

## CHAPTER III

### DEVELOPMENT OF REGIONAL COOPERATION

#### PART I. ASEAN 1967-1975

##### Objectives and Structure

Before analysing the first period of ASEAN in terms of regionalism, there is a need to look into the objectives and structure of ASEAN. For this, it might be best to refer to the Bangkok Declaration (namely, the ASEAN Declaration) of 8 August, 1967, which served as the sole 'constitutional' basis of the organisation during this period.

The Declaration constitutes four parts: the first consists of an introduction which, in brief terms, states the official reasons for establishing the association; the second deals with aims and purposes; and the third and the last part outline the institutional machinery through which these are to be attained.<sup>1</sup>

The Bangkok Declaration did not offer any specific agenda or programme; it was a declaration of good intent concerning peace and stability in the region. In fact, the emergence of a declaration instead of a treaty accentuates the tentative, minimal base on which Southeast Asian cooperation began.<sup>2</sup>

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<sup>1</sup> See, Appendix 2.

<sup>2</sup> M. L. Suriyamongkol, op. cit., p. 49.

The entire second part on aims and purposes consists of seven short paragraphs which, in very general terms, identify the tasks of the organisation, which include, among others, : (1) to accelerate the economic growth, social progress, and cultural development in the region; (2) to promote regional peace and stability; (3) to promote active collaboration and mutual assistance on matters of common interest; (4) to collaborate more effectively for optimum utilisation of agriculture and industry; and (5) to maintain close and beneficial cooperation with existing international and regional organisations.

In respect of aims and purposes, the Declaration was to concentrate mainly on mutual cooperation in the economic, social, cultural, technical, scientific, and administrative fields. Conspicuous by their absence were references to military and political matters.<sup>3</sup> However, for an organisation which purported to be aiming at increased economic cooperation in particular, the five founding member states were remarkably reticent when it came to formulating economic policies and strategies for the future.

The third paragraph of the ASEAN Declaration outlines the structure of the organisational machinery, that is, the four main mechanisms: an Annual Meeting of Foreign Ministers; A Standing Committee; National Secretariats; and Ad Hoc committees and

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<sup>3</sup> Mindful, no doubt, of the accusation that ASA was an anti-communist alliance, the signatories of the Bangkok Declaration wished to make the document as uncontroversial as possible.

Permanent committees of specialists and officials on specific subjects.

The Foreign Ministers of the five countries were at the apex of authority in the ASEAN structure. The Ministers meet annually on a rotational basis, in alphabetical order, in each of the five ASEAN capital cities. The Standing Committee consists of the Foreign Minister of the country hosting the ministerial meeting for a given year and the accredited Ambassadors of the other member countries. The committee is charged with carrying out the work of ASEAN between ministerial meetings, handling routine matters, and submitting reports and recommendations from the various ASEAN committees to the Foreign Ministers.

The next level in the ASEAN organisation consists of a system of Permanent and Ad Hoc (or Special) Committees. These types of committees are organised along specific functional lines and their members are government officials, specialists and experts. Of the Permanent committees, seven were created when ASEAN was formed in 1967, three were added in 1969 and the eleventh was added in 1971. All the committees were under the authority of the Foreign Ministers from 1967 to 1975. The committees are responsible for holding discussions and recommending programmes for ASEAN cooperation. A notable feature at this level is that the Permanent Committees focused on projects and recommendations concerning members' relations with each other, while the Ad Hoc Committees concentrated on extra-

ASEAN issues for which a united, coordinated position was needed *vis-à-vis* the rest of the world.<sup>4</sup>

Each ASEAN country has established a National Secretariat to carry out the Association's projects in the name of that country. Unlike other regional organisations, ASEAN did not have a central secretariat or headquarters during the period from 1967 to 1975. The National Secretariat's responsibility is to coordinate all ASEAN matters in each country so that ASEAN's activities will be pursued as agreed by the member countries. The Secretariat is also responsible for helping prepare the groundwork for the Annual or Special Meeting of Foreign Ministers, the Standing Committee, and other committees as may hereafter be established. In addition, the ASEAN National Secretariat takes responsibility for making ASEAN known to the peoples of the member nations to encourage a spirit of regional cooperation. The Secretariat is considered one of the most important organisations in each member country. Located within the Foreign Ministry, it is headed by a Secretary-General. The five Secretaries-General occasionally meet and consult with one another to make preparations for all Standing Committee meetings.

The ASEAN framework, at the time of its establishment, was not really suitable for promoting cooperation among member states satisfactorily, and suggestions had been made from time to time

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<sup>4</sup> Ibid., p. 51.



to improve this framework. This point will be elaborated further elsewhere in this chapter.

### Political Field

In general, it is true that the official primary aims and purposes of ASEAN focus on cooperation and development in the economic, social and cultural fields as has been clearly stated in the ASEAN Declaration. However, upon closer scrutiny of the Bangkok Declaration, it would appear more of a political agreement, reflecting the belief of the five ASEAN member countries that their cooperation, "in the spirit of equality and partnership, would bring mutual benefits and stimulate solidarity," which can contribute to "peace, progress and prosperity in the region". Clearly, the circumstances under which ASEAN was formed show that the Association had a strong political character from the beginning.<sup>5</sup>

Political cooperation within ASEAN began in a form that was probably not intended.<sup>6</sup> After the diplomatic relations between Malaysia and the Philippines were normalised in 1966--before the establishment of ASEAN--it was believed that the problem of

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<sup>5</sup> The ASEAN countries had their respective political reasons to make use of this organisation for regional cooperation as mentioned in the relevant section of chapter II of this thesis.

<sup>6</sup> Yamakage Susumu, "The Integrative Role of ASEAN in the ASEAN Region: From Symbol to System," in Okabe Tatsumi ed., Twenty Years of ASEAN: Its Survival and Development (Tokyo: The Japan Institute of International Affairs, 1988), p. 150.

Sabah's sovereignty, which had been the cause of conflict between the two countries, had already been settled and would not be raised again. Shortly after it was launched, ASEAN was threatened by a rekindling of antagonism between the two countries, which disputed each other's claim of sovereignty over Sabah.<sup>7</sup> To prevent this from becoming aggravated and to protect ASEAN, the other ASEAN members, particularly Indonesia and Thailand tried to find diplomatic means to avert this crisis from further escalation. After a series of informal and formal discussions among the ASEAN leaders, the conflicting parties, Malaysia and the Philippines, agreed to cool off their quarrel for the sake of a broader purpose, the success of ASEAN; the normalisation of relations between the two countries was announced at the formal ASEAN Foreign Ministers Meeting in December 1969.

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<sup>7</sup> In March 1968, Malaysia accused the Philippine government of threatening its security by giving weapons-training to a group of Muslims at Corregidor Island, near Manila, with the purpose of sending them to infiltrate into and operate in Sabah which was under Malaysia's jurisdiction. The incident, latter known as "the Corregidor Affair," was so serious that Malaysia officially protested against the Philippines but the latter claimed that what happened were its "domestic" affairs. The relations between the two countries reached a new low when the Philippine Congress passed a bill in the following September delineating its territorial waters to include Sabah. Philippine diplomats aggravated the situation by questioning Malaysia's competence to represent Sabah. The Philippines raised such a reservation at a meeting of the ASEAN Permanent Committee on Commerce and Industry held in October. As a result, the two countries withdrew their diplomatic representatives from each other's capitals and Malaysia refused to take part in any meeting until the Philippines retracted that reservation. Khaw Guat Hoon, "ASEAN in International Politics," in Diane K. Mauzy ed., Politics in the ASEAN States (Kuala Lumpur: Marican & Sons Sdn. Bhd., 1984), p. 228-29.; Vinita Sukrasep, op. cit., p. 62-63.

Tension also arose between another pair of ASEAN countries - Indonesia and Singapore - in 1968, which was, fortunately, quickly defused. In October of that year, two Indonesian marines, who had been found guilty of acts of sabotage during Confrontation, were executed in Singapore despite appeals from Indonesia and Malaysia. Protests erupted in Indonesia. However, at the government level, Indonesia did not dig into the case further and made only mild reprisals, for instance, to limit its trade with Singapore. The relations between the two countries were restored soon after the incident.

From the two incidents, it can be said that the above-mentioned crises were not really resolved as a direct result of the intervention or operation of any of the problem-solving organisational mechanisms within the framework of ASEAN, but rather were overcome on the initiative of individual member countries which wanted to save ASEAN from possible disintegration. Nonetheless, this kind of intangible achievement does reflect significant progress toward laying down the groundwork for future cooperation.

The Moro Issue<sup>a</sup> provides another example of this kind of

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<sup>a</sup> The Sabah Government under Chief Minister Tun Mustapha was alleged to be helping the secessionist Muslim rebels in Mindanao, by training them and providing weapons and funds, allegedly obtained from an Arab Muslim nation, oil-rich Libya. From the allegation rose a situation whereby the two ASEAN members, the Philippines and Malaysia, might resort to a diplomatic conflict over the issue. Soon after, however, when the Islamic Conference for Foreign Ministers was held in Benghazi, Libya, on March 24, 1973, delegations from both Indonesia and Malaysia took a stand in defence of the Philippine Government (continued...)

cooperation, an issue complicated further by the involvement of a third extra-regional foreign party. But once again, the ASEAN countries, in particular Malaysia and Indonesia, opted to demonstrate their commitment to regional solidarity at the expense of their more parochial religious or communal interests..

A significant event during the first period of ASEAN which can be taken as the "first expression of political will" was the signing, by the leaders of the five ASEAN countries, of a Declaration stating that Southeast Asia is a Zone of Peace, Freedom and Neutrality, the so-called ZOPFAN, on November 27, 1971.

According to the Declaration, the ASEAN members agreed that the "neutralisation of Southeast Asia" was a "desirable objective" and that they should "explore ways and means" of realising it. They proceeded to state that their five countries were "determined to exert initially necessary efforts" to bring about the "recognition of, and respect for, Southeast Asia as a Zone of Peace, Freedom and Neutrality", one that was free from interference in "any form or manner" by outside powers. At the same time the five members stated that countries in Southeast Asia should make "concerted efforts" to widen areas of cooperation contributing to "their strength, solidarity and

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<sup>a</sup> (...continued)

with regard to the Moro situation, thereby preventing the conference from adopting a resolution condemning the Philippine Government for alleged mistreatment of Muslims (Moros) in Mindanao.

closer relationship".<sup>9</sup>

ZOPFAN was the modified version of Malaysia's proposal for the neutralisation of Southeast Asia. Under the neutralisation proposal, Malaysia had called for the neutrality of Southeast Asia to be guaranteed by the United States, Soviet Union and China. The proposal was later modified to ZOPFAN, under which these three major powers were no longer asked to be guarantors; instead, they were called upon to recognise and respect Southeast Asia as a Zone of Peace, Freedom and Neutrality.

The proposal of ZOPFAN was prompted by the international changes that were then taking place in the region: the British pull-out East of Suez; American indecisiveness in the Vietnam War; the end of the Chinese Cultural Revolution; and the increasing presence of the Soviet Union in the region. The Declaration of ZOPFAN was regarded as an evident expression of the political will of the member countries to prepare themselves for any political change in the region at that time.

Nevertheless, the Declaration could be considered an expression of political will "in principle" more than "in practice," for some members had considerable reservations over it.<sup>10</sup> It also should be noted that the Declaration was carried on

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<sup>9</sup> R. Nagi, ASEAN: 20 Years (New Delhi: Lancers Books, 1989), p. 27-29.

<sup>10</sup> During the preparation stages for the declaration proposed by Malaysia, the ASEAN members argued over the issue of freedom from the outside powers' interference because it might include the cancellation of their former long-standing arrangements which was unacceptable. Soon after the declaration  
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outside the formal auspices of ASEAN, meaning that ZOPFAN was agreed upon among the ASEAN governments, but was not a decision made by ASEAN itself.<sup>11</sup> ASEAN provided a framework for the five nations belonging to the organisation to act together.<sup>12</sup>

The convening of "informal" Special Ministerial Meetings in July 1972, February and April 1973 to mainly discuss Indochina, was yet another example that the ASEAN countries were conscious of the importance of political cooperation. As in the case of the 1971 Kuala Lumpur meetings, these meetings were not under formal ASEAN auspices. The press statement issued at the conclusion of the July meeting stated, among other things, that the ASEAN countries would explore the possibility of making concrete contributions towards the settlement of the Indochinese conflict. The second "informal" meeting considered the implications of the Paris Peace Treaty of January 1973 for Southeast Asia, while the

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<sup>10</sup> (...continued)

of ZOPFAN, the Philippine Foreign Minister, Carlos Romulo, noted that the Foreign Ministers had been able to agree "only on the broadest plane of principle." Vinita Sukrasep, op. cit., pp. 65-66.

<sup>11</sup> As has been noted, the Bangkok Declaration explicitly excluded political cooperation as an ASEAN aim; it was only at the Bali Summit in 1976 that political cooperation was formally accepted by the five countries.

<sup>12</sup> The conference issuing this declaration was not a Special Meeting of ASEAN Foreign Ministers as was later believed, but rather a conference among the Foreign Ministers of the ASEAN countries. It is more accurate to say that at this time, political consultation of this sort became regular; following the annual Ministerial Meeting, ASEAN's highest decision-making organ, consultative meetings were also arranged to hold informal political discussions. Yamakage Susumu, op. cit., p. 150.

third expressed particular concern over the grave situation in the Republic of Khmer and the Kingdom of Laos.

#### Economic Field

Judging from the officially announced objectives underlying the formation of the organisation, it is obvious that the various activities of ASEAN can be subsumed under one field; economic cooperation and development. Hence, ASEAN is regarded as an organisation primarily for economic cooperation in the region of Southeast Asia consisting of five countries to which economic significance has been attached.

However, progress in cooperation was slow in the first nine years of ASEAN's existence. Of the hundreds of recommendations proposed between August 1967 and mid-1975, only a small percentage was actually implemented. Little progress was made in expanding intra-ASEAN trade or promoting industrial cooperation. Indeed, intra-ASEAN trade as a percentage of total ASEAN trade declined from 16.7% to 12.6% during the period 1967-1975. Intra-ASEAN trade was insignificant compared with the total foreign trade of each of the five ASEAN countries.<sup>13</sup> Industrial cooperation did not get underway at all until after the Bali Summit.<sup>14</sup>

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<sup>13</sup> Khaw Guat Hoon, "ASEAN in International Politics," in Diane K. Mauzy, op. cit., p. 229.

<sup>14</sup> Among others, the reason was that activities, although in the economic field, were conducted under the aegis of the Foreign Ministers. The decision makers in the Economic Ministry were  
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However, this does not mean that intra-regional economic cooperation was lacking. While the ASEAN Foreign Ministers sought to persuade each other that their organisation was useful and necessary, outside consultants assumed the tasks of defining how ASEAN could be useful and what specific proposals could guide ASEAN in economic cooperation. Three full-fledged studies were made during the early 1970s.<sup>15</sup>

The principal study was conducted by a United Nations Study Team commissioned by the United Nations Economic Commission for Asia and the Far East (ECAFE) and sanctioned by ASEAN. The study was done under the supervision of a Cambridge economist, Austin Robinson, and incorporated a great deal of consultation with a wide variety of ASEAN economists, government officials, and other figures in the region. A preliminary version of the U.N. Report was available to ASEAN in 1971, and the final report was publicly released in 1973; by 1975 the report was being reformulated for the Bali Summit.<sup>16</sup>

Unfortunately the U.N. Report, despite its many technical merits, was not widely circulated. Nevertheless, it turned out to be a blueprint, as it not only laid out explicitly the

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<sup>14</sup> (...continued)

rarely involved directly. They therefore knew little about or had little interest in what was being attempted to promote economic cooperation.

<sup>15</sup> M. L. Suriyamongkol, op. cit., p. 56.

<sup>16</sup> Association of Southeast Asian Nations, 10 Years ASEAN (Jakarta: ASEAN, 1978), p. 36; ibid.



theoretical underpinnings for ASEAN economic cooperation but also presented many ideas and proposals which have in fact been adopted, including the following suggestions: (a) trade liberalisation through preferential trading arrangements (PTA) to encourage intra-ASEAN trade, (b) complementation programmes to rationalise existing industries by introducing complementarity in industrial production for the sake of greater economic efficiency, and (c) package deal agreements to launch large-scale industries which require a regional market to be economically viable.<sup>17</sup>

The second major study was undertaken in 1969 by the Asian Development Bank (ADB) at the request of the Ministerial Conference for Economic Development of Southeast Asia - government officials from ADB member countries who are responsible for national planning and development. The ADB study team, headed by economist Hla Myint, studied long-term trends and prospects for the region with special attention on the impact of an end to the war in Indochina. The five ASEAN members as well as Vietnam, Laos and Cambodia were examined in the ADB study.<sup>18</sup> The third study was carried out by a team of experts for the Asian Industrial Development Council (AIDC), an agency of ECAFE. The resultant Asian Industrial Survey for Regional Cooperation

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<sup>17</sup> Mohamed Ariff, Malaysia and ASEAN Economic Cooperation, ASEAN Economic Research Unit Current Issues no. 9 (Singapore: Institute of Southeast Asian Studies, 1981), p. 7.

<sup>18</sup> M. L. Suriyamongkol, op. cit., p. 57.

was published in 1973. This study examined prospects for regional industrial cooperation for ten ECAFE member countries - the five ASEAN members, Cambodia, Laos, Republic of Korea, Republic of Vietnam, and Sri Lanka.<sup>19</sup>

The private sector was not neglected. The Federation of ASEAN Chambers of Commerce and Industry (ASEAN-CCI) was formed in Jakarta in 1971. Meanwhile ideas regarding preferential trading arrangements and industrial projects were being developed. On 26-27 November 1975 the first meeting of ASEAN Economic and Planning Ministers took place in Jakarta. Also in that month, the Council of the ASEAN-CCI at their fourth meeting in Manila, adopted plans for expanded private business cooperation and agreed to convene five working groups on trade liberalisation, industrial complementation, shipping, tourism and banking.<sup>20</sup>

While cooperation on regional economic matters did not make much headway, cooperation among the ASEAN countries in coordinating their bargaining positions with countries outside the region was more successful. This was demonstrated in 1972 with the establishment of a Special Coordinating Committee of ASEAN Nations (SCCAN) for the purpose of negotiating better terms of trade for agricultural products exported by the ASEAN

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<sup>19</sup> Ibid.

<sup>20</sup> Amado A. Castro, "ASEAN Economic Cooperation" in Ross Garnaut ed., ASEAN in a Changing Pacific and World Economy (Canberra: Australian National University Press, 1980), p.54-55.

countries to the European Economic Community (EEC). SCCAN, headed by the distinguished Indonesian economist, Prof. Sumitro Djojohadikusumo was to prepare for the first of many dialogues with the EEC.

Furthermore, a special committee to handle day-to-day liaison with the headquarters of the EEC in Brussels, called the ASEAN Brussels Committee (ABC) was established by SCCAN. The ASEAN Ambassadors to the EEC became the members of the ABC, with the Malaysian Ambassador selected as its Chairman and the Thai Ambassador as its Vice Chairman. ABC in Brussels, an instrument of SCCAN, continued to keep in touch with the EEC headquarters in a joint effort to overcome the problems identified and held a number of meetings with the EEC.

Besides SCCAN, as a demonstration of a joint effort in coping with external pressures, the ASEAN countries decided to coordinate their positions at the Multilateral Trade Negotiations under GATT and established a special committee called the ASEAN Geneva Committee (AGC) in March, 1973.

Yet, another collective or regional effort by ASEAN in dealing with extra-regional problems came in 1973, when ASEAN levelled criticisms against Japan on the grounds that Japanese synthetic rubber exports were seriously affecting countries producing natural rubber, particularly Malaysia. Moreover ASEAN collectively approached Japan on the issue in 1973-74. As a result, a forum on the synthetic rubber issue was held between the Japanese government and ASEAN. Again in 1974, the ASEAN

countries successfully negotiated with Australia on the provision of limited economic assistance to ASEAN as a corporate entity.<sup>21</sup> A similar dialogue with New Zealand followed In 1975, with Singapore as the coordinator country, but the dialogue system did not become firmly established until the post-Bali period.

### Social and Cultural Field

As mentioned earlier, the member countries of ASEAN are diverse in character: there are differences in their histories, colonial experiences, languages, religions, political systems and so on. Besides all this, they were also ignorant of each other. Thus, the first few years of ASEAN were spent largely in getting to know each other: the most visible activities were exchanges of cultural and dance groups, travelling art exhibitions, visits of scientists, agriculturists, educators and the like.

In the field of social and cultural development, then as now, emphasis was placed on promoting the well-being of the lower income groups, especially those among the rural populations; to

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<sup>21</sup> Khaw Guat Hoon. op. cit., p. 230. The ASEAN-Australia Dialogue was informally discussed between ASEAN Directors-General and officials of Australia in Bangkok in January 1974 and was formalised at the first ASEAN-Australia Dialogue in Canberra in April 1974. In line with the Bangkok initiatives, the Australian Government committed \$A5 million to an ASEAN-Australian Economic Cooperation programme. This was the establishment of the first formal ASEAN dialogue with the Third countries. B. A. Hamzah, ASEAN Relations with Dialogue Partners (Selangor: Pelanduk Publications, 1989), pp. 16-17.

meet the problems of rapid population growth; to involve all levels of ASEAN peoples, particularly women and youths, in development efforts; to prevent and eradicate drug abuse; to promote a greater understanding of ASEAN, its member countries and their languages, cultures and heritage; and to enlist the active support of ASEAN scholars, writers, artists and mass media representatives in fostering a sense of regional identity and fellowship.<sup>22</sup>

To fulfill its aims in the social and cultural fields, and to achieve the fullest development of the ASEAN peoples, ASEAN established its Permanent Committee on Mass Media in 1969 and Permanent Committee on Socio-Cultural Activities in 1971.

A variety of accomplishments were achieved in the area of socio-cultural activities: humanitarian projects such as family planning, the control of drug addiction, operations against natural disasters and social welfare; social and cultural projects relating to youth activities, the position of women in community development; projects concerned with the preservation and propagation of ASEAN cultural heritage through the establishment of ASEAN cultural institutions in member countries, the staging of Film Festivals and exchange of radio and TV artists at regular intervals as well as the regular exchange of works of art and other related activities; and, finally, the

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<sup>22</sup> Christopher Hooi, "Social and Cultural Aspects of ASEAN" in Educational Publications Bureau, A Decade of ASEAN (Singapore: Koon Wah Lithographers, 1978), p. 22-23.

exchange of mass media.<sup>23</sup>

Thus, as a recognition of the importance of the role played by the ordinary people of ASEAN in relation to the general socio-economic well-being of the region, particularly those of the lower income bracket, a meeting of population experts was held in Manila in 1974, together with a seminar and a workshop on human settlements.<sup>24</sup> Since 1972, cooperation has taken place in efforts to control the illegal drug trade. Meetings of experts, enforcement and legal officers, and heads of narcotic bureaus, on matters concerning the control of, and educating the public on, drug abuse and the trafficking of narcotics have been held in the major ASEAN cities.<sup>25</sup>

Two meetings relating to social workers' programmes took place in Jakarta in March and November/December, 1973, while mutual assistance in operations against disasters was discussed by experts in Manila in 1975. On the position of women, two meetings were held in Manila and in Jakarta, in 1975 to coincide with the International Woman's Year.<sup>26</sup>

In late 1975, the Sub-Committee on Education met for the first time to look into the possible areas of cooperation in the field of education. Similar efforts were also taken to bring

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<sup>23</sup> Ibid.

<sup>24</sup> Association of Southeast Asian Nations, *op. cit.*, p. 68.

<sup>25</sup> Christopher Hooi, *op. cit.*, p. 23.

<sup>26</sup> Ibid.

about closer cooperation amongst the authorities on archeology and museum work, with an Asean Council of Museums being established in 1975 to coordinate efforts in this field. Experts in the region on design and crafts, traditional dancing and music also began to meet to find ways and means of promoting greater understanding and appreciation of the very rich cultural heritage of the member countries of ASEAN.<sup>27</sup>

Under the aegis of the ASEAN Permanent Committee on Mass Media, an exchange of mass media representatives to observe and report on the mass media operation in the ASEAN member countries was initiated in 1973. Another positive development was the training programme in mass communications which commenced at the Institute of Mass Communications, University of Philippines, in February 1974. A performance of cultural items was presented by ASEAN radio and television artistes in each of the member countries in 1975.<sup>28</sup>

Programmes and activities of official bodies also brought about the participation and involvement among individuals and organisations belonging to the private sector. In 1974, the ASEAN Motion Picture Producer's Association was formed, desirous to elevate the artistic standards of motion pictures and to ensure the dissemination and interchange of culture in the region through motion pictures, thereby contributing to the development

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<sup>27</sup> Association of Southeast Asian Nations, op. cit., p. 69.

<sup>28</sup> Ibid..

of the spirit of ASEAN solidarity. In 1975, journalist bodies of the five member countries formed themselves into a Confederation with the aim of promoting closer relations, and to cooperate fully in advancing journalism towards a healthy, free and responsible press.<sup>29</sup>

All these efforts in the various socio-cultural programmes of ASEAN were further developed in the post-Bali period.

### Summing Up

The first nine years of ASEAN were very much an experimental period. The first few years were especially diverted toward settling a series of issues like the resurfaced dispute on Sabah, the Singapore-Indonesian dispute and the Moro question. In view of impediments such as these, it is not surprising that during this period the cause of Southeast Asian regionalism appeared to be in a limbo.

However, this was also the period of getting-to-know each other, so that the member countries had a better comprehension of the problems each other faced. Consensus among the five partners was at a premium in consulting and planning; the situation was not yet conducive to action. The habit of consultation however became inculcated, and greater mutual trust slowly developed; their world views became rather more harmonious with each other and an ASEAN identity began to evolve.

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<sup>29</sup> Ibid..



The achievements during the first period of ASEAN were as such loose and ill-defined as the nature of the Bangkok Declaration is open-ended and without specific objectives. In fact, there was virtually no concrete progress in regional political or economic cooperation.

Admittedly, gradually some progress was being made. In the political field, one indication was the Kuala Lumpur Declaration of 1971 issued by the five foreign ministers which called for the establishment of ZOPFAN. Also the ASEAN countries had been conscious of the importance of political cooperation through the convening of Special Ministerial Meetings. In the economic field, the number of recommendations in the Annual Report as well as outside consultants' studies were impressive, although the recommendations themselves often had little immediate significance and implementation was often delayed. In certain affairs outside the region, ASEAN had become a recognised entity --its relation with EEC and with the Geneva Multilateral Trade Negotiations as well as with Japan and Australia respectively. In the socio-cultural field, a variety of accomplishments were achieved on a governmental or quasi-governmental level. If the socio-cultural task before ASEAN was to create unity in diversity and to aim at the fullest development of the ASEAN peoples, then a beginning had certainly been made.

This was the state of affairs in 1975, when a significant event gave impetus to much greater cohesion and cooperation in ASEAN. In April, 1975 the effort to sustain South Vietnam

collapsed and Vietnam was unified under the Communist-led government from the North. ASEAN did not know what to make of this development: would a united Vietnam be hostile to ASEAN or would it be friendly and even perhaps wish to be part of ASEAN? After six months of probing, ASEAN established that Vietnam was more hostile than friendly. The five countries realised that there was a greater need than ever for them to stand together. Vietnam's attitude helped resolve for the five countries the nature and character of their own grouping.

## PART II. ASEAN 1976-1986

### The Bali Summit and The Kuala Lumpur Summit

In 1975 the United States finally withdrew from Vietnam and the government in Saigon fell to the victorious forces of the communist North. This was quickly followed by the fall of anti-communist governments in Cambodia and Laos. In spite of differing assessments of these changes, each of the member nations felt that it was imperative that a united response be made.<sup>30</sup> Also, at

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<sup>30</sup> In fact, each ASEAN member country's response to these changes was different: Indonesia remained cool and calm, reiterating its willingness to extend its hands of friendship to any government on the basis of noninterference and equality; Malaysia expressed optimism, seeing in the end of war the beginning of a new era of peace, and wanted ASEAN to be expanded to include Burma and the Indochinese states; The Philippines showed restraint and indicated possibilities of offering economic assistance for the war-torn Indochinese states; Singapore remained cautious, viewing the Vietnamese capture of enormous  
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that time, ASEAN countries faced with such traumatic difficulties as the spiralling costs of energy, slackened demand for exports and the threat of global protectionism to ASEAN economic development. ASEAN's leaders felt the need for adaptation to a range of new realities and decided to approach these tasks in unison.<sup>31</sup>

By late 1975 President Suharto, a motivating force behind ASEAN, began making statements placing more stress on the Indonesian concept of 'national resilience' and this was gradually translated into a wider 'regional resilience'.<sup>32</sup> The Indonesians, in calling for an increase in the pace of economic

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<sup>30</sup> (...continued)

quantities of American military supplies as a menace to the security of ASEAN; Thailand, because of its physical proximity to the Indochinese states, was rather anxious to seek *détente* with the latter. Mohamed Ariff, *op. cit.*, pp. 4-5.

<sup>31</sup> Ernest Corea, "ASEAN: The Road from Bali," in Gordon P. Means ed., Development and Understanding in Southeast Asia (Ottawa: McMaster University Printing services, 1977), p. 180-81.

<sup>32</sup> 'Regional resilience', the basic philosophy of ASEAN cooperation, can be attained through the enhancement of the respective national resilience of the ASEAN member countries. National resilience refers to the strength of the member nation states and their capacity to withstand threats to their national existence and survival, both from external and internal sources, and it is therefore a broader concept than national defence. It encompasses the economic, political, social, and cultural aspects of national life. Of these, the economic aspect is the one most susceptible to international cooperation, the other aspects being more properly matters of national concern. Accordingly, regional resilience can be said as the region's ability to prevent the rise of intra-regional contradictions and threats, or if these arise, the regional ability to deal with them without summoning external intervention. Mochtar Kusumaatmadja, "Peace, Stability, and Prosperity in Southeast Asia: An Indonesian View," The Indonesian Quarterly, vol. XV no. 3, p. 489.

and political cooperation argued correctly that a higher standard of living, shared by all, was the best defence against foreign-inspired subversion. Prime Minister Tun Razak also said that it was time "to go beyond mere form, to the substance, beyond politics and projects, on paper to actual results."<sup>33</sup> There was a consensus that ASEAN must project an image of itself as a purposeful grouping indicating an awareness that ASEAN needed concrete achievement. This culminated in the Bali Summit of February 1976, a watershed in ASEAN's development.

The Bali Summit reflected the new determination to strengthen ASEAN solidarity and to show the world that ASEAN was serious about fostering regional cooperation.

Three important documents emerged from the Summit - the Treaty of Amity, and Cooperation in Southeast Asia, a Joint Press *Communiqué* and the Declaration of ASEAN Concord, as well as the Agreement for the Establishment of the ASEAN Secretariat. The first was a statement of broad principles for cooperation, the second outlined a programme of action, and the third, the details of that programme. At Bali, the aims and purposes of the Bangkok Declaration were reaffirmed and specific areas for cooperative efforts were spelled out in greater detail. Significantly, political cooperation was explicitly recognised as an ASEAN

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<sup>33</sup> Quoted in Ranjit Gill, ASEAN: Coming of Age (Singapore: Sterling Corporate Services, 1987), p. 57. Tun Razak passed away in London only weeks before the Bali Summit.

objective.<sup>34</sup> Article 9 of the Treaty of Amity and Cooperation states that

The High Contracting Parties shall endeavour to foster cooperation in the furtherance of the cause of peace, harmony and stability in the region. To this end, the High Contracting Parties shall maintain regular contacts and consultations with one another on international and regional matters with a view to coordinating their views, actions and policies.<sup>35</sup>

Chapter VI of the Treaty deals specifically with settlement of disputes. The contracting parties agreed to refrain from the threat or use of force to settle disputes and instead resort to the mechanisms provided by the Treaty.

The Declaration of ASEAN Concord stipulates a program of action which covers not only the social, cultural and economic fields but also the political. Among other things, it was agreed that "immediate consideration" be given to "initial steps towards recognition of and respect for the Zone of Peace, Freedom and Neutrality where possible"<sup>36</sup>, that ASEAN machinery be improved to strengthen political cooperation, and that political solidarity be reinforced by "promoting the harmonization of views, coordinating positions and, wherever possible and desirable, taking common actions".<sup>37</sup>

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<sup>34</sup> Khaw Guat Hoon, op. cit., p. 232.

<sup>35</sup> For the full text of the Treaty, see Appendix 3.

<sup>36</sup> The cautious rider was necessary in view of the possible change of geo-political considerations that could affect any one of the countries. Ranjit Gill, op. cit., p. 58.

<sup>37</sup> For the full text of the Declaration, see Appendix 2.

In the economic realm, attention was given to developing preferential trading arrangements and joint industrial projects. The programme of action also called for, among other things, common approaches and actions in dealing with other regional grouping and individual economic powers. Other areas of ASEAN cooperation included social and cultural matters.

Finally, it was agreed that an ASEAN Secretariat be set up. After nearly nine years of existence, the Association was finally to have a central servicing body.<sup>38</sup>

The Kuala Lumpur Summit of ASEAN Heads of Government in August 1977, which coincided with ASEAN's Tenth Anniversary, resulted only in the delivery of a joint *communiqué* but marked another milestone in intra-ASEAN relations. The Summit reaffirmed the commitment of the member nations to the ASEAN Declaration and the ASEAN Concord as the basis of regional

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<sup>38</sup> It must be said that the Establishment of the ASEAN Secretariat was not achieved in a day. It was agreed at the Fifth Ministerial Meeting in Singapore in 1972 to initiate an overall review of ASEAN's organisational and procedural framework "including the consideration of the need and desirability of a central secretariat." At the Sixth Ministerial Meeting at Pattaya in 1973, the decision was first taken to establish a central secretariat for ASEAN. This decision was reaffirmed at the Seventh Ministerial Meeting in Jakarta in 1974 and it was agreed that a report of the Special Committee of the ASEAN Secretaries-General to consider the establishment of the ASEAN Secretariat should be submitted to Member Governments for comment. The Draft Agreement on the establishment of the ASEAN Secretariat prepared by the Senior Officials was considered and approved at the Eighth ASEAN Ministerial Meeting in Kuala Lumpur in 1975. Finally, the Agreement was signed by the Foreign Ministers at the Bali Summit in 1976. Jose D. Ingles, R. P. Anand & Purificacion V. Quisumbing eds., *Asean Identity, Development & Culture* (Univ. of Philippines Law Center & East-West Center Culture Learning Institute, 1981), p. 219.

cooperation, and reiterated the importance of industrial cooperation, intra-regional trade liberalisation and joint approach in ASEAN's extra-regional relations. Although the Kuala Lumpur Summit did not alter the ASEAN *status quo* substantially, it nevertheless contributed significantly to the solidarity, cohesion and maturity of ASEAN.

### Political Field

The Bali Summit was considered a turning-point in that for the first time, ASEAN openly and officially confirmed cooperation in the political field, which until then had in fact been fostered, only rather informally.<sup>39</sup> Indeed, the preamble to the Declaration of ASEAN Concord states, among other things, that the member states of ASEAN "undertake to consolidate the achievements of ASEAN and expand ASEAN cooperation in the economic, social, cultural and political fields." Moreover, the political programme of the ASEAN Concord called for, among other things, for a meeting of Heads of Government of Member states; the signing of the Treaty of Amity and Cooperation in Southeast Asia; consideration of further steps to implement the Kuala Lumpur Declaration on the establishment of Zone of Peace, Freedom, and Neutrality in Southeast Asia; and the development of judicial cooperation, including the possibility of an ASEAN

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<sup>39</sup> J. Soedjati Djiwandono, "The Political and Security Aspects of ASEAN: Its Principal Achievements," Indonesian Quarterly, vol. XI, no. 3 (July 1983), p. 22.

Extradition Treaty. That is, there was no longer a need for a distinction between formal and informal meetings to avoid political cooperation within the ASEAN framework.

On the other hand, the problem of security was dealt with by a simple reference to continuing cooperation between ASEAN members in security matters "on a non-ASEAN basis." Thus, while the maintenance of peace and stability in the region is a primary concern of ASEAN, security cooperation is confined to bilateral relations. This is to emphasize the peaceful mission of ASEAN, and to avoid any impression that it is intended to be a military alliance.<sup>40</sup>

Another agreement was concluded in furtherance of the long-term security goals of ASEAN. The Treaty of Amity and Cooperation was billed as an initial step to promote the realisation of the Zone of Peace, Freedom, and Neutrality in Southeast Asia which was originally conceived in the Declaration of Kuala Lumpur of 1971. Its declaration of principles provided the framework for perpetual peace, amity and cooperation among the member States. The treaty also established a machinery for the peaceful settlement of disputes among the member States. It is also accessible to the other States in Southeast Asia.

It is true that in many cases, the nature of political cooperation in the ASEAN framework has been more of a reaction to external challenges than initiatives on the part of ASEAN.

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<sup>40</sup> Jose D. Ingles, *op. cit.*, p. 218.



However as suggested earlier on, it must not be overlooked that the establishment of ASEAN itself was a response to political developments in the region of Southeast Asia.

The Bali Summit expressed ASEAN's readiness to develop constructive relations and mutually beneficial cooperation with other countries in the region, irrespective of their ideology, political, social and economic systems. The political cooperation that was officially recognised in the Declaration of ASEAN Concord was subsequently carried on in the form of a grouping for peaceful coexistence with Vietnam.

This, however, was frustrated by the Vietnamese military invasion and occupation of Kampuchea at the end of 1978, which met ASEAN's swift and strong condemnation. The expectation that after the end of the Vietnam war, a peaceful and stable Southeast Asia could emerge was shattered. The reaction of ASEAN was immediate. The five foreign ministers assembled in Bangkok on January 12th and 13th, 1979 for a special meeting. They issued a joint statement strongly deploring the armed intervention against "the independence, sovereignty and territorial integrity of Kampuchea." Without mentioning Vietnam by name, they called for the immediate and total withdrawal of foreign forces from Kampuchea and urged the U.N. Security Council to take the necessary and appropriate measures to restore peace, security and stability in the region.<sup>41</sup> The ASEAN countries

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<sup>41</sup> Khaw Guat Hoon, op. cit., pp. 243-244.

adopted a common stand on the issues of recognition and international representation of Kampuchea and continued to raise the Kampuchean question at the meetings of the general Assembly of the United Nations.<sup>42</sup>

With the Soviet invasion of Afghanistan at the end of 1979 and with the Vietnamese attack on the Thai territory in mid-1980, the ASEAN nations unfolded aggressive diplomacy at the U.N. and conferences of non-allied countries,<sup>43</sup> strongly impressing the world with the existence of ASEAN as a solid entity.

As part of its practical efforts to settle the Kampuchea problem, ASEAN organised an international meeting in New York

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<sup>42</sup> The ASEAN members appealed to the General Assembly to recognise the seat of the Democratic Kampuchea led by Pol Pot and Khieu Samphan which meant that the government of the People's Republic of Kampuchea led by Heng Samrin was not recognised and that most countries did not approve of the Vietnamese intervention in Kampuchea. This seemed to be an effective diplomatic tactic. The General Assembly voted to seat Democratic Kampuchea with 71 to 35 votes, thirty-four countries abstained. In the 34th meeting of the General Assembly on November 12-14, 1979 ASEAN asked all countries involved to agree to a cease-fire in Kampuchea and the withdrawal of foreign troops there, ASEAN also asked other countries not to interfere in any way in the domestic affairs of Southeast Asian countries. It was also proposed that the Kampuchean people should be free to choose their own government in a democratic manner. This proposal was supported with a 91 to 21 votes. Thirty-nine countries abstained. Vinita Sukrasep, op. cit., p. 69.

<sup>43</sup> In February 1981, the Foreign Ministers of Indonesia, Malaysia and Singapore, speaking on behalf of ASEAN at the Non-Aligned Meeting in New Delhi, succeeded in getting the Non-Aligned Movement to take cognisance for the first time of the Kampuchean problem and of the ASEAN position on the withdrawal of all foreign forces from Kampuchea. The joint declaration issued at the conclusion of the Meeting disproved the Vietnamese claim that there was no such thing as a Kampuchean problem.

from July 13-17, 1981, according to Resolution 35/6 of the General Assembly.<sup>44</sup> The meeting, chaired by Mr. William Balpahas, Austria's Foreign Minister, was attended by delegates from seventy-nine countries. The main problem was that the two countries involved in the Kampuchean issue, Vietnam and the Soviet Union, did not attend the meeting. At the meeting, ASEAN called for, among other things, the disarming of all Khmer groups,<sup>45</sup> including the Khmer Rouge, in the wake of Vietnamese withdrawal and the setting up of an interim administration pending the holding of free elections.

The ASEAN countries suggested that a coalition government should be established in Democratic Kampuchea because Pol Pot, the former leader, had an immoral image in the eyes of most countries because of the widely reported massacres in Kampuchea when he came to power. Accordingly, the ASEAN countries arranged a meeting of the three groups in June 1982, and thereby a five-page "Declaration of the Formation of the Coalition Government of Democratic Kampuchea (CGDK)" was signed in Kuala Lumpur which

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<sup>44</sup> The Resolution passed in the 35th United Nations General Assembly of 1980 called for an International Conference with the aim of negotiating a comprehensive political settlement as one means of finding a peaceful solution to the bloody conflict raging in Kampuchea .

<sup>45</sup> Three principal groups which opposed Vietnam in Kampuchea: the Khmer Rouge constituting the strongest fighting force with 30.000-40.000 men; the National Liberation Front of Khmer People under Son Sann with about 4,000; the National United Front for an Independent, Neutral, Peaceful and Co-operative Cambodia and the Nationalist Sihanoukist under Prince Norodom Sihanouk.

placed Sihanouk as President of Democratic Kampuchea, Son Sann as Prime Minister, and Khieu Samphan as Vice-President in charge of Foreign Affairs.<sup>46</sup> Besides this initiative, other joint moves by ASEAN include the adoption of an appeal for a political settlement of the Cambodian problem at the 16th Foreign Ministers Meeting in September 1983 and the proposing of an indirect dialogue at the 18th Foreign Ministers Meeting in 1985.

On the other hand, refugees from Indochina -- those who crossed the border from Cambodia into Thailand due to the internal struggle in Cambodia, together with the so-called "boat people" fleeing Vietnam across the South China Sea who drifted ashore especially on the eastern coast of Malaysia -- posed problems of international security for governments of the region.<sup>47</sup> Consequently, ASEAN moved actively with respect to the refugee problem. The toughness of ASEAN's stance on this problem awakened countries outside the region to the seriousness of the issue, and succeeded in drawing support from the advanced nations and in holding a Conference on Refugees from Indochina

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<sup>46</sup> Abdulgaffar Peang-Meth, "A Study of the KPNLF and the CGDK", Contemporary Southeast Asia, Vol. 12, No. 3, December 1990, pp. 172-185.

<sup>47</sup> From April 1975 to July 1979 more than 1.3 million people were reported by different sources to have been displaced from the three countries of Indochina. Among these, more than 0.6 million people entered refugee camps in ASEAN countries. For details, see Michael Richardson, "ASEAN and Indochinese Refugees", in Alison Broinowski ed., Understanding ASEAN (London: The Macmillan Press, 1982), pp. 92-93.

in Geneva.<sup>48</sup>

The solidarity shown by ASEAN as a whole since the invasion of Cambodia was surprising, considering the attitudinal gap that existed among the ASEAN leaders.<sup>49</sup> ASEAN became increasingly critical of Vietnam: political and security cooperation - formerly a taboo topic - was openly discussed, and the Association managed to organise a highly effective international response to the invasion. Thus, ASEAN developed a trend towards the institutionalisation of consultations among ASEAN member nations in their attempts to iron out differences and to develop a common stand on various problems that affect their national interests, in spite of the occasional strain and tension that those developments had created among the ASEAN

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<sup>48</sup> The conference was held in 1979. It had led to, among other things, an agreement under which the first asylum countries would give asylum to the boat people on condition that they would be resettled in the West.

<sup>49</sup> Whereas the governments of Thailand and Singapore frequently stress the threat of the Soviet Union and also advocate that ASEAN take a tough toward Vietnam, Indonesia and Malaysia refer, rather, to the potential threat of China and advocate a flexible posture toward Vietnam. The attitude of these two nations was reflected in the so-called Kuantan Declaration signed in March 1980 between President Suharto and Prime Minister Hussin. This document, which was not made public, reportedly expressed hope that Vietnam would maintain neutrality toward both China and the Soviet Union and expressed a willingness to reach accommodation with Vietnam if that country decided to stay neutral.

member countries in their search for a common and appropriate response.<sup>50</sup>

Since 1984, the idea of turning Southeast Asia into a Nuclear-Weapons-Free-Zone(NWFZ) has gained wide currency. The idea, as an integral part of ZOPFAN was first raised by Indonesia. At the Jakarta ministerial meeting(AMM) in July 1984, the Foreign Ministers endorsed the recommendations of the Working Group on ZOPFAN, which was chaired by Indonesia, "including studies on various aspects and elements of ZOPFAN such as Nuclear Weapons Free Zone" as well as to implement the recommendation of the ASEAN Task Force on ZOPFAN. The Indonesian proposal was supported by Malaysia's Foreign Minister then, Tengku Ahmad Rithaudeen, in September 1984 who spoke of a nuclear weapons free zone as "one of the attributes or prerequisites of a Zone of Peace, Freedom and Neutrality in Southeast Asia."<sup>51</sup>

However, efforts to elaborate on that proposal were not pursued further due to the controversy over New Zealand's decision to refuse U.S. nuclear-powered ships and nuclear-weapons carrying ship to enter into its harbours. The Singapore Foreign Minister, S. Dhanabalan voiced his concern about NWFZ in

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<sup>50</sup> J. Soedjati Djiwandono, "ASEAN Regionalism and the Role of USA," Indonesian Quarterly, vol. XII, no. 1(January 1984), p. 64.

<sup>51</sup> J. Soedjati Djiwandono, Southeast Asia As A Nuclear Weapon Free Zone(Malaysia: Institute of Strategic and International Studies, 1986), p. 2.

Southeast Asia by expressing concern about developments in New Zealand. Wellington's decision to prevent U.S. warships into its water was viewed as dangerous, as "any weakening of the security set-up itself between Australia, New Zealand and the United States would be of concern to us because we see the security of this part of the world as being very closely interwoven and we cannot separate what happens in the south and what is happening in Southeast Asia".<sup>52</sup> Momentum built up on this issue in the South Pacific and in New Zealand, and a view that such a zone was inherent in the concept of ZOPFAN, stimulated Malaysia and Indonesia to keep the issue on the ASEAN agenda at the annual ministerial meetings in 1986 and 1987.

In essence, the NWFZ concept called upon the nuclear powers not to use Southeast Asia for the storage of nuclear weapons. If the powers should endorse the concept Southeast Asia will be free from nuclear war. However, all the countries in Southeast Asia have to sign the treaty as well. The United States on her part does not want to sign this kind of treaty because it may limit her capability while the Soviet Union openly support the idea.<sup>53</sup>

Hostile reactions from U.S., and concern expressed by Singapore and Thailand about possible negative effects on the deterrent ability of U.S., left ASEAN divided. But Malaysia and

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<sup>52</sup> The Straits Times (Singapore), 8 March 1985, cited in Bilveer Singh, op. cit., p.61.

<sup>53</sup> Vinta Sukrasep, op. cit., p. 71.

the Philippine proceeded in drafting a tentative treaty for consideration at the Third Summit in Manila, with strong Indonesian support.

#### Economic Field

The first Bali Summit Meeting seemed to provide the Association with a new impetus for regional economic cooperation. The acceleration of economic development became a major item in its discussions and this was reflected in the agreements adopted by the Heads of Government and by the increasingly important role attributed to the Meeting of ASEAN Ministers of Economic Affairs.

The ASEAN Economic Ministers had conducted a pre-summit conference in preparation for the historic Bali talks on November 26-27, 1975. The Meeting made a number of recommendations regarding economic cooperation, which formed much of the substance of the ASEAN Concord. When the Heads of Government directed that economic cooperation be increased and authorised a machinery for economic cooperation providing for Ministerial Meeting on economic matters, they granted independence to the Economic Ministers; henceforth economic cooperation was to be carried out by the Economic Ministers. This declaration of independence for the Economic Ministers was confirmed at the Second Meeting of the ASEAN Heads of Government in Kuala Lumpur on 4-5 August 1977.



The Economic Ministers moved ahead quickly; their second meeting was held only two weeks after the Bali Summit, on 8-9 March 1976 in Kuala Lumpur. At that meeting the Economic Ministers named an Ad-Hoc Committee on Restructuring of ASEAN Permanent, Special and Ad-Hoc Committees. At their third meeting in Manila on 20-22 January 1977, the Economic Ministers set up five committees to take over all the previous Permanent Committees and other bodies dealing with economic matters. The Ministers agreed on a decentralised structure whereby each ASEAN member country would host one committee, that is, designate the chairman, provide the secretariat, convene and host meetings and so on. Thus, the Committee on Trade and Tourism (COTT) is hosted by Singapore; the Committee on Industry, Minerals and Energy (COIME) by the Philippine; the Committee on Food, Agriculture and Forestry (COFAF) by Indonesia; the Committee on Finance and Banking (COFAB) by Thailand; and the Committee on Transportation and Communications (COTAC) by Malaysia. The Committees have their subsidiary bodies: sub-committees, working groups and ad-hoc meeting.

In terms of the organisational structure, Economic Ministers are independent of other Ministers, as are all other ASEAN Ministers independent of each other. Ministers report directly to the Heads of Government who, however, do not meet on a regular basis but only as and when necessary. Committees are responsible to and receive directives only from their Ministers. No group of Ministers is supreme over others nor are any

Ministers subordinate to any other. The revised structure has made ASEAN economic cooperation more direct and more effective as well as expanded it to cover a wider range of activities than before.<sup>54</sup>

The ASEAN Concord, signed during the Summit, spelled out clearly the areas of economic cooperation. It called for the establishment of preferential trading arrangements, large-scale ASEAN industrial plants, cooperation on basic commodities, cooperation in the field of technology and production techniques, and joint approaches in the U.N. and other multilateral forums on international economic problems, as well as in dealing with other regional groupings and individual economic powers.<sup>55</sup>

The Agreement on ASEAN Preferential Trading Arrangements by ASEAN Foreign Ministers in Manila in February 1977, was aimed at expanding intra-ASEAN trade. This agreement provided the basis for concessions on products originating from within the ASEAN region through rounds of negotiations. The instruments for preferential trading approved by this agreement include the

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<sup>54</sup> Amado A. Castro, op. cit., p. 227-29.

<sup>55</sup> ASEAN economic cooperation spans a wide range which goes beyond its cooperation with the Economic Committees and their subsidiary bodies. In this study however illustrations of the development of economic cooperation will be drawn from these. The first four areas of these cooperation, i.e. intra-regional cooperation, draw the most attention from the world at large, while the other areas, i.e. extra-regional cooperation, are where in many respects the most successful cooperation is actually taking place.

following: long-term quantity contracts; purchase financial support at preferential interest rates; preference in procurement by government entities; extension of tariff preference; and liberalisation of non-tariff trade barriers on a preferential basis.<sup>56</sup>

The Preferential Trade Agreement (PTA) took effect at the beginning of 1978 with a list of seventy-one commodities. The Trade Preference Negotiating Group (TPNG), under the supervision of COTT, made various agreements thereafter to add more items to the PTA list. Also, the original model of item-by-item concessions, adopted after some controversy,<sup>57</sup> has undergone several adaptations to increase the numbers and expand the importance of goods covered. Consequently, from the creation of the PTA Agreement up to the sixteenth meeting of ASEAN Economic Minister (AEM) on May 7-9, 1984, there were 18,431 preferences

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<sup>56</sup> Ooi Guat Tin, The ASEAN Preference Trading Arrangement (PTA): An Analysis of Potential Effects of Intra-ASEAN Trade, ASEAN Economic Unit Research and Discussions Paper no. 26 (Singapore: ISEAS, 1981), pp. 7-8.

<sup>57</sup> The item-by-item approach that has in essence limited trade liberalisation to certain inconsequential areas was adopted at the insistence of Indonesia. It is worthwhile to note that the five member states held divergent views on the method and pace of liberalising trade. The Philippines and Singapore were said to be strongly in favour of an across-the-board trade liberalisation, while Indonesia and Malaysia were inclined to a cautious and gradual step-by-step approach. The position of Singapore is obvious, largely for two reasons. First, its small domestic market for import substitution inhibits it from adopting a restrictive trade policy. Secondly, Singapore's role as the region's *entrepôt* centre means it is heavily dependent on international trade. Accordingly, the country has adopted low tariffs and rather liberal trade policy. Ooi Guat Tin, op. cit., pp. 3-6.

under the PTA. Yet regional trade has been liberalised very selectively indeed: the nearly 19,000 product items as of 1986 approved constitute a minuscule 2 per cent of total ASEAN trade; as only about 5 per cent of the items is actually traded, it is often too cumbersome for regional exporters to bother with applications for tariff rebates of mostly 25-30 per cent; and its effect are muted by hosts of exclusions for "sensitive" items (over 6,800 in total, excluding 63 per cent of traded items in the case of Thailand) and a swarm of non-tariff barriers. Only in 1986-87 did the Committee on Trade and Tourism actually identify some form of free-trade arrangement as a long-term objective. A scholar summarised the reaction of ASEAN government's to the PTA as follows: "Each country has attempted to protect its domestic producers, preserve future options, and still comply with the letters of agreement by allowing economically or politically insignificant goods to be 'freed'."<sup>58</sup>

With respect to industrial cooperation, it was decided at the Bali Summit that industrial cooperation should be encouraged through the construction of a series of ASEAN Industrial Projects(AIPs). The ASEAN Concord specifies that "Member countries shall cooperate to establish large scale ASEAN industrial plants, particularly to meet regional requirements of essential commodities...". The logic of the scheme centred on

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<sup>58</sup> Donald Crone, "The ASEAN Summit of 1987: Searching for New Dynamism", in Southeast Asian Affairs 1988 (Singapore: ISEAS, 1988) p. 32.

market size: it was argued that while the domestic markets of the member states were too small for many types of industry to be economically viable, the regional market was large enough to make their construction and operation profitable.<sup>59</sup>

In March 1976, shortly after the Bali Summit, the Economic Ministers of ASEAN met in Kuala Lumpur to agree on the details of the AIP scheme. Five projects, one for each country, were initially agreed upon: a urea project for Indonesia and Malaysia, super-phosphate for the Philippine, soda ash for Thailand and diesel engines for Singapore. The projects would require an investment of between US\$ 250-300 million, with the host country controlling 60 % of the equity and the other member states 10% each. On completion, the output of each project would secure preferential access to the markets of the other ASEAN countries. The scheme received a significant boost when Prime Minister Fukuda of Japan visited the region in 1977 and offered US\$1 billion in soft loans to help finance the projects.

However, prospects for the scheme were however not bright right from the start. The diesel engine and the superphosphate projects soon ran into difficulties. Because of the inability of the ASEAN states to agree on terms for the diesel engine plant, it was withdrawn as an ASEAN project. In its place, Singapore proposed the construction of a US\$ 4 million pharmaceutical plant producing hepatitis-B vaccine. The superphosphate project

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<sup>59</sup> Jonathan Rigg, Southeast Asia: A Region in Transition (London: Unwin Hyman, 1991). p. 216.

was found to be unsuitable for the Philippines. the soda ash plant for Thailand was also shelved in 1985 because of inflation and the prospect of low returns. In fact, only two of the AIPs originally proposed were built: Indonesia opened its urea plant in Aceh at the beginning of 1984, and the Malaysian urea plant located in Bintulu(Sarawak) came on stream in October 1985.

There are two reasons for the lack of success of the AIP scheme. First, the decision on the five industrial projects was made too hastily, prompted by the political urge to get something started rather than by any serious study. For example, it was estimated that the Philippine superphosphate fertilizer project would have production costs per ton of fertilizer of between US\$ 308 and US\$379, while prevailing world prices in 1977 were around US\$180.<sup>60</sup> Secondly, the assurances of a guaranteed regional market for the output were not forthcoming. It was for this second reason that Singapore effectively withdrew from the scheme. National interests held sway over regional industrial cooperation.<sup>61</sup>

Apart from economic cooperation in the government sector which has already been examined, there are two important schemes of private sector cooperation: ASEAN Industrial Complementation Scheme (AIC) and ASEAN Industrial Joint Venture(AIJV). The AIC

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<sup>60</sup> Chee Peng Lim, "Asean cooperation in industry: Looking back and looking forward", in Noordin Sopiee eds., ASEAN at the Crossroad(Kuala Lumpur: Institute of Strategic and International Studies, 1987), p. 104.

<sup>61</sup> Jonathan Rigg, op. cit., p. 217.

programme focuses on the small and medium industries, and seeks to coordinate the production of components within a product line across the region, creating a higher degree of industrial complementarity so that the "competitive economies" argument becomes less true over time. In October 1980, a Basic Agreement of ASEAN Industrial Complementation was signed and the ASEAN Chamber of Commerce and Industry (ASEAN-CCI) was given the task of identifying possible areas of complementarity.<sup>62</sup> A second arm of the complementation programme, AIJV was ratified in late 1983. To qualify, it was initially decided that all that was required was that two firms, from at least two ASEAN countries, should form a joint venture owning a stake of not less than 51% in the new company. The joint venture would then benefit from a 50% tariff cut in the markets of the participating countries (later raised to 75%).<sup>63</sup>

These programmes have suffered long delays, both in the negotiation of the Basic Agreement for AIC, which took until mid-1981, and in the approval of specific projects by the government. Only a small number of the projects forwarded by the

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<sup>62</sup> By way of supplementing, ASEAN-CCI has been corresponding with various elements of the government structure since the establishment of 1972. For this, in particular, ASEAN-CCI has set up a Working Group on Industrial Complementation (WGIC) as the private sector counterpart of COIME and the Working Group on Preferential Trading Arrangements (WGPTA) as a counterpart of COTT, among other working groups. WGIG has organised industry clubs to examine possibilities of industrial complementation in their respective areas. Amado A. Castro, op. cit., p.57.

<sup>63</sup> Ibid., pp. 218-19.

ACCI for each programme has been ratified, considerably dampening the private sector's enthusiasm. Under AIC, only the ASEAN Automotive Federation came up with an acceptable plan of putting up parts and parcels of automotive parts. But, the total sale for this scheme during 1982-85 was only US\$13.63 million or less than 1% of the value of intra ASEAN trade during that period. Thus COIME decided to shelve the second scheme. And, of eight more projects under AIJV, only one had started production by mid-1987. The failure of the AIC scheme can be largely categorised by the two reasons - direct and indirect. The direct reason was its excessive complexity and Singapore's objections to the proposal.<sup>64</sup> The indirect but important reason was that private sector techniques was perceived as less likely to benefit indigenous industrialists and more likely to benefit either TNCs from outside the region or ethnic Chinese business people who are already successful enough economically in the

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<sup>64</sup> Singapore felt that this would only encourage inefficient and uncompetitive industries, and would be harmful to its own interests. It is also of relevance to mention here that one important outcome of Singapore's objections to the AIC scheme (and also to the AIPs) was a redefinition of ASEAN consensus. Prime Minister Lee Kuan Yew asked that if a country had no objections to a proposal going ahead, but itself wished to abstain from involvement, then this should be permitted. The formula was termed the 'five minus one' principle (now, six minus one) and is accepted in all negotiations concerning economic, but not political cooperation.



view of some government policy-makers.<sup>65</sup> In the case of the AIJV scheme, there still remained differences of opinion between the member governments on investment, market access, and market-sharing.

Apart from the various formal schemes of ASEAN cooperation discussed above, there were a number of areas in which economic cooperation had been achieved on a more ad hoc basis. The major projects are listed here.

Cooperation in Finance and Banking: In 1977, the ASEAN Central Banks and Monetary Authorities agreed to establish a US\$100 million swap arrangement to assist ASEAN members in bridging temporary liquidity problems. The Arrangement was renewed for another five years in 1982 and the swap facility was doubled to US\$200 million. In the private insurance sector an ASEAN Reinsurance Pool was created with the active help of ASEAN governments.

Food, particularly Food Grains: In 1979 an agreement was signed by ASEAN member governments to create an ASEAN Food Security Reserve System. This project was designed to draw policy guidelines for cooperation in food reserves in case of shortages or emergencies, and to establish an information system on food and warning system of impending shortages. An ASEAN

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<sup>65</sup> Taking Indonesia for example, Ethnic Chinese, accounting for population, dominate the private sector. Because of the gap between the few Chinese rich and the major indigenous poor, highly sensitive is the issue in Indonesia which has a long history of anti-Chinese violence.

Emergency Rice Reserve of 50,000 tons, to which the member countries have contributed varying amounts, was set up within the framework. Further projects in the agricultural sector included a regional seed technology programme, programmes for animal quarantine improvement and eradication of animal diseases, and the establishment of a plant quarantine training institute and an agricultural development planning centre.

Cooperation in Minerals and Energy: At the beginning of 1981, the ASEAN Minerals Cooperation Plan was adopted. This plan covered various types of cooperation, such as the survey of mineral technology, mining, the survey and marketing management of kaolin and barite. In the field of energy, the ASEAN Emergency Petroleum Scheme and Supplementary scheme were adopted in 1977 and 1982 respectively. The two projects resulted from the ASEAN Declaration of Concord in 1976 specifying that the member countries gave priority to the importance of energy in ASEAN member countries. Proposals for an ASEAN energy security reserve had been made from time to time. Since some ASEAN countries are oil exporters (Indonesia, Malaysia, Brunei), while others are importers (the Philippines, Singapore, Thailand), the national interests in such a programme were often divided and depended to a large degree on the current state of world petroleum market. However, in June 1986 the ASEAN Foreign Ministers signed an Agreement on ASEAN energy Cooperation and an ASEAN Petroleum Security Agreement.

Cooperation in Transportation and Communications: Integrated work programmes were drawn up in the four major areas: shipping and ports; land transportation; civil aviation and related services; and posts and telecommunications. A large number of projects were undertaken in these areas, including the ASEAN submarine cable project as well as agreements to facilitate communication among business enterprises in ASEAN and inter-country remittances.

However, it should be noted that, among the various above-mentioned schemes and programmes, many of them were at a stand-still or were implemented in incremental way. Many of them too could not be initiated but for the aid, in the form of joint projects, from ASEAN's "dialogue partners".

Even in the post-Bali period, it has been easier for the ASEAN countries to cooperate on extra-regional rather than intra-regional issues. The countries realise that it is in their mutual interests to negotiate collectively with their extra-regional trading partners. Each speaking on its own may not be heard; negotiating collectively may better serve their individual interests. ASEAN dialogues with the Third countries or the so-called "dialogue" countries, begun in the pre-Bali period, have continued in the official form with the Bali summit. The ASEAN Concord states certain objectives of the relationship between ASEAN and the Third countries as follow:

"Member states shall accelerate joint efforts to improve access to markets outside ASEAN for their raw materials and finished products by seeking the elimination of all trade barriers in those markets...

and in adopting common approaches and actions in dealing with regional groupings and individual economic powers."

Thus, more dialogues were initiated with the United States, Japan and Canada in 1977 respectively, and have been developed in the form of regular consultations. These were eventually formalised into the yearly Post-Ministerial Meetings, somewhat less frequent dialogues, and a host of spin-off meetings on economic cooperation with the so-called "dialogue partners".<sup>66</sup> The dialogues have revolved around a variety of issues such as the reduction of specific barriers to trade, increasing quotas and Generalised System of Preferences (GSP) coverages, STABEX (stabilisation of export earning) arrangements for compensatory financing of fluctuations in selected primary commodity exports, extracting promises of increased imports, international investments, technology transfers, financial aid and technical assistance. In fact, ASEAN has won several concessions, especially in the areas of trade and aid, and there are positive signs that many of ASEAN's requests are being considered seriously by the other parties.<sup>67</sup>

Private-level exchanges were also expanded parallel to these official dialogues. ASEAN-CCI established special links

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<sup>66</sup> Donald Crone, *op. cit.*, p. 36. Currently, ASEAN has developed 'dialogue' relationships with the EEC, Australia, Canada, Japan, New Zealand, the United States and certain organs of the United Nations through the Economic and Social Committee on Asia and the Pacific, and the United Nations Development Programme.

<sup>67</sup> Mohamed Ariff, *op. cit.*, pp. 18-19.

(i.e., the Business Councils) with their counterparts in Australia, E.C., Japan and United States. Discussions were organised to establish similar business councils with Canada and New Zealand.<sup>60</sup> These formal and informal contacts have increased ASEAN's access to and influence over the major economic powers.

ASEAN countries also took a common stand at international conferences such as the United Nations Conference on Trade and Development (UNCTAD) after extensive preliminary meetings to resolve separate, particular interests, resulting in group support for each country's special problems. On matters of multilateral relations in the global context, the ASEAN countries have identified themselves with the developing countries of the world. ASEAN has aligned itself with the Group of 77 on the question of North-South dialogue. This kind of group participation in international organisation and conferences has enhanced the image of ASEAN as a bloc.

#### Social and Cultural Field

Since its establishment in 1967, ASEAN has realised the need to bring about closer cooperation in the socio-cultural development of the region. This is clearly reflected in the Declaration of ASEAN Concord enunciated in the Bali Summit.

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<sup>60</sup> Chan Kai Yau, "The Role of Private Enterprise in intra-ASEAN Trade and Investment: A Singapore Perspective", in Luechai Chulasai and Gypmantasiri Suwarat eds., The Role of Private Enterprise in Intra-ASEAN Trade and Investment, Proc. of a Conference in Chiang Mai, Thailand, 16-19 January 1986 (Chiang Mai: Chiang Mai University, 1986), p. 55.

In line with the efforts to bring about a greater degree of socio-cultural development in the region, at the Bali Summit, the meeting of ASEAN Ministers in several non-economic areas emerged as a new organ which would meet occasionally to work out respective strategies. Accordingly, there have so far been meetings of Ministers of Public Relations and Information, Ministers of Labour, Ministers of Health, Ministers of the Environment, Ministers of Science and Technology, Ministers of Education, Ministers of Agriculture and Ministers of Education, and Ministers of Energy and Industry. Responsible for making preparations, providing facilities for the meeting of other ASEAN Ministers and carrying out their policies are the three non-economic committees: the Committee on Culture and Information (COCI); the Committee on Science and Technology (COST); the Committee on Social Development (COSD).

On ASEAN's social cooperation, it emphasizes co-ordination to uplift the standard of living among the peoples of ASEAN, in respect of education, public health, employment, the role of women and youth, social welfare, population, eradication of drugs abuse, community development, mutual assistance in time of natural disasters, etc. COSD coordinates these programmes and those of the meetings of the Health and Labour Ministers as well.

The comprehensive ASEAN education programme and the ASEAN population and family programme are being handled under the

ASEAN-Australia dialogue.<sup>69</sup> The ASEAN countries have given special interest to the problem of drugs since June 1976 when they signed an ASEAN declaration of principles for the prevention of drug abuse, stating that the member countries should find preventive measures and proper punishment for the illicit trafficking of drugs. The declaration specifies that the member countries will co-ordinate their operation with the international organisations concerned, such as the Colombo Plan center in the United Nations, the UN Specialised Agencies and the Interpol. The ASEAN members have exchanged information by holding an annual meeting of ASEAN experts on narcotics.<sup>70</sup> Drug matters used to come directly under COSD, but since 1983 they have been handled by the ASEAN Senior Officials on Drugs (ASOD).<sup>71</sup> Since the establishment of the institution, ASEAN's efforts in soliciting the support of the international community to cooperate intensively in combating the spread of drug abuse and trafficking had achieved fruitful results. Pursuant to the UN

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<sup>69</sup> Most projects receive support from outside for coordination on a bilateral basis. Vinita Sukrasep, op. cit., pp. 75-76.

<sup>70</sup> Ibid., p.77.

<sup>71</sup> Although ASOD is formally instituted it is not considered an ASEAN Committee. ASOD reports directly to the ASEAN Standing Committee but it has no sub-committee or working group under it. The chairmanship rotates annually according to the host country of the ASOD meeting. The main function of ASOD is to discuss and formulate regional policies, approaches and strategies to combat the drug problem. When ASOD (which meets once a year) is not in session, the coordinating work is carried out by the Narcotics Desk Officer at the ASEAN Secretariat.

General Assembly Resolution 42/122 of 1985, the International Conference on Drug Abuse and Illicit Trafficking was held in Vienna from 17 to 26 June, 1987. At that Conference, ASEAN play a leading role to ensure that the fight against the drug menace would be waged relentlessly by the international community.

The ASEAN Declaration on Principles to strengthen ASEAN Collaboration on Youth was signed by the ASEAN Foreign Ministers in June 1983 in Bangkok. Noting that a substantial majority of the ASEAN population comprises young people who would become the future leaders to perpetuate ASEAN values, ideals and aspirations, and who constitute a large potential for productive and creative work, the Ministers agreed that serious and concerted attention be focussed towards ASEAN cooperation in the area of youth and young people. The ASEAN Youth Forum coordinates Youth programmes for implementation.

The First Meeting of ASEAN Labour Ministers in Jakarta in April 1977 considered population and manpower problems and agreed on cooperation in the field of labour and manpower, while ASEAN Ministers of Public Health met in Manila on July 22-24, 1980 to draw guidelines of cooperation and to intensify mutual assistance by assigning new ASEAN machinery to consider the details of future cooperation.<sup>72</sup>

In the cultural field, ASEAN's programmes fall broadly under the following sections - Visual Arts, Performing Arts,

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<sup>72</sup> Ibid..



Literary Works, ASEAN Studies and Communication Media and cover a wide variety of activities which include film, radio and television, music, exhibitions of children's art, performances, publications and media training. This feature of cooperation is administered by the COCI. All activities under this scheme receive financial assistance from the ASEAN Cultural Fund set up on December 2, 1978 and from contributions by the ASEAN members, Third countries and other international organisations. Nevertheless, ASEAN has the sole authority in allocating the funds.

Through the projects that have been developed by COST, scientists from a wide spectrum of disciplines were brought together to share their knowledge and experiences and to work on common problems. COST also coordinates the activities decided by the ASEAN Ministers for Science and Technology and on the Environment. ASEAN Ministers on Science and Technology met for the second time in November 1983 to reemphasize regional cooperation. At the Second Meeting, the Ministers formulated guidelines for ASEAN Cooperation in science and technology including the participation of the private sector in order that research results could be utilised for the benefit of the ASEAN region. The Second Ministerial Meeting on the Environment was held in Bangkok from 29-30 November 1984. At this Meeting the ASEAN Ministers on the Environment agreed among other things to endorse the ASEAN Programme on the Environment Phase II; issued a Declaration on ASEAN Heritage Parks, and Reserve ; and

initialled the ASEAN Agreement on the Conservation of Nature and Natural Resources.<sup>73</sup>

Besides the abovementioned governmental areas of cooperation, many non-governmental organisations such as professional and academic societies, meet on a regional basis, to facilitate the exchange of knowledge and sometimes to encourage new directions for ASEAN programmes. For example, the ASEAN Confederation of Women's Organisations affiliated with ASEAN through the Women's Programme of the ASEAN Committee on Social Development in 1984, has encouraged ASEAN to include women's issues in its activities. Some progress has been made in drawing attention to negative portrayals of women in the mass media, in integrating a women's component in the ASEAN Population Programme, and in seeking external finance for women's vocational training.<sup>74</sup>

### Summing Up

The second period of ASEAN started with the end of the Vietnam war and the holding of the Bali Summit. The Bali Summit was held against the background of the "threat" posed by the establishment of communist regimes in Indochina, but yet it may be characterised as an occasion on which ASEAN demonstrated a willingness to seek friendship and coexistence with those

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<sup>73</sup> ASEAN, An Overview of ASEAN, ASEAN Information Series, no. 1 (Jakarta: the ASEAN Secretariat, 1985), p. 15.

<sup>74</sup> Donald Crone, "The ASEAN Summit of 1987", p. 38.

communist nations. This first ASEAN Summit Meeting, held nine years after the founding of this organisation, was significant in the context of its history for several reasons.

In the political field, the character of ASEAN as a group for political cooperation was officially recognised for the first time since its establishment. In the economic field, the Bali Summit achieved some progress toward the development of cooperative economic relations among the ASEAN states, relations which barely existed at the time. In the socio-cultural field, all efforts in the various programmes of the first period culminated with the Declaration of ASEAN Concord enunciated in the Bali Summit. Finally, with regard to organisational development, the Summit opened the way for a reorganisation of ASEAN for the creation of the Central Secretariat to promote for an effective administrative life-line which would bring the member states closer together than ever before.

Thus, in the area of political cooperation, the political consultation among the ASEAN countries, which became progressively institutionalised during the first period, were fast recognised as a field of formal ASEAN activity in the Declaration of ASEAN Concord. Pursuant to the ASEAN Declaration and ASEAN Concord, ASEAN member countries coordinated their positions and took a common stand through regular and formal Foreign Ministers Meetings, wherever possible - over the Kampuchean problem and its resultant refugees problem. Accordingly, ASEAN members have emerged as a forum in which

bilateral relations can be maintained on a regular basis, and the habit of consultation instituted.

Also, in the immediate aftermath of the Bali Summit, the ASEAN countries took specific steps to strengthen economic cooperation. However, although some progress was undeniably made, cooperation in fact had only progressed cautiously. For, while the ASEAN countries had seen the political need to expedite economic cooperation, they at the same time had hesitated to give concessions to each other if by doing so their own economic interests might be adversely affected. On the other hand, ASEAN's cooperation in dealing with countries outside the region drew exceptional attention even during its first period, particularly collective moves *vis-à-vis* the advanced countries. However, it must be pointed out that the ASEAN countries did not adopt a common stand at "every" international conferences they attended. For instance, each ASEAN state has had its own perspectives on several issues at the United Nations Conference on the Law of the Sea.<sup>75</sup> In short, only when their interests converge do the members act in unison.

Aside from the core areas of ASEAN cooperation in economic and political affairs, a broad range of topics in the socio-cultural field had been pursued at the regional level. Yet, despite growing socio-cultural linkages within the region,

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<sup>75</sup> Phiphat Tangsubkul, ASEAN and The Laws of the Sea (Singapore: the Institute of Southeast Asian Studies, 1982), p. 19.

general knowledge and understanding of the ASEAN countries remained limited outside of narrow circles. ASEAN was still far from becoming a cohesive regional community, despite the increasing usage of this label.<sup>76</sup>

All in all, ASEAN has forged "a political community of shared values and outlooks, shared vulnerabilities, and a sharpened appreciation of interdependence in the struggle for peace and security".<sup>77</sup> Moreover, general consultation and cooperation in political, economic and socio-cultural areas have been recognised as important duties. There was the duty to join in multilateral efforts in international forums.

However, this did not take place at the top level. Functionally, much of this has been worked out by administrative officials, while senior level officials had met regularly to thrash out differences in interests and policies. Having found that ASEAN members could successfully manage their interdependent cooperation at ordinary and functional levels, it was not until they faced a series of obstacles: the stalemate in Cambodia, the split between the Khmer resistance coalition parties and within the parties themselves, the deteriorating economic circumstances of its members, and the dramatic

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<sup>76</sup> Donald Crone, op. cit., p. 38.

<sup>77</sup> Chan Heng Chee, "ASEAN: Subregional Resilience," in J. W. Morley ed., Security Interdependence in the Asia Pacific region (Lexington, Mass.: Lexington Books, 1986), p. 111.

political change in the Philippines, that they have come to think of a new summit.

It might be added that Brunei joined ASEAN in January 1984, bringing the number of member states to six.

### Part III. The Third Summit and Thererafter

#### The Third Summit

In the 1980s the international systems posed new political and economic threats which required increased defence. An increase in the level of conflict between the United states and the Soviet Union in the early 1980s, and an apparent stalemate over Kampuchea, required renewed efforts to insulate ASEAN from the increasing possibility of global conflicts spilling over into the region. In addition, changes in the international economy seriously threatened ASEAN's rapid growth in the early 1980s: economic downturns in the industrial economies eroded trade and financial flows; real commodity prices were at their lowest since the 1950s; the comparative advantage of inexpensive wages waned; and the "new protectionism" was on the rise in the major market economies. Moreover, around the region, a number of events portended destabilisation of the existing regimes with the down-turn in growth rates. Among others, the Marcos regime in the Philippines was overthrown, in part, due to the

dissatisfaction with the narrow channelling of resources to the "crony" groups.<sup>78</sup>

In line with these circumstances, there were demands for a new summit. The idea of holding ASEAN summit meetings on a more frequent basis had been voiced consistently, especially by the Philippines as the potential next host (according to alphabetical rotation). Serious calls for a new summit had been made since 1980, when leaders in the Philippines, Thailand, and Singapore suggested the need for such a meeting. Thailand and the Philippines repeated their support for this idea again in 1982. At the 18th Annual Ministerial Meeting of 1985, Thai Foreign Minister, Siddhi Sawetsila suggested that the upcoming twentieth anniversary of ASEAN be honoured with a summit to set the stage for the second generation of cooperation. At the Manila meeting of Senior ASEAN Officials in January 1986, Thailand formally offered to attend a summit anywhere else, or to host one itself. In March, the final roadblock was removed, since Malaysia agreed to support a summit and to accept a Philippine venue.<sup>79</sup> The 19th Ministerial Meeting in June 1986 laid the foundation for the summit, appointing Indonesia to chair an agenda-steering committee with fifteen subcommittees.

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<sup>78</sup> Donald Crone, op. cit., p. 42.

<sup>79</sup> Malaysia had refused to attend a summit in the Philippines (nor would any Malaysian leader go there) because of the lack of legal resolution of Manila's claim to Sabah, which Marcos had unofficially dropped in 1977 but had never embodied in legislation. Ibid., p. 41.

In June 1987 the 20th ASEAN Ministerial Meetings were held in Singapore, with the Kampuchean issue, as in the past, dominating the discussion of security issues. All these efforts culminated in the Third Summit of ASEAN Heads of Government held in Manila on 14-15 December 1987. This was the first summit held in ten years. It also marked twenty years of the maturing relationship among the Association's partners. Despite the continuing instability in the Philippines and at times the reservations raised in certain capitals about holding the Summit in Manila, all the ASEAN leaders supported Philippines' determination to host the Summit, especially after President Aquino pledged full security for the meeting.\*\*

The Manila Summit itself evaluated ASEAN progress as a great achievement in regionalism. The Association of Southeast Asian Nations "has grown into a viable and dynamic organisation fostering the spirit of regional cooperation and solidarity and strengthening national and regional resilience." The ASEAN heads of government further noted "that ASEAN has also developed a distinct identity and has become an effective vehicle for joint approaches to regional and international issues." They also made special mention of "regular consultations" among officials and

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\*\* Many observers claim that the Heads of state present were seemingly more concerned with demonstrating their support for President Corazon Aquino of the Philippines, who had just replaced Ferdinand Marcos and whose position was insecure, rather than ASEAN solidarity and cohesiveness. R. Madi, op. cit., p. 88; S. C. M. Wong, "ASEAN Cooperation: Problems and Prospects," Indonesian Quarterly, vol. XVII, no. 1 (First Quarter, 1989), p. 69-80.



members of non-governmental organisations which "have forged closer relations among the member states and thus promoted peace, stability and prosperity in the region."<sup>81</sup> They lauded the fact that ASEAN had been successful "in creating a political environment conducive to the development of its members" and were convinced that "economic development and progress are fundamental to the stability and security of the region."<sup>82</sup>

Since the Manila Summit meeting was an endorsement of previously arranged moves to push ASEAN to a more meaningful economic relationship, its political input was confined mainly to security issues, while attention was focused on ways of promoting regional economic cooperation. The Manila Declaration of 1987, which emphasizes nine major areas of compelling mutual interests, reflects this fact well.

In the area of political cooperation, the Declaration states ASEAN's "efforts towards achieving the early realisation of ZOPFAN in consultation with states outside ASEAN" and "efforts towards the early establishment of SEA NWFZ, including the continuation of the consideration of all aspects relating to the establishment of the Zone and of an appropriate instrument

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<sup>81</sup> Joint Press Statement, Meeting of the ASEAN Heads of Government, Manila, 14-15 December 1987, ASEAN Documentation Series 1967-1988, Third Edition (Jakarta: ASEAN Secretariat), para 6, p. 61, quoted in C. P. F. Luhulima, "The Third ASEAN Summit and Beyond," Indonesian Quarterly, vol. XVII, no. 1 (First Quarter, 1989), pp. 14-15.

<sup>82</sup> Manila Declaration of 1987, Manila, December 1987, quoted in *ibid.*.

to establish the Zone."<sup>83</sup> Also the member countries agreed to continue their efforts "in finding a durable comprehensive political solution to the Kampuchean problem" and "to find an effective solution to the problem of Indo-Chinese refugees." Finally, they emphasized on "the cooperation with states in the Pacific region, both the industrialised and developing states."<sup>84</sup>

With regard to economic cooperation, the Heads of Government agreed upon a "progressive reduction of the number of items in the member-countries' exclusion lists and the deepening of the margin of preference for items currently in the PTA," and "acceleration of sound industrial development within the region by making the AIJV Scheme more flexible, quicker to implement and more attractive to private investors". In the area of intra-ASEAN cooperation on commodities, they also agreed to "take joint action to address problems of structural surpluses, seek greater market shares, develop indigenous resource-based industries, intensify research and development(R&D) programmes and encourage the establishment of producer associations, regional trade associations and commodity exchanges."<sup>85</sup>

As regards socio-cultural cooperation the Heads of Government agreed to "seek to enhance awareness of ASEAN,

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<sup>83</sup> The Manila Declaration of 1987, Proc. of Meeting of the ASEAN Heads of Government, Manila, 14-15 December 1987 (Jakarta: ASEAN Secretariat), p. 44.

<sup>84</sup> Ibid..

<sup>85</sup> Ibid., pp. 44-45.

inculcate in the people the common socio-economic values and heritage, and promote mutual understanding of the culture, traditions and ways of life of their nation."<sup>66</sup>

### Political Field

At the Manila Summit, ASEAN Heads of Government called for Vietnam "to engage in serious discussions on a just and enduring solution to the Kampuchean problem, including the total withdrawal of Vietnamese forces from Kampuchea" thus allowing the Kampucheans "to exercise the right to self-determination and Kampuchea to become a neutral, independent and non-aligned nation posing no threat to its neighbours."<sup>67</sup> Efforts to solve the Kampuchean issue after the Summit were given a new life by the Jakarta Informal Meeting (JIM).<sup>68</sup>

The first round of JIM (JIM I) was convened in July, 1988. The meeting brought together, for the first time since the invasion of Kampuchea by Vietnamese troops in 1988, representatives of the four warring Khmer factions, Vietnam, Laos, and the ASEAN countries. Just before this meeting, at the 21st Foreign Minister Meeting, ASEAN confirmed that all the six ASEAN member states would be present at the JIM and advanced a checklist of "key elements" to be discussed in a political

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<sup>66</sup> Ibid., p.45.

<sup>67</sup> Joint Press Statement, Proc. of Meeting of the ASEAN Heads of Government, Manila, 14-15 December 1987, p. 48.

<sup>68</sup> C.P.F. Luhulima, op. cit., p. 18.

settlement.<sup>89</sup> The outcome of the JIM was very little. However, its real measure of success was that it established a first forum for the Southeast Asian countries to collectively endeavour to resolve a conflict in their own region. The JIM was a regional initiative in diplomacy, much of which was attributed to the Indonesian-led ASEAN initiative. JIM II was held in February 1989 but no agreement was reached on a political settlement.

Meanwhile, at the 44th Session of UNGA, ASEAN made a drastic revision of its resolution on Kampuchea, calling for the "non-return to the universally condemned policies and practices of the recent past", a reference to the atrocities committed by the Khmer Rouge.<sup>90</sup> At the 23th ASEAN Foreign Ministerial Meeting, ASEAN "affirmed their support for a comprehensive solution in Cambodia and the setting up of a Supreme National Council(SNC)".<sup>91</sup>

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<sup>89</sup> The "key elements" were identified as: the withdrawal of Vietnamese troops, formation of a four-party provisional Khmer government of reconciliation, disarmament of the various factions, a mechanism for peacekeeping during the interim period, and inter-nationally supervised elections. Stephen Chee, "Southeast Asia in 1988: Portents for the Future," in Institute of Southeast Asian Studies, Southeast Asian Affairs 1989 (Singapore: ISEAS, 1989), p. 19.

<sup>90</sup> Khaw Guat Hoon, "The International Politics of Southeast Asia: Issues in 1989, in Institute of Southeast Asian Studies, Southeast Asian Affairs 1990 (Singapore: ISEAS, 1990), p. 10.

<sup>91</sup> The 12-member SNC was formulated by the permanent five members of the U.N. Security Council. Representation in the SNC would be divided among the Phnom Penh regime which will get six seats, and the three Cambodian resistance coalition factions which will have two seats each with a 13th seat reserved for the chairman.

to replace the three-party fighter coalition that holds the Cambodia seat at the U.N.",<sup>92</sup> in response to United States' announcement that it would no longer support the right of the guerilla coalition to represent Phnom Penh in the world body. Although ASEAN continues to call for a comprehensive solution and lobbies to ensure that the CGDK retains its seat in the UNGA, the ASEAN solution to the Kampuchean issues is still a long way off.

The problem of the refugee issue (especially, the boat people) had been a chronic one for well over a decade. The massive exodus of Indochinese refugees by land and sea from their homeland in the second half of the 1970s had taxed the patience of Thailand and Malaysia. The former returned to a policy of pushing the Vietnamese boat-people back to sea while Malaysia gave a one-year notice of intention to close down its first-country asylum facilities and to treat new arrivals as illegal immigrants. Both actions were calculated to reactivate international attention to the plight of the ceaseless flow of Vietnamese refugees, in the context of diminishing resettlement in third countries due to "compassion fatigue".<sup>93</sup>

Thus, pushed by Malaysia, the 21st ASEAN Ministerial Meeting issued a joint statement on the refugee problem and

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<sup>92</sup> New Straits Times 27 July 1990.

<sup>93</sup> Stephen Chee, "Southeast Asia in 1988: Portents for the Future," in Southeast Asian Affairs 1989 (Singapore, Institute of Southeast Asian Studies, 1989), p. 24-25.

lobbied the agreement of the dialogue partners to support the holding of another international conference along the lines of the 1979 Geneva Conference on Refugees from Indochina to develop a new and comprehensive programme to deal with the situation. On 7-9 March 1989, a preparatory meeting to lay the groundwork for the conference was finally held. Hosted by Malaysia, it was attended by representatives from the U.N. High Commission for Refugees (UNHCR) and thirty-five countries. The participants agreed that the flow of boat people must be stopped at its source, that is, in Vietnam itself. Then, on 13 March, four days after the preparatory meeting, the ASEAN countries announced that they were implementing a policy to screen "genuine" refugees from those fleeing for economic reasons. Finally the International Conference on Indochina Refugees held on 13-14 June in Geneva agreed on a Comprehensive Plan of Action (CPA). The CPA states that the first asylum countries will continue to allow boat people to land, provided genuine refugees are accepted for resettlement elsewhere and those classified as illegal immigrants are returned to Vietnam. However, since then, first asylum countries like the ASEAN member countries have been frustrated over the lack of progress in implementing the international agreement intended to resolve the long-standing refugee problem under CPA.

Although ASEAN has maintained political cooperation on the abovementioned extra-regional issues, there were differences on some issues. For example, on 4 August 1989 when Singapore's

Minister of State for Finance and Foreign Affairs, Brigadier-General Yeo, informed the Singapore Parliament that the government was prepared to host some U.S. military facilities in order "to make it easier for the Philippines to continue to host the U.S. bases there",<sup>94</sup> the response from each ASEAN country ranged from outright objection to ambivalence or non-commitment. Among the ASEAN countries, Malaysia expressed unequivocal objection to Singapore's offer on the ground that "a question of the uncertainties and threats such a move would introduce into the larger picture, and the questions and possible doubts about ASEAN's role in superpower rivalry, and also an increased American presence in the region would only complicate and set back any effort to create ZOPFAN".<sup>95</sup> Above all, Malaysia did not want to see a foreign military base established in its most immediate neighbour to the south, one with whom relations were often strained. So strongly did Malaysia feel about the offer that it called on the other ASEAN countries to make known their stand so that ASEAN as a grouping could take a common position.

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<sup>94</sup> Quoted in Khaw Guat Hoon, "The International Politics of Southeast Asia: Issues in 1989," p. 14. It was seen that Singapore would like to help relieve the pressure on the Philippine Government not to renew the leases on U.S. bases in the Philippines when they lapse in 1991, showing that Singapore will help share the burden. In fact, Singapore has been in favour of American presence in the Philippines, since it values the American role as a stabilising influence in power relationships affecting Southeast Asia.

<sup>95</sup> "Threatening the balance," editorial, New Straits Times 11 August 1989.

The reaction of the other ASEAN states, however, was not uniform; as evidence by the remarks made by the Philippine Foreign Secretary Raul Manglapus that "Malaysia's objection to Singapore's offer to allow U.S. forces to use facilities in the island nation shows lack of agreement on whether U.S. forces should remain in the area. ... It merely shows that there is no unanimity in Southeast Asia with regard to military relations with the United States".<sup>96</sup> Indonesia and Thailand gave cautious support to or were apparently in favour of the Singapore offer, while Brunei and the Philippines were non-committal although it was reported that several Filipino officials were delighted.

#### Economic Field

The Manila Summit had produced a substantive agreement on economic cooperation. The changes in the domestic environments of Southeast Asia, East Asia, the Pacific rim and the other components of the global environment were well addressed in the summit documents.<sup>97</sup> Two significant directions for greater ASEAN economic cooperation in the future, had been set at the third ASEAN Summit. First, agreement was reached to adopt bolder moves toward promoting more intra-regional trade. The PTA was strengthened further through the reduction of the exclusion

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<sup>96</sup> New Strait Times, 11 August 1989.

<sup>97</sup> Joint Press Statement, Proc. of Meeting of the ASEAN Heads of Government, Manila, 14-15 December 1987 (Jakarta: ASEAN Secretariat), pp. 48-49.



list, the phasing out of new items from the exclusion list and into the PTA with a 25 per cent minimum margin of preference (MOP), the deepening of MOP to 50 per cent for items already included in the PTA, reduction of the ASEAN content requirements in the "Rules of Origin" on a case by case basis, and an immediate "standstill" on non-tariff barriers (NTBs) to be accompanied by negotiations for rollback of such NTBs.<sup>98</sup> A definite timeframe of five years (1988-92) was set for implementation of these measures. Clearly the direction has been set for greater clarity and predictability of the PTA scheme in order to promote greater intra-ASEAN trade.

The second significant move introduced at the Manila Summit is in the area of investment, with the improvement of the ASEAN Industrial Joint Venture (AIJV) scheme. Intra-ASEAN investments are to be raised to at least 10 per cent of total foreign investments by the year 2000, and a commitment made to increase the flow of foreign investments in the region. The scheme is made more attractive and flexible by facilitating the establishment of AIJVs by liberalising non-ASEAN equity from 49 per cent to 60 per cent in these projects (until December 1990)<sup>99</sup> subject to a minimum of 5 per cent equity from each ASEAN member

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<sup>98</sup> For the immediate "standstill" on non-tariff barriers (NTBs), Indonesia and the Philippines were granted special concessions to require seven years to implement the scheme.

<sup>99</sup> The period was extended from December 1990 to December 1993 by a joint statement issued at 22nd annual meeting of ASEAN Economic Ministers. New Straits Times 1 November, 1990.

country; deepening MOP from a minimum of 75 per cent to 90 per cent and by the setting up AIJVs through a pre-approved list of AIJV products.

These two moves were supported by cooperation in the various fields such as banking and finance; tourism, technology transfers and R&D; energy and promotion of shipping links, as well as the establishment of the ASEAN Reinsurance Corporation. The Heads of Government also decided on the priorities of development cooperation for the private sector: trade, tourism and investment promotion, trade fairs, and business council activities.

Besides, recognising the economic and socio-cultural contributions of tourism to the member countries and its continuing potential as a growth industry in ASEAN, they declared 1992, the 25th anniversary year of ASEAN, as "Visit ASEAN Year".<sup>100</sup>

As regards the issues of dialogues with other countries, the Heads of Government spoke of the achievement of sustained and more intensified relations with ASEAN's dialogue partners. They emphasized that cooperation with the dialogue partners should be narrowed down to areas of special interest to ASEAN, such as market access, trade and tourism promotion, investment, flow of resources, industrial development, transfer of

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<sup>100</sup> Ibid., 52. ASEAN cooperation in conjunction with the Visit ASEAN Year 1992 will be further elaborated below in the section on Social and Cultural field.

technology, human resources development and support for ASEAN positions in international fora, such as GATT and the United Nations Conference on Trade and Development (UNCTAD).

ASEAN member countries have been trying to develop their intra-regional economic infrastructure to positively tackle the exacerbating extra-regional environment such as the single European market in 1992 and the grouping of the American and Canadian markets; meanwhile they are trying to negotiate collectively with their major trading partners. First, they have been examining an integrated regional market to discover more realistic and stable prices for their produce in the pricing of commodities in international markets. As the Malaysian Commissioner for Commodity Trading, Haji Ismail bin Haji Ahmad summarized the ASEAN position said:

"ASEAN cannot expect help or encouragement from the industrialised countries because as consumers of our primary commodities, they would rather see us as fragmented markets for obvious reasons...Certainly, it will be to our advantage if we share the same vision that the commodity exchanges in ASEAN could be linked together into a regional market to serve the economic needs of the region."<sup>101</sup>

ASEAN has also commissioned a five-member panel to study and make recommendations on the revamping and strengthening the ASEAN mechanism, including its Jakarta-based secretariat. Opening the first meeting of the 24th ASEAN Standing Committee, the Malaysian Foreign Minister Datuk Abu Hassan observed that "ASEAN member countries had realised the need for a 're-

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<sup>101</sup> New Straits Times 20 March, 1989.

invigorated' organisation to meet the challenges ahead", and called for "new approaches by ASEAN to be more effective in areas such as promoting intra-ASEAN cooperation, the Asia-Pacific Economic Cooperation (APEC) forum and worldwide political and economic developments."<sup>102</sup> For this, ASEAN agreed to set up a unit to serve as the central technical arm of the ASEAN secretariat, which would rationalize and reformulate projects initiated by the various committees in line with guidelines established at the standing committee's meeting.

On the other hand, ASEAN delegates, at a conference between officials from two regional groups, pressed for the European Community (EC) not to be a protective or inward-looking market, being wary of 'Europe 1992'.<sup>103</sup> ASEAN Economic Ministers at their annual meeting in Bali warned the EC that it would boycott products of the group if the EC implemented a resolution to ban imports of tropical wood from Sarawak, Malaysia.<sup>104</sup> In relation to the recent rapid changes in Western and Central Europe, the ASEAN Foreign Ministers at their annual meeting in Jakarta, wanting assurance of aid from the EC, pressed the EC to ensure that any commitment it makes to Eastern and Central Europe will not be at ASEAN's expense.<sup>105</sup> At the 10th ASEAN-U.S. dialogue in

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<sup>102</sup> New Straits Times 5 September, 1990.

<sup>103</sup> Michael Raj, "ASEAN exporters still wary of 'Europe 1992'," New Straits Times 15 July, 1989.

<sup>104</sup> New Straits Times 1 November, 1990.

<sup>105</sup> New Straits Times 17 July, 1990.

Washington, ASEAN officials voiced their concern over the impact of the North American Free Trade Agreement (NAFTA) on the ASEAN region, saying it could shift American and Canadian investment and production from ASEAN to Mexico. They also voiced their displeasure with anti-dumping and countervailing duty (CVD) investigations which they said have become a "harassment and impediment" to ASEAN exports to the U.S.<sup>106</sup>

In the private sector, there have been calls to do more to boost intra-ASEAN trade. Among other proposals, earlier in 1987, "Group of Fourteen" (or "G-14") proposed by the ASEAN-CCI was formed which produced a report to come to grips with the approaches and strategies of enhancing economic cooperation.<sup>107</sup> Also, the formation of an ASEAN development bank was suggested to support ASEAN industrial projects, thus enhancing trade between the six-member nations. In mootng the idea at an ASEAN Banking Council seminar, a panelist urged that "the central banks of ASEAN countries could take the lead to set up a regional development bank with a paid-up capital of U.S.\$500 million to finance long-term industrial projects."<sup>108</sup>

On the other hand, the ASEAN-CCI has adopted a resolution calling on the U.S. not to be swayed by vested interest groups in their attempts to deprive Malaysia of benefits under the U.S.

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<sup>106</sup> New Straits Times 22 June, 1991.

<sup>107</sup> For details, see, ASEAN: the Way Forward (Kuala Lumpur: the Institute of Strategic and International Studies, 1987)

<sup>108</sup> New Straits Times 7 September, 1990.

Generalised System of Preferences (GSP). The resolution said the ASEAN-CCI "deplores the action of such vested interest groups against Malaysia and other ASEAN countries and urges the U.S. Government to stand firm in the face of such attempts and to adhere to the spirit of UNCTAD 21 (11) in continuing to apply GSP preferences to developing countries".<sup>109</sup>

Recently, a new concept of intergovernmental economic cooperation within ASEAN has appeared, namely intra-ASEAN regional bilateral or tripartite cooperation. Malaysia and Thailand signed an agreement to establish a joint authority to explore and exploit the non-living resources in their overlapping economic zones in the Gulf of Thailand, off the coast of Kelantan and Songkhla. And also, Malaysia, Indonesia and Singapore agreed to a proposal to jointly develop their identified "triangle for economic growth" in the 1990s.

The proposal for a growth triangle incorporating Singapore, Indonesia's Riau Islands (especially, Batam and Bintan) and Malaysia's Johor was mooted by Singapore's then First Deputy Prime Minister Goh Chok Tong in December, 1989. The concept of the growth triangle was based on a strategy to combine the availability of "cheap" land, labour and resources with capital, modern technology and efficient administration found in the component areas. The distinctive characteristic of a growth triangle is the developing symbiotic relationship between the

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<sup>109</sup> New Straits Times 10 August, 1990.

public and private sectors. Official government support for infrastructural development, fiscal incentives, and the streamlining of other regulatory mechanisms like immigration and worker training, are mobilised for activities which are operationalized by the private sector. Such intra-ASEAN economic linkages based on a web of production, sourcing, and distribution networking systems, are propelled by MNCs.

Geographical proximity and economic complementarity may be strong enough for the three regions to implement this cooperative development. Nevertheless, bearing in mind that intra-ASEAN economic cooperation has not as yet yielded good results, the promotion of this concept should be within the ASEAN context of greater and closer economic cooperation among the six member countries, as Indonesian President Suharto stressed at a meeting with the Malaysia's Yang di-Pertuan Agong Sultan Azlan Shah in Jakarta.<sup>110</sup>

This southern growth triangle has stimulated similar configurations in the north, such as the growth triangle involving the northwestern Malaysian states of Perlis, Perak, Kedah, and Penang, as well as northern Sumatra in Indonesia, and southern Thailand. A natural link (geographical, cultural and informal economic) already exists between southern Thailand and northern Malaysia; this link needs to be formally developed with the inclusion of Sumatra into the "Northern Triangle".

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<sup>110</sup> New Straits Times 27 September, 1990.

ASEAN leaders have been calling for greater efforts to improve intra-ASEAN trade and investments to provide the impetus for regional economic growth, urging the business community to do more to extend cooperation within ASEAN. As Suharto told delegates to the annual meeting of the association's Economic Ministers:

"We must take further efforts to create more meaningful and effective intra-ASEAN economic cooperation... The ASEAN business community should form more industrial joint ventures."<sup>111</sup>

Nevertheless, only eight projects had been approved under AIJV scheme for implementation, a much lower number than expected.

#### Social-Cultural Field

Social and Cultural cooperation, which was categorized with clear-cut terms of references at the Bali Summit, was redesigned into "Functional Cooperation" at the Manila Summit to achieve greater understanding of the ASEAN ideals and to complement and strengthen the political and economic aspirations of the ASEAN peoples. (See Appendix III) Hence, the activities and programmes of the ASEAN functional committees, COSD, COCI and COST were to be reformulated and coordinated on the basis of a conceptual framework to instill a greater sense of awareness and belonging to ASEAN, and of a regional identity.<sup>112</sup> In order to achieve a stronger sense of regional identity and belonging, information,

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<sup>111</sup> New Straits Times 30 October, 1990.

<sup>112</sup> C. P. F. Luhulimu, op. cit., p.22.



education, culture and social development should be geared towards inculcating greater understanding among the people of the history, geography, natural environment, and other aspects of the region.<sup>113</sup> Recognizing the correlation between the population and the social and economic development of the region, the importance of cooperation in the fields such as ASEAN Inter-Parliamentarian Organisation (AIPO), ASEAN affiliated Non-governmental Organisations(NGOs) and Inter-Governmental Organisation(IGOs) was emphasized for wider involvement and increased participation.<sup>114</sup>

The decisions of the Manila Summit in the area of functional cooperation do not however present breakthroughs. The fundamentals of functional cooperation were listed in detail in the ASEAN Concord of 1976; the Manila Declaration only served to reinforce the programmes which had already been agreed upon. In other words, it is a further elaboration of the Bali Concord. Therefore, the Manila Summit also emphasised cooperation in areas of women and youth, health, the prevention of drug abuse, information and cultural exchange, and the media, as well as in some new areas like science and technology, and environmental management and development. For the cooperation, the Heads of

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<sup>113</sup> Joint Press Statement, op. cit., p.53.

<sup>114</sup> Ibid..

Government stressed the need to actively involve all sectors and levels of the ASEAN community.<sup>115</sup>

A variety of programmes organised by COCI have been playing their role in helping the people understand each other better in order to be in a better position to resolve any issue amicably in the spirit of friendship. First, in the area of the exchange of information, the fourth workshop-seminar for journalists of ASEAN news agencies and the sixth meeting of the ASEAN Working Group on Radio, Television, Film and Video were held in Kuala Lumpur in 1990. ASEAN have also been showing common efforts to cope with any unfavourable information environment. For example, at the Ninth Board of Directors' meeting of the Confederation of ASEAN Journalists (CAJ), Indonesian Information Minister Harmoko stressed that "ASEAN countries must strive to overcome biased reporting against developing countries, including ASEAN states."<sup>116</sup> In 1991, ASEAN opened an ASEAN preparatory meeting for the World Administrative Radio Conference which will be held in 1992, and agreed to work out a regional set of requirements and recommendations in radio frequency allocations to be submitted to the Conference.

In the field of the preservation and propagation of the ASEAN cultural heritage, the Philippines played host to the 5th bi-annual ASEAN Theatre Festival in 1988, and Malaysia hosted

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<sup>115</sup> Ibid..

<sup>116</sup> New Straits Times 4 September, 1990.

the first ASEAN beauty competition in 1990 which will be held annually. The ninth meeting of the ASEAN Working Group on Nature Conservation held in Kuala Lumpur in 1990 established common efforts on the workings of the transfrontier national parks between adjoining countries. In 1991, the first ASEAN Composers Music Workshop, in which a centre or archive was proposed to collect and document music compositions found in ASEAN countries, together with an ASEAN Colloquium on Oral History was held in Kuala Lumpur. The Colloquium recommended that "an oral history project be undertaken within each member country to document the growth and development of the region", and also "be introduced as a subject at secondary and tertiary levels of education in member countries to inculcate and promote its use in view of the importance of the subject in supplementing a nation's history".<sup>117</sup>

With regard to cooperation in the area of anti-drug and health activities, the role of the ASEAN NGOs and IGOs has been prominent. The ASEAN NGOs, which are responsible for organising the various anti-drug activities, scrutinised their activities and reviewed the implementation of the Comprehensive Multidisciplinary Outline(CMO) at a ASEAN NGO workshop held in Kuala Lumpur in June 1990, so as to achieve more effective results in their objectives.<sup>118</sup> The CMO was formulated and

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<sup>117</sup> New Straits Times 5 June, 1991.

<sup>118</sup> New Straits Times 20 June, 1990.

adopted as the guideline for anti-drug activities at the UN-sponsored International Conference on Drugs and Illicit Trafficking (ICADAIT) in Vienna, Austria in 1987. ASEAN police forces agreed to combat narcotic crime and exchange information for mutual benefit. The setting up of a regional intelligence centre among ASEAN countries to exchange information on crime was suggested by the Malaysian Inspector-General of Police Tan Sri Mohamed Haniff Omar, at the opening of the 10th Aseanapol<sup>119</sup> in Kuala Lumpur, in June 1990.<sup>120</sup> At the 11th general assembly of AIPO held in Singapore in 1990, ASEAN legislators urged member countries to consider common legislation against drug traffickers and set up a research and information centre on AIDS control, prevention and treatment programmes. Besides, ASEAN promulgated a week in June 26 to July 2 in 1990 as the ASEAN Week Against Drug Abuse and Illicit trafficking.

The "Visit ASEAN year 1992", apart from its economic goals, is also designed to instill a sense of belonging and equitable participation among the people of ASEAN. The event is expected to give a chance to the citizens of ASEAN to play a positive role in creating a feeling of ASEAN commonness. The economic reward for the event is also expected to promising.

As part of a strategy to market the region as a top holiday spot in conjunction with Visit ASEAN Year 1992, ASEAN tourism

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<sup>119</sup> The first Aseanapol conference was held in Manila in 1981.

<sup>120</sup> New Straits Times 26 July, 1990.

leaders are considering pooling their resources together. As Singapore's Trade and Industry Minister Brigadier-General Lee Hsien Loong said at the opening of the ASEAN Tourism Forum (ATF) in 1989:

"The Caribbean countries had successfully projected a common image of themselves as highly desirable tourist destination. ... We should try to do something similar in our Visit ASEAN Year Campaign, and in our other co-operative efforts."<sup>121</sup>

Also, the leaders agreed to assign the ASEAN Subcommittee on Tourism (SCOT) to initiate programmes and activities that will accelerate joint efforts in the promotion of regional tourism, at their 10th ATF in 1991.<sup>122</sup> As part of a joint effort, a film on Visit ASEAN Year 1992 co-produced by the six member countries of ASEAN was released in Manila in 1991. The film will be presented in major travel trade fairs all over the world, and in selected consumer-tourism promotion events and in-flight video presentations of the six-ASEAN national carriers. Besides, ASEAN railway authorities are thinking of introducing a regional joint railpass for tourists before the launching of "Visit ASEAN Year".<sup>123</sup>

The meetings of ASEAN Ministers in non-economic areas designed to bring about a greater degree of socio-cultural development in the region at the Bali Summit, have also been

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<sup>121</sup> Quoted in, M Krishnamoorthy, "Selling ASEAN to the World," New Straits Times 6 March 1989.

<sup>122</sup> New Straits Times 15 January 1991.

<sup>123</sup> New Straits Times 25 May, 1991.

used to tackle the unfavourable international atmosphere to ASEAN member countries. At the 8th ASEAN Labour Ministers meeting held in Kuala Lumpur in June 1990, the Ministers agreed to jointly oppose attempts to link international trade agreements with labour standards or workers' rights, noting the attempts by certain labour groups in the International Labour Organisation(ILO) to include clauses in multilateral trade agreements requiring that ILO members strictly observe human rights standards. Opening the Fourth ASEAN Ministerial Meeting on the Environment, Malaysia underscored a common stand against international agreements on overcoming environmental problems which may affect development efforts or place undue obligations on the grouping's members.

In the private sector, there have been moves to take a united action in the international milieu. The Federation of ASEAN Consulting Engineering Associations, an informal non-government grouping of consultant engineers, was set up in June, 1989, with the objectives of providing a venue for cooperation among these professionals in the region; working on projects within the region and later outside ASEAN and competing with other similar world bodies. The second Intra-ASEAN Coal Workshop undertaken by the ASEAN Exports Group in Coal(AEGC) was held in Kuching in Sarawak in 1990, to enhance the training of ASEAN personnel involved in coal development and utilisation in their respective countries.

Summing Up

ASEAN's commitment to ZOPFAN as the ultimate goal for a peaceful and stable Southeast Asia represents an important cornerstone of regional political cooperation whose full potential has yet to be realized. The unresolved conflict in Cambodia remains the principal obstacle to greater peace and stability in the region. All efforts to bring about a comprehensive solution to the problem have so far proven inconclusive because the parties and countries directly involved appear as yet unable to summon the political will to arrive at a mutually acceptable compromise. ASEAN, on its part, has continued efforts and contributed its share to the restoration of a just peace in Cambodia. Politically, it is likely that the efforts of a settlement of the Kampuchean issue have transcended ASEAN's capability and bargaining power. The refugee problem is serious to the ASEAN first asylum countries like Malaysia, Indonesia, the Philippines and Thailand, in the light of the fact that the influx has caused severe domestic socio-economic, political and security problems. In fact, the problem has not only developed tension between first asylum countries and countries of origin but also with the third or resettlement countries. Consequently, since the second half of the 1970s, ASEAN member countries have been using ASEAN as a vehicle to solve these pressing problems decisively, to protect their interests. On the other hand, it must be noted that the member countries have no common stand on some issues such as US bases in ASEAN.

In the area of economic cooperation, the Manila Summit has succeeded in setting up quantitative targets, stipulating regional measures for market liberalisation both as regards the PTA and the Rules of Origin, and standstill and rollback of NTBs, with Indonesia and the Philippines being granted special concessions. The summit also succeeded in pursuing a long-term goal of accelerating sound industrial development, stipulating a steady increase of investments both in and out of the region. All these measures are meant to contribute to increased industrial cooperation and trade liberalisation in ASEAN over the next decade. However, in spite of these moves, progress in ASEAN economic cooperation is still sluggish. ASEAN however has had some success in taking a common stand on multilateral trade talk with its dialogue partners, and its stance in favour of specific commodity agreement in international conferences like GATT. However, some countries within ASEAN are trying to seek economic growth through setting their overlapping economic zone with neighboring ASEAN member countries on a bilateral or tripartite basis. In the socio-economic field, the Manila Summit reconstituted socio-economic cooperation in the functional cooperation with the specific objective of achieving an increased awareness of ASEAN, wider participation of the people in the ASEAN exercise and the development of human resources into national and regional assets. However, the decisions of the Summit in the area of functional cooperation do not represent breakthroughs. Most of programmes agreed in the Bali Summit were



formalised in the Manila Summit. Since the Manila Summit, various programmes organised by COCI have been also playing their role in creating and instilling a common consciousness, an aim which was reiterated at the Manila Summit. With regard to development of a common consciousness, however, ASEAN's socio-cultural activities have so far not been very successful. On the other hand, through the activities of ASEAN affiliated NGOs and IGOs, the ASEAN countries have strengthened the fraternal ties, mutual trust and cooperation, or have coped with the unfavorable international environment, making ASEAN an impressive forum for regional cooperation.

All in all, through cooperation on common issues in the political, economic and socio-cultural field, ASEAN has steadily developed the practice of close consultation and cooperation among its members. This practice has not only involved the highest levels of national leadership in the ASEAN countries but has also been reinforced and complemented by the many layers of officialdom, peoples' representatives, the private sector and the various functional groups in their societies. Nevertheless, ASEAN must resolve many problems before it can claim to be a genuine regional entity, especially in light of ASEAN's poor record in economic cooperation.