

## EVENT RECAP

### 13<sup>th</sup> ASEAN-Australia-New Zealand (AANZ) Dialogue

7 December 2020

Via Zoom Webinar

#### Overview



The 13<sup>th</sup> ASEAN-Australia-New Zealand (AANZ) Dialogue was convened online via Zoom Webinar, on 7 December 2020 from 10.00am – 1.45pm GMT+8.

The 13<sup>th</sup> AANZ Dialogue was structured around two 90-minute moderated sessions. It focused on the disruptive confluence of structural reforms, economic priorities and domestic challenges faced in shaping the regional priorities of ASEAN member states, Australia and New Zealand. These conversations were anchored on the ongoing and projected ripple effects of the global COVID-19 pandemic, which forced this Dialogue to be scaled down and conducted online.

Participants of Session 1 were mostly senior academics and practitioners from Southeast Asia, Australia and New Zealand who focused on the specific disruptive confluences and their impact on particular states and the region as a whole.

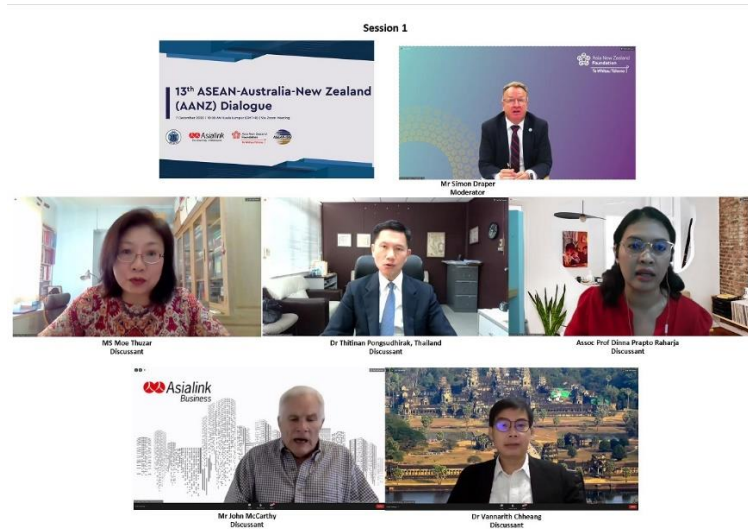
Given the AANZ Dialogue’s commitment to develop and facilitate the presence of emerging academics and practitioners from Southeast Asia, Australia and New Zealand, Session 2 featured these “NextGen” role-players and focused on options for stakeholders in an increasingly contested and disruptive environment.

The Dialogue saw robust attendance by participants from various backgrounds, including government officials, academics, journalists, the private sector and members of the analytical community at large. A total of 131 participants (excluding 17 role-players) participated in the nearly 4-hour online Dialogue.

### **Summary of the Sessions**

#### **Session 1: Regional Perspectives on Managing the US-China Strategic Competition**

<b>Session 1</b>	<b>Featuring senior academics/practitioners focusing on the disruptive confluences and their impact</b>	
<b>Moderator</b>	<b>Mr Simon Draper</b> Executive Director Asia New Zealand Foundation New Zealand	
<b>Discussants</b>	<b>Ms Moe Thuzar</b> Fellow and Co-Coordinator, Myanmar Studies Programme ISEAS-Yusof Ishak Institute National University of Singapore Singapore	<b>Dr Vannarith Chheang</b> President Asian Vision Institute Cambodia
	<b>Mr John McCarthy</b> Senior Advisor Asialink Australia	<b>Dr Dinna Prapto Raharja</b> Associate Professor International Relations Bina Nusantara University Indonesia
	<b>Dr Thitinan Pongsudhirak</b> Director, Institute of Security and International Studies (ISIS); Professor, Faculty of Political Science Chulalongkorn University Thailand	



Session 1 took both a country and region centric approach in examining key developments in ASEAN member states, Australia and New Zealand, its impact on bilateral and multilateral relationships, and how it relates to ongoing regional efforts for building resilience against the pandemic and its multiple effects.

Myanmar faces a circular challenge – stretched infrastructure and public services because of the pandemic, ongoing political dissatisfaction from the cancelled elections in some regions and the long process of Rohingya repatriation. Myanmar will need to consider the nature of its external partnerships because of these developments. While China is a core partner, Myanmar could be looking to step up cooperation with other ASEAN Dialogue Partners to balance China’s strategic interest and influence in the country.

Thailand’s crisis of democracy has now evolved to a crisis of the monarchy – which is a bigger concern for most stakeholders in Thailand than the pandemic. Considering Thailand’s ability to contain the pandemic relatively well thus far, attention can be given to domestic politics, which continues in full swing. Until these internal dynamics are fully resolved, Thailand will probably take a minimalist foreign policy approach in ASEAN.

Indonesia faces significant economic challenges because of COVID-19, with exception of the agriculture sector that has experienced growth. This development meant that the government cannot afford strict movement controls as it would create a worse crisis than the current healthcare challenge. Thus, speedy access to vaccines, followed by more regularised movement of people and trade are key priorities for Indonesian policymakers. Indonesia has also been calling for a regional, inclusive response to the pandemic – with secure and flexible value chains and innovation at the forefront.

Aside from COVID-19, Australia has been largely preoccupied on how to manage its bilateral and multilateral relations with China. While it is in Australia's interest to be firm on its national and regional interest in the face of China's negative influence, there has been robust internal debate on whether Australia has overstretched in its reactions against China.

Similar to Thailand, political and governance concerns seems to prominence over healthcare concerns in Cambodia. Its economy, particularly in their textile export, tourism and construction industries, which employ hundreds of thousands, has been negatively affected. This has made Cambodia even more dependent on its trade relationships with major partners, namely China.

The discussions highlighted the following points/issues:

First, from a pandemic management perspective, mainland Southeast Asia, or the Mekong region, has done remarkably well compared to the wider region. At least till recently. However, numbers are on the uptick and need to be balanced with increased demands to reopen even more of the economy. This has been complicated by ongoing domestic challenges within a few mainland Southeast Asian countries.

Second, the pandemic highlighted the need for greater coordination of priorities between ASEAN member states (and their Dialogue Partners) for a more inclusive response. There is also a need for more innovative and flexible response mechanisms to be institutionalised. Some ASEAN member states have done better than others, and lessons should be sought and shared.

Third, the nature of the incoming Biden administration's policy approaches with China were discussed, with a general consensus that the US could ratchet down some of the tensions and look for areas of mutual interest, while maintaining its competitive policy against China in areas where its core interests are threatened. The nature of US engagement with China will influence how states in the Asia Pacific calibrate their management of major power engagements.

However, if the no-holds barred competition for influence between US and China in the Asia Pacific continues, Southeast Asia will be a major "battleground". Thus, the key question is that how can ASEAN's key partners like Australia and New Zealand manage that? ASEAN's dialogue partners should work to assist ASEAN in strengthening its resilience so ASEAN can maintain its independence and centrality.

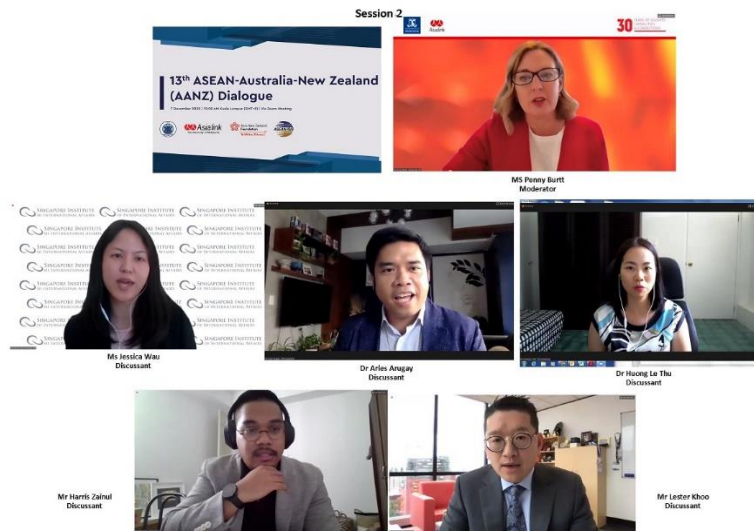
Fourth, the geopolitics of the Mekong continues to be a concern to all lower Mekong states. Thanks to Vietnam's chairmanship of ASEAN in 2020, it has now been elevated to an ASEAN

concern. The incoming Biden administration should follow on ongoing US efforts in the Mekong, which was initiated by President Obama and built on by President Trump.

Fifth, another point of discussion was on whether the US would increase its engagement on democratisation and human rights in Southeast Asia again. This is consequential because quite a few Southeast Asian countries could come under greater US pressure. While this might be good for progressive causes in Southeast Asia, it remains to be seen how ruling elites would react, especially since President Trump had shown little interest in confronting authoritarian tendencies.

## Session 2: Moving Forward with Regional Trade Mechanisms

<b>Session 1</b>	<b>Featuring emerging academics/practitioners focusing on options in an increasingly contested/disruptive environment</b>	
<b>Moderator</b>	<b>Ms Penny Burt</b> Group CEO Asialink Australia	
<b>Discussants</b>	<b>Dr Aries Arugay</b> Professor of Political Science University of the Philippines-Diliman The Philippines	<b>Ms Jessica Wau</b> Assistant Director (ASEAN) Singapore Institute of International Affairs (SIIA) Singapore
	<b>Dr Huong Le Thu</b> Senior Analyst Australian Strategic Policy Institute (ASPI) Australia	<b>Mr Lester Khoo</b> Group Director, AUT International Auckland University of Technology New Zealand
	<b>Mr Harris Zainul</b> Analyst Economics, Trade and Regional Integration Institute of Strategic and International Studies (ISIS) Malaysia	



Session 2 sought to further drive the discussions from Session 1 through curated conversations that broaden the perspectives of issues already discussed.

On the subject of how COVID-19 has affected ASEAN member states' external relations, most discussants agreed that during the early stages of the pandemic, member states were clearly more inward focused, with national rather than regional, responses. It demonstrated that national priorities often conflicted with regional aims. While it would have seemed natural to cooperate, nativist and unilateral policies dominated. This included how countries sought aid and help from ASEAN Dialogue Partners. ASEAN member states need to do some soul-searching on how they have approached this, and its longer-term consequences on multilateral efforts both in ASEAN and beyond.

ASEAN also saw conversations on traditional geopolitical concerns, namely the South China Sea and the Mekong being pushed back and minimised in priority. Yet, this ran in contradiction to the situation on the ground as strategic situation for ASEAN stakeholders in both regions continue to deteriorate. In terms of priorities for next year, collective recovery as a region should be a priority. ASEAN needs to collectively engage its Dialogue Partners, especially major powers.

Vietnam's chairmanship of ASEAN was disrupted by COVID-19, and its efforts to coordinate a response to the pandemic were also discussed. There were multiple pressure points on Vietnamese policymakers on the regional and global front this year, and the consensus was that Vietnam has performed commendably, all things considered. On the domestic front, key policymakers would have the 2021 Communist Party of Vietnam's 2021 congress in mind as no one can afford to look unprepared and ineffectual.

The panel also briefly touched on the positive views of, and trust in Japan by Southeast Asia. Japan is perceived as a responsible regional power that upholds a rules-based international order. This is of particular importance to Southeast Asia, who depends on multilateral frameworks that highlight what is “right”, and not who has “might”. However, uncertainty remains amongst Southeast Asia over Japan’s capacity to proactively play their desired leadership role in the region.

On the issue of middle power diplomacy and its implications for Southeast Asia, it was argued that middle power countries are those possessing some capacity to act and influence the region in concert with other similar countries. These countries are thus more dependent on a rules-based international order than major powers as they lack the capacity to act autonomously without consequences. Their role is particularly crucial when major powers seem to be relinquishing their international responsibilities. Therefore, middle powers have an opportunity to coordinate on issues like more equitable vaccine access, digital integration and more equitable trade in a post-pandemic environment.

In terms of what Southeast Asia can expect from the incoming Biden administration, discussants highlighted that it is important for ASEAN to remember that there are still major competing domestic and foreign priorities that await Biden administration. Some Southeast Asian scholars and policymakers do not expect this region to be high on his policy list, at least not immediately. Given the statements by President-Elect Biden, and the officials being nominated thus far, it does seem like a throwback to some familiar aspects of the Obama administration, featuring more multilateral approaches and a greater emphasis on democracy, good governance and human rights.

It is still early to determine much, thus many policymakers in Southeast Asia are rightly hedging their bets to see how Biden’s cabinet takes shape and what policies will be implemented. An important aspect the success of Biden’s engagement with ASEAN would be how he engages with China and how he would engage with ASEAN in regards to China. Forcing ASEAN into a position where they are expected to choose, even the perception of it, is a self-defeating strategy. That sentiment was associated with Trump’s approach to Southeast Asia on China.

Last but not least, there are concerns that ASEAN has been distracted by the more immediate and stark challenges of COVID-19 and its ripple effects over issues of sustainability and climate change. Climate and sustainable challenges are here for the long term, both for mainland and maritime Southeast Asia and they are likely to only be further exacerbated by the pandemic. This is something that the ASEAN-ISIS network have been highlighting to the ASEAN Secretariat under

the wider scope of building resilience. These sustainability challenges have been reflected by Brunei as a focus area in its upcoming chairmanship of ASEAN, and are well known to both Australia and New Zealand, both which have the expertise to assist ASEAN and ASEAN member states navigate these challenges.

### **Key takeaways from the Dialogue**

- Broadly speaking, the ongoing ripple effects of the global pandemic has further exacerbated longstanding internal socio-economic and socio-political issues in several ASEAN member states. This has both immediate and long-term domestic and external policy implications.
- The more assertive nature of China's bilateral and multilateral diplomacy is increasingly being felt by ASEAN member states and New Zealand. Australia meanwhile is going through a rough patch in its relationship with China, which has fuelled internal debate on the nature and options of its values and long-term strategic engagement with China and the rest of the Asia Pacific.
- A greater understanding of how ASEAN, its institutions and Member States operate, especially in areas where there are limitations, were invaluable to stakeholders from Australia and New Zealand.
- The focus beyond trade cooperation to address more political-security and socio-cultural issues seem to have yielded more robust discussions, at least among the NextGen participants.
- The decision to go with a 4-hour online Dialogue has both its advantages and disadvantages.
  - It limits the number of sessions and issues that can be comprehensively discussed but manages to attract and retain a larger number of participants.
  - An online Dialogue would allow for a greater number of Discussants, at a lower fiscal cost. However, less time can be allocated for Q&A.



## Issues and ideas moving forward

- Despite the scaled down version of the Dialogue this year, the active participation of Track 1 participations – namely officials from the ASEAN Secretariat, Foreign Ministries’ and Australian and New Zealand Ambassadors to ASEAN were absent and missed.
  - Some were present but as silent participants.
  - Moving forward, future Dialogues, even if held online, should find a way to actively incorporate these officials, preferably as Discussants.
- As co-convenors of the AANZ Dialogue, Asialink, Asia New Zealand Foundation (ANZF) and the Institute of Strategic and International Studies (ISIS) Malaysia should consider the submission of a brief memo or outcome document, along the lines of a programmatic proposal, to their respective Track 1 stakeholders, upon the conclusion future Dialogues.
  - The merits and drawbacks of such a document should be discussed further.
- The Dialogue co-convenors should consider the possibility of more online meetings – even smaller ones among key stakeholders, which allow stakeholders to remain in touch in a constantly evolving region.
  - These meeting can be hosted in turn, by ISIS Malaysia, Asialink and the ANZF through the year.
  - These can be conducted along the lines of the “Effective Diplomacy in the COVID Era” webinar hosted by ANZF in June 2020.
  - These smaller meetings could be an avenue for:
    - More close-knit Track 1 engagement,
    - Institutionalising networking and collaboration among NextGen academics and analysts from Southeast Asia, Australia and New Zealand.

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