

ARTICLES

Macroeconomic Determinants of Auto Sales in Asean: An Empirical Study in Five Major Asean Countries

Suwinto Johan

Mediating Civil Conflicts in Southeast Asia: Lessons From Aceh and Mindanao

John Lee Candelaria

Policing Cyberspace: Understanding Online Repression in Thailand and The Philippines

Fernan Talamayan

Regionalism Under Challenge: Ideas and Joko Widodo's Foreign Policy towards ASEAN, 2014-2019

Mohamad Rosyidin
Shary Charlotte H. Pattipeilohy

Xi Jinping, "China Dream", and Chinese Military Diplomacy to ASEAN

Lidya Christin Sinaga

Assessment of Business Environment of Women Involved in Micro, Small, and Medium Enterprises (MSMEs) in The Philippines: A Comparative Study with Select ASEAN Countries

Myrtle Faye Laberinto Solina

JOURNAL OF ASEAN STUDIES (JAS)

Editor in Chief Tirta N. Mursitama

Managing Editors

Bina Nusantara University, Indonesia

Bina Nusantara University, Indonesia

Lili Yulyadi Arnakim

Moch Faisal Karim

International Editorial Board

Australian National University, Australia

Universiti Teknologi Malaysia, Malaysia

National University of Malaysia (UKM), Malaysia

University of South Florida, United States

KEDGE Business School, France

Leeds University, United Kingdom

National Cheng Keung University, Taiwan

American University, United States

Pierre van der Eng

Nanthakumar Loganathan

Kuik Cheng-Chwee

Abbas Mardani

Yahia H. Zoubir

Adam Tyson

Jenn-Jaw Soong

Amitav Acharya

Editorial Assistant

Bina Nusantara University, Indonesia

Bina Nusantara University, Indonesia

Bina Nusantara University, Indonesia

Dewi Novianti

Shavira Sarashita

Holil



JOURNAL OF ASEAN STUDIES

Volume 8 Number 2 2020

Contents

EDITORIAL

Continuing Contribution on ASEAN Studies

Tirta N. Mursitama

ARTICLES

- Macroeconomic Determinants of Auto Sales in Asean: An Empirical Study in Five Major Asean Countries 95-110
Suwinto Johan
- Mediating Civil Conflicts in Southeast Asia: Lessons From Aceh and Mindanao 111-127
John Lee Candelaria
- Policing Cyberspace: Understanding Online Repression in Thailand and The Philippines 129-245
Fernan Talamayan
- Regionalism Under Challenge: Ideas and Joko Widodo's Foreign Policy towards ASEAN, 2014-2019 147-172
Mohamad Rosyidin, Shary Charlotte H. Pattipeilohy
- Xi Jinping, "China Dream", and Chinese Military Diploma-cy to ASEAN 173-190
Lidya Christin Sinaga
- Assessment of Business Environment of Women Involved in Micro, Small, and Medium Enterprises (MSMEs) in The Philippines: A Comparative Study with Select ASEAN Countries 191-211
Myrtle Faye Laberinto Solina

journal.binus.ac.id/index.php/jas

Aim and Scope

The Journal of ASEAN Studies (JAS) is an International peer-reviewed bi-annual journal that enriches understanding of the past, current, and future issues relevant to ASEAN and its circle of issues. The article shall address any research on theoretical and empirical questions about ASEAN. The Topics addressed within the journal include: diplomacy, political economy, trade, national development, security, geopolitics, social change, transnational movement, environment, law, business and industry, and other various related sub-fields.

Journal of ASEAN Studies expects the articles encourage debate, controversy, new understanding, solid theory, and reflection on ASEAN. The articles sent should have a sharp analysis and rigorous methodologies quantitative or qualitative as well as written in an engaging and analytical style. The JAS does publish original research, reviewing research, book review, opinion pieces of current affairs. However, JAS does not publish journalistic or investigative style of article. The JAS would not be responsible for any implied or written statements of articles published. Each author would be responsible for their own writing.

Journal of ASEAN Studies is an international multidisciplinary journal, covering various fields of research on ASEAN either as community, organization, process, and web of cooperation.

Journal of ASEAN Studies publishes the following types of manuscripts:

- **Scholarly articles:** The manuscripts should be approximately 5,000-8,000 words. The manuscripts must contain a review of the current state of knowledge on the research question(s) of interest, then share new information or new ideas that will impact the state of theory and/or practice in area of ASEAN Studies.
- **Review Article:** The manuscripts should be approximately 1,500-3,500. The manuscripts must contain the current state of understanding on a particular topic about ASEAN by analysing and discussing research previously published by others
- **Practice notes:** These are shorter manuscripts approximately 1,500-3,500 words that are of specific interest to practitioners. These manuscripts must present new development for the ASEAN.
- **Research notes:** Similar to practice notes, these are shorter manuscripts approximately 1,500-3,500 words that have specific implications for ASEAN. The manuscripts should employ rigorous methodology either qualitative or quantitative.
- **Book Review:** The manuscripts should be approximately 1,500-4,000. The manuscripts must contain a critical evaluation of book by making argument and commentary on the particular book discussed.

Centre for Business and Diplomatic Studies

Centre for Business and Diplomatic Studies (CBDS) is established as part of the International Relations Department, Bina Nusantara (BINUS) University. Our aims are to undertake and promote research and deliberation on diplomacy, business, international relations and developmental issues particularly in Indonesia, Southeast Asia and Asia Pacific.

We also commit to build, connect and share research and others kinds of knowledge generating activities for the betterment of life of the people and earth. Our immediate constituency is International Relations Department, BINUS University and the larger constituency is the broader academic community of the BINUS University and other universities and institutions both national and international as well as policy community.

CBDS publishes scholarly journal, working papers, commentaries and provides training and consultancies services in the areas of diplomatic training, negotiations, commercial diplomacy, conflict resolutions for business, business and government relations, promoting competitive local government in attracting foreign investment, and understanding impact of regional economic integration on development specifically toward ASEAN Community 2015.

CBDS

Secretariat

Kijang Campus,

Binus University

Jl. Kemanggisian Ilir III No. 45, Kemanggisian / Palmerah Jakarta Barat

11480 +62.21 534 5830 ext.2453

+62.21 534 0244

<http://ir.binus.ac.id/cbds>

EDITORIAL

Is ASEAN Still Important? From Macro to Micro Economic Perspective

Warm greetings from the desk of editor in chief of Journal of ASEAN Studies (JAS). First of all, I would like to share good news on the acceptance of our journal, JAS, to be indexed in Scopus as indicated by the letter from the Content Selection & Advisory Board (CSAB) of the Scopus dated on 26th November 2020. Currently we are under the process of signing agreement.

JAS volume 8, no. 2, (2020) is presented to you when the world and especially, ASEAN member countries face the extraordinary challenges to humanities posted by COVID-19 pandemic. For almost 10 months, Association of Southeast Asian Nation (ASEAN) as regional organization in Southeast Asia has been facing human security issues that disturb the stability and sustainability of the ASEAN strategic regional goals and programs, and thus, might delay its achievements. It has been detected that the demise of several thousand people died because of the pandemic in the region has shifted the regional orientation to more domestic and inworld looking. In these circumstances, the editorial board has selected six papers that underline various issues from macroeconomics to microeconomics in the region, from policing cyberspace to conflict resolution in Southeast Asia, and from Indonesia to China's foreign policies towards ASEAN, contributed by various researchers, academician and scholars from the region and beyond.

First article is on macroeconomic determinants of auto sales in five ASEAN countries, namely, Indonesia, Malaysia, Singapore, Thailand, and Vietnam, contributed by Suwinto Johan from President University, Indonesia. Johan examines the determinants of car sales in these ASEAN countries by looking at five macroeconomic variables i.e., consumer price index, gross domestic product per capita, changes in gross domestic product per capita, foreign exchange rate, and interest rate. By deploying the multilinear regression method with Statistical Package for the Social Sciences (SPSS) software to test the research model, Johan argues that the growth of GDP per capita does not influence car sales. However, he asserts that the previous period for inflation, gross domestic product per capita, interest rate, and the foreign exchange rate significantly influenced on car sales in five ASEAN countries. Second article is on microeconomics contributed by Myrtle Faye Laberinto Solina from the Philippines Open University. The author highlights the current demographics, roles, and experiences of women involved in Micro, Small, and Medium Enterprises (MSMEs), and provides information on the current policies programs, and services. Using available secondary data, she compares and contrasts these MSMEs among ASEAN countries namely, the Philippines, Singapore, and Myanmar. Finally, she recommends measures to address the impeding factors in these countries.

Furthermore, technological advancement has triggered social networking sites become increasingly relevant in the study of democracy and culture in Southeast Asia. Fernan Talamayan from National Chiao Tung University Taiwan, has contributed to understanding policing cyberspaces,

especially on online repression that has been practiced in the Philippine and Thailand. Talamayan examines the overt and covert policing of daily interactions in digital environments. Using Michel Foucault's notion of government and biopolitical power model, he discloses governmental technologies' disciplinary mechanisms. In doing so, he sheds light on the practice of active and passive self-censorship in which the former was driven by the pursuit of a moral self-image and the latter by state-sponsored fear.

The next article highlights issues on mediating civil conflicts in Southeast Asia. John Lee Candelaria from Hiroshima University, Japan pinpoints that Aceh and Mindanao conflict resolutions have given significant lessons. Candelaria identifies the kinds of mediation and qualities of mediators that lead to achievement of peace agreements in these two cases. The author focuses on path dependence, critical junctures, and periodization approaches in the comparative analysis of Aceh and Mindanao third-party mediation through a qualitative examination that involved comparative process tracing (CPT), a two-step methodological approach that combines theory, chronology, and comparison. Finally, he asserts that mediators as instrumental to the peace agreements of the Aceh and Mindanao conflicts are those who appease the commitment issues of the peace negotiation and ensure the trust and confidence of conflict parties. As such, according to him, mediators should be able to create relations of trusts among parties and a mediation environment where the commitment concerns are relieved through the promise of third-party monitoring.

Last two articles deal with Indonesia's and China's foreign policies towards ASEAN respectively. Mohamad Rosyidin and Shary Charlotte H. Pattipeilohy from Diponegoro university, Indonesia highlight Indonesia's foreign policy under Joko Widodo's (Jokowi) administration. Both argue that the diminished role of Indonesia in ASEAN, especially during the first term of Jokowi's presidency, is strongly influenced by causal beliefs held by Indonesian political elites and presidential advisors. Rosyidin and Pattipeilohy pinpoint that although there are varying ideas from one individual to another, they have similar characteristics in projecting that Indonesia should expand its concentric circle beyond ASEAN. They argue that ASEAN is intrinsically weak, and thus, can no longer accommodate Indonesian aspirations. This idea acts as a road map that defines Indonesia's national interests amid the dynamics of international politics in the 21st century as the authors argued.

Last article on Chinese military diplomacy to ASEAN, contributed by Lidya Christin Sinaga from Indonesian Institute of Sciences (LIPI), Jakarta. Sinaga examines the impacts of the military's growing role in China's foreign policy under Xi Jinping to its military diplomacy in ASEAN. The author argues that Xi Jinping's leadership and his vision of China Dream, that is using military diplomacy as a pivotal tool for advancing its whole diplomatic goals, has been seen as a sign of growing assertiveness. As a result, while growing assertiveness has caused uneasy relationships between China and some ASEAN countries, China's military diplomacy which has different approach with ASEAN, has resulted in "ongoing negotiation without progress" for South China Sea dispute.

Finally, on behalf of managing editors, we are grateful to God the Almighty, and our highest appreciation goes to the CSAB Scopus, partners, paper contributors and reviewers for this inclusion of JAS in Scopus. We hope that by being indexed in Scopus our quality of the manuscripts published in JAS will be maintained and even better. All parties who supported the Journal from the Indonesian Association for International Relations (AIHII) and the Center for Business and Diplomatic Studies (CBDS) of the Department of International Relations, Bina Nusantara University deserve our highest appreciation.

Jakarta, 20 December 2020.

Prof. Dr. Tirta N. Mursitama, Ph.D.

Editor-in-Chief Journal of ASEAN Studies

MACROECONOMIC DETERMINANTS OF AUTO SALES IN ASEAN: AN EMPIRICAL STUDY IN FIVE MAJOR ASEAN COUNTRIES

Suwinto Johan

Management Study, Faculty of Business, President University
Jababeka Education Park, Jl. Ki Hajar Dewantara,
Mekarmukti, North Cikarang, Bekasi, West Java 17530
suwintojohan@gmail.com

Received: 12th August 2020/ **Revised:** 08th September 2020/ **Accepted:** 14th October 2020

How to Cite: Johan, S. (2020). Macroeconomic determinants of auto sales in ASEAN: An empirical study in five major ASEAN countries. *Journal of ASEAN Studies*, 8(2), 95-110, <https://doi.org/10.21512/jas.v8i2.6621>

ABSTRACT

This research examines the determinants of car sales in ASEAN countries. The research concentrates on five macroeconomic variables (consumer price index, gross domestic product (GDP) per capita, changes in gross domestic product per capita, foreign exchange rate, and interest rate). The total sample is 12 years of automobile sales in five ASEAN countries from 2005 – 2016. The five ASEAN countries are Indonesia, Thailand, Malaysia, Singapore, and Vietnam. This paper used the multilinear regression method with Statistical Package for the Social Sciences (SPSS) software to test the research model. For interest-rate variables, we used a lag of one year. The empirical results show that the previous period for inflation, gross domestic product per capita, interest rate, and the foreign exchange rate significantly influenced on car sales in five ASEAN countries. The growth of GDP per capita does not influence car sales.

Keywords: automotive, exchange rate, gross domestic product, inflation, interest rate

INTRODUCTION

The Association of Southeast Asian Nations (ASEAN) is a territorial intergovernmental cooperation comprised of 10 countries in Southeast Asia that facilitates economic, security, political, educational, sociocultural, and military integration among its members and other Asia nations. As per stated in ASEAN official website (asean.org), the ASEAN members are Indonesia, Thailand, Malaysia, Singapore, Vietnam, The Philippines, Myanmar, Cambodia, Brunei, and Laos.

The total gross of all ASEAN countries' domestic products is USD 2,92 trillion, equal to 3,65% of the world's gross domestic product (GDP). The total ASEAN population of 647 billion people is equal to 8,4% of the world's population. Based on IMF estimates, ASEAN will have a population of 688 million by 2024. ASEAN's GDP will reach USD 4,37 trillion and become the fifth-largest GDP in the world. GDP per capita will reach USD 6.350 (ASEAN Secretariat and World Bank, 2015).

In line with GDP and population growth, the total number of vehicles sold in ASEAN countries was 3,56 million in 2018. Car sales are equal to 4,2% of total world automotive sales. All global brands have a presence in the ASEAN market. According to ASEAN Automotive Federation (AAF) report, ASEAN vehicle sales had achieved a growth rate of 7% from 2017 to 2018. Cars become the primary transportation tool for countries in ASEAN, while public transportation is still limited in big cities. The community uses car as the main transportation between cities to deliver agricultural products from villages to cities. With a population of 260 million in 2020, Indonesia does not have adequate connections between cities, similar to Vietnam. Meanwhile, Singapore already has public transportation connecting the entire country.

The automotive is the essential industries in enhancing the economic growth of a country. The industry contributes 10,16% to the total GDP in Indonesia ("Industri otomotif," 2018), 10% of total GDP in Thailand (Maikaew, 2019), and 4,3% of total GDP in Malaysia (Bernama, 2019). Hundreds support the automotive industry to thousands of small and medium enterprises in the value chain from spare parts to the seat leather producers. The automotive sector is linked to other major industries such as banking, insurance, consumer financing, infrastructure, and mining industries for steel. The automotive sector is the critical contributor to the country's budget on the income side. However, the sales of automotive are unpredictable from year to year, which consequently affect the budget income of the country as well as the realization of the annual government budget (Johan, 2019). Therefore, the government needs to be able to predict the determinant of automotive sales in their country.

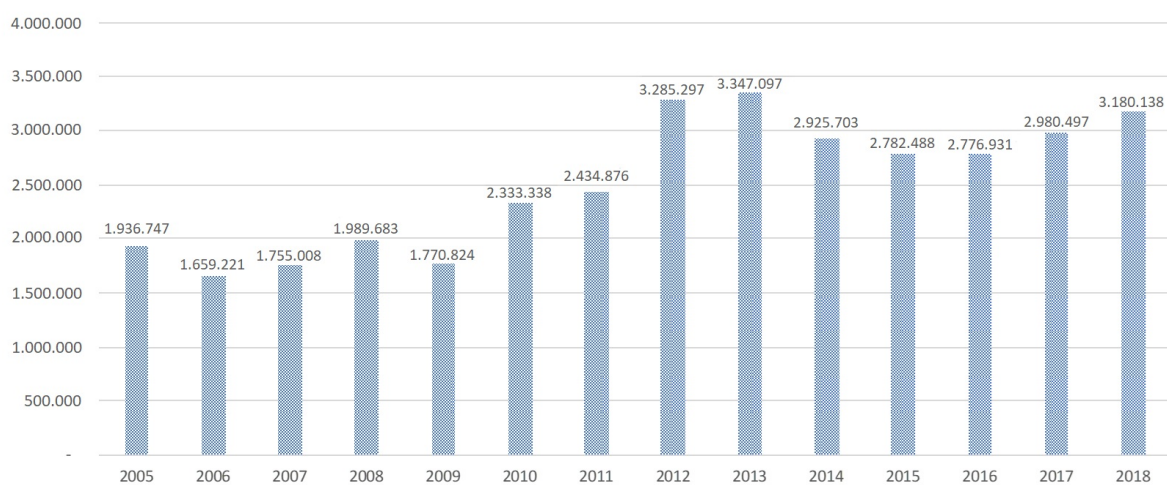


Figure 1. Total Car Sales in ASEAN Countries

Source: (ASEAN Secretariat and World Bank, 2015)

Car sales have trends that fluctuate in line with the economic climate. ASEAN countries have experienced several crisis as significant as countries in other parts of the world, including the 1998 Asian Crisis, the 2008 Global Crisis, and several other crisis. These crisis have reduced economic growth and GDP, resulting in a decline in car sales. Total vehicle sales exceeded 3,3 million units in 2013. On average, car sales in the ASEAN region have exceeded 2,5 million units over the last ten years, as described in Figure 1.

Given its market potential, many global automotive players have an urge to enter the ASEAN market. Banks and finance companies contribute to the provision of car sales, in which banks contribute less than consumer finance companies. This happens in major economies in ASEAN, such as Indonesia, Vietnam, and Thailand. Consumer finance companies finance most car sales, in which the financing demands depend on the charged interest rate and the actual interest rate. Whereas the interest rates charged by financing companies depend on the macro interest rate level and inflation. Higher the inflation leads to higher the interest rate. Moreover, car sales are related to the country's exchange rate versus the USD. Most of the vehicles remains having low local content. An adjustment in the exchange rate impacts the price of the vehicle, where an increase on the prices may reduce the consumer purchase intention.

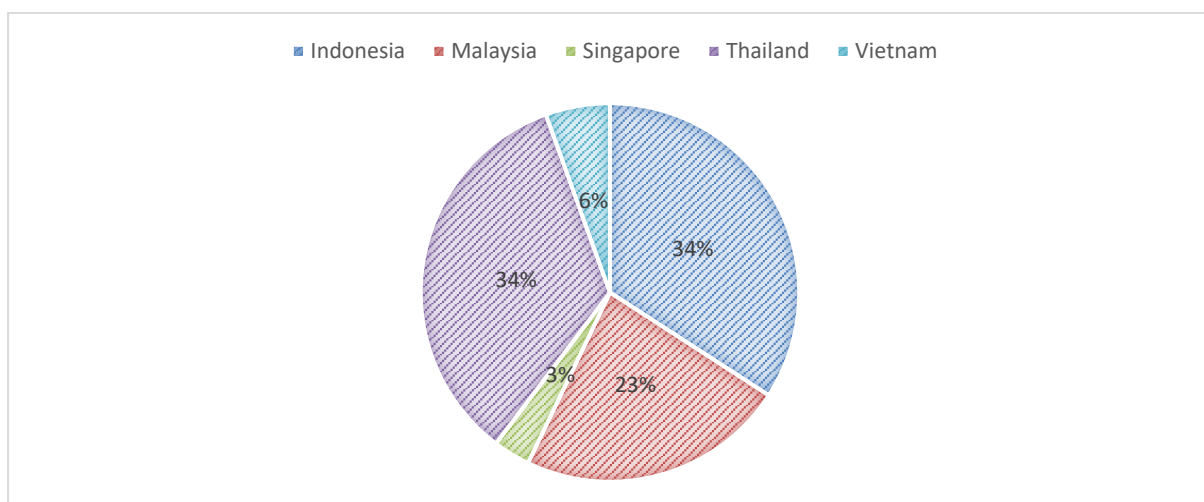


Figure 2. Four-Wheeler Sales in Five ASEAN Countries
Source: (ASEAN Secretariat and World Bank, 2015)

As shown in Figure 2, Indonesia and Thailand contribute 68% of the total ASEAN four-wheeler market. Malaysia has the third-largest market among the ASEAN countries since it contributes 23% of the total ASEAN four-wheeler market.

According to the macroeconomics theory, aggregate demand is influenced by macroeconomic variables and financial market instruments. Macroeconomic variables include gross domestic product, inflation, and foreign exchange rates, whereas the financial market instrument is interest rates.

This research contributes to the influence of macroeconomic variables on auto sales. By having the idea of macroeconomic variables, business owners will be able to prepare an appropriate work plan. Besides, the government will be able to arrange the annual budget planning, especially in terms of tax revenue on vehicle sales.

LITERATURE REVIEW

A number of researches focusing on automotive sales determinants have been conducted in developing countries, including Malaysia, South Africa, Turkey, China, India, Mexico, Pakistan, Indonesia, and Brazil. However, none of them has the same conclusions about the effect of macroeconomic variables on automotive sales. These research includes Chifurira et al. (2014), Lee and Kang (2015), Kemal et al. (2015), Wen and Noor (2015), Günşen (2015), and others.

Pant and Nidugala (2016) investigate and evaluate the impact of macroeconomic indicators on CAR for Indian banks. They find that real GDP growth, inflation rate, interest rate, and exchange rate substantially impact the CAR of Indian banking. Gross domestic product has a constructive effect to many car sales in Malaysia. The interest rate, unemployment rate, and inflation rate negatively affect many car sales in Malaysia (Islam et al., 2016).

Chifurira et al. (2014) examine the correlation between the consumer price index and new vehicle sales in South Africa. This research collects monthly data from the years 1960 – 2013. It comes up with results that inflation significantly influences new vehicle sales in South Africa, with a 5% significance rate. Patra and Rao (2017) find that GDP and car sales have a positive and long-term relationship, while the interest rate and fuel price have a negative relationship. Yagi and Managi (2016) show that a decrease in population and household size in Japan accelerate car ownership.

Lee and Kang (2015) conduct a research about the global crisis effect on auto sales in China. This research explores the key variables influencing motor auto sales in China, which are motor vehicle price, fuel price, interest rate, and individual income before the global crisis. While the global crisis occurs, automotive sales are influenced by motor vehicle sales, interest rates, and individual consumer income. Moreover, consumer income influences automotive sales in China after the global crisis.

Meanwhile, Kemal et al. (2015) conduct a determinant factor study, examining the factor that influences the light category commercial car-buying markets in developing countries. This research rely on a survey method. 408 respondents in Turkey are surveyed based on gender, age, monthly income, family size, driving license type, and fuel type, determining their influence on light commercial car demand.

Johan (2019) studies the macroeconomic determinants of car and motorcycle sales in Indonesia. It is found that the gross domestic product and changes in a gross domestic product have a significant influence on car and motorcycle sales in Indonesia.

Next, Zeng, Schmitz, and Madlener (2018) find that GDP and government incentives are individually stronger predictors on the macroeconomic level, while price and gasoline consumption affect automobile demand significantly on the microeconomic demand level. Gusev et al. (2018) examine those factors that directly impact the Russian automotive market's development. Macroeconomic climate, inflation, price of the car, and government support harm car sales. Delayed demand due to crisis, reduction of loan rates, and reduction of financing rates are the decisive factors that influence sales of cars in Russia.

Günşen (2015) studies the economic effects of foreign direct investments (FDIs) on the Turkish automotive industry between 1997 and 2010 regarding exports, productivity, and employment. The research revealed significant FDI contributions to the Turkish motor industry in all three areas considered. The results show that foreign direct investment to Turkish has significant positive effects on the economy. In addition, Pilat (2016) analyses foreign exchange exposure determinants based on 21 companies in the automotive industry. The results do not provide a clear explanation of the economic risks in the long run.

Kaya, Kaya and Cebi (2019) focus on factors that affect automobile sales and estimate automobile sales in Turkey by using an artificial neural network (ANN), Auto Regressive Integrated Moving Average (ARIMA), and time-series decomposition techniques. The dollar exchange rate, households' financial status, the industrial production index and the logarithmic form of automobile sales before one month are found to significantly affect automobile sales.

Altaf and Hashim (2016) investigate the key factors that influence intentions to purchase passenger vehicles among Pakistan consumers. Policymakers in Pakistan's auto sector would gain from this research insights when explaining the long-overdue auto policy. Analysis of the research data has disclosed that the three critical parameters identified from studies in other Asian nations are also relevant for Pakistan car consumers.

Additionally, Wen and Noor (2015) find that functional value, emotional value, and novelty value failed to demonstrate a significant relationship with consumers' intention to purchase hybrid cars. The research uses a 7-point Likert-scale survey.

Besides, Demiroglu & Yunculer (2016) estimate the trend level of light-vehicle sales to be roughly 7% of the existing stock. A remarkable out-of-sample forecast performance is obtained for horizons up to nearly a decade by a regression equation using only a cyclical gap measure, the time trend, and obvious policy dummies.

Gaddam (2016) investigates the automobile industry's export and output relationship, also focusing on the geographic concentration of the automobile industry exports from India to other countries.

Bach et al. (2017) examine the automotive retail industry's result, taking into deliberation the monetary policy implemented by the Brazilian government from 1994 to 2014.

They find that the sector's performance, represented by production and export levels, is connected to variables related to monetary policy. The critical success variables impact on sales forecasting is determined based on real-time primary data, and secondary data of the automobile firm situated at Pithampur, individually where the commercial vehicle segment research is conducted (Chouksey et al., 2017).

Meanwhile, Albors-Garrigos et al. (2017) explain the impact of national culture on after-sales service in the automotive sector. The research views that after-sales services have become of paramount importance in the auto industry. It shows a framework for how the entire process chain of after-sales services could be researched and successfully applied to Schwartz's the individual-level value theory.

Jayaraman et al. (2018) investigate the influencing variables in using of non-national cars in Malaysia. Based on the remarkable outcomes, non-national four wheelers are recognized as having certain salient quality, excellent fuel utilization, and commendable maintenance and after-sales repair services. The respondents state that manufacturers of non-national cars conduct regular research and development activities and continuously acknowledge market flavors and tastes, thus enhancing customers' propensity to buy non-national cars.

Chakraborty and Chattopadhyay (2019) confirm the validity of the structure-conduct-performance hypothesis. This finding emphasizes the debt-equity ratio, advertising intensity, and return on net worth as the key influencers of the concentrated market structure for the chosen automobile segment in India.

This research examines five macro-economic variables: inflation, gross domestic product per capita, changes in gross domestic product per capita, the foreign exchange rate, and the interest rate. The research is based on a regional economy that consists of five countries and on 12 years of historical performance. These factors render this research unique. The five countries from ASEAN members are Indonesia, Malaysia, Thailand, Singapore, and Vietnam. These five ASEAN countries have a GDP of USD 2,46 trillion, with a population of 462 billion. They contribute 83% of the total GDP ASEAN.

RESEARCH METHOD

The structure of research can be seen in Figure 3. This research tests the effects of macroeconomic variables on car sales in the ASEAN region. The macroeconomic variables are inflation, gross domestic product per capita, changes in gross domestic product per capita, the foreign exchange rate, and the interest rate. The macroeconomic data is based on World Bank publications. This research is performed using a regression statistics model, which is described as follows:

$$Y_{it} = \beta_0 + \beta_1 Infl_{it} + \beta_2 GDP/C_{it} + \beta_3 \Delta GDP/C_{it} + \beta_4 Exch_{it} + \beta_5 Inte_{it-1} + \varepsilon_{it} \quad (1)$$

Where:	
Y	= car sales
0	= constant
$\beta_1 \dots \beta_i$	= regression coefficient
$Infl_{it-1}$	= inflation rate
GDP/C_{it}	= gross domestic product per capita
$\Delta GDP/C_{it}$	= change in gross domestic product per capita
$Exch_{it}$	= exchange rate to USD
$Inte_{it-1}$	= interest rate
ε	= error term

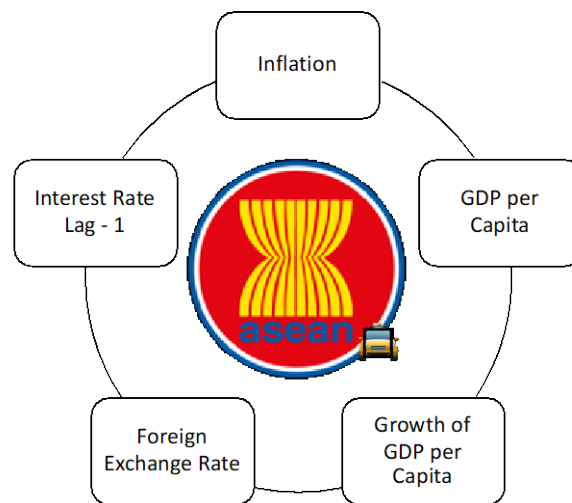


Figure 3. Research Framework

This research employs five macroeconomic variables: inflation, gross domestic product per capita, the growth rate of the gross domestic product per capita, the foreign exchange rate, and the interest rate. The explanation for each variable is delineated in Table 1. Car sales are the dependent variable that indicates the total car sales, including both passenger and commercial cars, in each country. Higher consumer price index leads to a lower demand for car sales. This is in line with the increase in inflation and interest rates. Car sales, through credit, will decrease in line with the increase in interest rates. Inflation variable indicates the inflation rate in each country during the year of research, which the hypothesis are:

- H_1 Inflation rate influences car sales in the ASEAN region.
 H_2 The interest rate lag-1 influences car sales in the ASEAN region.

Gross Domestic Product variable is the total value or market value of all the finished goods and services produced by the citizen within a country's borders in a specific time period. GDP per capita is the total gross domestic product of a country divided by the population's number within a country. More GDP per capita may increase the purchase probability in a society. Purchasing power depends on the GDP per capita. The demand of transportation will be evolved from two-wheeler to four-wheeler, in line with the GDP per capita rate. The hypothesis is developed as follows:

- H₃ Gross domestic product per capita influences car sales in the ASEAN region.
 H₄ Changes in gross domestic product per capita influence car sales in the ASEAN region.

The foreign exchange rate variable is the currency exchange rate against the United States of America dollar during a specific time. Higher import content will have an impact on the price of the vehicle. Currently, local content average is less than 50%, whereas the import content is more than 50%. Hence the hypothesis is developed to be:

- H₅ The foreign exchange rate influences car sales in the ASEAN region.

Interest rate variable is the interest rate charged by the financial institution to the borrower in a specific country during a specific time. Interest rate lag is the interest rate of the previous period. For instance, interest rate lag-1 is the interest rate of the previous year.

Additionally, regression method with the Statistical Package for Social Sciences Software (SPSS) is used to test the research model. This research uses secondary data from the World Bank's website. The data are cross-sectional data from an observed period spanning the years 2005 – 2016. The independent variables are five economic variables studied from 2005 to 2016. Dependent variables are car sales in a unit from 2005 to 2016. The samples are five ASEAN countries: Indonesia, Malaysia, Singapore, Vietnam, and Thailand. The data have been collected from several independent sources, one of which is the World Bank website.

Table 1. Research Variables

No	Variables	Symbols	Formulas	References
1	Car Sales	MOB	Car sales in year t	
2	Inflation	Inf _t	Inflation rate in year t	Nawi et al. (2013); Chifurira et al. (2014); Pant and Nidugala (2016)
3	Gross Domestic Product per Capita	GDP/C	GDP _t / Total Population _t	Nawi et al. (2013); Patra and Rao (2017)
4	Changes in Gross Domestic Product per Capita	ΔGDP/C	GDP/C _t – GDP/C _{t-1}	Pant and Nidugala (2016)
5	Foreign Exchange Rate USD/IDR	EXCH _{t-1}	Exchange rate USD/ country currency in year t	Nawi et al. (2013); Pant and Nidugala (2016); Kaya et al. (2019)
6	Interest Rate	INTE	The lending rate in year t	Nawi et al. (2013); Lee and Kang (2015); Pant and Nidugala (2016); Gusev et al. (2018); Patra and Rao (2017)
7	Interest Rate Lag -1	INTE _{t-1}	The interest rate in year t-1	

RESULTS AND DISCUSSIONS

The highest car sales, at 1,4 million units, occurs in Indonesia, while the smallest vehicle sales occurs in Singapore at 34.111 units. On average, vehicle sales of 500.000 units occurs in five countries during the period spanning 2005 - 2016. Indonesia has a population of 260 million in 2020, and Singapore has a population of 3,5 million. The total landmass in Indonesia is 1,9 million km², while the total landmass in Singapore is 721 km².

The highest inflation rate, 22,675%, occurs in Vietnam, and the lowest is a deflationary rate, at -5,99% in Singapore. On average, ASEAN countries experienced a 4,57% inflation rate over 11 years. Although most ASEAN countries had experienced the 1998 Asian Crisis, all ASEAN countries have recovered from it.

Table 2. Statistical Description

	N	Minimum	Maximum	Mean	Std Deviation
Car Sales	70	34.111,0000	1.423.580,0000	502.254.9714	385.876,2824
Inflation	70	-0,0599	0,2267	0,0457	0,0504
GDP Per Capita	70	687,4797	64.581,9440	13.663,5303	18.788,2216
GDP Per Capita Growth	70	-0,1395	0,5942	0,0795	0,1022
Foreign Exchange Rate	70	1,2497	22.602,0500	6.097,2191	8.098,2942
Interest Rate	70	0,0415	0,1695	0,0799	0,0393
Interest Rate Lag (-1)	70	0,0433	0,1695	0,0810	0,0399
Valid N (listwise)	70				

Sources: Research Data

GDP per capita reached an average of USD 13.663, with the lowest GDP of USD 687 in Vietnam, and the highest in Singapore at USD 64.582. The most significant GDP growth ever reached is 59,42%. In 1998, GDP declined at -13,95% in Indonesia due to the Asian Crisis, while GDP per capita has grown by 7,95% on average.

The average interest rate is 7,99%, with the highest interest rate in ASEAN countries at 16,95%, and the lowest interest rate at 4,15%. The interest rate is considered high in Indonesia and Vietnam due to the high inflation rate.

Regarding the exchange rate, the highest exchange rate is 22.602 for Vietnam's Dong against the US Dollar, and the lowest is 1,2 for the Singapore Dollar against the US Dollar. All combined, the five primary currency exchange rates in ASEAN countries is 6.097 against 1 US Dollar.

Singapore is the wealthiest country in ASEAN, with a population of around 6 million people. Singapore is also the country with the lowest interest rates and the lowest inflation. The Singapore Dollar is the currency with the lowest exchange rate comparison compared to the United State Dollar.

Indonesia is the nation with the largest population in ASEAN, having more than 267 million people in 2017. This population represents 45% of the total population in ASEAN. Indonesia has the largest GDP in ASEAN of USD 1,1 trillion in 2017. Indonesia's GDP is 33% of ASEAN's total GDP. Indonesia has a GDP per capita of USD 4.163.

Thailand has a population of 68 million which makes it the second largest GDP in ASEAN, with a total of USD 0,529 trillion. Thailand's GDP per capita is USD 7.791. Malaysia is the third-largest GDP in ASEAN, with USD 0,365 trillion with a population of 32,8 million people. Vietnam, with a total population of 95 million individuals, has a GDP per capita of USD 2.739 and a total GDP of 0,262 trillion.

Table 3. Test Results of Determinants of Car Sales

	Unstandardized Coefficients		Standardized Coefficients		
	B	Std Error	Beta	t	Sig
(Constant)	770219,669	100388,844		7,672	0,000
Inflation	-1972791,742	867954,346	-0,258	-2,273	0,026
GDP Per Capita	-15,227	2,051	-0,741	-7,425	0,000
GDP Per Capita Growth	-283174,454	361149,210	-0,075	-0,784	0,436
Foreign Exchange Rate	-28,935	6,160	-0,607	-4,697	0,000
Interest Rate Lag (-1)	2827049,012	1265783,243	0,292	2,233	0,029
R	0,724				
R Square	0,524				
Sig. F Change	0,000				

Sources: Research Data

The hypothesis test results establish that of the five variables, four had a significant effect on automobile sales, especially car sales in five ASEAN countries, namely, Indonesia, Thailand, Malaysia, Singapore, and Vietnam. The total model shows that the inflation rate, GDP per capita, GDP growth rate, foreign exchange rate, and interest rate influence car sales at 72,4%.

The inflation rate reached 0,000 in terms of statistical value, and below 0,05. This demonstrated that the inflation rate is significant. Inflation shows a negative effect on car sales. Higher consumer price index causes lower demand for car sales. This is in line with the increase in inflation and interest rates. Car sales, through credit, will decrease in line with the increase in interest rates. This also affects the ability of consumers to allocate costs in line with rising inflation. Under normal circumstances, high inflation will slow economic growth, which impacts the purchasing power of consumers. During 2005-2016, countries in ASEAN have dealt with several crisis as big as in 1998, an Asian crisis and in 2008, a Global crisis. The results are in line with the 1998 and 2008 crisis, where the car sales dropped significantly during the years. Indonesia's interest rate reaches 60% and the tight liquidity causes a drop in car sales. The Asian crisis have caused a correction in macroeconomic factors in Indonesia, Thailand, Malaysia, and Singapore, while the global crisis have causes the correction of

macroeconomic factors in Singapore, Malaysia, and Thailand. The results are supported by Nawi et al. (2013), Chifurira et al. (2014), and Pant and Nidugala (2016).

GDP per capita was 0,000 in terms of statistical value, below 0,05. The GDP per capita shows the effect on automotive sales since higher GDP per capita increases the society's purchase intention and probability, while the opposite will happen if the GDP is lower. Purchasing power depends on the GDP per capita. Most of the global automobile producers will enter a market depending on the GDP of the country. The demand for transportation will be evolved from two-wheeler to four-wheeler, in line with the GDP per capita rate. This research result shows the same condition with the decline in motorcycle sales in Indonesia and the growth of car sales in Indonesia since 2015. GDP per capita in Indonesia is growing, giving rise to the purchasing power of the population.

The research results are in line with Nawi et al. (2013), Islam et al. (2016), and Patra and Rao (2017). The statistical results demonstrate that GDP per capita is 0,436, which is above 0,00. GDP per capita growth does not affect the probability to buy automotive goods, especially cars. This explains why higher GDP per capita growth does not affect purchasing power if GDP per capita has reached a certain level. It shows that there is no direct effect on the growth of GDP compared to purchasing power. The purchase probability becomes more significant, the value of growth does not. Total GDP has no direct implications because total GDP does not reflect the individual population's purchasing power. GDP per capita is more likely to reflect the probability of purchasing power. Singapore has the largest GDP, but a small population and a small geographical area, and adequate public transportation, so Singapore residents do not need a car as a means of transportation. This result differs from what Pant and Nidugala (2016) have pointed out.

The exchange rate reached 0,00 in terms of statistical value. The results are below 0,05. Exchange rates affect the selling price of vehicles sold. This is due to the high number of vehicles from abroad, rendering vehicles sold sensitive to foreign exchange rates. If local content is low, the vehicle's selling price will not be sensitive to foreign exchange rates. Currently, local content averages less than 50%. The higher import content will have an impact on the price of the vehicle. The government imposes a tax rate on importing spare parts to protect the local automotive value chain industry. The tax rate will have an indirect impact on the price of a vehicle, so higher price of a vehicle will, in turn, affect the demand for vehicle sales.

Certain types, such as low-cost green carriers (LCGCs), have reached more than 80% of local content. The government targets more local content to support the automotive value chain's growth and increased exports over imports of spare parts. The government's challenge is to improve the quality of local spare parts. Thailand is the vehicle production hub for several Japanese brands for distribution with ASEAN countries such as Indonesia, Malaysia, and Vietnam. Moreover, ASEAN forms the ASEAN Free Trade Area, so that with the production center in the ASEAN country, vehicle prices become more competitive. Producers are trying to minimize the exchange rate effect by making factories closer to ASEAN countries. ASEAN countries have not yet had sufficient production capacity to reach a break-even point for

automotive factories, so that production is concentrated. These results are supported by Pant and Nidugala (2016) and Pilat (2016).

Interest rates (lag-1) affect motor vehicle sales. Higher the interest rate leads to fewer credit sales which is attributable to high-interest rates. It can be concluded that credit sales have a strong dominance in automotive sales.

Currently, the credit market consists of around 70% of vehicle sales in Indonesia and Thailand. For the lower-end segment, the credit market is higher; however, the credit market is lower than the cash market in the premium market segment. If sales are in cash, car sales are not influenced by interest rates. Lower interest rate causes higher vehicle's demand due to lower instalment amounts from the buyer. The resulting data is supported by the condition of most countries at the beginning of economic development. At the beginning of economic growth, most countries have a higher cost associated with the interest rate. The research results are in line with Nawi et al. (2013); Kaya (2019); Lee and Kang (2015); Pant and Nidugala (2016).

Automotive company management needs to consider interest rates, GDP, inflation, and foreign exchange rates in determining production and sales plans, including plant expansion or capacity expansion. The government also needs to control inflation, foreign exchange rates, and interest rates to spur economic growth. It is essential that global automotive companies and local governments improve the local value chain of automotive spare parts to negate the exchange rate impact on vehicle prices. The increase of local content is one of the solutions to reduce exposure to foreign exchange rates. This research also demonstrates the importance of controlling inflation, interest rates, and exchange rates in maintaining industrial growth.

This research proposes that the interest rate, gross domestic product, inflation, and exchange rate has a significant influence on automotive sales. The interest rate is considered having an impact on automotive sales after one year lag. Interest rates have a positive impact on automotive sales. The consumer price index, foreign currency exchange rate, and gross domestic product variables have negative influences in the same period.

It suggested that industry players pay attention to interest rates, inflation, and exchange rates in determining automotive work plans for the next period. Whereas, the government should pay attention to inflation, interest rates, exchange rates, and gross domestic product growth in determining the state budget.

CONCLUSIONS

This research studies the determinants of car sales in five ASEAN countries, which are Indonesia, Thailand, Malaysia, Singapore, and Vietnam. The research focuses on five macroeconomic variables (inflation, gross domestic product per capita, changes in gross domestic product per capita, foreign exchange rate, and interest rate). The results show that inflation, gross domestic product per capita, foreign exchange rate, and interest rate from the

previous period significantly influence car sales in five ASEAN countries. Local content is a critical issue relevant to the dependence of the foreign exchange rate. The effects of the interest rate are attributable to dependence on the credit market. The GDP growth per capita does not influence car sales; however, the interest rate and gross domestic product influence auto sales in ASEAN +5. The automotive industry in ASEAN can take the competitive advantage of each ASEAN country in terms of interest rates, exchange rates and inflation. It is considered that these variables increase the competitiveness of ASEAN automotive industry. Indonesia has a large market, Thailand has good infrastructure, and Singapore has low interest rates and inflation for funding.

Limitations of this research includes economic cycle factors. During the research period, the ASEAN countries have experienced two significant crises: the Asian Crisis in 1998, and the global crisis in 2008. Singapore, Thailand and Malaysia have suffered from global recession pressure in 2008. However, Indonesia went through with positive growth during the period. The limitations also include micro variables, such as new vehicle models and new technologies. It is suggested further research includes other micro variables, such as new technology, government deregulation, and others.

ABOUT THE AUTHOR

Dr. Suwinto Johan earned his doctor's degree in business management from IPB University, Indonesia. He authored over 40 publications. His current research interests: merger acquisition and restructuring, commerce and business law, sustainable and development, and animal law.

ACKNOWLEDGEMENTS

The author would like to thank Bapak Gunawan Geniusahardja (Director of Astra Group Indonesia, 2001-2016,) and Bapak Darmawan Widjaja (Director of Toyota Astra Motor, Indonesia) for sharing their knowledge on the automotive industry in Indonesia and ASEAN.

REFERENCES

- Albors-Garrigos, J., Frass, A., Schoeneberg, K. P., and Signes, A. P. (2017). Impact of national cultures on automotive after sales services perception: The case of German premium cars in China. *Management: Journal of Sustainable Business and Management Solutions in Emerging Economies*, 22(2), 13-27.
<https://doi.org/10.7595/management.fon.2017.0014>
- Altaf, S. N. and Hashim, N. A. (2016). Key factors influencing purchase intentions towards automobiles in Pakistan. *Paradigms*, 10(1), 14-22.

<https://doi.org/10.24312/paradigms100102>

ASEAN Secretariat and the World Bank. (2015). *ASEAN Services Integration Report: A Joint Report by the ASEAN Secretariat and the World Bank*.

<http://documents1.worldbank.org/curated/en/759841468178459585/pdf/100637-Revised-WP-PUBLIC-Box393257B-ASEAN-Report-web.pdf>

Bach, T. M., Machado, A. M., Kudlawicz-Franco, C., Martins, T. S. and Da Veiga, C. P. (2017). Monetary policy and the automotive retail performance in Brazil. *Journal of Business and Retail Management Research*, 11(2), 79-93.

Bernama. (March 3rd, 2019). Automotive industry contributed 4.3 pct to GDP in 2019 — MITI. *Malaysia Investment Development Authority*.

<https://www.mida.gov.my/home/10097/news/automotive-industry-contributed-4.3-pct-to-gdp-in-2019---miti/>

Chakraborty, M. S., and Chattopadhyay, A. (2019). Validating structure conduct performance model in passenger vehicle segment of Indian automobile industry. *Pramana Research Journal*, 9(4), 96-106. <https://www.pramanaresearch.org/gallery/prj-p663.pdf>

Chifurira, R., Mudhombo, I., Chikobvu, M., and Dubihlela, D. (2014). The impact of inflation on the automobile sales in South Africa. *Mediterranean Journal of Social Sciences*, 5(7), 200-207. <http://dx.doi.org/10.5901/mjss.2014.v5n7p200>

Chouksey, P., Deshpande, A., Agarwal, P. and Gupta, R. (2018). Sales forecasting study in an automobile company – A case study. *Industrial Engineering Journal*, 10(12), 35-40. <https://doi.org/10.26488/IEJ.10.12.85>

Demiroglu, U. and Yunculer, Ç. (2016). Estimating light-vehicle sales in Turkey. *Central Bank Review*, 16(3), 93-108. <https://doi.org/10.1016/j.cbrev.2016.08.003>

Gaddam, C. J. (2016). Analysis of growth of exports and geographic concentration of automobile industry in India. *Productivity*, 57(1), 59-67.

Günşen, İ. (2015). Automotive industry: Economic effects of foreign direct investments in Turkey. *Uludağ Journal of Economy and Society*, 34(2), 19-34.

http://www.uludag.edu.tr/dosyalar/iibfdergi/genel-dokuman/2015_2/ASL02.pdf

Gusev, A. S., Omelchenko V.S., Panova E.T. and Prokudin D.A. (2018). Analysis the prospects of the new cars sales market development in Russia. *International Transaction Journal of Engineering, Management, & Applied Sciences & Technologies*, 9(5), 393-400. https://doi.nrct.go.th/ListDoi/listDetail?Resolve_Doi=10.14456/ijemast.2018.35

Industri otomotif berkontribusi 10,16 persen kepada perekonomian nasional. (March 28th, 2018). *Ministry of Industry of The Republic of Indonesia*.

<https://kemenperin.go.id/artikel/19008/Industri-Otomotif-Berkontribusi-10,16-Persen-Kepada-Perekonomian-Nasional>

- Islam, R., Ghani, A. B. A., Kusuma, B. and Hong, E. T. Y. (2016). An analysis of factors that affecting the number of car sales in Malaysia. *International Review of Management and Marketing*, 6(4), 872-882.
- Jayaraman, K., Arumugam, S., Kumar, K. M., and Kiumarsi, S. (2018). Factors influencing the purchase decision of non-national cars in Malaysia: An empirical study. *Global Business and Management Research*, 10(1), 150-162.
- Johan, S. (2019). Macroeconomic Determinants of Automobile Sales in Indonesia: An Empirical study in 1986-2016. *Binus Business Review*, 10(3), 159-166.
<https://doi.org/10.21512/bbr.v10i3.5712>
- Kaya, A., Kaya G., and Cebi, F. (2019). Forecasting Automobile Sales in Turkey with Artificial Neural Networks. *International Journal of Business Analytics*, 6(4), 50-60.
- Kemal, Ç., Erkan, O., Muhsin, D. E. and Ömer, Ö. (2015). Factors influencing consumers' light commercial vehicle purchase intention in a developing country. *Management & Marketing*, 10(2), 148-162. <https://doi.org/10.1515/mmcks-2015-0012>
- Lee, H. Y, and Kang, H. H. (2015). The effects of the global financial crisis on automobile demand in China. *International Journal of Economics and Finance*, 7(9), 226-236.
<https://doi.org/10.5539/ijef.v7n9p226>
- Pant, A. and Nidugala. G. K. (2016). Macro determinants of car in Indian banking sector. *Journal of Developing Areas*, 51(2), 59-70. <https://doi.org/10.1353/jda.2017.0031>
- Patra, T. and Rao, M. J. (2017). Impact of macroeconomic factors on automobile demand in India. *Journal of International Economics*, 8(1) 97-113.
- Pilat, D. (2016). Determinants of exchange rate risks in the automotive industry. *Master Degree Project in International Business and Trade*, University of Gothenburg. Thesis.
- Maikaew, P. (January 7th, 2019). Automotive industry ata a turning point. *Bangkok Post*.
<https://www.bangkokpost.com/auto/news/1606570/automotive-industry-at-a-turning-point-dated-October-14>.
- Nawi, A. S., Ahmad, S. A. B., Mahmood, W. M. W., Nair, G. K. S., Nurathirah, A. S., and Hamid, B. A. (2013). Determinants of passenger car sales in Malaysia. *World Applied Sciences Journal*, 23, 67-73. [https://www.idosi.org/wasj/wasj23\(eemcge\)/13.pdf](https://www.idosi.org/wasj/wasj23(eemcge)/13.pdf)
- Wen, T. C. and Noor, N. A. M. (2015). What affects Malaysia consumers' intention to purchase hybrid car? *Asian Social Science*, 11(26). 52-63.
<http://dx.doi.org/10.5539/ass.v11n26p52>
- Yagi, M. and Managi, S. (2016). Demographic determinants of car ownership in Japan. *Transport Policy*, 50. 37-53. <https://doi.org/10.1016/j.tranpol.2016.05.011>
- Zeng, Y., Schmitz, H. and Madlener. R. (2018). An econometric analysis of the determinants

of passenger vehicle sales in Germany. Institute of Future Energy Consumer Needs and Behavior (FCN) 6/2018, School of Business and Economics/E.ON.

MEDIATING CIVIL CONFLICTS IN SOUTHEAST ASIA: LESSONS FROM ACEH AND MINDANAO

John Lee Candelaria

Graduate School for International Development and Cooperation
Hiroshima University
jpcandelaria@hiroshima-u.ac.jp

Received: 13th August 2020/ **Revised:** 23rd October 2020/ **Accepted:** 15th November 2020

How to Cite: Candelaria, J. L. (2020). Mediating Civil Conflicts in Southeast Asia: Lessons from Aceh and Mindanao. *Journal of ASEAN Studies*, 8(2), 111-127, <https://doi.org/10.21512/jas.v8i2.6622>

ABSTRACT

Southeast Asia has been a hotbed of intractable civil conflicts motivated by several issues such as ethnicity, ideology, and historical injustice, among others. Despite the intractability, there have been instances when third-party assistance through mediation has been vital in achieving peace agreements in the region. Using the cases of the third-party mediation of the conflicts in Aceh, Indonesia and Mindanao, Philippines, this research identified the kinds of mediation and qualities of mediators that led to the achievement of peace agreements in these two cases. This research mainly focused on path dependence, critical junctures, and periodization approaches in the comparative analysis of Aceh and Mindanao third-party mediation through a qualitative examination that involved comparative process tracing (CPT), a two-step methodological approach that combines theory, chronology, and comparison. The results showed that the mediators instrumental to the Aceh and Mindanao peace agreements allayed the commitment issues of the negotiations and ensured the trust and confidence of the conflict parties. Thus, mediators should create relations of trust among parties and a mediation environment where the commitment fears are relieved through the promise of third-party monitoring.

Keywords: *Mediation, civil conflicts, third-parties, Southeast Asia, Aceh, Mindanao*

INTRODUCTION

Southeast Asia is one of the most ethnically diverse regions of the world. Consequently, it also hosts some of the most protracted civil conflicts in modern times. Between 1993 and 2004, 14 out of 32 low-intensity conflict dyads in Asia are in Southeast Asia, yet there have

been few formal third-party attempts in the region than the rest of the world (Möller et al., 2007). Among Southeast Asian countries, Indonesia and the Philippines have received the most significant number of formal third-party mediation attempts (Derouen & Bercovitch, 2019), which have resulted in relative success and the signing of peace agreements instrumental to conflict termination. Therefore, the mediation of the protracted Aceh and Mindanao conflicts could serve as exemplars of third-party mediation success.

The conflicts in Aceh and Mindanao have individual contexts yet share some similarities. The Free Aceh Movement (Gerakan Aceh Merdeka or GAM) in Indonesia and the Moro National Liberation Front (MNLF), and later on, the Moro Islamic Liberation Front (MILF) in the Philippines claim to fight for their historical grievances rooted in a distinct identity that formed the foundation of their call for separation. Both conflicts lasted for multiple decades, with their respective governments being initially reluctant to accept third-party involvement. On the other hand, the conflicts were mediated with a variety of strategies and actors. These conflicts have also been a subject to investigation and analysis of many scholars, as either individual or comparative cases.

This research seeks to understand how the third-party mediation of Aceh and Mindanao peace processes led to peace agreements. These cases were mainly chosen since they stand out among mediation efforts in the region. Non-state actors, i.e., nongovernmental organizations or NGOs (the Henry Dunant Centre or the HDC and the Crisis Management Initiative or the CMI), mediated the Aceh conflict. In contrast, the Mindanao conflict was mediated by an intergovernmental organization or IGO (the Organization of the Islamic Conference or OIC) and later a neighboring state (Malaysia). The varying actor types provide an opportunity to explore how NGOs, IGOs, and states could serve as third-party mediators, while the differing lengths of conflict interventions provide a nuanced analysis of how mediator strategies affected the success of third-party mediation. These mediation episodes of the peace processes were analyzed through a qualitative examination that involves comparative process tracing (CPT), a two-step methodological approach that combines theory, chronology, and comparison, whose logic could be relevant in comparing fast-moving political processes such as peace negotiations (Bengtsson & Ruonavaara, 2017). This research mainly focuses on path dependence, critical junctures, and periodization approaches in the comparative analysis of Aceh and Mindanao third-party mediation using CPT.

LITERATURE REVIEW

Third-Party Mediation

Bercovitch defines mediation as “a process of conflict management, related to but distinct from the parties’ own negotiations, where those in conflict seek the assistance of or accept an offer of help from an outsider to change their perceptions or behavior and to do so without resorting to physical force or invoking the authority of the law” (2008, p. 343). The mediation situation is comprised of parties to the conflict, a mediator, a process of mediation, and the context of mediation.

Effectiveness of mediation

In assessing the literature on how mediation helps secure peace, Beardsley (2008) observed a lack of consensus on mediation's long-term effect on peace but contended that mediation positively influenced short-term outcomes of conflict management. The extant literature on mediation, therefore, focuses on these immediate and short-term gains. In identifying factors for mediation success, Haass (1990) considered the following as prerequisites: 1) a mutual desire for an accord, 2) a formula with benefits for all parties, 3) a negotiating process that is acceptable to all, and 4) a leadership strong enough to maintain compromise. Kleiboer (1996), on the other hand, identified four factors associated with mediation success, namely: 1) characteristics of dispute, 2) characteristics of the mediator, 3) the interrelationship among the parties, and 4) the international context.

Mediators perform at least three important roles, according to Touval and Zartman (1985). The first is informational: mediators can supply missing information, transmit messages, highlight common interests, and encourage meaningful communication so that combatants can better locate common middle ground. The second is an essential procedural role as they arrange for interactions between the parties, control the meetings' pace and formality, and structure the agenda to keep the process focused on issues. The third role is, in some ways, more coercive. Mediators can reward the parties' concessions and punish intransigence for making disagreement costly (Walter, 2002).

Mediator actors

Mediator types and their position relative to the conflict parties have been widely explored in mediation literature. Traditionally, a third-party mediator is a neutral outsider, and neutrality has been regarded as a necessary tool for the successful mediator (Carnevale & Arad, 1996; Young, 1967). Smith and Stam (2003) argued that to earn the designation of a genuine, honest broker, a mediator must be unbiased and not prefer outcomes that favor one side to the other. Equally important, it must not have an aversion to war. Nevertheless, mediator impartiality has been hotly debated by scholars. An essential work by Lederach (1991) found that instead of neutrality, conflict parties seek trust and confidence from mediators. This work was further expanded by Wehr and Lederach (1991), who suggested that insider-partial mediators, i.e., mediators from within the conflict, embody trust and confidence, whose acceptability is rooted not in the distance from the conflict but instead in connectedness and trusted relationships with the conflict parties. Insider-partials also have a stake in the conflict outcome and will have to live with the consequence of their mediation. The trust and confidence that conflict parties feel for an insider mediator is not because of the perception of neutrality, but rather the inherent knowledge and connections the mediator has about the conflict parties. Wehr and Lederach contended that this type of mediator would work well in conflicts where parties rely heavily on interpersonal trust and personal relationships, complementing outsider-neutral mediators.

Elgström, Bercovitch, and Skau (2003) expanded on the concept of mediator partiality by identifying three possible meanings attributed to the concept: 1) relational partiality, which rests in the closeness and previous ties a mediator has to the disputants; 2) processual partiality, where the mediator favors one party during the negotiation process by listening more closely to that party; and 3) outcome partiality, where the mediator deliberately favors one of the parties in its proposal for settlements.

International mediation in Indonesia and the Philippines

Studies on the mediation of Aceh and Mindanao conflicts also zoned in on the mediation effectiveness and mediator types. Huber (2004) investigated the role of the Henry Dunant Centre (HDC) in the Aceh conflict and identified three emerging themes: 1) while political dynamics in Indonesia was significantly shifting, it was not certain if the conflict was “ripe” and truly amenable for resolution; 2) the HDC was confronted with the limits of what an NGO could do to achieve a successful accord while lacking formal power; and 3) the HDC may have chosen not to address several issues that could have led to more successful ends. Heiling (2008), on the other hand, credited the success of the Aceh mediation to procedural factors such as mediation behavior and mediation strategies employed by the CMI, and their use of contacts with official track one actors, all of which were crucial in securing the signing and implementation of the peace accord. Furthermore, Higgins and Daly (2010) pointed out that while the devastating tsunami signaled the impetus for improving the negotiation parties' commitment, it is still the mediator who ensured a successful peace deal. Shea (2016) echoed the same findings, attributing the success of the peace process to the characteristics of the CMI as a mediator despite their apparent limitation being a small NGO.

More in-depth research on the Mindanao conflict mediation was also carried out, such as the work of Fitrah (2012), who argued that in the context of the multiparty mediation of the Mindanao conflict, mediators with higher standing, i.e., those that are well-coordinated and supported by the power and status of the organization are more likely to succeed in helping the parties come into a peace agreement. In comparing the mediation of the Government of the Republic of the Philippines (GRP) and the MNLF to the then ongoing GRP-MILF, Fitrah noted that unlike the OIC, Malaysia had limited influence over the negotiations. Malaysia's role as mediator was further investigated by na Thalang (2017). In comparing the country's involvement in the Southern Thailand and Mindanao conflicts, the research argued that various developments had paved the way for Malaysia to play a more decisive role in the Mindanao conflict, which was attributed to the Philippine government's openness towards third-party involvement, regional security concerns, and less-polarized politics. On the other hand, Taya et al. (2018) offered insights in comparing the Mindanao conflict mediation by OIC and Malaysia, which differed on their peacebuilding models. They argued that Malaysia's third-party involvement model is more successful because it was not confrontational, and unlike the OIC, Malaysia's “quiet diplomacy” brought a positive impact to the conflict mediation.

Some studies examined the Aceh and Mindanao conflicts by employing a comparative approach, such as Harish (2005) and Odaira (2009), whose analysis showed that it is not the

mediator's impartiality that mattered, but the leverage it had over the disputants. Buendia (2005) investigated the two conflicts to gain lessons that could be valuable for conflict resolution. He argued, among others, that while the peace process was arduous, it remained the only sensible means and that painstaking confidence-building measures and dialogue that deal with the core problems of the feuding parties were imperative for success. Sangsuwan (2014) applied comparative framing analysis to explore the conflict and peace process in Aceh and Mindanao and concluded that the success in Aceh is a result of the strong political will of its government leaders and the trust they received from GAM, while the failure of the peace process in Mindanao was attributed to the government's weak political will and lack of trust by the MNLF and the MILF.

These attempts at a comparative analysis of the Aceh and Mindanao conflicts are noteworthy. However, it appears that there has been no comprehensive comparative analysis of conflict mediation that looks at the mediators as actors and the respective strategies they introduce. This research fills that gap at an opportune time—while the Aceh conflict was terminated, and a definitive and durable peace agreement was signed in 2005 (Sustikarini, 2019), the final peace agreement of the Mindanao conflict and the enabling law for its implementation were only achieved in 2014 and 2018, respectively. In light of these developments, the mediation of both conflicts could be revisited to gain new insights on how instrumental mediation became in the signing of peace agreements.

Aceh and Mindanao: Conflict Roots and International Mediation

The foundation of the Muslim separatist movements in Aceh and Mindanao is the assertion of a religious, cultural, and historical uniqueness, making them distinct from the rest of the population. Thus, their historical grievances, rooted in marginalization and exclusion, formed part of the rebel groups' rationale to seek independence from the government. This section traces the roots of the conflicts, focusing on the rebel groups in Indonesia and the Philippines.

The Free Aceh Movement (Gerakan Aceh Merdeka/GAM)

While the historical difference of the Acehnese is usually identified as the root of the conflict, it is the Indonesian state's activities that caused the contemporary conflict. In unpacking the Aceh conflict, Miller (2008) explained that the conflict precursors in the 1950s and 1960s led GAM to assert that the state exploited Aceh's resources, broke promises of a special region status for the province, and enabled depredations against the Acehnese by the state military. The 1970s caused Acehnese discontent to resurface after the Indonesian state's centralizing policies through President Suharto's New Order did not fulfill the Acehnese aspiration to restore Islam's dominance in Indonesia, as well as the tightening grip of the central government in the affairs of regional governments. The discovery of vast reserves of oil and natural gas in North Aceh and the growth of a nearby industrial zone fueled further discontent, as profits were siphoned off to the central government without introducing sufficient

interventions to improve Aceh's local economy. As the industrial zone expanded, non-Acehnese and non-Muslim workers from outside Aceh came in droves, while the villages near the zone were displaced because of the expansion. A large number of Indonesian security forces were also deployed to secure the zone, which further exacerbated the Acehnese's injured feelings as the depredations of the security forces changed the way the Acehnese viewed the Indonesian central government.

On 4 December 1976, Tengku Hasan Muhammad di Tiro, a descendant of precolonial sultans and participant of an earlier rebellion, declared Aceh independence, creating the Gerakan Aceh Merdeka (GAM) or the Free Aceh Movement. The government quickly suppressed GAM, whose leadership fled to Europe. GAM was able to relaunch in 1989, with the Indonesian government launching a brutal counterinsurgency operation that almost immediately obliterated GAM military capabilities but continued until 1998 (Sukma, 2004).

The Moro National Liberation Front and the Moro Islamic Liberation Front

The Mindanao conflict is identified to have roots from the Spanish colonial period when Muslim Mindanao is not effectively subjugated by Spain, separating them from the rest of the country's development. Spain ceded the Philippines to the United States after 300 years, and the Americans proved more successful in subjugating the Muslims and created the Moro Province to integrate Muslims into the rest of the country. However, the Americans concentrated the state's powers to Luzon's Christianized elites, leaving out the Muslims of the south in the whole project of nation-building while initiating the steady stream of Christian migration to Mindanao.

As the Philippines was granted independence, political power was institutionalized under the Christian majority. Tensions soon arose between the Christians and the Muslims when the government adopted the US resettlement program, resulting in the substantial movement of different groups to Mindanao. The influx of resettlers led to a fight for the region's land and resources, increasing the animosity among Christian resettlers, non-Christian groups, and the Muslims.

Separatism or Muslim nationalism was first expressed through the Moro Independence Movement, founded in 1968 as a reaction to the Jabidah massacre, the massacre of Moro army recruits by the Philippine Armed Forces in the same year. This event is an important turning point because it fueled significant issues within and outside the country. The Moro recruits thought they were training as army recruits, only to find out that they were to be sent to Sabah, Malaysia, to agitate for war since the Philippines claimed the said territory. The Moro recruits were massacred, which angered Muslims in the Philippines and Malaysia. Thus, the MNLF was formed in 1972 by students and politicians. It aimed to create the Bangsamoro Republic (Abinales & Amoroso, 2017) and was supported to some extent by Malaysia (Che Man, 1990). The Moro Islamic Liberation Front (MILF) took on the role as the standard-bearer of Muslim separatism after the MNLF signed a peace agreement with the government in 1996.

ANALYSIS

Mediators of the Aceh and Mindanao Peace Processes

Different actors mediated various stages of the conflicts in Aceh and Mindanao. For Aceh, NGOs were instrumental in achieving peace agreements since the Indonesian government preferred non-state actors after the UN intervention in East Timor (Shea, 2016). For the Philippines, the OIC mediated the peace process by forcing conflict parties to negotiate for a peaceful resolution. Later, Malaysia was sought by the Philippine government to mediate, following a disastrous foray into unmediated bilateral talks with the rebel group. This section explores how these different mediators approached the peace processes and the strategies utilized to achieve settlements.

Aceh: The Henry Dunant Centre

Abdurrahman Wahid, the new Indonesian president in 1999, invited the HDC to mediate between the government and GAM, knowing that the rebel group would be more open to dialogue through an international actor. Thus, choosing an NGO was seen as something that satisfied GAM leadership and the Indonesian government (Kivimäki & Gorman, 2008). The parties first met in Geneva in January 2000. In a few months, an agreement called the “Joint Understanding on Humanitarian Pause for Aceh” was reached. Also referred to as the Humanitarian Pause, it was essentially a ceasefire while the parties further negotiated. A local security committee consisting of representatives from GAM, the Indonesian army, and the HDC was created to monitor the implementation of the ceasefire. The ceasefire was upheld until January 2001 and not renewed due to the increasing animosity between conflict parties. As a result of the Humanitarian Pause's failure and his weakening political capital, Wahid authorized an all-out security operation against GAM in April 2001. Later in July, Wahid was replaced by Megawati Sukarnoputri.

The HDC pushed on despite the challenges and achieved a breakthrough in 2002. Megawati appointed a popular officer, Lt. Gen. Susilo Bambang Yudhoyono, as coordinating minister for political and security affairs. The dialogue continued in Geneva in February and May. A formal ceasefire agreement, the Cessation of Hostilities Framework Agreement (CoHA), was signed in December 2002 (Merikallio, 2006). While identical in principle with the Humanitarian Pause, the CoHA presented a more comprehensive framework (Braithwaite et al., 2010). The CoHA was achieved through “proximity talks,” in which the government and GAM were kept separately, and the HDC shuffling between Jakarta, Banda Aceh, and Stockholm (Huber, 2004). However, the CoHA was short-lived: in a matter of weeks, the agreement unraveled as both parties accused each other of breaking the agreement terms.

Aceh: The Crisis Management Initiative

Watershed events in 2004 opened opportunities for negotiations to resume. Indonesia held its first-ever presidential elections, and Megawati's minister for political and security

affairs Yudhoyono was elected president while Yusuf Kalla, also a former minister under Megawati, was elected vice president. Before the elections, Kalla had already initiated informal talks with some moderate Acehnese outside of GAM's leadership in exile and came across the CMI, a small NGO started by former Finland President Martti Ahtisaari. CMI was identified as a potential mediator (Huber, 2008). The informal talks continued after the elections, and by December 2004, Ahtisaari was informed that both sides were ready to negotiate. In the same month, the Indian Ocean earthquake and tsunami struck, bringing destruction and devastation in many areas, especially Aceh.

Negotiations resumed on 27 January 2005 in Helsinki. The Yudhoyono administration was adamant about reaching a comprehensive resolution to the conflict, while GAM was also more open and amenable to finding a resolution as it relinquished its claim for independence (Huber, 2008). This openness was a crucial concession that led to the government permitting the creation of local-level political parties, allowing GAM to be transformed into a non-violent political force.

The Memorandum of Agreement was signed on 15 August 2005. It authorized a more robust third-party to monitor the agreement, which called for a 300-strong force of European Union (EU) and ASEAN personnel, with the CMI Chair, Ahtisaari himself, empowered as the final arbiter of disputes that could not be resolved at lower levels (Huber, 2008).

Mindanao: The Organization of the Islamic Conference

The OIC was instrumental in bringing the Mindanao conflict parties to the table. It recognized the MNLF's struggle for independence by giving the group an observer status in the conference, while OIC members threatened the Philippine government with sanctions if they refused to negotiate and a peace agreement was not concluded (Fitrah, 2012; Harish, 2005; Taya et al., 2018). In the pre-negotiation phase, the OIC reframed the conflict through a Joint Communiqué, where the organization called for "a political and peaceful solution... within the framework of the national sovereignty and territorial integrity of the Philippines" (Noble, 1981, p. 1099).

The formal talks mediated by the OIC Committee of Four (Libya, Saudi Arabia, Senegal, and Somalia) happened in Jeddah in January 1975 (Lingga, 2006). The subsequent meetings resulted in the signing of the Tripoli Agreement in Tripoli, Libya, on 23 December 1976. The agreement stipulated ceasefire arrangements and terms of the peace settlement, as well as autonomy for thirteen provinces in Mindanao.

The agreement unraveled quickly, as parties disagreed with implementation. The MNLF rejected how the Philippine government implemented the agreement, and violence reoccurred. Disagreements within the MNLF ranks resulted in the birth of the MILF in 1977, a breakaway faction led by Salamat Hashim.

The MNLF quickly returned to its independence demands. As Marcos was ousted through mass mobilizations in 1986, a new democratic government was ushered in, led by

President Corazon Aquino. This event provided an opening for the peace talks to resume. The OIC mediated for another peace agreement called the Jeddah Accord signed in 1987. The MNLF once again accepted autonomy but contended that they were “pressured thrice by the OIC to talk with the government” and did not want to accept the autonomy deal in the first place (Marohomsalic, 2001 p. 296).

Challenges to agreement implementation persisted, while the Jeddah Accord's signing also further alienated the MILF since they were not included in the talks. The disagreements resulted in deepening the incompatibilities brought about by varying interpretations of earlier agreements.

The OIC proceeded with its mediation of the peace talks with a new president elected in 1992, Fidel V. Ramos. The original Committee of Four was expanded to six with Bangladesh and Indonesia's inclusion, with the latter taking the leadership role. Four rounds of talks from October 1993 to August 1996 came up with the signing of the Final Peace Agreement (FPA) on 2 September 1996.

Mindanao: Malaysia and the International Contact Group

With the conclusion of the 1996 FPA, the MILF became the standard-bearer of Muslim independence in the country. Talks between the government and the MILF commenced immediately, this time without a third-party mediator. However, the agreements signed during this period of unmediated negotiations were limited to ceasefires and cessation of hostilities. Clashes between the parties also continued and reached its climax when new President Joseph Estrada declared an “all-out war” in April 2000, while the MILF responded with an “all-out jihad war” (Iqbal, 2018).

In 2001, Malaysia was involved in mediating the peace talks upon the invitation of the newly installed President Gloria Macapagal-Arroyo and the concurrence of the MILF. The positive attitude towards Malaysia by both parties was rooted in the fact that Malaysia, while having a majority Islamic population, also hosts many non-Muslim citizens, an exemplar that Islam can co-exist peacefully with other religions (Fitrah, 2012). MILF peace panel chair Mohagher Iqbal also noted that “the common Malay culture and temperament among the key players...eased facilitation, and [Malaysia's] role made it the constant figure in the ups and downs of the peace process” (Iqbal, 2018).

Nonetheless, Malaysia seemingly had weak leverage in terms of resources, which was remedied through the International Monitoring Team (IMT), a joint military and civil monitoring group deployed since 2005 and composed of Malaysia, Libya, Brunei, Japan, Norway, and the EU; and the International Contact Group (ICG) created in 2009, whose primary role was to ensure implementation of mutually-agreed approaches and was comprised of Japan, United Kingdom, Turkey, and Saudi Arabia with four international NGOs: Muhammadiyah, the Asia Foundation, the HDC, and Conciliation Resources.

The most contentious aspect of the peace talks at that point was the discussion on the issue of ancestral domain, a territorial issue in the creation of the Bangsamoro Juridical Entity that will exist within national sovereignty. In 2008, the government and the MILF released a joint communique to end the formal talks on the ancestral domain. A Memorandum of Agreement on Ancestral Domain (MOA-AD) called for a referendum for about 700 villages in Mindanao to decide if they want to join the Bangsamoro. Local Christian officials in Mindanao challenged the MOA-AD and asked the Philippine Supreme Court to block the signing of the agreement. Later that year, the Supreme Court declared that the MOA-AD was unconstitutional and illegal, practically dissolving the ongoing peace talks and plunged Mindanao into a severe level of violence that displaced over half a million citizens in the region (Williams, 2010). The peace talks once again stalled.

In 2010, a new Philippine president was elected, Benigno C. Aquino III. He initiated exploratory talks with the MILF in 2011, and the peace talks resumed with Malaysia once again mediating. On 15 October 2012, the parties signed the Framework Agreement on the Bangsamoro (FAB), a significant breakthrough in the sixteen-year negotiations. The agreement called for the creation of a Bangsamoro Government, which would allow Filipino Muslims the authority to regulate on their own. What followed the FAB signing is the incremental progress towards finalizing other terms of the agreement referred to as annexes. On 27 March 2014, the Comprehensive Agreement on the Bangsamoro (CAB) was signed by the parties.

The Insider-Outsider Mediators of the Aceh and Mindanao Peace Processes

The two conflict cases present an opportunity for analyzing mediators within the insider-outsider mediator typology: the HDC and CMI are NGOs considered to be outsiders to the Aceh conflict, while the OIC and Malaysia are insiders to the Mindanao conflict. This analysis is elaborated in this section.

The outsider mediators: HDC and CMI

Both NGOs legitimized their position as mediators because they were outsiders perceived to be neutral and impartial. The conflict parties trusted the mediators; however, the mediator (in the HDC case) could not build trust between the conflict parties. On the one hand, the HDC led an ambiguous negotiation that did not actively push for an agreement and did not settle the parties' incompatibilities. On the other hand, the CMI was able to outline at the onset that the negotiation was aimed at an agreement, which resulted in a definitive settlement enabling the signing of an agreement.

The CMI also showed its partiality early on, as Ahtisaari informed GAM that independence is not an option (Heiling, 2008). While this angered GAM, it allowed them to develop a self-government proposal, a workable setup that emanated from their ranks. Ahtisaari also built trust among conflict parties by championing the spirit of compromise—parties must first commit to the process before committing to the agreement (Kingsbury, 2006).

Ahtisaari also understood the limits of an NGO-led mediation. He believed NGOs should not be responsible for monitoring peace agreements due to their limitations. Bringing the EU and the ASEAN to the Aceh Monitoring Mission proved instrumental in strengthening the parties' trust and confidence in the agreement and bolstering the leverage and legitimacy of the mediation led by CMI.

The conflict parties also praised Ahtisaari's leadership of the mediation. As the lead GAM mediator Malik Mahmoud noted, "Ahtisaari is an exceptionally good intermediary and negotiator. I believe he is also a man who stands behind his word and wants to see the process succeed. I am confident that he will continue to follow it up" (Merikallio, 2006, p. 26). This trust emanated from the mediator's processual partiality to GAM and outcome partiality to the Indonesian government, made apparent by the skillful strategies employed by Ahtisaari.

What is evident in this analysis is that while both the HDC and the CMI were outsiders that could have used their perceived neutrality as leverage, in the end, it was the trust and confidence of the conflict parties to the CMI through Ahtisaari that proved most useful in ensuring the peace agreement.

The insider mediators: OIC and Malaysia

The Mindanao peace process mediators from 1975 to 2014 could be considered insiders to the conflict. The OIC, as an organization of Islamic states, had an evident religious and cultural proximity to the MNLF. Meanwhile, Malaysia was a close neighbor and ally that had a majority Muslim population.

The OIC mediation of the Mindanao conflict was initiated through coercion, which affected the trust and confidence of the conflict parties in the mediators. The Libya-led OIC mediation that resulted in the Tripoli Agreement and the Jeddah Accord used the OIC's leverage to threaten the Philippine government and entice the MNLF with incentives to participate, eroding the government's commitment to the peace agreement implementation. The dynamics changed when Indonesia led the OIC mediation of the conflict. The conflict parties' trust was secured since the leader was an insider that offered an approach that is uniquely "ASEAN." According to former Philippine President Fidel V. Ramos, "the approach of *musyawarah* (consultation) and *mufakat* (consensus) proved to be the most productive" in the achievement of the 1996 FPA (Santos, 2013).

However, the fight for Muslim separatism continued through the MILF. This development could be attributed to the fact that, in the first place, the MNLF did not desire autonomy, and when it finally agreed to it, the breakaway faction that created the MILF already expressed that the fight for independence would continue. The MILF only accepted the autonomy that bore their concurrence, which was evident in the developments that led to the signing of the 2014 CAB.

The conflict parties quickly trusted Malaysia because the Philippine government, with MILF concurrence, sought the state's service as a mediator. Their mediation style was focused

on shuttling between parties to dissolve deadlocks and a more consultative method of resolving incompatibilities. Elaborating on their mediation strategy, Malaysia's chief facilitator Tengku noted: "What we did was, we agreed on the principles and they would discuss them in detail. When I move the principles in, I don't get involved in the discussions... I never issued ultimatums. Nobody can say 'you do this, you do that...' it required lots of compromises and understanding" (Karim, 2012).

While being an insider-impartial mediator, Malaysia lacked leverage when compared to the OIC. The trust and confidence that the conflict parties had in the mediator could quickly be shattered by unexpected events, which materialized when the MOA-AD debacle in 2008 threatened the peace process altogether. The MILF began questioning Malaysia's position as a mediator of the conflict. The entry of the International Contact Group (ICG) as an ad-hoc mediator in 2009 was essential to bolster Malaysia's leverage since the ICG was composed of Japan, the United Kingdom, Turkey, and Saudi Arabia, together with four international NGOs. The ICG entry was instrumental since it introduced hybrid mediation assistance composed of states and NGOs, the first time this configuration was ever attempted. The ICG, together with the IMT, provided clearer monitoring capabilities that renewed the parties' trust in the mediation efforts.

In the mediation of the Mindanao peace process, what mattered more than being insiders was how the mediators used their proximity to the conflict or conflict parties to gain their trust and confidence that led to mediation success.

CONCLUSIONS

The analysis on the Aceh and Mindanao peace processes presented in this study emphasized the crucial roles of positioning (insider or outsider) and partiality (relational, processual, and outcome) in identifying factors that lead to mediation success. It was found that while both insider and outsider mediators have relative strengths in leading the peace process to a resolution, it can only do so by ensuring the conflict parties' trust and confidence in the mediator, the mediation, and the resulting agreement. Moreover, this research echoed the recommendation of Elgström et al. (2003) on the importance of exhibiting processual impartiality at the least in achieving durable solutions. The CMI and Malaysia mediation showed this level of impartiality by making the conflict parties commit first to the negotiation and set aside contentious points until compromise and concessions were ready to be made.

On mediator actors and approaches in Aceh and Mindanao, this research provided compelling support for mediation and the mediators' role in solving conflict parties' incompatibilities. It is evident that no conflict, however protracted, is invincible from peace efforts such as mediation. However, what matters in achieving a durable peace agreement is how mediators secure the parties' trust and confidence. Such finding could lead us to argue that the kind of mediator is not crucial, whether a state, IGO or NGO, outsider or insider; as long as the strategies they utilize create relations of trust and maintain an environment conducive for allaying commitment fears, they are capable of leading negotiations towards agreements.

Another critical finding presented in this research is that the limited mediator leverage can always be augmented through international cooperation, which could lead to an upsurge in mediator legitimacy. Both Aceh and Mindanao peace processes involved third parties in the promise of monitoring and enforcement, ranging from state actors, NGOs, and IGOs. As it is true in mediation, third parties as monitors and enforcers might also have the same effect of increasing trust and commitment, this time, in the implementation phase of the process, which could be another research subject in the future.

The realm of conflict resolution is increasingly complex, but various actors, insider or outsider, could explore the strengths they could bring to the negotiation table. In Southeast Asia, the ASEAN has been involved in some peace processes, but only as part of the monitoring team. As a regional intergovernmental association, the ASEAN's potential role as a mediator could be explored. After all, it is in the best interest of regional organizations to take on a conflict management mandate to offer solutions that could aid its members towards its development aims. The ASEAN's potential role as a mediator could be examined by other scholars studying conflicts in the region.

Ultimately, this research showed that while resolving civil conflicts through peace processes and mediation could be arduous, laborious, and excruciatingly slow, the bulk of the work is on the mediator's shoulder. The snags and hurdles of the process could be solved by carefully reevaluating and recalculating strategies aimed at resolving the parties' incompatibilities, building trust in the mediator and the process of mediation, and finding an agreement that parties could commit to credibly.

ABOUT THE AUTHOR

John Lee Candelaria is a Ph.D. student at the Graduate School for International Development and Cooperation, Hiroshima University, Japan. He finished his BA and MA in History from the University of the Philippines Diliman. His research interests include International Relations, Peace and Conflict Studies, Heritage Studies, and Philippine and Southeast Asian History.

REFERENCES

- Abinales, P. J. and Amoroso, D. J. (2017). *State and Society in the Philippines* (2nd Ed). Lanham, Maryland: Rowman & Littlefield.
- Beardsley, K. (2008). Agreement without peace? International mediation and time inconsistency problems. *American Journal of Political Science*, 52(4), 723–740.
<https://doi.org/10.1111/j.1540-5907.2008.00339.x>

- Bengtsson, B. and Ruonavaara, H. (2017). Comparative process tracing: Making historical comparison structured and focused. *Philosophy of Social Sciences*, 47(1), 44-66. <https://doi.org/10.1177/0048393116658549>
- Bercovitch, J. (2008). Mediation and conflict resolution. In J. Bercovitch, V. Kremenyuk, & I. W. Zartman (Eds.), *The SAGE handbook of conflict resolution* (pp. 340–357). London: SAGE.
- Braithwaite, J., Braithwaite, V., Cookson, M. and Dunn, L. (2010). *Anomie and Violence: Non-truth and Reconciliation in Indonesian Peacebuilding*. Canberra: Australian National University Press, The Australian National University. <https://press.anu.edu.au/publications/series/peacebuilding-compared/anomie-and-violence>
- Buendia, R. G. (2005). The secessionist movement and the peace process in the Philippines and Indonesia: The case of Mindanao and Aceh. *Asia-Pacific Social Science Review*, 5(1), 50-66. <https://ejournals.ph/article.php?id=5840>
- Carnevale, P. J., and Arad, S. (1996). Bias and impartiality in international mediation. In J. Bercovitch (Ed.), *Resolving International Conflicts: The Theory and Practice of Mediation* (pp. 39–54). London: Lynne Rienner.
- Che Man, W. K. (1990). *Muslim separatism: The Moros of Southern Philippines and the Malays of Southern Thailand*. Oxford: Oxford University Press.
- Derouen, K. and Bercovitch, J. (2019). *The Civil War Mediation Data Set*. Bercovitch Data Centre for Conflict, Mediation, and Peacebuilding. University of Canterbury.
- Elgström, O., Bercovitch, J. and Skau, C. (2003). Regional organisations and international mediation: The effectiveness of insider mediators. *African Journal on Conflict Resolution*, 3(1), 11–27. <https://www.ajol.info/index.php/ajcr/article/view/136420>
- Fitrah, D. I. (2012). *Multiparty Mediation in the Southern Philippines Conflict* (Advanced master thesis, Leiden University, Netherlands). <https://openaccess.leidenuniv.nl/handle/1887/19390>
- Haass, R. N. (1990). *Conflicts Unending: The US and Regional Disputes*. New Haven, CT: Yale University Press.
- Harish, S. P. (2005). *Towards Better Peace Process: A Comparative Study of Attempts to Broker Peace with MRLF and GAM*. (Working Paper, Institute of Defence and Strategic Studies, Singapore). <https://www.rsis.edu.sg/rsis-publication/idss/77-wp077-towards-better-peace-p/#.X6zRSC8RrUI>
- Heiling, R. M. (2008). Conflict resolution in Aceh in light of track one and a half diplomacy. *ASEAS – Austrian Journal of South-East Asian Studies*, 1(2), 171–186. <https://doi.org/10.14764/10.ASEAS-1.2-12>

- Higgins, N. and Daly, B. (2010). Resolving armed conflict: The Acehese experience of mediation. *US-China Law Review*, 7(3), 1–14. <https://ssrn.com/abstract=2532036>
- Huber, K. (2004). The HDC in Aceh: Promises and pitfalls of NGO mediation and implementation. *Policy Studies* 9. Washington, D. C.: East-West Center Washington. <https://www.eastwestcenter.org/publications/hdc-aceh-promises-and-pitfalls-ngo-mediation-and-implementation>
- Huber, K. (2008). Aceh's arduous journey to peace. In Aguswandi & J. Large (Eds.), *Accord: An international review of peace initiatives* (pp. 16–21). London: Conciliation Resources. <https://www.c-r.org/accord/aceh-indonesia/acehs-arduous-journey-peace>
- Iqbal, M. (2018, 18 July). PEACETALK: Malaysia and its role in the GPH-MILF peace process. *MindaNews*. <https://www.mindanews.com/mindaviews/2018/07/peacetalk-malaysia-and-its-role-in-the-gph-milf-peace-process/>
- Karim, F. N. (2012, 21 October). SUNDAY INTERVIEW: Quiet envoy helps seal peace deal. *New Straits Times*. <https://www.nst.com.my/nation/general/sunday-interview-quiet-envoy-helps-seal-peace-deal-1.159887>
- Kingsbury, D. (2006). *Peace in Aceh: A Personal Account of the Helsinki Peace Process*. Jakarta: Equinox.
- Kivimäki, T. and Gorman, D. (2008). *Non-government Actors in Peace processes: The Case of Aceh*. Geneva: Centre for Humanitarian Dialogue.
- Kleiboer, M. (1996). Understanding success and failure of international mediation. *Journal of Conflict Resolution*, 40(2), 360–389. <https://doi.org/10.1177/0022002796040002007>
- Lederach, J. P. (1991). Of nets, nails, and problems: The folk language of conflict resolution in a Central American Setting. In K. Avruch, P. Black, & J. A. Scimecca (Eds.), *Conflict resolution: Cross-cultural perspectives* (pp. 165–186). New York, Westport, Connecticut, London: Greenwood Press. <https://www.beyondintractability.org/artsum/lederach-ofnets>
- Lingga, A. S. M. (2006). *Role of Third Parties in Mindanao Peace Process*. (Discussion paper, Institute of Bangsamoro, Philippines).
- Marohomsalic, N. A. (2001). *Aristocrats of the Malay race: A history of the Bangsa Moro in the Philippines*. Quezon City: Author.
- Merikallio, K. (2006). *Making peace: Ahtisaari and Aceh* (D. Mitchel, Trans.). Helsinki: W. Söderström.
- Miller, M. A. (2008). The conflict in Aceh. In Aguswandi & J. Large (Eds.), *Accord: An international review of peace initiatives* (Issue 20, pp. 12–15). London: Conciliation Resources.

- Möller, F, Derouen K. Jr., Bercovitch, J. and Wallesteen, P. (2007). The limits of peace: Third parties in civil wars in Southeast Asia 1993-2004. *Negotiation Journal*, 23(4), 373–391. <https://doi.org/10.1111/j.1571-9979.2007.00151.x>
- na Thalang, C. (2017). Malaysia's role in two South-East Asian insurgencies: 'An honest broker'? *Australian Journal of International Affairs*, 71(4), 389–404. <https://doi.org/10.1080/10357718.2016.1269147>
- Noble, L. G. (1981). Muslim separatism in the Philippines, 1972-1981: The making of a stalemate. *Asian Survey*, 21(11), 1097–1114. <https://doi.org/10.2307/2643996>
- O दौरा, T. (2009). The effectiveness of third-party mediation in internal armed conflicts: Cases of Mindanao and Aceh. *The Journal of Social Science*, 68, 31–52.
- Sangsuwan, S. (2014). Ethnic conflict and peace process: A comparative study in Aceh and Mindanao. *Political Science and Public Administration Journal*, 5(1), 54–65. <https://so05.tci-thaijo.org/index.php/polscicmujournal/article/view/77003>
- Santos, S. M. J. (2013, 15 April). The role of Islamic diplomacy in the Mindanao peace process. *Asia Peacebuilding Initiatives*. <http://peacebuilding.asia/the-role-of-islamic-diplomacy-in-the-mindanao-peace-process/>
- Shea, N. (2016). Nongovernment organisations as mediators: Making peace in Aceh, Indonesia. *Global Change, Peace and Security*, 28(2), 177–196. <https://doi.org/10.1080/14781158.2016.1162778>
- Smith, A. and Stam, A. (2003). Mediation and peacekeeping in a random walk model of civil and interstate war. *International Studies Review*, 5(4), 115–135. <https://doi.org/10.1111/j.1079-1760.2003.00504011.x>
- Sukma, R. (2004). Security operations in Aceh: Goods, consequences, and lessons. *Policy Studies 3*. Washington, DC: East-West Center Washington. <https://www.eastwestcenter.org/publications/security-operations-aceh-goals-consequences-and-lessons>
- Sustikarini, A. (2019). Financing peace: Special Autonomy Fund as a peace dividend in Aceh, Indonesia. *Journal of ASEAN Studies*, 7(2), 99–121. <https://doi.org/10.21512/jas.v7i2.5787>
- Taya, S., Omar, R., Yaacob, C. M. A. and Lantong, A. (2018). Peacebuilding model of third-party mediation in the Philippines: Comparing Malaysia and the OIC. *The Journal of Social Sciences Research*, (SPI6), 1151–1157. <https://doi.org/10.32861/jssr.spi6.1151.1157>
- Touval, S. and Zartman, I. W. (1985). Introduction: Mediation in theory. In S. Touval & I. W. Zartman (Eds.), *International mediation and practice* (pp. 7–17). Boulder, CO: Westview.

- Walter, B. F. (2002). *Committing to Peace: The Successful Settlement of Civil Wars*. Princeton, NJ: Princeton University Press.
- Wehr, P. and Lederach, J. P. (1991). Mediating conflict in Central America. *Journal of Peace Research*, 28(1), 85–98. <https://doi.org/10.1177/0022343391028001009>
- Williams, T. (2010). The MoA-AD debacle – An analysis of individuals’ voices, provincial propaganda and national disinterest. *Journal of Current Southeast Asian Affairs*, 29(1), 121–144. <https://doi.org/10.1177/186810341002900106>
- Young, O. R. (1967). *Intermediaries: Third parties in international crises*. Princeton, NJ: Princeton University Press.

POLICING CYBERSPACE: UNDERSTANDING ONLINE REPRESSION IN THAILAND AND THE PHILIPPINES

Fernan Talamayan

Institute of Social Research and Cultural Studies, National Chiao Tung University, Taiwan
ftalamayan.srcs07g@nctu.edu.tw

Received: 25th October 2020/ **Revised:** 07th November 2020/ **Accepted:** 28th November 2020

How to Cite: Talamayan, F. (2020). Policing cyberspace: Understanding online repression in Thailand and the Philippines. *Journal of ASEAN Studies*, 8(2), 129-145.

<https://doi.org/10.21512/jas.v8i2.6769>

ABSTRACT

Social networking sites have become increasingly relevant in the study of democracy and culture in recent years. This study explores the interconnectedness of social networks, the imposition of state control, and management of social behavior by comparing various literature on the operation of repression in Thai and Philippine cyberspaces. It examines the overt and covert policing of daily interactions in digital environments and unpacks governmental technologies' disciplinary mechanisms following Michel Foucault's notion of government and biopolitical power. Subjugation in the context of social networks merits analysis for it sheds light on the practice of active and passive self-censorship—the former driven by the pursuit of a moral self-image and the latter by state-sponsored fear. In tracing various points of convergence and divergence in the practice of cyber control in Thailand and the Philippines, the study found newer domains of regulation of social behavior applicable to today's democracies.

Keywords: *cyberspace, algorithm, policing, online repression, self-censorship*

INTRODUCTION

According to Habermas (2006), political communication on the internet claims “unequivocal democratic merits” in the context of undermining censorship of authoritarian regimes (p. 423). Quite the contrary, it could be observed that in nations like Thailand and the Philippines, the internet has been instrumental in silencing dissent or harassing or jailing opposition members. While the internet has long been regarded as a facilitator of democracy (Benkler, 2006; Gillmor, 2004; Grossman, 1995; Rheingold, 1993/2000) and a platform for political discourse (Poster, 1997 in Geiger, 2009), it has also been utilized by authoritarian and

authoritarian-like governments as an instrument to suppress people's freedom (Sombatpoonsiri, 2018) and exert hegemonic control in cyberspace (Frechette, 2005; Laungaramsri, 2016; Schaffar, 2016; Sinpeng, 2013). The motivations and objectives of these governments may vary, but the exercise of hegemony and the operation of repression are relatively similar. Mainly, in their attempts to dictate the political discourse in "digital public spheres" (Hearn, 2010; Macnamara, 2008; Mahlouly, 2013; Valtysson, 2012), such regimes instigate fear or assert a peculiar sense of morality to manage citizen behavior and police information flows.

This study surveys the current scholarship on Thailand and the Philippines, where the incidence of cyber repression and manipulation has increased at an alarming rate in recent years. As both Thailand and the Philippines are suffering from disinformation and extreme polarization, these countries are interesting case studies in understanding the operation of online repression in democratic states in Southeast Asia. In comparing their experiences, the study elaborates on how various scholars identify the roles of the authorities (military junta in Thailand and the Rodrigo Duterte administration in the Philippines) and their supporters in the development of new and more efficient forms of cyber control. It discusses the activities of the Thai junta's Cyber Scouts and Duterte's keyboard army in an attempt to compare and unravel the systematic operation of hegemonic control in these two countries' cyberspace.

The study raises the following questions: How does the internet become instrumental in the reproduction of the state's domination over individuals' daily affairs? What are the tools and techniques that authoritarian regimes use in patrolling and controlling cyberspace? How is normative power exercised in cyberspace? How does cyber trolling and harassment influence the governance of the self and others? These questions will be answered following Michel Foucault's concept of government and biopolitical power while employing a comparative approach to establish and analyze the essential systemic features of governmental and political interventions in contemporary digital spaces.

LITERATURE REVIEW

This research extends Sombatpoonsiri's (2018) exploration, which compared the Thai and Philippine governments' strategies of political repression and cyber control. Observing the striking similarities in the internet regime and political situation in Thailand and the Philippines, she explained how autocratic and illiberal regimes exploit existing social divides to consolidate power. She argued that the government's instrumentalization of cyberbullying is a manifestation of the deeper crisis of social polarization. Complementing her analysis on the correlation between the crises of polarization and governments' mobilization of the public in controlling cyberspace, this study refers to Sombatpoonsiri's described forms of political repression as governmental techniques that conduct people's conduct in digital environments.

Similarly, recognizing the vulnerability of democracy under authoritarian regimes, Sinpeng (2013) zeroed in on Thailand's internet regime (p. 421) as she examined the role of

the internet in the entrenchment of democracy. Sinpeng questioned the internet's democratizing role in the cyber era, positing that the internet serves as a tool for repression through state online coercion, as was the case in Thailand. Along these lines, Laungaramsri (2016) tackled Thailand's "troubling" shift toward censorship, surveillance, and suppression in cyberspace. Drawing on Foucault's "governmentality," she described the normalization of surveillance in post-coup Thailand through the politicization, securitization, and militarization of the internet by the Thai junta. Meanwhile, Ramasoota (2016) touched on cyber-witch hunting in Thailand in the post-2014 coup as she elaborated on how cyber-witch hunters harass people with differing views and undermine their privacy rights.

Despite the absence of cyber-witch hunts and anti-royalism in the Philippines, the promotion of fear and the exercise of hegemonic control of an authoritarian-like regime such as Duterte's also threaten freedom of expression and privacy rights. Incidence of cyber trolling and harassment of political opposition in the Philippines has increased dramatically since Duterte's assumption of the presidency. Ong and Cabañes (2018) pointed out that many Filipinos who expressed disgust towards Duterte were repeatedly hounded and harassed with the use of negative speeches, expletives, and death threats. Whereas the research of Ong and Cabañes explained the "moral justification in the disinformation project" (pp. 29-30, see also Ong & Cabañes, 2019) and impressed how cyber trolling has become a tool for cyber manipulation and control, most noteworthy is their effort to expose the existence of an industry responsible for the manipulation of algorithms of online platforms, which help the promotion of political propagandas in the Philippines.

While this study often refers to the works of the previous researchers throughout its discussion, it simultaneously deviates by suggesting categories in which the described coercive activities could be plotted. By making apparent the characteristics of identified repressive actions, the study determines the type of technology that a state and its supporters execute to govern and influence groups and individuals, such as algorithmic gatekeeping, algorithmic policing, and cyber policing. As an art of government, these technologies are often employed synchronously whenever possible.

In the next sections, the study briefly explains Foucault's notion of biopolitical power, which is mobilized as a conceptual tool to analyze internet regimes and the practice of government in Thailand and the Philippines. This concept acts as a bridge that links governmentality with new technologies of policing (algorithmic gatekeeping, algorithmic and cyber policing). These technologies exploit the vulnerabilities of social network designs by manipulating the flow of information and discourse on the internet. To adequately describe these new technologies of government, the supposed democratizing effect of the internet is questioned as it explains how the "illusion" of freedom is manufactured through and within the internet's internal and external logic.

ANALYTICAL FRAMEWORK

The supposedly “mutually beneficial” arrangement between citizens and the state (controlling the population to foster both citizen’s life and the state’s strength) introduced the paradigm of biopolitical power (Foucault, 1981, pp. 248-252). The goal of biopolitical power is to optimize and multiply life by subjecting it to precise controls and comprehensive regulations (Foucault, 1978, p. 137). This kind of power is exercised through constant supervision of its subjects (the individual). Individuals regularly police themselves and others by examining and controlling their and other people’s thoughts and behavior in accordance with what society has constructed as the norm (Bevir, 1999, p. 65). With the birth of biopolitical power, social norms have become a critical regulator of people’s communication and daily activities. Moreover, with the promise of the society to secure life and happiness, people subject themselves to such power.

The society’s essence gives teeth to biopolitical power. In describing the intrinsic nature of the society, John Stuart Mill (1859/2003, p. 139) wrote:

Though society is not founded on a contract, and though no good purpose is answered by inventing a contract in order to deduce social obligations from it, everyone who receives protection of society owes a return for the benefit, and the fact of living in society renders it indispensable that each should be bound to observe a certain line of conduct towards the rest.

The idea that one is bound to observe a certain conduct towards the rest gives the society the authority to conduct the conduct of an individual. Mill (1859/2003) added that society is granted jurisdiction over a person’s behavior, especially when it prejudicially affects other people’s interests (p. 139). Because of this jurisdiction, individuals are expected to discipline themselves and act following the norms.

This arrangement between the individual and society would also have an impact on the construction of the moral self-image, since morality is understood as “the attempt to make oneself accountable for one’s own actions” (Dean, 1999/2010, p. 19). Self-regulation is treated as a moral activity, as the practice of government is presumed to know “what constitutes good, virtuous, appropriate, responsible conduct of individuals and collectives” (p. 19). That said, conducting other people’s conduct becomes a moral activity too. This explains why public opinion, which is presumed to constitute ethical principles, is used to regulate, or in some cases, punish individuals who, for instance, have dissenting and opposing views.

In other words, government is the “conduct of conduct” (Foucault, 1982, pp. 220-221 in Dean, 1999/2010, p. 17). The different meanings of conduct imply some sort of calculation as to how government is carried out. It also influences today’s understanding of self-control or self-regulation, as conduct in this framework involves conducting oneself (pp. 17-18). To govern is to manage human behavior via social norms, structure the field of possible action, and act on individuals’ capacities for action (p. 22). In this light, an actor’s (state or supporters)

exploitation of digital platforms' architecture and manipulation of social media algorithms play a significant role in shaping human behavior and delimiting social interaction.

Meanwhile, it is the law that gives programs and technologies its coercive power (Foucault, 1978/2001, p. 232). Although Foucault was originally referring to the programs in educational, medical, and military institutions when describing the relationship between law, power, program, and technologies, it can be argued that the same principles may apply in digital spaces. Social media users are similarly subjected to coercive measures that follow sets of calculated prescriptions (i.e., algorithms and software designs), arranged spaces (i.e., filters, sitemaps, or firewalls), and regulated behaviors (i.e., website's privacy policies or terms of service that govern the use of a digital platform). Additionally, these sets of rules are stacked on top of laws and state policies that govern citizens.

RESEARCH METHOD

Apart from conducting a survey of literature that reflects on the state of democracies in Thailand and the Philippines, the author gathered empirical evidence from various Facebook pages of public figures (or of those supporting and promoting public figures) such as Duterte's *Duterte Media*, *Duterte sa Pagbabago Bukas (Duterte for Tomorrow's Change)*, *Duterte Diehard Supporters (DDS)*,¹ *Duterte Phenomenon*, *Pinoy Monkey Pride*, *Thinking Pinoy*, *Mocha Uson Blog*, *DU30 Trending News*, or pro-junta's platforms such as *The New Atlas*, *Alt Thai News Network*, and *New Eastern Outlook*.² As a qualitative research, the author treated these online groups and platforms as his field and employed purposeful sampling to provide "information-rich cases" (Patton, 2005, p. 2). Immersion in these groups involved observation of several state supporters' posts and activities. The author also analyzed the content and comment section of several YouTube videos that promoted the state's agenda. To discover various pro-state channels, the author followed the recommendations on YouTube, as they often suggest similar contents and channels.

ANALYSIS

This section compares several scholars' discussion on how people's conduct is conducted in the Thai and Philippine cyberspaces. In navigating various works, this study intervenes by hinting on digital governmental techniques that are observably practiced by authoritarian regimes such as algorithmic gatekeeping, algorithmic policing, and cyber policing. To understand these technologies, it is imperative to introduce what an algorithm is and describe what it can do.

Algorithms are sets of instructions designed to perform specific tasks or operations efficiently. Offering a more critical definition, Tufekci (2015) describes algorithms as "computational processes that are used to make decisions of such complexity that inputs and

outputs are neither transparent nor obvious to the casual human observer” (p. 206). While some computational processes involve simple operations such as multiplication of numbers, issues could be raised on other algorithms that involve “subjective decision making” wherein no single correct answer could be determined (pp. 206-207). In the context of digital journalism, algorithms affect the selecting, sorting, and ordering of news (Carlson, 2017, p. 2). It also prioritizes and shapes the content that becomes visible to the people.

In environments where popularity drives the production of contents and personalization is valued over mass messaging (Carlson, 2017, p. 7), relevance becomes critical in determining algorithmic calculations. As tech giants present social networking sites as spaces that individuals could control through the logic of relevance, these sites give an impression to their users that one could curate their news feed, block contents that they deem foul or obscene, or follow and share stories which they consider informative or entertaining. However, it must be noted that what becomes relevant to the public may be influenced by what is presented or offered to them. Hence, when algorithmic manipulation limits content selection, what becomes relevant to social media users become regulated without the public’s knowledge. This lack of visibility of algorithmic decisions reinforces the “illusion” of freedom appropriated to and by the people. It is this lack of visibility of algorithms that makes social media users vulnerable to manipulation. The maneuvering of internet content, as well as the discourse in the said platform, in effect, creates an illusion of choices as choices become pre-determined by an algorithm. Tufekci (2015) notes that such manipulations are performed routinely in many online platforms. She writes, “they range from purposes as mundane as deciding the color of a button, to decisions as which news article is shown to the public” (p. 205).

The regulation of digital content consumed by the public is carried out through algorithmic gatekeeping and algorithmic policing. Tufekci (2015) defines algorithmic gatekeeping as “the process by which transparent algorithmic computational-tools dynamically filter, highlight, suppress, or otherwise play an editorial role...in determining information flows through online platforms and similar media” (pp. 207-208). Algorithmic gatekeeping is instrumental in managing public opinion, for it helps actors control political communication and meaning-making processes through algorithmically driven filters. On the other hand, algorithmic policing is used as a formal apparatus of control (Norris, 2008), which involves big data surveillance tasked to predict risks and future crimes (Brayne, 2017).

Several Facebook pages and communities contribute largely to the algorithmic gatekeeping and policing of the Philippine and Thai cyberspaces. Like-minded Filipino supporters of Duterte gather in Facebook pages of public figures (or of those supporting and promoting public figures) such as Duterte’s *Duterte Media*, *Duterte sa Pagbabago Bukas* (Duterte for Tomorrow’s Change), *Duterte Diehard Supporters*, *Pinoy Monkey Pride*, *Thinking Pinoy* and *DU30 Trending News*,—together they disseminate content that supports Duterte’s policy decisions and actions. Similarly, the case in Thailand is where the right-wing and anti-liberal online media such as *T-News*, *Chaophraya News*, *Deep News*, *The New Atlas*, *Alt Thai News Network* and *New Eastern Outlook* align their content and activities with those of the

cyber scouts, Garbage Collector Organization (GCO), and the military junta (Sombatpoonsiri, 2018, p. 4). Following the logic of social media algorithms, the government, social media influencers, and supporters' (Duterte's DDS in the Philippines and the pro-junta online media in Thailand) combined effort would have, in theory, an impact on their countries' information flows. The sheer volume and frequency of the production and proliferation of pro-Duterte and pro-junta contents would have influenced the computational processes of these sites and created a sense of relevance in various social media's programming language. Facebook's banning of fake accounts linked to pro-state groups and the military in 2019 (Thailand) and 2020 (Philippines) provides clues on the potential influence of algorithmic gatekeeping and policing on people's activities and behavior in digital platforms.

Social politics curation or the practice of curating news and political content on social networking sites (Thorson, 2014, p. 207) has become instrumental in exercising algorithmic manipulation in the Philippines. A number of celebrities and bloggers like Mocha Uson (a former singer-dancer and a current appointive public official), RJ Nieto (the author of the pro-Duterte Facebook page *Thinking Pinoy*), Mark Lopez (a pro-Duterte blogger), and many others who have large followings have taken the lead in curating news in the Philippines. Reports show (see *VERA Files Year-ender Report 2017*) that their active sharing and distribution of content that support and venerate Duterte have sustained the generation of likes for such posts. Duterte's keyboard army and supporters backed these social media influencers. Believing that Duterte is the "leader that Filipinos need" (Maboloc, 2018, p. 93), they "willingly" participate in spreading pro-Duterte content on the internet, regardless of the content's credibility.³ Further, Duterte's cyber troops have been relentless in attacking his critics, particularly those who oppose the government's war on drugs, which has claimed thousands of lives through extrajudicial killings (Sombatpoonsiri, 2018, p. 3).

Although most celebrities, bloggers, or other fervent supporters of the Duterte administration claim that they act on their own accord, Ong and Cabañes (2018) expose the existence of an institutionalized network of disinformation that guides them by explaining how politicians utilized this network to influence digital platforms' algorithms. They also report that in its operation, "high-level strategists operators pass on the 24/7 running of these accounts (Facebook fake accounts) to lower-level account operators" (Ong & Cabañes, 2018, p. 50). Multiple fake social media accounts are used in their operation to amplify their propaganda and ensure a "high degree of algorithmic visibility, as they can maintain intense interactivity and engagement with their followers and supporters" (pp. 37, 50). These accounts often manifest "inauthentic behavior," defined by Facebook as the use of deceptive behaviors to conceal an organization's identity, making the organization and its campaign seem "more popular or trustworthy" than it actually is (Gleicher, 2019).

As propaganda becomes highly visible in digital platforms, the more it can "hook" or "capture" users. This is possible through political actors' constant production of propagandistic materials and social media's internal computational processes that help users further immerse in materials and contents related to what they click on their feed. Since algorithms assume its

users' choices and behavior, users who interact with a particular content may end up seeing more of that material. Once users become "captives" of both the platform and certain content, it is highly likely that the social networking site, guided by its algorithm, would direct them to other videos and threads with similar content. For instance, if a YouTube user who has just started following a propaganda lets YouTube's autoplay function work, the platform will decide to immerse that user in more videos that it deems relevant. YouTube also has a mechanism that remembers watched videos. Suggestions and updates based on viewing history welcome a user when they reopen the platform. This design makes it convenient for pro-Duterte vloggers to promote pro-Duterte content as the platform helps them reach out to and update their audience. YouTube's relevance, ranking, and search algorithms can also induce the repetition of key propaganda messages. This repetition helps propaganda become the "truth" to propaganda believers, and this "truth" is instrumental in influencing how they pass judgment on others.

While this study highlights certain actors' manipulation of algorithms to affect people's moral compass, attention must be given to media content production, especially since media content also drives faithful readership or viewership. Several audio-visual materials from Pro-Duterte bloggers use the vernacular of the "people" (by "people" the study pertains to the supporters of Duterte). Their tone is often conversational, and their choices of words appeal to the ordinary Filipino, as they employ common street language and even profanity on some occasions (see the regular posts of Mr. Riyoh, Banat By, Mark Lopez, etc.). They also sound as if they represent the Filipino people, providing their people with a voice that has long been silenced or neglected by technocrats or reformists. Their videos follow Duterte's "anti-establishment strategy" (Maboloc, 2019, p. 170) and follow an "us-versus-them" narrative, a characteristic familiar to populist rhetorical styles. These political communication techniques make some of their followers assert that their likes should reclaim "power" from the educated and landed elite. More importantly, the repetition and multiplication of such political content aid in transforming propaganda into a "basic grammar" (Vatsov, 2018, p. 77) that frames state supporters' articulation of moral intuitions.

Another form of policing that has gained popularity in contemporary authoritarian regimes is what several scholars refer to as cyber policing (Ramasoota, 2016; Sinpeng, 2013; Sombatpoonsiri, 2018). What distinguishes cyber policing from algorithmic policing is its overtness—while the latter operates outside the conscious, that is, often stealthy and invisible (Tufekci, 2015, pp. 208-209), the former allows itself to be known to instigate fear. Cyber policing also involves the policing of information flows by controlling citizens' behavior (Sinpeng, 2013, p. 423). This mode of policing is often supported and normalized by the state through legislation or state policies. In other contexts, the head of state's public statements could also promote the normalization of cyber policing, for, in such places, people may regard every word uttered by the head of state as the policy of the state. As such, cyber policing may enforce self-censorship. The promotion of self-censorship in cyberspace is further discussed in the subsequent paragraphs.

Thailand's Cyber Scout Program and cyber-witch hunting are examples of what the study pertains to as cyber policing. According to Laungaramsri (2016), the initiation of the Cyber Scout Program and cyber-witch hunt and the junta's employment of deceptive tactics curtails freedom of expression in Thailand (pp. 195-204). Observing the practice of cyber policing in Thailand, the Computer Crime Act (CCA) in 2007 and Article 112 or the *lèse-majesté* act of the Thai Penal Code provide guidelines (or "programs") that inform individual behavior. Apart from acting as "grids for the perception and evaluation of things" (Foucault, 1978/2001, p. 232), they also create a blueprint that dictates how society should regulate its people in Thai cyberspace. Briefly, the CCA of 2007 legalizes the blocking of internet content by the government, and it makes internet content providers liable for any direct or indirect violations (Ramasoota, 2011 in Sinpeng, 2013, p. 428). It also legalizes the infringement of people's right to privacy, as the law permits the exposure of the identities of internet users without the users' consent (p. 428). Sinpeng notes that this law does not provide clarity as to what exactly it specifies as a crime and any actions committed online, which the government deems as a threat to national security could be legally charged (pp. 428-429). Article 112 or the *lèse-majesté* act, on the other hand, prohibits defamation, insults or threats to the King, the Queen, the Heir-apparent, or the Regent. Violators of Article 112 could face three to fifteen years of imprisonment for each count of offense (Ramasoota, 2016, p. 271). Needless to say, these laws serve as regulatory mechanisms in directing people's offline and online activities and behavior. These laws empower the Cyber Scouts, and they also serve as the driving force behind several cases of cyber-witch hunting in Thailand.

The Cyber Scout Program is a project initiative of the royalist-conservative government of Abhisit Vajjajiva that professionalized online royalist vigilante groups in Thailand (Schaffar, 2016, p. 224). It established the organization called the Cyber Scout Thailand, which was set up to "create ethical and moral online conduct and ensure the creative and appropriate use of information, communication and technology" (cyberscout.in.th). The members of this program, called Cyber Scouts, are given instructions on the historical significance of the monarchy, as well as the cyber laws and ethics, and are provided with technical training (Schaffar, 2016, p. 224; Sinpeng, 2013, p. 432). They work undercover to befriend suspects on Facebook, start conversations about sensitive issues, patrol cyberspace, and report violators of the *lèse-majesté* to the authorities (Schaffar, 2016).

It is important to note that while Thailand's Ministry of Information and Communication Technology (MICT) supports these Cyber Scouts, the members participate voluntarily (Ramasoota, 2016, pp. 273-274). Volunteerism, in this context, appeals to people's sense of morality. Activities such as identifying and locating violators of the CCA of 2007 and Article 112 are perceived as altruistic, as they are deemed to contribute to the reduction of nonconformity and social tensions. Moreover, these volunteers work in incognito mode (invisible to others). Since anyone, such as friends or colleagues, can be a Cyber Scout, it encourages people to be careful with whatever they do or post online. Hence, apart from the laws' vagueness regarding what the state deems punishable, knowledge about Cyber Scout's

existence potentially creates a cloud of fear. In such a context, fear becomes a fundamental tool in governing the self and others.

Another Thai organization that monitored people's behavior on the internet for the purpose of protecting the monarchy is the self-proclaimed ultra-royalist Garbage Collector Organization (GCO). Founded by Major General Rienthong Nanna, a retired medical doctor and a director of Mongkottwattana Hospital, the GCO derived its name from the idea that people expressing contrary views are trash (Stapleton, 2015 in Ramasoota, 2016, p. 276). Schaffar (2016) states it is an organization of ordinary people from the streets who participate in cyber-witch hunting, or the reproaching and public lynching of "social rebels or those expressing non-conforming views online" through the circulation of the nonconformists' "unorthodox attitudes" to the "conforming community" on the internet (Ramasoota, 2016, p. 269). Their activities included the public humiliation and pacification of the supporters and business partners of the exiled Prime Minister Thaksin whom the people refer to as the Red Shirts (Schaffar, 2016). They also collectively campaigned to expose violations of *lèse-majesté*. The GCO's cyber-witch hunt activities were considered more threatening since they involved privacy rights violations and offline mobbing.

Cyber-witch hunt undermines Thai citizens' privacy rights through doxxing, defined as the hacker's habit of collecting personal and private information to be released publicly against a person's wishes (Ramasoota, 2016, p. 273). GCO's activities often involved doxxing. A well-documented example of such is the case of a Red Shirt activist, Tananun Buranasiri. The GCO disclosed Tananun Buranasiri and her family's personal information to the public after she posted comments that are perceived as violating Article 112. The disclosed information included the location of her workplace, and when the mob started appearing in front of her workplace, her employer decided to fire her. The misfortune of Tananun Buranasiri did not end with the termination of her employment as the GCO unrelentingly harassed her online by "insulting her and exchanging fantasies about how to 'get rid' of her" (Schaffar, 2016, p. 216).

Other pro-monarchy political groups such as the Seri Thai Movement, Thai Netizen Network, and the People's Alliance for Democracy movement encourage their members to participate in the policing of the Thai cyberspace by reporting online violators of *lèse-majesté* to MICT. In 2012 the Thai Free News reported that the People's Alliance for Democracy movement alone was responsible for "filing 16 complaints accusing individuals, including some high-profile journalists, of committing computer crimes" (Sinpeng, 2013, p. 432).

In the Philippines, it is in the network disinformation described by Ong and Cabañes that cyberbullying and trolling, which are more subtle forms of cyber policing (compared to Thailand), are exercised. It is, in a sense, the modern form of Foucault's "government of men by men." Cyber trolling police people in several ways. For instance, Filipinos who express opposing views in public Facebook pages are repeatedly hounded and harassed by Duterte's keyboard army not only through negative speech or expletives but also death threats (Ong & Cabañes, 2018, p. 13). Amplification of pro-Duterte messages by both Duterte supporters and

troll accounts also creates a sense of “public consensus” in threads that touch upon controversial political issues. It is also a common practice to attack “nonconformists” by appealing to people’s morality and “patriotism;” Pro-Duterte accounts, for example, accuse Duterte’s critics as evil, self-centered, elitist, anti-Filipino, or anti-progress. There are also instances when they would just repeatedly dismiss dissent as “stupid,” “ignorant,” or “misinformed.”

The way the keyboard army attacks and silences Duterte’s critics are easily comparable with how Thailand’s GCO conducts cyber-mobbing. Both groups are notorious for their usage of indecent language and offensive speech. Stemming their strength from the grassroots, they fearlessly harass non-conforming people all in the name of defending their respective champions. The activities of these cyber trolls promote self-regulation among social media users, especially to those who wish to spare themselves the trouble of engaging or being harassed by the Duterte or Thai junta supporters. This form of cyber policing could enforce self-censorship as it encourages individuals to discipline and control their thoughts and actions to avoid state punishment or societal judgment.

There are, however, fundamental differences between the two. Since the type of authoritarianism in Thailand and the Philippines varies, the type of supporters and the policing activities will also vary. Arguably, Duterte enjoys a rather stable popular support while the Thai regime relies heavily on many autocratic techniques to remain in power. As a result, Duterte’s keyboard army shows no interest in cracking down or spying on their targets, unlike the Thai cyber scouts or GCO. Keyboard armies focus their energy on silencing political enemies and spreading disinformation to gain greater support and attract more followers. Meanwhile, Thailand’s GCO has been known for infiltrating anti-monarchy pages to search and destroy anti-monarchists. They pretend to insult the monarchy to provoke similar action (Ramasoota, 2016, p. 279) and ultimately identify those who violate the *lèse-majesté*. In Foucauldian terms, these fundamental differences manifest the specific regularities, logic, strategy, and reason for distinct regimes of practices.

As exhibited by the practices of online policing in Thailand and the Philippines, the seemingly overwhelming presence of cyber scouts and trolls and their constant harassment of the “enemies” of the state contribute to the normalization and legitimization of repression in cyberspace. In the case of Thailand, its transitioning back to democracy paved the way for the reinforcement of increased censorship and control over the internet through legislation and cyber policing. The government’s imposition of harsh penalties for violating internet-related laws and their supporters’ active collaboration in identifying and harassing nonconformist citizens has resulted in greater self-censorship in online discussions (Sinpeng, 2013, p. 429). The domination in social networking sites of Duterte’s keyboard army and other supporters, whose activities were directed at manipulating social media algorithms and shaping public opinion in favor of the current Philippine administration, has discredited and silenced dissent (Ong & Cabañes, 2018, p. 3). Like the Cyber Scouts or GCOs, the actions of Duterte’s keyboard army may promote self-regulation, especially to those who wish to spare themselves the trouble of engaging or being harassed by the Duterte supporters. In these cases, one would see a

combination of what Foucault (1982/2001) described as “individualization techniques” and “totalization procedures” (p. 332).

The stories of cyber repression and “patriotic” trolling in Thailand and the Philippines show that cyber control, as a technology of government, conducts people’s conduct. Following Foucault’s concept of “government of men by men,” the idea that it is the responsibility of every Thai citizen to respect the monarchy and uphold the agenda of the state transfers the responsibility of policing individuals to individuals. It becomes the responsibility of every Filipino to protect and defend the president and his administration from “destabilizers” and “detractors.”

CONCLUSIONS

In examining the practice of censorship and control in contemporary cyberspace, the study compared existing literature on Thailand and the Philippines, as both have been particularly active in exercising newer forms of surveillance and political repression on the internet. Since power in this context operates in digital environments, the exercise of policing requires new techniques of administering and maneuvering. New governmental technologies such as algorithmic gatekeeping, algorithmic policing, and cyber policing are utilized by different agents to instigate fear, engineer public consensus, and control people’s activities and behavior.

This study reassessed the current scholarship on Thai and Philippine cyber control by highlighting the intersection of political actors (state and supporters), state policies, and social networks. It argued that the relationship between the three framed the nature and structure of policing practices in Thai and Philippine cyberspaces. The study also intervened by demonstrating how varying forms of autocracy affect the modes of governing the population. In this regard, Foucault’s notions of government and biopolitical power were operationalized to flesh out fundamental differences between the regimes of practices in Thailand and the Philippines.

In Thailand, the literature showed that mass surveillance is conducted to maintain the order prescribed by the state (Laungaramsri, 2016, p. 209). The violation of people’s privacy rights was done in the name of “protecting” the national security, and the enactment of pro-junta and pro-monarchy cyber-related laws and the normalization of spying and cyberbullying on the internet were legitimized by a peculiar sense of morality. Citizens were encouraged to patrol cyberspace and take part in the activities of organizations that have aligned their objectives and ideals with the state. In the Philippines, despite the lack of strict cybercrime laws, repression is similarly promoted through algorithmic gatekeeping and cyber trolling. The so-called network of disinformation architected by the camp of Duterte (or by his followers) has been very active in maneuvering internet traffic and silencing dissent as it takes advantage of the current incapability of the Philippines to identify online trolls who use fictitious names.

State supporters' apprehension of others and their projection of virtuous self-image are done in the name of "patriotism," morality, and progress. Note, however, that despite comparing the situation in Thai and Philippine cyberspaces, the study does not claim that the above-mentioned autocratic practices are exclusive to both countries. In fact, they can be perceived as symptoms of the general decline in internet freedom among the member states of the Association of Southeast Asian Nations (ASEAN).

As Foucault reminds, government does not only pertain to the political structures or management of states. Instead, it defines or directs the way individuals or groups conduct and behave themselves (Foucault, 1982 in Felluga, 2015, p. 121). Surely, with an ever-increasing number of citizens who become active participants on social networking sites, it would make sense for governments to adopt new techniques and rethink how it would govern its people. While new technologies affect and transform daily life, new regulatory and ideational mechanisms persistently control social behaviors. And with the evolution of technology, the techniques of policing become more comprehensive and penetrating.

The regulatory and ideational mechanisms of such technologies allow for the manipulation of public consensus in digital communities. Capitalizing on the existing social divide in Thailand and the Philippines, both governments have effectively used the us-versus-them perspective and mobilized people's sentiments to promote their brand of totalitarianism. Admittedly though, observing glimpses of resistance and identifying the apparent systemic features of governmental and political interventions in cyberspace may not necessarily solve the host of issues that surround it. Nevertheless, unraveling the fundamental nature of government and policing in the context of today's internet is a start.

Notes

¹DDS derives its name from the Davao Death Squad, the infamous vigilante group in Duterte's hometown known for committing extrajudicial killings.

²In 2019, Facebook removed 12 social media accounts and 10 pages linked to the *New Eastern Outlook* and *The New Atlas*. These accounts and pages were removed for using fake accounts, creating fictitious personas, and driving users to "off-platform blogs posing as news outlets" ("Facebook shows posts," 2019).

³It is common for the producers of such media texts to claim that they voluntarily publish content that supports the government. An interview conducted by Ong and Cabañes (2018) explains the rationale behind the perceived credibility and morality in volunteerism. As an anonymous Filipino social media influencer informed, it is a must for them to avoid any sign of control in engaging in debates or promoting campaigns in social networking sites. Showing signs of control would potentially result in losing followers, as they become branded as "*bayaran*" or "paid stooge" (p. 36).

ABOUT THE AUTHOR

Fernan Talamayan is a Ph.D. candidate at the Institute of Social Research and Cultural Studies, National Chiao Tung University, Taiwan. He holds Master's degrees in Sociology and Social Anthropology from the Central European University, Hungary (2018) and History from the University of the Philippines Diliman (2014). His dissertation project investigates governmental practices of populist and fascist regimes in social media. He also conducts research on the marginalization of indigenous communities, colonial advertising, historical revisionism, and propaganda.

ACKNOWLEDGMENT

This research was awarded the Empowering Network for International Thai and ASEAN Studies (ENITAS) Research Scholarship 2020 by the Institute of Thai Studies, Chulalongkorn University, Thailand.

REFERENCES

- Benkler, Y. (2006). *The Wealth of Networks: How Social Production Transforms Markets and Freedom*. New Haven and London: Yale University Press.
- Bevir, M. (1999). Foucault and critique: Deploying agency against autonomy. *Political Theory*, 27(1), 65-84. <https://www.jstor.org/stable/192161>
- Brayne, S. (2017). Big data surveillance: The case of policing. *American Sociological Review*, 82(5), 977-1008. <https://doi.org/10.1177/0003122417725865>
- Carlson, M. (2017). Facebook in the News. *Digital Journalism*, 6(1), 4-20. <https://doi.org/10.1080/21670811.2017.1298044>
- Dean, M. (2010). *Governmentality: Power and Rule in Modern Society* (2nd Ed.). London: Sage Publications Ltd.
- Facebook shows posts of banned accounts in Thailand. (2019, July 26). *Bangkok Post*. <https://www.bangkokpost.com/thailand/politics/1719415/facebook-shows-posts-of-banned-accounts-in-thailand>
- Feldman, G. (2012). *The Migration Apparatus: Security, Labor, and Policymaking in the European Union*. California: Stanford University Press.
- Felluga, D. F. (2015). *Critical Theory: The Key Concepts*. Oxon and New York: Routledge.
- Foucault, M. (1978). *The history of sexuality*. New York: Pantheon Books.

- Foucault, M. (1978/2001). Questions of method. In P. Rabinow & J. D. Faubion (Eds.), *Essential works of Foucault, 1954-1984* (Volume 3, pp. 223-238). New York: New Press.
- Foucault, M. (1981). Omnes et singulatim: Towards a criticism of “political reason”. In S. McMurrin (Ed.), *The Tanner Lectures on Human Values II*, (pp. 223-254). Salt Lake City: University of Utah Press.
- Foucault, M. (1982/2001). The subject and power. In P. Rabinow & J. D. Faubion (Eds.), *Essential works of Foucault, 1954-1984* (Volume 3, pp. 326-348). New York: New Press.
- Foucault, M., Senellart, M., Ewald, F., & Fontana, A. (1983/2007). *Security, territory, population: Lectures at the Collège de France, 1977-1978*. New York, N.Y: Picador/Palgrave Macmillan.
- Frechette, J. (2005). Cyber-democracy or cyber-hegemony? Exploring the political and economic structures of the internet as an alternative source of information. *Library Trends*, 53(4), 555-575. <https://www.ideals.illinois.edu/handle/2142/1748>
- Geiger, S. R. (2009). Does Habermas understand the Internet? The algorithmic construction of the blogo/public sphere. *Gnovis: A Journal of Communication, Culture, and Technology*, 10(1), 1-29. <https://escholarship.org/uc/item/60s6s0p8>
- Gillmor, D. (2004). We the media: The rise of citizen journalists. *National Civic Review*, 93(3), 58-63. <https://doi.org/10.1002/ncr.62>
- Gleicher, N. (2019, October 21). How we respond to inauthentic behavior on our platforms: policy update. *Facebook*. <https://about.fb.com/news/2019/10/inauthentic-behavior-policy-update/>
- Grossman, L. K. (1995). *The Electronic Republic: Reshaping Democracy in the Information Age*. New York: Viking.
- Habermas, J. (2006). Political communication in media society: Does democracy still enjoy an epistemic dimension? The impact of normative theory on empirical research. *Communication Theory*, 16, 411-426. <https://doi.org/10.1111/j.1468-2885.2006.00280.x>
- Hearn, A. (2010). Structuring feeling: Web 2.0, online ranking and rating, and the digital “reputation” economy. *Ephemera: Theory and Politics in Organization*, 10, 421-438.
- Johnson, A. (2014). Foucault: Critical theory of the police in a neoliberal age. *Theoria*, 141(61), 5-29. <https://doi.org/10.3167/th.2014.6114102>
- Laungaramsri, P. (2016). Mass surveillance and the militarization of cyberspace in post-coup

- Thailand. *ASEAS – Austrian Journal of South-East Asian Studies*, 9(2), 195-214.
<https://doi.org/10.14764/10.ASEAS-2016.2-2>
- Lemke, T. (2002). Foucault, governmentality, and critique. *Rethinking Marxism: A Journal of Economics, Culture and Society*, 14(3), 49-64.
<https://doi.org/10.1080/089356902101242288>
- Maboloc, C. R. (2018). The radical politics of nation-states: The case of President Rodrigo Duterte. *Journal of ASEAN Studies*, 6(1), 82-96.
<https://doi.org/10.21512/jas.v6i1.4458>
- Maboloc, C. R. (2019). The predatory state and radical politics: The case of the Philippines. *Journal of ASEAN Studies*, 7(2), 161-175. <https://doi.org/10.21512/jas.v7i2.6163>
- Macnamara, J. (2008). Internet media and the public sphere: The 2007 Australian e-electioneering experience. *Media International Australia*, 129(1), 7-19.
<https://doi.org/10.1177/1329878x0812900103>
- Mahlouly, D. (2013). Rethinking the public sphere in a digital environment: Similarities between the eighteenth and the twenty-first centuries. *eSharp*, 20.
https://www.gla.ac.uk/media/media_279211_en.pdf
- Mill, J. S. (2003). *On Liberty*. Binghamton, New York: Vail-Ballou Press.
- Norris, C. (2008). Video charts: Algorithmic surveillance. *Criminal Justice Matters*, 20(1), 7-8. <https://doi.org/10.1080/09627259508552710>
- Ong, J. C. and Cabañes J. V. (2018). *Architects of Networked Disinformation: Behind the Scenes of Troll Accounts and Fake News Production in the Philippines*. Leeds, UK: The Newton Tech4Dev Network.
- Ong, J. C. and Cabañes J. V. (2019). When disinformation studies meet production studies: Social identities and moral justifications in the political trolling industry. *International Journal of Communication*, 13, 5771-5790.
<https://ijoc.org/index.php/ijoc/article/view/11417/2879>
- Patton, M. Q. (2005). Qualitative research. *Encyclopedia of Statistics in Behavioral Science*.
<https://doi.org/10.1002/0470013192.bsa514>
- Ramasoota, P. (2016). Online social surveillance and cyber-witch hunting in post-2014 coup Thailand. In C.B. Wungao, et al. (Eds.), *Globalization and Democracy in Southeast Asia* (pp. 269-288). United Kingdom: Palgrave Macmillan.
- Rheingold, H. (2000). *The Virtual Community: Homesteading on the Electronic Frontier*. Cambridge: MIT Press.
- Schaffar, W. (2016). New social media and politics in Thailand: The emergence of fascist

- vigilante groups on Facebook. *ASEAS – Austrian Journal of South-East Asian Studies*, 9(2), 215-234. <https://doi.org/10.14764/10.ASEAS-2016.2-3>
- Sinpeng, A. (2013). State repression in cyberspace: The case of Thailand. *Asian Politics & Policy*, 5(3), 421-440. <https://doi.org/10.1111/aspp.12036>
- Sombatpoonsiri, J. (2017, July 26). As Thailand restricts internet freedom, cyber activists work to keep an open web. *The Conversation*. <https://theconversation.com/as-thailand-restricts-internet-freedom-cyber-activists-work-to-keep-an-open-web-80911>
- Sombatpoonsiri, J. (2018). Manipulating civic space: Cyber trolling in Thailand and the Philippines. *Giga Focus Asia*, 3, 1-11. <https://www.giga-hamburg.de/en/publication/cyber-trolling-in-thailand-and-the-philippines>
- Thorson, K. (2014). Facing an uncertain reception: Young citizens and political interaction on Facebook. *Information, Communication & Society*, 17(2), 203-216.
doi:10.1080/1369118x.2013.862563
- Tufekci, Z. (2015). Algorithmic harms beyond Facebook and Google: Emergent challenges of computational agency. *Colorado Technology Journal*, 13, 203-218.
<http://ctlj.colorado.edu/wp-content/uploads/2015/08/Tufekci-final.pdf>
- Valtysson, B. (2012). Facebook as a digital public sphere: Processes of colonization and emancipation. *tripleC: Communication, Capitalism & Critique*, 10, 77-91.
<https://doi.org/10.31269/triplec.v10i1.312>
- Vatsov, D. (2018). Logics of propaganda. *Critique & Humanism: Journal for Human and Social Studies*, 49(1), 71-106. <https://hssfoundation.org/wp-content/uploads/2017/04/all-KX-49-print.pdf>
- Who benefited most from fake news, and other questions, answered in three charts. (2017, 22 December). *VERA Files*. <http://verafiles.org/articles/vera-files-yearender-who-benefited-most-fake-news-and-other>

REGIONALISM UNDER CHALLENGE: IDEAS AND JOKO WIDODO'S FOREIGN POLICY TOWARDS ASEAN, 2014-2019

Mohamad Rosyidin^{1*}; Shary Charlotte H. Pattipeilohy²

^{1,2}Department of International Relations, Universitas Diponegoro
¹mohamadrosyidin@lecturer.undip.ac.id; ²charlotte_pattipeilohy@ymail.com

Received: 27th July 2020/ **Revised:** 21st October 2020/ **Accepted:** 13th November 2020

How to Cite: Rosyidin, M. and Pattipeilohy, S. C. H. (2020). Regionalism under challenge: Ideas and Joko Widodo's foreign policy towards ASEAN, 2014-2019. *Journal of ASEAN Studies*, 8(2), 147-172. <https://doi.org/10.21512/jas.v8i2.6596>

ABSTRACT

Indonesia's foreign policy under Joko Widodo 'Jokowi' has significantly shifted compared with his predecessor's era, especially regarding policies on regionalism. While former President Susilo Bambang Yudhoyono emphasises multilateralism with a particular focus on ASEAN, Jokowi's administration tends to overlook ASEAN as a multilateral organization. The research investigates the causal root of the tendency by using the concept of ideas in foreign policy. The results argue that the diminished role of Indonesia in ASEAN, especially during the first term of Jokowi's presidency, is strongly influenced by causal beliefs held by Indonesian political elites and presidential advisors. Despite varying from one individual to another, these ideas have similar characteristics in proposing that Indonesia should expand its concentric circle beyond ASEAN, arguing that ASEAN is intrinsically weak and thus can no longer accommodate Indonesian aspirations. This idea acts as a road map that defines Indonesia's national interests amid international politics dynamics in the 21st century.

Keywords: *Indonesia's foreign policy, Joko Widodo, ASEAN, causal beliefs, road map*

INTRODUCTION

The Association of Southeast Asian Nations (ASEAN) plays a strategic role in Indonesia's foreign policy. As a regional power, Indonesia regards ASEAN as a 'cornerstone' of its foreign policy. During Suharto's New Order period (1967-1998), ASEAN had helped project Indonesia's image as a peace-loving country with a moderate and developmental perspective (Anwar, 1994). Importantly, ASEAN supports political and economic stability in

Southeast Asia; thus, stability, security, and prosperity in the region will directly impact Indonesia (Luhulima, 2013). For Indonesia, ASEAN is one instrument through which it can achieve its national interests among other multilateral bodies – primarily the United Nations – as well as bilateral relations and, if necessary, unilateral self-help (Weatherbee, 2013). Indonesia's foreign policy approach has been 'the regionalist approach to globalism'. Indonesia sees ASEAN as the basis of legitimacy to achieve status as a global player (Acharya, 2014). ASEAN is also becoming Indonesia's platform to enhance its desired status as a significant power while implementing middle power diplomacy (Tan in Roberts et al., 2015). In short, ASEAN matters to Indonesia.

However, ASEAN's central role has been somewhat diminished since Joko Widodo 'Jokowi' was elected as the President of Indonesia in 2014. ASEAN is no longer attractive from the Indonesian government's perspective because of its 'Global Maritime Fulcrum' doctrine, a new Indonesia's foreign policy agenda under Jokowi that takes a 'look West policy' by embracing countries in the Indian Ocean and Africa (Syailendra, 2015). To some extent, Jokowi's foreign policy characteristics are like those of Philippines President Rodrigo Duterte. Experts from Institute of Southeast Asian Studies (ISEAS) argue that Jokowi's foreign policy tends to be nationalistic, unilateral, emphasises the domestic agenda, and pays less attention to ASEAN, including being impatient with ASEAN processes and protocols (Cook, 2016). While official Indonesian statements stress the importance of ASEAN in Indonesia's foreign policy, it appears that Indonesia's commitment to ASEAN is mere rhetoric. Even though ASEAN remains a strategic partner for Indonesia, especially in terms of trade and investment, ASEAN is no longer seen as crucial for Indonesia's pursuit of national interests. For example, on the South China Sea issue, Jokowi tends to overlook ASEAN, instead choosing a unilateralist approach to protect Indonesia's sovereignty in the Natuna Sea from the Chinese expansion. In this case, Jokowi seems to have lost interest in using ASEAN as an instrument of diplomacy (Connelly, 2016), and his commitment to ASEAN on the issue is considerably passive (Weatherbee, 2016).

There is existing literature on the issue of ASEAN's role in Jokowi's foreign policy. Most scholars of international relations rely on realist analysis to explain this trend. Shekhar (2015) suggests that this tendency reflects the 'realist turn' in contemporary Indonesia's foreign policy. He further says that Jokowi's foreign policy fits well with the basic premise of realism that tends to be sceptical of multilateral fora and international organizations such as ASEAN. This argument is supported by some Australian observers who argue that Jokowi is more concerned with bilateral approaches rather than multilateral ones (Poole, 2015; Willis, 2017). Similarly, Arif (2015) argues that Jokowi's foreign policy represents a pragmatic and realist approach. Consequently, Indonesia does not see ASEAN as an essential institution.

Those works of literature have provided a foundation for further arguments on ASEAN regionalism challenges under Jokowi's foreign policy. It is noteworthy to mention three factors of Jokowi's foreign policy shift from the previous government on ASEAN's issue. First, Jokowi faces a different social and political situation from the previous administration in which Jokowi seeks to defend his legitimacy from the various political forces around him. Second, Jokowi's personal background is different from the previous president and affects his

perspective on the international environment. Third, Jokowi's foreign political orientation places domestic development as a priority issue, even if it does not ignore ASEAN's central role (Umar, 2016).

Unfortunately, existing literature has not given a satisfactory answer to why Jokowi downplays the importance of ASEAN. Realist arguments seem convincing at first glance; the pragmatic character of Jokowi's foreign policy emphasises bilateralism rather than multilateralism. However, realists neglect the fact that Indonesia still recognises the importance of multilateral forums. As Dinarto (2017) points out, although Indonesia neglects ASEAN, it is essential to consider other multilateral fora such as the Indian Ocean Rim Association (IORA). Through IORA, Indonesia expects it can support Jokowi's domestic infrastructure policies and strengthen the agenda of the 'Global Maritime Fulcrum'. If realist logic is right, Indonesia should entirely ignore multilateral fora, as they serve merely as a 'talking shop'. This is a downfall of a realist perspective on the issue and is a compelling reason for the research to enrich analysis with a constructivist perspective.

The changing dynamic of Indonesia's foreign policy towards ASEAN is useful to test foreign policy change theory. Hermann (1990) mentions four factors behind foreign policy changes: individual leaders, bureaucracy, domestic politics, and international pressure. These, in turn, determine changes in the decision-making processes resulting in foreign policy changes. Holsti (cited in Gustavsson, 1999) mentions many factors such as external, domestic, historical, and cultural factors, coupled with other factors such as perceptions, personalities, elitist attitudes, and policy-making processes. Carlsnaes (1993) describes the agent-structure framework, in which foreign policy changes are the result of an action-reaction cycle between agents and structures. These theories apply at three levels of analysis: individuals, domestic, and international. Although the domestic level covers the decision-making process, it does not consider the group's role in shaping elite perceptions and attitudes in setting foreign policy. In other words, the existing theories are weak in explaining the dynamics of foreign policy at the domestic level.

The research shows the role of individuals and groups, especially in the inner circle of government, on leaders' perceptions and attitudes that drive foreign policy changes. Using ideas and foreign policy framework, the research argues that Indonesia's foreign policy towards ASEAN under Jokowi is strongly affected by his foreign policy advisers' causal belief. These ideas influence how Jokowi positions Indonesia at the regional level, arguing that Indonesia no longer needs ASEAN as a concentric circle of foreign policy. Indonesia should instead expand its concentric circle beyond ASEAN because ASEAN can no longer accommodate Indonesian aspirations as an emerging power in Asia. The research focuses on the first term of Jokowi's presidency for two reasons. First, the design of Jokowi's foreign policy was strongly influenced by his closest advisers during his presidency's early days. Since Jokowi has little personal interest in foreign policy, international relations played a significant role in formulating his foreign policy agenda. Second, ASEAN has been neglected in Jokowi's foreign policy as he champions a bilateral over multilateral approach in the pursuit of national interests.

The research is organised in three sections. The first section sketches the theoretical framework as an instrument of analysis. Using the framework proposed by Goldstein and Keohane (1993), ideas play a crucial role in policy-making. Understanding the foreign policy of a country requires us to understand the ideas held by policymakers and other people involved in foreign policy decision making. The second section discusses continuity and change under Jokowi's foreign policy towards ASEAN. It highlights the characteristics of Jokowi's foreign policy, especially the idea of the 'Global Maritime Fulcrum', and addresses Indonesia's role in ASEAN with particular attention to multilateralism. The third section elaborates the critical argument by discussing the research findings on the impact of ideas on Jokowi's approach to ASEAN. The empirical findings then lead to the conclusion and policy recommendations in the last section.

THEORETICAL FRAMEWORK

Ideas and Foreign Policy

Conventional analysis of states' behaviour has been dominated by a decision-making approach, focusing on the policy's complexity. However, as Hudson (2014) argues, Foreign Policy Analysis (FPA) should focus on "... decisions taken by human decision-makers regarding or having known consequences for entities external to their nation-state." Decision-making theory was first developed in post-World War II, pioneered by Snyder, Brucks, and Sapin (in Rosenau, 1961). They maintain that "[E]mphasis on action suggests process analysis, i.e., the passage of time plus continuous changes in relationships – including the conditions underlying change and its consequences." Graham Allison made the most notable contribution of decision-making theory in his *Essence of Decision: Explaining Cuban Missile Crisis*. He revised the analysis from the rational model that emphasises the personality of decision-makers. Instead, he proposed two additional approaches: the bureaucratic and organizational models (Allison, 1971). Like Snyder, Brucks, and Sapin, Allison focuses on the process that underlies state policy development.

However, foreign policy is not reducible to decisions since enacting policy differs from policy-making. In other words, foreign policy is state *action*, while decision-making is the *process* by which a policy is made. Hill (2003), for example, defines foreign policy as "... the sum of *official external relations* conducted by an independent actor (usually a state) in international relations" [emphasis added]. Talking about foreign policy is talking about state behaviour. Foreign policy deals with the policy choices that the state takes in certain situations, whereas decision-making is formulating policy options (Neack, 2008). Mintz and DeRouen (2010) mention four critical features of the decision-making process: identifying problems, finding alternatives, selecting alternatives, and executing alternatives.

The research focuses on policy, not decision-making. Then, how can we explain states' policy? Various theoretical lenses can help us answer this question. While realism stresses material dimensions, constructivism focuses on ideas since ideas give meaning to the material elements (Wendt, 1999). Some liberals share the same assumptions as constructivists

concerning the role of ideas in international relations. Goldstein and Keohane (1993) put non-material elements in a rationalist perspective to explain states' behaviour. Although the actors – in this case, the state – behave rationally, the role of ideas cannot be neglected (Goldstein & Keohane, 1993). In contrast to the constructivist premise that ideas shape interests and policy, rationalists believe that ideas play a role as an instrument of national interest. In other words, ideas help decision-makers to get what they want.

Ideas can be defined as “beliefs held by individuals” (Goldstein & Keohane, 1993). Yet, the term has been equated and used interchangeably with similar terms such as ‘belief’, ‘ideology’, ‘theory’, ‘model’, ‘school of thought’, or even ‘intellectual idiosyncrasy’ (Kitchen, 2010). We use Weber’s definition of ideas as the source of ‘world images’ that generate interests. Weber states, “Not ideas, but the material and ideal interests, directly govern men’s conduct. Yet very frequently the ‘world images’ that have been created by ‘ideas’ have, like switchmen, determined the tracks along which action has been pushed by the dynamic of interest” (cited in Eastwood, 2005). Put it another way, Weber pointed out the role of ideas in shaping how people perceive the world in which they are embedded. This perception then determines people’s interest which in turn generate actions. Legro (2005) differentiates between level, type, and content of ideas. Ideas can be differentiated on three levels: namely, a reflection of individual leaders, the property of states, or a summation of individual ideas. Ideas also can be defined as ‘identity’, ‘interest’, ‘ethics’, ‘images’, or ‘instrumentality’. As mentioned earlier, ideas are an instrument to achieve specific goals. Finally, ideas can explain various topics, for instance, systemic vs. national (levels of analysis), economic vs. foreign policy (issues), or regional vs. global (scope).

The role of ideas in foreign policy change has been intensively discussed in international relations scholarship. Employing a cause-effect mechanism adopted by the positivist approach, scholars argue that ideas can cause policy change. However, since social sciences are indeterminate, ideas are “only one of many probable and partial causes of policies” (Yee, 1996). Many empirical research have shown the causal linkage between ideas and foreign policy. For example, Flibbert (2006) argues that the US decision to go to war in Iraq was influenced by the ideas of a handful of policy intellectuals that shaped and defined US interests, particularly in the post-9/11 national security structure. Hook (2008) argues that the program changes in US foreign aid policy in 2002 was influenced by ideas on international development, which granted the president to embed the ideas in a new foreign policy program. Thorun (2008) analyses Russian foreign policy thinking since the end of the Cold War and argued that from 1992 to 1994, liberal collective ideas shaped foreign policy, while from 1994 to 2000, geopolitical realist ideas replaced liberal ideas.

Another example comes from Ipek (2013), who argues that ideas adopted by the Justice and Development Party (AKP) in Turkey affect Turkey’s foreign policy in development issues under the program of the Turkish International Cooperation and Development Agency (TIKA). Similarly, Chacko (2018) has shown that “India’s approach to intervention has been shaped by its domestic state project that is grounded in the foundational ideas of economic self-reliance, accountable governance, and non-imperial internationalism.” These empirical analyses suggest that ideas matter in explaining foreign policy change.

There are three types of ideas: worldview, principled belief, and causal belief. Worldview is defined as "... symbolism of a culture and deeply affecting modes of thought and discourse" (Goldstein & Keohane, 1993). In other words, a worldview can be interpreted as a person's paradigm or way of thinking about the reality of the world. Religion and culture are examples of worldviews that have a significant influence on the actions of the state. As Sandal and Fox (2013) argue, religion affects international relations in two ways: through affecting the belief system or policy-making perspective and accommodating most religion's adherents in society. Meanwhile, culture acts as a *weltanschauung* or worldview that creates an identity in shaping the pattern of relationships, whether conflict or cooperation (Huntington, 2002).

Unlike how worldview defines an ontological reality, moral belief contains normative ideas of behaviour. It defines what is 'right' and 'wrong', 'good' and 'bad', 'appropriate' and 'inappropriate', and so on. One example is the use of chemical and nuclear weapons that are considered 'taboo' in conflict after World War II (Price, 1995; Tannenwald, 2005). Another example is the International Committee of the Red Cross (ICRC) role in establishing the norms of war; any action that is considered to be a violation of the principle of humanity (Finnemore, 1996).

The third type of idea is the causal belief, which is "beliefs about cause-effect relationships which derive authority from the shared consensus of recognised elites" (Goldstein & Keohane, 1993). Campbell (2002) categorised this type of idea as a programmatic idea, that is, "The idea implicitly or explicitly contains the prescriptions of how government should behave amid an incomprehensible situation" (Campbell, 1998; Campbell in Nedergaard & Campbell, 2008). It generally relates to scientific knowledge created and disseminated by scientists or experts in a particular field. This scientific knowledge explains a phenomenon and has an impact on policy choices. For example, disarmament cooperation between the US and the Soviet Union in the 1970s resulted from American defence experts (Adler, 1992). International cooperation on the chlorofluorocarbon (CFC) ban was also a product of the academic research of environmental experts (Hass, 1992).

Causal beliefs contain prescriptions for policymakers and derive from the thinking of experts skilled in specific fields. In the process of policy-making, political elites are often facing situations they do not understand. Moreover, international dynamics are rapid and difficult to predict. In that condition, the elites have a hard time understanding what is going on and what they should do in response. Therefore, they need input from experts to help understand the situation and solve the problems faced. One characteristic of causal belief is that it is part of a public debate (Campbell, 2002). In other words, this idea is not hidden from public attention behind the scenes but instead explicitly stated in public, although not necessarily by political elites themselves. These ideas explicitly appear in writing in the form of papers, policy briefs, and memos (Campbell, 1998, p. 386) and opinion papers in the mass media and election campaign texts. The public recognises that this idea has emerged as a solution to solve the problems.

These three types of ideas affect foreign policy through several mechanisms: becoming roadmaps, becoming focal points, and being institutionalised. Ideas act as roadmaps when

policymakers face complex situations that require clarity. When policymakers do not know for sure the consequences of their policy, ideas can provide indications of the impact of a policy (Goldstein & Keohane, 1993). Meanwhile, ideas also serve as a ‘glue’ when countries face difficulty reaching agreements over certain forms of cooperation. For example, Martin (1992) investigates economic sanctions against Argentina during the Falkland War and indicates that the European Union (EU) could facilitate inter-state cooperation even amidst conflicting interests among them. Finally, ideas affect policy through formal institutional instruments. Once an idea is institutionalised, it automatically has the power to influence policy. For example, the Japanese and German constitutions regulate the prohibition of military force except for self-defence equipment, so the existence of the law affects the foreign policy of both countries not to send troops abroad (Berger in Katzenstein, 1996).

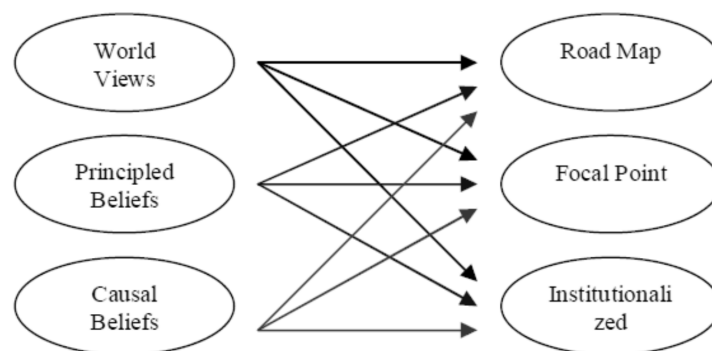


Figure 1. The Impact of Ideas on Foreign Policy

Source: Goldstein & Keohane (1993).

The research chooses to focus on *causal belief* and its effects through *roadmaps*. Causal belief is considerably more appropriate to explain President Jokowi’s foreign policy towards ASEAN since he has insufficient experience with international relations that would allow him to ask for help from his closest advisers in the field of international relations. The mastermind’s existence is vital in understanding the design and orientation of Indonesia’s foreign policy under Jokowi. Although Jokowi’s idiosyncratic factor (personality) plays a significant role, the idea ‘behind the scenes’ is much more decisive.

RESULTS AND DISCUSSIONS

ASEAN’s Role in Jokowi’s Foreign Policy

Since its establishment in 1967, ASEAN has become the cornerstone of Indonesia’s foreign policy. This means that ASEAN plays a central role in pursuing Indonesia’s national interests in the international sphere. During the Suharto era, Indonesian elites strongly believed that ASEAN mattered for regional stability since, without regional stability, Indonesia could not focus on its economic development. This was one reason why Indonesia decided to play a significant role in ASEAN at the time (Suryadinata, 1998). Furthermore, ASEAN was also

crucial for Indonesia in helping the country restore and preserve its international and regional credibility, maintain regional harmony and order, buffer against external attack, and facilitate international cooperation (Anwar, 2005).

Since then, ASEAN has been the first concentric circle in Indonesia's geopolitical strategy. After all, Indonesia is located within Southeast Asia, so its emphasis on ASEAN makes historical and geographical sense. ASEAN enables Indonesia to promote its 'free and active' principle by "developing 'regional solutions to regional problems' position" (Acharya, 2014). As Emmers (2014) suggests, Indonesia's leadership role in ASEAN "has historically been central to Indonesia's foreign policy." ASEAN is also essential as Indonesia's foreign policy has always been constrained by ASEAN because it influences how policymakers formulate foreign policies. Thus, Indonesia may seek to increase its global role, but it must be anchored on a regional footing (Natalegawa, 2018).

However, current Indonesia's foreign policy tends to overlook ASEAN. Jokowi's government seems uninterested in playing an active role in ASEAN. This is not to say that Indonesia will leave ASEAN. Instead, Jokowi's foreign policy pays more attention to bilateralism rather than multilateralism. As a result, ASEAN as a multilateral institution has no significant impact on Jokowi's foreign policy.

The most prominent feature of Jokowi's foreign policy is prioritising domestic affairs rather than active engagement in international politics. During the 2014 presidential election campaign, Jokowi stated the following vision and mission explicitly: "We will enhance the global role through middle-power diplomacy that places Indonesia as a regional power with selective global engagement, giving priority to issues directly related to interests of the nation and Indonesian people" (Widodo & Kalla, 2014). The phrase "enhance the global role" seems contradictory to Jokowi's commitment to prioritise domestic issues. However, the statement implies that Indonesia's increased global role can only be pursued by strengthening domestic structures. This seems to be in line with the opinions of some Indonesian foreign policy experts. Rizal Sukma, an architect of Jokowi's foreign policy, pointed out that Indonesia's aspiration to become a global player is plagued by the complexity of domestic problems (Sukma in Reid, 2012). This means that to play an important role in the international sphere, Indonesia must first restructure in the internal sphere (Anwar, 2013). This idea was consistent with Indonesia's foreign policy orientation during the New Order era when Suharto said before parliament on August 16, 1969, that Indonesia "... would only be able to play an effective role if we had great national power" (Leifer, 1989). Thus, we can see the similarity between Suharto and Jokowi regarding their concern with inward-looking foreign policy. Meanwhile, the phrase "selective global engagement" refers to prioritising the state's foreign policy in the pursuit of national interests. It does not mean that this term focuses on 'domestic-centric' foreign policy orientation. Instead, Indonesia would play at international fora only if it would bring benefits for the Indonesian people.

There are at least four characteristics of Jokowi's foreign policy (Rosyidin, 2017a). First, the revival of nationalism ideology. In Indonesian domestic political contestation, nationalism is often associated with the ideology held by the Indonesian Democratic Party of

Struggle (PDIP), which became the political vehicle behind Jokowi's road to power. PDIP has a nationalist view that is visible in the 2019-2024 Statutes and Bylaws of the Indonesian Democratic Party of Struggle, which states that PDIP is a "tool of struggle to shape and build a national character based on Pancasila June 1, 1945." Pancasila is based on socio-economy, socio-democracy, and cultural divinity dimensions, which reflects the spirit of nationalism, where Indonesian society/nation (*socio*) is the primary goal of democracy, economy, cultural divinity, and other aspects of the state" ("Anggaran dasar dan anggaran rumah", 2019). Jokowi implements the nationalist principles held by PDIP in an effort to protect Indonesian sovereignty from foreign threats. This is evident in Indonesia's aggressive attitude in sinking foreign illegal fishing boats and Jokowi's gunboat diplomacy in responding to China's aggressive expansion in the South China Sea, including in Indonesia's Natuna Sea (see, for example, Rosyidin, 2016b). While maintaining its position as a non-claimant state in the South China Sea dispute, Indonesia asserts that its core interests are twofold: to promote peace and stability in the region and protect its maritime sovereignty over the Natuna Islands. Since the Natuna Islands belong to Indonesia under the United Nations Convention on the Law of the Sea (UNCLOS), Indonesia's assertiveness towards China in the area should be regarded as a form of self-defence against foreign aggression. Second, there is a tendency to circumscribe the concentric circle of Indonesia's foreign involvement. Unlike the previous era during which Indonesia was brought to the global stage, Jokowi's administration confines itself to the Indo-Pacific region, primarily focusing on Indonesia's involvement in IORA. Third, there is the belief that national power rests on domestic capabilities. Jokowi's diplomacy focuses on improving domestic economic capability. This is also in contrast to the Yudhoyono era, which viewed the actualisation of national roles on the global stage determines a status as a global player (Rosyidin & Andika, 2017). Fourth, the formulation of national interest is reduced to material interests. Jokowi's foreign policy pursues three primary objectives: economic prosperity (wealth), defence posture (power), and state sovereignty (security).

Concerning the second characteristic of Indonesia's involvement in the Indo-Pacific region, it is interesting to be associated with the 'Global Maritime Fulcrum' doctrine. This idea is closely related to the country's identity as an archipelagic country, explicitly expressed in the 2014 Jokowi-JK vision-mission. Rizal Sukma arguably coins the idea that the doctrine is a vision representing "...a great call to return to Indonesia's identity or national identity as an *archipelagic country*" (Sukma, 2014). In his speech at the 25th ASEAN Summit in Nay Pyi Taw, Myanmar, on November 13, 2014, Jokowi outlined five main pillars of the Global Maritime Fulcrum doctrine: maritime culture, food sovereignty at sea, sea tolls, maritime cooperation, and maritime defence (Setiawan, 2014).

From an international relations perspective, maritime cooperation is the only pillar closely related to Indonesia's foreign policy. This reflects the country's focus on domestic issues that emphasise on minimising global roles that may complicate Indonesia's path to becoming a global power (Rosyidin, 2014). One of Indonesia's most successful forms of international maritime cooperation is Indonesia's active involvement in IORA. Indonesia even became the Chairman of IORA for the period 2015-2017. Nevertheless, Indonesia's role in IORA has not been optimal because instead of using the multilateral forum as an instrument of

strengthening status and reputation, Jokowi's administration perceives it solely as a means to facilitate bilateral meetings (Rosyidin, 2016a).

Jokowi's administration often expresses rhetoric regarding Indonesia's commitment to ASEAN. In 2015, Foreign Minister Retno Marsudi said, "ASEAN remains an Indonesia's foreign policy priority. ... Indonesia will continue to play an active role in the achievement of the ASEAN Community and prepare the ASEAN Community's vision post-2015" ("ASEAN tetap prioritas politik", 2015). In her annual speech in 2017, Retno again expresses the commitment that "ASEAN remains a pillar of Indonesia's foreign policy" (Marsudi, 2017a). These statements clearly express Indonesia's commitment to continue its active role as a regional power and one of ASEAN's founding fathers. Yet, Indonesia's strong commitment to ASEAN is not supported by empirical evidence; it is merely lip service from a high-ranking member of the Indonesian political elite.

Some observers are sceptical of Jokowi's foreign policy regarding ASEAN. The former member of the House of Representatives, Tantowi Yahya, argues that Jokowi sees ASEAN only through profit logic. In his view, Indonesia will remain involved in various ASEAN meetings but is more selective by considering the profit that will be obtained by Indonesia (Yahya, 2015b). Others argue that Indonesia has turned away from ASEAN because it lacks a clear vision of the prospects of the ASEAN Community and Indonesia's leadership in the region (Heiduk, 2016). Thus, it can be argued that Indonesia under Jokowi has lost the spirit of regionalism as shown by previous governments, especially during the Yudhoyono leadership, when Indonesian diplomacy in ASEAN was considered incredibly successful (Yahya, 2015a).

Although Jokowi does not seem enthusiastic about ASEAN, Indonesia's participation in ASEAN meetings remains high, at least at the annual ASEAN Summit. The ASEAN Summit in Nay Pyi Taw, Myanmar, 2014, was the first high-level ASEAN forum Jokowi attended. It was at this forum that Jokowi announced the 'Global Maritime Fulcrum' doctrine. In his speech, Jokowi said that Indonesia was prepared to become a mediator to solve the South China Sea problems between China, Japan, and ASEAN countries. On this issue, Jokowi did not consider Indonesia one of the parties directly involved in the conflict. Instead of using ASEAN as an important instrument of conflict resolution, Jokowi took the opposite view and placed Indonesia as a main actor of mediation:

I need to say that Indonesia is not in the disputing parties there. We just want to encourage that the Code of Conduct can be implemented, and obviously the finalization ... We need peace and stability in the Asia-Pacific region ... So we support the Code of Conduct in the South China Sea, and also dialogue China (PRC)-Japan as well as China (PRC)-ASEAN (Setiawan, 2015).

Jokowi mentioned the issue of the South China Sea by "... calling for all parties to refrain [from further conflict], implement the Declaration of Conduct (DoC) and speed up the Code of Conduct (CoC) agreement" (Taw, 2014a). However, it was no more than a normative statement. There were no diplomatic efforts to promote peaceful settlements in the South China Sea. Indonesia remained passive and had so far only reacted when events concern its

sovereignty, such as the Natuna incident in June 2016, when Indonesia's Naval Force shot Chinese fishing boats due to the violation of Indonesia's EEZ in the Natuna.

Another Indonesian involvement in ASEAN is to initiate the ASEAN Foreign Ministers Meeting (AMM) on the Maintenance of Peace, Security, and Stability in the Region at the 49th ASEAN Foreign Ministers Meeting, July 24-25, 2016 in Vientiane, Laos. The six points of agreement were reached: first, ensuring that ASEAN and the surrounding area are peaceful, stable, and secure; secondly, fostering mutually beneficial relationships to maintain peace, security, stability, and prosperity with nations in the region and the global community; third, upholding the Charter of the United Nations, the ASEAN Charter, and the Treaty of Amity and Cooperation (TAC), as well as Zone of Peace, Freedom, and Neutrality (ZOPFAN) and other declarations as norms of interstate relations and cooperation; fourth, reaffirming the ASEAN Agreement at the 49th ASEAN Ministerial Foreign Ministers Meeting; fifth, promoting self-restraint and activities that can trigger tensions in the region, and sixth, enhancing ASEAN's unity, solidarity and centrality and calling on others to respect ASEAN's norms and principles (ASEAN, 2016). As Foreign Minister Retno suggested, the agreement reached by ASEAN members reflects that they still maintain mutual trust (Salim, 2016).

Indonesia also initiated the ASEAN Senior Official Meeting (SOM) in Bali, December 8-9, 2016. The meeting discussed the relationship between the major powers and their impact on Southeast Asia, including in the South China Sea and the issue of free trade in Asia-Pacific. The delegates agreed that ASEAN should enhance its role at regional and global levels, particularly to strengthen the ASEAN Economic Community (AEC), accelerate the Regional Comprehensive Economic Partnership (RCEP) negotiations, and encourage the implementation of people-centred and people-oriented ASEAN ("SOM ASEAN bahas tantangan", 2016).

At the ASEAN Summit in the Philippines, November 9-14, 2017, the Indonesian government encouraged ASEAN to move forward rapidly, responsively, and openly. Retno Marsudi states, "It must be admitted that ASEAN has created a stable, peaceful, prosperous ecosystem. However, the challenges ahead are getting more complicated. ASEAN must be faster, progressive, and open to respond to various challenges. We want ASEAN to be a responsive community" (Kompas, 2017). For Indonesia, ASEAN's most significant challenges are security and the economy. The two are intimately connected; the economy will not grow without stability, and the stability will not be established without economic prosperity. Indonesia urges ASEAN countries to increase cooperation to maintain the region's stability so that, in turn, the region can sustain economic growth. Indonesia has previously given the example of how the humanitarian crises in Rakhine and Marawi have threatened the region's stability. Indonesia is actively pursuing a settlement in both cases by sending humanitarian aid to the Rohingya people, asking Myanmar's government to stop violence, and arranging trilateral cooperation with Malaysia and the Philippines to deal with terrorism and extremism in Marawi.

Despite its active participation in various regional meetings, Indonesia's role in ASEAN has been minimal since Jokowi became president. Indonesian involvement is limited to

participation in multilateral meetings, either as initiators, hosts, or participants. Despite these meetings' success in producing mutual agreement, Indonesia has not been able to co-opt ASEAN as a regional power. Indonesia's role in maintaining regional peace and security remains beyond the ASEAN framework, using bilateral and trilateral mechanisms as described above. As we will see in the following section, Indonesia's negligence of ASEAN is not only caused by Jokowi's scepticism towards the regional institution but also his preference for the bilateral approach as the primary character of Indonesia's foreign policy.

It is noteworthy that the lack of Indonesia's prominent role in ASEAN does not necessarily mean ASEAN does not bring benefits for Indonesia. As with his predecessors, Jokowi maintains that ASEAN is vital for Indonesia's interests. For Jokowi, ASEAN plays a role as an instrument of bilateral cooperation between Indonesia and its strategic partners. The triumph of bilateralism over multilateralism has become Jokowi's principle in conducting foreign relations. Indonesia's participation in ASEAN fora, especially high-level fora or summits, is nothing more than business as usual. Indonesia does participate but does not play a significant role. Behind the meeting, Jokowi strives to establish cooperation to produce agreements in various fields with Indonesia's strategic partners on a bilateral basis. This, in Jokowi's perspective, gives more tangible benefits than multilateral diplomacy efforts that function primarily as 'talking shops'.

At Jokowi's first ASEAN Summit in Myanmar, Jokowi held several bilateral meetings with the host (President Thein Sein), UN Secretary-General Ban Ki-Moon, Indian Prime Minister Narendra Modi, and Prime Minister of New Zealand John Key. The bilateral meeting with Thein Sein discussed investment, the cooperation of transportation, the financial cooperation, especially in the banking sector, and the dispatch of experts in construction from Indonesia ("Bertemu Thein Sein", 2014). With Ban Ki-Moon, Jokowi expressed Indonesia's full support for Palestinian independence and expected the UN's role to be more real and concrete (Taw, 2014b). The bilateral meeting with India discussed opportunities for investment cooperation in coal mining and defence, while in the bilateral meeting with New Zealand, Jokowi offered cooperation on development programs and investment in geothermal power plants. Jokowi seemed enthusiastic about holding bilateral meetings with partner countries to achieve Indonesia's interests.

This bilateral approach was repeated by Jokowi at the 27th ASEAN Summit in Malaysia, on November 20-22, 2015. During the meeting, Jokowi held bilateral meetings with delegates from Vietnam, Japan, and the UN. During the meeting, Jokowi and Vietnamese Prime Minister Nguyen Tan Dung agreed to increase cooperation in trade and investment, while his meeting with Japanese Prime Minister Shinzo Abe resulted in an agreement to boost investment and infrastructure cooperation. Jokowi promised to invite 1,000 prominent figures and Japanese businessmen to Indonesia. Meanwhile, at the 28th ASEAN Summit in Laos, Jokowi held a bilateral meeting with Australian Prime Minister Malcolm Turnbull. The two leaders agreed on trade cooperation, especially beef imports and cattle breeding, counter-terrorism cooperation, and maritime cooperation, especially enhancing maritime security and prosperity within the IORA's framework. Jokowi also conducted bilateral efforts at the ASEAN Summit in Manila, the Philippines, in November 2017. Jokowi met Abe again to

discuss plans for the 60th anniversary of diplomatic ties between the two countries. Besides, Japan and Indonesia agreed on infrastructure development cooperation regarding the project for Mass Rapid Transit (MRT) in Jakarta (“Jokowi bertemu PM Abe jelang KTT ASEAN di Manila”, 2017). During the 33rd ASEAN Summit in Singapore in 2018, Jokowi also held several bilateral meetings with Russian President Vladimir Putin, Chile’s President Michelle Bachelet, Japan Prime Minister Shinzo Abe, and Australian Prime Minister Scott Morrison. While at the 35th ASEAN Summit in Thailand, there were five bilateral meetings request from several countries: New Zealand, Australia, India, Japan, and the UN Secretary-General.

Aside from being a facilitator of bilateral cooperation, ASEAN also plays an important role in Indonesia’s interests, especially in the economic sector. ASEAN is widely regarded as a regional economic powerhouse. The total GDP of ASEAN (US\$2.4 trillion) is larger than India (US\$1.8 trillion), Australia (US\$1.5 trillion), South Korea (US\$1.2 trillion), and Taiwan (US\$485 billion), but less than China (US\$8.9 trillion) and Japan (US\$5 trillion) (Rosyidin, 2017a). According to Retno Marsudi, ASEAN provides a ‘welfare ecosystem’ for its member countries because intra-ASEAN trade is the largest compared to trade with countries outside ASEAN. Moreover, intra-ASEAN investment is also large, with 40 per cent of the investment is invested in Indonesia and over 720 Indonesian companies operating in other ASEAN countries (Marsudi, 2017b). In line with the vision of economic integration within the ASEAN Economic Community framework, Indonesia will utilise the momentum to export its superior products. Jokowi said that Indonesia should seize the opportunity, “We only need to keep being smart, do not wait, all must be seized, must be improved regulation, our competitiveness” (“Presiden Jokowi: MEA harus”, 2015).

To conclude, the importance of ASEAN for Indonesia lies in its role as an instrument of bilateral cooperation and welfare ecosystem to pursue Indonesia’s economic goals. This is not to say that Indonesia does not see other interests from ASEAN. Following the vision of the ASEAN Community, the political-security and socio-cultural pillars are also seen as necessary in addition to the economic pillars. Rosyidin (2017b) argues that aside from its function as a regional economic powerhouse, Indonesia needs ASEAN because it plays the role of power broker in interstate conflicts and a security stabiliser in Southeast Asia and the Asia-Pacific. In other words, for Indonesia, ASEAN’s presence becomes vital because it facilitates economic cooperation between its member states and acts as a ‘regional conductor’ (Yates, 2016). In this case, ASEAN “has played a prominent part in negotiating and managing the order in Southeast Asia and the Asia-Pacific” (Yates, 2019). However, for Indonesia under President Jokowi, the economic pillar of the ASEAN Community appears to be Indonesia’s priority, perhaps because it is most likely to be achieved rather than the other two pillars. The political-security pillar, for example, faces the constraint of the South China Sea issue that divides ASEAN. Moreover, the political-security pillar has been viewed as a prerequisite for the creation of ASEAN prosperity. In other words, ASEAN will not be able to create a conducive climate to productive economies without robust security architecture. Indonesia will continue striving to promote stability in the region, as repeatedly said by both Jokowi and Foreign Minister Retno. However, regarding Jokowi’s priority in the economic sector, ASEAN’s existence will be viewed deeper through the lens of cost and benefit.

Ideas and Jokowi's Foreign Policy towards ASEAN

Foreign policy is a domain in which the state will use any material and non-material resources to gain its national interest. Rosyidin (2016a) sees Indonesia's foreign policy under Jokowi as an implementation of *realpolitik*. This idea came from Henry Kissinger's *realpolitik* concept that foreign policy could not be separated from its national interest and power (Kissinger, 1994). However, Indonesia's national interest continually changes since it depends on the newly elected leaders' beliefs.

Jokowi's election in 2014 has led to significant political changes in Indonesia's foreign policy. Jokowi's sudden rise to power represents a new political advancement model in Indonesia. Unlike his six predecessors, Jokowi did not come to the presidency through the military or political party systems. Jokowi's rise began in 2005 when fellow business leaders recruited the successful entrepreneur to run for mayor of his hometown of Surakarta (Connelly, 2014). Unlike Yudhoyono's foreign policy that was characterised by an outward-looking orientation, Jokowi espoused a 'pro-people' approach. The three main guiding principles of his approach are maintaining the country's sovereignty, enhancing citizen's protection, and improving the country's economic diplomacy. These principles represent Jokowi's domestic prioritization over global affairs. As mentioned earlier, the domestication of foreign policy affects how Indonesia perceives its regional environment, including ASEAN.

The decreasing importance of ASEAN in Indonesia's foreign policy was seen by See Seng Tan (personal communication, September 27, 2017) to respond to both internal and external factors. First, ASEAN is no longer the main cornerstone of Indonesia's foreign policy as other international institutions will give a more prominent effect to transcend its regional power. Indonesia's inclusion in the G20 is seen as a reflection of Indonesia's competency to enhance its role as a global player:

[It is] True [that] while ASEAN continues to be identified as the 'cornerstone' of Indonesia's foreign policy, the domestic discourse on ASEAN since JW [Joko Widodo] became president has been that of ASEAN being but "one of the cornerstones" of Indonesia FP [Foreign Policy] – a commonly heard refrain from Indonesian academics as well as, in some cases, officials speaking in their private capacities. Furthermore, the JW administration sees Indonesia's inclusion in the G20 as a reflection of Indonesia's rising prominence as a global player, one whose global aspirations transcend the regional cum institutional limits of ASEAN (See Seng Tan, personal communication, September 27, 2017).

Second, Jokowi's negligence of ASEAN is also influenced by the belief that this institution lacks power in managing regional conflicts among members. ASEAN's limited role and global players in the region make ASEAN's power as a regional institution is highly questionable. Many member countries' selfish behaviour is undermining ASEAN unity and indirectly harassing Indonesia's role as a founding father. Since the early 2000s, Jakarta was frustrated by the constrained relations of Cambodia, Laos, Myanmar, and Vietnam (CLMV

members). To resolve the conflict between Cambodia and Thailand over the Preah Vihear temple area, Indonesia became a mediator. However, the conflict, which began in 2008, has proved difficult to resolve under the ASEAN Charter. Both countries showed resistance to any solutions:

And while [then-Foreign Minister] *Pak Marty* [Natalegawa] played a key leadership role to cobble together the 6-point principles in the wake of ASEAN's failure to deliver a joint communique at Phnom Penh in July 2012, the issue also hinted at the growing sense of Indonesian discontent over the lack of commitment to ASEAN among particular member states (See Seng Tan, personal communication, September 27, 2017).

Later, even the newest ASEAN member, Cambodia, demonstrated its opposition against ASEAN in the 2016 South China Sea maritime dispute, leading to the first deadlocked meeting since 2012. China's long history of cooperation with Cambodia has resulted in leveraging its power against Vietnamese influence in the region.

The third is the diminishing importance of ASEAN regional territorial. Ahmad Rizky M. Umar (personal communication, September 27, 2017) argues that the establishment of Belt and Road Initiatives as China's foreign policy project in May 2017 responds to ASEAN stagnation in the negotiation over the South China Sea and Regional Comprehensive Economic Partnership. The Belt and Road Initiatives will soon diminish the 'territorial logic' of ASEAN that was socially constructed by a similar historical and political background with other ASEAN member states. Soon, ASEAN regionalism will be replaced by more complex regional infrastructure and industrial cooperation outside the region. The increasing importance of Chinese power in ASEAN has forced Indonesia to shift its strategy by pursuing bilateral partnerships with China and Japan, leapfrogging ASEAN.

The strengthening of political power is undoubtedly seen through Indonesia's foreign policy under Jokowi. Even though Indonesia tends to prefer a defensive strategy, it is now seen as more assertive and more precise in actualising its objectives towards other countries. This *realpolitik* approach is inspired by Jokowi's 'mastermind', which consists of Indonesian experts since Jokowi himself has no prior experience in international politics and foreign policy (Rosyidin, 2016b). Jokowi is new to the practice of international diplomacy; he did not come to the presidency with any strong views about Indonesia's place in the world or any passion for the subject. Jokowi sees himself primarily as a domestic reformer, not an international statesman. Moreover, indeed, the domestic reforms that he has advocated in the areas of infrastructure and the fight against corruption, if executed, would enable economic growth that would allow Indonesia to play a more significant role in world affairs (Connelly, 2014). In response to the rapidly changing world, it is becoming more apparent that Jokowi wishes to involve intellectuals in policy-making. The emergence of a new generation of scholars makes it possible for individuals outside government bureaucracy to be involved in policy discussions.

Among Indonesian scholars, Rizal Sukma is arguably the most influential figure in shaping contemporary Indonesia's foreign policy. Before appointed as the Ambassador for the

United Kingdom, Sukma was an Executive Director of the Centre for Strategic and International Studies (CSIS), one of the most influential intellectual thinktanks on Indonesia's foreign policy. Sukma was Jokowi's closest foreign policy aide, along with Andi Widjajanto (a former defence scholar at Universitas Indonesia); both held important roles during Jokowi's 2014 presidential campaign. Rizal Sukma described Indonesia's long-term strategy towards the US and China as hedging against uncertainty to ensure Indonesia's national interests and bilateral relations with both superpowers. In Sukma's perspective, Indonesia should maintain an equal relationship with China and the United States because, as a nonaligned country, Indonesia has no military alliance with China nor the US (Singh & Cook, 2017).

See Seng Tan (personal communication, September 27, 2017) agrees that Sukma is one of the most influential advisors on Indonesia's foreign policy under Joko Widodo, due to his idea of 'post-ASEAN foreign policy' discourse. This idea had appeared in Sukma's op-ed in *The Jakarta Post* in 2009 when he argued that Indonesia should not be ashamed by the cynical views of other countries regarding its domestic weakness. He continued,

It is enough for Indonesia to imprison itself in the 'golden cage' of ASEAN for more than 40 years. ... Indonesia, therefore, needs to begin formulating a post-ASEAN foreign policy. ASEAN should no longer be treated as the only cornerstone of Indonesia's foreign policy. For Indonesia, ASEAN should constitute only one of the available platforms through which we can attain and fulfil our national interests (Sukma, 2009a).

Sukma (2009b) has suggested several policy recommendations in implementing the idea of 'post-ASEAN foreign policy'. First, Indonesia should implement a 'true' '*bebas-aktif*' (free but active) principle of foreign policy by refusing to follow the wishes of any state or international organization, including ASEAN, if those wishes were to jeopardise Indonesia's national interests. In other words, Indonesia should demonstrate a degree of autonomy vis a vis ASEAN. Second, the concept of concentric circles needs revision. Instead of ASEAN, the first concentric circle should be G20. According to Sukma, strategic necessity, functionality, values, and identity are crucial factors in defining areas in which Indonesia could play significant roles. Third, Indonesia needs to balance multilateralism with bilateralism. Bilateral relations should be implemented without using ASEAN. Instead, Indonesia should improve direct bilateral relations with several ASEAN member states, especially Malaysia, Singapore, Philippines, and Thailand. Fourth, Indonesia should expand its geopolitical influence in Asia-Pacific. Indonesia should take part in shaping the emerging regional architecture. Fifth, Indonesia should help ASEAN to become a better organization. Thus, the idea of 'post-ASEAN foreign policy' does not necessarily mean abandoning ASEAN.

However, not all agree that Rizal Sukma is the main influential actor behind Indonesia's foreign policy. Jokowi receives significant input from many parties and individuals on various topics, including foreign policy. Foreign Minister Retno Marsudi is also highly influential. Retno was appointed as an Indonesian Ambassador to Norway and Iceland in 2005, the Netherlands in 2012, and has also served as General Director of Europe and America in the Indonesian Ministry of Foreign Relations, overseeing Indonesia's relations with 82 countries

in Europe and America. Her career in the European/Western countries affects the way she puts less emphasis on ASEAN (See Seng Tan, personal communication, September 27, 2017). Although Retno often praises ASEAN as a robust institution in the region, she tends to treat it as an actor that should adapt to international politics' dynamics in the 21st century. During the first gathering of ASEAN Foreign Ministers in 2018, Retno urged ASEAN to further strengthen regional architecture in the Indo-Pacific region. For Retno, Indo-Pacific has become a strategic region for global economic development and peace ("Govt proposes strengthening regional", 2018). This proposal is in line with Jokowi's agenda to enlarge Indonesia's concentric circle to the Indo-Pacific region. In her 2018 annual speech, Retno asserts that Indonesia would continue to support the Indian Ocean as a zone of peace and build a sense of regionalism in the region (Marsudi, 2018).

Jokowi might not be as dominant as his predecessors in foreign-policy formulations, but that is for a good cause. The group of intellectual advisers around him consists of top analysts and scholars of international relations. Jokowi plays his part by letting these intellectuals to provide an academically sound and objective assessment of the country's national interests and the changing strategic environment in which those interests will be pursued. Aside from Rizal Sukma, Andi Widjajanto helped gradually shift the orientation of Indonesia's foreign policy from the previous government. Andi finished his career as a Cabinet Secretary after only ten months. Nevertheless, he was the one who greatly contributed to the formation of Jokowi's foreign policy. He has even been called "The Man Behind Jokowi" (Sukoyo, 2014).

Andi is a realist thinker who strongly believes that military muscle power is the most critical element in pursuing national interests. As a scholar, he has research interests in military affairs and strategic studies. In accordance with realist assumptions, Andi presupposes that balance of power should become the fundamental principle in preserving national interests in an anarchic international system. In anticipating China's rise, for example, he suggests that Indonesia should play a balancing role between significant powers in the region. In doing so, Indonesia should build strong military capability as an internal balancing strategy (Widjajanto, 2013). As a firm believer in realism, Andi maintains state-centrism as a moral principle in which the state must be strong above all international actors. Consequently, non-state actors, including international organizations, are insignificant. Although Andi never formulated an explicit argument on ASEAN, Jokowi's foreign policy's realist character is greatly influenced by Andi's perspective on international relations.

Indonesia's conception of national interest is also shaped by Jokowi's closest adviser on national security, General (Ret.) Luhut Panjaitan. Luhut was a special forces (Kopassus) commander during the New Order period and developed particular expertise in counter-terrorism, becoming the first leader of elite counter-terrorism unit Detachment 81 in the 1980s. After Suharto's fall, Luhut briefly served as an Ambassador to Singapore and as the Minister of Trade and Industry under President Abdurrahman Wahid. Luhut's relationship with Jokowi goes back further than Jokowi's other advisers on foreign affairs and national security. When Jokowi declared his electoral victory in front of the Proklamasi Statue in 2014, Luhut stood beside him. Luhut will almost certainly remain influential with Jokowi, regardless of his

official role as a Cabinet Ministry or otherwise. Luhut's appointment in the Cabinet was crucial for Jokowi "to help him consolidate power" (Syailendra, 2016).

Even though Luhut and Andi Widjajanto have different professional backgrounds, they share similar thoughts on foreign policy. As a former military officer, Luhut upholds state-centrism as a guiding principle for Indonesia's foreign relations. During the World Economic Forum in Davos, Switzerland, in January 2017, Luhut has been interviewed about Indonesia's role in the South China Sea. He states that the US and EU should not push Indonesia to resolve this problem under the ASEAN mechanism because the positions and interests of many other ASEAN member states are quite different from Indonesia's. He argued ASEAN as a group has no single position on the issue of the South China Sea. Therefore, Indonesia needs to maintain its relationship with the great powers, China and Russia, to maintain peaceful solutions in the South China Sea (Jakarta Globe, 2017).

CONCLUSIONS

Indonesia's foreign policy under Jokowi has shown a significant change from its predecessors, especially compared to the Yudhoyono government. With regards to ASEAN, Jokowi lacks the interest to project Indonesia's national interests in the region. Instead, Jokowi directs Indonesia's efforts towards the Indian Ocean Rim Association (IORA), considered more relevant to Jokowi's 'Global Maritime Fulcrum' doctrine. Furthermore, Jokowi pays more attention to bilateral relationships than the multilateral ones when participating in various ASEAN summits. This reflects his commitment to putting economic and investment cooperation as the principal goals of Indonesia's international relations. Despite official statements that ASEAN remains important as a 'cornerstone' for Indonesia's foreign policy, there is little evidence to support that claim. Empirically, Indonesia under Jokowi is undoubtedly looking past ASEAN.

It is shown that Jokowi no longer perceives ASEAN as an integral component of Indonesia's foreign policy. Instead, the participation of Indonesia in ASEAN is simply a continuation of business as usual. Jokowi's closest advisors, particularly those who have realist and domestic-centric perspectives, play a crucial role that supports Jokowi's personal lack of foreign policy interest. In terms of policy approach, Jokowi's foreign policy stresses bilateralism over multilateralism. As a result, as a multilateral institution, ASEAN has lost its significance in Indonesia's pursuit of national interests.

The research has also demonstrated that ideas play a crucial role in shaping Jokowi's foreign policy towards ASEAN. Using the typology proposed by Goldstein and Keohane in their seminal works, it is argued that causal belief – that is, ideas brought by Jokowi's closest advisers – significantly affect how Indonesia perceives and behaves towards ASEAN. The idea of 'post-ASEAN foreign policy' proposed by Rizal Sukma, an architect of Jokowi's foreign policy, has significantly impacted Jokowi's preferences.

The research contributes to theories of foreign policy change. As stated in the introduction, existing theories on foreign policy change have focused on levels of analysis in

searching for the source of change. Although Hermann (1990) and Holsti (in Gustavsson, 1999) have mentioned the importance of domestic factors as an independent variable to explain foreign policy change, they have not been gone further to elaborate on each factor. Specifically, they did not consider the political elite and public intellectuals' advisors who influence the state's foreign behaviour. Therefore, the research confirms existing explanations that emphasise the impact of individuals on leaders in directing foreign policy transformation. This argument can be applied in various case studies. However, it would be particularly useful to explain the foreign policy change of states led by leaders without strong knowledge and international relations experience. In such case studies, foreign policy is individual and idea-driven rather than leader-driven.

The findings provide policy-relevant knowledge for policymakers. First, the Jokowi's administration should not perceive ASEAN solely as an instrument for bilateral cooperation. Suppose the government recognises ASEAN as Indonesia's cornerstone. In that case, Jokowi's administration should act accordingly by engaging ASEAN in various multilateral fora to deal with severe problems in the region and playing an active role as a regional power and *primus inter pares* within the ASEAN framework. Second, Jokowi should encourage academics and experts from domestic institutions to enrich foreign policy debates. It would benefit the government in foreign policy-making because they would have abundant input. To achieve this objective, the government should enhance close relationships with academics by conducting seminars, conferences, symposia, and other knowledge-sharing activities. They should welcome any ideas expressed by individuals who have a strong knowledge of foreign policy and international relations.

ABOUT THE AUTHORS

Mohamad Rosyidin is an assistant professor at the Department of International Relations Universitas Diponegoro. He holds BA from Universitas Jember and MA from Universitas Gadjah Mada. His research interests include Indonesia's foreign policy, constructivism in international relations, culture and foreign policy, security in Southeast Asia, and non-Western international relations theory.

Shary Charlotte Henriette, S.IP, M.A is a lecturer at the Department of International Relations, FISIP, Universitas Diponegoro, with a scientific concentration of Peace Studies, International Conflict Resolution, and Gender Studies. She graduated from Bachelor of International Relations, Parahyangan Catholic University in 2009, and continued her Masters on Department of International Relations, Gadjah Mada University in 2011. The author is also active in a number of organizations that aim to create and maintain interfaith peace in Indonesia. E-mail: sharycharlotte@lecturer.undip.ac.id

ACKNOWLEDGMENT

This article is an output of the research funded by DIPA FISIP Universitas Diponegoro 2017. The authors also would like to thank two anonymous reviewers for their valuable comments.

REFERENCES

- Acharya, A. (2014). *Indonesia Matters: Asia's Emerging Democratic Power*. Singapore: World Scientific.
- Adler, E. (1992). The emergence of cooperation: National epistemic communities and the international evolution of the idea of nuclear arms control. *International Organization*, 46(1), 101-145. <https://doi.org/10.1017/S0020818300001466>
- Allison, G. (1971). *Essence of Decision: Explaining the Cuban Missile Crisis*. Boston: Little, Brown and Company.
- Anggaran dasar dan anggaran rumah tangga Partai Demokrasi Indonesia Perjuangan tahun 2019-2024. (2019, November 6). *PDI Perjuangan*. <https://www.pdiperjuangan.id/article/category/child/28/Partai/AD/ART>
- Anwar, D. F. (1994). *Indonesia in ASEAN: Foreign Policy and Regionalism*. Singapore: ISEAS.
- Anwar, D. F. (2005). *Indonesia at Large: Collected Writings on ASEAN, Foreign Policy, Security and Democratisation*. Jakarta: The Habibie Center.
- Anwar, D. F. (2013). Transformasi politik luar negeri bebas-aktif Indonesia dalam menjawab kompleksitas tantangan global. *Conference Commemorating 65 Years of Indonesia's 'Free and Active' Foreign Policy*, Universitas Gadjah Mada, Yogyakarta, 2 September.
- Arif, M. (2015, n.d). Indonesia's new ASEAN foreign policy. *The Habibie Center*. <https://thcasean.org/read/articles/261/Indonesias-New-ASEAN-Foreign-Policy>
- ASEAN (2016, July 25). *Joint Communiqué of the Foreign Ministers of ASEAN Member States on the Maintenance of Peace, Security and Stability in the Region*. <https://asean.org/wp-content/uploads/2016/07/Joint-Statement-of-the-Foreign-Ministers-of-AMS-on-the-Maintenance-of-Peace-Security-and-Stability-in-the-Region-AGREED.pdf>
- ASEAN tetap prioritas politik luar negeri Indonesia. (2015, January 8). *Tribun News*. <http://www.tribunnews.com/nasional/2015/01/08/asean-tetap-prioritas-politik-luar-negeri-indonesia/>

- Berger, T. (1996). Norms, identity, and national security in Germany and Japan. In P. Katzenstein (Eds.), *The Culture of National Security: Norms and Identity in World Politics* (pp. 317-356). New York: Columbia University Press.
- Bertemu Thein Sein, Presiden Jokowi: Indonesia tetap menjadi sahabat Myanmar. (2014, November 12). *Cabinet Secretariat of the Republic of Indonesia*.
<http://setkab.go.id/bertemu-thein-sein-presiden-jokowi-indonesia-tetap-menjadi-sahabat-myanmar/>
- Campbell, J. (1998). Institutional analysis and the role of ideas in political economy. *Theory and Society*, 27(3), 377-409.
<http://webuser.bus.umich.edu/organizations/smo/protected/resources/campbell98.pdf>
- Campbell, J. (2002). Ideas, politics, and public policy. *Annual Review of Sociology*, 28, 21-38. <https://doi.org/10.1146/annurev.soc.28.110601.141111>
- Campbell, J. (2008). What do we know – or not – about ideas and politics? In P. Nedergaard & J. Campbell (Eds.), *Politics and Institutions* (pp. 157-176). Copenhagen: DJØF Publishers.
- Carlsnaes, W. (1993). On analysing the dynamics of foreign policy change: A critique and reconceptualization. *Cooperation and Conflict*, 28(1), 5-30.
<https://doi.org/10.1177/0010836793028001001>
- Chacko, P. (2018). Foreign policy, ideas, and state-building: India and the politics of international intervention. *Journal of International Relations and Development*, 21, 346-371. <https://doi.org/10.1057/jird.2016.15>
- Connelly, A. L. (2014). Indonesian foreign policy under President Jokowi. *Lowy Institute*.
http://www.lowyinstitute.org/sites/default/files/indonesian-foreign-policy-under-president-jokowi_0_0.pdf
- Connelly, A. (2016, December 5). Indonesia in the South China Sea: Going it alone. *Lowy Institute*. <https://www.lowyinstitute.org/publications/indonesia-south-china-sea-going-it-alone>
- Cook, M. (2016, May 10). Duterte, Jokowi, and ASEAN. *ISEAS*.
<https://www.iseas.edu.sg/medias/commentaries/item/3072-duterte-jokowi-and-asean>.
- Dinarto, D. (2017, March 9). Is Indonesia choosing Indian Ocean Rim Association over ASEAN? *The Diplomat*. <http://thediplomat.com/2017/03/is-indonesia-choosing-the-indian-ocean-rim-association-over-asean/>
- Eastwood, J. (2005). The role of ideas in Weber's theory of interests. *Critical Review*, 17(1-2), 89-100. <https://doi.org/10.1080/08913810508443629>

- Emmers, R. (2014). Indonesia's role in ASEAN: A case of incomplete and sectorial leadership. *Pacific Review*, 27(4), 543-562. <https://doi.org/10.1080/09512748.2014.924230>
- Finnemore, M. (1996). *National Interests in International Society*. Ithaca: Cornell University Press.
- Flibbert, A. (2006). The Road to Baghdad: Ideas and intellectuals in explanations of the Iraq war. *Security Studies*, 15(2), 310-352. <https://doi.org/10.1080/09636410600829570>
- Goldstein, J. and Keohane, R. (1993). *Ideas and Foreign Policy: Beliefs, Institutions, and Political Change*. Ithaca: Cornell University Press.
- Govt proposes strengthening regional architecture in Indo-Pacific. (2018, February 7). *Tempo.co*. <https://en.tempo.co/read/news/2018/02/07/055915533/Govt-Proposes-Strengthening-Regional-Architecture-in-Indo-Pacific>
- Gustavsson, J. (1999). How should we study foreign policy change? *Cooperation and Conflict*, 34(1), 73-95. <https://doi.org/10.1177/00108369921961780>
- Hass, P. (1992). Banning chlorofluorocarbons: Epistemic community efforts to protect stratospheric ozone. *International Organization*, 46(1), 187-224. <https://doi.org/10.1017/S002081830000148X>
- Heiduk, F. (2016, May 3). Finding regionalism in Jokowi's foreign policy. *The Diplomat*. <https://thediplomat.com/2016/05/finding-regionalism-in-jokowis-foreign-policy/>
- Hermann, C. (1990). Changing course: When governments choose to redirect foreign policy. *International Studies Quarterly*, 34(1), 3-21. <https://doi.org/10.2307/2600403>
- Hill, C. (2003). *The Changing Politics of Foreign Policy*. New York: Palgrave Macmillan.
- Hook, S. (2008). Ideas and Change in U.S. Foreign Aid: Inventing the Millennium Challenge Corporation. *Foreign Policy Analysis*, 4(2), 147-167. <https://doi.org/10.1111/j.1743-8594.2007.00062.x>
- Hudson, V. (2014). *Foreign Policy Analysis: Classic and Contemporary Theory* (2nd Ed.). Lanham: Rowman & Littlefield.
- Huntington, S. (2002). *The Clash of Civilization and the Remaking of World Order* (3rd Ed.). Yogyakarta: Qalam.
- Ipek, P. (2013). Ideas and change in foreign policy instruments: Soft power and the case of the Turkish International Cooperation and Development Agency. *Foreign Policy Analysis*, 11(2), 1-21. <http://yoksis.bilkent.edu.tr/pdf/files/6950.pdf>
- Jakarta Globe (2017, January 22). Luhut Panjaitan on Indonesia-ASEAN role in South China Sea. <https://www.youtube.com/watch?v=xKRK350918s>

- Jokowi bertemu PM Abe jelang KTT ASEAN di Manila. (2017, November 12). *Liputan6*.
<http://news.liputan6.com/read/3160130/jokowi-bertemu-pm-abe-jelang-ktt-asean-di-manila>
- Kitchen, N. (2010). Systemic pressures and domestic ideas: A neoclassical realist model of grand strategy formation. *Review of International Studies*, 36(1), 117-143.
<https://doi.org/10.1017/S0260210509990532>
- Kissinger, H. (1994). *Diplomacy*. New York: Simon & Schuster.
- Legro, J. (2005). *Rethinking the World: Great Power Strategies and International Order*. Ithaca: Cornell University Press.
- Leifer, M. (1989). *Indonesian Foreign Policy*. Jakarta: Gramedia.
- Luhulima, C. P. F. (2013, February 7). Indonesia and ASEAN beyond 2014. *The Jakarta Post*. <http://www.thejakartapost.com/news/2013/02/07/indonesia-and-asean-beyond-2014.html/>
- Marsudi, R. L. P. (2017a, January 10). Pernyataan pers tahunan Menteri Luar Negeri Republik Indonesia *Ministry of Foreign Affairs of the Republic of Indonesia*.
<https://kemlu.go.id/portal/id/read/757/pidato/pernyataan-pers-tahunan-menteri-luar-negeri-ri-tahun-2017>
- Marsudi, R. L. P. (2017b, April 25). 50 Tahun ASEAN. *Kompas*.
<https://nasional.kompas.com/read/2017/04/25/21002191/50.tahun.asean?page=all>
- Marsudi, R. L. P. (2018, January 9). Pernyataan pers tahunan Menteri Luar Negeri Republik Indonesia. *Ministry of Foreign Affairs of the Republic of Indonesia*.
<https://kemlu.go.id/portal/id/read/758/pidato/pernyataan-pers-tahunan-menteri-luar-negeri-ri-tahun-2018/>
- Martin, L. (1992). Institutions and cooperation: Sanctions during the Falkland Islands conflict. *International Security*, 16(4), 143-178. <https://doi.org/10.2307/2539190>
- Mintz, A. and DeRouen, K. (2010). *Understanding Foreign Policy Decision Making*. Cambridge: Cambridge University Press.
- Natalegawa, M. (2018). *Does ASEAN Matter? A View from Within*. Singapore: ISEAS.
- Neack, L. (2008). *The New Foreign Policy: Power Seeking in a Globalized World*. Lanham: Rowman & Littlefield.
- Poole, A. (2015, September 7). Is Jokowi turning his back on ASEAN? *The Diplomat*.
<http://thediplomat.com/2015/09/is-jokowi-turning-his-back-on-asean/>
- Presiden Jokowi: MEA harus dihadapi. (2015, November 22). *CNN Indonesia*.
<https://www.cnnindonesia.com/ekonomi/20151122133039-92-93278/presiden-jokowi-mea-harus-dihadapi/>

- Price, R. (1995). A genealogy of chemical weapons taboo. *International Organization*, 49(1), 73-103. <https://doi.org/10.1017/S0020818300001582>
- Rosyidin, M. and Andika, M. T. (2017). *Indonesia dalam Pusaran Global: Politik Luar Negeri Susilo Bambang Yudhoyono*. Yogyakarta: Pustaka Ilmu.
- Rosyidin, M. (2014). Kembali ke masa depan? Membaca arah politik luar negeri Jokowi dan prospek Indonesia menjadi kekuatan global. *Konvensi V Asosiasi Ilmu Hubungan Internasional Indonesia (AIHII)*, Universitas Budi Luhur, Jakarta, 25-28 November.
- Rosyidin, M. (2016a). Mencari identitas politik luar negeri Indonesia kontemporer. *Analisis CSIS*, 45(1), 77-94.
- Rosyidin, M. (2016b). Konflik natuna dan kebijakan *Realpolitik* Indonesia. *Analisis CSIS*, 45(4), 367-380.
- Rosyidin, M. (2017a). Foreign policy in changing global politics: Indonesia's foreign policy and the quest of major power status amidst Asian Century. *South East Asia Research*, 25(2), 1-17. <https://doi.org/10.1177/0967828X17706570>
- Rosyidin, M. (2017b). Why is ASEAN important to Indonesia? *Indonesian Quarterly*, 45(3), 222-243.
- Salim, T. (2016, July 26). Joint communique proof of ASEAN's unity: Retno. *The Jakarta Post*. <http://www.thejakartapost.com/news/2016/07/26/joint-communiqu-proof-of-aseans-unity-retno.html/>
- Sandal, N. A. and Fox, J. (2013). *Religion in International Relations Theory: Interactions and Possibilities*. London: Routledge.
- Setiawan, A. (2014, November 14). Pidato lengkap Jokowi di KTT ASEAN soal poros maritim. *VIVA News*. <http://www.viva.co.id/berita/dunia/558043-pidato-lengkap-jokowi-di-ktt-asean-soal-poros-maritim>
- Setiawan, A. (2015, March 25). About the South China Sea, President Jokowi affirms the readiness of Indonesia becomes mediator. *Cabinet Secretariat of the Republic of Indonesia*. <https://setkab.go.id/en/about-the-south-china-sea-president-jokowi-affirms-the-readiness-of-indonesia-becomes-mediator/>
- Shekhar, V. (2015, September 30). Realist Indonesia's drift away from ASEAN. *Asia Pacific Bulletin*, No. 32. <https://www.eastwestcenter.org/system/tdf/private/apb323.pdf?file=1&type=node&id=35328>
- Singh, D. and Cook, M. (2017). *Southeast Asian Affairs 2017*. Singapore: ISEAS.

- Snyder, R., Brucks, H. W. and Sapin, B. (1961). The decision-making approach to the study of International Politics. In J. Rosenau (Eds.), *International Politics and Foreign Policy: A Reader in Research and Theory* (pp. 199-206). New York: Free Press.
- SOM ASEAN bahas tantangan baru dunia di Bali. (2016, December 12). *Nusa Kini*.
<https://www.nusakini.com/news/som-asean-bahas-tantangan-baru-dunia-di-bali>
- Sukma, R. (2009a, June 30). Indonesia needs a post-ASEAN foreign policy. *The Jakarta Post*. <http://www.thejakartapost.com/news/2009/06/30/indonesia-needs-a-postasean-foreign-policy.html>.
- Sukma, R. (2009b, October 5). A post-ASEAN foreign policy in the post-G8 world. *The Jakarta Post*. <http://www.thejakartapost.com/news/2009/10/05/a-postasean-foreign-policy-a-postg8-world.html>.
- Sukma, R. (2012). Domestic Politics and International Posture: Constraints and Possibilities. In A. Reid (Eds.), *Indonesia Rising: The Repositioning of Asia's Third Giant* (pp. 77-92). Singapore: ISEAS.
- Sukma, R. (2014, August 21). *Gagasan poros maritim*. *Kompas*.
<http://ekonomi.kompas.com/read/2014/08/21/080000726/Gagasan.Poros.Maritim>
- Sukoyo, Y. (2014, September 5). Andi Widjajanto, terdepan membela visi-misi Jokowi. *Berita Satu*. <http://www.beritasatu.com/politik/207984-andi-widjajanto-terdepan-membela-visimisi-jokowi.html>
- Suryadinata, L. (1998). *Politik Luar Negeri Indonesia di bawah Soeharto*. Jakarta: LP3ES.
- Syailendra, E. A. (2015, February 2). Consensual leadership in ASEAN: Will it endure under Jokowi? *Fair Observer*.
https://www.fairobserver.com/region/asia_pacific/consensual-leadership-asean-will-endure-jokowi-02487/
- Syailendra, E. A. (2016, August 18). President's special relationship with Luhut Panjaitan. *RSIS Commentary*. <https://www.rsis.edu.sg/wp-content/uploads/2016/08/CO16209.pdf>
- Tan, S. S. (2015). Indonesia among the powers: Will ASEAN still matter to Indonesia? In C. Roberts, A. Habir, and L. Sebastian (Eds.), *Indonesia's Ascent: Power, Leadership, and the Regional Order* (pp 287-307). New York: Palgrave Macmillan.
- Tannenwald, N. (2005). Stigmatizing the bomb: Origins of the nuclear taboo. *International Security*, 29(4), 5-49. <https://doi.org/10.1162/isec.2005.29.4.5>
- Taw, N. P. (2014a, November 12). Pidato lengkap Jokowi di KTT ASEAN. *Detik News*.
<https://news.detik.com/berita/2746554/pidato-lengkap-jokowi-di-ktt-asean>

- Taw, N. P. (2014b, November 13). Bertemu Sekjen PBB, Jokowi tegaskan dukungan untuk Palestina. *Detik News*. <https://news.detik.com/berita/d-2746972/bertemu-sekjen-pbb-jokowi-tegaskan-dukungan-untuk-palestina/>
- Thorun, C. (2008). *Explaining Change in Russian Foreign Policy: The Role of Ideas in Post-Soviet Russia's Conduct towards the West*. Basingstoke: Palgrave Macmillan.
- Umar, A. R. M. (2016, December 5). Where is ASEAN in Indonesia's foreign policy? Jokowi after two years. *ASEAN Studies Center*. <http://asc.fisipol.ugm.ac.id/where-is-asean-in-indonesias-foreign-policy-jokowi-after-two-years/>
- Weatherbee, D. (2013). *Indonesia in ASEAN: Vision and Reality*. Singapore: ISEAS.
- Weatherbee, D. (2016). Re-Assessing Indonesia's Role in the South China Sea. *ISEAS*, 18. https://www.iseas.edu.sg/images/pdf/ISEAS_Perspective_2016_18.pdf
- Wendt, A. (1999). *Social Theory of International Politics*. Cambridge: Cambridge University Press.
- Widjajanto, A. (2013, February 18). Transisi hegemonik dan postur pertahanan. *Rumah Opini*. <https://lautanopini.wordpress.com/2013/02/18/transisi-hegemonik-dan-postur-pertahanan/>
- Widodo, J. and Kalla, J. (2014). *Jalan Perubahan untuk Indonesia yang Berdaulat, Mandiri dan Berkepribadian*. Jakarta: Komisi Pemilihan Umum.
- Willis, D. (2017, March 14). Indonesia's choice: Not the Indian Ocean, but bilateralism. *The Diplomat*. <http://thediplomat.com/2017/03/indonesias-choice-not-the-indian-ocean-but-bilateralism/>
- Yahya, T. (2015a, June 1). Has Jokowi put ASEAN on the sidelines? *The Jakarta Post*. <http://www.thejakartapost.com/news/2015/06/01/has-jokowi-put-asean-sidelines.html>
- Yahya, T. (2015b, June 4). Cara Jokowi melihat ASEAN. *SindoNews.com*. <https://nasional.sindonews.com/read/1008585/18/cara-jokowi-melihat-asean-1433384504>.
- Yates, R. (2017). ASEAN as the 'Regional Conductor': Understanding ASEAN's role in the Asia-Pacific order. *Pacific Review*, 30(4), 443-461. <https://doi.org/10.1080/09512748.2016.1264458>
- Yates, R. (2019). *Understanding ASEAN's Role in the Asia-Pacific Order*. Cham: Palgrave Macmillan.
- Yee, A. (1996). The causal effect of ideas on policies. *International Organization*, 50(1), 69-108. <https://doi.org/10.1017/S0020818300001673>

XI JINPING, “CHINA DREAM”, AND CHINESE MILITARY DIPLOMACY TO ASEAN

Lidya Christin Sinaga

Center for Political Studies, Indonesian Institute of Sciences
Jl. Jend. Gatot Subroto 10, Jakarta, Indonesia 12710
lidya.bosua@gmail.com

Received: 02nd June 2020/ **Revised:** 08th October 2020/ **Accepted:** 02nd November 2020

How to Cite: Sinaga, L. C. (2020). Xi Jinping, “China Dream”, and Chinese military diplomacy to ASEAN. *Journal of ASEAN Studies*, 8(2), 173-190. <https://doi.org/10.21512/jas.v8i2.6483>

ABSTRACT

The rise of Xi Jinping has brought together the idea of the ‘China Dream’ as a great revival of China. Since the dream referred to the nationalism spirit of a ‘century of humiliation,’ it has made national security issues as the core of China’s diplomacy. While the national security-related foreign policy has enhanced the military’s role in China’s foreign policy-making, it brings consequences for China’s tougher stance in protecting China’s national security. However, Xi Jinping’s notion of using military diplomacy has started uneasy relationships between China and some ASEAN countries resulting in ‘ongoing negotiation without progress’ for the South China Sea dispute. The research examines the impacts of the military’s growing role in China’s foreign policy under Xi Jinping to its military diplomacy in ASEAN. The results show that Xi Jinping’s leadership and vision of the China Dream, which uses military diplomacy as a key tool for advancing its whole diplomatic goals, has been seen as a sign of growing assertiveness.

Keywords: Xi Jinping, military, foreign policy-making, national security, military diplomacy, South China Sea, ASEAN

INTRODUCTION

*“Xi’s foreign policy assertiveness as part of his unique leadership style highlights crucial PLA role.”
(Ji, 2014a)*

The rise of Xi Jinping since 2012 has led to a transformation in China’s domestic and foreign policy. Some discussions raised that China’s foreign policy under Xi Jinping is more assertive, proactive, and nationalistic than in the previous decades. Some scholars argue that the change is a departure from previous China’s peaceful rise. The hallmark of Xi Jinping’s

leadership is the China Dream, which has been established since he first reigned. Xi Jinping refers to the dream as national rejuvenation. The way China pursues its dream, by implication, changes its diplomatic system. While the dream is not specific about the military's revival, however, in the following days, the China Dream was first emphasised on the idea of a strong military. Accordingly, China's foreign policy focuses on national security issues, which, in the end, provides a more influential role for the military to be involved in foreign policy-making. While China's foreign policy is considered assertive under Xi Jinping, the strategy cannot be separated from Xi's domestic interest and relates closely to the development of China's military diplomacy, which has grown since the end of the Cold War.

In light of these observations, the research explores the impacts of the military's growing role in China's foreign policy-making under Xi Jinping to its diplomacy with ASEAN (Association of South-East Asian Nations) countries. While this development relates closely to the development of China's military diplomacy, ASEAN is crucial to be seen as China's military diplomacy puts Southeast Asia as its priority in Asia. Simultaneously, the South China Sea dispute that puts ASEAN and China on the same table is still ongoing and will not end. In light of the observation, the research elaborates on the impacts of Xi Jinping's vision of the 'Strong Army Dream' to ASEAN countries with three critical sections. The essay first sketches out the rise of Xi Jinping and the idea of the Strong Army Dream and how it contributes to the military's role in China's foreign policy-making. Second, the research also substantively assesses the military's more active role in China's foreign policy-making under Xi Jinping. Lastly, the impacts of the military's growing role to China's military diplomacy, especially to ASEAN, will be explained further.

LITERATURE REVIEW

The Rise of Xi Jinping and the Strong Army Dream

Xi Jinping was appointed as China's Communist Party Secretary-General in the Eighteenth National Congress on November 15, 2012 ("Remarks on the occasion of meeting", 2012). Since the beginning of his administration, Xi puts a hallmark on his new leadership by revealing the China Dream/*Zhongguo Meng*. It includes four essential things, namely Strong China (economic, political, diplomatic, scientific, and military), Civilised China (equality and fairness, rich culture, high morals), Harmonious China (friendship between social classes), and Beautiful China (healthy environment and less pollution) (Kuhn, 2013). Xi refers to the dream as the nationalism spirit of China's suffering in the 'century of humiliation' (Miller, 2013) and China's glory under party rule ("Xi Jinping and the Chinese", 2013).

Since then, the idea of the China Dream has been repeated on several occasions, especially at the closing meeting of the National People's Congress on March 17, 2013, the inauguration of Xi Jinping as a president (Xinhua, 2013). Xi pledged to achieve the dream by taking the Chinese way: "spreading the Chinese spirit, which combines the spirit of the nation with patriotism as the core and the spirit of the time with reform and innovation as the core" (Yinan, 2013). Xi Jinping confirmed the China Dream idea as both the 'national revival' and

China's world power goal. However, this idea is not new as a book entitled "China Dream: The Great Power Thinking and Strategic Positioning of China in the Post-American Age", published in 2010, calling for the awakening of the China's military spirit (Miller, 2013). Another view suggests that Xi's China Dream was a response to Thomas Friedman's column in the *Times* in 2012 entitled "China Needs Its Own Dream" which expecting "a new Chinese dream that marries people's expectations of prosperity with a more sustainable China" ("Xi Jinping and the Chinese", 2013).

The China Dream has been considered the great revival of China, not only in the domestic sphere but also in its external relations. As argued by Cameron (2013), Xi Jinping's insistence on 'national revival' sends a message that China resumes its place in the world. Both the 'national revival' and China's goal to be a world power are related. As argued by Zicheng, Levine and Liu (2011), "there is a close connection between the rejuvenation of the Chinese nation and China's desire of world power. If China does not become a world power, the rejuvenation of the Chinese nation will be incomplete. Only when it becomes a world power can we say that the total rejuvenation of the Chinese nation has been achieved."

Therefore, in the Central Conference on Work Relating to Foreign Affairs, in November 2014, Xi Jinping proposed to advance multilateral diplomacy aiming to reform the international system and global governance and to increase the representation of China and other developing countries ("The central conference on work", 2014). At this high-level meeting of the China Communist Party (CCP) on foreign relations, Xi announced a new development in China's foreign policy. He officially laid out his new shift in foreign policy, marking a transformation from Deng Xiaoping's dictum of 'keeping a low profile' to an 'active and creative' strategy.

Xi Jinping has put nationalism, patriotism, and pride at the centre of his leadership (Shi and Tweed, 2014). As argued by Huang (2013), Xi Jinping realised that nationalism is a powerful notion in Chinese society, particularly to secure the support of his nationalist constituency within the military ("Xi Jinping and the Chinese", 2013). Military reform had been on the agenda for China's rejuvenation since the CCP National Congress in 2012. In December 2012, when Xi Jinping inspected naval installations in the Guangzhou Military Region, he stressed a strong military to reach national rejuvenation (Miller, 2013). This emphasis paved the way for the idea of a Strong Army Dream. Besides, robust compliance with the party's orders is also required to be the 'spirit of a strong army' ("Xi Jinping and the Chinese", 2013). Following this, in June 2013, the army confirmed that "the China Dream is the Strong Army Dream, the China Dream leads the Strong Army Dream, and the Strong Army Dream supports the China Dream" ("Xi Jinping – China Dream", n.d). While it remains to be seen, the Strong Army Dream concept promises to be a guiding force in China's military policy (Miller, 2013).

In 2015, for the first time in Chinese history, China publicly revealed China's Military Strategy White Paper, a change from China's National Defence since 1998. The white paper is essential because it reveals the strategic shift for the People's Liberation Army (PLA). First, it outlines a strategy of 'active defence' and emphasises China's commitment to 'winning informationised local wars' (Kania, 2015). Second, it emphasises the goal of becoming a

maritime power and a more significant Chinese naval presence farther from the People's Republic's shores (Gady, 2015). There are four main domains for China's force development in the new white paper: cyberspace, outer space, nuclear forces, and finally, the oceans (Chang, 2015). Therefore, in December 2015, the PLA's general command, the PLA Rocket Force, and the PLA Strategic Support Force were officially announced (Liu Hui, 2019).

Xi Jinping's China Dream is not specific about the military's revival. However, a national rejuvenation to regain the level of "prosperity and power enjoyed before the period of national humiliation... [which] requires effective government, a prosperous economy, a harmonious society, and a strong military" (Miller, 2013). However, in the following days, the China Dream was first emphasised on the idea of a 'strong military.' Accordingly, China's foreign policy gives more focus on national security issues in China's foreign policy, which in the end, it provides a more influential role for the military to involve in the foreign policy-making. China established a National Security Commission (NSC), headed by Xi Jinping, Premier Li Keqiang, and the Chairman of National People's Congress, Zhang Dejiang (Zhang, 2015). The new commission seems to solve the problem of fragmentation in China's foreign policy-making. Xi tries to make a breakthrough by putting himself at the centre of new leadership and leaving behind the 'collective leadership' style upheld since Deng Xiaoping ("The power of Xi", 2014).

The rise of Xi Jinping can be considered as a turning point in China's national security-related foreign policy. According to Zheng and Liu (2015), national security includes national independence, sovereignty, territorial integrity, people's lives and property, the country's political system, economic development, and social stability. As a result, Xi Jinping's administration is being firm on territorial or sovereignty disputes. As the national security-related foreign policy becomes more important, the PLA's role in China's foreign policy-making becomes more influential. The terminology of PLA is unique since it does not necessarily refer to the Chinese army, but the whole armed forces or military. Initially, the PLA consists of the ground forces, naval forces called People's Liberation Army Navy (PLAN), and air forces called People's Liberation Army Air Force (PLAAF). Therefore, Xi Jinping's emphasis on the Strong Army Dream refers to the PLA or military. As Ji (2014a) argued, "the PLA's role in China's foreign policy is integral and deep." Also, Ji (2014b) mentions that the PLA's role in this policy-making is a key in understanding China's diplomacy. The next section highlights the military's more active role in China's foreign policy-making under Xi Jinping.

The Role of Military in China's Foreign Policy under Xi Jinping

China has dual tracks of decision-making system, the party and the state tracks. The party's track is still higher than the state's (Jakobson and Manuel, 2016). Accordingly, the party is central to China's foreign policy-making. The highest decision-making body, including foreign policy issues, is the Politburo Standing Committee of the CCP (Gore, 2013). As argued by Jakobson and Manuel (2016), "almost all members of the bodies charged with implementing any policies are first and foremost members of the CPC." The elite group of the CCP only consists of seven members who emanate from the 25-member politburo. Consequently, the

‘foreign ministry’ of the CCP, the so-called Central International Department (CID), is higher than the Ministry of Foreign Affairs (Gore, 2013).

The role of the Ministry of Foreign Affairs in China’s foreign policy-making is not determining, but it shares responsibility with the Central Military Commission/CMC (Ji, 2014a). Since the party’s position is more dominant than the state, the role of the Foreign Affairs Ministry in China is weaker than other countries in the world (Jakobson and Manuel, 2016). The Ministry is responsible for foreign affairs in general and government-to-government relations. However, as argued by Gore (2013), “the main role of the Ministry of Foreign Affairs is the implementation of policies made elsewhere,” not even as a coordination body which is still under the party or the so-called the CCP’s Central Foreign Affairs Leading Small Groups. Therefore, Gore (2013) depicted the foreign minister’s position as “way down the CCP’s pecking order.”

While the civilians are responsible for daily diplomacy, the security or military-related foreign affairs are the military domain (Ji, 2014b). The military has an autonomy that can influence foreign policy. The autonomy cannot be separated from its historical relationship with the communist party, particularly in the wartime, when the strength of the CCP primarily depended on the military power (Song, 2008). Therefore, as argued by Jakobson and Manuel (2016), “party leadership upholds a decision-making system that keeps the military at arm’s length from political decision making.” While the PLA being subordinate to the party, it is ultimately an armed wing of the party, instead of the state, through which the party controls the use of force. Consequently, the government cannot dictate the military since it has a much higher status than the Foreign Affairs Ministry (Gore, 2013). Unsurprisingly, a foreign policy can be conducted without coordination with the Foreign Affairs Ministry.

There are three channels through which the military plays an integral part of China’s foreign policy-making: the Central Military Commission (CMC), the Politburo, and the Leading Small Groups/LSGs (Grieger, 2015). The CMC is a high-profile body under the party that aims to control the PLA. The CCP Secretary-General is also the CMC Chairman. Furthermore, as the CMC Chairman, Xi Jinping represents the PLA interests and foreign policy views in the Politburo Standing Committee, since there is no military representative in the inner circle of the Politburo (Grieger, 2015). Finally, there are Leading Small Groups (LSGs) in China’s decision-making system that can be channelled as a vehicle for the PLA to feed in the foreign policy process. However, the LSGs are only advisory in nature, with final decisions in the Politburo Standing Committee.

The existence of the LSGs is distinctive for China. These small groups cover any issues from the economics, the 2008 Olympic Games, the 2008 Sichuan earthquake, and foreign affairs. The LSGs play essential roles in supporting the policy-making process. Even it is more important than the ministries (Huang, 2014). However, the LSGs have long played a role in China’s power structure since 1958, comprising the most powerful and influential leaders. Xi Jinping is one of the leaders that already involved in the LSGs. In mid-2012, he was a senior leader in the LSGs on maritime security, or the so-called protection of maritime rights (Jakobson and Manuel, 2016).

When Xi Jinping was appointed as the CCP Secretary-General in 2012, he introduced the new foreign policy team. Xi is the first member of the Politburo, along with Premier Li Keqiang, Zhang Dejiang, Yu Zhengsheng, Liu Yunshan, Wang Qishan, and Zhang Gaoli. While Li Keqiang was a member of the Standing Committee of the Political Bureau of the Seventeenth Party Central Committee, the remaining people were members of the Political Bureau of the Seventeenth Party Central Committee (china.org.cn, November 16, 2012). While the party's decision-making system is hierarchical, inevitably, Xi has significant influence in the foreign policy process. Xi then took over by leading the most influential LSGs, such as Taiwan affairs and foreign affairs. Since 'the more powerful the head of LSGs, the more powerful the LSGs are seen to be,' the involvement of Xi in the foreign affairs LSGs makes LSGs the most potent LSGs (Jakobson and Manuel, 2016).

On the one hand, the establishment of the LSGs is generally accepted as a sign of major political shift. On the other hand, Xi Jinping's decisions to establish and lead two new LSGs (Comprehensive Deepening of Reform and National Security Committee) seem to confirm his strong determination to China's foreign and national security policy. As argued by Huang, Xi is a very different leader from his predecessor, Hu Jintao, as "Xi's style is more like a strongman leader" (Huang, 2013). However, Xi's emphasis on national security affairs cannot be separated from his desire to achieve the China Dream. For the purpose, he will maintain a decisive role of the PLA since it is an essential pillar of the CCP's power.

However, as explained before, foreign policy-making in China is shared between the civilians and the military. In fact, the primacy is still under the civilians (Ji, 2014a). It cannot be separated from the CCP's indoctrination of 'absolute party control' and PLA subordination that manage civil-military relations over foreign affairs. The consensus between the PLA and CCP to prioritise domestic matters and war avoidance has enabled the PLA to deliberately support the civilians' foreign policy at the strategic level. While the civilian-military concern on war avoidance under Xi Jinping remains unchanged, as argued by Ji (2014a), Xi tightens 'proactive stance but a cautious exercise of hard power.' Consequently, China seems to move its defence strategy to war preparation. In April 2016, unsurprisingly, Xi Jinping entitled himself as a commander in chief of the joint battle command centre and, at the same time, urged to build a military command system that was 'capable of winning wars' (Ramzy, 2016).

As the military role in China's national security-related foreign policy is growing, it impacts China's foreign policy. First, the PLA's persuasion and full support for the change have convinced Xi Jinping to conduct a stricter approach to protect China's national security. Ji (2014a) argues that the PLA functionally serves as the foundation and the tool of assertive foreign policy, a job assigned by the party. Since Xi Jinping wants to define his leadership by reasserting and safeguarding maritime territorial disputes, particularly in the South China Sea and East South China Sea, they come as the core interests of China's foreign policy.

Consequently, China had to change its national defensive security strategy from only land defence to land and sea defence (Zheng and Liu, 2015). For a long time, China projected its defence posture in the terrestrially-based strategy. According to Ji (2014a), "the PLA's continental posture of defensive defence matches the civilians' status quo-centred diplomacy

with land neighbours.” Previously, parts of the four general departments were responsible for managing the ground forces. However, now they were integrated into a new PLA’s leading organ. The PLA cut the number of its land-based army to less than 50 per cent of the armed forces, with the previous 18 group armies reorganised into 13 new ones (Liu Hui, 2019).

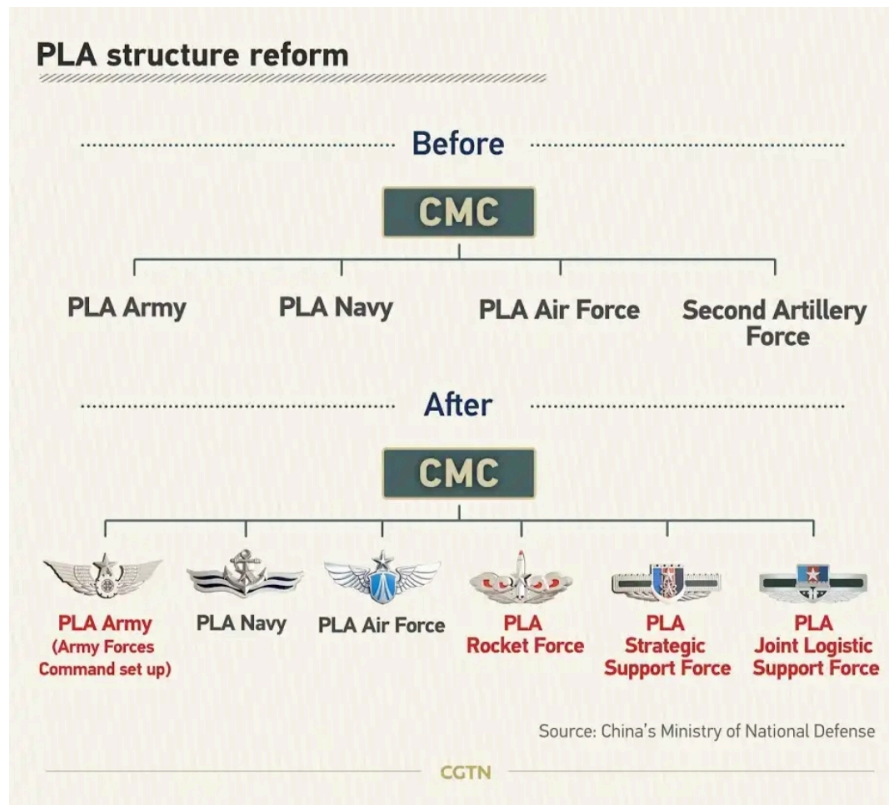


Figure 1. The New Structure of the People’s Liberation Army

Source: <https://news.cgtn.com/news/2019-12-25/Graphics-Reform-in-China-s-national-defense-and-armed-forces-MGRXleWBZm/index.html>

Therefore, since Xi Jinping tries to maintain its national security through maritime territorial disputes, Xi Jinping attempts to increase the Navy’s role. As evidenced, Xi Jinping announced the initial idea of a Strong Army Dream in naval installations in the Guangzhou Military Region in 2012. Consequently, the development has made China’s foreign policy to be firm to safeguard its maritime rights, while at the same time, it has transformed the PLA Navy into a ‘blue water navy’ that is actively involved in China’s active defence strategy (Poulin, 2016). Whether or not the incident can be seen in the context of the PLA Navy’s active defence strategy, it is crucial to consider Chinese naval vessels conducted exercise by crossing Indonesia’s sea lane of communication without prior notification in May 2016. The PLA Navy sailed from Hainan Island through the South China Sea, crossed two Indonesian archipelagic sea lanes (*Alur Laut Kepulauan Indonesia*), the Karimata Strait, the Sunda, and Lombok Straits, the Makassar Strait, the Pacific Ocean near the eastern part of the Philippines and back to Hainan Island (Patriardjawane, 2016). The PLA Navy violated the UN Convention on the Law of the Sea (UNCLOS) 1982 in which China is a part of this convention, as already

regulated that "... the requirement of continuous and expeditious transit does not preclude passage through the strait to enter, leave or return from a state bordering the strait, subject to the conditions of entry to that state" (article 38).

Second, the PLA's growing role in national security-related foreign policy-making has made China's security strategy seem to be merely 'tactical military decisions' (Ji, 2014a). As explained before, the civilians and military have shared responsibility in foreign policy-making, between public diplomacy and national security-related foreign affairs. However, as argued by Ji (2014a), in discussing national security issues, "the PLA officers are not less sensible and sensitive towards the crucial questions of war and peace and order of battle." As shown by the case of the Air Defence Identification Zone (ADIZ) Act in 2013, which pushed by the PLA to Xi Jinping, the US has perceived it as China's strategic change. As a result, the US deepened its involvement in the East South China Sea conflict, and ultimately, it changes the security order in the region.

Several factors are contributing to the mismatch between the PLA and civilians. First of all, the growing importance of the PLA in Xi Jinping's administration has made the PLA's officials do not perceive that informing their civilian counterparts about their foreign policy is such an obligation (Ji, 2014a). As argued by Gore (2013), "the military seldom consults diplomats on foreign policy issues, and the latter often hear about the military's action afterward." Consequently, both actors cannot avoid themselves from the problem of lack of coordination, which in the end, the PLA took decisions without approval from the civilians. Furthermore, while the PLA has closer ties with Xi Jinping by the growing importance of national security-related foreign policy, inevitably, the PLA has a larger and more personal influence on Xi Jinping. Towards this end, there is a possibility that China's foreign policy is a matter of different interests between domestic actors, instead of China's vague grand design (Jakobson and Manuel, 2016).

While the PLA has a significant role in shaping and implementing China's foreign policy, the extent to which the idea of the Strong Army Dream impacts China's military diplomacy to its regional partner is crucial to be seen, especially to ASEAN countries. As we know, China's military diplomacy has put Southeast Asia as its priority in Asia (Allen, Saunders, and Chen, 2017).

RESULTS AND DISCUSSIONS

The Impacts on China's Military Diplomacy: ASEAN Countries in the Core

At the end of the Cold War, China has acknowledged military diplomacy as a critical component of its overall foreign relations. In a broad sense, China characterised military diplomacy as "external relationships pertaining to military and related affairs between countries and groups of countries, including military personnel exchange, military negotiations, arms control negotiations, military aid, military intelligence cooperation, military technology cooperation, international peacekeeping, military alliance activities, and so on." (Allen, Saunders, and Chen, 2017). China conducts its military diplomacy both in a bilateral

and multilateral manner. However, as Allen, Saunders, and Chen (2017) argued, most of China's military diplomacy is bilateral, but the PLA now participates in a range of multilateral meetings, conferences, exercises, and competitions. As an instrument of foreign policy, military diplomacy is conducted in a top-down manner and shared between the party and military. While the Central Committee of CCP dictates broad foreign policy goals, the CMC determines specific activities for various PLA parts. This is related to the fact that China's military diplomacy is subject to party and national diplomatic strategy and foreign policy (Cai, 2016).

According to Cai (2016), military diplomacy as an official policy first emerged in the 1998 National Defence White Paper. In this document, it was stated, "*China's foreign military contacts are subordinate to and serve the modernization of national defence and the armed forces. China insists on dealing with its foreign military relations independently and engaging in military exchanges and cooperation based on the Five Principles of Peaceful Coexistence. In its contacts with foreign military circles, China has always advocated the principles of mutual respect, enhancing understanding, developing friendship, mutual benefit, and cooperation. China's armed forces have been active in participating in multilateral military diplomatic activities to bring China's armed forces' positive role into full play in the sphere of international military affairs* (National Defence Policy, 1998). Since then, almost every two years, China regularly publishes its national defence policy. The exception was in 2012 when China postponed the publication due to internal leadership change.

In 2013, under the new rule of Xi Jinping, China published its national defence policy with the title "The Diversified Employment of China's Armed Forces." This was the first time the National Defence Policy presented in specific issues as such. Then, in 2015, China published a white paper specifically called China's Military Strategy. This is the first white paper systematically expounded on China's military missions and strategic tasks that have never appeared previously in the National Defence Policy. The 2015 China's Military Strategy White Paper stated that:

The traditional mentality that land outweighs sea must be abandoned, and great importance has to be attached to managing the seas and oceans and protecting maritime rights and interests. It is necessary for China to develop a modern maritime military force structure commensurate with its national security and development interests, safeguard its national sovereignty and maritime rights and interests, protect the security of strategic SLOCs and overseas interests, and participate in international maritime cooperation, so as to provide strategic support for building itself into a maritime power (Xinhua, 2015).

The latest was in July 2019 when China issued *China's National Defence in the New Era*. As stated, this national defence policy aims to sketch in detail the practice, purposes, and significance of China's national defence and its efforts to build a strong military (Erickson, 2019). However, the 2019 National Defence Policy has a different emphasis on the nature of defensive national defence policy. According to Hui (2019), it stated that "China's military role has shifted toward safeguarding China's overseas interest and international peace. China's

military modernization is primary to safeguard its territory and sovereignty, dismissing the 'China's threat' allegation. The white paper also acknowledged China's need to protect its investment and citizens overseas in the new era" (Erickson, 2019). This focus cannot be separated from Xi Jinping's priority on securing his ambitious project under Belt and Road Initiative.

Institute for National Strategic Studies in 2017 published a report entitled *Chinese Military Diplomacy, 2003-2016: Trends and Implications*. By focusing on PLA military diplomacy, this report shows that PLA military diplomacy greatly emphasises on Asia (41 per cent). From this percentage, Southeast Asia has the highest priority (22 per cent), followed by South Asia (9 per cent), Northeast Asia (4.8 per cent), and Central Asia (5 per cent). The indicative is the PLA's strong emphasis on senior-level contact with Europe and countries in Asia, especially in the subregions of Southeast and South Asia. Accordingly, this report also explained that PLA's increasing interactions with Asia cannot be separated from the 2011 US rebalance strategy to Asia and the rise of Xi Jinping to power in 2012. This statement is related to the 2015 China's Military Strategy: "As the world economic and strategic centre of gravity is shifting ever more rapidly to the Asia-Pacific region, the US carries on its 'rebalancing' strategy and enhances its military presence and its military alliances in this region."

However, the more significant portion of China's military diplomacy to Southeast Asia and South Asia is not new. According to Sachar (2004), a large number of military equipment of Pakistan, Bangladesh, Sri Lanka, and Myanmar from China indicate the military diplomacy being pursued by China for balancing India. This was China's attempts in the regional context to minimise India's influence by arming its neighbours and establishing strong military ties with them. As a result, there are strong military relationships and growing dependence of these countries on China. Thailand and Myanmar are two ASEAN countries that have a long story of military diplomacy with China, especially in terms of arms transfer in the mid-1980s (Sachar, 2004). At that time, China was the only source of arms for some states that faced US-sponsored sanctions, like Myanmar. Up to now, Thailand still maintains China as its essential source of arms (Storey, 2019). In 2019, Thailand signed a contract with China State Shipbuilding Corporation (CSSC) to build the amphibious vessel for the Royal Thai Navy ("China to build landing", 2019).

Undoubtedly, China's military diplomacy grows with the development of China's foreign policy. Heydarian (2020) figured out three crucial phases of China's foreign policy. The first phase was during the era of Mao Zedong, where China was involved in a protracted ideological war in the 'surrounding environment', especially in Southeast Asia. Local communist movements relied on Beijing's material and political support during the Cold War's early phases. China under Mao rejected the international order as an illegal construction of Western capitalists while openly supporting the revolutionary movement in the 'Third World'. After the Sino-Soviet split in the 1960s, China launched a global struggle against the West (America) and the East (Soviet Union). This era made China face major powers and their regional allies, including Japan and Western-oriented regimes in the Third World. Cai (2016) asserted that China had exercised military exchanges with foreign defence forces in this early period of a new state.

The second phase was after Mao Zedong's death in 1976 and he was replaced by Deng Xiaoping. Deng made high-level diplomatic visits to key countries in Southeast Asia, such as Singapore, Malaysia, Thailand, and the United States. China then normalises relations with western countries and neighbouring countries, such as Japan and ASEAN member states. Like Mao, Deng still saw China's active participation in global organizations led by the West as a distraction or trap. In other words, Deng only wanted to be involved with the outside world as long as it helped strengthen the country's economic development. Therefore, according to Yasuhiro (2006), China at that time showed a negative response to security cooperation with Southeast Asian countries: "*China with its 'horizontal link' tradition prefers bilateral diplomacy with small countries.*" China just began targeting ASEAN as a whole for dialogue around 1992 to 1993. Yasuhiro (2006) explained, 'horizontal link' tradition dated back to the warring states period of the Chinese dynasty. As described by the Han-era historian Sima Qian, there was a 'vertical link-horizontal link' description. While the former described a policy taken by small countries to ally to oppose the great power, the latter destroyed the 'vertical link' by seeking treaties of alliance one after one. The 'horizontal link' won the war by using divide-and-conquer methods.

The third phase was started by Jiang Zemin, who continued Deng Xiaoping's leadership. In the early 1990s, there was a gradual change as a new form of the authoritarian regime in Beijing, called a 'party-state' collective leadership. This happened after the Tiananmen incident in 1989, which shook the foundation of the communist regime. China's political system dramatically became plural, with the business class gradually entering the higher levels of the Chinese Communist Party (CCP). In this phase, domestic industrialization triggers China to try building relations with other countries, especially for the source of raw materials, both to Africa and Latin America. Besides, this period was also marked by the migration of millions of Chinese citizens.

As a consequence, China began to praise itself as a potential development model for the post-colonial world. China began to see itself as an emerging economic power with global interests. Joshua Ramo (2004) gave the name 'Beijing Consensus' as opposed to the World Bank and the IMF, which are part of the Washington Consensus. The Beijing Consensus is characterised by a non-ideological, selfless, pragmatic approach to global trade and investment. From Jiang Zemin to his successor Hu Jintao, China introduced the third phase of China's foreign policy called the 'charm offensive'. In this period, China was no longer passive and gradually playing a leading role in regional mechanisms (Yasuhiro, 2006). China used the ASEAN Regional Forum (ARF) platform to host several regional meetings. Since 2001, the frequency of defence ministers' attendance increased, including the China-ASEAN Defence Ministers' Meeting (ADMM) and ADMM-Plus (Allen, Saunders, and Chen, 2017). While ADMM is the highest defence consultative and cooperative mechanism in ASEAN, ADMM-Plus is a platform for ASEAN and its eight Dialogue Partners, namely Australia, China, India, Japan, New Zealand, Republic of Korea, Russian Federation, and the United States, to strengthen security and defence cooperation for peace, stability, and development in the region (asean.org, n.d).

However, Cai (2016) underlined that defence diplomacy developed by ADMM-Plus has a conceptual conflict with China's military diplomacy. Although China's military diplomacy is still evolving, China's military diplomacy can be defined as "the pursuit of foreign policy objectives under the guidance of China's national grand strategy through the peaceful employment of military resources and capabilities to maintain national interests (both domestically and overseas), security, and development," meanwhile, defence diplomacy is "a traditional security concept used for the realpolitik purposes of strengthening Western allies against common enemies" (Cai, 2016). The divergence of both concepts lies on, for China's point of view represented by Chinese diplomat Qian Qichen, that "in regard to foreign relations, any armed force to coordinate diplomatic actions cannot be called military diplomacy" (Cai, 2016).

Under Xi Jinping, China's scepticism goes hand in hand with some changes in China's foreign policy. As stated before, China has a greater determination to protect its core interests (Cameron, 2013). The China's core national interests have driven the China's foreign policy, with domestic political stability related to foreign policy. These core national interests include sovereignty, territorial integrity, and sustainable socio-economic development. The report of the 18th CCP Congress of 2012, a guide for the next five years, emphasised the importance of protecting these interests and sovereign rights of China and of not surrendering to outside pressure.

Furthermore, China applies a more proactive and coordinated approach in foreign policy-making (Zhang, 2015). There are two elements of this approach. First, China applies the 'top-level design' in foreign policy-making that has enabled a more centralised foreign policy process and a more efficient foreign policy implementation. For the first time since 1949, China held a Working Conference on Peripheral Diplomacy in October 2013. The conference involved the seven members of the Standing Committee of the Politburo, provincial leaders, leading officials from various central government departments, military, foreign affairs, state security, financial institutions, and key state-owned enterprises. In this conference, Xi urged all elements to take a more proactive approach in strengthening the relations with China's neighbours. This working conference was held after Xi Jinping announced his vision on Maritime Silk Road (MSR). The revival of MSR is the grand vision of China's foreign policy with its peripheral Eurasian neighbours (Heydarian, 2020). According to Heydarian (2020), while the best way to understand Xi Jinping's BRI vision's strategic logic is to see the geography of Chinese power, its peripheral Eurasian neighbours are the primary key of the overall strategy.

Apart from this, China applies the 'bottom-line thinking', which sets the 'red line' for tolerated actions by other countries (Zhang, 2015). Consequently, China takes a tougher stance in its territorial disputes, especially in the South China Sea and the East China Sea disputes. For Chinese scholars, China's more assertive approach is, in part, the result of Beijing's previously more moderate position. As Heydarian (2020) argued, in the context of the 'charm offensive', we can understand why China signed the Declaration of Code of Conduct (DoC) in 2002. The signing of the DoC during Hu Jintao's time was none other than being influenced by the Chinese leadership at that time with the 'charm offensive' policy. Hu Jintao tried to

establish good relations with countries in the region and has a new security approach, 'peaceful development'. Not only was the signing of the DoC, but Beijing also made maritime delimitation in the Gulf of Tonkin (2002) with Vietnam, and in 2005 with the Philippines and Vietnam.

Therefore, enhancing the role of the PLA under Xi Jinping, as explained above, undoubtedly gives impacts to ASEAN as the South China Sea dispute is still unresolved. The 18th CCP Congress has reclassified the South China Sea as a national core interest. Simultaneously, there are several indications of China's growing assertiveness in the South China Sea under Xi Jinping. First, China actively conducts military exercises in the South China Sea to strengthen its claims. China regularly sends patrol boats to the area and has even built military posts and airstrips on some islands. These moves heightened regional tensions, especially following China's unilateral declaration of an Air Defence Identification Zone (ADIZ) in the East China Sea. This action raised some worries that China would make a similar declaration regarding the South China Sea (Panda, 2014).

Second, China has carried out extensive land reclamation projects in the South China Sea. However, article 121 of the 1982 UN Convention on the Law of the Sea (UNCLOS) declares that any party cannot claim submerged features (such as shoals) and that "rocks which cannot sustain human habitation or economic life of their own shall have no exclusive economic zone or continental shelf" (United Nations, n.d). China is now building new islands on five different reefs and is creating conditions to sustain human habitation to bolster its claims (Tiezzi, 2014). In January 2014, massive land reclamation was done at Johnson South Reef (Wingfield-Hayes, 2014). Additional land reclamation is also being done on Woody Island, Duncan Island, and Drummon Island, accompanied by infrastructure (Lee, 2015). According to Tiezzi (2014), Johnson South Reef will be the home to a new South China Sea airbase.

Third, Chinese vessels' massive presence in Malaysia's, Vietnam's, and Indonesia's Exclusive Economic Zone (EEZ). Since 2014, China showed its intention to place the Haiyang Shiyou-981 oil rig at a location within Vietnam's EEZ. While this triggered massive anti-Chinese protests in Hanoi, after nearly two months, on July 16, 2014, the China National Petroleum Corp finally shut down the rig and moved it closer to Hainan Island in southern China. China's presence in Indonesia's EEZ is showed by repeated encroachment to the waters of the Natuna Islands that has been continually resurfaced since 2009. Chinese presence in the Natuna Sea has been continued until December 2019, when Chinese fishing vessels and coast guard ships entered the northern waters of the Natuna Sea. The Indonesian Minister of Foreign Affairs, Retno L.P. Marsudi, on January 3, 2020, issued four points of Indonesia's attitude regarding China's claims in the Natuna Sea, followed by the Indonesian President's Joko Widodo visit to the Natuna Sea. This presence even carried out during the Coronavirus Disease-19 (COVID-19) global pandemic. In April 2020, a Chinese government survey vessel, the Haiyang Dizhi 8, accompanied by a Chinese Coast Guard vessel, entered Malaysia's EEZ and operated close to a drillship under contract to Malaysian state oil company Petronas (Latiff and Ananthalakshmi, 2020).

Fourth, China shows aggressive actions against other claimants' fishing vessels. In March 2014, China blocked two civilian ships chartered by the Philippines navy to send logistics to the Philippines Marine Unit stationed on Second Thomas Shoal. This disputed shoal in the Spratly Islands is located 200 km from Kalayaan Islands-Western Philippines and has been claimed as part of the Philippines' continental shelf. In 2016, there are three incidents in March, May, and June between Indonesian patrol vessels and Chinese fishermen vessels fishing in Indonesia's EEZ in the Natuna Islands.

Overall, Xi Jinping's leadership and vision of the China Dream focus on military diplomacy as a key tool for advancing its diplomatic goals. Thus, we can argue that it has created at least two major impacts on ASEAN. *First*, this development has led to a growing sense of assertiveness, especially in the South China Sea, which is regarded as a national core interest. While growing assertiveness has caused uneasy relationships between China and some ASEAN countries, China's military diplomacy, which has a different approach with ASEAN, has resulted in 'ongoing negotiation without progress' for South China Sea dispute. *Second*, although China continues to enhance its military diplomacy with neighbouring countries, Xi Jinping remains essentially unchanged from the 'horizontal link' tradition. China's preference for bilateral diplomacy can be seen as an indicator of a 'great power mentality' that opposes allying since it is regarded as a policy taken by a small country. Meanwhile, 'horizontal link' tradition prefers seeking treaties of alliance one by one with its opponent parties by using divide-and-conquer methods. Therefore, up to now, China deliberately maintains various degrees of bilateral military diplomacy with several ASEAN member states.

CONCLUSIONS

The growing role of the military in China's foreign policy has been enabled since Xi Jinping made a strategic shift by emphasizing national security-related foreign affairs. The emphasis on national security cannot be separated from his administration's hallmark: the 'China Dream', which emanates from the nationalism spirit of national rejuvenation. It is a tool for achieving the dream instead of reviving a strong army.

However, the interests of Xi Jinping and the military intertwined with each other. Xi Jinping needs support for his leadership legitimacy from the military as the central pillar of the CCP's power. Conversely, the military, especially those who were unhappy with their perceived weakness of civilians' foreign policy, seeks to play a more influential role in China's foreign policy-making. While the growing role of military under Xi Jinping is more in domestic interests of both actors, it impacts the whole China's foreign policy. First, the military persuasion and full support for the change have ensured Xi Jinping to conduct a stricter approach to protect China's national security. Second, the growing role of the military in national security-related foreign policy-making has made this policy seem to be merely tactical military decisions. While the assertiveness has become Xi Jinping's foreign policy identification, he should carefully calculate this growing tendency unless it will only put China in a gravely negative geopolitical situation (Ji, 2014a).

Overall, Xi Jinping's leadership and vision of the China Dream, which uses military diplomacy as a key tool for advancing its whole diplomatic goals, has been seen as a sign of growing assertiveness. In this regard, the South China Sea dispute is regarded as a national core interest. While growing assertiveness has caused uneasy relationships between China and some ASEAN countries, China's military diplomacy, which has a different approach with ASEAN, has resulted in 'ongoing negotiation without progress' for South China Sea dispute.

REFERENCES

- Allen, K., Saunders, P. C., and Chen, J. (2017). *Chinese Military Diplomacy 2003-2016: Trends and Implications*. Washington DC: National Defense University Press.
- ASEAN. ASEAN Defence Ministers Meeting (ADMM). <https://asean.org/asean-political-security-community/asean-defence-ministers-meeting-admm/>
- Cai, P. (2016). ASEAN's defence diplomacy and China's military diplomacy. *Asia Policy*, 22, 89-95. <http://dx.doi.org/10.33172/jp.v5i1.487>
- Cameron, F. (2013, 15 November). China's foreign policy under the new leadership – More continuity than change. *Eu-Asia Centre*. http://www.eu-asiacentre.eu/pub_details.php?pub_id=124
- Chang, F. K. (2015, 27 May). Strategic intentions: China's military strategy white paper. *Foreign Policy Research Institute*. <http://www.fpri.org/2015/05/strategic-intentions-chinas-military-strategy-white-paper/>
- China to build landing ship for Thai navy. (2019, 17 September). *The Strait Times*. <https://www.straitstimes.com/asia/se-asia/china-to-build-landing-ship-for-thai-navy>
- Gady, F. S. (2015, 26 May). China to embrace new 'Active Defense' strategy. *The Diplomat*. <http://thediplomat.com/2015/05/china-to-embrace-new-active-defense-strategy/>
- Gore, L. L. P. (2013). China's New Foreign Policy Team. *East Asian Policy: An International Quarterly*, 5(3), 5 – 17.
- Grieger, G. (2015, June). The role of army in China's politics. *European Parliamentary Research Service*. [http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/564375/EPRS_BRI\(2015\)564375_EN.pdf](http://www.europarl.europa.eu/RegData/etudes/BRIE/2015/564375/EPRS_BRI(2015)564375_EN.pdf)
- Heydarian, R. J. (2020). *The Indo-Pacific: Trump, China, and the New Struggle for Global Mastery*. Singapore: Palgrave Macmillan: Singapore.
- Huang, C. (2013). Change Agent or Steady as She Goes? In South China Morning Post. *The China Renaissance the Rise of Xi Jinping and the 18th Communist Party Congress*. Singapore: World Scientific Publishing.

- Huang, C. (2014, 20 January). How leading small groups help Xi Jinping and other party leaders exert power. *South China Morning Post*.
<http://www.scmp.com/news/china/article/1409118/how-leading-small-groups-help-xi-jinping-and-other-party-leaders-exert>.
- Jakobson, L. and Manuel, R. (2016). How are foreign policy decisions made in China? *Asia & the Pacific Policy Studies*, 3(1), 101-110. <https://doi.org/10.1002/app5.121>
- Ji, Y. (2014a). The military role in China's foreign policy-making. *East Asian Policy*, 16, 13-25.
- Ji, Y. (2014b). The PLA and diplomacy: Unravelling myths about the military role in foreign policy making. *Journal of Contemporary China*, 23(86), 236-254.
<http://dx.doi.org/10.1080/10670564.2013.832526>
- Kania, E. (2015, 12 June). China: Active defense in the cyber domain. *The Diplomat*.
<https://thediplomat.com/2015/06/china-active-defense-in-the-cyber-domain/>
- Kuhn, R. L. (2013, 4 June). Xi Jinping's Chinese dream. *New York Times*.
http://www.nytimes.com/2013/06/05/opinion/global/xi-jinpings-chinese-dream.html?pagewanted=all&_r=0
- Latiff, R. and Ananthalakshmi, A. (2020, 23 April). Malaysia calls for peaceful end to months-long South China Sea standoff. *The Jakarta Post*.
<https://www.thejakartapost.com/seasia/2020/04/23/malaysia-calls-for-peaceful-end-to-months-long-south-china-sea-standoff.html>
- Lee, V. R. (2015, 14 April). South China Sea: China is building on the Paracels as well. *The Diplomat*. <http://thediplomat.com/2015/04/south-china-sea-china-is-building-on-the-paracels-as-well/>
- Miller, J. (2013). SITC bulletin analysis: China's Dream army. *UC San Diego: Institute on Global Conflict and Cooperation*. <http://escholarship.org/uc/item/67x812nh>
- Panda, A. (2014, 27 November). One Year of ADIZ: What Next for China? *The Diplomat*.
<http://thediplomat.com/2014/11/one-year-of-adiz-what-next-for-china/>
- Poulin, A. (2016, 15 April). Going Blue: The Transformation of China's Navy. *The Diplomat*. <http://thediplomat.com/2016/04/going-blue-the-transformation-of-chinas-navy/>
- Ramzy, A. (2016, 21 April). China's President, Xi Jinping, Gains a New Title: Commander in Chief. *The New York Times*. <http://www.nytimes.com/2016/04/22/world/asia/china-xi-jinping-military-commander.html>
- Remarks on the occasion of meeting with the Chinese and Foreign Press by members of the standing committee of the political bureau of the eighteenth central committee of the

- Communist Party of China. (2012, 15 November).
http://www.china.org.cn/china/18th_cpc_congress/2012-11/16/content_27130032.htm
- Shi, T. and Tweed, D. (2014, 2 December). Xi Jinping outlines 'Big country diplomacy for China'. *Sydney Morning Herald*. <http://www.smh.com.au/world/xi-jinping-outlines-big-country-diplomacy-for-china-20141202-11yaj5.html>
- Song, Z. (2008). The Structural Influence of the Military in China's Foreign Policy Making. *Asian Studies Review*, 24(1), 71-98. <https://doi.org/10.1080/10357820008713260>
- Storey, I. (2019, 27 May). Thailand's military relations with China: Moving from strength to strength. *ISEAS Perspective*, 43.
https://www.iseas.edu.sg/images/pdf/ISEAS_Perspective_2019_43.pdf
- The central conference on work relating to foreign affairs was held in Beijing. (2014, 29 November). Ministry of Foreign Affairs of the People's Republic of China.
http://www.fmprc.gov.cn/mfa_eng/zxxx_662805/t1215680.shtml
- The power of Xi Jinping. (2014, 18 September). *The Economist*.
<http://www.economist.com/news/china/21618882-cult-personality-growing-around-chinas-president-what-will-he-do-his-political>
- Tiezzi, S. (2014, 10 September). Why is China building islands in the South China Sea? *The Diplomat*. <http://thediplomat.com/2014/09/why-is-china-building-islands-in-the-south-china-sea/>
- United Nations. (n.d). United Nations Convention on the Law of the Sea.
http://www.un.org/depts/los/convention_agreements/texts/unclos/unclos_e.pdf
- Wingfield-Hayes, R. (2014, 9 September). China's island factory. *BBC*.
http://www.bbc.co.uk/news/special/2014/newsspec_8701/index.html
- Xi Jinping - China Dream. (n.d). *Global Security*.
<http://www.globalsecurity.org/military/world/china/china-dream.htm>
- Xi Jinping and the Chinese Dream. (2013, 4 May). *The Economist*.
<http://www.economist.com/news/leaders/21577070-vision-chinas-new-president-should-serve-his-people-not-nationalist-state-xi-jinping>
- Xinhua. (2013, 17 March). President vows to press ahead with "Chinese dream". *Xinhua*.
http://news.xinhuanet.com/english/china/2013-03/17/c_132239786.htm
- Xinhua. (2015, 26 May). Full text: China's military strategy. *China Daily*.
http://www.chinadaily.com.cn/china/2015-05/26/content_20820628_4.htm
- Yasuhiro, M. (2006, March). An essay on China's military diplomacy: Examination of intentions in foreign strategy. *NIDS Security Studies*, 8(3), 21-37.

http://www.nids.mod.go.jp/english/publication/kiyo/pdf/bulletin_e2006_2_Matsuda.pdf

Yinan, Z. (2013, 18 March). China's Dream is Xi's vision. *China Daily*.

http://www.chinadaily.com.cn/china/2013npc/2013-03/18/content_16315025.htm

Zhang, J. (2015). China's new foreign policy under Xi Jinping: towards 'Peaceful Rise 2.0'? *Global Change, Peace & Security*, 27(1), 5-19.

<https://doi.org/10.1080/14781158.2015.993958>

Zheng, S. and Liu, X. (2015, May). *The Pursuit of Peaceful Development: How China's Foreign Policy and Its National Security are Connected*. Dissertation. Halmstad University.

Zicheng, Y., Levine, S. I. and Liu, G. (2011). *Inside China's Grand Strategy*. Kentucky: The University Press of Kentucky.

ASSESSMENT OF BUSINESS ENVIRONMENT OF WOMEN INVOLVED IN MICRO, SMALL, AND MEDIUM ENTERPRISES (MSMEs) IN THE PHILIPPINES: A COMPARATIVE STUDY WITH SELECT ASEAN COUNTRIES

Myrtle Faye Laberinto Solina

Faculty of Management and Development Studies
University of the Philippines Open University/Graduate Student
Los Baños, Laguna 4031
myrtlefaye_solina@yahoo.com

Received: 09th August 2020/ **Revised:** 29th August 2020/ **Accepted:** 17th November 2020

How to Cite: Solina, M. F. L. (2020). Assessment of business environment of women involved in Micro, Small, and Medium Enterprises (MSMEs) in the Philippines: A comparative study with select ASEAN countries. *Journal of ASEAN Studies*, 8(2), 191-211.
<https://doi.org/10.21512/jas.v8i2.6617>

ABSTRACT

The United Nations Conference on Trade and Development in 2017 states that women are deemed important part of a trade. They take part in a wide range of activities in the industry - produce products, commerce of goods across borders, run and own trading firms, and make up a large part of the workforce in export-oriented businesses. Nevertheless, women's potential and skills in trade is still too often held back by the many constraints. Hence, the research endeavours to describe the current demographics, roles, and experiences of women involved in MSMEs, provide information on the current policies programs and services and how these are comparable and contrasting, not to mention recommend measures to address the impeding factors in the Philippines to be compared with Singapore and Myanmar using available secondary information. Through surveys and purposive sampling, the research results show that women's participation in economic activity, in particular in MSMEs, is primarily affected by conditions that catalyze engagements.

Keywords: ASEAN, MSMEs, Women, Business Environment, Philippines

INTRODUCTION

The ASEAN Coordinating Committee on Micro, Small, and Medium Enterprises (ACCMSME) in 2020 states that small and medium enterprises are key drivers and contributors

to economic growth, account for 88,8% to 99,9% of all establishments, and generate between 51,7% and 97,2% of total employment. As such, the region would give new emphasis on assisting and promoting micro, small and medium enterprises (MSMEs) in its economic integration through a more structured and targeted MSME program (ASEAN Secretariat, 2015a). The program will be put in place to enhance MSME competitiveness, resilience, and to enable significant benefits from ASEAN integration through various measures. It may start with promotion of productivity, use of technology, and adaption of innovation. It is also essential to increase access to finance by developing and enhancing current framework, strengthening traditional infrastructure, enhancing policy environment and measures that foster alternative and non-traditional financing. Besides, it can be done by enhancing market access and internationalization through the development of support schemes and integration into the global supply chains, e.g., promotion of collaboration with multinational corporations (MNCs) and large enterprises, foster the use of e-Commerce, and boost strategies to promote exports through export clinics, advisory services and rules of origin (ROO) utilization. Lastly, it occurs essential to enhance MSME policy and regulatory environment that supports intra- and inter-governmental cooperation and coordination mechanism through the involvement of MSMEs in the decision-making process. It is all to enable better representation of MSME interests, extend assistance to microenterprises in the informal sector and their integration, and streamline processes involved in obtaining permits and business registrations to enable less costly and faster business formation (ASEAN Secretariat, 2015a).

True to its overarching message, the region also recognizes the critical role of women in entrepreneurship. As such, realization of these principles requires the active engagement of all ASEAN Member States (AMS), sectoral bodies under the three pillars of ASEAN, and stakeholders including civil society, academia, media, and private sectors (ASEAN Secretariat, 2015b). Furthermore, ASEAN Secretariat (2015a) states that promotion of entrepreneurship and social capital development by creating a more conducive environment for entrepreneurship. Some of the ways to realize this is through the ASEAN Online Academy and enhancing social capital development for MSMEs, with particular focus on youth and women are among its priorities (ASEAN Secretariat, 2015b).

Women are deemed important part of a trade. They take part in a wide range of activities in the industry - produce products, commerce of goods across borders, run and own trading firms, and make up a large part of the workforce in export-oriented businesses. Nevertheless, women's potential and skills in trade is still too often held back by the many constraints ("Women must play a bigger", 2017).

Sen (2001) has identified seven varieties of disparities between genders: (1) mortality inequality; (2) natality inequality; (3) basic-facility inequality; (4) special-opportunity inequality; (5) professional inequality; (6) ownership inequality; and (7) household inequality. Mortality inequality directly tackles life and death, with women being observed to have high mortality rates than men on communities with documented gender-biased as compared to communities with little or no gender bias. Natality inequality is the preference for boys over girls, which is a characteristic of patriarchal societies. Basic-facility inequality, as the name suggests, are biases that involved basic needs such as equal opportunity to attend school and

social functions. Special-opportunity inequality covers privileges such as access to higher education, training, and professional work, among others. Professional inequality covers those that pertain to promotion in work and occupation. Ownership inequality relates to biases in property ownership, which is identified to affect not only the voice of women in the society but also make it harder for women to enter and flourish in commercial, economic, and even in some social functions. Household inequality directly tackles the unequal distribution of household roles and responsibilities, which in some societies, is to take for granted that men will naturally work outside the home. In contrast, women could do so only if they could combine such work with various inescapable and unequally shared household duties.

Given these scenarios, the research explores the business environment for Filipino women involved in the micro, small and medium enterprises. It draws a comparison with select ASEAN countries, namely Singapore and Myanmar, using the available published resources. Specifically, the research aspires to determine the following:

1. Who are the women involved in the MSMEs?
2. What are the current policies, programs, and services designed for women in MSMEs?
3. What are the constraints and opportunities to enhance women's participation in MSMEs?

LITERATURE REVIEW

It has been noted that trade has become the lens through which development is perceived, rather than the other way around (Çağatay, 2005). Gonzalez and Grown (2015) conclude that women –as entrepreneurs, heads of households, and consumers, among other roles– are crucial to ending poverty and boosting global prosperity. In short, women are crucial to success in international trade.

Likewise, Adrianzen (2006) writes Karl Marx taught that anyone who knows something of history knows that the great social changes are impossible without the feminist ferment. He believes that social progress could be measured precisely by the social position of women. On the other hand, to Lenin, the participation of women is more much urgent and essential to the revolution in which the experience of all the liberation movements proves that the success of the revolution rests on the degree in which women are involved. In this case, the revolution is women's participation in trade (Adrianzen, 2006).

Singapore is ranked eighth on a list of cities worldwide for its ability to attract and foster the growth of women-owned firms. The research looks at the cities based on the impact of local policies, programs, and characteristics, along with national laws and customs, affecting the level of women-owned firms. The research ranks the cities across five critical aspects: capital, technology, talent, culture, and markets (Woo, 2017).

Holzman and Roberts-Robbins (2019) note that women entrepreneurs face specific barriers when dealing with bureaucracy— therefore particularly salient in bureaucratic Myanmar. These challenges may arise from lower educational attainment, literacy levels, and underrepresentation of women in senior positions, e.g., legislators, senior officials, and managers, which an entrepreneur may contend with when formalizing and developing her business.

While Myanmar has a women-focused entrepreneur association and a tech startup sector seeking to encourage young female entrepreneurs, specifically women-focused acceleration programs are absent, in traditional sectors in particular, that seek to address entrepreneurship in a context tailored to specific challenges encountered by women and existing small businesses (Totten, Lwin & van Roosmalen, 2019).

Asia Pacific Foundation of Canada (2018) finds that women entrepreneurs comprise 70% of total respondents with 39% founders and 31% non-founders. It is noted that the Philippines consistently ranks within the top 10 in the world for gender parity in political and business leaders and as a regional leader around gender parity in entrepreneurship, with women, recently overtaking men entering the entrepreneurial space.

The research further notes that men are significantly more likely to be looking for modest (52%) to high (18%) revenue growth for their companies than women are. In contrast, women are more likely to be inclined to no growth (22%) or lower growth (18%).

Existing structural barriers for women entrepreneurs and women-led MSMEs may influence how they interpret and articulate their ideas and ambitions of growth; frequently cited barriers include access to financing, security issues, social support and familial constraints, and lack of access to technology and relevant skills training. Studies show that gender equality has a positive impact on economic growth. However, research that explores the effects of economic growth on gender equality is less consistent. Only 8% of survey respondents are aiming for high revenue growth. Mostly younger male respondents (under 35 years old) and male respondents tend to be more ambitious than their counterparts are.

Figure 1 presents the conceptual framework that the research has adopted serving as a guide in the conduct of the research and its structure.

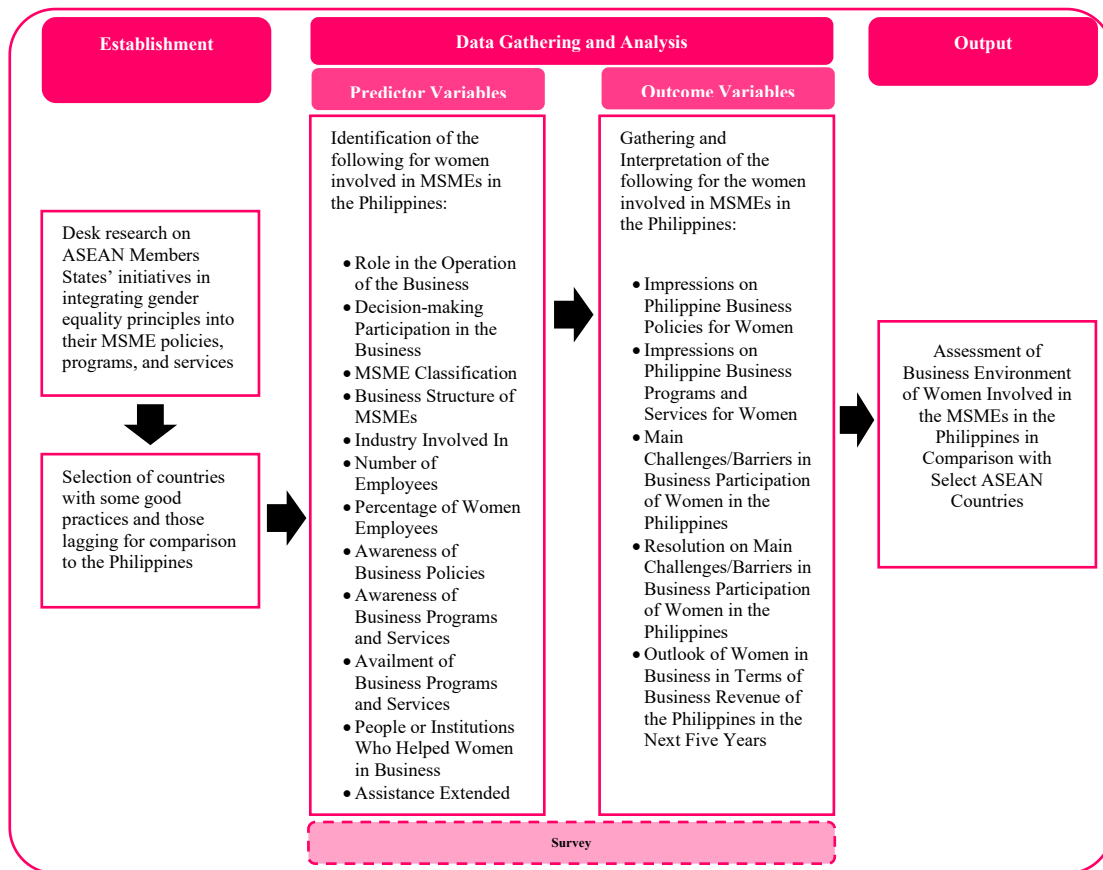


Figure 1 Conceptual Framework

RESEARCH METHODS

The selection of countries is based on their extent of integrating gender equality principles into their MSME policies, programs, and services. Specifically, those with some good practices and on the other extreme those lagging are chosen as target groups. The similarities and differences among these countries are identified and explored in the research.

The research collects and analyses secondary quantitative and qualitative data. It uses an online (internet) survey. Primary data are gathered through purposive sampling using the available list of MSMEs requested from the Department of Trade and Industry (DTI). The said list has 573 MSMEs, but only 5% is able to answer the questionnaire. The survey is conducted within one month from March 18, 2020 to April 18, 2020 at a time the world is experiencing a pandemic due to Coronavirus Disease (COVID-19).

ANALYSIS

ASEAN Business Environment for Women

The ASEAN Small and Medium-Sized Enterprises (SME) Policy Index 2018: Boosting Competitiveness and Inclusive Growth presents an analysis of the progress of the ASEAN

Member States (AMS) in terms of achieving the objectives of the ASEAN Strategic Action Plan for SME Development 2016-2025.

The SME Policy Index serves as a benchmarking tool for assessing SME policy frameworks in emerging economies and monitor progress in policy implementation using indicators over time. The Index was developed in 2006 by the Organisation for Economic Cooperation and Development (OECD) in collaboration with the European Commission, the European Bank for Reconstruction and Development (EBRD), and the European Training Foundation (ETF) since SME has been recognized as a vital part of economic development across the globe (OECD GRS Southeast Europe Division and Eurasia Division, 2014).

Based on Table 1 that shows score on inclusive entrepreneurship for women, the Philippines is rated the highest with 4,90 on the scale of 1 to 6, with 6 being the highest, while Myanmar is rated the least with 1,82.

Table 1. Comparative SME Policy Index Score on Inclusive Entrepreneurship for Women

Para-meters	BRN	KHM	IDN	LAO	MYA	MMR	PHL	SGP	THA	VNM	MED	Std.
Planning and design	2,00	4,42	3,74	2,91	3,82	2,25	6,00	4,25	3,08	3,49	3,62	1,10
Implementation	2,19	2,55	3,34	2,66	5,10	1,86	4,44	4,66	2,61	2,27	2,63	1,10
Monitoring and evaluation	1,83	1,83	1,83	1,28	2,93	1,00	4,04	3,77	1,55	1,55	1,83	1,00
Total sub-dimension score	2,05	3,06	3,18	2,47	4,22	1,82	4,90	4,34	2,56	2,55	2,81	0,99

Note: Scores are on a scale of 1 to 6, with 6 being the highest.

Source: OECD, ASEAN SME Policy Index 2018

Furthermore, the ASEAN SME Policy Index 2018 notes that among the AMS, the Philippines and Vietnam are the only countries with SME strategy documents with specific strategies for women entrepreneurs. In Singapore, there is no particular strategy for women entrepreneurs as barriers have been assessed to be very low (OECD, 2018).

Singapore: SMEs the Heart of Economy

In 2018, the Singapore Department of Statistics presented that SMEs form 99% of the total enterprises and generate almost 69% of total employment in Singapore. Indeed, SMEs are the heart of Singapore's economy (Table 2 and Table 3).

Table 2. 2018 Estimates by Enterprise Classification in Singapore

Variables	Count
Enterprises Count, Total (Thousand)	263,9
Enterprises Count, SMEs (Thousand)	262,6
Enterprises Count, Non-SMEs (Thousand)	1,3
Employment of Enterprises, Total (Million)	3,5
Employment of Enterprises, SMEs (Million)	2,5
Employment of Enterprises, Non-SMEs (Million)	1

Source: Singapore Department of Statistics, M600981- Topline Estimates for All Enterprises and SMEs, Annual 2018

Table 3. 2018 Estimates by Ownership for All Enterprises in Singapore

Variables	Count
Enterprises Count, Total (Thousand)	263,9
Enterprises Count, Total Local (Thousand)	217,6
Enterprises Count, Total Foreign (Thousand)	46,3
Employment of Enterprises, Total (Million)	3,5
Employment of Enterprises, Total Local (Million)	2,4
Employment of Enterprises, Total Foreign (Million)	1,1

Source: Singapore Department of Statistics, M601511- Topline Estimates by Ownership for All Enterprises, Annual 2018

Enterprise Singapore is the lead government agency supporting enterprise development. They focus on building capabilities, innovation, and internalization of committed companies. Enterprise Singapore is a fusion of previously two separate entities: International Enterprise (IE) Singapore and Standards, and Productivity and Innovation Board (SPRING) Singapore, which merged on April 1, 2018 (Enterprise Singapore, 2019).

Enterprise Singapore offers a wide range of assistance for MSMEs. Among them, financial assistance, market access, and talent assistance are the most popular, as seen in Table 4.

Table 4. Popular Assistance under Enterprise Singapore

Area	Assistance			
	Double Tax Deduction for Internationalisation (DTD _i)	Market Readiness Assistance (MRA) Grant	Enterprise Development Grant	International Marketing Activities Programme (iMAP)
Financial Assistance	Companies planning to expand overseas can benefit from the Double Tax Deduction Scheme for Internationalisation	Small and medium enterprises (SMEs) will receive an international boost with the Market Readiness Assistance (MRA) grant to help	The Enterprise Development Grant (EDG) helps Singapore companies grow and transform. This grant supports projects that help	Companies participating in iMAP approved activities will receive a support of up to 50% or 70% of eligible core

Area		Assistance		
	(DTDi), with a 200% tax deduction on eligible expenses for international market expansion and investment development activities.	take their business overseas.	enterprises upgrade their business, innovate or venture overseas, under three pillars: Core Capabilities, Innovation and Productivity, and Market Access.	expenses (depending on which country the event is held in) – including exhibition rental space, booth construction, publicity, and fair or mission consultancy costs.
Market Access	Free Trade Agreement (FTA) Portal	Plug & Play Network		
	Find a simpler way to do business internationally with Singapore's network of 20 FTAs.	Speed up the entry into overseas markets with key information like specific trade regulations, import procedures, detailed competitor analysis, and customized market research reports tailored to enterprise products and services.		
Talent Assistance	Overseas Market Workshop	China Ready Programme	Professional Conversion Programme (PCP) - International Trading	International Trading Track (ITT@SMU)
	The Overseas Market Workshop helps individuals build regional market understanding through knowledge sharing by local and foreign practitioners, business owners, and market experts.	These in-market programs help participants gain first-hand knowledge of China's business environment, including market insights, culture, and financial systems.	The International Trading PCP aims to develop Singaporeans with deep skills in trading fundamentals for international job roles in middle office functions.	ITT@SMU develops talent at both the undergrad and graduate levels for companies in the commodity trading sector.

Source: Enterprise Singapore, 2019

The Mastercard Index of Women Entrepreneurs (MIWE) 2018 lists Singapore as the fifth best country with the most robust supporting conditions and opportunities for women to thrive as entrepreneurs. The Index ranks the countries based on three components. The first one is the level of Women's Advancement Outcomes, which include degree of preference against women as workforce participants, political and business leaders, and their financial strength and entrepreneurial inclination). Secondly, it is their Knowledge Assets and Financial Access including degree of access to a basic financial facility, advanced knowledge assets, and support for SMEs of women. The last one is Supporting Entrepreneurial Factors, which involves overall perceptions on the ease on conducting business locally, quality of local governance, women's understanding of safety levels and cultural knowledge of women's household financial influence. The Index uses 12 indicators and 25 sub-indicators to assess how 57 countries across the Asia Pacific, Middle East & Africa, North America, Latin

America, and Europe, which constitutes 78,6% of the world's female labor force, differ in terms of their level on the three components mentioned earlier. Moreover, women in Singapore topped the rankings at 90,9% in terms of knowledge assets and financial access. Singapore also offers one of the most conducive conditions to encourage women business ownership, such as ease of doing business and cultural opinions of women as entrepreneurs.

However, the report also shows that the rank of Singapore dropped from the third place in 2017 as its overall score fell from 71,2 to 69,2 in 2018, recording a 3% decrease. The research points out that the Singapore's rank drop is attributed to the decline in the proportion of female entrepreneurs compared to males, which is 61,9% in 2017 and 48,3 percent in 2018. The report also cites that only 27% of business owners are women, which put Singapore to 14th place—a drop from its 2017 rank at 12th place. The Index also notes that Singaporean Women entrepreneurs have also not progressed much as their rankings in the advancement outcomes component fell eight spots to 39th with a score of 49,4 (-6%). The research mentions reasons such as the less healthy representation of women business owners and low entrepreneurial activity rate as the reasons for the decline (MasterCard, 2019).

Myanmar: SMEs are the Backbone of the Economy

OECD (2013) reports that there are about 126,237 formally registered enterprises in Myanmar, which constitutes 99,4% of the total businesses (see Table 5)

Table 5. Number of Establishments per Classification in Myanmar

Establishments	Number	Percentage
Small and medium enterprises	126.237	99,4%
Large enterprises	721	0,6%
Total	126.958	100%

It is furtherly noted that the relatively low number of SMEs is due to: (1) weak entrepreneurship culture; (2) a lack of incentives to enter the formal sector; (3) a remaining influence of the centrally planned economic system; and (4) the important role of state-owned enterprises in the market Myanmar (OECD, 2013).

The Statement of Economic Policy of the Union of Myanmar, which was released on 29th July 2016, underscores the government's focus on its people and desire to achieve inclusive and continuous development. The 12-point economic policy endeavors to establish an economic framework that supports national reconciliation, based on the fair distribution, mobilization, and allocation of sustainable natural resources across the States and Regions.

The government's 12- point economic policy targets explicitly support for SMEs, aiming to improve access to credit and financial services. The economic policy also intends to address challenges in doing business in the country. Supportively, the Ministry of Industry (MoI) aims to draft a new SME development strategy, which will focus on infrastructure development, technology transfer, and soft lending programs. With the government and

international lenders working together in recent years to boost credit, safeguarding a reliable source of affordable loans to small businesses will be critical for long-term policy goals. The current SME Development Policy in force was drafted in 2015 and envisioned to stimulate the development of SMEs across all sectors, which are competitive and innovative. These sectors are perceived to enhance income generation and contribute to socio-economic development. Furthermore, the key priority areas of the 2015 SME Development Policy are (1) human resource, (2) technology development and innovation, (3) financial resource, (4) infrastructure development, (5) market access, (6) appropriate taxation and procedures, and (7) conducive business environment (DOCA of Myanmar, 2015).

OECD (2018) reports that Myanmar does not currently have a working strategy for SME development in place. Instead, the 2015 SME Development Policy serves as a general policy for SME development, which marked an improvement from the 2014 assessment. It is furtherly noted that there are very little monitoring and evaluation of policies and programs for SMEs (OECD, 2018).

The Myanmar SME Development Agency, which was established in April 2012, provides support assistance for MSMEs through trade fairs and competitions, awarding the National MSMEs award, technology transfer, business matching and exhibitions, capacity building, financial access, SMEs registration, and advisory and consulting service (Myanmar SME Development Agency, 2020).

The Framework for Economic and Social Reform (FESR) and the Comprehensive National Development Plan (2012-2015) has developed in collaboration with senior officials of various ministries and departments of the government from May to October 2012. This is in line with President U Thein Sein's announcement of the second stage of reforms after politically liberalizing measures has been introduced. The FESR has laid out policy priorities for the government in the next three years while outlining key parameters of the reform process that will enable Myanmar to become a modern, developed, and democratic nation by 2030. Specifically, for women, the FESR mentions the following: (1) embracing worker's rights and social protection ensuring rights-based, inclusive and systemic policy development, with due attention given to alleviating poverty and addressing inequities, social exclusion, and emergencies; (2) prevention of violence against women and trafficking in persons; (3) promotion of gender equality and women empowerment; and (4) improvement of maternal health (MDRI-CESD, 2012).

The Ministry of Social Welfare, Relief and Resettlement launched the National Strategic Plan on the Advancement of Women (2013-2022) in 2013. The ten-year National Strategic Plan covers the key areas that affect women's lives and present practical ways to address the issues that Myanmar women are experiencing. The plan is based on the 12 priority areas outlined in the Beijing Platform for Action and the principles of the convention on the Elimination of All Forms of Discrimination against Women (CEDAW) to which Myanmar became a signatory in 1997. The 12 priority areas covered are: (1) Women and Livelihoods, (2) Women, Education, and Training, (3) Women and Health, (4) Violence Against Women, (5) Women and Emergencies, (6) Women and the Economy, (7) Women and Decision-Making,

(8) Institutional Mechanisms for the Advancement of Women, (9) Women and Human Rights, (10) Women and the Media, (11) Women and the Environment, and (12) The Girl Child. Focusing on priority number 1 and 6, Women and Livelihoods and Women and the Economy, the plan aims to cultivate enabling systems, structures, and practices that improve women's livelihoods and reduce poverty and to strengthen mechanism, framework, and practices to uphold fairness and equal rights for women concerning employment credit, resources, assets and economic benefits (MoSWRR, 2012).

The International Labor Organization (ILO) (2014) on its National Assessment of Women's Entrepreneurship Development in Myanmar notes that although the Government of Myanmar publishes some official data on MSMEs, it does not contain sex-disaggregated data on the percentage of enterprises owned by women. On the other hand, the data on self-employment from the 2014 Population and Housing Census reveals that 37,7 % of employed women are self-employed, in contrast with 47,3% of employed men. It shows that there are an estimated 3,3 million self-employed women and 6,4 million men in Myanmar, and men are almost twice as likely to be self-employed. Women in Myanmar comprises the estimated 34% of own-account self-employed persons (excluding employees) in the country, but only 25,6 % of employers. The ILO notes that this might entail that women hurdle more challenges in developing their microenterprises into small- and medium-sized enterprises, and in producing more jobs (ILO, 2014).

Philippine MSMEs as Economic Drivers

The Philippine Statistics Authority (PSA) in 2018 recorded a total of 1.003.111 establishments in 2018 of which 998.342 or 99,52% are MSMEs. Microenterprises account for 88,45% (887.272), small enterprises for 10,58% (106.175), and medium enterprise for 0,49 % (4.895). On the other hand, large enterprises account for only 0,48% (4.769) of the total establishments, as seen in Figure 2.

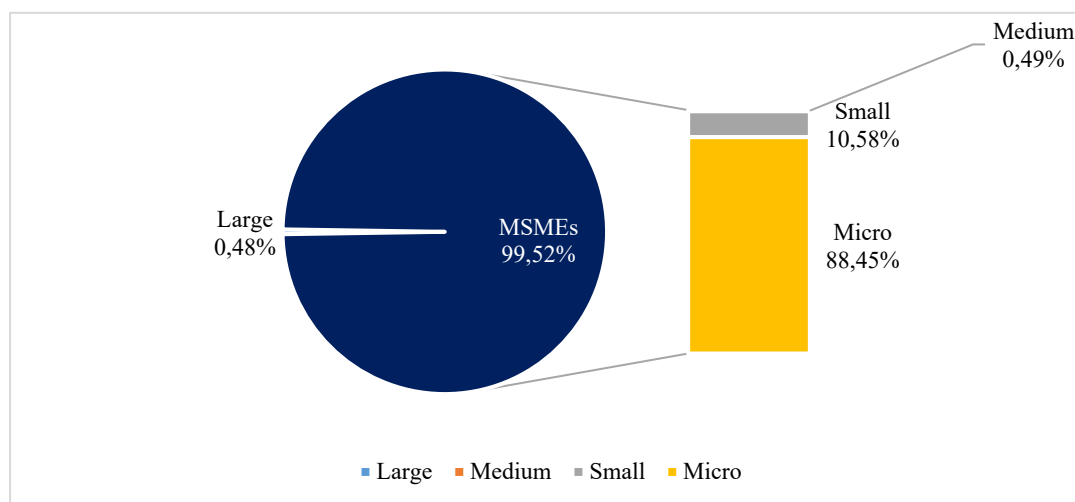


Figure 2. 2018 Number of Establishments per Classification in the Philippines

Source: Philippine Statistics Authority (PSA), Number of Establishments by Section and Employment Groupings (MSMEs), Philippines: 2018 LE

In Figure 3, it can be seen that although large companies constitute the least number of establishments, they employ 37% of the total workforce of enterprises. Microenterprises comprise 29% of the employment, small enterprises with 27%, and medium enterprises with 7% (PSA, 2018).

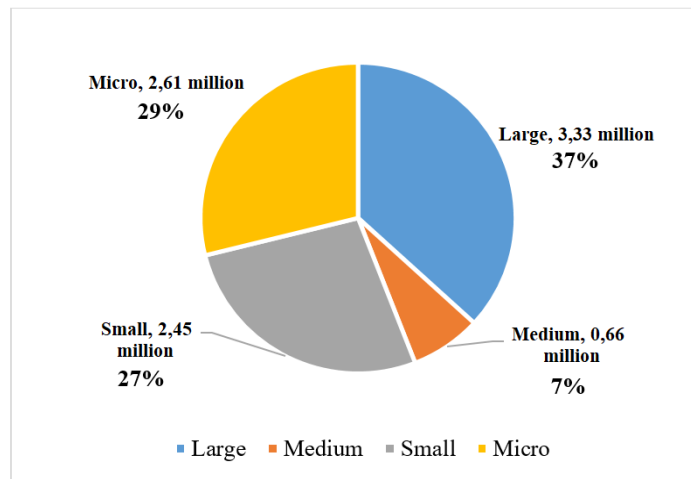


Figure 3. 2018 Employment per Establishment Classification in the Philippines

Source: Philippine Statistics Authority (PSA), Total Employment by Section and Employment Groupings (MSMEs), Philippines: 2018 LE

In the Philippines, the Bureau of Small and Medium Enterprises (BSMED) of the Department of Trade and Industry (DTI) acts as the Secretariat of the Micro, Small and Medium Enterprise Development (MSMED) Council, as stipulated on Republic Act (RA) No. 6977, or the Magna Carta for MSMEs. BSMED develops and implements programs and projects that address the specific needs of MSMEs. These programs and projects cover the areas of technology development and transfer, financing, marketing, and training. The BSMED is also mandated to promote and develop MSMEs in the country and is also tasked to assess and proposed policies and strategies geared towards the advancement of MSMEs in the areas of entrepreneurship development, institutional strengthening, and productivity improvement.

According to MSMED Plan 2017-2022, government policies and programs for MSMEs encompass the following four outcome areas such as Business Environment, Productivity and Efficiency, Market Access, and Access to Finance.

Business Environment refers to a dynamic practice and culture of governance that fosters the establishment, development, sustainability, and competitiveness of socially responsible and environment-friendly MSMEs. Supportively, the outcome area on the policy side are: 1) Republic Act (RA) No. 9501: Magna Carta for Micro, Small and Medium Enterprises; 2) RA No. 6977, as amended by RA No. 8289; 3) RA No. 9178: Barangay Micro Business Enterprises (BMBEs) Act of 2002; 4) RA 10644: Go Negosyo Act; 5) RA 10679: Youth Entrepreneurship Act; 6) RA No. 9485: Anti-Red Tape Act; 7) DTI-DILG Joint Memorandum Circular No. 1 Series of 2011: Guidelines in Implementing the Standards in

Processing Business Permits and Licenses in All Cities and Municipalities; and 8) DTI-DILG Joint Memorandum Circular No.1 Series of 2016: Revised Standards in Processing Business Permits and Licenses in All Cities and Municipalities.

On January 24, 1991, the Philippines passed RA No. 6977: An Act to Promote, Develop and Assist Small and Medium Scale Enterprises through the Creation of a Small and Medium Enterprise Development (SMED) Council, and the Rationalization of Government Assistance Programs and Agencies Concerned with the Development. RA No. 6777 is also known as the Magna Carta for Small Enterprises. The act recognizes that SMEs have the potential for more employment generation and economic growth and, therefore, can contribute to a self-sufficient industrial foundation for the country. RA No. 6777 has been declared the policy of the State to promote, support, strengthen, and encourage the growth and development of SMEs in all productive sectors of the economy, particularly rural or agri-based enterprises. The law was amended on May 6, 1997 as RA No. 8289: An Act to Strengthen the Promotion and Development of, and Assistance to Small and Medium Scale Enterprises (SMEs). The law was further amended on May 23, 2008 as RA 9501: An Act to Promote Entrepreneurship by Strengthening Development and Assistance Programs to Micro, Small and Medium Scale Enterprises (MSMEs), otherwise known as the Magna Carta for MSMEs. According to the declaration of the policy, the law recognizes that MSMEs have the potential for more employment generation and economic growth and thus can help provide a self-sufficient industrial foundation for the country. Hence it has been declared as the policy of the State to assist, promote, strengthen, and foster the growth and development of MSMEs in all productive sectors of the economy to include rural or agri-based enterprises. Given this, the State shall recognize the specific needs of the MSMEs, and the particular needs of the MSMEs and shall undertake to promote entrepreneurship, support entrepreneurs, encourage the establishments of MSMEs and ensure their sustainability and growth to attain countryside industrialization.

RA No. 9178: An Act to Promote the Establishment of Barangay Micro Business Enterprises (BMBEs), otherwise known as the Barangay Micro Business Enterprises (BMBEs) Act of 2002 was signed into law on November 13, 2002. The law was declared as a policy to hasten the country's economic development by boosting the establishment and growth of barangay microenterprises, which effectively serve as an avenue for the development of Filipino entrepreneurial talents. The law endeavors to integrate those in the informal sector with the mainstream economy through the rationalization of bureaucratic limitations, the active intervention of the government, especially at the local or grassroots level, and the granting of incentives, benefits, and assistance to generate much-needed employment and alleviate poverty.

RA No. 9178 classifies BMBE as any business enterprise engaged in production, processing, or manufacturing of products, which includes agro-processing, as well as trading and services. BMBE has a total asset of not more than PhP 3 millions, which consists of those that arise from loans but not the land on which the plant and equipment are located. RA No. 9178 excludes in the services provided by anyone who is licensed by the government after having passed a licensure examination, in connection with the exercise of one's profession (e.g., Accountant, Lawyer, Doctor, etc.). The Department of Finance's (DOF's) Department

Order (DO) No. 17-04 states that an enterprise could only qualify to register as a BMBE if it is not a branch, subsidiary, division or office of a large enterprise and its policies and business operations are not managed by large enterprises or by persons who are neither owners nor employees of the enterprise (i.e., franchises).

RA No. 9178 primarily aims to integrate micro-enterprises in the informal sector into the mainstream of the economy. Reinforcing active participation of BMBEs in the economy would mean more jobs and livelihood, and a better quality of life for Filipinos. Furthermore, under RA No. 9178, BMBEs are qualified for income tax exemption from income arising from the operations of the enterprise. Exclusion from the coverage of the Minimum Wage Law with employees assures to receive the same social security and health care benefits as other employees in any other enterprise classification, priority to a special credit window set up specifically for the financing needs of BMBEs, and technology transfer, production, management training, and marketing assistance programs for BMBE beneficiaries.

RA No. 10644: An Act Promoting Job Generation and Inclusive Growth through the Development of Micro, Small and Medium Enterprises, known as the Go Negosyo Act was signed into law on July 15 2014. It is to promote national development, encourage inclusive growth, and reduce poverty by encouraging the establishment of micro, small and medium enterprises (MSMEs) that facilitate local job creation, production and trade in the country. The law aims for: 1) the establishment of Negosyo Centers in all provinces, cities, and municipalities Nationwide; 2) MSMEs Development Fund and BMBE Fund supported the establishment of a Start-up Fund; 3) transfer of technology, training related to production and management, and marketing assistance for SMEs; 4) a unified and simplified business registration through automatic approval of business permits and licenses that were declined for any reason within 15 days; and 5) reconfiguration of the MSME Development Council and its additional functions.

RA No. 10679: An Act Promoting Entrepreneurship and Financial Education Among Filipino Youth, known as the Youth Entrepreneurship Act was signed into law on August 27, 2015 to promote the enduring development of young Filipinos with aptitude and skill in the field of finance and entrepreneurship. RA No. 10679 encourages and endeavor to hone the youths' skills through education and specialized training programs. Given this, the State is directed to establish, maintain, and support a complete, adequate, and integrated system of education and training to boost the entrepreneurial spirit among youth as well as boost and foster the growth of young entrepreneurs nationwide. The law endeavors to integrate entrepreneurship into the Philippines' secondary and tertiary education curricula, facilitate grants for both the teaching and the practice of entrepreneurship, and develop a national youth entrepreneurship program to provide support to young entrepreneurs. The Philippines has various programs and services to support MSMEs. These are reflected in the MSMED Plan 2017-2022. The programs and services are divided into Productivity and Efficiency, Market Access, and Access to Finance.

Results of the Survey Conducted with Women Involved in Micro, Small, and Medium Enterprises (MSMEs) in the Philippines

Women-led MSMEs usually deal with challenges such as social and cultural norms, gender stereotypes, lack of access to decision-making, unequal access to resources, lack of access to education or training, which significantly constrain business opportunities. Not to mention they encounter problems like limited access to finance, information and communication technology (ICT) and a lack of market information, as well as burdensome regulations and administrative procedures (UNESCAP, 2017).

Focusing on the Philippines, respondents are all part of the C-Level executives of companies, if not the owners. They also participate in decision-making for the companies. The participation of women in the workforce pool is also comparable with that of men. These are good indications of the attitude of the Philippines in terms of women's participation in leadership.

Respondents show a high desire to contribute economically through business as most of the respondents are driven by the aspiration to provide livelihood or employment, to fill the gap in the market, as well as to support and provide for the needs of their families. Engaging in business has been their avenue for a sense of achievement and to support advocacy for the industry.

Respondents convey fulfillment in doing business in the Philippines. However, they also express a need to streamline governmental requirements and procedures and services and the need for government incentives to support businesses led by women, among others.

Although the majority believe that they feel empowered to engage in economic activity in the Philippines, it remains difficult for a woman to enter into a business. This is primarily because they consider the programs and services need to be more accessible for them. Not to mention there is still a constant struggle to prove themselves in terms of their capabilities to run a business as compared to their male counterpart. As for policies and programs supporting women in terms of business, the majority of them are not aware of any. For those who are aware, they believe that these policies and programs are in place to empower them, prevent discrimination in all forms, protect them from abuse, and help them access wider opportunities, improve their business, among others. However, others deem that programs and services for women need improvements. Most of them also do not avail of any programs and services for women.

Respondents consider a lack of financial support or resources as their primary barriers to engaging in the business. They also mention that in spite of empowerment to run a business, there are still instances when they feel discriminated against. Slow government transactions are also one of the bottlenecks. For those dealing with food manufacturing, they mention hurdles with transactions at the Food and Drug Administration (FDA). Gaining various certifications to gain credibility such as Halal and Good Manufacturing Practices (GMP), among others, is also mentioned particularly that it also entails operational cost from them. Furthermore, women also feel the pressure in balancing running a business and family rearing.

Despite challenges, respondents have optimistic views of the future in so far as their businesses are concerned, which is attributed to anticipation of more business opportunities, an expectation of a better operational organization, development and release of innovative products which answer the demand in the market, impact of technological advancement, and heightened collaboration between private and government entities. On the other hand, some respondents also convey anxiety on the impact of the global health crisis brought about by COVID-19 on the overall health of economy and business.

CONCLUSIONS

The research presents that women's participation in economic activity, in particular in MSMEs, is primarily affected by conditions that can catalyze engagements. Table 6 summarizes the various aspects of business environment that cover the degree of women's participation, policies, programs, and services for women in Singapore, Myanmar, and the Philippines.

Table 6 Comparative Table for the Business Environment Studied for Singapore, Myanmar, and the Philippines¹

Metrics	Singapore	Myanmar	Philippines
Profile of Women in MSMEs	27% are owners	25.5% are employers	56% are owners
Policies for Women in MSMEs	No specific policies for women but existing policies are supportive of women's business ownership.	Follows the 2015 SME Development Policy with (1) human resource, (2) technology development and innovation, (3) financial resource, (4) infrastructure development, (5) market access, (6) appropriate taxation and procedures, and (7) conducive business environment as key priority areas	RA 9710: Magna Carta of Women
Programs and Services for Women in MSMEs	Handled by Enterprise Singapore, which encompasses assistance such as financial assistance, market access, and talent assistance for all MSMEs. No specific assistance for women.	Led by the Myanmar SME Development Agency, which provides capacity building, technology promotion, market promotion, and business matching, among others. No specific programs and services for women.	Various programs and services to support MSMEs are reflected in the MSMED Plan 2017-2022. There are programs specific to women such as GREAT Women Project and Spark! Philippines (2020).

¹ Information for Singapore and Myanmar was based on available secondary sources while for the Philippines was based on both primary (survey) and secondary sources.

Singapore is said to have a conducive environment for women to engage in business. However, only less than one-third of business owners are women. This can be attributed to other considerations such as their societal responsibilities and motivation, among others, which can also be explored in future studies.

Myanmar Government lacks sex-disaggregated data for business owners, but according to their Ministry of Immigration and Population, there are only 25,6% of employers. It can be gleaned from this situation that women encounter challenges in growing their businesses and, therefore, to create jobs. The current SME Development Policy, programs, and services should be reviewed to make these more relevant to the current needs of the MSMEs and, more importantly of women entrepreneurs and would-be entrepreneurs. Therefore, laying out a framework for monitoring and evaluation of the implementation of the current policies, programs, and services is deemed a must.

On the other hand, the majority of Filipino women entrepreneurs feel that they are empowered to run a business in the Philippines. However, challenges still affect the management and performance of the business. Based on the results of the survey, recommendations on the business environment for women engaged in MSMEs in the Philippines are provided:

1. Aggressive and in-depth information dissemination campaign on policies, programs, and services to be able to reach a broader population of women and to ensure understanding of these elements.
2. Teaching men and women alike to champion pro-women policies in any organization. Organizational policies need to reflect gender equality as well, which would reflect from recruitment to compensation. The management needs to ensure that policies, processes, procedures, and decisions are structured with due diligence and devoid of overt and covert biases.
3. Streamlining and mainstreaming government policies, programs, and services for women following the Beijing Declaration and Platform for Action in 1995, 2030 Agenda for Sustainable Development, and CEDAW.

ABOUT THE AUTHOR

The author, Myrtle Faye Laberinto Solina, was born on March 13, 1988 in Pangil, Laguna, Philippines. She took up Bachelor of Science in Agriculture major in Agricultural Extension from the University of the Philippines Los Baños (UPLB) and graduated with a Master's degree in ASEAN Studies at the University of the Philippines Open University (UPOU). She is currently affiliated with the Export Marketing Bureau (EMB) of the Department of Trade and Industry (DTI) in the Philippines.

REFERENCES

- Adrianzen, C. (2006). *Marxism, Mariategui, and the Women's Movement*. Peru: Movimiento Femenino Popular. www.marxists.org/subject/women/authors/adrianzen/1974.htm
- ASEAN Secretariat. (2015a). *ASEAN Economic Community Blueprint 2025*. Indonesia: ASEAN Secretariat. www.asean.org/storage/2016/03/AECBP_2025r_FINAL.pdf
- ASEAN Secretariat. (2015b). *Joint Statement of the Second ASEAN Ministerial Meeting on Women (AMMW)*. Indonesia: ASEAN Secretariat. www.asean.org/wp-content/uploads/images/2015/November/AMMW/2nd%20AMMW%20Joint%20State%20men.pdf
- ASEAN Secretariat. (2019). *ASEAN Member States*. Indonesia: ASEAN Secretariat. www.asean.org/asean/asean-member-states/
- ASEAN Secretariat. (2019). *Overview*. Indonesia: ASEAN Secretariat. www.asean.org/asean/about-asean/overview/
- ASEAN SME Working Group ASEAN Coordinating Committee on Micro, Small, and Medium Enterprises. (2020). *SME Developments in ASEAN*. Indonesia: ASEAN Secretariat. <https://asean.org/asean-economic-community/sectoral-bodies-under-the-purview-of-aem/micro-small-and-medium-enterprises/overview/>
- Asia Pacific Foundation of Canada. (2018). *2018 Survey of Entrepreneurs and MSMEs in the Philippines: Building the Capacity of MSMEs through Market Access*. Canada: APEC-Canada Growing Business Partnership. https://apfcanada-msme.ca/sites/default/files/2020-07/2018%20Survey%20of%20Entrepreneurs%20and%20MSMEs%20in%20the%20Philippines_0.pdf
- Çağatay, N. (2005). *Gender inequalities and international trade: a theoretical reconsideration*. Uruguay: Centro Interdisciplinario de Estudios sobre el Desarrollo (CIEDUR). www.ciedur.org.uy/adm/archivos/publicacion_101.pdf
- Department of Consumer Affairs (DOCA) of Myanmar. (2015). *Small and Medium Enterprise Development Policy*. Myanmar: The Republic of the Union of Myanmar. www.doca.gov.mm/sites/default/files/Small%20and%20Medium%20Enterprise%20Development%20Policy%202015.pdf
- Department of Statistics. (2019). *M600981 - Topline Estimates for All Enterprises and SMEs, Annual*. Singapore: Department of Statistics, Government of Singapore. www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=15808
- Department of Statistics. (2019). *M601511 - Topline Estimates by Ownership for All Enterprises, Annual*. Singapore: Department of Statistics, Government of Singapore. www.tablebuilder.singstat.gov.sg/publicfacing/createDataTable.action?refId=15807

- Department of Trade and Industry. (2017). *PH Champions MSMEs, Youth and Women Entrepreneurship for ASEAN 2017 Business and Investment Program*. Philippines: Department of Trade and Industry, Republic of the Philippines. www.dti.gov.ph/media/latest-news/10147-ph-champions-msmes-youth-and-women-entrepreneurship-for-asean-2017-business-and-investment-program
- Department of Trade and Industry. (2020). *The Organization*. Philippines: Department of Trade and Industry, Republic of the Philippines. www.dti.gov.ph/about/the-organization.
- Department of Trade and Industry. (2020). *The Regional Operations Group*. Philippines: Department of Trade and Industry, Republic of the Philippines. www.dti.gov.ph/about/the-organization/regional-operations.
- Enterprise Singapore. (2019). *About Enterprise Singapore*. Singapore: Singapore Government. www.enterprisesg.gov.sg/about-us/overview
- Gonzalez, A. and Grown, C. (2015, May 29). Women and trade: Improving conditions for success in development. *World Bank Blogs*. Dutch Good Growth Fund. <https://blogs.worldbank.org/trade/women-and-trade-improving-conditions-success-development>
- Holzman, C. and Roberts-Robbins, K. (2019). Serving The Financial Needs of Women-owned Business in Emerging Markets. [Serving+the+financial+needs+of+women-owned+businesses+-+Perspectives+from+the+DGGF+Portfolio.pdf](#)
- International Finance Corporation (IFC). (2019). *MSME Economic Indicators Database 2019*. USA: IFC SME Finance Forum. www.smefinanceforum.org/data-sites/msme-country-indicators.
- International Labor Organization (ILO). (2014). *National Assessment of Women's Entrepreneurship Development in Myanmar*. Switzerland: ILO. https://www.spf.org/global-data/user53/WED_ILOSPF_2019_v13_FINALonline.pdf
- Kapatid Mentor Me (KMME). (2019, August 02). *Negosyo*. www.gonegosyo.net/programs/show/6-kapatid-mentor-me-kmme
- MasterCard. (2019). Mastercard Index of Women Entrepreneurs (MIWE 2018). USA: MasterCard. www.newsroom.mastercard.com/wp-content/uploads/2018/03/MIWE_2018_Final_Report.pdf
- Micro, Small, and Medium Enterprises Development (MSMED) Council. (2017). *Micro, Small, and Medium Enterprise Development (MSMED) Plan 2017-2022*. Philippines: Department of Trade and Industry (DTI). www.drive.google.com/file/d/1PhDj6-41QsA2YmXdk1K86HsqOSz_Sooa/view
- Ministry of Social Welfare Relief and Resettlement (MoSWRR). (2012). *National Strategic Plan for the Advancement of Women (NSPAW) 2013 -2022*. Myanmar: United

- Nations Population Fund (UNFPA). www.myanmar.unfpa.org/sites/default/files/pub-pdf/NSPAW2013-2022_0.pdf
- Myanmar Development Resource Institute's Centre for Economic and Social Development (MDRI-CESD). (2012). *Framework for Economic and Social Reforms 2012-2015*. Myanmar: MDRI-CESD. www.mdricesd.files.wordpress.com/2015/10/paper-fesr-2012-15-jan-2013.pdf
- Myanmar SME Development Agency. (2020). *Background and History: Micro, Small, and Medium Enterprises Development Journey*. Myanmar: Myanmar SME Development Agency. <https://www.msme.gov.mm/en/page/background-and-history>,
- Organisation for Economic Co-operation and Development (OECD) Global Relations Secretariat (GRS) Southeast Europe Division and Eurasia Division. (2014). *Concept Note: Revision of the SME Policy Index Methodology for the Small Business Act for Europe Assessment in the EU Pre-Accession*. France: OECD. www.oecd.org/global-relations/SME%20Policy%20Index%20MethodologyConcept%20Note.pdf
- Organisation for Economic Co-operation and Development (OECD). (2013). *Multi-dimensional Review of Myanmar: Volume 1. Initial Assessment*. Myanmar: OECD Publishing. https://read.oecd-ilibrary.org/development/multi-dimensional-review-of-myanmar_9789264202085-en#page1
- Organisation for Economic Co-operation and Development (OECD). (2018). *SME Policy Index, ASEAN 2018: Boosting Competitiveness and Inclusive Growth*. Paris: OECD. www.asean.org/storage/2018/08/Report-ASEAN-SME-Policy-Index-2018.pdf
- Philippine Statistics Authority. (2018). *Number of Establishments by Region, Section, and Employment Grouping (MSMEs), Philippines: 2018 LE*. Philippines: Philippine Statistics Authority (PSA), Republic of the Philippines. https://drive.google.com/file/d/1q9CpajHqVgIV_9_3itvQYxYCRK1mZOy7/view
- Philippine Statistics Authority. (2018). *Total Employment by Section and Employment Groupings (MSMEs), Philippines: 2018 LE*. Philippines: Philippine Statistics Authority (PSA), Republic of the Philippines. https://drive.google.com/file/d/1q9CpajHqVgIV_9_3itvQYxYCRK1mZOy7/view
- Sen, A. (2001). *The Many Faces of Gender Inequality*. The New Republic, Harvard University. <https://scholar.harvard.edu/sen/publications/many-faces-gender-inequality>
- Spark! Philippines. (2020). *Who We Are*. Philippines: Spark! Philippines. <http://sparkphilippines.org/who-we-are/>
- Totten, D., Lwin, G. P. M. M. and van Roosmalen, M. (2019). *Country Report: Myanmar Entrepreneurial Ecosystem Assessment*. USA: International Finance Corporation

(IFC) SME Finance Forum. www.smefinanceforum.org/sites/default/files/blogs/CTG-CountryReport-Myanmar-Final.pdf

United Nations (UN) - Economic and Social Commission for Asia and the Pacific (ESCAP). (2017). *Fostering Women's Entrepreneurship in ASEAN*. Thailand: UN ESCAP. www.unescap.org/sites/default/files/ESCAP-FWE-ASEAN-full_0.pdf

Women must play a bigger role in trade. (2017, March 23). *United Nations Conference on Trade and Development (UNCTAD)*. <https://unctad.org/news/women-must-play-bigger-role-trade>

Woo, J. (2017, July 18). Singapore 8th best city for women entrepreneurs. *SGSME*. www.sgsme.sg/news/singapore-8th-best-city-women-entrepreneurs

JOURNAL OF ASEAN STUDIES

WWW.IR.BINUS.AC.ID/JAS

ISSN 2338-1361 (print) / 2338-1353 (online)

Volume 8 Number 2 December 2020



JAS

JOURNAL OF ASEAN STUDIES

Volume 8 Number 2 December 2020