

CONFERENCE REPORT

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**S. RAJARATNAM SCHOOL
OF INTERNATIONAL STUDIES**
A Graduate School of Nanyang Technological University

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ASIA'S NEW SECURITY AGENDA

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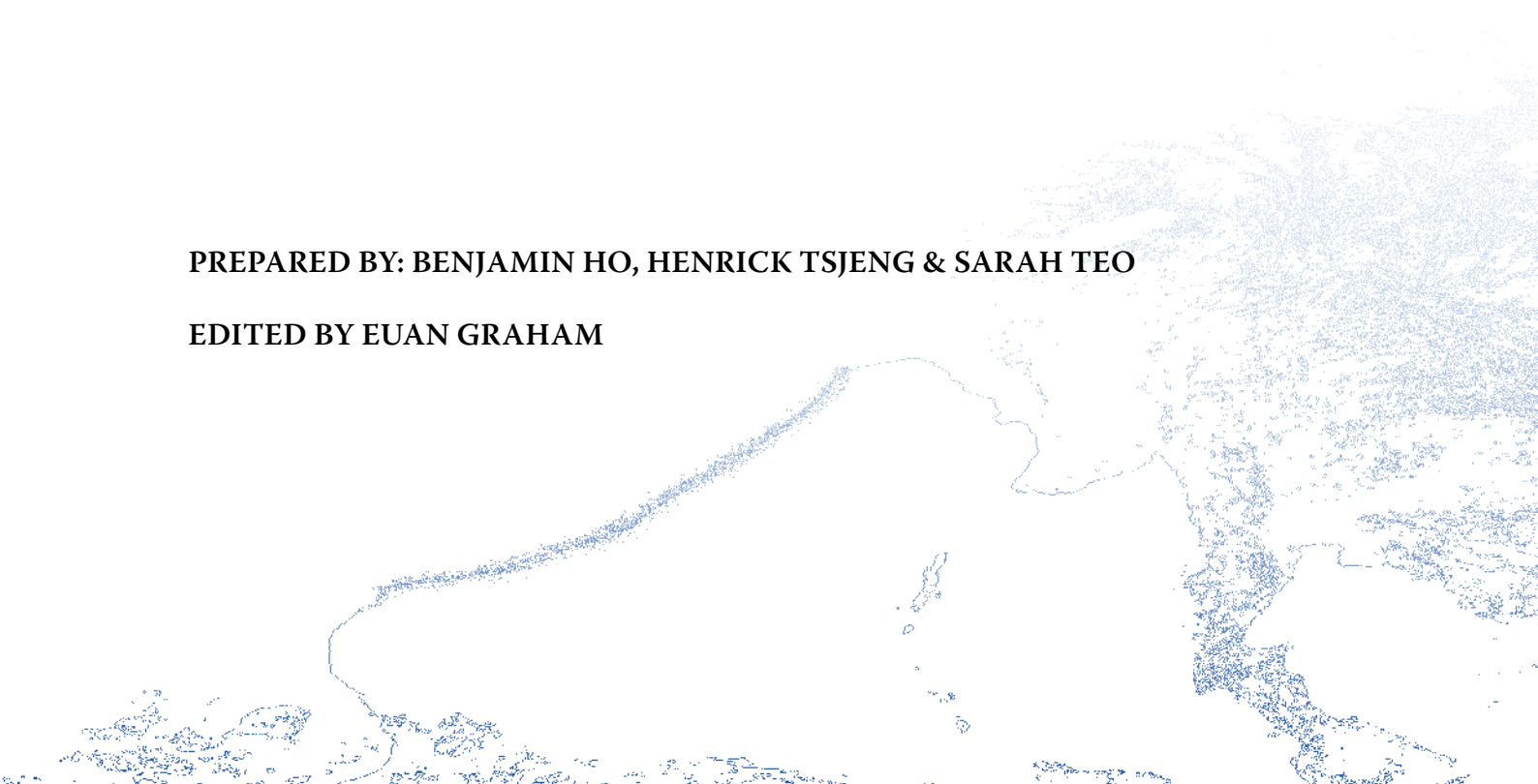
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OPENING REMARKS

Why are we here and what has changed since last year?

His Excellency Tormod C. Endresen, Norway's Ambassador to Singapore, noted the appropriateness of locating the 2nd Royal Norwegian Ministry of Foreign Affairs-RSIS Asian Security Conference in Singapore. Norway's economic development thrived on Asian growth and many of the global problems that Norway had an interest in helping to solve, such as inequality, could be found in Asia. The design of international order would also be influenced by rising Asian powers. He highlighted that there was a need to look more closely at Asia and gain more knowledge about the region, particularly where security was concerned, as security policy had always been at the heart of foreign policy and the potential for conflict existed in the region.



HE Tormod C. Endresen

Professor Joseph Liow, RSIS Associate Dean, expressed optimism that the conference participants would build on the success of the inaugural Royal Norwegian Ministry of Foreign Affairs-RSIS Asian Security Conference in 2013. He observed that there had been both elements of change and continuity in the region over the past year and consequently in the focus of the conference, and highlighted environmental issues as an example of the latter. He also noted that the Arctic region was an area of increasing interest for Singapore, which converged with Norway's interests.



Professor Joseph Liow

PLENARY SESSION I

Defending National Interests, Preventing Regional Conflict: Russia-China-Japan-U.S.: New Regional Dynamics?

Joseph Liow analysed three developments that had occurred in Asia over the past year. First, while China's rise had been facilitated by the global economy, it should not be assumed that economic inter-dependence would guarantee China's peaceful rise. While Beijing would want to avoid open conflict with Washington, China would nevertheless push back against what it perceived as containment or encirclement. He added that the pace of China's military modernisation, coupled with the perception of its opaque intentions, had unsettled many regional countries.

Second, although the U.S. re-balance to Asia had generally been welcomed in Southeast Asia, concerns over the strategy remained. These included questions over the military dimension of the re-balance, the ability of Washington to sustain its strategy, and the perception that the current U.S. administration was more oriented towards the Middle East than East Asia.

Third, Southeast Asia could do very little to resolve its apprehensions about China's rise and the U.S. re-balance. The wide power differential between Southeast Asian states and the major powers, the lack of effectiveness of regional institutions, as well as the focus on domestic politics in many Southeast Asian countries would constrain their role in regional affairs.

Seiichiro Takagi, Senior Adjunct Fellow in the Japan

Institute for International Affairs, said that the Asia Pacific region was characterised by a lack of an overarching comprehensive architecture. Instead, the region's security order was based on the U.S.-centred alliance system, which is slowly evolving into and a network and multiplicity of multilateral mechanisms. Noting that many of the multilateral institutions in the region aimed to promote dialogue and confidence building, he highlighted that there was limited progress towards action-oriented mechanisms.

Since the end of the Cold War, Japan had strengthened its alliance with the United States and been actively involved in regional multilateral security institutions. Additionally, Japan was increasingly participating in trilateral cooperation initiatives involving the United States, such as with Australia or South Korea. Japan had also been a key player in the establishment of the ASEAN Regional Forum (ARF) and its ongoing evolution from confidence building to preventive diplomacy.

On Japan's response to Chinese assertiveness, Takagi stressed that Tokyo adopted the approach of two "un's": unprovoked and unyielding. It was also relying on both self-help and strengthening cooperation with the United States. Japan was further working to reinforce maritime norms and establish maritime confidence building measures with China.



Seiichiro Takagi (right) and Dr Euan Graham

Linda Jakobson, Visiting Professor at University of Sydney and Non-resident Fellow with the Lowy Institute, observed that while there is ample evidence of continuity in China's foreign policy under President Xi Jinping, there are also signs of change in its style and substance. In terms of style, China's policy of maintaining a low profile in the international arena has changed. China today aimed to portray itself as a strong, active and global power that has important maritime interests and its leaders aim to build personal rapport with their foreign counterparts.

In terms of substance, China is now seeking a new type of major power relations and parity with the United States. Additionally, there has been a slight shift in China's policy towards North Korea as Beijing has publicly hinted at its impatience with Pyongyang and as China has strengthened ties with South Korea. However, the fear of instability caused by a sudden collapse of North Korea remains strong among the Beijing leadership.

Jakobson added that East Asian stability hinges upon the Sino-Japanese relationship, and the risk for bilateral conflict still exists given that both leaders in Beijing and Tokyo are constrained by their domestic constituencies. In contrast, Sino-U.S. relations have progressed over the past few years, and were at present more stable and mature.

Jo Inge Bekkevold, Norwegian Institute for Defence Studies (IFS), identified two views that could characterise the current maritime situation in East Asia. According to the *pax mercatoria* perspective, China's integration with the global economy, its network of trade relations and its growing foreign investments would ensure Beijing's peaceful approach regarding its foreign policy.

The other perspective contended that since 2009, East Asia had become increasingly unstable. Bekkevold noted that despite greater economic cooperation, there was still a lack of complex economic inter-dependence in the region. Fragmented policymaking in Beijing and growing nationalism in Asian countries might also put pressure on foreign policies. The changing balance of power and China's transformation into a maritime power had also contributed to a greater Chinese presence in the region and to regional worries about the rise of China.

Bekkevold argued that at present, the arms build-up in Asia did not equate to an arms race. Instead, there were several factors that would contribute to regional stability, such as greater economic inter-dependence, China's willingness to play an active role in shaping international regimes and the geographical characteristics of East Asia limiting the power projection capabilities of the United States and China.



Professor Linda Jakobson (right)

Q&A and Panel Debate

Regional Security Dynamics in East Asia – What Role for ASEAN?

Participants raised concerns over reduced Chinese growth and how it could reinforce nationalism in China. It was noted that as the legitimacy of the Communist Party of China (CPC) rested on economic growth and social stability, a slowdown in the Chinese economy would lead to immense pressure on the top leadership. Avoiding national frustration would be crucial for the Chinese government. However, playing the nationalist card to manage such a situation would not necessarily bode well for the Chinese government, as any street demonstration against another country could easily turn into a protest against the CPC. Comparing the past and present foreign policies of China, participants observed that Beijing had made huge progress in crafting more complex strategies. Despite this, Chinese leaders' "existential anxiety" about regime survival posed a challenge to China's development of a more sophisticated foreign policy, especially when national sovereignty was at stake.

There was also interest in East Asian countries' relations with India and Russia. One participant pointed out that India was currently enhancing its contributions as a strategic partner for the region, amid talk that New Delhi was planning to establish a diplomatic mission to ASEAN. It was also noted that Japanese Prime Minister Shinzō Abe was looking to improve ties with both India and Russia.

The possibility that the United States might divert its interest away from East Asia to Europe was highlighted. Participants agreed that a decreased U.S. regional presence would be detrimental to stability, but acknowledged that it would be unrealistic to expect the United States to focus solely on East Asia. The transatlantic relationship continued to be critical for the United States, and even there it was likely that Washington and Beijing would find themselves involved in the same interests.

On the current security architecture in East Asia, five observations were made. First, East Asia was facing

both traditional and non-traditional security challenges. Second, the region had no single overarching and deeply institutionalised architecture to manage these challenges. Third, ASEAN's importance in the multi-layered regional architecture stemmed from its "weakness" (being composed mainly of small states) and neutrality. Fourth, ASEAN-based multilateral arrangements formed the base of the collective defence superstructure, furnished by the U.S.-led bilateral alliance system. Fifth, the notion of ASEAN centrality in the East Asian regional architecture has had to contend with alternative visions of regional management, such as one which is more streamlined.

Professor **Pavel Baev**, Peace Research Institute Oslo (PRIO), opined that there were compelling reasons for Russia to 'Go East', one of which was based on Moscow's preoccupation with Washington's policy and interests in East Asia. Russia also felt that it had the flexibility and room to manoeuvre among countries in the East Asian region. In accordance with this, Russia's interest in the Arctic was partly due to the growing attention paid by China and other East Asian countries to the High North.

However, Russia's emphasis on East Asia competed with



Professor Pavel Baev

PLENARY SESSION I

two other visions in its foreign policy, namely prioritising its relations with the Atlantic/European Union, or with the Eurasian Union. Referring to the unfolding Russian military intervention in Crimea, Baev suggested that by justifying its actions in Ukraine as protection of its compatriots, Russia risked undermining its credibility both with the advanced and emerging nations. Regardless, Russia's attention remained with events in Eurasia and Europe, making it hard for it to focus more on East Asia.

Professor **William Tow** of the Australian National University, pointed out that the U.S. rebalancing strategy was in order to (i) strengthen U.S. bilateral security alliances while simultaneously deepening U.S. relationships with rising powers; (ii) interacting effectively with Asia Pacific multilateral institutions; (iii) expanding U.S. trade and investment in the region; (iv) maintaining and projecting a broad-based military presence in the region; and (v) advancing democracy and human rights.

He added that re-balancing was more challenging than originally anticipated because the military component had overshadowed the diplomatic and economic components. He noted that there was a need for the U.S. to be consistently participating in regional diplomacy and to adopt a "win-win" approach to regional diplomacy. Observing that the U.S. "Achilles heel" was its domestic situation in which there was very little bipartisan

consensus, he nonetheless cautioned against seeing this as a sign of American decline as the United States had the resources and strength to "replenish itself."

Ståle Ulriksen of NUPI, the Norwegian Institute of International Affairs, shared that the present multilateral international system could be quite unstable especially if not all major powers share similar perspectives concerning international norms. He added that the best case situation of international cooperation could be achieved only if great powers were to be responsible stakeholders. Noting that the future was highly uncertain, he noted that present alliances were changing rapidly and that opportunities may present themselves unknowingly.

On the situation in East Asia, he commented that there was an arms race among states and military modernisation (especially China) was on the growth. He pointed out that the Air-Sea Battle and "off-shore balancing" were concepts that threatened the Chinese and that China would strive to overcome these challenges. He also cited the India-China relationship as one to watch closely and opined that the Indians had an "inferiority complex" when comparing themselves to China. As such, he was not optimistic of the overall situation in Asia and that this could result in a "spiral of tensions" in the global system.



Ms Thea Martine Ottmann, First Secretary & Deputy Head of Mission (left) and Professor William Tow





Q&A and Panel Debate

Implications for Norway and the international system as we know it

The question and answer sessions for the panellists was moderated by Associate Professor **Tan See Seng** of RSIS, who further provided an update and overview of ASEAN's role within the region's evolving security architecture, as well as by Ms **Kate Bundt**, Norwegian Atlantic Committee (DNAK). The rise of China and its implications for U.S. re-balancing strategy were discussed. It was mentioned that so long as China acted as a responsible stakeholder, the U.S. was prepared to welcome its presence as a global power. Also, the U.S. re-balancing policy was about giving Washington greater flexibility in responding to the changing situation on the ground and not about an actual deployment of stationary forces. It was noted that China, to some extent, had been "conditioned" by the international system to behave as a responsible stakeholder and that the U.S. re-balancing had also served that purpose. China on the other hand was also trying to reassure the U.S. that it did not, and would not, challenge American primacy in the region.

On China-Russia relations, it was observed that good relations the past few years had allowed China greater space in its political manoeuvres. The ongoing crisis in Crimea however had complicated the situation and had created a crisis within the European security community. Also, competition for energy resources in Central Asia had also led to new dynamics between Russia and China, in light of the fact that China has a "voracious appetite" for resources. There were also concerns in Moscow that China had made substantial inroads into energy resources in Central Asia. While the Russian official line is that this was acceptable, there exists nevertheless all sorts of "hidden tensions" in the China-Russia relationship that could possibly result in conflict between both countries.

Finally, it was mentioned that the U.S. will likely continue to maintain its power advantage relative to China and Russia due to weaknesses in both countries. Militarily, China was still far behind the U.S. and had yet to demonstrate its resolve to lead the international community while Russia continued to be plagued by energy-market and demographic concerns and was unable to project power. Despite criticisms of the U.S., both China and Russia were still unable to produce any creative alternatives to the American-led order.

PLENARY SESSION II

Asia – New Players in the Arctic?

Leiv Lunde, Director of the Fridtjof Nansen Institute, shared his view that the Arctic was part of a major global complex which comprised stakeholders from government and non-government entities. Although the high north was a relatively low tension area, spill-over effects from conflicts in other parts of the world could lead to increased conflict in the Arctic. He noted that Asian countries tend to adopt a longer term perspective to policymaking and highlighted that Asia's need for energy inputs was a result of its economic growth.

General political miscalculations could also cause countries to eye each other with suspicion while the lack of a crisis management mechanism could also result in conflict. According to Lunde, Russia would "reign supreme" in any given Arctic scenario while China would stand to gain much if it is able to manage its relationship with Russia well. Other countries projected to be key Arctic players by 2030 also include South Korea, the U.S., Japan, Canada, Germany, the United Kingdom, Finland and Norway. As a result, the challenge would be to strike a balance between economic activity and long-term sustainability.

Mia Bennett, University of California, Los Angeles, provided an historical overview of Asia/Arctic relations dating back to pre-historic times. The contemporary situation revolved about three key geographical areas, namely, Northern Europe, Arctic Coastal Russia and Alaska/Northern and Western Canada. Seen from this perspective, a more expansive view of the Arctic based on flows of economic activity rather than territory and arbitrary cartographic lines was needed.

On the political implications of new dynamics in the Arctic,



Mia Bennett

it was pointed out that Arctic Council Observer Status was mostly symbolic and would be unlikely to change the operational status quo. Bilateral relationships will continue to trump multilateral relationships for Asian states in the Arctic as they do not wield decision-making powers in the Arctic Council. There was limited potential for Asian cooperation in the Arctic due to strong competition. Finally, new observers will have to continually prove that they are up to the task and that they were contributing to the work of the Council while not overstepping their bounds.

Yang Fang, Lee Kuan Yew School of Public Policy, described the overall ties between China and Russia as a "strategic partnership", adding however that their relations in the Arctic may not be straightforward, given Russia's uneasiness over China's increasing influence in the Arctic. China is an important current and potential buyer of Russia's energy resources, which has also allowed Moscow to benefit from expanding its energy exports in China in order to diversify from the European market.

It was emphasised that China was heavily dependent on maritime trade and transportation, and that the Northern Sea Route offered a shorter alternative compared to the traditional sea route through the Malacca Straits and Indian Ocean. Similarly, many Russian companies had expressed interest in attracting investment from countries such as Norway, Japan, South Korea, India and Singapore on shipbuilding, port construction and marine engineering. The pragmatic orientation of both Russia and China would likely result in greater cooperation between both countries on a commercial level through bilateral and multilateral arrangements.



Yang Fang

Q&A Panel Discussion

The question and answer sessions for the panellists were moderated by **Jo Inge Bekkevold**. Panellists agreed that political relations between major powers (Russia, China, and Japan) would inevitably affect the future of the Arctic. Political differences aside, the business environment would play a significant role in fostering cooperation or conflict among states. There were many unknown variables impacting upon the Arctic interests of Asian countries, including of course, climate change. The importance of the Arctic is not felt uniformly in Asia, especially among smaller states that have little interest in its development.

On whether the Arctic represented a maritime route that could complement trade routes through Central Asia, it was highlighted that building roads in the latter was prohibitively expensive and that there were other risks attached to doing so. Given China's focus on energy security, there was a strong interest in the Northern Sea route although other factors such as access to technology and price would affect energy outcomes. The development of shale gas markets was mentioned as one significant contingent factor on the potential for the Arctic to emerge as a significant future source of supply for Asia.

The China-Korea-Japan "triumvirate" was cited as another major Arctic factor. Only countries with strong economic interests would see the need to plan for long-term outcomes. This limits the extent to which most smaller Asian countries could contribute to the Arctic. Despite this generalisation, and Singapore's geographical distance from the Arctic, it is in a good position to contribute in terms of moderating/consolidating diverse views within the Arctic Council.

Ambassador Simon Wong, Singapore's special representative on Arctic issues, emphasised that Singapore conducts forward-looking diplomacy, entering new areas while still at the budding stage, because Singapore needs to move quickly owing to its small size. He outlined three principles:

First, Singapore, as a low-lying island, needs to prioritise environmental survival. Developments in the Arctic will eventually impact Singapore, even if Singaporeans feel only remotely attached to the distant region. There is therefore a need for Singapore to educate its citizens on the importance of the Arctic.

Second, Singapore is dependent on trade routes. Hence, freedom of navigation and the rights of those countries along these routes are critical for Singapore's survival. It also can contribute capabilities such as icebreakers and marine energy exploration, with its companies keen to open the new Arctic frontier.

Third, Singapore, with no natural resources of its own, is always looking to develop human resources and protect minority rights as part of this policy. As such, Singapore can thus offer a helpful role in engaging the indigenous peoples in the Arctic region.

Ambassador Else Berit Eikeland gave an overview of the Arctic Council from a Norwegian perspective, noting that Russia is Norway's close partner in the Council with the two countries sharing similar views regarding the United Nations Convention on the Law of the Sea (UNCLOS). Russia's interest in developing consultation and dialogue with new observers of the Council was also highlighted. North-western Russia is also growing economically along with other Arctic coastal states, with investments increasingly made in coastal oil and gas, as well as fisheries in these states. This makes the Arctic the most important priority in Norway's foreign policy.



Ambassador Simon Wong (left)

Canada's contribution is also significant, given that it has an interest in developing indigenous businesses.

The Arctic Council has been criticised by some quarters as an inefficient "talk shop", yet it should be noted that it is a forum rather than a treaty-based organisation. While new observers are seen as having little influence, the Council itself operates more on the basis of influence, competence and networking rather than traditional decision-making, with its main goal to build consensus among Arctic states.

Ian Storey, Institute for Southeast Asian Studies, remarked that territorial and maritime boundary disputes in the South and East China Seas have rapidly risen to the top of Asia's security agenda, with the risk that an accidental clash could escalate into a serious crisis. The South China Sea claimants have much to learn from the way Arctic states manage their disputes, working towards resolutions, and building trust and cooperation. The different manner in which Arctic states and South China Sea claimants approach their disputes is noteworthy. Arctic Council members have demonstrated strong commitment to the 2008 Ilulissat Declaration, in which they pledged to resolve their claims in accordance with UNCLOS. But in the South China Sea, China has rejected international legal arbitration as a means of resolving disputes, preferring bilateral negotiations.

The South China Sea claimants can learn three lessons from Arctic cooperation. First, the settlement of maritime boundaries removes disputes over fisheries

and enables commercial development of seabed resources. Second, all disputants should genuinely commit themselves to resolving their disputes in accordance with international law. Third, functional cooperation is crucial to building trust, especially in the absence of conflict resolution.

Haakon Svane of the Norwegian Shipowners' Association focused on Norwegian national and contingency planning for maritime security. It was underscored that the Shipowners' Association carries out contingency tasks for ship owners and the government. The Shipowners' Association works closely with the Norwegian Armed Forces, adding to its close cooperation between government and industry. It also provides crisis management support for a variety of emergencies as well as advice to industry and government on risks such as piracy, terrorism and political threats.

The Arctic Northeast Passage may be a safer alternative to the other more well-known sea routes such as the Suez Canal, but at this point the former is no viable substitute. Climate change offers new commercial opportunities as the ice recedes, with the potential for opening up new energy offshore fields. However, environmental and navigational issues, as well as search-and-rescue are major concerns. All in all, there is currently no "race for the Arctic", and market mechanisms as well as competition, including considerations of transit and energy production costs, will influence activity in the Arctic.

Q&A and Panel Debate

The concluding panel discussion was moderated by Dr **Euan Graham** of RSIS, Senior Fellow and Coordinator of the Norway-Asia Security Project. A concern was raised regarding the potential impact of the opening of Arctic routes upon Singapore's trade. It was emphasised that Singapore's interests in engagement in the Arctic go beyond trade, for trade routes will be affected by great power rivalry in the Arctic and South China Sea. Moreover, Singapore needs to focus on the environment and rising sea levels as a priority, as climate change will impact upon Singapore's survival even before any benefits from the Arctic can accrue.



Ambassador Else Berit Eikeland

Participants raised concerns regarding the impact of Western tensions with Russia on the country's role in the Arctic Council. However, it was noted that Russia's and Norway's interests coincide in the Arctic, and cooperation between Norway and Russia has been successful. Russia also has a different approach with its near abroad as compared to regions further away – Russia has in fact signalled that it prefers peaceful cooperation in the Arctic. The main concern would be the possible impact of sanctions, which could make travelling to Russia for Expert Group and other meetings difficult if not impossible.

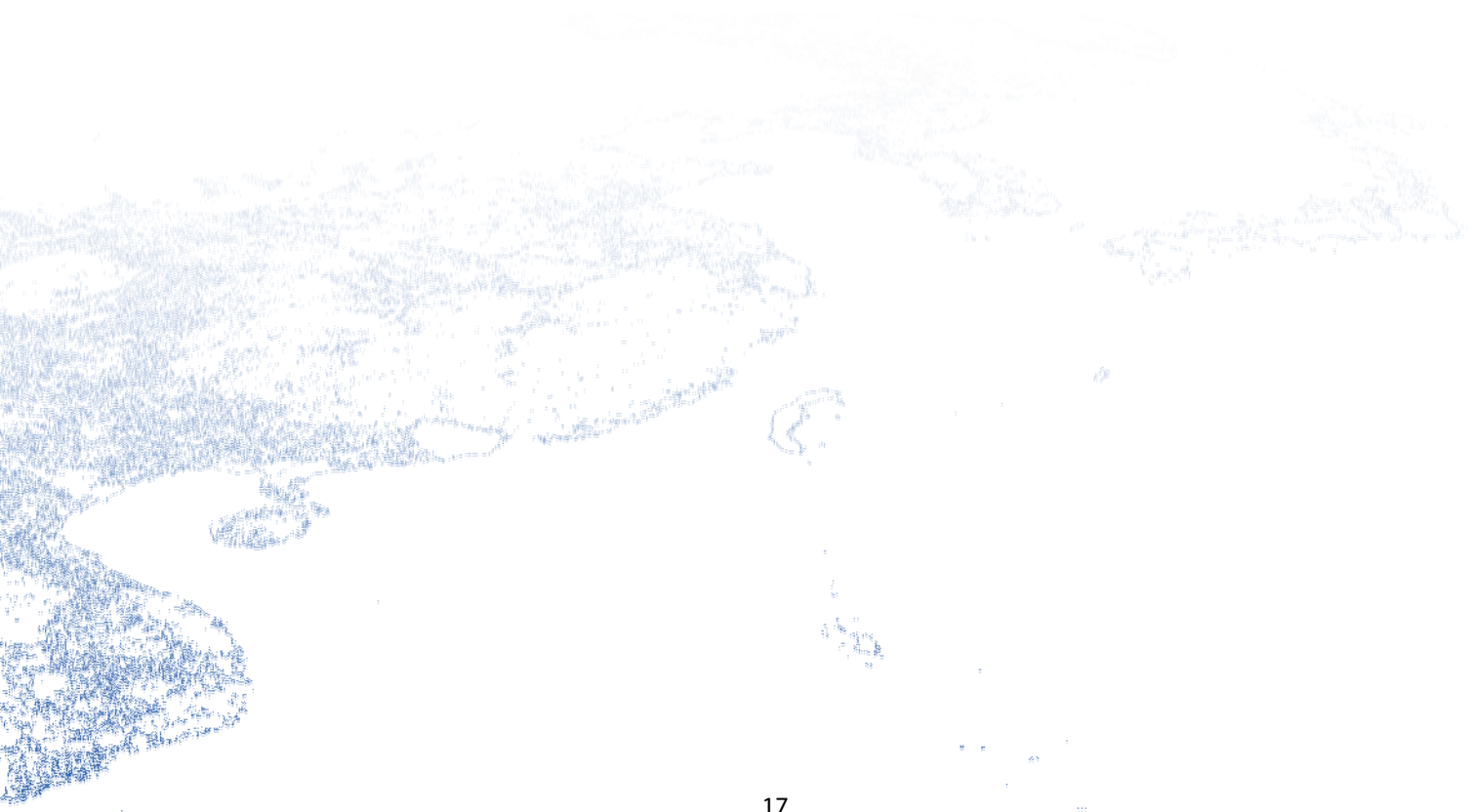
Attention was also focused on China, since China appears to have attracted negative attention with its perceived assertiveness in territorial disputes. Nonetheless, like Russia, China is taking different positions in the South China Sea as compared to the Arctic. China is not making claims in the Arctic, but is focused on commercial activities and thus has an interest to abide by the rules there.

Even though the challenges and risks in the Arctic relate more to safety than security, one participant highlighted that there are hints of potential security and strategic concerns. While the Arctic Council was not set up to look into security issues, it will have to adapt as more countries join the organisation. Even so, there appear to be no major Arctic security issues in the horizon, as the countries involved have adhered to international norms, while most natural resources have yet to be explored. Territorial, as opposed to boundary disputes, are minimal among the Arctic states.

With the upcoming U.S. presidency of the Arctic Council, concerns were raised about the reputation risks for the U.S., given its non-ratification of UNCLOS. It was asserted that, as long as the U.S. openly commits to abiding by UNCLOS, and the Administration demonstrates its intention to follow up with ratification, then as long as the situation in the Arctic remains stable, there would be little problem.

CONCLUDING REMARKS BY AMBASSADOR TORMOD C. ENDRESEN

Tormod C. Endresen concluded the event by posing the open question on whether Norway could continue to benefit from Asia's growing global influence, and whether Norway would reap economic gains at the expense of political influence. It was underscored that big power rivalry could suppress multilateral governance, which would matter a great deal for the region. But Norway has been able to conduct its own "re-balance" to Asia, with the country making efforts to partner with ASEAN. Norway is, after all, a valued bilateral partner with many countries, including Singapore, and continues to play a major role in areas important to all parties. Given this position, Norway could triangulate different views from all parties. At the same time, Arctic cooperation is a highly important asset and Norway will continue these efforts moving forward.



ABOUT THE S. RAJARATNAM SCHOOL OF INTERNATIONAL STUDIES

The S. Rajaratnam School of International Studies (RSIS) is a professional graduate school of international affairs at the Nanyang Technological University, Singapore. RSIS' mission is to develop a community of scholars and policy analysts at the forefront of security studies and international affairs. Its core functions are research, graduate education and networking. It produces cutting-edge research on Asia Pacific Security, Multilateralism and Regionalism, Conflict Studies, Non-Traditional Security, International Political Economy, and Country and Region Studies. RSIS' activities are aimed at assisting policymakers to develop comprehensive approaches to strategic thinking on issues related to security and stability in the Asia Pacific.

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