia-Pacific region. They pointed to the European process of integration as providing valuable experience regarding historical reconciliation and economic integration that could be applicable to the Asia-Pacific region. In particular, the Helsinki process, which began during a period of conflict and military escalation, was seen as providing a useful model. Some participants expressed

“EUROPEAN WEALTH IS DEPENDENT UPON PEACE AND STABILITY IN ASIA.”

the desire that Europe link trade relations with Asia more closely to stronger political commitment, and that Europe participate more actively in regional forums such as the Asia-Europe Meeting (ASEM). None of the participants viewed the US ‘pivot’ as closely linked to European foreign policy.

The participants saw no particular role for Europe to play in security policy in the Asia-Pacific region. Europe, they argued, had little ‘hard power’ to offer the region. One participant added that Europe has thus far even been unable to gain political influence from its extensive arms exports to the region.

The participants from Asia underscored the importance of the East Asia Summit (EAS) and the ASEAN Defence Ministers

Meeting Plus (ADMM-Plus) to the discussion of security issues. Despite European efforts, the EU still has not been accepted as a member of the EAS. Furthermore, the ADMM-Plus process remains closed to the EU as involvement would require a minister of defence.

European participants, however, countered that this need not imply that Europe would not be able to translate its economic power into political influence in the long term – despite the fact that the European financial and economic crisis has reduced the attractiveness of the European model in the region.

The participants were clear that active EU involvement in the region would also require the political will of the Asia-Pacific states. Additionally, they noted that Europe would have to develop a common approach to the Asia-Pacific region in order to increase its political standing. The participants acknowledged that the EU has been unsuccessful so far in its attempts to enter an effective partnership with ASEAN beyond that of diplomatic declarations of intent.

As such, the participants were clear that the problems Europe is currently facing, both within the EU and within its southern neighbourhood, mean that Europe should concentrate on its core competencies of trade, diplomacy, defence cooperation and development aid.

“HOW CAN EUROPE TRANSFORM ECONOMIC POWER INTO POLITICAL RELEVANCE?”

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THE BERGEDORF ROUND TABLE

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Editor	Dr. des. Janka Oertel
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Design	Das Herstellungsbüro, Hamburg

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