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2012 - When Asean felt Beijing's bite

It was a year of Chinese bullying and souring regional relations, when former leaders were hauled before the courts and ethnic tensions turned violent. Mother Nature left her calling cards while authorities wrapped up loose ends in the war on terror in Southeast Asia and Myanmar made steady steps toward democracy, raising hopes for the New Year.

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Twenty-twelve should be remembered as the year in which China acted on its long-standing claims in the South China Sea, took off the gloves and arraigned its intimidating military and diplomatic arsenal against its neighbours to the south. Gone were the usual glib lines that China only gives foreign aid and soft loans to countries in need, with no strings attached. Cambodia, for years a benefactor of Beijing's largesse, was bullied onto China's political front lines, acting as a spoiler against fellow Asean countries attempting to forge a united front against Beijing's territorial and maritime ambitions.

IN DISPUTE: Pagasa Island, part of the Spratly group in the South China Sea off the coast of the Philippines. China, the Philippines, Malaysia, Brunei, Vietnam and Taiwan all claim territory in the South China Sea.

Military stand-offs were focused around the Spratly and Paracel islands, characterised by gunboat diplomacy deployed amid an overarching presence by the US, whose pivot back to Southeast Asia added a sense of urgency to the dispute and some balance to Chinese belligerence.

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The issue divided the 10 members of Asean like no other. Of the four Asean countries with overlapping claims in the seas, Vietnam and the Philippines fiercely challenged China while Malaysia and Brunei preferred back-room diplomacy; Singapore and Jakarta tried their hands at mediating the divisions while others demurred.

China claims most of the South China Sea, and huge parts of the East China Sea as well.

Cambodia was a rare Chinese ally in a year marked by sadness and controversy at home. The country's legendary former monarch and King Father, Norodom Sihanouk - who led his country during Japanese occupation

in World War II, independence in 1953, decades of war and finally peace - passed away.

The public response was overwhelming and caused consternation for Prime Minister Hun Sen, whose government was under constant fire by civil society groups alleging widespread land-grabbing and an escalation in the use of guns against protesters.

Acclaimed environmentalist Chhut Vuthy was shot dead during a confrontation with security guards at a land concession granted to a Chinese company. Charges against a district governor photographed waving a gun after witnesses said he shot three women while protesting over working conditions were dropped. The decision seemed as incredulous as the conviction and 20-year sentence handed down to broadcaster Mam Sonando for organising a secessionist plot. He also had a habit of criticising Hun Sen.

Laos also signalled it was moving closer to China while hinting political reforms could be on the agenda. Through a series of mega-contracts for the construction of roads, dams and railways, the country has financially committed itself to Chinese banks.

Laos' strengthening ties to China were also highlighted by the slaughter of a 13-strong Chinese boat crew working along the Mekong river bordering Thailand in late 2011. Six gangsters were blamed for the crime and arrested in Laos and later taken to Kunming in southwest China where they were tried, convicted and handed down sentences ranging from imprisonment to death. The fact that the crime happened in either Lao or Thai territory and was committed by Myanmar citizens was irrelevant for authorities keen to impose the Chinese justice system on a foreign crime.

But most worrying from an Asean perspective is Laos' US\$3.5 billion (107 billion baht) Xayaburi dam, to be constructed by a Thai company and financed by a consortium of Thai banks. Its construction will dam the main stream of the lower Mekong River for the first time, endangering the migration patterns of much-needed fish stocks in Vietnam and Cambodia where 60 million people depend upon the river for their livelihoods.

Vientiane has ignored criticisms of the Xayaburi dam led largely by its traditional ally Hanoi, where Prime Minister Nguyen Tan Dung is at the mercy of an irate Communist Party that has threatened to sack him over his handling of the economy. The Vietnamese economy has defied regional trends and ground to a standstill, buckling under the accumulative weight of excessive government loans and state guaranteed international loans to government-backed enterprises where corruption had become a hallmark of

business. In August, Vietnam's Appeals Court upheld convictions against nine former executives of Vinashin, Vietnam's largest ship builder. The executives, who had enjoyed close ties with PM Dung, are currently serving jail terms for mismanaging state resources.

Indonesia's economy stood in stark contrast with the country enjoying a stable year ahead of upcoming elections. The country's Foreign Minister Marty Natalegawa stamped himself as a potential future leader after he almost single-handedly halted the embarrassing slide within Asean caused by dissent over how to handle China's territorial claims.

Notable was the jailing of Omar Patek, an acolyte of Jemaah Islamiyah with al-Qaeda-styled ambitions of establishing an Islamic caliphate across much of Southeast Asia. Patek was the last of the Bali bombers to be apprehended, marking the end of a tragic era and bringing some closure for the survivors and the families of the more than 200 victims of the 2002 nightclub bombings.

Perceptions that the war on terror in Southeast Asia had come to an end were aided by a peace deal struck in the southern Philippines between the Moro Islamic Liberation Front and Manila. The deal still has some way to go before winning the approval of a divided parliament but the prospect of peace was welcomed by President Benigno Aquino, who came to power on promises of ending the conflict in Mindanao.

Mr Aquino could afford himself a wry smile over his predecessor Gloria Arroyo, whose own previous peace efforts ended in disaster and her association with crime gangs and dubious businessmen landed her before the courts on corruption charges stemming from her nine years in office. Those ties included some to the Ampatuan clan, whose senior members stand accused of a 2009 massacre that left 57 people dead, the majority of them journalists. The greatest disappointment for the year was perhaps the stunning defeat of national hero Manny Pacquiao in the boxing ring, but this paled when compared with the destruction wreaked by Typhoon Bopha at year's end in the southern Philippines, killing more than 1,000 people and leaving another 300,000 homeless.

In Thailand, charges have been brought against former prime minister Abhisit Vejjajiva for the murder of a civilian during a military crackdown on anti-government rallies two years ago when about 90 people were killed and another 1,900 wounded in street clashes. For Prime Minister Yingluck Shinwatra it was a better year in office. She faced down a no-confidence vote, yellow shirt protests fizzled and her Pheu Thai Party won a Supreme Court ruling that effectively meant the party would not have to dissolve.

However, her biggest drawback remains her government's rice policies, a pledge to pay farmers above market rates which, she says, should in turn force up world prices for the crop. The highly controversial policy has not worked. Instead, mountains of rice are piling up in warehouses just as fast as the associated debts.

Berlin-based Transparency International again produced its annual corruption index which cast most Southeast Asian countries in a poor light. An exception to the rule was Malaysia, rising six spots to 54th out of 176 countries. Malaysia's standing improved after the High Court cleared opposition leader Anwar Ibrahim of sex-related charges. Otherwise Prime Minister Najib Razak played a deft game of cat and mouse with his political nemeses, who are demanding electoral reforms and greater freedoms, by threatening to call an early election which never eventuated. The poll must be held by early 2013.

Singapore, in fifth spot, was ranked alongside the least corrupt countries but had to endure the type of chiding more commonly associated with the school yard after another survey declared the city-state to be an emotional wasteland. The Gallup survey said Singapore was the world's most emotionless state, outdoing po-faced Russia. It was a claim that even Singapore's most ardent fans had difficulty defending after authorities denied access to 40 Muslim Rohingyas who were shipwrecked while fleeing the violence in northern Myanmar. The earlier deportation of Chinese bus drivers who committed the rarest of industrial sins in Singapore by going on strike did little to soften the country's image.

Other issues to bedevil the region included trade in fast-disappearing wildlife. Cross-border trafficking in animal parts to meet demands based on scientifically-unproven Chinese medicinal claims highlighted the ineptitude of regional laws, particularly in Thailand, Malaysia, Vietnam, Cambodia and Laos, through which elephant tusks and rhino horns from Africa passed in record volumes.

In East Timor and Papua New Guinea, both hoping to join Asean over the short term, new governments were elected. Brunei has taken its turn as chair of Asean, replacing Cambodia and signalling a probable shift away from the Chinese-dominated agenda pushed forward by Phnom Penh within the association.

It was a hectic year but by the end it was Myanmar that offered Southeast Asia its brightest hope as the country shifted its push to normalise relations

with the outside world, despite the outbreak of bloody ethnic violence in the north.

President Thein Sein emerged as a professional and likeable player on the international political stage, helped enormously by his American counterpart Barack Obama's unprecedented visit to Myanmar, the first by a sitting US president. His country, however, remains plagued by ethnic strife and suggestions he is worthy of a Nobel Peace Prize in 2013 overstepped the mark.

Nevertheless, 12 months ago few would have championed the country's prospects, but as 2013 approaches Myanmar is now the poster child for change and a potential role model for others more reluctant to take on the often complicated business of reform.