

Southeast Asia

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Southeast Asia REVIEW

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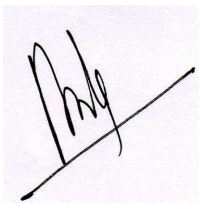
Director's Note

The Southeast Asia Research Programme at the Institute of Peace and Conflict Studies (IPCS) is a unique programme and perhaps one of the few programmes in South Asia. The primary objective of the SEARP is to undertake research on Southeast Asian issues, build capacity, organise discussions, and provide alternative approaches to the government of India. The programme also aims to bring the two regions closer through networking and interacting with ASEAN countries.

The SEARP's research focus ranges from bilateral relations between India and ASEAN countries to issue-based research on topics such as the India-ASEAN FTA, aviation cooperation, geo-strategic issues, internal political developments in ASEAN countries, terrorism and maritime affairs. During April-June 2011, the SEARP's research focused on understanding the internal political scenario of various Southeast Asian countries, such as Myanmar, Singapore and Thailand, as also on the conflicting nature bilateral relations - Thai-Cambodian and Thai-Myanmarese. Towards this end, the IPCS research team interacted with Ambassador Shyam Saran, the former Indian Ambassador to Myanmar and published a series of commentaries based on their discussions and an interview report titled 'India's Strategic Interests in Myanmar'.

This issue, a compilation of SEARP's publications provides a wide-ranging commentary on the season's most outstanding issues. ASEAN and India: A Perspective from Indonesia is a transcript of the address delivered by HE Lt Gen (Retd) Andi M Ghalib, Ambassador of the Republic of Indonesia to India, and 18th ASEAN Summit: A Critique is a report based on an IPCS discussion led by Amb Navrekha Sharma and Prof Baladas Ghoshal on the recently concluded ASEAN summit (06-07 May 2011) in Jakarta. In Indonesia as ASEAN Chair: What Priorities?, Panchali Saikia argues that Jakarta should push for the deepening of the organization's institutions. Siddharth Ramana, in Does Myanmar have Nuclear Ambitions?, wonders whether such aspirations, if any, ought to be monitored by India. EU Sanctions on Myanmar: What Next? by Sripathi Narayanan makes a case for greater engagement with the military junta. The need for a more pragmatic Thai approach towards Myanmarese refugees is argued in Panchali Saikia's Stuck in No Man's Land: Thailand's Repatriation of Myanmarese Refugees. Teshu Singh examines the claims in South China Sea and Vietnam's recent show of aggression in contested waters in a series of article: China-Vietnam Friction: The South China Sea Factor and China, the Philippines and Vietnam: Conflicting Claims in the South China Sea. The Thai-Cambodian Border Dispute: From Friction to Fire by Panchali Saikia was published in the Mainstream Weekly Journal 25 June 2011 edition.

In the next quarter, the SEARP will focus on the following two issues: 'Trans-Boundary Water Management: A Benefit-Sharing Mechanism in the Mekong Sub-Region' and 'Northeast as an Engine of Growth: Exploring and Expanding Linkages with Southeast Asia'. The research findings of these projects will be respectively published as a Special Report and a Policy Recommendation paper.



D Suba Chandran

Special Report

ASEAN and India: A Perspective from Indonesia

Transcript of the address delivered by HE Lt Gen (Retd) Andi M Ghalib, Ambassador of the Republic of Indonesia, at the IPCS Confernece Room, on 15 April 2011

On this auspicious occasion, let me first extend my sincere appreciation and gratitude to Institute of Peace and Conflict Studies, for inviting me to deliver a few remarks on “ASEAN and India: A Perspective from Indonesia.”

I am truly delighted to be able to see you here to participate in this occasion. I feel privileged that I should have this opportunity to share some thoughts on ASEAN and India. As I am sure you are all aware of, India became a Sectoral Dialogue Partner of ASEAN in 1992 and a Full Dialogue Partner at the 5th ASEAN Summit in Bangkok, Thailand on 14 - 15 December 1995.

At the 1st ASEAN India Summit in Phnom Penh, Cambodia, on 5 November 2002, the leaders of ASEAN and India committed to enhance cooperation in the fields of political and security, trade and investment, human resources development, science and technology, information and communication technology, health and pharmaceuticals, agriculture, transport and infrastructure, tourism, biotechnology, small and medium enterprises and people to people contacts. This commitment was then fortified by the signing of the ASEAN - India Partnership for Peace, Progress and Shared Prosperity and its Plan of Action at the 3rd ASEAN - India Summit in Vientiane, Lao PDR on 30 November 2004. Since India became a dialogue partner of ASEAN, India has been actively participating in various meetings with ASEAN, including the ASEAN - India Summit, East Asia Summit, ASEAN Regional Forum (ARF), Post Ministerial Conferences (PMC) and other sectoral bodies' meetings.

Distinguished Participants, Ladies and Gentlemen, in terms of the achievement of the ASEAN Community in 2015, India supports economic integration of ASEAN countries and it also hopes that the Agreement on Economic Partnership between ASEAN and India will be realized by the end of 2011. The partnership is crucial to bring the trade and economic cooperation between ASEAN and India onto a higher level. There are vast opportunities

that may rise with the establishment of ASEAN Economic Community in 2015 coupled with India's high economic growth. The two events are the right ingredients in the synergy to develop and promote economic growth in the region. ASEAN and India's population count for one third of the world's population projected to be the “main drive” for the world's economy in the next few years. The projected 50 billion USD worth of trade in 2010 between ASEAN and India first announced in 2007 during the 6th ASEAN and India Summit was achieved in 2010, wherein India's export to ASEAN amounted to 22.52 billion USD and its import was 27.81 billion USD or an increase by 22%. In view of the above, both ASEAN and India are quite optimistic that the trade between them would hit 70 billion USD in 2012; in line with the implementation of ASEAN and India Trade in Goods Agreement. There is high hope that the two parties would be able to complete the negotiation for the FTA on Services and Investment by the end of this year. FTA in Goods with ASEAN was operationalized from January 2010. Once fully implemented, the FTA will help create a market of

nearly 1.8 billion people and combined GDP of USD 2.8 trillion. The ASEAN-India FTA would also be the cornerstone of the growing and prospering partnership in the region.

“The projected 50 billion USD worth of trade in 2010 between ASEAN and India first announced in 2007 during the 6th ASEAN and India Summit was achieved in 2010, wherein India's export to ASEAN amounted to 22.52 billion USD and its import was 27.81 billion USD or an increase by 22%.”

Distinguished Participants, Ladies and Gentlemen, Indonesia is indeed privileged to be the Chairman of ASEAN in 2011. Despite the fact that the nature of the challenges that are con-

fronting ASEAN is now complex, multifaceted, simultaneous and transnational, Indonesia will strive to succeed ASEAN as a driving force in the regional architecture building that is dynamic, constantly evolving, and fluid. Likewise, Indonesia will help ensure in achieving the ASEAN Community 2015 and in rolling out the vision of ASEAN post 2015 to be in line with the theme of ASEAN 2011 "ASEAN Community in a global community of nations."

The year 2011 also marks an important juncture in ASEAN cooperation with dialogue partners, including India. In this regard, the ASEAN plus One framework has contributed significantly to ASEAN community building process and to address emerging challenges.

With a view in preparing the ASEAN India Commemorative Summit that will take place in India in December 2012, India and ASEAN need to better promote government to government and people to people contact. It is also expected that recommendations yielded by the ASEAN-India Eminent Persons Group may help enhance future cooperation in science and technology, agriculture, education, as well as trade. More importantly, India and ASEAN should realize their connectivity, both physically and intellectually, by taking advantage of the strategic location of both mainland and engaging in dialogues in the infrastructure building and mobilization of resources. To this end, it is hoped that comprehensive connectivity between ASEAN and India will boost economic growth and competitiveness.

Distinguished Participants, Ladies and Gentlemen, in 2005, India and Indonesia had agreed on a New Strategic Partnership to promote and expand cooperation that can increase the welfare of both countries' peoples.

On 24 - 26 January 2011, the Prime Minister of India HE Dr Manmohan Singh welcomed the President of the Republic of Indonesia HE Dr H Susilo Bambang Yudhoyono on a State Visit to India as the Chief Guest on the occasion of India's Republic Day on 26 January 2011. The two leaders expressed satisfaction at the growing trade and investment ties between Indonesia and India. Noting that the bilateral trade volume between Indonesia and India had increased nearly threefold since the establishment of the Strategic Partnership between the two countries, the two leaders agreed to set the new target for bilateral trade volume of US\$ 25 billion by 2015. During the last state visit in India, 14 (fourteen) MoUs and Agreements signed on G to G as well as 18 (eighteen) MoUs signed on B to B. Post the state visit, these 18 (eighteen) business deals worth US\$ 15 billion, covering Indian investment in natural resources, infrastructure, and services in Indonesia.

Distinguished Participants, Ladies and Gentlemen, The signing of the said 32 MoUs and Agreements cover a wide range of cooperation. The agreements are indeed comprehensive in nature: ranging from political and strategic agreements such as mutual legal assistance and extradition to economic issues, such as air services and health cooperation. And, from weather and early warning cooperation in science and technology to cultural exchanges and education. Likewise, in order to enhance people to people contact, India has given the visa on arrival facility to the Indonesian citizen who will travel to India. Indonesia had al-

ready given the same facility since 2002. Bilateral trade between our two great nations has grown significantly in the last few years.

In 2005, there was the target of achieving a bilateral trade volume of US\$ 10 billion by 2010. This target was attained in 2008, two years earlier than scheduled. The trade volume of Indonesia and India in 2010 has reached US\$ 13.2 billion. The realization of India's investment in Indonesia has also increased, from US\$ 11.6 million in 2007 to US\$ 28.5 million in 2010. This, as a consequence, makes Indonesia the second largest trade partner of India in ASEAN. Indian investment is present in various industries, including mining, automobiles and machinery, clothing, agriculture, and chemical. Among the ASEAN countries, Indonesia, the largest country in Southeast Asia is only India's second

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biggest trading partner. We need to ensure that Indonesia becomes the first biggest trading partner. Among Indonesia's major investors, India only ranks as the 18th largest on our list. We look forward to see India among the top ten investors. We have noted that there is tremendous increase of Indian tourists to Indonesia, starting from 37.000 tourists in 2005 to more than 145.000 tourists in 2010. For your information, Indonesia has launched

Visit Indonesia Year 2011 with our theme “Wonderful Indonesia”, with the target of 7.7 million tourists, including 160.000 tourists from India. I do believe that we can achieve this target, noting that there will be direct flight from Indonesia to India in mid of 2011. In this regard, I also welcome the decision of the Government of India to launch the scheme of visa on arrival for Indonesian during the state visit of Indonesian President on 25 January 2011. We take note that the Indonesian tourists to India in 2009 were only 20.000, and will be increased in the future by this new policy of visa on arrival.

Distinguished Participants, Ladies and Gentlemen, in closing, I hope that in years to come, India will be one of ASEAN greatest partners in various sectors. Thank you.

Special Report

18th ASEAN Summit: A Critique

Report based on an IPCS discussion (led by Amb Navrekha Sharma and Prof Baladas Ghoshal) held at the IPCS Conference Room, on 13 May 2011, on the recently concluded ASEAN summit (06-07 May 2011) in Jakarta. Drafted by Panchali Saikia, Research Officer, SEARP, IPCS

SUMMARY

- Unlike the 17th ASEAN summit, which was held against the backdrop of Chinese claims over the South China Sea, there were no major international issues, that brought the ASEAN countries together during the 18th summit.
- Myanmar assuming the next ASEAN chair was a major issue of focus during the 18th summit. ASEAN is likely to pressurize Myanmar to make measures (even cosmetic) before agreeing over this issue.
- Connectivity outside and within Southeast Asia, Food and Energy Security, Disaster Management and Sub-regional cooperation were the other main focus areas during the 18th ASEAN summit.
- The 18th ASEAN summit was seriously imperiled by the ongoing border conflict between Thailand and Cambodia.
- Failure of the ASEAN to convince Thailand and Cambodia to cease hostilities was a major failure of the 18th summit, highlighting ASEAN's inability to deal with internal differences among member countries.

Amb Navrekha Sharma

ASEAN's growing social integration and assertion of regional identity serve its relative strength as a regional organization. ASEAN, formed in 1976, originally included Indonesia, Malaysia, Philippines, Singapore and Thailand, and had a limited but an important role to play. The legacy of 'Swarnabhoomi', a group of 30,000 islands that constitute ASEAN, represents the harmonious social interaction of the association, along with a common sense of community. Today, with the membership extending to include Brunei, Myanmar (Burma), Cambodia, Laos, and Vietnam, the regional forum aspires to create an ASEAN community by 2015, modelled on the European Union (EU). Initially, the common factor linking these countries was an anti-communist sentiment which later led to cultural linkages popularly known as the 'ASEAN Way'. The display of harmony with a combination of cultures

provided a base for strengthening the regional structure.

Although the member countries have different political systems, they have been able to successfully manage their relationships. The economy of the region started to boom in the 1990s, but the 1997-98 financial crisis created differences among the members with unexpected political repercussions. The political and social effect of the economic recession was a

“The 18th ASEAN summit organized under Indonesia's chairmanship represented the dilemma between ideals that are cherished by the members of the community and the implementation of these ideas.”

huge setback for the regional institution. Under the leadership of Indonesia, ASEAN succeeded in overcoming this catastrophe. ASEAN successes and failures have

always been dependent on Indonesia's role. ASEAN, under Jakarta's leadership, produced the Bali Concord I, initiating the Treaty of Amity and Cooperation and Bali Concord II, which initiated the ASEAN Economic Community. Indonesia has led from behind the scenes, and has handled sensitive political issues such as the Thai-Cambodian border dispute commendably. ASEAN's efforts to call for the release of Aung San Suu Kyi represent the credibility of the organization.

Prof. Baladas Ghoshal

The 18th ASEAN summit organized under Indonesia's chairmanship represented the dilemma between ideals that are cherished by the members of the community and the implementation of these ideas. The civil society in Jakarta claimed that the summit was disorganized, unprofessional and chaotic. It was in sharp contrast to the last summit that was held in Hanoi, Vietnam. The 17th ASEAN summit received wide media coverage whereas this year it was conspicuous by the absence of reporting. The 18th summit was clouded by division on the question of the Thai-Cambodian border dispute, which could not reach any significant agreement. Also the question of Myanmar assuming ASEAN chair in 2014 received a cold reception. Initially a communiqué was released announcing Myanmar's Chairmanship, which was later brought under consideration again. A review of history shows that ASEAN has struggled to manage its internal disputes. Although measures for constructive engagement

have been proposed, they could not make any tangible progress, first, due to the ASEAN non-intervention policy and second, due to the hidden skeletons of its own members. For instance, the Preah Vihear temple dispute between Thailand and Cambodia is yet to be resolved. The International Court of Justice (ICJ) declared Cambodia the rightful owner but the changing contours of borders also meant that Thailand had, at one point, made inroads into Khmer territory. Indonesia's effort to mediate between the two countries and send observer teams along the border was refused by both Cambodia and Thailand. Indonesia's theme 'ASEAN community in a global community of nations' is too ambitious: ASEAN should first concentrate on resolving its internal conundrum. ASEAN always needed the assistance of the international community in resolving its internal disputes. For instance, the Pedra Branca dispute between Malaysia and Singapore in 1979 was largely resolved by the International Court of Justice (ICJ) in 2008. The international community's support and assistance during the East Timor economic crisis and the 1997-98 environmental crises in Southeast Asia are also notable.

The 18th ASEAN summit was also important in terms of the consideration of Myanmar's chairmanship in 2014, but the leaders preferred to shift the focus from Myanmar to other issues such as food security and energy security. ASEAN receives huge support from the EU and due to Myanmar's human rights issues especially as perceived in the West; they wished not to further provoke the international community. Moreover Human Rights Watch had launched a scathing rebuke of ASEAN's proposal to appoint Myanmar as Chair of the organization. In 2006, therefore, the offer to Myanmar was withdrawn. Finally, the issue of connectivity has been dominant in most of ASEAN discussions, including the recent one. By improving its connectivity and linkages, ASEAN has created economic value for itself on a regional basis instead of only on a countrywide basis. It has been relatively successful in its economic integration, which is a result of neither government policy nor a conscious effort, but a function of global capital, multinational companies and investors.

Discussion

Indonesia as the ASEAN chair might succeed in its own economic growth, but leading ASEAN towards economic integration in a short period will be tough to achieve. The economic integration of ASEAN is unrealistic because of economic disparities, lack of political will and differences amongst its members. However, in terms of greater integration, ASEAN has im-

proved its economy post the 1997 financial crisis. ASEAN trade, which was less than 10%, has now increased to 30%. It is not feasible to compare ASEAN to the European Union. EU intra-association was created by capitalizing on the need for the evolution of a United European nation state, which took three to four hundred years to evolve. Due to Asia's colonial past, ASEAN countries have different issues to contend with before its anticipated integration by 2020. It is important for India to use its soft power in Southeast Asia. Although India cannot export democracy, it can help in

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capacity building and the development of democratic institutions in Southeast Asian countries. It can provide technical assistance and indirectly use its soft power by providing human resource development, education and training in Myanmar.

The East Asia Summit (EAS) in October 2011 will bring international focus with the new membership of

the US and Russia. Interactions between ASEAN countries have been either bilateral or trilateral. They have not seen the institution as a trusted source of interaction. Engagements with outside power like the US, China, India and Russia will help in extending ASEAN's global influence. For the resolution of both internal and international disputes, ASEAN architecture will not suffice. However, it is also important to retain ASEAN credibility as on one hand, although there are countries like Indonesia and Singapore that have the capacity to look beyond ASEAN, on the other, there are smaller countries that need ASEAN's support. There is a huge division among the Southeast Asian countries in terms of support for the US and China. How is ASEAN going to manage the friction that is emerging between China and the US in the region with these diverse opinions among its members?

Despite all these issues, ASEAN's importance as a regional structure cannot be denied. The creation of goodwill among its members, frequent interaction-level meetings which is lacking in other organizations such as SAARC and especially prevalent in South Asia, and ASEAN's increased role in the global arena cannot be disregarded. ASEAN has been relatively successful, if not in resolving conflicts, then at least in managing them in limited proportions. However, by extending its global influence and with the inclusion of the US and Russia in the EAS, it will be important to retain the centrality of ASEAN.

COMMENTARIES

Indonesia as ASEAN Chair: What Priorities?

**Panchali Saikia , Research Officer,
SEARP, IPCS**

The greatest flaw in ASEAN has been its inability to manage internal conflicts. Frequent border clashes, maritime disputes, ethnic tensions, local insurgencies and religious violence and extremism have threatened the legitimacy of the regional organization. Indonesia has been one of the leading and active members of ASEAN. Since it has now taken over as ASEAN Chair for the year 2011-2012, what can Jakarta do to meet these challenges? How can Indonesia demonstrate its ability to effectively manage the growing internal and external threats and maintain the credibility of the regional organization?

The tangible step towards creating a new regional atmosphere will depend on Indonesia's foreign policy interests. In 1976, under Indonesia's leadership, ASEAN produced the Bali Concord-I initiating the Treaty of Amity and Cooperation and in 2003 Bali Concord-II which initiated the ASEAN Economic Community. As one of the largest democracies and economies in Southeast Asia and the only regional representative of Southeast Asia at the G-20, Indonesia can provide ASEAN a platform to expand its global influence. However, whether these policies and reforms initiated by Indonesia as ASEAN Chair will be appreciated by other ASEAN members remains doubtful.

The persisting challenge for ASEAN has been the problem of lack of consensus because of its diverse and often disparate members. This poses a serious challenge to the goal of achieving a single integrated ASEAN community. Moreover, with only one year to execute its plans, the chair must focus on and identify the important issues that need immediate attention and action. It has been a major challenge to prioritize a few among the many important issues.

Indonesia's efforts to mediate in the Thai-Cambodia border dispute may no doubt be a sovereign foreign policy decision but it is a challenge to the ASEAN's classical Westphalian principles of sovereignty and non-interference which might also create differences within ASEAN, where some states prefer absolute sovereignty and non-interference policies. On the one hand Cambo-

dia acknowledges Jakarta's efforts, on the other Thailand is wary about ASEAN or Indonesia's interference. Moreover, it is still not clear whether the observer team sent by Indonesia to this border includes members from other ASEAN countries which can eventually become a contentious issue in the regional organization. Indonesia has additional responsibility as the ASEAN chair and must emphasize on strengthening its dispute settlement mechanism and revival of the non-intervention policy of ASEAN.

Another major concern is over promotion of democracy and human rights in the region especially given the political transitions in Southeast Asia such as in Myanmar after the elections and release of Aung San Suu Kyi. Indonesia therefore, needs to promote the ASEAN Inter-

governmental Commission on Human Rights (AICHR) which has failed to operate effectively since its inception.

The debate over inclusion of Timor-Leste as a member of ASEAN has created divisions among the ASEAN member states. Singapore is reluctant to expand the ASEAN at this stage, whereas Thailand and Philippines support Indonesia in including Timor-Leste. Deepening cooperation through the East Asia Summit which now includes the US and Russia besides India, Australia and New Zealand, is a step forward towards giving the ASEAN a global dimension. This strategic inclusion has led to expansion of the regional architecture but delimiting the spheres of influence of these major powers in Southeast Asia will be a challenge for Indonesia.

What should be Indonesia's priorities? Indonesian Foreign Minister Marty Natalegawa has outlined three major tasks for the ASEAN Chair – to make tangible progress towards an ASEAN Community; to establish a dynamic equilibrium between ASEAN and the major powers; and, to ensure that ASEAN can be a peacemaker in a complex world.

However, Indonesia's top priority should be deepening ASEAN's institutional capacity. To this end, Jakarta must emphasize on a more unified stance and cooperation among ASEAN member states to effectively implement its policies. This will not only enable the regional structure to resolve its internal issues but will also provide ASEAN a base to widen its global influence. The 2010 ASEAN Chair, Vietnam, faced major challenges

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in creating a consensus among its member states to resolve regional disputes. With its theme 'ASEAN community in a global community of nations', Indonesia must strengthen the central role of ASEAN in Southeast Asia, overcome these divergent views and emphasize a collective voice from the member states. Moreover, Indonesia should actively engage the dialogue partners and the other major powers in this mechanism as well as actively engage its civil society to promote democracy and human rights which will help Indonesia in its effort to have a 'people-oriented and people-centered ASEAN'.

Indonesia's policies and reforms as ASEAN Chair may or may not bring effective changes but whatever the outcome, in the long-run it will have a major impact on the succeeding chairs – Cambodia (2012), Brunei (2013), Myanmar (2014) and finally Malaysia taking the chair in 2015. Although, it is too early to expect positive results, success towards achieving an ASEAN Community by 2015 will depend on whether the subsequent chairs are able to keep up the pace and process of implementing the policies initiated by Indonesia in 2011.

Does Myanmar have Nuclear Ambitions?

**Siddharth Ramana, Research Officer,
NSP, IPCS**

There are increasing demands in Washington for a review of Myanmar's nuclear programme. Concerns relate to a possible similarity with the militaristic undertones of the North Korean and Iranian nuclear programmes, which threaten Western interests in the region. This article seeks to argue that New Delhi should monitor Myanmar's nuclear progress because Indian interests would also be affected by its nuclear ambitions.

A rationale for Myanmar's nuclearization lies westwards; with developments in Iraq and Libya indicating that Weapons of Mass Destruction can provide a deterrent capability against Western hegemony. The governing military junta would be concerned about a similar fate, especially owing to continued opposition from Western capitals, and the country's attractive energy-rich natural resources. Therefore, to establish a military nuclear programme, it would have to emulate other Asian nuclear powers by going for covert militarization vis-à-vis an overt nuclear energy programme.

Alternatively, this may be a grander Chinese proliferation ploy by covertly encouraging a nuclear Myanmar as a proliferation surrogate, other examples of which

are North Korea, Pakistan and Iran. Such a tactic would be useful in ensuring survivability of regimes which are deemed favourable to Chinese interests. This would further Asia's negative role in bucking the trend in global nuclear nonproliferation.

According to Myanmar defectors speaking to the *Sydney Morning Herald* (1 August 2009), Myanmar is presently developing two nuclear sites, one under international scrutiny, known as the Myaing reactor, located in the Magwe division, and another secret facility inside a mountain at Naung Laing in northern Myanmar. These reports are consistent with other reports revealed in leaked American diplomatic cables dated August 2004, suggesting that nearly 300 North Koreans are facilitating this effort. The latter was established in cooperation with Russia in 2002, while the former, with assistance from North Korea and Iran.

Myanmar, as a signatory to the Nuclear Nonproliferation Treaty, is not allowed to develop nuclear weapons and its nuclear energy ambitions are governed by the 'Small Quantities Protocol'. Under this treaty, Myanmar is supposed to provide the IAEA with 'initial reports' of all relevant nuclear material and to allow the agency to verify those reports via inspections. However, according to the *Washington Times* (14 January 2011), Myanmar has ignored IAEA letters asking for a review of facilities in the country.

Myanmar's interest in nuclear proliferation reportedly began with a tryst in 2002, with the *Sydney Morning Herald* reporting that members of the AQ Khan proliferation network visited the country. According to Western diplomats, former deputy foreign minister Kyaw Thu had visited Iran in 2007 to pursue nuclear cooperation in an effort however to bolster Myanmar's nuclear capability (*Asia Times*, 24 May 2007). It was in the same year that diplomatic ties with North Korea were restored. This is significant since both Iran and North Korea have advanced their nuclear enrichment programmes and also have the ability to launch nuclear-capable vectors.

What works in Myanmar's favour is that it may not need to rely on international nuclear fuel supplies, with the country's Ministry of Energy having identified five areas with confirmed deposits of low-grade uranium. These are at Magway, Taungdwingyi, Kyaukphygon (Mogok), Kyauksin and Paongpyin (Mogok). Additionally, reactor-grade uranium was being mined near Lashio in northern Shan State. It is argued by Desmond Ball, a regional security expert at the Australian National University, and Phil Thornton, a Thailand-based Australian

journalist, that cooperation with North Korea and Iran is being pursued under a 'fuel for technology' programme. A common argument given by countries which seek nuclear reactors is that they need to address their domestic energy demands. Myanmar is entitled to civil nuclear cooperation under its international treaties; however, the energy situation in Myanmar does not make for a compelling case. Myanmar is an energy-rich state, which exports natural gas and allied products. According to the US Energy and Information Administration, Myanmar produces about 1.792 million short tones of coal, of which it used 0.322 for domestic use, and its gas production stood at 408 billion cubic ft, while it used only 115 billion cubic ft of gas. Other reports indicate that the percentage loss of electricity in distribution stood at an alarming 30 percent with almost no use of coal in their energy sector.

These figures suggest that instead of investing in nuclear technology which carries significant capital investment costs and operating charges, the Myanmar government would be well-advised to improve its distribution network and invest in traditional energy resources, both of which have been largely overlooked. It is for these reasons that Myanmar's quest for nuclear energy and its evasion of IAEA inspections raise questions about its nuclear intentions.

Neighbouring states will be concerned about these developments, which would entail complications in trade and bilateral relations arising from resulting international sanctions. This directly concerns India, since its energy interests are in competition with China. A comparable equation is seen in China's gains as a result of India's response to Iran's nuclear programme. Consequently, Chinese opposition to Western interests also impinges on extended Indian interests. For these reasons, Myanmar's nuclear ambitions need to be closely followed by New Delhi.

EU Sanctions on Myanmar: What Next?

**Sripathi Narayanan , Research Intern,
SEARP, IPCS**

On 12 April, the European Union announced that the trade and financial sanctions imposed on Myanmar would be continued for another year. However, travel restrictions on a few civilian members of Myanmar's government were relaxed. The extension of these sanctions includes a travel ban on high-level officials of the 27 member group of the EU, but excludes junior-level officials. Although there is no perceptible deviance from the official position maintained by the EU on Myanmar, these developments warrant a re-examination of the relations between Myanmar and the EU.

The EU will continue with its sanctions despite pleas made by the leader of the National League for Democracy (NLD), Aung San Suu Kyi, who called upon the international community to relax their restrictions on the newly elected government of Myanmar. The For-

eign Ministers of ASEAN have also been requesting the EU and the US to loosen sanctions against Myanmar. In response to these requests, the decision of the EU to lift travel restrictions on a select few individuals falls short of the pleas that have been made. Even though the EU has not changed its stated position, it has come under fire for allegedly turning soft against the ills of the military junta that continues to control Myanmar.

The most apparent reading of the EU's decision on Myanmar is that they still condemn the autocratic regime for its total lack of respect for human rights. The only notable change in its position is the easing up on travel restrictions on the Foreign Minister and some civilian government officials for one year. This will facilitate in the setting up of diplomatic channels of communication between the two, which has been absent for all these years. Such posturing by the EU could be in the hope that it will prompt Myanmar to consider embracing democracy and also uphold human rights, or because the EU considers it as an attempt to understand the psyche of Myanmar. The rationale for the relaxation of travel restrictions can be seen against the backdrop of the general election in November last year. Even though this is the first election in Myanmar in two decades, the international community has criticized it on the basis of it being a state-managed affair with the total absence of any credible opposition to the military junta.

The November 2010 elections were held under the shadow of draconian laws that set forth steep qualification requirements for an individual's candidature. Moreover, the polls were boycotted by NLD, the main opposition party. The government formed post this election is one that is dominated by individuals whose loyalties still rests with the army. Of the thirty-member council of ministers, only four individuals do not have a military background. Thus the present government in Myanmar is criticized as a stooge of the army. Nevertheless, Myanmar has made attempts to democratize, even though it might be limited in both in form and spirit. This election in totality is part of the 'seven step roadmap to democracy' announced by the regime in 2003. This roadmap to democracy is a reflection of the junta's support for a guided democracy that does not challenge the authority or the position of the military.

Another rationale for the loosening of travel restrictions is that Myanmar has been shunned by the international community for a long time with the imposition of highly restrictive sanctions. This has not had any noticeable change in the way the regime has been conducting its business. Therefore, instead of coercing the regime to mend its ways, the international community has only alienated Myanmar and driven it to a more pronounced autocratic stand. The sanctions, as in most cases, have added to the hardship of the people and not the junta, whose primary interest has always been itself and not the welfare of the people.

These sanctions are not complete as Myanmar's relationships with its neighbours at large have helped it to sustain itself. For the neighbouring countries of Myanmar-

-ar, their relationship with the junta has been dictated by ground realities and realpolitik rather than by principles. Either by default or by design, the neighbours of Myanmar face constraints that have forced them to engage with the regime and make substantial investments in Myanmar. Added to this is the geo-strategic position of Myanmar with its untapped natural resources, which has proved to be too great a temptation for its neighbours to ignore.

The future course of action for the EU would be to engage with Myanmar. This being done in an incremental fashion could also encourage the military to sponsor devolution of power in the form of democratization. Along with this are the obvious economic benefits that the EU would reap.

Singapore Elections: The Opposition's Growing Role

**Sripathi Narayanan , Research Intern,
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The city-state of Singapore went to polls on 7 May 2011 to form the 16th Parliament. The incumbent Prime Minister Lee Hsien Loong-led People's Action Party (PAP) won the with a landslide majority. The PAP won 81 of the 87 seats and secured a little over 60% of the votes. This election marks the thirteenth consecutive electoral victory for the PAP since 1959. The 1959 elections were for local self-governance, at a time when Singapore was still a colony of the British Empire.

In 1963, Singapore became an independent country with Lee Kuan Yew as its Prime Minister, the father of the current incumbent. Lee Kuan Yew was the Premier of the republic for over three decades and was also the world's longest serving Prime Minister until he retired from politics in favour of Goh Chok Tong. Goh Chok Tong was in office from 1990 to 2004, and was succeeded by Lee Hsien Loong as Prime Minister. These elections were the second to be fought by the PAP under the leadership of Lee Hsien Loong.

Despite its success, these elections have created a dent in the PAP's armour because it will be sending the largest number of opposition MPs to Parliament yet. Incidentally this is the second consecutive time in the history of Singapore that the electoral results were not known on the day of nomination as the opposition had filed their nomination papers for 82 of the 87 seats (93.4%), the highest number of seats contested since independence. In the previous general elections that were held in 2006, as many as 37 constituencies were secured by the PAP without contest, as compared to the present five. Singapore has a history of being a single party-dominated

polity with instances of unopposed elections being held.

This election has in fact seen a fall in the voter percentage of the PAP. In the previous election the PAP secured 66% of the popular vote and locked 82 seats, this has now come down to 60%. On the other hand, opposition political parties have made marginal electoral gains. The fact that six opposition MPs are in the new Parliament is a landmark event. Incidentally all six MPs are from the Worker's Party (WP), whereas the other five political parties have no representation in the Parliament. This election was also significant because it kept pace with cyber space through the use of social media as a campaigning tool. In addition to this, one in four Singaporeans are under the age of 35, the age group that is more adapted to electronic communication.

The era of electronic communication and new media has been a well-received initiative; especially in light of the opposition's complaints that they were being denied air space by the government-controlled media. In the meanwhile the main opposition party, Worker's Party, has also transformed itself into a party that share's space with the white collar section of society.

The biggest surprise of this election was the defeat of the foreign minister, George Yong-Boon Yeo, who was considered a winning candidate for the PAP, despite his narrow margin of victory in the previous election. His defeat was reportedly not a welcome sign in the recently concluded ASEAN Summit held in Jakarta.

The PAP continues to enjoy an absolute majority for another term. The Prime Minister, during his campaign, had apologized for the shortcomings of the government in the past and assured the people it would lend a more sympathetic ear to their grievances. The issues that dominated this campaign were the influx of foreign workers which has driven the cost of living for the locals, higher cost of housing caused by high net worth expatriates, the slow progress of transportation, and the high salaries of ministers in the prosperous city-state.

Though this election was not significant per se, but there are two developments that need to be taken note of. First is the presence of the opposition, both in their participation in the election and now in the Parliament. The second is the growing resentment of the people towards the PAP-led government's general high handedness accompanied by its shortcomings, which was reflected in the election results. Future elections could witness a closely fought competition as this election

itself witnessed wins by narrow margins in a number of constituencies.

In a system that is unique to Singapore, the Election Department reports to the Prime Minister and is also in charge of demarcating constituencies before every election. This system is perceived to have undermined to capabilities of the opposition. Should this practice be revised, its impact on the electoral process is anyone's guess.

China-Vietnam Friction: The South China Sea Factor

Teshu Singh
Research Officer, IPCS

As a reaction to the cutting of the exploration cables of an oil survey ship by Chinese surveillance vessels, Vietnam staged a display of its military strength in the contested waters of the South China Sea (SCS). Why has Vietnam reacted in this way now? Will the US intervene if the situation deteriorates?

Understanding Vietnam's Objective/ Game Plan

Vietnam claims the island on historical grounds and on the continental shelf principle in accordance with the provision of the United Nations Convention on the Law of the Sea (UNCLOS). It claims the entire Spratly island chains as an offshore district of the Khanh Hoa province and continues to claim the Paracel islands, despite their seizure by China in 1976.

The recent show of military strength by Vietnam in the SCS challenges the self-assertive Chinese sovereignty in the region. Hanoi calls it an 'annual routine training', but this military exercise has taken place after a series of events that have progressively strained relations between China and Vietnam.

Vietnam conducted live-fire military exercises in the South China Sea; it put a barrage of naval artillery for four hours last week, 40kms off Quang Nam province in central Vietnam. The drills were conducted inside the Vietnamese economic zone. By conducting this exercise, Hanoi has sent a clear message to Beijing that it simply refuses to be sabotaged by Chinese supremacy. On the contrary, China considers this as a gross violation of its sovereignty and maritime rights. It reacted by warning Vietnam to stop all its activities.

This exercise occurred against the backdrop of increased anti-Chinese sentiment in Vietnam. Hundreds of Vietnamese protested over the cutting of the exploration cables of a Vietnamese vessel owned by state energy company 'Petro Vietnam'. The protests took place in Hanoi and Ho Chi Minh city with the tacit approval

of the government. Of significance is that such protests are rare in communist Vietnam.

The Chinese vessels which cut the exploration cables were apparently conducting a seismic survey inside Vietnam's exclusive economic zone. Meanwhile, Hanoi has called it a 'premeditated attack'.

China gave a different version of the same events in a report carried by the official news agency, *Xinhua*. Chinese foreign ministry spokesman Hong Lei said that Chinese fishing vessels were driven away by armed Vietnamese ships. As the boats were driven out, they got entangled in the underwater cables of the Vietnamese ship. They subsequently got caught in the area and two Chinese ships had to come to free the vessels. China reacted to this incident by stating that Vietnam should not take actions that would further add or complicate the issue. In the past few days a number of Vietnamese websites have been hacked by Chinese hackers, which demonstrates the strain in relations.

US response

The ties between Vietnam and the US seem to have grown closer in recent times. Last year, Secretary of States Hillary Clinton spoke of a 'national interest' in the sea and urged a solution for the disputes. The US has called for a 'peaceful solution' of the current crisis.

This can be contextualized within Vietnam's need for a pattern to balance China in the region. For this purpose, Vietnam is moving closer to the US, side-stepping its old war memories. There is also a perception in China that Vietnam is playing at the behest of some other power.

Tensions also rose between China and the Philippines when Manila said it would refer to the SCS as the 'West Philippine Sea'. Tensions have risen between China and other claimants, namely Malaysia, Brunei and Taiwan, who also have stakes in the region.

“The recent show of military strength by Vietnam in the SCS challenges the self-assertive Chinese sovereignty in the region.”

Such frictions in the SCS is dangerous for regional security. This Chinese action was against the Declaration on the Conduct of Parties in the South China Sea 2002 (DOC) which was signed by ASEAN and China to promote peace and stability in the region. This declaration is not a legal instrument and thus is technically not binding on the signatories. It is perhaps even less persuasive than the code of conduct that many countries in the region desire. In the absence of any legally binding code of conduct, if China wants a peaceful solution to the dispute, it will have to stop making such assertive postures. The above-mentioned area clearly falls under Vietnamese

sovereignty according to the 1982 UNCLOS. Such confrontations in the will further destabilize the region and give external powers like the US a chance to intervene.

Stuck in No Man's Land: Thailand's Repatriation of Myanmarse Refugees

Panchali Saikia, Research Officer, SEARP, IPCS

The refugee influx and clashes in May 2011 between the Myanmarse military troops and Karenni soldiers near the Daw Ta Naw village in Shadaw District and with the Karen National Liberation Army (KNLA) in Kyarinnseikgyieat in Karen State have emerged as a great security challenge for both, Myanmar and Thailand. Earlier, in April, the Thai National Security Council Secretary-General Thawil Pliensri had announced his government's intention to close down nine border camps and repatriate over 140,000 Myanmarse refugees. But the political instability and the ongoing clashes in Myanmar have added to the refugee influx into Thailand.

This begs the question that after providing asylum to these refugees for over three decades, why is it that the Thai government has now decided to repatriate them in such huge numbers? Is this an effort by the Thai government to improve its relations with the newly formed Myanmar government? If so then what are the prospects for the refugees after their repatriation?

The Thai government like several others was under the impression that once a stable civil government is formed in Yangon, it could easily send back Myanmarse refugees. However, despite a civilian government being formed last year, Myanmar's military has continued its operations against the ethnic groups. A conflict erupted between the military and ethnic insurgent groups around the border town of Myawaddy in south-eastern Myanmar just after the general elections in November 2010, forcing more than 20,000 civilians to cross the border into Thailand.

The increased refugee inflow into Thailand and the consequent problems of illegal trade, drugs and human-trafficking, diseases only accentuates Thai security concerns. Latest figures from the non-governmental Thailand-Burma Border Consortium show that there are nearly 1,43,000 refugees living in border camps. The displaced people occupying those nine camps are mainly from Myanmar and a majority belongs to the Karen and Karenni ethnic groups. Another 50,000 asylum seekers live outside the camps that belong to other ethnic minorities and some are even political dissidents

or pro-democracy movement supporters.

The state of these refugees will only continue to deteriorate given the political decisions taken by Thailand. Recently, Bangkok decided to reduce food aid to these refugee camps by around 20 per cent. Further, refugee protection in Thailand has suffered from the lack of an adequate legal framework. Bangkok does not have domestic asylum laws and nor is it signatory to the 1951 UN Convention on the Status of Refugees or its 1967 Protocol. Moreover, NGOs and the UNHCR have limited access to these border camps and screenings of deportations of refugees are difficult. Thailand in order to maintain cordial bilateral relations with the new Myanmarse government and enhance its investment opportunities in Yangon, has ignored the plight of these refugees. Thus many refugees are now rendered without access to basic healthcare, education and other services since they are not legally registered.

Thailand's priority now is its economic growth which is hampered by commitments to refugee protection. Thailand is worried about losing its investment opportunities in Myanmar to China. In April 2011, China overtook Thailand as Myanmar's leading investor with cumulative Chinese investment of US\$ 9.6 billion whereas Thailand remained slightly behind at about US\$ 9.5 billion. Most Thai investment projects are hindered due to the constant conflict along the Thai-Myanmarse border areas. For instance, one of the Thailand's largest construction firms had to halt its construction of a seaport in Myanmar's Dawei River in southeastern Myanmar where it had invested around US\$ 8.6 billion as the highway to this seaport was supposed to pass through the conflict-torn Karen state.

For these reasons, despite protests from human rights groups and disapproval from the international community, in 2009, Prime Minister Abhisit Vejjajiva repatriated over 4,000 ethnic Hmong to Laos. This bore a precedent in 1998 when for the

first time that Thailand's erstwhile Defense Minister Gen. Chavalit Yongchaiyudh had forcibly sent back refugees who fled from Myanmar to escape the military persecution by the Myanmarse Junta towards pro-democracy protests. Fear among the refugees of being forcibly pushed back towards the war zone in Myanmar thus remains high.

Meanwhile, Thailand had also tried other possible ways to manage the increasing number of refugees. In 2005, Bangkok started a refugee resettlement programme to third countries in the West. So far, nearly 70,000 refugees that came into Thailand have been resettled in 12 different countries. Still, the refugee population has not reduced and the continuous clashes along the border are forcing more Myanmarse across the border ever year.

“ Latest figures from the non-governmental Thailand-Burma Border Consortium show that there are nearly 1,43,000 refugees living in border camps. ”

The involuntary repatriation of the refugees at this stage will have a major impact on the bilateral relations between the two countries. Thailand is the current chair of the United Nations Human Rights Council and any such act will not only draw harsh condemnation against the Thai Government, but also undermine its image in the international arena and may jeopardize its relationship with the Western countries. Forced repatriation will only bring short-term solutions and will be detrimental in the long-run. These refugees will return increasing the burden of the host country as has happened frequently in the past, thereby becoming a source of irritation between the two countries. There also exist chances of conflict both among the asylum seekers and between local Thais and the Myanmar refugees.

China, the Philippines and Vietnam: Conflicting Claims in the South China Sea

Teshu Singh, Research Officer, China Programme, IPCS

In recent weeks, there have been multiple claims and counter-claims on the South China Sea (SCS) between China, the Philippines and Vietnam. Why are there conflicting claims? And what are the bases of these claims?

The key difference between the SCS as a geographical area in the modern nation-state system and the other disputed areas whose sovereignty is also contested, is that there is no permanent population inhabiting any of these islets. The only group of human population that crisscrosses the SCS waters on a daily basis is the fishermen from coastal communities. Since there is a dispute in the region much of the area remains unregulated.

China, the Philippines and Vietnam: Who claims what?

According to the Chinese, the Spratly islands have been an integral part of China for nearly 2000 years. The then superpowers took these islands from the Chinese through the unequal treaties. They are using the naval expeditions to the Spratly islands by the Han Dynasty in 110 AD and the Ming Dynasty from 1403-1433 AD to further strengthen their arguments. In 1947 it issued a map detailing its claim which shows the two island group falling entirely under its own territory. Objecting to the Chinese stance, Vietnam claims the island on historical grounds and on the continental shelf principle in accordance with the provision of the UNCLOS. Vietnam claims the entire Spratly island chains as an offshore district of Khanh Hoa Province. It continues to claim the Paracel Islands, despite their seizure by China in 1976.

The other major claimant, the Philippines, bases its claims of sovereignty over the Spratly on the premise of Res Nullius and Geography. It claims eight islets of the Spratly Island chain, but not the land

mass itself. The Philippines claim on the Spratly Island was first expressed in the United Nations General Assembly in 1946; but Philippines involvement in the Spratly did not begin in earnest until 1956 when on 15 May a Philippines citizen Tomas Cloma proclaimed the founding of a new state Kalayaan (freedom island) encompassing 53 features spreading throughout the eastern side of the sea, including Spratly island proper, Ituaba Pagasa and Nam Yit Islands, North Danger reef, Mariveles Reef and Investigator shoal. The other claimants in the region are Brunei, Indonesia, Malaysia and Taiwan.

China is already in possession of the Paracel Islands which it considers as its own and it is ready to talk on the Spratly Island with Vietnam and other countries on one to one negotiation, no third party or group talks. On the contrary, the Philippine Deputy Presidential Spokesperson said that the country maintains its policy towards a "rules-based settlement approach" and a "multilateral approach" to settling the Spratlys' dispute. "We should exhaust all diplomatic means and be rules-based on the UNCLOS and the existing international law - in settling the dispute in the West Philippine Sea." But unlike the Philippines and Vietnam who attempt to solve the disputes in the SCS through multilateral mechanisms, China wants to address the issue with individual parties bilaterally. In official terms China wants to 'shelve the dispute, and exploit the resources jointly'.

In recent times, Chinese frictions with both the Philippines and Vietnam have raised the temperature in the SCS region. It shows that the Code of Conduct 2002 has failed and the parties have failed to stick to the spirit of agreement. This in turn has posed a serious threat to the regional stability in Southeast Asia.

So what will happen? Will China yield to these claims?

China's rise has also created concern about how Beijing will use its growing economic and military power in the region. Militarily, China is the dominant regional power and one of the world's emerging great powers. China is well aware of its neighbour's dismay about its emergence and has, since 2001, pursued a "Good neighbour" policy towards the region. It has signed Free Trade Agreement (FTA) with ASEAN. This FTA will make the ASEAN members less dependent on the US dollar. However, the SCS remains a sticky issue in China and ASEAN relations. How China engages Asia and undermine the efforts of ASEAN. Southeast Asia will tell much about the nature of China's rise.

To counter China's rise the US is trying to make a comeback in the Southeast Asian region. The US-Vietnam ties are growing stronger and could attract support from Japan and India. The Philippines has already signed the Mutual Defense treaty with the US. All these developments can lead to an emergence of a new regional security architecture in Southeast Asia.

The Thai-Cambodian Border Dispute: From Friction to Fire

**Panchali Saikia, Research Officer,
SEARP, IPCS**

The recent ASEAN Summit held in Jakarta in May 2011 was dominated by the Thai-Cambodian issue, but it failed to reach a consensus about how to resolve it. Before the summit, both Thailand and Cambodia agreed to accept an Indonesian observer team to monitor a ceasefire. But, weeks later there was another military confrontation along the border. The armed confrontation was witnessed between February 4 and 7, 2011 near the Preah Vihear temple and from April 22 to May 3, 2011 near the Ta Mon and Ta Krabei temples in Oddar Meanchey province of Cambodia, killing dozens of civilians and soldiers and displacing thousands on both sides of the border. It is critical to explore the history of the dispute alongside the present fester on the border. What are the major issues driving the confrontation? How much does the internal stability within these countries affect the bilateral conflict? How is the regional organization of South-East Asia going to mediate between the two? Where is the conflict heading towards?

The Thailand-Cambodia dispute—over the 4.6 sq km of land surrounding the 11th century old Hindu temple

“**Demarcation rights have remained theoretical with the dispute being aggravated by domestic politics and intensifying nationalism in both the countries.**”

‘Preah Vihear’ Khmer as it is known in Cambodia, or ‘Khao Phra Viharn’ as known in Thailand—has become a weapon for domestic political gain in both countries. The subject of the dispute was initially confined to the sovereignty over the temple which is situated between the Choam Khsant district (Preah Vihear province) in northern Cambodia and Thailand’s northeastern Kantharalak district (Sisaket province). The Preah Vihear temple was built during the reign of the Khmer empires and it sits on a cliff-top of Dandrek Mountain, which constitutes the border between Thailand and Cambodia. The debate over the temple originated when Siam (Thailand) and the French colonial authorities ruling Cambodia formed a Joint Border Commission and signed the border settlement agreement of 1904 and 1907. The border settlement treaty, signed on February 13, 1904, stated that the border would follow the watershed line of the Dandrek Mountain between the basins of Namsen and the Mekong on one hand and the Nam Moun on the other. Although the Articles of the treaty

did not mention the Preah Vihear temple, geographically it placed nearly all of the temple area on Thailand’s side, while the treaty signed on March 25, 1907 placed the chain of Dandrek Mountain along with the Preah Vihear temple as part of Cambodia. After the withdrawal of the French troops from Cambodia in 1954, Thailand claimed sovereignty over the territory and its troops occupied the temple and its surrounding area. The case took a volatile turn when Cambodia protested and forwarded the issue to the International Court of Justice (ICJ) in Hague.

Preah Vihear Dispute and ICJ

ON June 15, 1962, the International Court of Justice (ICJ) declared the Preah Vihear temple as Cambodian territory and asked Thailand to remove its troops. The judgment of the Court provoked violent protest in Thailand resulting in refusal to accept the Court’s decision to give sovereign rights of the temple to Cambodia. Thailand also protested that Cambodia presented an invalid map which violated the border commission’s working principle and the 1904 convention, according to which geographically nearly all of Phreah Vihear belonged to Thailand.

Nevertheless, both the parties entered into various agreements to mitigate the conflict. For instance in 1976, the Treaty of Amity and Cooperation was signed, and this established that the inter-state conflicts would be resolved without any violence. In 2000, both the countries signed a Memorandum of Understanding (MoU) that established the Joint Border Commission (JBC) to resolve overlapping territorial disputes. In May 2004, the temple became a permanent border crossing with the establishment of a joint panel administration. In 2008, a joint communiqué was signed to register the temple as a UNESCO World Heritage Site. But, demarcation rights have remained theoretical with the dispute being aggravated by domestic politics and intensifying nationalism in both the countries. In 2008, Cambodia’s decision to declare the temple as a UNESCO World Heritage Site aggravated the already-existing political differences within Thailand on the issue. The protests in Thailand forced the government to withdraw its support for Cambodia’s proposal. Since then, there has been sporadic violence in the territory surrounding the temple. The international interventions in the Thai-Cambodian border dispute have instead led to heated debates with the 1962 ICJ judgment and in 2008 over declaring the temple as a UNESCO World Heritage Site.

National Politics and Bilateral Conflict

The border conflict was exploited to rally support in the countries’ national elections, for instance, in Thailand to remove Thaksin Shinawatra and his political allies from power in September 2006. Thaksin’s emphasis on business interests rather than a firm stand on the issue and his efforts to negotiate with Cambodia invited accusations that he was sacrificing Thailand’s sovereign interests. The Thai Army provoked ‘hostility’ as an instrument of nationalism which has in fact now become a

tool for regime-preservation. The strained domestic politics with rumours of coup have driven the conflict towards a domain of uncertainties. The outcome of the upcoming Thai election in July 2011 is going to have a major impact on the negotiations between the two countries. The Pheu Thai Party (PTP) and its supporters (Red Shirts) are perceived as pro-Cambodian due to the close relationship between former Premier Thaksin and Cambodian Prime Minister Hun Sen. The Thai military will try to delay the election since it fears that the PTP might return to power. Present Prime Minister of Thailand Abhist Vejjajiva's failure to bring any effective resolution to the conflict has led to accusations of using a soft approach towards Cambodia. The People's Alliance for Democracy, known as 'Yellow Shirts', and the alliance supporters of the democratic government, also protested against Vejjajiva's inability to win the tussle to release the nationalist leaders who were arrested by Cambodia for illegally crossing the border. The uncertainties of Thai politics, with a constant threat of military coups, have complicated the situation with low impetus for negotiations.

Meanwhile, Cambodia's internal issues have also hindered the efforts to resolve the conflict. Prime Minister Hun Sen is accused of manipulating the dispute in his own interest. Although the border dispute has allowed the government to prove its ability to defend the country's sovereignty, an aggressive step towards demarcation might lead to negative public opinion towards the current government in Cambodia like in the case of its eastern border demarcation with Vietnam. Many local people along the eastern border claimed to have lost their farming land because of the government's decision. With Cambodia running for its local election next year and general elections in 2013, its approach towards resolving the dispute will seriously affect its internal issues.

Preah Vihear, Thai-Cambodian Conflict and the ASEAN.

The simmering Thai-Cambodian divergence will have a tremendous impact on regional stability if it is not resolved as soon as possible. It has challenged the prospects of achieving an integrated ASEAN Community—politically, economically and culturally—by 2015 as well as challenged the ASEAN's credibility as a regional organization to settle future disputes. There has been serious concern that the failure to mitigate the dispute will lead to a dangerous precedent undermining the regional institution's future role to settle disputes. Although the leaders in Bangkok acknowledged Indonesia's mediation, the continuous protest and opposition from the Thai military hindered their decision of involving any third party. Cambodia also refused to accept Bangkok's request to remove its military troops from the conflict zone as a prerequisite for third-party mediation. Both the international community and ASEAN have failed in their efforts to mediate in the Thai-Cambodian conflict. It still remains a question as to what kind of intervention from the international community and ASEAN will help in a peaceful settlement

While Cambodia insists that the UN involvement will facilitate cooperation, Thailand stresses on a bilateral approach. The ASEAN has limited its conflict resolution efforts and interference in internal affairs of its members because of its principle of non-intervention. However, Indonesia, the present ASEAN chair, must review the organization's non-intervention policy to improve the dispute settlement mechanism. The issue needs to be settled immediately as next year, when Cambodia heads the regional forum, the conflict may get even more complicated and third-party mediation might then become even more difficult. The ASEAN should soon establish and deploy a peacekeeping force in the disputed areas to avoid any armed confrontation. Both formal and informal dialogue should be encouraged by promoting commerce, diplomacy and people-to-people interactions.

Where is the Conflict Heading?

The threat of another armed confrontation prevails with heated debates between both the countries. The crux of the conflict is now not about losing or gaining the temple or territory, but about national prestige—'ours' or 'theirs'. Increase in military build-up along the borders and use of barrage of artillery shells in the armed clashes have resulted in deaths of both soldiers and local people. The conflict has led to displacement of people in huge numbers. If the confrontation along the border continues, it will result in further difficulties, such as insurgency, refugee problem, illegal trade and drug smuggling.

An immediate demarcation of the boundary is not a priority for the local population settled in the border region so long as their livelihoods are unhindered. Economic relations between the two countries too remain less affected as is evident from the fact that the bilateral trade volume has increased by 35 per cent since last year despite the conflict. The overlapping territory should be declared a peace zone, the temple border should be designated as an open border and joint management efforts should be prioritized before demarcation.

The Thai-Cambodian border dispute is going to dominate the international media attention as the next few months will witness a series of meetings along with the upcoming Thailand election. On April 28, 2011, Cambodia filed an application to the ICJ for interpretation on the 1962 ICJ judgment. The ICJ will soon give its decision which will be based on an oral hearing from both the parties. On the other hand, the UNESCO's 35th World Heritage meeting from June 19-29, 2011 will discuss the Thai-Cambodian border management issue which may bring some positive results. All these efforts will go in vain if either of them refuses to abide by the ICJ or the UN decisions. However, it is also important that the domestic instability in both countries subsides before any such talks.