



**Leading from the Middle:  
Advocacy Opportunities for  
Asia Pacific Middle Powers**

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## **Pacific Forum CSIS**

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## Foreword and Acknowledgements

In March 2012, Pacific Forum CSIS brought 22 Young Leaders to Sydney to participate in the 15<sup>th</sup> Council for Security Cooperation in the Asia Pacific (CSCAP) meeting of its Study Group on Countering the Proliferation of Weapons of Mass Destruction (WMD).

Although not a focus of the formal agenda, the meeting co-hosted by Vietnam in conjunction with the Australian setting led the next generation attendees to explore how middle powers in the Asia Pacific could take a more active role in promoting peace and security in the region.

This report is the essence of those discussions of middle power diplomacy in Sydney, then further developed around two key areas: the territorial disputes of the South China Sea, and nuclear disarmament.

Our thanks go to a number of speakers who took time out of their schedules to speak to the Young Leader group including His Excellency Ambassador Paw Lwin Sein, Professor Alan Dupont, John Quinn, and Allan McKinnon. We would also like to thank the Handa Foundation for its generous support to this event, making the inclusion of so many young leaders at this event possible

*Our thanks also go to Editor Cristin Orr Shiffer and Co-editor John Hemmings for their patience and perseverance in compiling this report.*

## Executive Summary

Power in the international system is undergoing a historical redistribution. The focus of economic and political power, centered on Europe and the West since the 17th century, is returning to Asia. The nature of the current international power transition offers middle power states significant opportunities to influence the international system.

Here middle powers are defined as states and organizations capable of shaping the international system yet lacking in sufficient power to impose individual preferences on that order. Given their moderate power position, middle powers tend to excel at normative and regulatory forms of influence. This paper identifies dispute resolution in the South China Sea and advancing the nuclear disarmament agenda as two issues offering substantial leadership opportunity for middle powers to maximize their potential influence in the Asia Pacific.

The territorial disputes in the South China Sea (SCS) present an opportunity for regional middle power leadership as the strategic importance of the SCS increases. The disputes offer ASEAN an opportunity to act as a middle power by leading the push to develop a comprehensive South China Seas Code of Conduct (COC) through which claimant countries can agree regulate their behavior related to disputed territories. Thus far, ASEAN claimant states have failed to agree on how to create such a COC. This is an opportunity for ASEAN to lead by advancing the completion of a SCS code of conduct. In addition, ASEAN could encourage a legal (rather than diplomatic) solution to SCS disputes, allowing claimants to cede decision-making power to a neutral third party.

Australia is uniquely positioned to be a universally acceptable intermediary to all SCS dispute stakeholders. Australia can act by facilitating bridging “soft power” exchanges between China and ASEAN member states. It can promote cultural, educational, and economic ties between claimants in an effort to ameliorate the effects of maritime disputes on other aspects of their inter-state relations.

After assuming a non-permanent UN Security Council seat in 2008, Vietnam has emerged as a middle power capable of influencing strategic issues in Asia. The SCS presents an opportunity through which Vietnam can further its middle power diplomacy. Vietnam could develop an Asian submarine rescue network as a means of promoting multilateral naval confidence building in the SCS. There is little coordinated waterspace management between navies and a proliferation of choke points and straits. By partnering with fellow middle power Australia to develop submarine rescue facilities could reinforce the norms of free navigation in the SCS and normalize an increased international presence in disputed maritime regions.

Beyond the SCS disputes, the goal of reducing the role of nuclear weapons and called for stronger steps toward nuclear disarmament offers another sphere for middle power influence. As China’s rise enables it to more aggressively pursue its interests, US allies are becoming more dependent on US nuclear deterrence, not less. US allies in the Asia Pacific find themselves with a rather uncomfortable victory. Despite this tension, many

US allies – even ones that depend on its nuclear umbrella – have nuanced positions regarding nuclear disarmament.

Middle powers, which are also allies, can influence US extended deterrence policies by developing and proposing credible alternatives to such policies. This can alter US perceptions of allied interests and preferences regarding Extended Nuclear Deterrence (END), and of the value and utility of the nuclear umbrella. From a US perspective, END also constrains its ability to implement additional nuclear drawdowns due to concerns that this might trigger proliferation among its allies.

Acute concerns about the reliability of END, and fears regarding US security guarantees more generally, drive Northeast Asian (NEA) allies hypersensitive to US decisions that might be interpreted as reducing commitment to the region. Australia in concert with NEA middle powers could assist. If a new joint military facility was constructed in Korea and Japan that included Australian personnel, this could prove powerful reassurance to compensate for a US drawdown or weakening END.

Middle powers can also contribute to regional and international security by investing diplomatic and financial resources into developing proposals for the advancement of a Northeast Asia Nuclear Weapons Free Zone (NEANWFZ). By using collective political diplomacy in coordinated bilateral or plurilateral action, middle powers could develop political will or establishing a forum for discussion of such a zone.

Deepening Mongolia's engagement in the NEA security dialogue is another area in which middle powers could innovate in regional security concerns. Mongolia has maintained more consistent political and cultural dialogue and interaction with North Korea (DPRK) than almost any country while enjoying good relations with all countries in the region. Middle powers could assist Mongolia to more effectively leverage its relationship with the DPRK relationship to improve regional security.

As the US and Russia consider deeper cuts to their nuclear arsenals, China is called upon to engage in the global nuclear disarmament agenda. A consortium of middle powers could encourage China to participate in the disarmament process by agreeing to a cap on the size of its nuclear arsenal. One option involves coupling China's rise to power with its responsibilities to uphold global norms. Another is middle powers leveraging their position as China's trading partners to influence the decisions of its neighbors and trading partners on a range of non-economic issues, middle powers should also attempt to use trade to leverage China as well.

To advance this forward-looking agenda, middle powers should work through bilateral and multilateral institutions or ad hoc coalitions of like-minded states, rather than pursuing their interests unilaterally. While joint diplomatic demarches can be delivered directly from middle power governments, it may be more effective to create a wider coalition. Similarly, regional middle powers should utilize existing groupings such as the ASEAN Regional Forum to champion their initiatives.

## Introduction

The defining feature of politics is power: it is the element upon which all politics are organized. A state's relative power largely determines its ability to pursue its interests. Power in the international system is undergoing a historical redistribution. The focus of economic and political power, centered on Europe and the West since the 17th century, is returning to Asia.

Previous rising powers have championed alternative systems or sought outright to remold the existing international system, drawing states into broad conflicts. Asia's current rise is largely driven by economic forces; as a result, it is relatively peaceful. The nature of the current international power transition offers middle power states significant opportunities to influence the international system.

While the global balance of power is shifting, as Asia reassumes its status as the economic powerhouse of the world, it is unlikely that the power distribution within Asia Pacific states will shift substantially. According to the Asian Development Bank, Asian economies are expected to rise six-fold in purchasing power parity by 2050 and claim 52 percent of global gross domestic product.<sup>1</sup> Yet, despite impressive economic growth, Vietnam is not surpassing Australia in terms of economic productivity or power projection. Similarly, it is difficult to envisage a scenario where Japan, despite significant economic challenges and domestic uncertainty on how to employ its significant capabilities, would be surpassed by other Asian states.

Among Asia Pacific states, only China has managed to drastically improve its power status; however, China's rise can also be understood as reifying rather than shifting Asia's historical balance of power. In short, middle powers are likely to remain middle powers despite impressive economic growth.

This paper explores foreign policy options for middle power states seeking to maximize the opportunity for influence in the Asia Pacific during this time of flux. Given their moderate power position, middle power states tend to excel at normative and regulatory forms of influence. The paper identifies dispute resolution in the South China Sea and advancing the nuclear disarmament agenda as two issues offering substantial leadership opportunity for middle powers.

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<sup>1</sup>Asian Development Bank. 2011. *Asia 2050: Realizing the Asian Century*.  
<http://www.adb.org/sites/default/files/asia2050-executive-summary.pdf>





# **Middle Power in Regional Conflict Resolution: The South China Sea**

## ***What Constitutes a Middle Power?***

While the current international system has enabled middle powers to increase their influence, it has also complicated attempts to identify who is a middle power. Many actors fall into the category of middle powers, often for different reasons. Two criteria predominate when seeking to define middle powers: relative capabilities and foreign policy behavior.<sup>2</sup> Using the relative capabilities criteria, a state is considered a middle power based on its level of economic or military power; in contrast, behavioral definitions of middle power focus on states' foreign policy goals and methods. Seeking to avoid this debate, middle powers are defined here as states and organizations capable of shaping the international system yet lacking in sufficient power to impose individual preferences on that order.

Given their relatively limited influence, middle powers have the most success exerting influence on specific issues. Norway and Qatar are classic middle powers, using income from their energy resources to finance regional and occasionally global influence, prided themselves on their international citizenry. The Norwegian penchant for diplomatic mediation in the 1990s is evidenced by its behind-the-scenes involvement in the Israel-Palestinian peace process, and its efforts to secure peace in Sri Lanka. For its part, Qatar played a pivotal diplomatic and military role as President of the Arab League, pushing French and British policy-makers toward military action against the Gaddafi regime.

Finally, middle powers tend to exercise greater influence when acting multilaterally. Building coalitions with other states, middle powers are able to leverage their collective strength to achieve outcomes they are unlikely to achieve independently. While many of these coalitions are ad hoc, others are arranged regionally on a more permanent basis. The lack of military cohesion among these coalitions leads them to favor multilateralism and rules-based systems that complement their attractiveness as unified economic markets. Given these characteristics, permanent regional bodies such as the European Union (EU) and the Association of Southeast Asian Nations (ASEAN) meet the behavioral definition for middle powers<sup>3</sup> and are thus included as middle powers in this study.

## ***Middle Powers in Regional Conflict Resolution: the South China Sea***

The territorial disputes in the South China Sea (SCS) present an opportunity for middle power leadership in the Asia Pacific. This body of water is a defining feature of Southeast Asia and has been conceptualized as a "geopolitical lake," over which competitive claims to territory, maritime and seabed jurisdictions, and fisheries bring the littoral states into a

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<sup>2</sup> Cooper, A.F. 1997. *Niche Diplomacy: Middle Powers after the Cold War*. Basingstoke: Macmillan.

<sup>3</sup> Odgaard, Liselotte. 2007. *The Balance of Power in Asia-Pacific Security: US-China Policies on Regional Order*. New York: Rutledge.

complex web of conflict and rivalries. Further, the strategic importance of the SCS will increase as the economies of the states that surround it continue to expand.

While there is a long history of competing territorial claims in the SCS, modern attempts to resolve the disputes are complicated by the ambiguous definitions and legal understandings incorporated in the UN Convention on the Law of the Sea (UNCLOS) and compounded by the lack of any obligatory dispute settlement mechanism within UNCLOS. Current tensions in the SCS increased significantly after May 2009 when Vietnam and Malaysia filed a joint submission to the Committee on the Limits of the Continental Shelf (CLCS) to meet a UNCLOS deadline to register claims. China responded in protest with a *Note Verbale* adding the now-famous map with the nine-dotted line.<sup>4</sup> Shortly thereafter, at the 2010 ASEAN Regional Forum conference in Hanoi, US Secretary of State Hillary Clinton articulated free navigation within the SCS and peaceful settlement of territorial disputes to be US national interests.

The broad interest of world powers in the South China Sea suggests that middle powers have both shared interests and significant opportunities in leading attempts to mitigate SCS tensions. The following section examines potential roles for two middle powers, Vietnam and Australia, and also argues that ASEAN has a unique opportunity to act as a middle power as well.

### **ASEAN and the South China Sea**

As the premier regional architecture within the SCS area, ASEAN presents middle powers with an opportunity for increasing their strategic influence with the US and China, and is well suited to act as a middle power in its own right and not simply as a diplomatic forum. The South China Sea can legitimately be understood within ASEAN's sphere of concern and influence. The main body of this sea is surrounded by Southeast Asian states, connecting ASEAN mainland with ASEAN maritime countries. The situation in the SCS, therefore, has significant implications for Southeast Asian security and requires ASEAN to be actively involved in finding a solution. Further, ASEAN must respond to its members' calls when their security is challenged or risk losing its legitimacy. That ASEAN must do this in accordance with its principles presents member states with a dilemma. Finally, ASEAN's ability to foster a common approach to the issue is a test, the results of which will indicate the determination of member states to build a functioning regional body. In short, how ASEAN manages the South China Sea issue will be a test of how far ASEAN, as a community of nations, has come.

ASEAN has stated its willingness to facilitate regional cooperation and transparency in the interest of diffusing tensions and avoiding possible misunderstandings and miscalculations that may lead to conflict. Further, ASEAN aspires to assert its centrality in regional issues in Southeast Asia; however, the diversity of national interests of ASEAN members, their sensitivity to sovereignty, and the influence of major powers,

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<sup>4</sup> Beckman, Robert. 2010. *South China Sea: Worsening Dispute or Growing Clarity in Claims*. Singapore: RSIS Commentaries. <http://www.rsis.edu.sg/publications/Perspective/RSIS0902010.pdf>

have often prevented ASEAN from forming common policies. As a result, ASEAN remains less of an actor and more of a forum for attempting to resolve regional issues.

### ***The Search for a Code of Conduct in the SCS***

The South China Sea issue illustrates ASEAN's internal conflict dynamic, but also offers an opportunity for ASEAN to act as a middle power by leading the push to develop a comprehensive South China Seas Code of Conduct (COC). The ASEAN community and China have been working on a code of conduct through which claimant countries can agree regulate their behavior related to disputed territories. Thus far, ASEAN claimant states have failed to agree on how to create such a COC, with states such as Vietnam opposing Chinese involvement in the process. Codes of conduct are voluntary and not legally binding, suggesting both the difficulty SCS claimant states experience in reaching agreement but also the potential for advancing the issue with a largely symbolic and innocuous first step.

The 2002 Declaration of Conduct (DOC) was a step toward a more complete code of conduct. It enunciated commitment to international law, the UNCLOS, and voluntary adherence to the principles of peace, self-restraint, functional cooperation, and consultation.<sup>5</sup> Despite being long on principles, the DOC falls short on commitments and action points. As such, the search for a complete draft of a code of conduct acceptable to all parties continues to prove elusive. This difficulty in reconciling the interests of various claimant states is evident. For example, the Philippines have long complained Chinese research vessels and warships enter disputed waters to lay down markers on contested reefs. Likewise, despite Chinese cautions, in 2004 Vietnam began tourist expeditions to its claimed Spratly Islands territory. In response, China began planning tourist trips to the Paracels which are also claimed by Vietnam.

China's extensive claims on the SCS further complicate agreement with ASEAN states on a code of conduct. One scholar has described the history of Chinese diplomacy as "one of declarations of cooperation followed by unilateral acts revising the status quo followed by new declarations of cooperation."<sup>6</sup> In short, the contest in the SCS is fraught with political and nationalist tensions, but these tensions also present ASEAN with the opportunity to lead through advancing additional non-binding codes of conduct.

### ***A Legalistic Solution***

An ASEAN-led push for a common legal mechanism in resolving South China Sea disputes presents another opportunity for ASEAN leadership in the SCS. Few states consistently advocate the use of international law in solving SCS disputes. Further, states like the Philippines who do welcome international law in SCS dispute resolution are routinely blocked by China. This behavior is short-sighted by all claimants since

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<sup>5</sup> "Declaration on the Conduct of Parties in the South China Sea," 4 November 2002, accessed at [www.aseansec.org/13165.htm](http://www.aseansec.org/13165.htm) (30 Mar 2012)

<sup>6</sup> Weatherbee, Donald, et al. *International Relations in Southeast Asia: The Struggle for Autonomy*. New York: Rowman & Littlefield. p. 138

diplomatic solutions have remained out of reach. The maritime disputes themselves originate from the codification of new territorial rights put forward by UNCLOS in 1982.<sup>7</sup> In other words, the introduction of contradictory definitions and bases for claims makes UNCLOS somewhat responsible for exacerbating the conflict it aims to resolve. However, drafters of UNCLOS were aware of these problems and sought to provide peaceful dispute resolution bodies (DRB) to solve problems created by the treaty. DRBs suggested in the text of the treaty include the International Court of Justice (ICJ), the International Tribunal on the Law of the Sea (ITLOS), and ad hoc tribunals. States must both adopt the legal rights given to them by the treaty and also honor the treaty's accompanying obligations. UNCLOS's failure to insist on using these DRBs (as does the WTO) is one of its greatest weaknesses.

ASEAN has a great opportunity to act in concert by forming a middle power bloc that pushes for all SCS claimants to resolve their disputes using the suggested DRBs. While it is unlikely any individual state could persuade China to utilize one or all of the DRBs, creation of a unified ASEAN position on SCS dispute resolution mechanisms is likely to be more effective in bringing China to the table. The ASEAN strategy has been to deal with this problem diplomatically (rather than legally); however, it is unlikely that various foreign ministries can deal effectively with a technical problem shared among multiple states. ITLOS judges possess a large body of maritime expertise and understanding of the UNCLOS treaty. Further eroding hope for a diplomatic solution is the fact that SCS disputes involve sovereign territory and therefore carry emotive significance for the populations of the claimant states. Governments are likely to face grave domestic political repercussions from ceding territory.

An international legal process would provide governments with a modicum of protection from nationalistic rhetoric and domestic criticism. Thus, by using ASEAN to push for a legal, rather than diplomatic solution to disagreements in the SCS, middle powers can cede decision-making power to a neutral third party. Furthermore, given that agencies such as the ICJ or ITLOS could not provide a ruling for some years, in the interim ASEAN powers and China could carry out a campaign of educating their populations on the issues, push regional legal workshops, and seek an understanding of the technical issues around the dispute. Finally, were ASEAN to adopt this legalistic type of approach, it would also help to stymie incendiary extra-legal actions.

## **Middle Power Australia and the South China Sea Disputes**

### ***Maximizing Australia's Unique Position in Asia***

Australia is particularly well-suited to mediate in South China Sea disputes. It has a positive reputation among ASEAN member states, enjoys a strong alliance with the US, and has built a robust and cordial trading relationship with China. Finally, it is a non-claimant state in the SCS disputes. Given these characteristics, Australia is in a unique position to build trust among SCS states and to facilitate more sensible interactions among China and its neighbors. For example, the first Australia-Vietnam Foreign Affairs

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<sup>7</sup> Such as the rights of a state over defining its continental shelf or its exclusive economic zone.

Defense Strategic Dialogue was held in 2012 aiming to boost mutual understanding and trust between the two countries and deepening cooperation for common strategic interests, regional peace and stability.<sup>8</sup> Australia and the Philippines share a common perspective that international law, particularly the United Nations Convention on the Law of the Sea (UNCLOS), should be the basis for settling territorial disputes in the West Philippine Sea and the SCS.

Australia also manages its US alliance while remaining fully engaged with China.<sup>9</sup> The Chinese view the position taken by US on SCS disputes as an effort to contain China's rise. Like the US, Australia has also expressed support for freedom of navigation in SCS, but by virtue of its position as a middle power, Australia is not competing directly with China and has made clear that it welcomes China's rise. Further, Australia has maintained a more neutral tone in its commentary and actions to resolve disputes in SCS. In short, Australia's position as a middle power places it in a unique position to be as close to a universally acceptable intermediary as the stakeholders are likely to get.

### ***Australia Taking the Lead***

Strained US-Sino relations also suggest this is an auspicious time for Australia to assume a more assertive regional posture. Given over US\$110 billion in two-way trade during 2010, Australia and China have a vested interest in promoting peace and encouraging prosperity across the region via mutually beneficial trade and investment.<sup>10</sup> China has been clear that it does not welcome the involvement of "external forces" like the US, Australia, and India in SCS disputes; however, as Canberra's and Beijing's trade relationship grows, Australia is likely to grow more acceptable to Beijing as an SCS interlocutor as well. This development would also present an opportunity for the US to get behind an Australian-hosted SCS initiative that advances shared US-Australian SCS positions.

For example, Vietnam has stated that it wants to see Australia play a greater role in the region and considers Australia's participation in regional institutions to be beneficial for regional peace and stability.<sup>11</sup> The US should support this vision and allow Australia play that role. However, in backing a greater Australian role, the US must be careful in how it pledges its support so as not to undermine Australia's ability to act as a neutral party. In order to prevent China from viewing Australia's actions as a proxy for US policies, the US could announce a position that reiterates its support for freedom of navigation in the SCS but defines dispute management and resolution as a regional issue best solved by claimant nations and other neutral nations in close geographic proximity to the SCS.

It is unknown whether Washington would embrace a policy that would be seen to shrink its influence in the region, especially after the US- Asia pivot strategies and US decision

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<sup>8</sup> Smith, Stephen. 2010. *Australia Minister of Defense Report*.

<http://www.defence.gov.au/minister/105tpl.cfm?CurrentId=10935>

<sup>9</sup> <http://www.radioaustralia.net.au/asia/2011-10-24/412604>

<sup>10</sup> <http://www.dfat.gov.au/publications/trade/trade-at-a-glance-2011.html>

<sup>11</sup> <http://www.eastasiaforum.org/2012/03/21/australia-and-vietnam-deepen-their-strategic-relationship/>

to deploy up to 2,500 US marines to Darwin, Australia in a rotating new military presence. A policy that consciously reduced US might in the region could clash with the Obama Doctrine, which states that the US will resist China's challenge to its primacy in Asia, using all instruments of its power to strengthen and perpetuate the leadership it has exercised in the region for decades.<sup>12</sup> At the moment the US sees the security situation in the South China Sea as having deteriorated in a way not seen since the mid-1990s.<sup>13</sup> But US involvement in the SCS disputes has not led to a peaceful resolution and has perhaps led to more aggressive Chinese actions due to China's view of US involvement in SCS disputes as a zero-sum game and an effort to contain China.

As an alternative, the US could stand behind Australia and allow China the opportunity to demonstrate that it has peaceful intentions and desires a diplomatic solution to SCS disputes. Thus far, actions in the SCS have spoken far louder than words coming from China and other claimant nations. A reset in the regional dynamics surrounding the SCS, where Australia, or another non-claimant nation and regional middle power, leads a multilateral platform to moderate areas of tensions in the SCS, promote cooperation on mutually agreeable areas such as environmental protection, and facilitate dialogue, will help lead to the peaceful resolution of SCS disputes. The US can contribute by revising its engagement in Asia and taking a step back from the SCS disputes to allow China the opportunity to play a constructive role without US competition, building a better basis for peace in the Asian Century.<sup>14</sup>

### ***Australia as a Confidence Broker***

A final option for Australian leadership in SCS issues uses Australia's unique position in Asia as a means of bridging "soft power" exchanges between China and ASEAN member states. It can encourage the Philippines, Vietnam, Malaysia, Brunei, and Taiwan to further cultural, educational, and economic ties with China and not allow maritime disputes affect other aspects of their inter-state relations. Such a meeting could take place on the margin of existing regional mechanisms for efficiency and optics management. Advancing stronger ties improves confidence and trust between SCS claimants and is essential to achieving a lasting, peaceful solution. This approach also offers the greatest possible benefit with the least cost in Australian political will in its relationship with China. Australia's current SCS position is one of non-interference, but it must consider the possible cost to regional stability by remaining on the fence if disputes continue to escalate.

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<sup>12</sup> White, H. 2011. "The Obama Doctrine."  
<http://online.wsj.com/article/SB10001424052970204452104577057660524758198.html>

<sup>13</sup> <http://asiancorrespondent.com/58086/us-interests-in-south-china-sea-dispute/>

<sup>14</sup> *Ibid.*

## **Vietnam as a Middle Power in the South China Sea Disputes**

After assuming a non-permanent UN Security Council seat in 2008, Vietnam has emerged as a middle power capable of influencing strategic issues in Asia. Vietnam has exhibited all the hallmarks of an activist middle power save a declared intent to be a middle power. Vietnam has steadily increased its involvement in regional issues and attempted to ameliorate tensions with its powerful neighbor, China. It has also broadened relations with fellow middle power Australia. This section considers the means by which Vietnam has assumed the mantle of middle power and examines middle power initiatives Vietnam might undertake to influence the progress of disputes in the South China Sea.

Vietnam's rise owes much to its increasing multilateralism. As discussed above, 2009 saw Vietnam partnering with Malaysia to file a joint submission on territorial limits to the Committee on the Limits of the Continental Shelf as part of the resolution of the UN Convention on the Law of the Sea (UNCLOS). Consistent with its newfound penchant for multilateral leadership, in 2010 Vietnam used its position as Chair to map out a more assertive ASEAN position on dispute resolution in the South China Sea. Interventions by Vietnamese leaders occurred at both the 2010 Shangri-La dialogue in June and the inaugural ASEAN Defense Ministers Meeting hosted by Vietnam in October, 2010.

### ***Vietnam's Middle Power Identity***

The South China Sea presents two options through which Vietnam can further its middle power diplomacy. First, Vietnam should declare its interest in becoming a middle power broker in the SCS. If one of the defining characteristics of being a middle power is a declaration of intent, then Vietnam wavers on the threshold of middle power status. It has spent the last five years steadily building participation in multilateral forums and deepening its strategic relationships with countries in the region, yet Vietnam has neither overtly nor formally declared its intention to be a leading middle power with an agenda of fostering strategic trust in the region. Such a declaration would more smoothly facilitate Vietnamese leadership in non-traditional security initiatives. A declaration would also strengthen existing multilateral initiatives by framing them within the narrative of Vietnam as an activist power seeking to resolve disputes.

### ***A Leader in Regional Confidence-Building Initiatives***

Another possibility would be for Vietnam to develop an Asian submarine rescue network as a means of promoting multilateral naval confidence building in the South China Sea. Asian countries plan to procure more than 60 submarines in the next 20 years, there is little coordinated waterspace management between navies in the South China Sea, and the proliferation of choke points and straits in and around the South China Sea means that there will be an increased likelihood of accidental submarine collision in the waters of East and South East Asia. Vietnam has signaled that its naval facilities at Cam Ranh Bay may be utilized by visiting navies, and it could further this by partnering with fellow middle power Australia to develop submarine rescue facilities there. By facilitating increased visitation by international navies to Cam Ranh Bay, Vietnam could reinforce

the norms of free navigation in the South China Sea and normalize an increased international presence in disputed maritime regions.

As a first step, Vietnam might establish an initiative to discuss measures for submarine rescue amongst navies transiting the South China Sea, and propose the development of naval communications channels in the event of a submarine accident. By proposing such an initiative, in collaboration with fellow middle powers like Australia, Vietnam may be able to develop common means to broker dialogue and confidence building measures between the major powers involved in tensions in the South China Sea.



## **Middle Powers and Nuclear Disarmament**

### *Asia Pacific Middle Powers Can Do More*

President Obama's 2009 Prague Speech and the 2010 Nuclear Posture Review [NPR] promoted the goal of reducing the role of nuclear weapons in the US national security strategy and called for stronger steps toward nuclear disarmament. President Obama's policy tack makes it significantly less imperative for US allies to actively persuade the US to reduce the role of nuclear weapons in their back yards; instead, US allies in the Asia Pacific find themselves with a rather uncomfortable victory. As China's rise enables it to more aggressively pursue its interests, US allies are becoming more dependent on US nuclear deterrence, not less. Despite this tension, many US allies – even ones that depend on its nuclear umbrella – have nuanced positions regarding nuclear disarmament. Japan, for example, depends on US nuclear forces to defend the home islands, while simultaneously supporting gradual universal nuclear disarmament.

Beyond the US and its allies, there is a broad international consensus that the Non-Proliferation Treaty (NPT) is under strain. After a decade of frustration over the lack of progress on disarmament, more and more non-nuclear weapon states (NNWS) argued that the nuclear weapon states (NWS) had not done enough to meet their obligation under Article VI of the Nuclear Non-Proliferation Treaty to “pursue negotiation in good faith on effective measures” relating to nuclear disarmament. The NWS, in contrast, maintained that they were not receiving sufficient credit for disarmament steps taken. Russia and France emphasized an “appropriate” security environment as the precondition for a move toward complete elimination of nuclear weapons. This current impasse presents middle power countries with an opportunity to influence the security environment and contribute to optimal conditions that allow global disarmament to move forward.

### *Existing Middle Powers Initiatives, Networks, and Commissions*

Middle powers influence the security environment through existing initiatives, networks, and commissions and are now promoting global disarmament. Perhaps the most recognized of these existing efforts is the Middle Powers Initiative. Through this initiative, eight international nongovernmental organizations are able to work primarily with “middle power” governments to encourage and educate the nuclear weapons states to take immediate practical steps that reduce nuclear dangers, and commence negotiations to eliminate nuclear weapons. Following the failure of 2005 NPT Review Conference, the Middle Powers Initiative launched “Article VI Forum” to examine the legal, technical, and political requirements to fulfill nonproliferation and disarmament commitments for a nuclear weapon-free world. The Forum has conducted six high-level meetings with key diplomats and leaders.<sup>15</sup>

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<sup>15</sup> From <http://www.middlepowers.org/about.html>

Another initiative developed by middle powers is the Nonproliferation and Disarmament Initiative (NDPI). This was established by the middle powers of Australia, Canada, Chile, Germany, Japan, Mexico, the Netherlands, Poland, Turkey and the United Arab Emirates to take forward the outcomes of the 2010 NPT Review Conference. This group has worked to promote transparency in nuclear disarmament and highlighted the need to resolve the prolonged stalemate in the Conference on Disarmament (CD). Moreover, its members have offered to share their collective experience in concluding and implementing Additional Protocols. Similarly, members of the NPDI continue to utilize diplomatic opportunities to urge states that have not done so to sign the Comprehensive Nuclear Test Ban Treaty.<sup>16</sup>

The New Agenda Coalition (NAC) is another group of middle power states that aim to build an international consensus on nuclear disarmament. The NAC played an instrumental role in convincing NWS to agree to the 13 practical steps toward nuclear disarmament included in the final document of the 2000 NPT Review Conference. It has also continued to submit to the UN General Assembly (UNGA) resolutions calling for a world free of nuclear weapons. Furthermore, the NAC continues to advance position papers at NPT review and preparatory meetings.

Finally, several independent international commissions have been created to advance the disarmament agenda. These include the 1996 Canberra Commission on the Elimination of Nuclear Weapons, the 1998 Tokyo Forum for Nuclear Nonproliferation and Disarmament that is sponsored by Japanese government, and the International Commission on Nuclear Non-Proliferation and Disarmament (ICNND) established by both Japan and Australia. These commissions generally create reports advocating various approaches toward a nuclear-weapons free world in response to significant upcoming meetings on international nuclear objectives. The commissions are excellent resources for middle power coalitions; for example work from the Canberra Commission is included in New Agenda Coalition initiatives.

These existing initiatives, networks, and commissions have made a significant contribution to the nonproliferation and disarmament agenda; however, current power shifts among middle powers impacts future action. For example, Latin American middle power states appear to have difficulty achieving sustained GDP growth that deprives them of the will or resources to act on global issues. Others, such as the European states, are losing their will or ability to act, mired as they are in a debt crisis.

In contrast, the “emerging middle power” ASEAN states of Indonesia, Malaysia, Philippines, Singapore, Thailand, and Vietnam have rebounded from the global economic crisis and are increasing their international power. The Organization for Economic Cooperation and Development projects 6 per cent average annual GDP growth across the ASEAN member states for 2011-2015.<sup>17</sup> Unusual due to its pacific constitution, Japan chooses to restrict its actions to the economic sphere; however, as the world’s third largest economy Japan’s influence is still considerable. Australia, another Asia Pacific

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<sup>16</sup> From [http://www.mofa.go.jp/policy/un/disarmament/arms/npdi\\_mstate110921.pdf](http://www.mofa.go.jp/policy/un/disarmament/arms/npdi_mstate110921.pdf)

<sup>17</sup> [http://www.oecd.org/document/2/0,3746,en\\_2649\\_33731\\_46367966\\_1\\_1\\_1\\_1,00.html](http://www.oecd.org/document/2/0,3746,en_2649_33731_46367966_1_1_1_1,00.html)

middle power, is also experiencing growth due to the global demand for its natural resources. As a result, Japan and Australia are more assertively promoting global regulatory regimes.

As US Secretary Clinton stated in her *Foreign Policy* article “America’s Pacific Century,” Asia is “the key driver in global politics.” Asian middle powers have the potential to play an increasingly important role in international affairs; however, whether they are able will largely depend on the type of role China takes as it rises. Certainly, Asia Pacific middle powers will be severely constrained in their ability to promote policies against the wishes of Beijing or Washington. On the other hand, Obama’s Prague speech gives them the implicit support of one of the region’s great powers. The following section suggests three strategies through which middle powers might influence the disarmament issue.

### **Middle Powers Reducing Reliance on Extended Nuclear Deterrence**

In its 2010 Nuclear Posture Review, the United States highlighted a ‘sole purpose’ nuclear doctrine as an eventual policy objective that would confine the role of nuclear weapons to deterring nuclear attack by other states. As it moves toward such a policy, extended nuclear deterrence (END) becomes more heavily weighted as a justification for the development or maintenance of nuclear weapons in general. For example, high-level North Korean officials consistently cite END as contributing to DPRK perceptions of insecurity. In the context of the fractious DPRK-US relationship, some claim that this weighed significantly in the North Korean nuclear breakout decision and continues to motivate development of its nuclear weapons capability. While North Korea’s motives for developing a nuclear weapons program are uncertain, any contribution that middle powers make to reducing reliance on the nuclear umbrella might also help to reduce international demand for the acquisition and retention of nuclear weapons.

It is important to US allies that their security needs are being met as END is scaled back; it is also necessary to consider the ways in which evolving security arrangements will affect DPRK and Chinese security perceptions. Nuclear armed states will only advance nuclear disarmament according to their own strategic calculations. This is true for both the DPRK and for US END policies. However, US allies that shelter under the nuclear umbrella have a direct interest – and therefore a legitimate claim to engagement – in the development of alliance security policies. Allies can influence US extended deterrence policies by developing and proposing credible alternatives to such policies. This can alter US perceptions of allied interests and preferences regarding END, and of the value and utility of the nuclear umbrella. From a US perspective, END also constrains its ability to implement additional nuclear drawdowns due to concerns that this might trigger proliferation among its allies.

Collective political diplomacy is one mechanism for effective middle power action on nuclear disarmament. It can help set international agendas and shift stagnant thinking. In the late 1990s, the New Agenda Coalition<sup>18</sup> demonstrated the potential of high-profile,

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<sup>18</sup> Brazil, Egypt, Ireland, Mexico, New Zealand, South Africa and Sweden.

collective political diplomacy. The nuclear weapon states (NWS) acknowledged the significance of NAC efforts by inviting the Coalition to broker stalemated nuclear disarmament negotiations at the 2000 Review Conference of the Nonproliferation Treaty. The NAC shifted the grounds of debate by successfully demanding that the NWS commit unequivocally to the elimination of their nuclear arsenals. As a result, the Final Document of the 2000 NPT Review Conference committed the NWS to work toward the elimination of their arsenals.

Middle powers can also contribute to regional and international security by investing diplomatic and financial resources into developing proposals for the advancement of a Northeast Asia Nuclear Weapons Free Zone (NEANWFZ). In this sense, middle powers would be helping to set a new international agenda. They can do this by using collective political diplomacy in the UN as the NAC did or in coordinated bilateral or plurilateral action to push new initiatives onto the international stage. Activity could focus on developing political will or establishing a forum for discussion of such a zone. This would most likely start with government-sponsored research into the conditions required to enable the nuclear umbrella to be progressively and sustainably withdrawn from the region, and could build on work of the Nautilus Institute for Security and Sustainability.

The recently formed Asia Pacific Leadership Network for Nuclear Non-Proliferation and Disarmament (APLN), comprised of eminent strategic thinkers from throughout the region, is well-placed to provide a strong human resource in this effort. The APLN has a working group focused specifically on nuclear deterrence and regional alternatives. With the APLN as a high-level track 1.5 mechanism and the NPDI as its potential track 1 partner, there is scope for useful and productive dialogue. In the immediate future, reduced reliance on END might entail movement toward greater conventional security assurances in the region or greater security cooperation among US allies (independent of, but coordinated with, US activity). A specific example may include the leveraging of alliances to maximize credibility and reassurance, such as with Australia in Northeast Asia. [See 'Reassurance without END' below]

While greater reliance on conventional deterrence might reduce nuclear insecurities, it also has the potential to spark further conventional arms build ups in the region. A best-case scenario for ensuring the security of all states in North East Asia would involve the creation of a NEANWFZ. There are significant challenges to the implementation of such a zone in NEA. There are also precedents for the creation of such zones in regions where states formerly possessed nuclear weapons, for example Africa and Central Asia. Again, the NPDI could be a productive partner in this regard.

Deepening Mongolia's engagement in the NEA security dialogue is a second area in which middle powers could innovate in regional security concerns. As a rapidly developing democracy, it has both the will and the capacity to become more engaged in regional security dialogue. Mongolia has maintained more consistent political and cultural dialogue and interaction with the DPRK than almost any country; thus, it is an important potential interlocutor for the DPRK. Mongolia also enjoys good relations with all countries in the region, including China and the United States. For example, some

commentators have noted the potential value of including Mongolia in an extended 6 Party Talks (6PT) framework. As members of the 6PT, South Korea and Japan could investigate additional means through which the Mongolian-DPRK relationship could be more effectively leveraged to induce further DPRK collaboration for finding solutions to regional security problems.

Although focused primarily on North East Asia, it is important to bear in mind how regional mechanisms would contribute to the broader goal of multilateral nuclear disarmament. Following up on the recommendation of the International Commission on Nuclear Nonproliferation and Disarmament, middle powers could engage in the “development and building of support for a comprehensive Nuclear Weapons Convention to legally underpin the ultimate transition to a nuclear weapon free world.”<sup>19</sup> In practice, this “building of support” is an area through which collective political diplomacy by middle powers could produce results by moving states (and individual leaders) out of stagnant and circular modes of thinking that hinder nuclear disarmament progress. Movement in this direction is also mandated by the Final Document of the 2010 NPT Review Conference where signatories unanimously agreed that “all States should make special efforts to build the framework for a nuclear-weapons-free world” noting in this context the UN Secretary General’s 5-Point Plan and the proposed Nuclear Weapons Convention. There are also successful precedents for this type of action, such as the Irish role in promoting the creation of what became the NPT, the Canadian role in developing a ban on anti-personnel land mines, and the joint effort by Norway, Ireland and New Zealand in pursuing a similar ban on cluster munitions.

### **Reassurance without END - An Allied Solution in Asia driven by Australia**

In Northeast Asia, there are already acute concerns about the reliability of END and fears regarding US security guarantees more generally. END requires of allies tremendous faith. Land-based nuclear weapons are no longer in use, making states reliant upon US submarines whose operations and locations are largely unknown to allies. Northeast Asian allies are hypersensitive to US decisions that might be interpreted as reducing commitment to the region.

In South Korea, US marines are being moved from the DMZ to the south to become a deployable force, a move viewed by many Koreans as removing a tripwire for US involvement should the DPRK launch an invasion. In Japan, strategic engagement between the US and China is cause for considerable unease despite Japan’s recognition of the extreme importance of a workable relationship between these great powers. Stability and crisis management between the US and China is critical, but Tokyo fears that its interests will be sacrificed in the broader security interests of the two great powers. For example, Japan was dismayed to have been kept in the dark about Kissinger’s visits to the PRC in 1971 and Nixon’s subsequent visit to China the following year.<sup>20</sup> Tokyo has

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<sup>19</sup> International Commission on Nuclear Non-proliferation and Disarmament, 'Eliminating Nuclear Threats: A Practical Agenda for Global Policymakers,' (Canberra/Tokyo: 2009), xxix.

<sup>20</sup> This caused severe embarrassment to the pro-American Japanese Prime Minister Sato Eisaku who subsequently opposed the admission of the PRC into the United Nations. See Dreyer (2012) 'The Shifting Triangle: Sino-Japanese-American relations in stressful times', *Journal of Contemporary China*, 21:75, pp 409-426.

alternated between fears of abandonment and entrapment with respect to Sino-US relations, at times trying to reduce the US military presence while concurrently trying to strengthen the US-Japan alliance<sup>21</sup>.

Australia could help redress this situation. If a new joint military facility was constructed in the ROK and Japan that included Australian personnel, this could prove powerful reassurance to compensate for any US drawdown or weakening END. In the case of an attack on shared Australian-South Korea facilities, with resulting Australian casualties, it would trigger Article IV of ANZUS in addition to the US-ROK Mutual Defense Treaty. For Japan, a deepening security engagement with Australia in the form of a permanent presence could provide the strategic reassurance of an ANZUS tripwire without impacting Japanese sensitivities in the US-Japan alliance. In the event of Australian casualties resulting from a major attack, the Australian domestic response would be overwhelming. This would put the US in a very difficult position as the US could not remain uncommitted given the ANZUS alliance imperative and the domestic pressure to act – a fact that should not escape the governments of South Korea or Japan.

The Australian government has previously found itself unable to resist popular outrage which has compelled military intervention. In September 1999, the overwhelming majority of Australians were in favor of intervention in East Timor, with a large proportion even supporting an Australian invasion of Indonesia – a country with 10 times Australia's population.<sup>22</sup> Even without a permanent ground presence, the majority of Australians remain committed to their Northeast Asian allies. The 2011 Lowy Institute Poll showed that in the event of North Korea initiating a full scale war with the South, 52 per cent of Australians would support Australia committing itself to the ROK's defense. Further, that percentage increases if China commits itself on the side of North Korea (56 per cent).<sup>23</sup> It is unlikely the Australian government could avoid committing to retaliation if Australians were killed in a direct assault abroad, and as mentioned above, equally inconceivable the US could avoid being drawn in. An exposed Australian presence thus provides ample reassurance to South Korea and Japan, even with weakening END and a US drawdown from the DMZ.

This is a stronger strategy since it involves conventional deterrence through clear and credible alliance mechanisms rather than through nuclear deterrence under ambiguous and rapidly shifting thresholds. In the event of an incident involving Australian casualties, the United States would have to seriously consider the implications for its alliance system if it failed to respond as expected. This reality, properly expressed to any potential adversary, could provide a form of deterrence that is both credible and enduring, while not directly escalating to nuclear conflict. The major challenge is to confer reasonable advantage to Australia. The Australian government would recognize that stationing troops in Northeast Asian flashpoints would dramatically lower Australia's

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<sup>21</sup> This conflicted strategic posture typified the Hatoyama government which wanted to move the US base at Okinawa while trying to strengthen defense ties with Washington in response to Chinese rebuffs at Tokyo.

<sup>22</sup> Front bench Liberal Party MP Joe Hockey later recounted how "it was an extraordinary period to be in government... asking the Australian people if they really knew what war with Indonesia would mean and the response being, overwhelmingly, "Yes! Do it!"; see "The Howard Years" (2008) ABC Documentary, Episode Two

<sup>23</sup> Lowy Institute. Lowy Institute Poll 2011, Pg 13 <http://www.lowyinstitute.org/Publication.asp?pid=1617>

threshold to conflict and limit its options in a crisis. It would also further antagonize China, Australia's number one trading partner, which would invariably lead to adverse economic consequences. Most Australian analysts would rightly identify such a policy as going 'all-in' with the US in Asia and as an irrevocable foray into the increasingly dangerous strategic competition in the region. The benefits of any such commitment would flow to other parties while Australia's own security would not necessarily improve as a result of a Northeast Asian deployment. However, it is also clear that any further nuclear proliferation in Northeast Asia would prove dangerous for the region, thus it is in the interests of all parties including Australia to prevent additional proliferation. Australia would need to feel satisfied that it was getting a reasonable return for its own security by taking on these distant commitments, something that is achievable through consultation among Australia, the US, and their North East Asian allies.

### **Middle Power Consortium Encourages China to Disarm**

Thus far the global nuclear disarmament agenda has been led by the US and Russia as they are the states with the largest nuclear arsenals. However as these two nations consider deeper cuts, it is becoming necessary for China to engage in this process as well. When presented with calls to engage in the global nuclear disarmament agenda, Chinese colleagues offer two arguments: (1) China will participate in disarmament when the US and Russia reduce their arsenals to approximate parity with China; and (2) While it does not object in principle, disarmament is not a priority right now as China is focused on managing its evolving position in the international community as its economy grows. A consortium of middle powers could encourage China to participate in the disarmament process by agreeing to a cap on the size of its nuclear arsenal.

China could engage now to help advance global nuclear disarmament by committing not to go above a certain number of nuclear weapons. China is estimated to have produced 240 nuclear weapons and has plutonium stocks that could allow it to build approximately 350-450 additional warheads.<sup>24</sup> China ceased production of military plutonium in the 1990s, but has not declared a moratorium. China could agree to a cap on the size of its arsenal on the order of hundreds of nuclear weapons. This would address the so-called 'sprint to parity' arguments that have been voiced in some quarters in the United States and elsewhere. Perhaps even more importantly, this would be a good way for China to engage in the disarmament process without increasing the transparency of its nuclear posture, something China perceives as a threat to its security and the robustness of its second-strike capability.

How could middle powers motivate China to act? Middle powers may be able to leverage their position as China's trading partners. China's expansion of power in Asia and its accompanying economic leverage over states in the region means China needs robust relationships with Japan, Australia, ASEAN, and other middle powers in order to successfully manage its rise. In other words, China needs regional middle powers as much as regional middle powers need China. For example, China is Australia's number

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<sup>24</sup> International Panel on Fissile Materials. Global Fissile Material Report 2011: Nuclear Weapon and Fissile Material Stockpiles and Production.

one trading partner and Australia is dependent on China to be the engine of its economic growth.<sup>25</sup> Likewise, Japan's substantial foreign direct investment in China also means that its economic prosperity is tied to China's growth.<sup>26</sup> Finally, China recently became ASEAN's number-one trading partner and its investments in ASEAN have been growing at double-digit rates.

Given that China has not shied away from using its economic ties to influence the decisions of its neighbors and trading partners on a range of non-economic issues, middle powers should also attempt to use trade to leverage China as well. Interdependence goes both ways and middle power states should challenge the assumption that China holds all the cards in terms of economic leverage. China needs its relationships with middle power as it works to expand economic ties and influence in Asia. However, middle powers' leverage is contingent on the extent to which they are able to form effective, issue-specific coalitions.

At the very least, middle powers can insulate themselves by diversifying their trade relations and by building a network of relationships among themselves to dilute their reliance on China. For instance, Japan imported rare earth metals from Malaysia after the Senkaku Islands incident prompted China to stop selling rare earth metals to Japan. Furthermore, Australia's growing capability to export rare earth metals at competitive prices offers states further options in trade diversification.

Japan's source of leverage is its foreign direct investment (FDI) in China, which has played a key role in helping China move up the production value chain. For example, Japanese FDI in manufacturing has been directed at technology-intensive industries and has helped drive industrial restructuring in China to more value-added industries.<sup>27</sup> Moving up the value chain is an important goal for China. Its current status as a low-cost production center has fueled rapid growth; however, this window is projected to close in the next five to eight years as the center for low-cost manufacturing shifts to India. Before this transition takes place, China has a vested interest in shifting toward producing more value-added products; however, China is having difficulty in producing its own intellectual property (IP) and is currently reliant on FDI from Japan (and to a lesser extent Korea) to increase the technical sophistication of its industries. Finally, Japan also directs substantial FDI to geographically proximal ASEAN nations, which could serve as an alternative to China should Japan choose to shift its investments.<sup>28</sup> This could provide an additional leverage opportunity for Japan in negotiations with China.

Skeptics of such leverage could point out that, rising labor costs notwithstanding, China continues to be an attractive destination for FDI, especially in its service sector and in its

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<sup>25</sup> Glosserman, Brad. 2011. PacNet #67 - The Australian Canary. <<http://csis.org/publication/pacnet-67-australian-canary>>

<sup>26</sup> Harris, Tobias. 2008, "Japan Accepts its 'Middle-Power' Fate." *Far Eastern Economic Review*, 171:6, p. 45.

<sup>27</sup> Sunyoung Noh and Jai S. Mah. "The Patterns of Japan's Foreign Direct Investment in China." *China Report*. August 2011. 47: 217-232. <<http://chr.sagepub.com/content/47/3/217.full.pdf+html>>

<sup>28</sup> *Ibid*



less developed central and western regions.<sup>29</sup> Moreover, investing in China is attractive because of the large and growing markets in the densely populated, relatively affluent coastal areas. However, ASEAN nations offer the advantage of rule of law, low-wage labor and new investment opportunities such as those presented by recent political changes in Myanmar.

Australia's source of leverage stems from its role as an exporter of raw materials and natural resources. Competition for natural resources that fuel economic development is becoming more acute, and this presents a challenge for rapidly industrializing China. As international competition for raw materials and natural resources increases, raw materials exporters will be able to pick and choose with whom they wish to trade. This is especially applicable to Australia as its major exports to China include iron, coal, and crude petroleum. While Australia's economy is usually ranked around 13<sup>th</sup> in the world in terms of size,<sup>30</sup> its wealth in mining and mineral exports make it a middle power able to punch above its weight when it chooses.<sup>31</sup>

ASEAN has several points of leverage vis-à-vis China and is better insulated from China's economic influence compared to other middle powers in the region. First, ASEAN's growing markets are attractive to China, which is looking for new markets to absorb its exports since the onset of economic slowdowns in the United States and Europe.<sup>32</sup> Indeed, China has been working to rapidly increase trade with ASEAN as evidenced by the 2010 signing of a free trade agreement between the two parties and recent double-digit growth in China's investment in ASEAN.<sup>33</sup> Second, ASEAN's mainland states have the unique advantage of geographic proximity to Southwest China, whose development has lagged behind the more affluent eastern Chinese seaboard. Chinese exports from the Southwest to proximal ASEAN states are considerably more profitable than exports that must travel to Japan or the US.<sup>34</sup> Third, ASEAN states possess a wealth of natural resources, including oil, minerals, hydropower, and timber.<sup>35</sup> With increasing competition for their resources, ASEAN is well positioned to obtain favorable terms from fellow member states and to benefit as a supplier to broader markets. Finally, ASEAN has an abundance of low-cost labor needed to produce intermediate-level products such as machinery, minerals, fuels, and plastics. China buys these products and processes them as it seeks, as discussed above, to create more value-added goods for export.

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<sup>29</sup> Zhang Jianping and Ji Jianjun. "China Still Attractive to FDI." *China Daily*. Oct. 25, 2011.  
<[http://www.chinadaily.com.cn/opinion/2011-10/25/content\\_13966781.htm](http://www.chinadaily.com.cn/opinion/2011-10/25/content_13966781.htm)>

<sup>30</sup> According to CIA World Factbook, the IMF, and the World Bank.

<sup>31</sup> "China Fact Sheet." Market Information and Research Section, DFAT. 2011.  
<<http://www.dfat.gov.au/geo/fs/chin.pdf>>

<sup>32</sup> "China seeking fast track into ASEAN market," *China Post*, January 10, 2011.  
<<http://www.chinapost.com.tw/commentary/the-china-post/special-to-the-china-post/2011/01/10/287027/China-seeking.htm>>

<sup>33</sup> "China invests in south-east Asia for trade, food, energy and resources," *The Guardian*, March 22, 2012.  
<<http://www.guardian.co.uk/world/2012/mar/22/china-south-east-asia-influence>>

<sup>34</sup> "The China-Asean Free Trade Agreement: Who's Happy, Who's Not," *Knowledge@Wharton*, May 12, 2010.  
<<http://www.knowledgeatwharton.com.cn/index.cfm?fa=viewArticle&articleID=2227&languageid=1>>

<sup>35</sup> "China invests in south-east Asia for trade, food, energy and resources," *The Guardian*, March 22, 2012.  
<<http://www.guardian.co.uk/world/2012/mar/22/china-south-east-asia-influence>>

Given the concern of many ASEAN states that China is drawing them into its sphere of influence and making them ‘China’s backyard,’ middle powers in the Asia Pacific have increasing motivation to shift trading partnerships to other regional middle powers. For example, the ASEAN trade partnership with Japan could be strengthened given the two parties have compatible economies in terms of their place on the production value chain. South Korea and the US are also interested in forging closer economic ties with ASEAN, both for economic benefit and to prevent the ‘backyard’ phenomenon.<sup>36</sup> In short, ASEAN has numerous options for trading partners who are eager to forge stronger ties, placing it in a particularly strong position to increase economic leverage over China.

How can middle powers use this leverage to encourage China to accept a cap on the size of its arsenal? One option involves coupling China’s rise to power with its responsibilities to uphold global norms. China has developed a reputation for expecting the privileges commensurate with its growing economic power without recognizing the responsibilities that accompany this power. As a response to China’s assertion that it needs to manage its evolving position in the international community before addressing arms control and disarmament, middle powers could make a Chinese commitment to nuclear disarmament a condition for obtaining middle power support for China’s great power status.

Should Japan and Australia choose to lead this initiative, they have a number of options. First, they can explicitly state that favorable trade conditions with China are contingent on China’s willingness to demonstrate seriousness about the disarmament agenda. Second, they can put engagement in the global nuclear disarmament agenda on the table, convey the imperative nature of China’s participation, and imply that the economic leverage discussed above could be used if China is unresponsive.

This proposal is predicated on the idea that it is possible to create an environment in which China does not feel the need to maintain the flexibility to dramatically increase the size of its nuclear arsenal in the future. Thus, trying to motivate China economically will only work if China does not believe that agreeing to a cap of its nuclear arsenal will undermine its security. Creating this environment may require modifications to US nuclear posture, such as changes to extended nuclear deterrence as described above.

If this premise holds true, there is a range of possibilities for China’s response. In the best-case scenario, China could decide that it could push back on these leverage efforts and retaliate with punitive trade measures but it is not worth escalating into a trade war. In this scenario, China avoids a bruising trade war that could inflict economic damage on all parties, including itself. If China does not object to limiting the size of its arsenal on security grounds, it could be prodded into negotiations. Since building its economy and improving its status in the international community are top priorities, China may be willing to make concessions on the arsenal cap if it perceives this as a low-cost way to protect economic interests.

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<sup>36</sup> “The China-Asean Free Trade Agreement: Who’s Happy, Who’s Not,” *Knowledge@Wharton*, May 12, 2010. <<http://www.knowledgeatwharton.com.cn/index.cfm?fa=viewArticle&articleID=2227&languageid=1>>

In the worst-case scenario, China could perceive this as an attempt at containment, exacerbating its concerns about the role of US alliances in the region. China could forcefully resist what it perceives as a containment strategy and work to avoid establishing a precedent for the use of economic leverage by middle powers to influence its decision making. This could lead China to escalate into a full-blown trade war, in which it imposes punitive trade measures in response to the actions of Japan, Australia, ASEAN and other collaborating middle powers. However, the larger the coalition of middle powers supporting this proposal, the harder it will be for China to engage in a trade war. This would also make it more difficult for China to impose economic damage without significantly damaging itself.

In the worst-case scenario, the implications for Japan, Australia and ASEAN of a failed attempt at economic leverage would be significant. The profit loss caused by disruption of Japan's FDI in China would not be fully offset by shifting investment to ASEAN nations. Moreover, China could cause further damage by erecting trade barriers on Japanese goods and services. In response to disrupted supply of raw materials from Australia, China could purchase those materials from other suppliers and add additional punitive measures in retaliation. An escalating trade war could put at risk China's nearly US\$13 billion FDI in Australia, Australia's roughly US\$7 billion FDI in China, and disrupt imports of telecommunications equipment and computers from China.

Compared to Japan and Australia, ASEAN would sustain less damage in the event of a failed attempt at leverage. China is ASEAN's top external trading partner at 11 per cent of total annual trade volume in 2010, and a souring of relations could lead to a decline in this activity. However, Japan, the EU and the US are not far behind at 10 per cent, 10 per cent, and 9 per cent respectively, and trade among ASEAN nations constituted 26 per cent of 2010 trade volume. Second, while China's FDI in ASEAN is rapidly growing, it was less than 5 per cent in 2010 – a figure that is dwarfed by ASEAN's largest sources of FDI, the EU (26.6 per cent), ASEAN (20 per cent), and US and Japan (15.3 per cent each).<sup>37</sup> Nevertheless, a failed attempt at leverage could undermine ASEAN's ability to export goods to China, whose geographic proximity makes it an attractive market. China would be constrained by an existing FTA with ASEAN that limits tariffs on goods; however, China's markets are difficult to enter without assistance<sup>38</sup> and thus China would retain the option of refusing to facilitate further ASEAN entry.

Attempts by middle powers to use economic leverage to influence China's actions is risky. Middle powers may not be willing to take these risks to advance the disarmament agenda. The likelihood that China would agree to negotiate as opposed to engaging in a full-blown trade war and the extent to which middle power economic integration can mitigate damage in the event of a failed attempt at leverage must be included in middle powers' risk assessments.

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<sup>37</sup> "ASEAN Statistics Leaflet: Selected Key Indicators 2011," ASEAN Secretariat, August 2011. <<http://www.aseansec.org/publications/ASEAN-Statistics-Leaflet-SKI2011.pdf>>

<sup>38</sup> "China now ASEAN's largest trading partner," *Antara News*, Aug. 12, 2011. <<http://www.antaraneews.com/en/news/74730/china-now-aseans-largest-trading-partner>>

### ***Policy Suggestion: Pursue Parallel Approaches***

Both goals of encouraging the US to shift away from extended nuclear deterrence and encouraging China to accept a cap on the size of its nuclear arsenal depend on US and Chinese security perceptions. Further, the steps required to achieve the goals will be more palatable to the parties involved if they happen in parallel. Middle powers have an opportunity to advance these objectives by collaborating on a proposal that integrates both of these goals and builds connections between them.

Nuclear disarmament is more likely to succeed if steps that create disadvantages for one party proceed in parallel with steps by other parties to create a new balance. There is historical precedent for the linkages between different disarmament commitments. This is also true for the US and China, whose threat perceptions are tied to each other's actions. China has concerns about the role of US presence in the Asia Pacific and of its alliances in the region. Threat perception is complicated by the fact that the steps taken by the US to reassure its allies are perceived as threatening by China; it also places the US in a constant balancing effort in the Asia Pacific. Specifically, China fears attempts at containment and is concerned about the credibility of its own second-strike capabilities. The US and its allies are worried about rapid, non-transparent expansion of China's military and further development of China's sea-based capabilities given China's more assertive behavior in South China Sea territorial disputes. These concerns stem from profound uncertainty regarding how China will use its rising power –whether it will adhere to international norms and help protect the global commons.

A move by the US to shift away from END in the Asia Pacific could decrease threat perceptions in China, particularly about the role of US alliances in the region. An agreement by China to cap the upper limit of its nuclear arsenal could build confidence in the idea that China is a nation ready to accept great power responsibilities to preserve global commons and work collaboratively with the international community; further, it would demonstrate the irrelevance of the “sprint to parity” argument and help reassure China's neighbors that it does not plan to be an aggressor. There are risks for each party in taking these proposed steps yet these risks are mediated by acting in concert.

### **Middle Powers and a Southeast Asia Nuclear Weapon Free Zone (SEANWFZ)**

The Southeast Asia Nuclear Weapons Free Zone (SEANWFZ), also called the Bangkok Treaty, was established by ASEAN in 1995. It is both a positive development for long-term regional peace and a very encouraging step toward global nuclear disarmament. However, concerns over the scope of the treaty – which extends the nuclear-weapon-related activities prohibition to the Exclusive Economic Zones (EEZ) and continental shelves of zone – mean none of the five nuclear weapon states have yet to ratify it.

After 12 years of negotiations, the five recognized nuclear-weapon states that hold the Permanent Five members of the UN Security Council (P5) finally agreed to sign on the protocol to the SEANWFZ treaty in July 2012. Final ratification of the Bangkok Treaty would be a significant accomplishment in advancing regional security and global

disarmament. The decision to sign at an ASEAN Ministers meeting reflects the role emerging middle powers played in encouraging the P5 states to move forward with the signing the Protocol.

A conducive international environment lent support to P5 consultations with ASEAN on issues concerning the Protocol to the Southeast Asia Nuclear-Weapon-Free Zone Treaty in Bali, Indonesia in November, 2011, that delivered agreement resolving all outstanding issues surrounding the Protocol. Further, during the Bali Summit both China and the US indicated tentative support for the SEANWFZ. However, considerable obstacles remain before broader acceptance of the treaty. For example, the United States worries about nonproliferation in the region, for example Myanmar's suspected illicit nuclear-related work including nuclear terrorism. The US is also concerned the Treaty could place new restrictions on the right of free passage through the zone's seas and airspace for nuclear-powered or nuclear-armed vessels and aircraft. China is unsure over the extent to which prohibitions on nuclear-related work apply to countries' continental shelves and Exclusive Economic Zones (EEZ), especially in the South China Sea.<sup>39</sup>

The primary concern for the US is proliferation and the threat of nuclear terrorism. ASEAN emerging powers could go some way to addressing these concerns by issuing regulations tightening their WMD-related exports, conduct technical cooperation on export inspection with the US, and joining the Proliferation Security Initiative (PSI). In recent years, the US has emphasized technical cooperation with regional states to counter proliferation of WMD-related items. Enhancing technical cooperation between the US and ASEAN on WMD export control will address the most serious security concerns for the US, so joining PSI is a form of leverage for ASEAN states. PSI is of major importance to US nonproliferation policy. According to the US State Department, "The PSI is an important tool in our efforts to break up black markets, detect and intercept WMD materials in transit, and use financial tools to disrupt this dangerous trade. It is an innovative and proactive approach to preventing proliferation that relies on voluntary actions by states that are consistent with their national legal authorities and relevant international law and frameworks."<sup>40</sup> There are only two ASEAN countries within PSI, so negotiating as a bloc would give the body increased leverage with the US.

Multilaterally, ASEAN member states could work with the International Atomic Energy Agency (IAEA), the P5, and regional middle powers like Japan and Australia, to establish a nuclear fuel bank in Southeast Asia. For P5 members like Russia, this would be a confidence-building measure. Russia was the first country to propose a low-enriched fuel reserve in Angarsk in 2007. According to Article 4 of the NPT, every country has the inalienable right to research, develop, and produce nuclear energy for peaceful use. If ASEAN countries compromise on their Article 4 right, it would serve as leverage for pushing the P5 toward ratifying SEANWFZ. As significant middle powers in the region, Australia and Japan also can cooperate in this plan. Australia, the main supplier of rich

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<sup>39</sup> Peter Crail & Xiaodan Liang (2012), "Southeast Asia nuclear-weapon-free zone and the nuclear-weapon states," *Asia Pacific Bulletin*, No.148, published by East-West Center in Washington

<sup>40</sup> From <http://www.state.gov/t/isn/c10390.htm>

uranium, could offer raw materials for this fuel bank. Japan, the country with the most advanced nuclear enrichment technology, could offer the technological support. Furthermore, all of this could be done under IAEA safeguards. A concert of cooperation by middle powers makes achieving all the above conditions more likely and alleviates P5 nonproliferation concerns, which ultimately makes this fuel bank proposal more attractive to the P5.

### ***Middle Powers Must Work in Concert***

In the pursuit of the ultimate goal of disarmament, this section has presented three possible roles for middle powers. First, they can encourage the US to make incremental changes to its extended nuclear deterrence (END) posture. Second, middle powers can leverage their positions as trading partners to encourage China to engage in the disarmament process by agreeing to a cap on the size of its nuclear arsenal. Third, middle powers can encourage the P5 to sign and ratify South East Asia Nuclear Weapon Free Zone (SEANWFZ).

To advance this forward-looking agenda, the appropriate institutional frameworks should be used. Middle powers should work through bilateral and multilateral institutions or ad hoc coalitions of like-minded states, rather than pursuing their interests unilaterally. There are several options available to middle powers to advance these goals – some may be more effective than others. For instance, while joint diplomatic demarches can be delivered directly from middle power governments to the US and Chinese governments, it may be more effective to create a coalition that involves the wider grouping of like-minded states. Similarly, regional middle powers might seek to utilize a grouping such as the ASEAN Regional Forum (ARF). In many ways, the ARF is suitable since it includes the 10 ASEAN member states along with Australia, China, Japan, ROK, and the US as dialogue partners. Alternatively, middle powers can utilize existing initiatives or commissions. For instance, encourage the US to make incremental changes to its extended nuclear deterrence (END) posture, the APLN can be used as a high-level track 1.5 mechanism, and the NPDI is a potential track 1 partner to broaden the scope for dialogue. Similarly, recommendations by the International Commission on Nuclear Nonproliferation and Disarmament could be adopted, allowing for middle powers to engage in the “development and building of support for a Nuclear Weapons Convention.

Finally, these goals can be discussed in the context of an Alliance Caucus that consists of the US and its regional allies of Australia, Japan, the Philippines, the ROK, and Thailand.<sup>41</sup> Taking from the UN caucus model, the proposed caucus would exist initially to provide a forum for informal knowledge-sharing alongside more formal international forums. In the more informal setting, middle powers would be able to develop a more concrete plan of action for pursuing the above-mentioned three ways they can contribute to disarmament.

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<sup>41</sup> Forrester, Nicole. March 26, 2012. “Time for an Alliance Caucus.” *PacNet*, 21, <http://csis.org/publication/pacnet-21-time-alliance-caucus>

## Conclusion

Nuclear disarmament and South China Sea disputes are two focal points through which middle powers can exercise power and influence in the Asia Pacific. The critical impact these issues will have on the Asia Pacific defines them as robust opportunities for joint engagement among current and emerging middle powers.

The South China Sea is a crucial sea lane for regional trade and repository for immense natural resource wealth. More importantly, it is an outlier for Chinese diplomacy and strategic intentions and a crucial test case for maritime law. In the words of the Navy's top commander in the Pacific, Adm. Patrick Walsh, the South China Sea is "critically important for security and stability. It is the critical node to all the economic activity."<sup>42</sup> A deterioration of this situation has capacity to set the region aflame, placing middle powers at the forefront of the potential fallout. Thus, it is imperative that they define their respective roles vis-à-vis and set the framework for regional cooperation.

ASEAN, Vietnam, and Australia are highlighted in this essay because each brings with it the capacity to either construct new mechanisms or refocus existing ones to facilitate the resolution of the South China Sea disputes. ASEAN can evolve the China-ASEAN Maritime Cooperation Fund into a permanent platform that addresses the complexities of the SCS territorial claims by sponsoring scholarly exchanges to generate innovative solutions, streamlining existing bilateral maritime initiatives, and initiating groundwork that will allow parties to develop the disputed area's rich natural resources once a resolution is reached. Vietnam can capitalize on its capacity and intent to play a more active role in collaborating with fellow middle powers like Australia to build confidence in the region. Australia can use the Expert Working Group on Maritime Security as a multinational platform to reach out to China and harmonize regional understanding of international maritime law and its applicability to the SCS.

With pressure on the NPT stretched to breaking point, the issue of nuclear disarmament is equally salient. Further, the North Korean nuclear crisis and its impact on US extended deterrence means that nuclear weapons are set to increase rather than decrease in importance unless steps are taken to counteract the proliferation trend. China's rise as a world-class military power also brings urgency and focus to disarmament, especially in the Asia Pacific.

What these nuclear and maritime mechanisms have in common is that they allow the region to demonstrate to the international community that Asia Pacific nations are capable of instituting the level of security and stability necessary to protect the preponderance of the world's political and economic activity.

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<sup>42</sup> <http://www.dailymail.co.uk/news/article-2088414/Dispute-oil-rich-islands-South-China-Sea-escalate-state-state-conflict-U-S-admiral-warns.html#ixzz1qcsbqBWA>

If current trends continue, regional affairs in the Asia Pacific will be shaped by a handful of major powers guarding their own interests and shaping the region's trajectory. However, middle power institutions that generate regional solutions to regional problems will give a wide range of nations the leverage to author their own storylines in the narrative of the Asian century. Middle powers must capitalize on their unique roles, execute their cooperation strategies through strong regional mechanisms, and secure their power in the Asia Pacific. The question is whether middle powers will rise to champion this alternative future.



## About the Authors

**Mr. James BROWN** served as an officer in the Australian Army prior to joining the Lowy Institute. He commanded a cavalry troop in Southern Iraq, served on the Australian task force headquarters in Baghdad, and was attached to Special Forces in Afghanistan. He was awarded a commendation for work in the Solomon Islands and as an operational planner at the Australian Defence Force Headquarters Joint Operations Command. James is the Military Fellow at the Lowy Institute and his research focuses on military issues and defence policy. James coordinates the MacArthur Foundation Asia Security Project which aims to explore security cooperation in Asia and promote measures to prevent Asia's growing strategic rivalries from deepening into war.

**Dr. Lyndon BURFORD** is a PhD candidate at the University of Auckland. His thesis working title is 'Nuclear disarmament and nonproliferation advocacy by non-nuclear armed states: motivations, policies, and outcomes'. In 2011, Lyndon won the Doreen and Jim McElvany Nonproliferation Challenge, hosted by the Center for Nonproliferation Studies, Monterey. Lyndon has a first class MA in Political Science and a first class Honors degree in Diplomacy and International Relations. His undergraduate studies focused on Russian and French language and culture, and he has worked and lived in both countries.

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helping review the content the web page on the Nuclear Threat Initiative. She has written on articles on India's missile defense program and East Turkistan Organization, while her research interests include Chinese nuclear policy, nuclear security, nonproliferation, and terrorism threats faced by China.

**Ms. Mihoko MATSUBARA** is a resident SPF Fellow at Pacific Forum CSIS. She served for nine years as a foreign liaison officer at the Japanese Ministry of Defense, and worked in close contact with the US government and military. Her work has earned her numerous awards and commendations from the US and Japan. She received her BA from Waseda University and an MA in International Relations and Economics from the Paul H. Nitze School of Advanced International Studies (SAIS), Johns Hopkins University as a Fulbright Scholar in 2011. While studying at SAIS, Mihoko interned at the CSIS Japan Chair and the Heritage Foundation's Asian Studies Center.

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## APPENDIX A



**PACIFIC FORUM CSIS**  
**YOUNG LEADERS**  
**15th CSCAP WMD Study Group**  
**WSD-Handa YL Program**  
Swissotel ♦ Sydney, Australia  
March 5-9, 2012



### AGENDA

#### Monday, March 5, 2012

18:00 **YL Intro Session**

Brief overview of YL program in general, what to expect over the next few days and what will be expected of Young Leaders.

18:30 **Welcome Reception**

19:00 **Opening Dinner**

#### Tuesday, March 6, 2012

9:00 **Welcome remarks**  
(CSCAP Vietnam and USCSCAP)

9:15 **Session 1: Recent Developments in the Global Nonproliferation Regime**

This session will focus on recent developments in nonproliferation and disarmament. Have there been any significant developments regarding action items identified at the 2010 NPT Review Conference? What are the prospects for the 2012 NPT Preparatory Committee meeting? What are the implications of the latest developments in Iran, Syria, and Myanmar? How is implementation of New START proceeding? How has the issue of missile defense influenced the process? What impact has it had in the Asia-Pacific? How significant is Indonesia's recent ratification of the CTBT? What are the implications of the recent developments on SEANWFZ?

10:45 **Coffee Break**

11:00 **Session 2: The Korean Peninsula and Denuclearization**

This session will examine the status of denuclearization talks on the Korean Peninsula. What are the respective parties' assessments of recent developments? What are the prospects for renewed multilateral

discussions over the nuclear issue? Should the Six-Party Talks be resumed? What can be done to move the process forward?

12:30 **Lunch**

13:45 **Session 3: The Nonproliferation-Disarmament Nexus**

This session will examine the relationship between nonproliferation and disarmament. How accurate is the assumption that disarmament progress by the nuclear-armed states will lead the non-nuclear-armed states to adhere to stronger nonproliferation measures? What is the track record? Can this rationale be operationalized? Can clear trade-offs be identified to allow clear benchmarks for implementation? How? What would be appropriate nonproliferation steps in return for disarmament progress? What role can countries in Asia-Pacific region play in this process?

15:15 **Coffee Break**

15:30 **Session 4: UNSCR 1540 and Security of WMD-Related Materials**

This session will look the implementation of UNSCR 1540, and WMD security and safety in the Asia-Pacific. What is the implementation status of UNSCR 1540 in Asia? What substantive areas need to be addressed? What are the implementation challenges? How can multilateral organizations be used to improve UNSC 1540 implementation? What are the implications of Australia's recent decision to sell uranium to India? What is the outlook for the coming Seoul Nuclear Security Summit and beyond?

17:00 **Session adjourns**

18:30 **Dinner at Swissotel with CSCAP Senior Participants**

### **Wednesday, March 7, 2012**

7:45-8:45 **Young Leaders Breakfast Meeting**

H.E. Pau Lwin SEIN, Myanmar Ambassador to Australia

9:15 **Session 5: The 7<sup>th</sup> BTWC Review Conference**

This session will examine the proceedings and findings the 7<sup>th</sup> Biological Weapons Convention Review Conference that took place in Geneva on December 5-22, 2011. What did the Review Conference achieve? Did it meet expectations? What are the implications for Asia? What is the way forward through to the next (2016) Review Conference? How can Asia contribute productively to the interim inter-sessional process? What role can CSCAP and the ARF play in this process?

10:45 **Coffee Break**

11:00 **Session 6: The Chemical Weapons Convention**

This session will look at the Chemical Weapons Convention and recent developments pertaining to chemical weapons nonproliferation and disarmament. How should the OPCW's role evolve as the remaining chemical weapons stockpiles are eliminated? What are the key

nonproliferation challenges and the road ahead for the CWC, particularly with regard to verification? How does this relate to BTWC challenges? What are the implications for Asia? What role can CSCAP and the ARF play?

12:15        **Lunch**

13:45        **Session 7: CSCAP Memoranda and Handbook Review**  
During this session, participants will conduct reviews of the Disarmament and Nonproliferation Memoranda as well as discuss a review of the *Handbook on Preventing the Proliferation of Weapons of Mass Destruction in the Asia Pacific*.

15:15        **Session 8: Wrap up and Future Plans**  
This session will focus on future work of the Study Group. How should the Study Group focus its efforts? What can the group do to help develop the ARF Working Plan on Nonproliferation and Disarmament? What can the Study Group do to encourage transparency and promote disarmament? How can the Study Group complement and support the ARF Inter-Sessional Meeting on Nonproliferation and Disarmament?

16:00        **Meeting Adjourns**

18:00        **Farewell Dinner**

**Thursday, March 8, 2012 WSD-Handa Young Leaders Program**

Venue:        Institute for International Security and Development  
Arcade Room, University of NSW, Kensington

7:45        Bus departs Swissotel for UNSW

9:00        **Program Introduction by Brad Glosserman**

**Keynote presentation:** *Australia's national security priorities*  
Alan Dupont  
Director, Institute for International Security and Development, UNSW

This session will explore the multitude of national security priorities that Australian policy makers must plan for over the horizon. How can using a System of Systems (SoS) approach to security analysis more effectively connect a nation's traditional and non-traditional security policy to improve the regional security environment?

*YL response by Justin Goldman:* Practical application of SoS through Smart Power strategies?

10.15        **Coffee Break**

10.30        **Roundtable 1: What is the role of Asia Pacific middle powers in responding to regional security threats?**

Building on the preconference assignment, and setting the foundation for the post-conference work, this session will explore the threats and themes identified by Young Leaders. It will discuss the opportunities that Asia Pacific middle powers could, and should, take in their contribution toward creating a more secure region.

12.00      **Keynote presentation:** *National interests and international norms – managing challenges of the Asian Century*  
John Quinn  
Asian Century White Paper Secretariat, Dept. of Prime Minister and Cabinet  
[Working lunch]

13.00      **YL Roundtable: How can nongovernment actors contribute?**  
  
What role does industry play in improving regional security? How can NGO initiatives assist? What role is there for think tanks, universities beyond Asian Studies departments, cultural programs and exchanges, and media outlets both domestic and foreign?

14:30      **Wrap Up**

14:45      **Close Session**

19.00      **Dinner**

**Friday, March 9, 2012**

8:00-9:00      **Keynote presentation:** *What is Australia's role in the Asia Pacific?*  
Allan McKinnon  
First Assistant Secretary, International Security Division  
Department of Foreign Affairs and Trade

Mr McKinnon will examine Australia's role and its place in the world. Topics will include: Australian foreign policy directions; How Australia sees itself and its role as a middle power in promoting regional collaboration and cooperation; the role of the Aus-US Alliance; and how is Australia viewed by its Asia-Pacific neighbours.

9:00-10:30      **Program Wrap-Up Session**

## APPENDIX B



PACIFIC FORUM CSIS

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**YOUNG LEADERS**  
**15th CSCAP WMD Study Group**  
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### YL Participant List

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