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## IPCS FORECASTS

# SOUTHEAST ASIA IN 2015

Myanmar's Democratic Challenge | Thailand's Democratic Deficit | Indonesia's Democratic Surplus | ASEAN Community 2015 | A Strategy for India

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## IPCS Forecasts

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# Southeast Asia in 2015

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### Southeast Asia in 2015: A Forecast

One of the most challenging exercises for observers who follow regional developments is to come out with trends analysis. It is particularly tricky in regions that show great diversity in terms of political dynamics, economic disparities and where regional cohesion needs to be consolidated to address the effects of major power politics. The emerging challenges for Southeast Asia this year can be categorised into two distinct sections – first, issues that affect the developments of individual states and second, those problems that have a bearing on the region as a whole.

#### Myanmar's Democratic Challenge

The challenge of expanding democratic shifts in the region will be critical in the coming year. 2015 will be particularly crucial for Myanmar and Thailand. Myanmar will face its first democratic elections since the 2010 elections and the reform process of 2011. As part of the run-up to the elections, the current government under President Thein Sein will have to work towards a more concerted ceasefire and dialogue with the ethnic groups within the country. This will be the first step towards a more inclusive political participation. Among others, an issue that plagues the space of minorities are laws related to curbs on interfaith marriage – that is one of the latest attempts to isolate the Muslim community.

Second, the government needs to identify some important constitutional changes related to Article 59(f) that currently disallows Daw Aung San Suu Kyi from holding the highest office in the country, as President. The clause debar anyone who is related to a person of foreign citizenship from holding the office of President. This is a constitutional provision that is currently being challenged in Myanmar but it appears that the provision may not be scrapped before the elections at the end of 2015. A recent report in *The Sydney Morning Herald* indicated that Suu Kyi would be unable to contest for the post of President because of this clause in the 2008 Constitution. It is more likely that she will end up taking the Chair in the Parliament that will be a critical role as this will bring in her leadership across party lines – that will also be crucial for achieving national reconciliation.

A more significant amendment to the Constitution is the move to change article 436. This mandates that for any constitutional amendment to be passed, it needs over 75 percent of the votes in parliament. This is near impossible to achieve given that the military enjoys a 25 percent veto privilege which divides the parliament vertically. The basic tenets of the

democratic set up require a clear change in this provision that needs to be addressed. The run-up to the 2015 elections will be a period that will challenge the transition process within Myanmar.

### **Thailand's Democratic Deficit**

Since May 2014, Thailand has been under martial rule as a result of the renewed stand-off between the red shirts and the yellow shirts. The little advantage gained by the country during the 2011 elections that ushered Yingluck Shinawatra in, was forced to a halt after anti-government protesters held Bangkok hostage for nearly seven months. Now nearly eight months after the coup d'état that dethroned the Yingluck Shinawatra government, the military, which initially stated that elections would be held in 2015 has altered its view and is now hinting that elections may not take place till 2016. The current Prime Minister General Prayut Chan-o-cha has been focused on more whimsical agendas of bringing "happiness to the people." This focus on emotional appeal and sentiment is a far-off call from moving forward on resolving rigid intransigence between the two opposing political factions that have split the country.

Added to this there have been serious intrigues at the Royal Palace. The Monarchy that is considered sacred in the Thai context is witnessing one of its most difficult phases in Thai history. The revered and respected monarch the 87-year-old King Bhumibol Adulyadej is no longer able to handle the pressures of his responsibility. The heir to the throne is Prince Maha Vajiralongkorn, who recently divorced his wife Princess Srirasmi after accusing her family members of conspiracies against the throne and on charges of corruption. His colourful life and irresponsible behavior has made him unpopular among the Thais. Politically he is also known to be close to Thaksin Shinawatra, which will impact the political fortunes of the former prime minister. The military's move to delay elections will have a serious impact on how the political scenario in Thailand evolves.

### **Indonesia's Democratic Surplus**

On the positive side of the democratic shift is Indonesia, which marked its fourth democratic elections in 2014. The victory of President Joko Widodo sets Indonesia firmly on the track for further democratic consolidation. As 2014 ended, Indonesia's Papua province witnessed violence as five youth under the age of 18 were killed by the military. President Jokowi's resolve to address the Papuan problem will remain critical in the year ahead. As Indonesia's democratic consolidation progresses, the question of the military's accountability in violence will loom large in the case of West Papua.

One of the agendas unveiled by President Jokowi is the emerging importance of Indonesia as a maritime fulcrum in the context of the 'poros maritim dunia'. For the first time since its independence, an Indonesian president is looking beyond the role of a terrestrial army that has always been favoured among the forces. For Indonesia, the past few months have been critical in terms of addressing issues related to illegal fishing in its territorial waters. The maritime axis also draws Indonesia out to find more investors who can build maritime infrastructure; and several reports point to its growing economic dependence on China for these. While its democratic consolidation occurs, there is a simultaneous drift to look beyond the ASEAN. While

this may help Indonesia achieve its own interests, it may weaken the strongest link within the ASEAN during a period of regional uncertainty.

### **ASEAN Community 2015**

Even as Indonesia looks to move beyond the ASEAN in its foreign policy, the regional grouping is on the verge of moving towards an EU-like approach in its community building initiative. The move towards the building of the ASEAN community has been challenged by several issues including a watered-down version of the 2007 ASEAN Charter that has left several members of the grouping feeling restless with the pace of change and reform. Primarily among this group has been Indonesia, which has been unable to push its co-members in the group towards greater commitment on issues of democratisation and human rights. The ASEAN Community that seeks to integrate the region along political, economic and socio-cultural parameters has a lot to address over the course of 2015.

On the political front, the grouping is struggling to find a cohesive identity given the engagement of major powers in the region. Both the rise of China and the US re-balancing and pivot to Asia policy has been critical centrifugal forces in the region. The manner in which the Sino-US rivalry will take shape in 2015 will have a bearing on the ASEAN countries. In this context, territorial conflicts in the South China Sea and the expanding Chinese footprint will be crucial for the region. The significance of maritime issues and the need to move towards a binding Code of Conduct for the South China Sea will be critical challenges for the ASEAN in 2015.

On the economic front, the forecast is still far from rosy. Even as the move to form the ASEAN Economic Community is closer to the vision, there still are challenges ahead. While the region made progress vis-à-vis reduction of tariffs, other protectionist measures such as non-tariff barriers have been placed. This has critically impacted the move towards greater intra-ASEAN trade that still needs to be addressed. The ASEAN also has to find ways to move forward on the Regional Comprehensive Economic Partnership (RCEP), negotiations for which are likely to be concluded by the end of 2015. Through this year, the focus has to be on the reduction of tariffs and non-tariff barriers as well as addressing the discrimination against services – the dilemmas holding back progress on the RCEP.

### **Southeast Asia: A Strategy for India**

In November 2014, Indian Prime Minister Narendra Modi rechristened the 'Look East Policy' as the 'Act East Policy'. If India is serious about moving forward on its ties with the ASEAN states, 2015 will be critical to formalize some of the initiatives that have been on paper but are yet to fructify. Under the India-ASEAN Comprehensive Economic Cooperation Agreement, one critical agenda for 2015 is the FTA in Services and Investments. This has to be ratified at the level of individual countries and India needs to move its efforts in this regard. As it stands currently, the FTA is to be operational from July 2015. The question of building infrastructure linkages and connectivity will remain equally critical as, currently, these remain woefully inadequate. On the policy and reforms front, India has to show convincing effort and prove that 'actions are louder than words'.

With regards to the overall security of the region and India's role in this, some indicators are of concern. Growing Chinese economic presence in the region will have a bearing on the levels of strategic autonomy that the region can exercise. China's expanding footprint in the Indian and Pacific Oceans – the Maritime Silk Route – is part of Beijing's two-pronged strategy to address both economic gains and political leverage. India signed economic and defence agreements with Japan, the US and Australia during Modi's visit to these countries, bringing it closer to the 'arc of freedom' democratic alliance that was envisioned by Japanese Prime Minister Shinzo Abe. India also needs to act along with its Southeast Asian partners to move forward on areas of security and defence cooperation.

India's Project Mausam has evolved with the view to reaching out and re-establishing the traditional relations and ties which India had with its neighbours in the Indian Ocean littoral, which in effect will seek to counterbalance the Chinese Maritime Silk Route

There is some visible movement on the Defence Dialogue with Vietnam that concluded recently. This needs to be expanded to all the ASEAN members, both bilaterally and multilaterally. While the substance of integration with Southeast Asia remains primarily on economics, it is important to move into a more comprehensive political and security-level integration. While the naval component has actually been credible through joint-patrolling of the Malacca Straits, initiatives such as the Milan and IONS, and in terms of humanitarian and disaster relief, there is still scope for broadening this to more concrete levels of engagement.



## Southeast Asia in 2014: A Review

### I Myanmar

#### Myanmar's Political Transition: Challenges of the 2015 Election<sup>1</sup>

Recent changes shaping Myanmar's transition process have highlighted the tenuousness of the Process in that country. Even as the upcoming 2015 election is set to be one of the most important indicators of this democratic transition, events transpiring in the country are worrisome. The gains made over the past four years – since the reform process began in 2011 – may be affected by several recent developments that have raised anxieties vis-à-vis the trajectory the transition will follow.

What are the indicators of changes shaping Myanmar? What is their significance in the context of the 2015 elections?

Since the 2010 elections and the announcement of the reform process in 2011, Myanmar has seen some credible changes that have altered the perceptions of both regional countries and the international community. The 2012 by-election – where the National League for Democracy (NLD) won 43 seats of 45 seats – was seen as a watershed moment in the Process and was heralded as a marker of the shift shaping Myanmar. However, the past few months have seen challenges to the reform process. They highlight the complex issues that need to be resolved to ensure the free-ness and fairness of the 2015 elections. They include constitutional reforms; greater freedom and space for the media; management of ethnic conflicts and communal violence; and viable political space for all minorities within Myanmar.

#### The Constitution Conundrum

First on the list is the debate for the amendment of Myanmar's 2008 Constitution – that has ensued for the past few years. This Constitution strongly endorses a role for the military through the implementation of the National Defence and Security Council (NDSC) – that clearly visualises a role for the armed forces in two capacities:

- a. in the administration of the country via reservations in the parliament, *and*
- b. in the protection and preservation of the state

This allows for one fourth of the parliamentary seats to be reserved for the armed forces – and is seen as crucial to the stability of the state. Additionally, there exists a provision under Article 436 that currently demands over 75 per cent votes in the parliament to make amends to the Constitution – an impossible task given that 25 per cent of seats reserved for the military allows for the right to veto any move to reframe the charter. In July 2014, Aung San Suu Kyi led a signature campaign towards amending this caveat; it still shows no signs of progress.

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<sup>1</sup> Originally published as IPCS Commentary on 8 September 2014. See <http://www.ipcs.org/article/peace-and-conflict-database-myanmar/myanmars-political-transition-challenges-of-the-2015-election-4651.html>

The second debate relates directly to Suu Kyi's role with regards to Article 59 (f) that debars any person from the presidency on account of being related to foreigners. This directly impinges on Suu Kyi's chances to lead her party to victory in the 2015 elections. Given how the NLD does not have a second rung of leadership to carry on the party mantle in the absence of Suu Kyi's influential and charismatic guidance, this directly undermines the party's effectiveness in the upcoming elections.

Furthermore, there exists the challenge of managing relations with the media. Last month there were reports that five journalists had been arrested and charged with violation of the 1923 Burma State Secrets Act for allegedly leaking sensitive information in the press. In another incident, journalists were booked under violation of the 1950 Emergency Act for allegedly giving unverified statements in the media. One visible indicator of change since the announcement of the reform process was the lifting of restrictions that had been imposed on the press. The aforementioned incidents have once again highlighted the tenuousness of State-media relations.

In the aftermath of these two incidents, President Thein Sein's resolve to meet with the Press Council was a sound move; and the media was asked to play the role of a stronger stakeholder in the reform process, and to show greater responsibility in its approach towards reporting of incidents that were sensitive.

A key challenge facing the country is the nature of shape the peace process with ethnic minorities will take. Today, after nearly 60 years of armed conflict between the state and its ethnic nationalities, there is a move towards a National Ceasefire Agreement that is being coordinated by the Nationwide Ceasefire Coordination Team. While individual ethnic groups have already signed ceasefire agreements, most of them are very fragile and have been unable to move towards any political resolution. More importantly, political negotiations that will follow the ceasefire will be the crux of any resolution. Bringing major changes to both sides' perceptions will be a greater challenge. Compounding the ethnic challenge is the levels of religious violence that have been evident in recent times. Although, lately, there has been some discussion on moving towards some form of a federal structure, the discourse is still vague and undefined.

The Thein Sein government has made credible headway on the roadmap to a democratic transition, in the past four years. The challenge to any transitional phase is more evident when it comes to issues of institutional change and consolidation. This will be a critical phase Naypyidaw will have to address in the coming days.

### **Modi in Myanmar: From 'Look East' to 'Act East'<sup>2</sup>**

Indian Prime Minister Narendra Modi's recent visit to the Myanmar endorses that all is well with India's policy to the countries that lie to the east. Since he took office in May 2014, there were some views among observers that India's Look East Policy (LEP) was not receiving the merit it should. Much of this was centered on the debate as to why Myanmar, a close and significant neighbour was not invited to the swearing-in ceremony of the prime minister. However, given the fact that the invitation was extended to the South Asian countries, Myanmar

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<sup>2</sup> Originally published as IPCS Commentary on 17 November 2014. See <http://www.ipcs.org/article/india-the-world/modi-in-myanmar-from-look-east-to-act-east-4742.html>



technically did not fit into this category. Another view was that the invitation was extended only to full democracies, which would then explain why Pakistan was present, given that there is currently a democratic intermission in the country.

But Modi's three-day visit to Myanmar this month changed the perceptions and brought the ASEAN region back into the centre-stage with the focus shifting from the LEP to the Act East Policy (AEP). While this does not really signal a departure from the LEP, it does highlight a more nuanced position of acknowledging the need to 'act' or to 'get one's act together', to move ahead on the implementation of projects and proposals that have been initiated in principle but are lagging in practice. So the shift to the AEP should be viewed as an attempt to provide an impetus to the regional integration that India has with its eastern neighbours. The ASEAN countries have often expressed a lot of concern on the slow pace of reform in India. Added to this is the issues of the signing of several agreements that need to come into force to hasten the implementation. These are the critical areas that drive policy into the action-oriented phase.

The highlight of the visit was the focus given to the three C's: culture, commerce and connectivity. In this context, India's cultural ties with Southeast Asia are being considered as a significant one that will help push critical ties forward. The recent opening of the Nalanda University is an example of this dynamic. Furthermore, an emphasis on tourism too was made. Tourism is a vital component of relations and the industry needs to be revamped in order to make India a tourist destination for Southeast Asian visitors and vice versa. The Open Skies Agreement is therefore among the key areas to focus on, to provide any momentum to the tourism industry. At present, even direct flights from India to all ten Southeast Asian countries and vice versa are unavailable.

Complementary to boosting tourism, there is also a potential to integrate cities that can be linked as sibling cities. In this context, one of the options could be to link Bodhgaya, Lumbini and Yangon, Shwedagon Pagoda together as the Buddhist circuit. Another potential option would be the linking of cities like Jogjakarta, Siam Reap and Thanjavur together as potential tourist hubs. This would make a critical impact in terms of revitalising the tourism sector and would also act as a boost in bringing about greater people-to-people contact between the regions.

The second focus, on commerce, is already an area India has made considerable strides in; and that is expected to progress even further. Projecting a new economic environment in which India has embarked upon targeted attracting investments into the country under the banner of the Make in India slogan. Currently the India-ASEAN Free Trade Agreement in (FTA) in goods has been operationalised, and the FTA in services and investments, though signed with all but one (the Philippines) country, is expected to be ratified by the respective countries' parliaments soon. This is one area where India has an advantage since, globally, it ranks 9th in the services sector.

As the move to integrate with the region is further enhanced through regionally driven initiatives like the Regional Comprehensive Economic Partnership (RCEP), there is likelihood of widening linkages across the region. The RCEP links the ASEAN and its dialogue partners into a regional economic grouping that will be critical since it will bring the three Asian economic giants – China, Japan and India – together. The Chinese move to enhance regional integration via the Asian Infrastructural Investment Bank and the enhancement of the Maritime Silk Route to

link the Indian and the Pacific Oceans into an economic chain are clearly moving the commercial side of the regional agreements forward.

Finally, on the issue of connectivity, there is an urgent need to move forward with the plans that have been in the pipeline. Projects such as the India-Myanmar-Thailand trilateral highway and the Imphal-Mandalay road are extremely important towards linking the region via land, and opening up the border areas to facilitate the easy movement of people and goods. While both Myanmar and India are focusing on the development of the border regions, these projects will act as vital catalysts to deliver on the proposed outcomes.

## **II ASEAN and the Indo-Pacific**

### **The ASEAN's Centrality in the Indo-Pacific Region<sup>3</sup>**

Over nearly a decade, the concept of the Indo-Pacific has been gaining ground as a term that gives credence to a strategic perspective rather than a well-defined geographic entity. When Japanese Prime Minister Shinzo Abe spoke about the 'confluence of the two seas, where the Indian and Pacific Oceans are to be viewed as a single strategic maritime unit', it was based on the understanding of a geopolitical reality rather than a geographic one.

While there is a debate on the exact contours of the boundaries of the Indo-Pacific region, the common understanding is that it is a triangular region that connects the Indian and the Pacific Oceans. This region is identified as having Japan on its northern boundary, Australia forming the southeastern parts, and as India lying in the southwestern end. Much of Southeast Asia falls within the triangular boundaries of the Indo-Pacific, making the claim of its centrality to this region extremely significant.

Historically, there has been an understanding that Southeast Asia lies between two great civilisational worlds, India and China. Southeast Asian historian Reginald LeMay has described the region as the bamboo curtain that shifts with the changing cultural impacts of both India and China. While these two great civilisations influenced the region in the period prior to colonialism, even today, the involvement of major powers in the region is an issue that remains critical. For the regional countries, potentially, there are both risks and possibilities of greater integration.

Being in the center of the Indo-Pacific region creates stress for the ASEAN countries regarding the way they relate to major powers. The ASEAN has always looked at the involvement of major powers as a measure of the region's importance.

However, China's rise and the individual states' response to it alters this view, particularly at the bilateral level. Among the key issues in this context are the ongoing tensions in South China Sea (SCS). The logic of extending the Indo-Pacific to include the SCS and the East China Sea reiterates the importance of maintaining the freedom of navigation in the seas and also does not entitle any single nation to claim the waters as their own.

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<sup>3</sup> Originally published as IPCS Commentary on 20 October 2014. See <http://www.ipcs.org/article/peace-audit-and-ceasefire-monitor/the-aseans-centrality-in-the-indo-pacific-region-4700.html>

One of the advantages for the ASEAN countries is that all the current institutional mechanisms in the region are being driven by the ASEAN's processes. For this to be successful the ASEAN needs to be united and cohesive and this itself is a challenge. Over the past two years, there have been attempts to address the question of reviving ASEAN unity, particularly after the polarisation of the organisation during the 2012 summit over the SCS dispute. Differences over the manner in which individual countries relate and respond to China's rise are pushing countries out of their comfort zones and is threatening the pillars of consensus and consultation that have been critical for the ASEAN. As a result, the focus on security issues in the region may not remain ASEAN-centric but is likely to get overshadowed by other factors. While the ASEAN may seek to maintain itself as the core of the Indo-Pacific, there are varying opinions on the manner in which the region's politico-security relations are being shaped, and it has been unable to provide the leadership for addressing some of the challenges that have emerged in the region.

Another area of significant gain for the ASEAN relates to its potential for economic growth. The economic success of the region, galvanised by China, Japan and India, remain critical factors that drive forward the centrality of this region. The ASEAN-initiated Regional Comprehensive Economic Partnership (RCEP) will bring these three Asian giants under one common umbrella – that will be a significant step towards the economic integration of the region. The RCEP is a critical element in keeping the centrality of the focus on the ASEAN countries as it seeks to coordinate the ASEAN and its dialogue partners into a common economic platform that will address issues of tariff reductions and will move towards a wide-ranging regional Free Trade Area. The inclusion of South Korea, Australia and New Zealand increases the economic stakes in the Indo-Pacific further, making this one of the credible areas for further integration.

Finally, while the ASEAN may see itself as the link or corridor that connects the Indian and the Pacific oceans through a gamut of security-driven institutional norms such as the ASEAN Regional Forum, the East Asia Summit and the ASEAN Defence Minister's Meeting Plus, it has to look beyond preliminary initiatives. While the initiatives seek to address the need for confidence-building, they fall short on the areas of preventive diplomacy and conflict resolution. The current arrangements fall way below expectation on these areas. For the ASEAN, the centrality of its position can be more consolidated if it can address and strengthen these aspects of regional cooperation.

In fact Indonesian Foreign Minister Marty Natalegawa's proposal for an Indo-Pacific Treaty of Friendship and Cooperation would be a key step in this direction. His call to address the trust deficit and the need to promote a common sense of responsibility will need to be kept at the forefront of the ASEAN initiatives in the region.

### III South China Sea

#### **Intransigence Over Troubled Waters<sup>4</sup>**

In August 2014, the Foreign Ministers of ASEAN and its dialogue partners gathered at Naypyidaw, Myanmar, for the 47th ASEAN Foreign Ministers Meeting followed by the 21st ASEAN Regional Forum (ARF) and 4th East Asia Summit Foreign Ministers Meetings (EAS). One of the recurrent aspects of these meetings was the focus on the developments that have shaped the South China Sea (SCS) conflict. As divergent opinions arise and positions hard-line into deeper divides, the issues relating to the stand-off in the SCS are likely to emerge as the key challenge for the ASEAN countries, particularly in managing their relations and engagement with major powers in the region.

Almost from 2010, the SCS issue has been at the forefront of the challenges in the wider region. China's posturing in the region has been increasing with its belligerence at critical intervals to find where the weakest link in the region lies. From April 2012 Scarborough Shoal incident and the July 2012 situation when the ASEAN did not issue a joint communique, till the more recent tirade over China's installation of the HYSY981 oil rig close to Paracel islands, incidents in the SCS have been major red flags. Chinese posturing in the latest stand-off in May included the moving of its oil rig to what it sees as part of the nine-dash line territorial claims, while Vietnam identifies the Paracels as part of its own Exclusive Economic Zone (EEZ). With this latest altercation between China and Vietnam, this issue has emerged as the core of the ASEAN's challenges.

Much of this is related to the US re-engagement with the region. The US' interpretation on China's of China, particularly in light of its own close relations with the Philippines in particular and Southeast Asia in general, critically re-alter the dynamics of the SCS dispute. The US' emphasis on its national interest in preserving the rights of freedom of navigation is critical and has been gaining some support over the past four years. Furthermore, smaller ASEAN countries are still trying to engage with regional major powers via different strategies that will allow them to maximise their own interests in the possible event of a stand-off among the bigger powers.

The US' recent call for a freeze on China's construction activities in terms of expansion via dredging clearly indicates the heightened tensions. China has been carrying out these activities particularly in the territories that fall under Beijing's sovereign claims. Over the course of last week's meetings, the US Secretary of State, John Kerry, proposed freezing of activities – like seizing uninhabited islands and dredging activities – that change the status quo in the SCS. This found support from the US' long standing ally in the region – the Philippines. Simultaneously, other ASEAN countries who are claimants to the dispute have also supported this initiative even though China has not agreed to these demands.

The ASEAN for its part seems to be divided on the question of the SCS issue where claimants such as the Philippines and Vietnam are looking for stronger support within multilateral bodies such as the EAS and the ARF, while other members such as Cambodia and Myanmar simply prefer to keep mum on the matter. Among other ASEAN countries, Indonesia has actively been

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<sup>4</sup> Originally published as IPCS Commentary on 18 August 2014. See <http://www.ipcs.org/article/peace-and-conflict-database/south-china-sea-intransigence-over-troubled-waters-4605.html>

advocating the need for a more concerted effort to address issues of rival claims to the territorial extents of the SCS. Indonesia supports the move towards a more binding Code of Conduct (CoC) which needs to be addressed, since the decision to have a non-binding Declaration on the Code of Conduct was made in November 2002.

China for its part has been clear that the move towards a resolution of the SCS issue will be dependent upon the claimant countries and not on the good offices of any outside power. This is clearly seen as targeting the 'intent' of the US. China's preference for the use of bilateral mechanisms that are in place, instead of using multilateral mechanisms to arrive at a solution, clearly tips its balance towards a more Sino-centric solution to the problem. Additionally, China has also agreed to negotiation via the ASEAN to effectively resolve the issue, which could indicate its preference for keeping the US outside this debate.

Indian External Affairs Minister Sushma Swaraj's assertions on the need to resolve the matter through the use of international arbitration is critical for the member countries of the ASEAN. The relevance of endorsing a solution that abides by the UNCLOS will critically impact the dispute. China and the US' varying interpretations on the UNCLOS will have deeper implications for the region. China's relations with the region – which has, since the 1990s, been carefully built towards greater integration with the ASEAN as a credible partner for its economic growth – should not be held hostage to the growing tensions in the SCS. China's posturing in the region is a critical factor that has pushed forward the agenda of looking for a credible resolution to this conflict.

## IV

### Indonesia

#### **The 2014 Presidential Election Explained<sup>5</sup>**

Indonesia's presidential election has heralded a change in the old guard, with Joko Widodo emerging as the winner of the mandate that took place on 9 July. The election, that took place 16 years after Indonesia's transition to democracy and the overthrow of the Suharto regime, indicates the consolidation of the democratic structures within this nascent democracy. Interestingly in this election, Jokowi, as he is popularly known, represents a change from the older leadership in Indonesia – that has often been associated with political families and the military leadership. In that context, he is a newcomer on the national political scene – with his earlier avatar in politics as the governor of Jakarta and as the mayor of Solo. What is significant about his victory is that his opponent was Prabowo Subianto – Suharto's son-in-law, and has been implicated for human rights violations. This is also indicative of the degree of discomfort the linkages to the past regime brings among the population, despite Prabowo Subianto being likely to allege the results to be fraudulent.

This has been an election year for Indonesia. In the May 2014 elections to the Indonesian parliament, citizens cast their votes for four councils. Additionally, elections to local councils – created as a result of the decentralisation process that is critical to Indonesia's democratic consolidation – too were held. The Provincial and Regency elections too were held, on 9 April.

<sup>5</sup> Originally published as IPCS Commentary on 28 July 2014. See <http://www.ipcs.org/article/peace-and-conflict-database/indonesia-2014-presidential-election-explained-4582.html>

The Partai Demokrasi Indonesia Perjuangan (PDI-P) or the Indonesian Democratic Party of Struggle, the opposition party in the last government, won the elections with 18.95 per cent of the vote. This was followed by the Golongan Karya (Golkar), the is former party of the military functional groups that secured 14.75 per cent of the votes. The third largest party, the Great Indonesian Movement Party (Gerinda) that was led by Prabowo Subianto, won 11.81 per cent of the votes.

While the aforementioned groups emerged as the leading parties in the legislative elections, neither could qualify to nominate a candidate for the presidential elections on their own. Therefore, in order to nominate a candidate, the parties had to secure coalitions with other parties in the DPR to propose a presidential candidate for direct presidential elections – that Indonesia has been following since 2004. According to the laws governing the Presidential elections, a political party must officially secure a minimum of 25 per cent of the popular vote or 20 per cent of seats in the Dewan Perwakilan Rakyat (DPR), the lower house of the parliament, to be eligible to nominate a presidential candidate.

Following the legislative elections in April 2014, the need for coalitions to secure the necessary percentage of seats and votes prompted Jokowi to request the former Vice President of Indonesia, Jusuf Kalla, to be his running mate. This combination was critical to Jokowi's victory because Kalla is a former Chairman of the Golkar party that came in second in the legislative election. The tie-up with Kalla was potentially the trump card for Jokowi as this was seen as a critical factor in splitting the Golkar votes – given Kalla's considerable influence among supporters. Interestingly Aburizal Bakrie, the current Chairman of the Golkar, had, during one of the Party's national meetings, stated that that the party actually backed the combination of Prabowo Subianto and his running mate, Hatta Rajasa. In fact, a split in the Golkar was a clear sign that Prabowo Subianto may not be acceptable to many due to his views on Indonesian nationalism and the human rights violations that he has been associated with under the Suharto regime.

In the final tally, the Jokowi-Kalla combination won 53.16 per cent of the votes while the Prabowo-Rajasa combination won 46.48 per cent of the votes in what emerged as the most closely contested elections since Indonesia's transition. With the victory of the Jokowi-Kalla group, Golkar may throw its full weight behind the new team, wanting to be on the right side of the political fault-line.

Of the electoral promises Jokowi made, the creation of ten million new jobs and continued economic reforms are the most significant challenges. Jusuf Kalla brings with him the experience in economic reforms, which also needs to translate into the much promised subsidies to assist in poverty alleviation. Agrarian land reforms need to be addressed, as does the crucial question of environmental conservation policies – that have to be implemented to counter detrimental effects of deforestation Indonesia has been facing. Rampant corruption and nepotism are critical factors that undermine the democratic consolidation in Indonesia. These are also crucial challenges which the new president and his team will have to tackle.