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The Regionalization of Defense in Southeast Asia

Sheldon W. Simon
Arizona State University

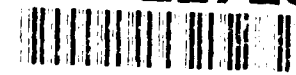
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FOREWORD

This study by Sheldon Simon begins a special *NBR Analysis* series in which several authors assess the strategic environment in Asia through the year 2000 and the strategic options available to American policymakers. The series features premier specialists who examine the economic and political prospects for China, Japan, and East Asia more broadly.

The remarkable changes in Southeast Asia, driven by the continuing economic achievements of many of the nations there and the disintegration of the Soviet empire, have posed new challenges to American interests. As Professor Simon points out, the end of the Cold War means that members of the Association of Southeast Asian Nations (ASEAN) must grapple with old rivalries and domestic difficulties while assuming a new level of responsibility for their own security and regional stability. A major question for policymakers will be what security arrangements will survive or develop in the region in the absence of Soviet-American competition. Professor Simon argues that while Southeast Asia will experience instability over territorial and other issues through the 1990s, defense cooperation among ASEAN members will probably atrophy for lack of compelling common security interests. At the same time, the end of the Cold War refocuses policymakers' attention on the unfolding roles of China and Japan in the region.

Professor Simon's study, like the others that will appear in this series, was prepared for the workshop "Asian Security Issues in Transition to the Twenty-First Century." The meeting was sponsored by the Defense Intelligence College and NBR and held March 19-20, 1992 in Monterey, California.

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THE REGIONALIZATION OF DEFENSE IN SOUTHEAST ASIA

Sheldon W. Simon

Southeast Asian Security Concepts

The end of the Cold War has proved a mixed blessing for those regions where the impact of international politics remains volatile. On the positive side of the ledger, cessation of Sino-Soviet-U.S. strategic competition has alleviated some of the smaller states' concerns over the domination of their foreign and defense policies by the great powers. They no longer need to seek shelter under the wing of a state that might interfere in their domestic affairs as the price of alliance. On the other hand, the Cold War's demise also means that great power largesse has been greatly reduced. Subsidies for small allies' budgets and special access for their exports have atrophied as regional powers' strategic value diminishes. Moreover, when great powers reduce their military deployments in Third World regions, the indigenous conflicts—which had been suppressed through extended deterrence—resurface. Regional states must then confront these conflicts on their own and either defer, resolve, or possibly go to war over them.

Southeast Asia fits this description of a post-Cold War region. The security concerns of its members have focused more on internal matters such as regime legitimacy and the integration of diverse ethnic groups than on fear of external invasion. Regional rivals are threats insofar as they can undermine their neighbors' state structure and regime legitimacy through interference with the process of ethnic integration. Hence, for example, Thailand's concern over Vietnamese and Laotian minorities in its north and northeast, and Indonesian and Malaysian suspicions about their Chinese communities' ties to powerful regional commercial networks and possibly also to the Peoples Republic of China (P.R.C.). It was the connection between internal security vulnerabilities and great power interference that underlay the Cold War in Southeast Asia.¹

The Cold War also increased the availability of armaments. To sustain their allies, the great powers transferred large numbers of modern weapons, initiating regional arms races and fostering regional instability. Although these arms races were initiated by weapons trans-

¹A good review of the problem of Third World state-building and security is found in Mohammed Ayub, "The Security Problematic of the Third World," *World Politics*, Vol. 43, No. 2, January 1991, pp. 257-283. See also Muthiah Alagappa, "The Dynamics of International Security in Southeast Asia: Change and Continuity," *Australian Journal of International Affairs*, April 1991.

Sheldon W. Simon is professor of political science at Arizona State University. He is the author of *The Future of Asian-Pacific Security Collaboration*, *The ASEAN States and Regional Security*, and other works on comparative Asian foreign and security policies.

fers, over time many Southeast Asian states managed to develop their own arms industries or to diversify suppliers, thus increasing regional autonomy over decisions to go to war after the great powers withdrew.

Southeast Asia's geopolitical structure is emerging from the Cold War period, when it was divided into two contending security zones: the ASEAN (Association of Southeast Asian Nations) countries and Indochina. As superpower ties diminish, the outlines of a new division may be discerned—a continental group with Thailand at its core and a maritime-oriented peninsular and insular cluster.² For Thailand, benign but effective influence in the trans-Mekong regions of Vietnam, Laos, and Cambodia would both defend against future Vietnamese threats and become the genesis of a natural resource-based development regime linking Thai capital and management to Indochinese resources. In maritime Southeast Asia, security issues revolve around the protection of the Indonesian and Malaysian archipelagos as well as the exploration of their Exclusive Economic Zones (EEZs). A comparison of the armed forces modernization programs of Thailand with those of Malaysia and Indonesia illustrates the difference. Thailand has concentrated on land warfare to deter continental enemies. Malaysia and Indonesia are acquiring air and naval capabilities to patrol their territorial seas.³

These developments do not portend a common ASEAN defense arrangement but rather its decomposition into smaller security subgroups. The end of the Cold War in Southeast Asia will lead to the subregionalization of security arrangements based on traditional national concerns over territorial integrity and ethnic integration, i.e., state building. This inward orientation does not mean that security collaboration among neighbors will cease; rather it will be confined to adjacent states that perceive common security challenges. Thus some ASEAN analysts' hopes for an overarching regional defense arrangement seem ill conceived. The localization of security implies multiple, smaller, parallel arrangements.

It is important to recall that ASEAN was not designed as an exclusionary body. The Bangkok Declaration of 1967 said that the organization is "open for participation by all states in the Southeast Asian region." Nor has ASEAN's political success over the past 16 years been based on a common view of security. Defense preferences range from Indonesian and Malaysian long-term goals of excluding the armed forces of outsiders to Singaporean and Thai beliefs that friendly extraregional allies remain essential for regional tranquillity. In fact, outsiders have been deeply involved in regional security affairs since the Vietnamese marched into Phnom Penh almost 13 years ago. The third Indochina war superimposed the final iteration of the Cold War directly onto a local conflict. China, ASEAN, and the United States backed the Khmer resistance while the U.S.S.R. bankrolled Vietnam's occupation of Cambodia.⁴

Nevertheless, ASEAN has a code of conduct in place that could incorporate Indochina into a set of regional norms. The 1976 Treaty of Amity and Cooperation honors territorial integrity and the peaceful settlement of disputes. It is open to accession by all Southeast Asian states, and Vietnam and Laos have stated their intention to adhere to the treaty.

²Donald Weatherbee has expounded on this new division. See his "Security as a 'Condition' in Southeast Asia," in Dora Alves, ed., *Change, Independence, and Security in the Pacific Basin* (Washington, D.C.: The National Defense University Press, 1991), pp. 281-302.

³*Ibid.*, pp. 290-291.

⁴There are a number of thorough studies of the Cambodian War. Two recent efforts which project Indochina-ASEAN relations into the post-Cold War period are William Turley, "Vietnam's Policy Toward Indochina-ASEAN Reconciliation," and Donald Weatherbee, "ASEAN's Approach to Indochina Reconciliation and Regional Security," in Sheldon W. Simon, ed., *East Asian Security in the Post-Cold War Era*, (Armonk, New York: M.F. Sharpe, forthcoming 1992).

Should Vietnam and Laos affiliate with ASEAN in the next several years, the association's regionalist orientation would probably be strengthened.⁵ Hanoi agrees with Jakarta and Kuala Lumpur that extraregional militaries should be excluded from Southeast Asia, especially now that Russia is withdrawing. Their common fear is, of course, China. Thailand and Singapore, by contrast, still see the P.R.C. as a useful ally against any residual Vietnamese hegemonic ambitions.

Even if the United States and Russia were to withdraw most of their forward-deployed forces from Southeast Asia by the end of the decade, the region would probably still not be free of external actors. China, Japan, and India all have the capability of projecting naval and air power into the region. The goal of a Southeast Asia completely free of external armed forces remains ephemeral as long as outside powers have territorial claims in the region (as does China in the Spratly and Paracel Islands) or believe they may need to protect their SLOCs, or sea-lines of communication. The latter concerns China, Japan, and possibly Russia because so much of its internal trade between its European and Asian segments must go by sea.

Threats to Southeast Asian security can be divided into three categories: domestic, extraregional, and intraregional. Although internal insurgencies dominated Southeast Asian security agendas from the 1950s into the 1980s, by the end of that decade, domestic insurrections (as distinct from ethnic integration and economic growth distribution concerns) had virtually disappeared, with the exception of the Philippines. The last traditional communist insurgency on the Asian mainland was laid to rest with the surrender of Malayan Communist Party leader Chin Peng in December 1989. Similarly, ethnic separatists have also been defeated by the ASEAN states, again with the exception of the Moro rebellion in the southern Philippines.

At the extraregional or global level, Sino-Soviet-U.S. rapprochement has removed the Cold War from Southeast Asia, is leading to a complete Russian withdrawal from Vietnam, and will reveal a steady reduction in the American naval and air force presence in Southeast Asia as the decade proceeds.

The 1990s will probably see a modest U.S. deployment in Singapore combined with access arrangements for exercises in Thailand, Brunei, and, perhaps, even the Philippines, Malaysia, and Indonesia later in the decade. For the ASEAN states, however, the role of these residual American forces is unclear. With the removal of the Sino-Soviet conflict from Southeast Asia and the de facto termination of the Soviet-Vietnam alliance, fear of Vietnam has virtually evaporated. That fear had been ASEAN's common security rationale in the 1980s. With its disappearance, belief in a common threat also vanishes.

Now Southeast Asian states must rely on their own national capabilities for defense and to assert claims to disputed territories in the South China Sea. Commitments to build conventional armed forces by all the ASEAN states in the 1990s are designed for this new environment. Upgrading armed forces skills and equipment for new, conventional, limited force projection will also prove expensive, however.

Parallel to expanding armed forces are new regional political subgroups. Malaysia, Singapore, and Indonesia are creating a Malacca Strait development zone, while Thailand believes it can become the engine of growth for a new continental Southeast Asian core. Former Prime Minister Chatichai Choonhavan first broached the idea of a special relation-

⁵This argument is made by Tim Huxley, "ASEAN Security Cooperation: Past, Present, and Future," in Alison Broinowski, ed., *ASEAN Into The 1990s* (London: Macmillan, 1990), pp. 83-111.

ship between Thailand and the three Indochina states that would put Bangkok at the center of a continental growth cluster.⁶ This subregionalization downgrades the importance of ASEAN, although the Association would still play an important role in relations with outsiders such as Japan, the European Community, and the United States.

Between 1989 and 1992, the Philippines, Thailand, and Indonesia have each convened conferences to explore regional security alternatives for the 1990s. None of these gatherings of regional security specialists has advocated an ASEAN defense community or regionwide collective security arrangements. The experts agree that there is no need for a regional shield when threats to security are centered primarily on regime legitimacy and bilateral territorial disputes.⁷

Why No ASEAN Defense Community?

Prominent ASEAN security analysts, while eschewing regional defense arrangements, nevertheless have broached the idea of "strengthening the existing bilateral and trilateral defense cooperation among its members so that they become a web of defense relations" eventually leading to "more formal defense coordination."⁸ Outside powers such as Japan could contribute to these developments by supplying the equipment needed for the ASEAN navies to safeguard the SLOCs. Thus, there would be no need for Japan to extend its own maritime forces into Southeast Asia.

Anticipating the creation of small, though potent ASEAN-member air forces and navies in the 1990s, the Association's leaders fear that unless a new impetus for ASEAN cohesion is found when the Cambodian conflict is resolved, these capabilities could be construed as mutually threatening. However, it is increasingly obvious that ASEAN-wide defense cooperation is improbable because of its members' differing orientations: a mainland-based Thai defense which leans toward China as a guarantor and a maritime-directed Indonesia-Singapore-Malaysia complex. Moreover, the most effective ASEAN military exercises are not conducted exclusively among its members but rather in collaboration with outsiders. Singapore and Malaysia train regularly with Australia, New Zealand, and Great Britain through the Fire Power Defense Arrangement. Thailand and the United States coordinate air, ground, and naval forces annually in "Cobra Gold" exercises.

Furthermore, ASEAN militaries follow different doctrines, speak different languages, and for the most part employ incompatible logistics systems. Although officials from each state sometimes call for weapons standardization and joint procurement as budget-stretching devices, no such policies have ever been implemented. Local arms industries jealously guard their prerogatives. Thus Singapore's aircraft maintenance and repair facilities have not been used by Indonesia to service its helicopter and transport aircraft. Nor has Singapore been responsive to coproduction queries from Malaysia for small arms. Those weapon systems that ASEAN armed forces have in common (F-5s, A-4s, F-16s, and Scorpion light tanks) are more a matter of accident than planning. Joint procurement has never been attempted to reduce costs since there is no coordination among the budget cycles of the ASEAN countries.

⁶Donald Weatherbee discussed this subregionalization in "Security as a 'Condition' in Southeast Asia," *op. cit.*, pp. 288-291.

⁷Highlights of the Manila conference were carried by Xinhua News Agency, June 7, 1991, in *Foreign Broadcast Information Service Daily Report: China* (hereafter cited as *FBIS: China*), June 11, 1991, p. 2. See also *Malaya* (Quezon City) June 11, 1991, in *FBIS: East Asia*, June 11, 1991, p. 46.

⁸Among others, Jusuf Wanandi, director of the Center for Strategic and International Studies in Jakarta, has tabled the idea of closer ASEAN defense ties in the post-Cold War period. See his presentation to the Pacific Regional International Defense Exposition, Manila, November 13-16, 1990, pp. 20-21.

Divergent strategic priorities among ASEAN forces may be seen in Singapore's emphasis on forward defense as contrasted with Indonesia's in-depth defense; in Thailand's preoccupation with land-based threats (until recently); and in Malaysia's focus on maritime security. While most of these states are developing conventional war capabilities, the Philippines is still mired in counterinsurgency.

Changing Capabilities

Thailand

Indicative of Thailand's strategy for the 1990s of turning Indochina from a battlefield into a marketplace is the armed forces' new emphasis on maritime threats to the country's eastern and southern seaboard—coastal regions targeted for industrialization in this decade. Although then-Thai Army Commander General Chaovalit Yongchaiyut had committed Thailand to major arms acquisitions from China at bargain-basement prices in the mid-1980s, Bangkok has now moved back to Western suppliers for more sophisticated naval systems and aircraft. Chinese-built frigates will be equipped with American and British electronics and weapons. The air force abandoned plans to acquire two squadrons of Chinese F-7 jet fighters and has ordered additional F-16s and Hawk MK-200s, despite their much higher price. Even the army has turned away from Chinese light tanks and armored personnel carriers (APCs) and is taking advantage of U.S. reductions in NATO inventory to purchase up to 650 medium-sized tanks over the remainder of the decade. Thailand is also completing an air defense radar system for the northeast which will monitor Indochina air activity.⁹

In 1990 Thailand spent \$1.7 billion on weapons acquisitions, more than any other ASEAN member.¹⁰ Much of that expenditure on aircraft and ships is being justified as necessary to protect Thailand's southern coastline and EEZ which covers both the Andaman Sea and the Gulf of Thailand. Additional F-16s are on order to balance Vietnam's air force of over 500 jet fighters.¹¹

Particularly interesting for a country whose defense has always been land-oriented is the development of a limited blue-water naval role with guided missile frigates and a new German-built helicopter carrier which can be employed both for antisubmarine warfare (ASW) and troop transport. The carrier will be ready in the mid-1990s and may even have a V/STOL (vertical/short takeoff and landing) fighter capability. Future plans call for the additional purchase of two submarines.¹² Thailand's frigate acquisition is seen as maintaining an escort capacity for merchant ships in nearby waters as well as protecting some 50 oil platforms and thousands of fishing boats in the Gulf of Thailand. The navy claims that it must increasingly take responsibility for SLOC protection and sea patrol in the outer reaches of the Gulf and South China Sea as U.S. forces withdraw from Southeast Asia. Bangkok has ordered three P-3 ASW planes to monitor Thailand's EEZ; they will provide the country with its first long-range air patrolling capability.¹³ Although the six Chao Phraya-class frigates built by China are the fastest (30 knots) and biggest craft ever commissioned by the Thai navy, they are obsolete by world standards, with an essentially 1950s technology. Nevertheless, for only one-fourth the

⁹Gwen Robinson, "Thailand Looking West," *Asia-Pacific Defense Reporter*, November 1990, p. 32; *Bangkok Post*, March 28, 1991; and *Asian Defense Journal*, March 1991, p. 15.

¹⁰*Business World* (Manila), August 19, 1991, in *FBIS: East Asia*, August 19, 1991, p. 49.

¹¹Interview with Air Chief Marshal Kaset Rotchananin, *The Nation* (Bangkok) October 5, 1991, in *FBIS: East Asia*, October 8, 1991, p. 65.

¹²*Asian Defense Journal*, *op. cit.*, p. 15, and *Jane's Defence Weekly*, July 20, 1991, p. 85.

¹³Interview with Navy Commander-in-Chief Admiral Vichet Karunyawanit, *Bangkok Post*, October 11, 1991, in *FBIS: East Asia*, October 11, 1991, pp. 59-60.

cost of a modern frigate, they should be effective in an antipiracy role and are equipped with eight Chinese-built antiship missiles with a 45-kilometer range as well as several naval guns and an electronic warning and command system.¹⁴

The Thai military's arms buildup has not gone unchallenged by civilian leaders. The prime minister until spring 1992, Anand Panyarachun, although appointed by the ruling armed forces junta, has criticized the size of the military budget. He insists that Vietnam should no longer be considered a threat, not only because its forces have left Cambodia but also because it has no funds to buy the oil needed to run its tanks and airplanes.¹⁵ The debate between Thai civilian and military leaders is indicative of an ASEAN-wide controversy: does the potential decline in U.S. forward-deployed forces require major national build-ups, or conversely, does the more benign post-Cold War strategic environment in Southeast Asia permit a degree of military relaxation? So far, the latter view has not prevailed as ASEAN leaders point to the need to spend more on arms for four reasons: their neighbors are doing so; obsolete equipment must be replaced; territorial disputes should be backed by military muscle; and the U.S. security umbrella may be removed from the region.

Malaysia

Malaysia, too, is altering its force structure from a counterinsurgency capability against communist guerrillas to the protection of its EEZ and territorial claims in the South China Sea. This will be no easy task since 75 percent of the Malaysian armed forces are in its army, which has held the defense lead since the country's independence. The navy and air force have always played a supportive role in counterinsurgency warfare. The army will resist a cut in its share of the budget, arguing that separatist tensions in east Malaysia still threaten the country's integrity.¹⁶

Nevertheless, Prime Minister Datuk Seri Mahathir Mohamad's \$8.5 billion equipment program for the 1990s is designed to add the air and maritime capabilities needed by Malaysia to compete on its own for regional security. Among other systems, Malaysia will be acquiring 28 Hawk fighter bombers from Great Britain to be delivered around mid-decade. Upgrades will also be provided for the avionics of 35 F-5Es with the prospect of purchasing an additional 60 from the Saudi Arabian air force. The most intriguing prospect for the Malaysian air force is the February 1991 Soviet proposal to sell the Mig-29 for the very competitive price of only \$24 million per copy. (The Mig-29 is roughly comparable to the F-15.) The Malaysian air force is expected to be increasingly integrated into maritime operations beyond territorial waters.

On the naval front, the Russians have reportedly offered four diesel-electric submarines. The Malaysian navy has already selected four Swedish Kockums submarines, two corvettes, and 16 offshore patrol vessels to monitor the EEZ. Budgetary constraints require some priorities among these acquisitions, however. The navy will not receive all its proposed ships during this decade. In June 1991 the navy opted initially to purchase missile-carrying corvettes from Great Britain, postponing the submarine acquisition. The corvettes will be deployed in the South China Sea where the navy has forces on three small islands in the

¹⁴Robert Karniol and Joris Janssen Lok, "Thai Defend Frigate Buy," *Jane's Defence Weekly*, October 19, 1991, pp. 724-726.

¹⁵Interview in *The Nation*, August 18, 1991, in *FBIS: East Asia*, August 19, 1991, p. 57.

¹⁶Richard Stubbs discerned interservice rivalries in his study: "Malaysian Defense Policy: Strategy versus Structure" (a paper presented to the University of Toronto-York University Joint Centre For Asian Pacific Studies), Montebello, Quebec, May 1-4, 1990, p. 16.

Spratlys. The corvettes will supply and defend these positions.¹⁷ While acknowledging overlapping claims, Malaysian Defense Minister Datuk Seri Najib Tun Abdul Razak insisted that a military presence was needed to "safeguard our sovereignty."¹⁸

Indonesia

More than any other ASEAN state, Indonesia is committed to patrolling and controlling its SLOCs—among the busiest commercial routes in the world, connecting the Persian Gulf via the Indian Ocean to Northeast Asia. Accomplishing this prodigious task unaided currently remains beyond Jakarta's financial and technical capability. Yet progress is being steadily made. Current plans call for the procurement of 30 maritime patrol aircraft equipped with Harpoon antiship missiles. In addition to budgeting for some 30 new domestically built corvettes and 23 missile frigates, Jakarta is talking with both China and Germany about more acquisitions. Indonesia's aging A-4E/H Skyhawks are scheduled to be replaced by mid-decade with British Hawk 200 fighter-bombers and enough F-16s to reach a full complement of 60. When all of these systems are commissioned, Indonesia's ability to defend its sea space against piracy, smuggling, and other unwanted activity will be considerably enhanced.¹⁹

Singapore

With its economy growing at a rate of almost ten percent annually, Singapore has managed to put six percent of its GNP into defense since the early 1970s, leading to expenditures of \$1.8 billion in 1990. Singapore has achieved self-sufficiency in ground force equipment and coastal naval craft. It is a major repair maintenance center for both aircraft and ships, servicing, for example, Philippines and Indonesian air force C-130s. Singapore's defense must be coordinated with its Malaysian and Indonesian neighbors because of the island city-state's small size and location. While no formal trilateral defense arrangement exists for the Malacca Strait, Singapore is acquiring an early-warning and surveillance capability that could be employed in combination with its neighbors' armed forces. By the mid-1990s, Singapore will have six E-2C Hawkeye AEW aircraft and six maritime patrol aircraft. These could provide early warning to all three littoral states about activity in the straits.

Moreover, E-2C patrols have been extended well into the South China Sea. Soon to be added to this surveillance capacity will be several F-5Es which are being reconfigured for maritime reconnaissance and attack. The aircraft will be equipped with antiship missiles and associated target acquisition systems. Significantly, these planes will also have midair refueling probes, extending their range and loitering capacity well into the South China Sea.²⁰

Philippines

The ASEAN state requiring the largest independent defense capability to control its national waters is least able to afford it. The only regional member facing the combination of internal insurgency, contested claims in the Spratly Islands, and a lingering dispute with a neighbor (Malaysia over sovereignty in Sabah), the Philippine armed forces maintain com-

¹⁷The discussion of Malaysian arms purchases is drawn from *Asian Defense Journal*, *op. cit.*, pp. 10-12, and *Bernama* (Kuala Lumpur) June 10, 1991, in *FBIS: East Asia*, June 11, 1991, pp. 14. Also see Derek Da Cunha, "Major Asian Powers and the Development of the Singaporean and Malaysian Air Forces," *Contemporary Southeast Asia*, Vol. 13, No. 1, June 1991, pp. 67-69.

¹⁸*New Straits Times* (Kuala Lumpur), September 1, 1991.

¹⁹This information is also drawn from *Asian Defense Journal*, *op. cit.*, p.10.

²⁰Da Cunha, "Major Asian Powers and the Development of the Singaporean and Malaysian Air Forces," *op. cit.*, pp. 61, 63, 64.

pletely obsolete equipment. In part, this is because Philippine air and naval defense has been provided by U.S. forces operating from Clark Air Field and Subic Bay. The poor state of the military also reflects the country's general poverty.

Managing an ever-hopeful projection, however, Manila has drawn up a ten-year modernization program which would provide its army with greater mobility and communications, invested particularly in helicopters and APCs for counterinsurgency. The navy would acquire 30 fast patrol boats, while the air force would buy some 30 jet trainers to be used until the country can afford multiple-role fighters—sometime in the next century. Transport aircraft are also on the wish list to supply Philippine personnel stationed at Commodore Reef, one of the Spratly Islands.²¹ President Corazon Aquino has acknowledged that the armed services are currently unable to monitor or protect Philippine waters and that the country loses \$2 billion annually to illegal fishing and smuggling.²²

Among the plans being discussed by Philippine officials to finance creatively military modernization are coproduction arrangements with Indonesia's relatively advanced defense industries; countertrade proposals whereby foreign companies would accept Philippine products in partial payment for equipment; and an ASEAN fund for Philippine development.²³ The commander of the Philippine navy, Rear Admiral Moriano Dumangeas, Jr., has acknowledged that the Philippines could not maintain Clark and Subic when they revert. The "lack of funds . . . knowledge, [and] poor equipment" imply that the bases would fall into disuse and disrepair.²⁴

Vietnam

Unlike most ASEAN militaries gearing up for the creation of a regional force projection capability, the Association's primary foe over the past 15 years is retrenching. The total cut-off of Soviet aid beginning in 1991, which had underwritten Vietnam's military for some 30 years, subtracts approximately \$1 billion from Hanoi's defense budget. Under the new economic aid agreement between Vietnam and Russia, Hanoi must pay in hard currency for Russian supplies at world market prices. The implications of this new situation for the Vietnamese armed forces are grim. Heavy equipment, such as tanks, ships, and aircraft, may well deteriorate in the absence of spare parts.²⁵

Financial constraints, the 1989 withdrawal of its forces from Cambodia, and relaxation of tension along the Sino-Vietnam border all have caused the government to cut the size of the armed forces in half to 600,000. Vietnamese strategists still see China as a long-term adversary, however, particularly over the contested Spratly Islands. Hanoi's navy is, however, no match for the Chinese, Indonesian, or Malaysian fleets—all countries with which Vietnam has maritime disputes.²⁶ Although the Vietnamese military continues to provide arms and training to the regime it installed in Phnom Penh, final settlement of the Cambodian war would presumably terminate outside military assistance as one of the conditions. The neutralization of Cambodia and Thailand's efforts to wean Laos through economic incentives away from Vietnam could over time undermine a key element in Hanoi's regional security posture: the view of Indochina as a single strategic region. Indeed, Vietnam's interest in

²¹*Asian Defense Journal*, *op. cit.*, p. 12.

²²*The Manila Chronicle*, June 26, 1991, and Quezon City Radio, June 24, 1991, in *FBIS: East Asia*, June 25, 1991, pp. 23-24.

²³*The Manila Chronicle*, April 10 and 22, 1991, and Quezon City Radio, May 4, 1991, in *FBIS: East Asia*, May 7, 1991, pp. 39-41.

²⁴Manila Broadcasting Company, June 21, 1991, in *FBIS: East Asia*, June 25, 1991, p. 42.

²⁵Murray Hiebert, "Defeated by Victory," *Far Eastern Economic Review*, June 24, 1991, p. 24.

²⁶*Ibid.*, p. 27.

affiliating with ASEAN suggests that the new party leadership under Do Muoi has abandoned its earlier goal of creating an exclusive Indochina sphere of influence.

Maritime Defense Concerns

Almost all of the ASEAN states are heavily dependent on international trade. Trade as a percentage of GNP is 323 percent for Singapore, 121 percent for Malaysia, 41 percent for the Philippines, and 35 percent for Indonesia. No ASEAN state has the independent capacity to control or deny passage through regional waters. Only the U.S. navy possesses that capability; and its intention is quite the opposite. Even the archipelago states, Indonesia and the Philippines, have accepted the right of "transit passage" in their adherence to the Third United Nations Conference on the Law of the Sea. Their straits may be used for international navigation through designated sea-lanes in archipelagic waters.

Despite transit understandings, all Southeast Asian littoral states have lodged overlapping claims in their 200-mile EEZs. Of the 15 possible maritime boundaries in the South China Sea, 12 are in dispute. This means that each claimant must develop the naval capacity to patrol its zone for extended periods if it credibly intends to enforce its claim.

An alternative to staking and defending sea-based claims through the threat of force is joint-development. Some progress along these lines has been made. Malaysia and Thailand have signed an agreement for joint development in their overlapping EEZs. Malaysia and the Philippines have initiated talks for a similar arrangement in their overlapping claims between Sabah and the Sulu archipelago. China has even broached the prospect of a joint-development regime for the Spratlys without prejudice to its sovereignty claim.²⁷

The conflict over ownership of the Spratlys encapsulates the major maritime stakes and the capabilities needed to achieve them in the South China Sea. The importance of offshore oilfields is underlined by the heavy dependence of these coastal states on either imported energy or its export for economic development. The Spratlys are claimed in their entirety by the P.R.C., Taiwan, and Vietnam, while the Philippines, Malaysia, and Brunei each claim some of the islets. All six claimants have armed forces on some of the territory they claim. Moreover, China and Vietnam also have mutually exclusive claims to the Parcel Islands. While most of the latter were occupied by Beijing in 1974, Hanoi sent its forces to the western Paracels a year later. In addition to probable energy resources, the Spratlys and Paracels sit astride important SLOCs and are surrounded by rich fishing waters. At present, none of the claimants has the air and naval capability to drive the others out. Only the P.R.C. seems to be steadily building the kind of blue-water capability that might make such an action credible by the end of the decade.

At a somewhat lower level of contention, bilateral fishing disputes have led to Indonesian arrests of Malaysians and Filipinos and Malaysian arrests of Indonesians and Thais. Thais have also been apprehended by Vietnam and their catches confiscated. To a considerable extent these "fishing wars" reflect both the unsettled condition of maritime boundaries and the importance of fishing to the local economies. Consider the situation of the country with the least effective navy, the Philippines. Its 200-mile economic zone presents its navy with an additional 276,000 square-nautical miles and opens disputes with Taiwan, Indonesia, Malaysia, Palau, Vietnam, and China.

²⁷These new agreements are discussed by Muthiah Alagappa in an unpublished paper written for the East-West Center: "The Political-Security Environment in the Pacific: Evolutionary Change," (1991).

While the major maritime disputes in the South China Sea encompass the Spratlys and EEZ overlaps, there are additional issues. Indonesia and Vietnam contend over the continental shelf boundary claimed by the latter in the waters adjacent to the Indonesian-owned Natuna Islands. The prize here is oil, a commodity Hanoi needs desperately now that the Russians are charging world market prices for petroleum in hard currency.²⁸ There is also evidence of Vietnamese pirates attacking Thai fishermen, possibly with the tacit support of Vietnamese provincial authorities. Thailand has asked for Hanoi's cooperation in stopping these attacks.²⁹

In the midst of this growing maelstrom of local maritime conflicts, Jakarta has proposed a way out through multilateral negotiations. Indonesia hosted an informal ASEAN seminar in January 1991 to place the major issues on the table. Indonesian officials see the maritime disputes as the next major flashpoint in Southeast Asia after the Cambodian war. Because Jakarta has no claims to the Spratlys, Indonesia can offer to mediate, hopefully, dissipating growing apprehensions, particularly over China's intentions. A second round of talks took place in mid-July, this time including representatives from China and Vietnam as well as ASEAN.

The July talks, also informal in nature so as not to commit their governments, are intended to explore Beijing's potential flexibility. In August 1990, Chinese Premier Li Peng agreed to discussions on the joint exploitation of resources around the Spratlys while postponing the sovereignty question. The discussions are well timed, for there is evidence that the status quo on the islands may be breaking down. In addition to its deployment of more sophisticated air and naval resources in the vicinity, Malaysia has begun to build tourist facilities on one of the islands it occupies in the Spratly chain. This unilateral action has caused consternation not only in Vietnam but also among Kuala Lumpur's ASEAN partners, who believe that any change affecting disputed territory should be discussed within the Association before being implemented. By using Layang Layang as a tourist and military site, Malaysia may be invoking the maritime law principle of common usage which would recognize the island as Malaysian territory.³⁰

ASEAN Defense Cooperation

A number of ASEAN leaders in recent years have speculated about the prospects for regionwide defense cooperation. Interest in expanding bilateral defense exercises has grown as ASEAN states acquire more power projection capabilities and as Russia and the United States reduce their forces in the area.

Mutual use of facilities has increased. Thai and Singapore air forces trained at the Philippines Crow Valley gunnery range until it was closed after Mt. Pinatubo's eruption. Lately Indonesia has provided Singapore with unprecedented access to training sites in Sumatra. Singaporean forces also exercise in Thailand and Brunei. And Malaysian commandos train at an Indonesian Special Forces facility.³¹

Joint collaboration has not progressed beyond the discussion level, however. Among the most intriguing of recent proposals was one made by former Indonesian Foreign Minister Mochtar Kusumaadmadja in September 1990. Professor Mochtar proposed a Malacca Strait

²⁸*Merdeka* (Jakarta), January 28, 1991, in *FBIS: East Asia*, February 6, 1991, p. 37.

²⁹*Bangkok Post*, June 4 and 20, 1991, p. 1, and *The Nation* (Bangkok) June 10, 1991, p. 1.

³⁰Michael Vatikiotis, "Eye on the Islands," *Far Eastern Economic Review*, July 4, 1991, p. 19. See also, Suhaina Aznam, "Haven in Doubt," *Far Eastern Economic Review*, June 20, 1991, p. 20.

³¹K.U. Menon, "An ASEAN Defense Community: Real or Imagined?" *Asia-Pacific Defense Reporter*, April 1991, pp. 28-29.

defense pact among Indonesia, Singapore, and Malaysia. He saw the three littoral states as the core of ASEAN maritime activities whose sea-based security was indivisible.³² Although correct geostrategically, Mochtar's proposal has not generated any official support in the three states for several reasons. First, it would formally split ASEAN into a straits group and a continental body—the latter led by Thailand and focusing on Indochina. Second, the three littoral states, despite security interdependence, still mistrust one another. The Malays fear Singaporean Chinese commercial dominance; Malaysia is concerned about Indonesian illegal immigration; and Indonesia objects to Malaysian Prime Minister Mahathir's independent regional initiatives which seem to challenge Jakarta's leadership role. Finally, the three do not agree on threat sources or the role of outside powers. For Indonesia and Malaysia, threats still emanate from domestic insurgents; for Singapore, possibly jealous neighbors. Thus Jakarta and Kuala Lumpur wish to reduce the roles of outside powers in Southeast Asian security, while Singapore prefers to see outsiders remain involved as demonstrated by its 1990 agreement to provide access for U.S. ships and aircraft.

Moreover, defense cooperation continues between strait states individually and other ASEAN members, particularly Thailand. Malaysian-Thai joint air exercises, for example, have gone beyond monitoring their common border for insurgent movements to the joint exploration of natural resources in overlapping sea boundaries.³³

Curiously, Thailand has even broached the prospect of naval cooperation with Vietnam in this post-Cold War setting. Faced with Vietnamese piracy and poaching, Thai Supreme Commander General Sunthon Khongsomphong has proposed joint naval patrols as a means of conflict avoidance. These patrols could also be charged with exploring overlapping territorial waters through a joint commission.³⁴ Vietnam has agreed to discuss fishing cooperation with Thailand but only after Vietnamese pirates had been apprehended in Thai waters by the Thai navy.³⁵

The Ambivalent Role of Outside Powers

If ASEAN-wide defense cooperation remains improbable and anything more than bilateral arrangements between neighbors unlikely because of diverse threat sources, incompatible military doctrines, and persistent mistrust, then will extraregional powers continue to play a security role in Southeast Asia despite the Cold War's end? The answer appears to be a qualified affirmative. ASEAN's long-range goal of creating a Southeast Asian zone of peace, freedom, and neutrality (ZOPFAN) appears both increasingly feasible, yet strangely obsolete.³⁶ Feasible, because the great powers may be terminating basing arrangements in the region. Obsolete, because Sino-Soviet-U.S. détente means there are no more blocs from which to be nonaligned. Future regional defense arrangements will have to be premised on something other than avoidance of being drawn into great power conflicts—ZOPFAN's original rationale. The 1980s balance of power which pitted Thailand, China, the United States, and ASEAN against Vietnam, its Cambodian client, and the U.S.S.R. had atrophied by the end of that decade. The Soviet rapprochement with China and the United States undermined its alliance with Vietnam, forcing Hanoi to withdraw from Cambodia and seek a new

³²S. Bilveer, "Singapore, Malaysia, and Indonesia Triangular Defense Pact: Potentials and Perils," *Asian Defense Journal*, December 1990, pp. 4-6.

³³*Voice of Malaysia*, May 31, 1991, in *FBIS: East Asia*, May 31, 1991, p. 41.

³⁴*The Nation* (Bangkok), June 8, 1991, p. 1.

³⁵*Bangkok Post*, June 14 and 18, 1991, p. 1.

³⁶An extended discussion of ZOPFAN's future may be found in Muthiah Alagappa, "Regional Arrangements and International Security in Southeast Asia: Going Beyond ZOPFAN," *Contemporary Southeast Asia*, Vol. 12 No. 4, March 1991, pp. 269-305.

relationship with ASEAN. Thus it seems that the current situation should be propitious for creating local security initiatives.

In fact, this has not happened. Singapore and Thailand remain committed to the retention of U.S. forces in Southeast Asia; Bangkok continues its military supply relationship with China and the United States; and Singapore has offered limited base facilities to the U.S. navy and air force. The U.S. presence provides Thailand and Singapore a degree of confidence in dealing with their Malay-Muslim neighbors.

The Five-Power Defense Arrangement (FPDA)—consisting of Malaysia, Singapore, Great Britain, Australia, and New Zealand—will also probably continue to operate, its joint exercises notably providing military linkages between Singapore and Malaysia which also train bilaterally with Indonesia. Although Singapore and Malaysia now possess the capability to defend their territories without outside help, consultation with Australia, New Zealand, and Great Britain help to lubricate the bilateral relationship. Even Malaysia, normally most reluctant to endorse outside forces in the region, accepts the presence of such benign militaries as those in the FPDA and the United States.³⁷

The most significant strategic feature of the FPDA is the opportunity provided Australian Air Force F-18s to be part of the Integrated Air Defense System (IADS) for the Strait of Malacca through its joint patrols with Singapore and Malaysian counterparts. The most recent FPDA exercises have been their most elaborate. In May 1991, 39 aircraft and 34 warships from the five nations engaged in maritime-air defense maneuvers.³⁸ With the Australian-dominated IADS in place and FPDA exercises occurring annually, a significant increase in multilateral joint operations in the area around the Strait of Malacca has become a regular security activity.

China as Putative Regional Hegemon

China believes its future position in Southeast Asia will be enhanced by several ongoing developments. The Russian withdrawal from Cam Ranh Bay, Moscow's virtual termination of military aid to Vietnam beginning in 1991, and the U.S. reduction in its Asian-deployed forces all serve to raise the Chinese navy's profile. While increasing its blue-water capability in the Spratlys, Beijing has also adopted a friendly diplomatic stance toward the ASEAN states, having normalized relations with Indonesia and Singapore. Moreover, China has indicated that relations with Vietnam will return to normal upon resolution of the Cambodian conflict.

Diplomatic smiles do not seem to coincide with increased military muscle, however. Unlike Vietnam, which faces gradual deterioration of its armed forces with the end of Soviet military largesse, China has struck an agreement with Russia to expand its air power. The Chinese air force will buy 24 Su-27 combat aircraft for \$700 million, one of the biggest Chinese foreign arms acquisitions ever made.³⁹ Although accepting only hard currency for the transaction, Moscow has provided the aircraft at a "friendship price" of \$30 million per copy. The Su-27 is a supersonic all-weather fighter, far surpassing any plane in the Taiwanese or Vietnamese inventory. With a combat range of 1,500 kilometers, it could reach the Spratlys from Hainan. Moreover, if China acquires midair refueling tankers, airborne time could be

³⁷Interview with Malaysian Air Force Intelligence Chief Major General Datuk Raja Rashid in Lim Kwang Hoon, "FPDA's Contribution to Stability," *Asia-Pacific Defence Reporter*, February 1991, p. 14.

³⁸*Bernama* (Kuala Lumpur) May 13, 1991, in *FBIS: East Asia*, May 17, 1991, p. 24.

³⁹Tai Ming Cheung, "More Punch For PLA," *Far Eastern Economic Review*, April 11, 1991, p. 18.

greatly extended. The Su-27 contract dramatically reveals that Moscow has turned its back on Vietnam.

All of these developments demonstrate that China's hard-line policy of the 1980s against Vietnam's efforts to establish dominance in Indochina has paid off. Hanoi's forces have left Cambodia. Its client in Phnom Penh has agreed to a United Nations receivership for two years pending Cambodian national elections in 1993. During that period the Hun Sen government will share sovereignty with not only the factions of Prince Norodom Sihanouk and Son Sann but also the hated China-backed Khmer Rouge, who have sufficient caches of arms and food in eastern Cambodia to be able to return to the battlefield if the electoral path to power fails. China's pressure on Vietnam has also benefited the ASEAN states since Hanoi has abandoned its earlier hopes of establishing a separate sphere of influence in Southeast Asia.

Vietnam's shift in orientation away from confrontation with the P.R.C. and toward détente and the normalization of relations constitutes the policy of a state weakened by years of warfare and abandoned by its only backer, the former Soviet Union. Hanoi had little choice other than to make peace with China to reduce the threat from the north. Détente with China also permits Vietnam to focus its attentions on economic reconstruction and future affiliation with ASEAN.

An expanded ASEAN, which included some linkage to Indochina, would enhance Southeast Asia's ability to balance the P.R.C.'s growing economic and military might. The key question for any new regional structure is whether Beijing is satisfied with the end of Soviet-Vietnamese encirclement or whether it wishes to establish its own dominance in Southeast Asia. If the latter, then regional tensions may indeed increase as the century ends.

There is, however an alternative interpretation of Sino-Vietnam relations based on the implications of the collapse of Soviet and East European communism for these two remaining Leninist states. Along with North Korea and Laos, China may be planning to lead an informal group of countries which feel threatened by the impact of market economics and political democracy on the future viability of their political systems. The Sino-Vietnam normalization of November 1991 was justified, in part, by a confidential internal Chinese party directive which noted the common socialist orientations of the two states. Sino-Vietnamese economic plans also portend river and rail links from Yunnan and Guangxi provinces to the Vietnamese port of Haiphong which would provide a valuable outlet to the sea for south-central China.⁴⁰ Nevertheless, the P.R.C. cannot substitute for the loss of Soviet aid to Vietnam. Hence, the Vietnamese turn toward ASEAN and Western states to obtain the resources needed for modernization.

When the Cambodian conflict ends, the P.R.C.'s special relationship with ASEAN will decline, making compromise over the Spratlys increasingly difficult. China's naval and air buildup over the next ten years will provide an increased Chinese surface, submarine and air presence over and around the islands. These capabilities can be used to back Beijing's legal claims. Thus, although Li Peng mentions the possibility of joint exploitation of marine resources in Spratly waters, he emphasizes that such agreements do not compromise P.R.C. sovereignty claims.⁴¹ Meanwhile, China is doing its best to maintain military supply links to Thailand, an ASEAN member with no conflicting South China Sea interests. Beijing may

⁴⁰Cited in Nayan Chanda, "This Week's Sino-Vietnamese Summit Crowns the Emergence of China as the Regional Power," *The Asian Wall Street Journal Weekly*, November 4, 1991, p. 2.

⁴¹Charles McGregor, "P.R.C. Policy in the South China Sea," *The Sunday Times* (Singapore), March 31, 1991.

hope that Bangkok will continue to articulate China's viewpoint in ASEAN councils if relations over the Spratlys become tense.

The Residual Russian Role

Soviet naval deployments in the Indian Ocean and South China Sea began to decline in the late 1980s because of financial constraints. Moreover, as the former Soviet republics begin to divide the Red Army's ground forces among themselves, its air force and navy will shrink, even if they remain under a central authority. The new force will be all-volunteer and expensive. Russian surveys show that it would take a salary at least four times the rate currently paid to junior officers to convince conscripts to enlist.⁴² Brezhnev's 1970s vision of the U.S.S.R. as a major military participant in Southeast Asian security has evaporated.

Since a loose-knit confederation of republics is unlikely to pursue a power-projection defense policy, Russian officials now proclaim their hope for reducing the presence of all outsiders in the western Pacific (read: the United States), ostensibly to help the ASEAN states attain their declaratory ZOPFAN policy. In reality, of course, the Russians wish to reduce the threat to their own Far East inherent in a carrier-based forward-deployed U.S.-Japan maritime strategy. Limitations on outside powers' naval deployments and the creation of buffer zones from which warships are excluded would enhance Russian security.

Nevertheless, the Russian Pacific Fleet's acquisition of new systems has a life of its own. Based on production decisions of almost a decade ago, the navy continues to take delivery of new ships, increasing its overall capabilities even as it downsizes the total number of units by retiring older vessels. Thus, the Pacific Fleet received two new OSCAR II-class guided missile nuclear submarines in the autumn of 1991 with a total of 48 antiship missiles—more than offsetting the decommissioning of obsolete undersea craft.⁴³ It is unlikely, however, that even a modernized Pacific Fleet will move much beyond home waters. Out-of-area operations are too expensive.

Any residual Russian role in Southeast Asia will focus on the commercial sale of arms. As Moscow abandoned its defense links to Vietnam, it explored the prospect of selling combat aircraft (Mig-29s) to Malaysia and leasing them to the Philippines.⁴⁴ No contracts have been signed, however, through 1991. Nor have Russian diplomatic efforts to convene a regional security conference met with any interest in Asia. Indeed, Russian commentators now acknowledge that Southeast Asian states no longer view Moscow as a significant strategic player in the region, but see Russian efforts to court foreign investment as competitive with their own plans.⁴⁵

U.S. Strategy After the Philippine Bases⁴⁶

The Philippine Senate's September 1991 decision not to extend the bases agreement with the United States will probably have the effect of accelerating plans for modifying U.S. deployments that have been in train for the past few years. Since Russia is withdrawing its own forces from Southeast Asia, and Vietnam is making peace with ASEAN, the need for permanent American facilities in the center of the region has declined. In Asia, U.S. force

⁴²"Under the Scalpel," *Jane's Defence Weekly*, October 26, 1991, p. 761.

⁴³"Oscar IIs' Move Into Pacific," *Jane's Defence Weekly*, October 12, 1991, p. 642.

⁴⁴*Asian Defense Journal*, October, 1990, p. 93; and *Business World* (Manila), March 18, 1991, p. 1.

⁴⁵*Izvestiya*, June 21, 1991, in FBIS: *Soviet Union*, June 28, 1991, pp. 4-6.

⁴⁶For an extended discussion, see Sheldon W. Simon, "U.S. Interests in Southeast Asia: The Future Military Presence," *Asian Survey*, Vol. 31, No. 7, July 1991.

structure plans for the 1990s are focused on Japan and Korea with backup elements in Alaska and Hawaii.⁴⁷

The Bush Administration's decisions to eliminate all tactical nuclear weapons from U.S. land and sea forces worldwide will also make U.S. naval vessels a more acceptable presence for those countries increasingly opposed to nuclear arms in their vicinity. The prospect of short-term U.S. naval visits and joint exercises with several Southeast Asian states is politically more palatable for the host countries if the United States has removed nuclear weapons from its ships.

Under the current Philippine-U.S. understanding, U.S. naval forces will be completely out of Subic Bay by the end of 1992. No new bases are planned to replace Subic. Rather, Washington contemplates shifting Subic's functions to existing bases in Guam, Japan, Singapore, and Hawaii.⁴⁸ Moreover, the navy is seeking access arrangements with other Southeast Asian states similar to those arranged with Singapore in 1990. These arrangements provide for some prepositioned supplies, perhaps a small number of U.S. personnel, refueling and repair facilities on a commercial basis, and joint exercises. Thailand and Brunei already provide some of these services, and Malaysia has recently offered its naval base on the west coast at Lumut for maintenance and repair work in hopes of obtaining contracts for local shipyards. Discussions are also under way with Indonesia's P.T. Pal shipyard in Surabaya and for use of the Siabu air-training range in Sumatra as a partial replacement for Clark Air Field's Crow Valley facility.⁴⁹

The possibility even exists, once political passions have cooled, that the United States could work out a similar access agreement with a new Philippine government to be elected in the spring of 1992. Subic might continue to be used by U.S. ships on a commercial basis alongside the ships of other navies, thus sustaining employment for the highly skilled Filipino labor force. However, with the removal of its three dry docks, five floating cranes, and other hardware, Subic's utility as a repair facility has greatly atrophied.⁵⁰

The rationale for the maintenance of U.S. forces in Asia will be essentially constabulary. Among them are residual defense against a still-substantial Russian Pacific Fleet, extraregional balance against such regional forces as China, Japan, and India, and deterrence to those regional members that might consider the use of force to settle individual disputes.

The newest potential contributor to Southeast Asian security is Japan. With two-way trade between Japan and Southeast Asia in excess of \$50 billion and Japanese investments of over \$23 billion in the region, Tokyo's stake in the region's security is high.⁵¹ Military training arrangements involve Japan with Thailand and Singapore. Japanese defense experts now regularly visit their ASEAN colleagues. There may even be some Japanese aid for ASEAN defense construction. Indonesia's naval complex at Teluk Ratai in south Sumatra and an air defense radar station in north Sumatra have reportedly received Japanese aid.⁵²

⁴⁷Interview with Vice Chairman of the U.S. Joint Chiefs of Staff Admiral David B. Jeremiah, *Jane's Defence Weekly*, August 31, 1991, p. 380.

⁴⁸Eric Schmitt, "Manila Base Plan is weighed in U.S.," *New York Times*, October 4, 1991.

⁴⁹*New Straits Times* (Kuala Lumpur) November 1, 1991, in *FBIS: East Asia*, November 4, 1991, p. 27; "Treaty Vote Forces U.S. Military to Take Stock of Options in Southeast Asia," *The Asian Wall Street Journal Weekly*, September 23, 1991; Michael Vatikiotis, "Spreading the Load," *Far Eastern Economic Review*, November 7, 1991, p. 35.

⁵⁰Rodney Tasker, "Open To Offers," *Far Eastern Economic Review*, November 7, 1991, p. 50.

⁵¹Tsuneo Akaha, "Japan's Comprehensive Security Policy: A New East Asian Environment," *Asian Survey*, Vol. 31, No. 4, April 1991, p. 338.

⁵²Michael Vatikiotis, "Assessing the Threat," *Far Eastern Economic Review*, June 20, 1991, pp. 28-29.

Another indication of a growing receptivity to Japan as a contributor to international peacekeeping has been Southeast Asia's positive reaction to the dispatch of Japanese minesweepers to the Persian Gulf in the spring of 1991. With port calls in the Philippines, Malaysia, Sri Lanka, and Pakistan, Tokyo explained its contribution to U.N. collective security as part of a realization that Japan "cannot just sit by and continue to make money" when world crises erupt.⁵³ Japan's foreign minister subsequently averred that the minesweepers' peaceful mission constituted a means of recovering the trust of Asian countries as it proved Japan to be a responsible member of the international community. The minesweepers' acceptance, Minister Taro Nakayama predicted, would facilitate future Japanese contributions to U.N. peacekeeping operations.⁵⁴

Conclusion and Future Prospects

While ASEAN may be a *security community* in the sense that no member would seriously consider the use of force against another to settle disputes, it has not and will not become a *defense community*. Common cultural, ideological, and historical experiences are largely absent, and most importantly, there is no common threat. The benefits ASEAN has achieved—relative peace, stability, and security—do not form the base for wider military collaboration. Rather, they allow each state to pursue an independent path.⁵⁵

Currently ASEAN is divided into three separate groups on security issues. Singapore, Brunei, and Thailand openly seek to maintain a U.S. presence through regional access arrangements. The Philippines, in the wake of the American withdrawal from Clark and Subic, is searching for new regional arrangements that would provide external funding for Manila's military modernization. Thus, the Philippine air force has proposed that Singapore's air force be allowed to train at the Antonio Bautista Air Base in exchange for Singaporean financing of a new air gunnery range in Palawan.⁵⁶ Malaysia and Indonesia continue to reject any major power's permanent military presence in the region, although both Jakarta and Kuala Lumpur will accede to a continuing U.S. presence to ensure that other outside powers (Japan and China in particular) are not encouraged to increase their deployments.

Southeast Asian instability was closely correlated with the region's immersion in the ideological conflicts of the Cold War global system from the 1950s through the 1980s. As the Cold War waned at the end of the 1980s, conflict became more geopolitical and therefore, more localized. Great power mentors reduced their rivalry and therefore, their interest in supporting clients' regional ambitions. For the United States and the Soviet Union and its successor states, Southeast Asia has reverted to a region of tertiary interest. The only putative great power still militarily involved in the region is the P.R.C. Yet, even Beijing seems more concerned with internal development and regional economic cooperation than in pursuing its maritime claims by force, for the time being.

Even were China to decide to acquire the Spratly Islands through naval and air attacks—an unlikely prospect—the ASEAN states possess neither the capability nor training to repulse them. While collective military action would not occur, collective diplomacy, based on the Cambodian experience, probably would.⁵⁷ ASEAN's past diplomatic successes will sus-

⁵³Agence France Presse (Hong Kong), April 27, 1991, in *FBIS: East Asia*, April 29, 1991, p. 34.

⁵⁴Kyodo (Tokyo), June 29, 1991, in *FBIS: East Asia*, July 1, 1991, p. 2.

⁵⁵This conclusion is emphasized by Michael Antolik in *ASEAN and the Diplomacy of Accommodation* (Armonk, New York: M.E. Sharpe, 1990), p. 154.

⁵⁶*The Manila Chronicle*, January 10, 1992, p. 1.

⁵⁷Muthiah Alagappa makes this point in "Regional Arrangements and International Security in Southeast Asia," *Contemporary Southeast Asia*, *op. cit.*, p. 291.

tain its political cohesion for some purposes, while security cooperation operates at a lower level—among contiguous states.

Vietnam could affiliate with a loose ASEAN political group, adding to regional reconciliation. It is improbable, however, that Vietnam will become a full member of ASEAN, as long as it remains a Leninist state with a centrally planned economy. Compatible political and economic values would simply be lacking. More probable will be Vietnam's participation in a Southeast Asian balance of power which would place it as the northern continental pole opposite Indonesia at the southern maritime flank.⁵⁸ Moreover, with the cessation of Soviet military aid to Vietnam, the deterioration of Vietnam's army will reduce Hanoi's threat potential in the region over time.

Over the next few years, the United States will focus on developing its Singapore access arrangement as a model for other possible similar agreements with Brunei, Thailand, and Malaysia. Washington may well offer commercial ship repair and aircraft servicing contracts as financial incentives to those countries permitting access. In the 1990 Singapore Memorandum of Understanding, the U.S. navy and air force will increase the frequency of training deployments to already existing facilities at Paya Lebar Airport and Sembawang Port. Singapore has also permitted the U.S. Seventh Fleet logistical command to relocate from Subic Bay. This move will bring some 200 U.S. navy personnel and their families to the island city-state and further reinforce the regional perception that the American presence there, though small, is long term.

The ASEAN states themselves will probably institutionalize security discussions in their annual foreign ministers meeting where overall military deployments within Southeast Asia and in the Pacific region generally will be discussed. Vietnam and Laos will sign the 1976 Bali Treaty of Amity and Cooperation. In effect this treaty constitutes a nonaggression pact for its signatories, and it also commits them to the peaceful settlement of disputes. Indochinese adherence to the Treaty of Amity and Cooperation will finally signify the end of the Cold War-based, ideological split in Southeast Asian international politics.

Over the longer term, looking toward the end of the century, the ASEAN states will have progressed haltingly toward an ASEAN free trade area (AFTA) first articulated at the Association's 1992 summit. The purposes of this regional economic arrangement are to increase Southeast Asia's clout in global economic councils and to enhance the region's commercial attraction for foreign investors. With a potential unified market of over 350 million and one of the world's highest economic growth rates in the 1980s, ASEAN's free trade area should be able to compete with Eastern Europe, particularly in manufacturing. AFTA's success depends, however, on the willingness of its members to cut tariffs on each other's products to a maximum of five percent by 2008.

On security matters, any continued welcome for an American military presence after the turn of the century will depend on Southeast Asia's ability to monitor its sea and air space unaided, on whether regional antagonisms have been resolved, for example, over the Spratly Islands, and on the buildups of Chinese, Japanese, and Indian naval powers. Any one or combination of the above as issues will sustain the acceptability of U.S. Seventh Fleet and air force deployments. At the same time, the ASEAN states will engage in regionwide security discussions on a regular basis through the annual foreign ministers conferences, although these meetings do not seem to portend multilateral defense collaboration.

⁵⁸Donald Weatherbee, "ASEAN and Indochina: The ASEANization of Vietnam," in Sheldon W. Simon, ed., *East Asian Security in the Post-Cold War Era* (Armonk, New York: M.E. Sharpe, forthcoming).

ASEAN relations with Indochina will reveal a mix of cooperation and conflict. By the turn of the century, ASEAN, Japanese, Korean, Taiwanese, and some U.S. investment will fuel the three countries' economic recovery, although their standard of living will remain well below that of their ASEAN neighbors. Hanoi will seek to open Cam Ranh Bay to commercial ship bunkering and repair. Its excellent location adjacent to the major sea-lanes through the South China Sea and its Soviet-built drydocks and petroleum storage facilities should make the port a major source of hard currency for Vietnam.

Across the South China Sea, Subic Bay may also be reopened on a commercial basis to both military and merchant shipping. If Philippine skilled labor can be maintained in the vicinity, ship-repair contracts could be won; if not, however, Subic is further away from the main shipping lanes than Cam Ranh and could accordingly lose maritime business opportunities to Vietnam.

Cambodia's future remains problematic. There is no guarantee that the U.N. plan for an international force of up to 20,000 military and civilian personnel is feasible or will be financed. Yet the country's political future is premised on a U.N. takeover of the national administration and the separation and partial disarmament of four separate militaries. Evidence is available that the Khmer Rouge have already hidden substantial military supplies in the areas they control near Thailand. Presumably, if an electoral solution is not achieved to the Khmer Rouge's satisfaction, continued civil war remains an option. This prospect becomes even more likely as the Phnom Penh regime reveals ever greater incompetence and corruption. The breakdown of civil order and the infeasibility of U.N. plans for Cambodia do not portend a stable polity by the year 2000. Nevertheless, if Cambodia's unrest is contained within its boundaries and neither Thailand nor Vietnam intervene, Phnom Penh's tragedy need not disrupt movements toward regional rapprochement.

If relations between ASEAN and Indochina move forward on the basis of the latter's adherence to the 1976 Treaty of Amity and Cooperation, even contention over the Spratly Islands may be resolved. By agreeing either to arbitration over ownership claims or, more likely, the postponement of these claims, joint-development arrangements can be reached. These would open the waters and seabeds around the islands to commercial development and could yield major new oil and gas fields as well as fishery resources for the littoral states. If this optimistic scenario does not come about, however, continued competition over the Spratlys will serve as an incentive for the competitive buildup of contenders' navies and air forces. In fact, these buildups began in the late 1980s and show no sign of abating.

In sum, over the next few years ASEAN defense cooperation will remain at the level of regular consultations and the exchange of intelligence and some training among all members; joint exercises among neighbors primarily for border control, antipiracy, and antismuggling purposes; notification of national exercises particularly in border regions; and the development of border agreements to cope with both land- and sea-based illegal labor movements and contraband. Southeast Asian defense, then, will remain at the state rather than regional level. In an environment no longer dominated by Cold War ideological conflicts and extraregional alliances, the impetus for regional defense collaboration atrophies. While ASEAN will continue to function as a regional political and economic consultative mechanism, it should not be expected to become Southeast Asia's NATO or even its Conference on Security Cooperation (CSCE). □

ASEAN MILITARY CAPABILITIES*

	ARMY	NAVY	AIR FORCE	MARINES
Brunei	16 Scorpion light tanks 24 APCs 12 Rapler SAMs	6 coastal patrol craft 3 with Exocet missiles	7 armed helicopters for counterinsurgency 10 Bell helicopters	
Indonesia	141 light tanks 400+ APCs 120 artillery pieces 65 helicopters	2 submarines 16 frigates equipped with Harpoon and Exocet missiles 27 coastal patrol craft 15 amphibious ships 12 ASW helicopters	28 A-4s 12 F-16s 2 KC-130 tankers 46 transport aircraft 63 helicopters	30 light tanks 57 APCs 40 artillery pieces
Malaysia	26 scorpion light tanks 669 APCs 215 artillery pieces 165 assault craft	4 frigates with Exocets 37 coastal patrol craft 5 mine warfare ships 2 amphibious ships	35 A-4s 20 F-5 E/Fs 37 transport aircraft 56 helicopters	
Philippines	41 Scorpion light tanks 285 APCs 242 artillery pieces	2 frigates 51 coastal patrol craft 7 amphibious ships (The operational capability of these forces is doubtful)	9 F-5s 8 T-28s 66 COIN helicopters 35 transport aircraft	
Singapore	350 light tanks 1,000 APCs 80 artillery pieces	29 coastal patrol craft with Harpoon and Gabriel missiles 2 mine warfare ships 5 amphibious ships	75 A-4s 8 F-16s 24 F-74s 4 T-75s 35 F-5s 6 armed helicopters 16 transports 49 transport helicopters	
Thailand	474 light tanks 922 APCs 374 towed artillery 136 helicopters	5 frigates 52 coastal patrol craft with Gabriels, Exocets, and Harpoons 7 mine warfare ships 10 amphibious ships 8 ASW helicopters	18 F-16s 56 F-5s 86 COIN aircraft 3 ELINT aircraft 30 helicopters 35 transport aircraft	

*This table is derived from the International Institute of Strategic Studies, *The Military Balance, 1990-1991* (London: 1990).