

The Impact of East Asian Security Challenges on Southeast Asia

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INTRODUCTION

East Asia currently faces unprecedented security challenges projected by the shift in China's international stature and various high-level political tensions and intensification of protracted conflicts among the neighbouring states. East Asian regional stability has displayed a paradoxical condition known as the Asian Paradox, where economic prosperity and interdependence is possible despite political instability and high military tension. While most of the sources of such instability permeate from Northeast Asia, Southeast Asia is seen as the sub-regional platform where multilateralism has flourished independently, thereby ensuring stability. This paper focuses on Southeast Asia's perspective on East Asian security challenges by highlighting two case studies of Northeast Asian security issues. The first is North Korea's security and diplomatic challenges to the Southeast Asian states, and the second is the Japan-China competition in Southeast Asia. The economic-security nexus of these issues will have implications and provides lessons for Association of Southeast Asian Nations (ASEAN) member states. To what extent the existing East Asian security architecture can cope with the economic-security challenges linking Northeast and Southeast Asia will also be examined in this chapter.

REGIONAL SECURITY ARCHITECTURE: CONNECTING NORTHEAST AND SOUTHEAST ASIA

Other book chapters have articulated the multilateral fora that constitute the East Asian security architecture, with a focus on the ASEAN-based platforms. While Northeast Asian states are members of this security architecture, it is unclear whether the impact of security threats has immediate spill-over effects from one region to another. Thus, this chapter aims to investigate whether there is a connection between Northeast and Southeast Asian security issues.

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The utility of platforms like the ASEAN Regional Forum (ARF) is constantly questioned. For instance, Northeast Asian states have been using the ARF to raise issues of concern to them, such as the North Korean nuclear crises. But without providing a substantial mechanism for resolving the issues raised and given the ASEAN principle of non-intervention, these platforms are regarded as “talk shops” where the member states do not play active roles in the issues concerned. However, the ARF was instrumental in bringing the regional powers together before any Northeast Asian initiative, such as the Six-Party Talks, emerged. The first nuclear crisis of 1993-1994 was raised at the ARF. ASEAN Secretary General H.E. Surin Pitsuwan invited North Korea to be a participatory member of the ARF in 2000, paving the way for behind-closed-doors meetings alongside the ARF summit from 2000 to 2002, which also led to the culmination of Six-Party Talks in 2003.

For supporters of the ASEAN way, ASEAN’s non-intervention principle is what makes it attractive to extra-regional members. For North Korea, the ARF remains the only multilateral mechanism that it is still a participatory member of.

Yet, the security architecture itself has been unable to manage all the security issues emanating from Northeast Asia. North Korea’s behaviour is a case in point. Southeast Asia itself is a regional hub for myriads of North Korean legal and illicit activities that enable the North Korean regime to survive various kinds of international sanctions. By being an “enabler” for the North Korean regime, Southeast Asian states risk having their “neutrality” and “non-intervention” principles being abused by a rogue state that violates international norms and laws. Southeast Asia’s connections with North Korea will increasingly face scrutiny. Another notable case would be the intensifying Japan-China competition. As Japan and China are participatory members in the majority of ASEAN-based platforms, the security architecture enables the two Asian powers to engage each other bilaterally through Southeast Asian regional institutionalism. However, simultaneously both are also competing for influence and support among the ASEAN member states. While some competition is beneficial to the countries in Southeast Asia, an intensified and confrontational competition would place Southeast Asian countries in a more difficult position.

The following sections will present the two case studies of North Korea and the Japan-China competition to illustrate how Northeast Asian security challenges could have implications for Southeast Asia.

THE CASE OF NORTH KOREA’S SECURITY CHALLENGES TO SOUTHEAST ASIA

The first case study examines the substance of North Korean security threats to Southeast Asia. North Korea has diplomatic relations with all ten ASEAN member

states. Notable special relationships include its bilateral ties with Malaysia, which enjoyed two-way free visa-waiver privilege and direct flight service to Pyongyang prior to Kim Jong-Nam's assassination; the personal friendship between Kim Il-Sung and King Sinhanouk of Cambodia; long-term cultural ties that expanded into trade ties between North Korea and Singapore and Indonesia; the party-to-party relations between the Communist Party of Vietnam and the Workers' Party of Korea; and the cultural and agricultural cooperation between Thailand and North Korea. Although in recent years more Southeast Asian countries have taken steps to limit and downgrade their relations with North Korea, these diplomatic ties have in the past enabled Southeast Asia and ASEAN to play a role in mediating the Northeast Asian conflict to a certain extent, albeit with limited success as North Korea has also ratcheted up its provocations and illegal operations by several notches, ultimately challenging friendly nations' sovereignty.

Traditional Security Challenges

The North Korean security challenges to Southeast Asia are two-fold: traditional and non-traditional security issues. North Korea's traditional security challenges, including nuclear weapons, ballistic missile development programmes, and conventional military capabilities, will have serious implications for Southeast Asia although on the surface these challenges seem to be unrelated to the Southeast Asian region. For instance, nuclear- and missile-proliferation activities to the Middle East, which are great threats to the established powers and regional stability, will not be welcomed by Southeast Asia. In addition, such proliferation activities will pass through Southeast Asian waters, complicating the regional security challenges as it invites greater scrutiny from major powers such as the United States.

In addition, the proliferation activities may also have direct regional implications. For instance, North Korea's missile technology transfer to Myanmar has been ongoing and in the past there have been cases of shipments from North Korea to Myanmar being intercepted successfully in 2004 and 2009. The proliferation of North Korean nuclear technology to Myanmar has also been under suspicion since 2003.¹ Small arms trade (which is banned by UN resolutions and international sanctions) is known to be linked to Myanmar, while Thailand, Malaysia, and Singapore are known to be transit points (Berger 2015; Snyder 2014; UNSC 2015). In 2012, the alleged Kwangmyeongsung-2 test (also known as Unha-2), which was aimed in the direction of Australia, resulted in the final debris of the failed test falling within the exclusive economic zone of the Philippines (about 190 km away from the north-

¹ Meanwhile, nuclear proliferation is suspected to be connected to Myanmar. See the field observation report by an Australian researcher, Desmond Ball, and a Thailand-based journalist, Phil Thornton (*Sydney Morning Herald* 2009).

eastern coast of Luzon Island).² The result of that test should have triggered alarm in the Southeast Asian region. Should the test have gone wrong at an inappropriate juncture, the debris could have fallen within Southeast Asian states' land territories, such as on the Filipino islands, Borneo island (shared by Malaysia and Indonesia), or the isles between Indonesia and Australia. This is the same type of fear and anxiety experienced by Japan, which has seen the tremendous pressure of numerous North Korean missile tests in 2017, several of which flew over the Japanese main islands of Kyushu and Hokkaido, triggering the national defence alarm. Similar fears can also be currently seen in the incident of the use of a deadly chemical weapon known as VX at Kuala Lumpur International Airport 2 (KLIA 2), which, if the handling had gone wrong, could have had a devastating impact on international visitors transiting through the busy airport.³

Non-Traditional Security Challenges

In the non-traditional security area (which is under-examined), North Korea's licit and illicit activities continue to have a strong presence in the Southeast Asian region. The ASEAN Ministerial Meeting on Transnational Crimes (AMMTC) serves as the highest policymaking and coordinating body for ASEAN cooperation on matters of transnational crime, and it covers a wide range of meetings, institutions, and plans that deal with the subject, including the Senior Officials Meeting on Transnational Crime (SOMTC) and the ASEAN Chiefs of National Police (ASEANAPOL). Out of the traditional eight areas of transnational crimes (drug trafficking, terrorism, economic crimes, human trafficking, money laundering, piracy, weapon smuggling, and cybercrime), North Korea is known to have committed seven of them (except piracy). ASEAN should have utilised the AMMTC framework, which also includes the Plus Three framework, to curb the problem, yet North Korea's illicit activities are not mentioned explicitly in AMMTC's plans of actions.

North Korean legal and illegal entities operate together in a complex network of interlinked activities, including in the areas of cyber security (North Korean overseas Information Technology [IT] workers launch global cyber attacks from Southeast Asia), illegal international financial network (transactions of sanctioned arms sales, smuggling, trafficking, and money-laundering through international banks), and state-sponsored terrorism in overseas operation. Lax border controls

² If successful, the final target area would have been north of Darwin, Australia.

³ KLIA 2 was the location of the assassination of Kim Jong-Nam; this is often wrongly reported as KLIA, Malaysia's main international airport. KLIA 2 is a domestic and international airport for low-cost carrier airlines. The use of VX at KLIA 2 did not evoke enough serious discussion and consideration in bringing North Korea to task for its severe violation of international safety through the employment of a Weapon of Mass Destruction (WMD) in a public space.

and North Korean embassies in the region act as enablers of illicit operations, making the Southeast Asian region an unbeknownst hub for the North Korean illicit network (Ryall 2017).

North Korean cyber attack tactics have been identified through their unique footprint. The data retrieved from the Sony Pictures attack has been cross-checked with other known and suspected North Korean cyber attacks, such as the breaches at South Korean banks and broadcasters in 2013 (Riley et al. 2014; Yadron and Fritz 2014). Digital breaches at banks in Southeast Asia also match the Sony Pictures attack's footprint, such as the October 2015 attack on a Filipino bank and the December 2015 attack on Tien Phong Bank in Vietnam (Cockery 2016). Symantec revealed that this was the first case where a nation-state employed cyber attacks to effectively steal money from banks (Menn 2017). An investigation into the attack on Sony Pictures traced the IP address of the attack to Malaysia, where North Korean IT workers were found working in local companies with legal work permits. The most recent Ransomware and WannaCry attacks were also attributed to North Korea due to the unique codes, and some of the attacks were also found to have been launched from Malaysian IP addresses (Maxey 2017; Nakashima 2017).⁴

IMPLICATIONS OF NORTH KOREA FOR SOUTHEAST ASIAN POLITICAL AND ECONOMIC DIMENSIONS AND SECURITY ARCHITECTURE

Due to North Korea's operation in the Southeast Asian region, these illicit activities inevitably have impacts on Southeast Asia's political and economic security. While the traditional security threat is limited, these political and economic security threats could have serious consequences if they are not controlled and constrained.

Political Security

In terms of political security, any future missile test that is aimed in the direction of this region would put Southeast Asian states and ASEAN in a difficult position in regard to responding to external power pressure and intervention, especially if ASEAN reveals its weakness by not reaching a consensus on strengthening the regional resolve to hold North Korea accountable for its irresponsible actions endangering territorial security. The implications of such a traditional security challenge could be two-fold. One such implication is: inadvertently inducing external powers' interference in the region, which runs contrary to Southeast Asian states' wish to

⁴ The North Korean cyber footprints are crosschecked with the data obtained by the US from the Sony Pictures attack, and also from the cyber security breaches experienced by South Korea. See Sanger and Fackler (2015).

remain neutral amongst the regional great powers, and also challenges ASEAN's ability to maintain ASEAN cohesion in response to security challenges permeating from the neighbouring region. For instance, in 2017, the US under the Trump administration requested ASEAN to remove North Korea as a participatory member of the ARF. However, ASEAN stood its ground and maintained the participation of North Korea in the ARF, arguing that to completely isolate North Korea from any form of regional engagement would be an even worse scenario.⁵ The other implication being uncertainty over the provocation cycles that produce cyclical stability-instability outcomes, undermining regional stability, which is required for stable economic development. This has thus exposed ASEAN's weaknesses in upholding regional order in the face of external challenges.

Economic Security

In terms of the implications for regional economic security, the US' sanctions regime and pressure (also from the Republic of Korea [ROK]) on Southeast Asian states have not only strained bilateral relations between the respective states with North Korea, but have also had a detrimental effect on Southeast Asian states' reputation in relation to illegal economic and financial transactions, which had been vital for transmitting and wiring hard cash to the Pyongyang regime. The illegal financial network established by North Korea is not restricted to regional operation, but also links and connects financial institutions in China, South Asia, and the Middle East, all vital patrons of North Korea's illicit networks. Thus, by playing the role of an international hub for North Korean financial operations, Southeast Asia risks exacerbating the non-traditional security challenges and knowingly or unknowingly supporting the proliferation and maintenance of such an illegal structure that has inter-regional impact. The latest rounds of sanctions introduced by the US Treasury Department and the latest UN Resolution 2375 (2017) have already hurt Southeast Asia's reputation and regional/local financial institutions and economies. For instance, Thailand's silk production actually relies heavily on North Korea's raw material supplies. Thus, the latest secondary sanctions targeting the textile trade with North Korea had negative impacts on Thailand's textile industry, which is part of its vital export and local markets. This testifies to the ASEAN member states' vulnerability to the international sanctions regime on North Korea.

The illegal financial and economic network of North Korea could hamper the ASEAN Economic Community (AEC), with the consequences of illicit trade activities sabotaging the economic integrity of ASEAN as a trading bloc. In addition to the international sanctions regime, the US and South Korea could threaten

⁵ The ARF became the only regional multilateral engagement that North Korea is still a part of after it officially withdrew from the Six-Party Talks in 2009.

economic retaliation along with financial warfare on North Korea's illicit financial network, of which we are currently witnessing the Chinese banks that were involved in assisting North Korea to evade sanctions receive the brunt of secondary sanctions measures, reminiscent of the first successful financial warfare waged against North Korea through the Banco Delta Asia sanctions back in the latter half of the 2000s. The interconnectedness of money laundering, arms smuggling, and drug trafficking activities also means that North Korean operations in the region have undermined ASEAN's reputation as a bloc for trade and investment in East Asia, while also exploiting the ASEAN Community's connectivity and its neutrality in engaging North Korea as a non-aligned partner since the Cold War era.

Under the Trump administration, the weak introduction and implementation of sanctions against North Korea over the previous decades were replaced by the new administration's new strategy of "maximum pressure" by imposing a more stringent sanctions regime. The implementation of secondary sanctions was held back during the Obama administration for fear of China's retaliation due to a lack of consensus; this is no longer the case. Southeast Asian states are thus facing the dilemma of either severing ties and risking losing the traditional export-import market connected to North Korea or coming under scrutiny for non-compliance with the sanctions regime.

Financial Security

North Korea's newfound cyber capability, as illustrated in the previous section, has threatened the financial security of some Southeast Asian states. Being the only known sovereign state to have stolen money from financial institutions through cyber operations, North Korea's cyber attacks and cyber breaches have not only raised concerns over global finance security, but also damaged the trust of the nations from which it wired money away illegally. The Philippines had been one of the top trade partners of North Korea since the 2000s, and yet the massive loss from a cyber breach of its local bank, conformation of which only came two years after the breach, revealed North Korea's untrustworthiness as a state.

Cyber security

North Korea's cyber operations have disrupted ASEAN's capacity-building process, which had just begun in 2016. Mandiant's report placed the Southeast Asian region's cyber security in the "warning" category, as there are few efforts on cyber defence and readiness on the regional scale, and each member state's cyber capability differs drastically. The ASEAN Defence Ministerial Meeting Plus's Cyber Security Working Group was agreed upon in the 2016 meeting, and the activities are expected to begin in 2017. The overall regional cyber-preparedness at the ASEAN level is

still at a very low level. If the achievements of the working group on cyber security cannot match North Korea's increased cyber presence in the region, not only are financial institutions under threat, Southeast Asia will also again become another unwilling participant in the global cyber attacks network of North Korea (and potentially of other cyber terrorist groups), be it state-sponsored or non-governmental entities.

THE CASE OF THE JAPAN-CHINA COMPETITION: IMPLICATIONS FOR SOUTHEAST ASIA

Having illustrated North Korea's security challenges and implications for Southeast Asia, one cannot ignore the legitimate struggle of the small states in the region in facing the great-power rivalry and competition between China and Japan. They are the two great powers of East Asia and have long enjoyed significant presence in Southeast Asia. While the contemporary focus in Southeast Asian international relations has been on the US-China rivalry, the challenges permeating from the Japan-China competition should not be overlooked. Japan has been a major investor in the region since then Prime Minister Fukuyama introduced chequebook diplomacy in Southeast Asia in the 1970s. While Japan's economic decline has coincided with China's rise in the 1990s, it remains an important player not only as a partner for Southeast Asian economic growth, but also as a strategic counterpart in strengthening maritime and security cooperation. From a strategic perspective, China's influence in the region has expanded significantly, but this has come with the cost of growing uneasiness over the South China Sea dispute. While the ASEAN-based agenda has continued to receive support from China, increasingly ASEAN is also becoming more fractious in facing the challenges of China's assertiveness in the South China Sea over the past few years. These scenarios are further complicated by Sino-Japanese relations, as the two powers vie for influence in Southeast Asia, which has thus become a stage for competition.

Both the contemporary leaders of China and Japan, Xi Jinping and Shinzo Abe, are strong leaders that depart in practice from their more reserved predecessors. Each has a distinct leadership style and a strong view on positioning their respective country in the shifting international and regional order. While China's newfound economic prowess has been translated into stronger political influence, Japan has long struggled with the dilemma of breaking out of the "strong economy, political pygmy" mould. Abe, however, seems determined to reverse this course and has been formulating and implementing policies that will make Japan not only more formidable but more autonomous in regional strategic affairs as well.

China-Japan Economic Competition in Southeast Asia

As a long-time regional investor and trade partner, Japan has a wide outreach in Southeast Asia as the main exporter of technology and the biggest non-Western investor in the region despite having a sensitive past of aggression during the World War II era. In the post-Cold War era, Japan, along with China and South Korea, began the process of East Asia regionalism based on the ASEAN platform. However, this traditional realm of developmental assistance in Southeast Asia dominated by Japan has also faced challenges from China. When President Xi Jinping announced the One Belt One Road initiative (now known as the Belt and Road Initiative or BRI)⁶ in 2013, it signalled the emergence of a new Chinese grand strategy, aimed at promoting China's status as a global economic centre and an elevated political status in accordance with its growing ability in lifting up countries in cooperative partnerships. The BRI has attracted the support of many developing countries, which are enticed by massive Chinese investments. In addition, these developing countries are also awed and inspired by China's own experience in rapid development for the past decades and wish to learn from the China model. Sceptics see the many corridors introduced through BRI as overly ambitious and fear a one-sided dependency. However, it is notable that for the majority of the countries involved, Chinese investments in infrastructure development are welcomed, although in fact many of the projects under this initiative are actually not "new". Many existing or ongoing projects between the recipient countries and China had been forged before the inception of the BRI framework.⁷

Sensing the ascendance of China's influence, Japan came up with its own counterpart of the BRI. It formally introduced the "Asia's Partnership for Future" initiative in 2015. According to Japan's Ministry of Foreign Affairs's Official Development Assistance (ODA) office, "Partnership for Quality Infrastructure: Investment for Asia's Future" is an institutionalised and structured design to re-frame all of Japan's ODA and investments overseas, particularly on infrastructure projects.⁸ Similar to China's investments, many Japanese investments in developing countries' infrastructure projects are also not new to the recipients, especially in Southeast Asia where Japan has long enjoyed an enduring presence.

⁶ The initial naming of One Belt One Road (OBOR) refers to its full name of "Silk Road Economic Belt" and "the 21st-century Maritime Silk Road". The official bilingual website was only launched in March 2017: <https://eng.yidaiyilu.gov.cn/>.

⁷ For instance, Malaysia's Forest City and the Malaysia-China twin industrial park projects Kuantan and Qinzhou Industrial Parks were incepted before the announcement of OBOR. China's official mouthpiece also admitted China's intention to prevail over Japan in acquiring mega-infrastructure projects in Malaysia, Thailand, and Indonesia. See Chu (2017).

⁸ Ministry of Foreign Affairs of Japan, 21 May 2015, "Announcement of 'Partnership for Quality Infrastructure: Investment for Asia's Future'", http://www.mofa.go.jp/policy/oda/page18_000076.html.

Other than infrastructure projects, there are also other parallel competitive schemes in the economic and financial areas. Japan is the largest shareholder of the Asian Development Bank, which for many decades has been, together with the World Bank, the primary multilateral financial institution for the developing countries in Southeast Asia. China, however, has established the Asia Infrastructure Investment Bank (AIIB), which Japan refuses to join. A relatively young institution, AIIB has attracted the support of all ASEAN countries, including sceptics such as Vietnam. AIIB aims to address specifically the weaknesses in the infrastructure sector in many Asian developing countries, and in this sense, it provides a sensible alternative to the existing financial institutions.

Another area of competition is trade. China and ASEAN have implemented the China-ASEAN Free Trade Agreement (CAFTA), while Japan is negotiating the ASEAN-Japan Comprehensive Economic Partnership Agreement (CEPA). According to Tourk (2009), Japan was reacting to China's initiatives with ASEAN; for instance, ASEAN had long demanded that Japan sign the treaty of non-interference in ASEAN's internal affairs, but Japan did not do so until after Beijing signed it in 2003. China and ASEAN are the most enthusiastic supporters of Regional Comprehensive Economic Partnership (RCEP), in which Japan is also a member, but Japan has spent far more energy and time on the Trans-Pacific Partnership (TPP), even after the Trump administration decided to pull out. Japan is currently working hard to revive the 11-member TPP, through which Japan aims to maintain its economic sphere of influence in the region. The agreement reached on the Comprehensive and Progressive Agreement for Trans-Pacific Partnership (CPTPP) in 2017 and the likely signing in March 2018 show a certain success in this area. As to the ASEAN member states, several are involved in both China-led and Japan-led economic initiatives, while others are heavily siding with either China or Japan.⁹ Southeast Asians' responses are grounded in the economy-security nexus, of which the next section will articulate the security realm that is affected and linked to the economic realm.

Table 1: Economic leadership competition between China and Japan in Southeast Asia.

Economic leadership initiatives	China	Japan
Infrastructure	BRI	Partnership for Quality Infrastructure
Finance	AIIB	ADB
Trade (bilateral between China/Japan and ASEAN)	CAFTA	CEPA
Trade (multilateral)	RCEP	TPP / CPTPP

⁹ Malaysia, Thailand, and Singapore are known to be supportive of either China- or Japan-led initiatives, whereas Laos and Cambodia are commonly regarded as falling under China's sphere of influence, while Vietnam and the Philippines (pre-Duterte era) are more Japan-friendly in response to China's assertiveness in their waters.

China-Japan Diplomatic Competition in Southeast Asia

The competition of offering developmental assistance to Southeast Asia between China and Japan is a bid to increase their respective influence while translating economic prowess into stronger diplomatic leverage. Increased bilateral cooperation with a particular Southeast Asian country is also aimed at countering the other's presence in the country. For instance, Japan quickly entered Myanmar's market after the opening of the country, partially with the aim of countering China, which had a strong presence during the military junta period. Japan increased its ODA to Vietnam and the Philippines while fostering maritime cooperation with these countries in a bid to counter China's maritime expansion in the region.

The security realm is the area where mutual distrust and suspicion run deep between China and Japan. China has long suspected that Japan's intention to normalise itself and become a "normal state" is in particular aiming at China. The changing of its pacifist constitution, which restrains Japan from establishing an offensive military force, is viewed as the first step towards larger hegemonic and military designs. Japan's close maritime cooperation with the Philippines and Vietnam is seen by China as a strategy of hampering China's influence in Southeast Asia.¹⁰

Especially in the 2010s, when signs of growing trouble between China and its maritime neighbours became apparent, Japan's ODA to and maritime cooperation with Southeast Asian countries assumed a more political character. It has given strong diplomatic support to the Southeast Asian claimant states in the South China Sea disputes, initiated more security-level as well as track-two dialogues between the relevant officials and think tankers, and provided patrol boats to the coast guards of the littoral states. Japan thus portrays itself as a nation sympathetic to the small states in Southeast Asia, offering assistance to improve their maritime security with better equipment, in order to counter China's dominance at sea.

Japan may also serve as a case in point to warn Southeast Asian countries. The latter's growing economic relationship with China might enable China to sometimes "weaponise" economic relations. For instance, Japan-China trade has blossomed since the start of the post-Cold War era, but this has to a certain extent actually endangered Japan's economic security. While China was more dependent on Japan in the 1990s, this trend has reversed since 2004, due to China's rise as a bigger trading market and the increasing importance of the Chinese market to Japan (Wan 2016: 170). Wan highlights the suspension of China's rare earth exports to Japan as a targeted sanctions economic warfare that was adopted in the East China Sea dispute (Diaoyu/Senkaku islands) in 2010, in which Japan yielded to the pressure after the

¹⁰ Japan's sale of TC-90 surveillance aircraft to the Philippines is seen as part of its efforts to promote the transfer of defence equipment to Southeast Asian countries to help build up their maritime security capabilities amid China's growing presence in the South China Sea. See report by the Yamaguchi (2017).

Japanese business community urged their Prime Minister's Office to deescalate the dispute. Similar situations can also be seen in South Korea when China retaliated against the THAAD deployment. Japan may implicitly and explicitly remind Southeast Asian countries that being overly economically reliant on China could have dangerous implications.

In this growing competition between Japan and China, Southeast Asian countries, as small states, will have to act carefully in order not to upset either great power, as the competition may result in a situation where it turns into a zero-sum game. The intensification of the competition could lead to significant challenges to the small states' national autonomy. By and large, none of the Southeast Asian countries would like to pursue the highly dangerous game of "choosing sides"; they prefer to generate as much benefits as possible from the competition while maintaining good relationships with all the major powers. This is a classic example of hedging, rather than traditional behaviour such as balancing or bandwagoning. Hedging works, however, only when the big-power competition offers enough strategic space for the smaller countries to manoeuvre. Under conditions of high uncertainties resulting from heightened competition or confrontation, there will be increased pressure on Southeast Asian countries to abandon hedging.

To a large extent, the Japan-China competition has not intensified into the above scenario, and can still be managed and contained within ASEAN-based frameworks and other multilateral fora. Aside from the existing ASEAN-based platforms and multilateral engagements (such as the ARF and ASEAN Plus Three [APT]), other non-ASEAN platforms, such as the annual Shangri-La Dialogue held by the International Institute for Strategic Studies (IISS) in Singapore and the Xiangshan Forum organised by China's People's Liberation Army (PLA), have become part of the institutionalised security dialogue mechanisms as they provide additional avenues for high-ranking military officers and heads of governmental agencies to meet and discuss major security issues afflicting the region. China, however, is moving fast to establish an alternative regional security architecture, with initiatives such as the first China-ASEAN workshop on cyber security on the sidelines of the ARF in 2013, and the Xiangshan Forum regional security conference, the first of which was held in 2006.¹¹ These efforts complement the China-led regional institutions, namely the Shanghai Cooperation Organisation (SCO)¹² and the biennial Conference on Interaction and Confidence-Building Measures in Asia (CICA)¹³, held since 1999.

¹¹ The Xiangshan Forum was held biennially until 2015 when it became an annual event (with the exception of 2017, when it was postponed to make way for the 19th Party Congress).

¹² Originally named the Shanghai Five, it was renamed to SCO in 2001 after the admission of its sixth member, Uzbekistan. See official portal at <http://eng.sectsc.org/>.

¹³ CICA is an inter-governmental forum for enhancing cooperation towards promoting peace, security, and stability in Asia. See the official website: <http://www.s-cica.org/page.php?lang=1>.

Interestingly, ASEAN has been a guest at SCO summits since 2006, a year that also marked the start of a economic agenda in the SCO meeting (Raj Kumar Sharma 2015).

As Japan is the established power and ASEAN countries have been dealing with Japan for decades, the growing uncertainties can actually be attributed more to China's rise. As Min (2017) argues, the strategic challenge for ASEAN is to find a new common ground between China's national interest and the regional interest, with international cooperation as the primal focal point of the interactions while managing the existing disputes between China and the member states. Lam (2012) also argues that with the dualistic characteristics of cooperation and competition in Sino-Japanese relations, the APT members shall focus on joint cooperation areas like anti-piracy, environmental protection in the Malacca Straits, and global warming, instead of debating military competition. Multilateral regionalism would provide the best ground for producing a positive outcome. Southeast Asian states should continue to rely on ASEAN's institutional power rather than be constrained by individual state's limited policy choice.

CONCLUSION

The above discussion serves to illustrate that challenges from Northeast Asia could spill over to Southeast Asia. The existing security architecture has so far been able to cope with these challenges, but looking into the future there will be more challenges and it is uncertain if the existing arrangements will be able to contain or manage these challenges if no improvements or reforms are made. For instance, the ASEAN Political-Security Community (APSC) is underdeveloped in comparison to the ASEAN Economic Community (AEC) and ASEAN Socio-Cultural Community (ASCC). In managing the challenges from North Korea, it is time to turn APSC's blueprint into action, including expanded cooperation with the extra-regional stakeholders, especially South Korea. ASEAN's lukewarm response to South Korea's peace initiative, Northeast Asia Peace and Cooperative Initiative (NAPCI), could have delayed promising concerted East Asian efforts in engaging North Korea. Therefore, ASEAN should be more supportive of future ROK initiatives, including the new Responsible Northeast Asia Plus Community proposed by the incumbent Moon Jae-in government, which has a specific area of cooperation focusing on Southeast Asia and ASEAN. The assassination of Kim Jong-Nam should not be treated as another odd case that will recede with the passing of time; it should serve as a wake-up call to the ASEAN member states to increase their capability and credibility in closing the loopholes abused by North Korea in the region.

Meanwhile, ASEAN should continue to enhance APT as the key framework to enable the major powers of Northeast Asia to cooperate with each other while working alongside ASEAN. Japan and China should be made aware of the gains from

complementing each other in fostering rapport with the Southeast Asian states rather than competing with each other. AMMTC is one of the most functional ASEAN mechanisms – it is instrumental in organising substantive intra-regional cooperation and institutionalising cooperation between ASEAN, China, Japan, and South Korea (Reeves 2016). The Plus Three mechanism has worked to bring substance to East Asian security cooperation, such as the AMMTC Plus Three (AMMTC+3). The cooperation also includes bilateral mechanisms, such as the AMMTC Plus China and AMMTC Plus Japan. The NAPCI proposed by South Korea was inspired by the implementation of non-traditional security cooperation in the APT framework, with the expectation that the consolidation of non-traditional security cooperation can be extended to traditional security cooperation in the future. However, South Korea struggles to get solid support from other actors for its bid to be in the driving seat of Northeast Asian-based East Asian regionalism.

Table 2 shows the implications from the two cases of Northeast Asia in different dimensions and the relevant existing security framework.

Table 2: Overall Implications for Southeast Asia and East Asian Frameworks.

	<i>Economic Dimension</i>	<i>Security Dimension</i>	<i>Political Dimension</i>	<i>East Asian Framework</i>
North Korea	Undermining regional financial and economic institutions Pressure from international sanctions regime	Traditional security (territorial integrity) Non-traditional security (illicit networks and cyber attack operations)	Dynamics of dual relations with the two Koreas Increased pressure from the great powers to act on North Korea	ASEAN Politico-Security Community (APSC) ASEAN Regional Forum (ARF) ADMM Plus Cyber Security Working Group Bridging ASEAN platform with 6PT / NAPCI / Responsible Northeast Asia Plus Community
Japan-China	Increased vulnerability due to economic interdependence or trade imbalance Divide rather than unite the members in enhancing cooperation	Defence cooperation Heightened sensitivity in maritime security issues	South China Sea Undermining ASEAN Centrality	ASEAN Plus Three (APT) ASEAN Economic Community ASEAN Ministerial Meeting on Transnational Crime (AMMTC)

Given the intense rivalry among the Northeast Asian countries and the low possibility of a Northeast Asia-based regional organisation being implemented anytime soon, ASEAN remains the only viable security platform to improve the East Asian security architecture. However, ASEAN would also have to address its own weaknesses. In order to be a credible institution, ASEAN first has to strengthen its cohesion. The recent examples of division within ASEAN over issues such as the South China Sea dispute and the Rohingya crisis show that the challenges of cohesion and unity remain. Second, ASEAN member states have to be well-governed societies to avoid becoming pawns in the big powers' competition. Unfortunately, issues of corruption, abuses of power, and weak governing capacities continue to plague certain ASEAN member states. Finally, the gap within ASEAN has to be narrowed. The wide gap in the different levels of economic development has made different countries pursue their own national interests, sometimes at the expense of their fellow ASEAN member states. If ASEAN is to be the foundation of a wider and much-strengthened security architecture that can handle the challenges from Northeast Asia, it will have to first strengthen itself.

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