

CHAPTER IV

SOUTHEAST ASIAN REGIONALISM: PROBLEMS AND PROSPECTS

Attempts at regionalism in Southeast Asia are not new but there have not been completely successful. Looking back at the sixteen years after the Bali Summit and four years after the Manila Summit discussed in Chapter III of this study, it can be said that ASEAN has progressed to the extent that ASEAN could be called a "success story" although it has faced problems, the resolution of which would enhance its status or the non-resolution of which would presumably lead to its demise. In spite of repeated policy commitments to ASEAN regional cooperation on the part of its member states, particularly as reflected in the resolutions of both the Bali Summit and the Manila Summit, the fact remains that ASEAN has not achieved as much as expected either in the political or particularly in the economic field, let alone the socio-cultural field.

It is now widely recognised that ASEAN has reached, in respect of all its fields of activity, a watershed. A number of factors influencing its previous pattern of development have changed as can be seen in the set of regional and international circumstances which ASEAN now faces. With the collapse of communism in Eastern Europe, the economic crisis and political turmoil in the Soviet Union, the end of the Cold War and the converging interests of the major powers including the US and the

Soviet Union, recent developments in the world surrounding the region have shown the historic reconciliation between China and Indonesia, and between China and Vietnam. In keeping with the dramatic changes in the international political and economic environment which gained momentum since the end of the 1980s, Southeast Asian states might wish to seek to accommodate their differences with their neighbours and adopt new alignments or coalitions on areas of mutual economic interest or security concerns. Under the circumstance, the role of ASEAN itself may have to be reviewed in the face of current trends and developments, against the background of its own performance in various fields in the past. Given the fast changing global scenario which is bound to affect the Southeast Asian region what kind of readjustments will ASEAN be prepared to make? In other words, what are the problems and prospects that ASEAN face in the years ahead.

It is necessary to try to understand the problems of regional cooperation in Southeast Asia in view of the fact that Southeast Asian countries involved have all been struggling with various problems. Since each country must give priority to solving its own problems, its professed commitment to regionalism tends to have low priority in practice. However, the following analysis is not intended to look at all problems facing each and every ASEAN countries but only those problems which obstruct or retard the development of regional cooperation.

In order to effectively evaluate the prospects of Southeast Asian regionalism, it is important to begin by seeing ASEAN, the central binding force of Southeast Asian regionalism in the countries of ASEAN, in the context of the wider Southeast Asia. As discussed in Chapter II of this study, some countries such as Laos, Cambodia, Vietnam and Burma have been considerably less involved in institutional international networking in Southeast Asia than others. Whatever the explanation, this uneven involvement has had the effect of dividing the region into two camps. It has also partly led to the failure of developing a truly Southeast Asian regional organisation involving every state in the region. Chapter III of this study focussed only on the countries that make up the Association of Southeast Asian Nations (ASEAN). The Indo-Chinese States and Myanmar have had to be excluded from the main analytical framework of this discussion for obvious reasons.

For the sake of convenience and clarity, we shall attempt to identify and examine three groups of problems, namely, political, economic and socio-cultural that have, in one way or other, affected ASEAN's past performance and promises of the future.

Political Fields

There is a sound basis for political cooperation among the states in ASEAN to succeed. The common legacy of the colonial period, the development-oriented economic strategy of the present

governments, and the common ideological aversion to communism constitute a sufficient basis to enable the present member states of ASEAN to work together. There are, of course, also factors which threaten to undermine the bases for political cooperation. However, most of these are minor issues, many of which have been simmering for years, while some others have been settled, even if only temporarily. At one time, there had been apprehension over possible Indonesian aggression against Malaysia and Singapore, fanned by Sukarno's "Confrontation" policy. The relationship between the Philippines and Malaysia has been marred by the former's claim to Sabah in East Malaysia. The unresolved question of Muslim separatism in the Philippines and Thailand has also been a source of friction between the predominantly Muslim countries of Indonesia and Malaysia and those of the Philippines and Thailand. Although ASEAN countries have, by and large, been able to put up a united front in spite of these problems, there is always the danger of some of these unresolved issues reemerging.

The case of Sabah is one such problem which has yet to be fully resolved. The Sabah issue, which was the major cause for the difficult relationship between Malaysia and the Philippines in the 1960s, is far from over. A change of domestic factors in the Philippines perennially threatens to influence the course of the problem. For instance, the change of presidential leadership in the Philippines in 1966 clearly affected Philippine policy towards Malaysia. When Marcos succeeded Macapagal in 1966 at

around the time President Sukarno was removed from power in Indonesia, the region's international relations seemed to take a different political course. President Marcos recognised the new Federation of Malaysia in 1966, and both sides agreed in a Joint Communique to clarify the claim and discuss the means of a settlement to the problem. It was this positive scenario that led to the creation of ASEAN the following year. But, earlier the Sabah crisis had clearly undermined ASA. Nonetheless, although ASEAN has been successful in subduing the effects of the conflict, it has not been able to contribute to the permanent resolution of the problem. This is apparently partly because the importance of Sabah to the Philippines is obviously more than a mere legal claim. The Sabah claim also appears to have been motivated by the desire of the Filipino leaders to use the issue as a leverage in their dealings with the malintegrated Muslim population of the South. Also, the Sabah claim remains a convenient issue which could be easily exploited by politicians to seek narrow political interests particularly during elections, such as the need to be recognised as a prominent nationalist leader fighting for national interests and the need to divert the attention of the people from the government's failure to solve the problem of the rural and urban poor.¹

¹ Paridah ABD. Samad, "Internal Variables of Regional Conflicts in ASEAN's International Relations," The Indonesian Quarterly, vol. XVIII, no. 2 (Second Quarter, 1990), pp. 172-73.

Sources of tension arising from conflicting border claims abound and could mar the good relations among the ASEAN countries. Border disputes could arise from countless sources ranging from the misinterpretation of each other's intentions, unclear border demarcations and conflicting interests to economic exploitation and downright greed, although each of ASEAN countries makes it clear that these differences should be resolved in the spirit of ASEAN goodwill.

As regards land borders, an ambiguous delimitation of actual boundaries along the Golok River between Thailand and Malaysia can potentially lead to bilateral disputes between these two countries. The frontier along the river and its coastal stream which divides Thailand and Malaysia's state of Kelantan was formed on the principle of the "Thalweg of the main stream". The Thalweg (deepest river-bed indentation) had shifted over time, and Kelantan had applied the midstream principle, which was finally also adopted by Thailand in 1972. Land accretions, particularly in the mouth of the river, have changed its floor and with it the boundary, without as yet creating an international incident. The river and the cooperative projects in the area remain the subject of bilateral discussions until today.²

Boundary disputes also arise when there are competing claims in areas over which sovereignty already belongs to a neighbouring

² Hans H. Indorf, Impediments to Regionalism in Southeast Asia: Bilateral Constraints Among ASEAN Member States (Singapore: ASEAN Economic Research Unit, ISEAS, 1984), p. 28.

state. Some borders between East Malaysia and Indonesian Kalimantan have still to be more accurately fixed. Communist insurgents have found it convenient to operate in the ambiguous border areas. In this connection a Joint Border Committee(JBC) had been organised to seek solutions to problems of unclear borders, and to discuss the security threat in such border areas. This move has helped reduce friction between Malaysia and Indonesia to a minimum.³

In the maritime zone, the disputes over the Sipadan and Ligitan islands in the Sulawesi(Celebes) sea and the exclusive economic zone nearby still haunt relations between Indonesia and Malaysia, while the conflicting territorial claim over Pulau Batu Putih between Malaysia and Singapore remains a sore point in Malaysia-Singapore relations. Regionally, incidents of contested sovereignty occur most frequently over the South China Sea over off-shore areas and islands. Such disputes inevitably involve conflicting claims to property rights and resource ownership, especially in areas where the continental shelves of all the ASEAN countries overlap in one or another area. However, to date most of the controversies centre around the Spratly Islands where territorial claims by China and Vietnam compound the problem

³ A.R. Sutopo, "Relations Among Indonesia, Malaysia and Singapore: From Confrontation to Collaboration and Re-alliance," The Indonesian Quarterly, vol. XIX, no. 4(Fourth Quarter, 1991), p. 333.

even further.⁴

In the immediate post-independence years, territorial and border disputes were the greatest source of disruption to the region's international relations. Territorial rights were perceived as the very essence of statehood of the newly independent states of ASEAN. The reasons for the recurrence of territorial and border disputes in the region are attributable to factors such as the unresolved ethnic tensions which erupt as a consequence of states having a multi-ethnic population, the competition for scarce resources, the leaders's competition for power and influence and the maintenance of national pride.⁵ Although contentious border problems have at times been exploited for broader political purposes, serious repercussions on regional cooperation have, however, been avoided. Since the object of a

⁴ The Spratlys, 320km off Sabah, comprises mostly barren 33 islands and more than 400 atolls, which straddle vital shipping lanes and are believed to sit atop vast oil and natural gas deposits. The dispute over the Spratlys in South China sea is being regarded as an issue which could give rise to conflict and affect the security situation in the region. It involves many parties. China, Taiwan, Malaysia, the Philippines, Vietnam and Brunei are among the other countries making claims to the group of the islands. The China claims that its sovereignty over the islands and surrounding waters is irrefutable and the Philippines claims that its already have a military and civil presence there, while Malaysia and Vietnam have also recently announced that they will jointly develop the continental shelf near the islands. In fact, Chinese and Vietnamese warships clashed in the area in March 1988, leaving three Vietnamese dead and 70 missing. ASEAN Senior officials and academics met in Bandung, Indonesia, in 1990 to discuss ways of finding solutions to the dispute over the disputed Spratlys and other islands in the South China Sea such as the Paracels.

⁵ Paridah ABD. Samad, "Internal Variables of Regional Conflicts in ASEAN's International Relations," p. 173.

geographic dispute is usually a specific area or borderline, negotiations could also focus upon a single specific area or borderline, and negotiations could also focus upon a single issue. But when governmental policies are perceived as having ethnic undertones, political cooperation between states often tends to become perpetually under siege. The major cases of ethnic tensions within ASEAN have been thus far confined primarily to the problem of Muslim-minorities and the role of the Chinese. The former basically involves Buddhist Thailand and the Catholic Philippines where Muslims have been resisting their assimilation into their respective national politics. The latter basically concerns Singapore which, with over two million Chinese, has had to bear the brunt of intra-ASEAN criticisms, which were exacerbated by their economic success.*

In relation to Muslim-minorities, the Sabah issue needs to be highlighted. The connection between the Malaysian Muslim movements and the Philippine Muslim dissenting groups has been a basic stumbling block preventing the Philippine government from dropping its claim to Sabah. The claim to Sabah has been used as a counter-attack to the perceived involvement of Malaysia in its internal conflict, since Malaysia has been accused of interfering in the domestic affairs of the Philippines by backing these dissenting groups. As long as Mindanao's Muslims and the Moro National Liberation Front oppose the government policies, whether

* Hans H. Indorf, op. cit., p. 34.

officially sanctioned or not, it appears that Sabah will remain an important regional issue acting as an irritating factor in the Philippines-Malaysia relationship.⁷

On the other hand, the situation in southern Thailand differs from the Philippine scenario. It is in no way threatening to the body politic of Thailand, but even then, the problem of Muslim separatism is considered to be sufficiently serious by Thailand. The four southern Thai provinces of Satun, Pattani, Yala and Narathiwat, bordering Malaysia, have about eighty per cent Muslim population. Their historical opposition to central government rule has resulted in the government's neglect, discrimination and mistreatment of these areas in the economic, social and religious spheres. In response to this, major secessionist groups have emerged, including an estimated armed 1,000 guerrillas. The peoples of the Malaysian states which are adjacent to the border, that is, Perlis, Kedah, Kelantan, and to a lesser extent Perak, have not only appeared to be conservative in Islamic matters but have also shown strong political sympathies to their Thai Muslim brethren. Since the Thai Muslims in the border provinces are of Malay ethnic stock, speak Malay and have close personal bonds with their Malaysian relatives, it would be difficult to restrain the Malays in Malaysia from supporting their ethnic counterparts.⁸ Although there has been

⁷ Ibid., pp. 174-75.

⁸ Hans H. Indorf, op. cit., pp. 39-40.

no serious open conflict between the two countries, frictions arising from the border problems are not uncommon. As an illustration, a border incident has recently occurred in June, 1991. When, over 30 armed Thai military officers intruded into the triangular bazaar area in Padang Besar, Perlis, which is legally under Malaysian suzerainty.

Besides the Muslim minorities, the other major ethnic issue within ASEAN is the role of the Chinese. The issue basically involves Singapore which is often criticized or viewed with suspicion because of its conspicuous Chinese identity and its efforts to make Confucianism as the nation's political ideology at the expense of the position of the other races. Singapore's sympathy to the Chinese cause in neighbouring countries, especially Malaysia is also an added source of mistrust between it and its immediate neighbours.

On account of its geography, proximity to Malaysia and historical circumstances, Singapore's relations with Malaysia have always tended to be tense and will continue to remain potentially difficult. The ethnic factor has been the most important source of friction between the two countries. Singapore's sympathy with the Chinese cause in the Malaysia and its discriminatory policies toward Malay Singaporeans in relation to economic and political opportunities are widely believed to have been developed with the purpose of harming the sensitive feeling of Malaysian Muslims. The other variable that has further irritated the relationship between both countries stems from the

strong Islamic conscience among the Malay-Muslims in the Peninsula.

Chinese-Malay rivalry has also helped to cause a subtle kind of ethnic alignments within ASEAN. The Chinese position is tacitly supported by Thailand, while the Malay position is invariably supported by Indonesia, a big brother to Malay-Malaysia. Thailand's cooperation with the CPM which is basically Chinese-based to counter the involvement of Malaysia in its internal conflict in the southern part is illustrative of the former.⁹ In the case of the latter, there seems to be a strong belief in Malaysian circles that Malaysia and Indonesia constitute one big family, which is the basis upon which the relations between the two countries have to be developed.¹⁰

Leadership stability has been another important factor which has consolidated regional cooperation in ASEAN. Since all of the ASEAN heads of states have been authoritarian, or even dictato-

⁹ A major suppression campaign in Yala Province which was planned by Thai authorities in cooperation with the CPM of mainly Chinese origin against southern Muslim separatists was seen as a Thai counter to Malaysian involvement in its domestic conflict in relation with Thai Muslims. *Ibid.*, p. 41.

¹⁰ This matter is disputable, if it is considered that the Indonesian society basically is a pluralistic one and does not rely on the principle of identical ethnic group in forming its nation. In Indonesia, however, even though legally there is no discrimination, in reality debates occur on status, rights and duties of Indonesian citizens of Chinese descent. Furthermore, since the CPM was supported by China in the context of party to party relations and Indonesia regarded China as a political threat, Indonesia's tacit assistance to Malaysia is quite within the realms of possibility when such an issue as the CPM recurs.

rial, their continued leadership of their respective governments have always been the concern of ASEAN as a whole. Thus, when the Philippines experienced a leadership crisis, ASEAN was jittery. Singapore had only one Prime Minister, Lee Kuan Yew, for 25 years since its independence until Goh Chok Tong succeeded him in November 1990. Malaysia now has its fourth Prime Minister since independence; political succession in Malaysia has been democratic and orderly. The government of Indonesia has been dominated by the military since Suharto replaced Sukarno as President of Indonesia. In Thailand, the 17th military coup was executed in 1991 with the overthrow of the constitutionally elected Government of Prime Minister Chatichai Choonhavan. Prime Ministers change but the military remains the single-most powerful political institution within Thailand today.

The lack of unanimity in ASEAN's common threat perception has been one of the factors which have caused political variance within the ASEAN states. In Indonesia's view, the People's Republic of China represented the major threat to stability in the region. As a result, Indonesia regarded Vietnam as a valuable counterweight to China. Malaysia, being a strong proponent of neutralisation, was also wary of Chinese intentions, but in addition was concerned about Soviet and Vietnamese expansionism. The Philippines, rather more distant from events in Indochina and with long-established military ties to the U.S., was reluctant to adopt any explicit policy of non-alignment and neutralisation. Singapore and Brunei were wary of both Chinese and former Soviet

intentions. Thailand, as the front line state that had to face the most immediate threat from the Vietnamese forces maintained its traditional military links with the United States while at the same time cultivating ties with China.¹¹

Although these relationships are now obviously fluid as time progressed and the political situation has evolved in such a manner that no man-made barriers can be permanent and that no nation can escape from the "Law of Change",¹ nonetheless, a certain issue like the role of major powers is one of the controversial subjects among the ASEAN countries. The presence of American military bases is a case in point. It has contributed to maintaining the regional system since the American presence in the Philippines has functioned to counter-balance the influence of the Soviet Union. In fact, most ASEAN leaders agree that the presence of the bases is important for the security and economic interests of the region. Singapore's recent agreement with the United States to formalise its *de facto* security relationship with that major power and permit the presence of permanent United States forces in the country,¹² however, sent ripples throughout ASEAN and beyond. Within ASEAN, reactions ranged from outright opposition, through ambivalence to studied

¹¹ Jonathan Rigg, op. cit., p. 222.

¹² Singapore signed a memorandum of understanding (MOU) with the U.S. in November 1990 granting the superpower expanded use of facilities for its navy and air force. It also allowed six F-16 fighters to use bases in Singapore with a permanent military contingent of 95 personnel.

¹ A Greek philosopher Heraclitus said that everything changes, that nothing remains the same, and that no man can cross the same river twice.

neutrality, and threatened to stretch the delicate fabric of group unity. Malaysia expressed the most vocal response to Singapore's offer among ASEAN members, calling upon Singapore to respect the feeling and views of other ASEAN members and claiming that if Singapore intended to permit US bases, it would mean that the Republic, as one of the partners of ASEAN, had violated the 1971 Kuala Lumpur Declaration which gave birth to the ZOPFAN idea.¹³ It should be noted that on the part of Malaysia, its latest offer for the United States to use the Royal Malaysian Nation facilities at Lumut seems to happen a shift of its perception of the major power's role in the region, although the offer appears to have been inspired by economic reasons.¹⁴ This kind of trend implies that some quarters of ASEAN have apparently adjusted to the rapid changes which the world at large is experiencing more quickly than others.

The recent dramatic changes in the international political and economic environment have functioned as a further complicating factor within ASEAN. In relation to the emerging strategic environment following the end of the Cold War, despite a reduced military presence by the former Soviet Union, ASEAN is still

¹³ Paridah ABD. Samad, "Internal Variables of Regional Conflicts in ASEAN's International Relations," p. 180.

¹⁴ Malaysian Defence Minister Datuk Seri Mohamed Najib said in his address at the National Assembly that "the offer was a commercial proposition and if accept, would help create business opportunities as well as jobs...[t]he offer was different from that of the Philippines which allows the American to set up a base and station military personnel and hardware". New Strait Times, 6 December 1991.

unable to decide on how to overcome the security vacuum following the cutback in U.S. military spending and the termination of its access to its former major bases in the Philippines.¹⁵ Singapore, which has been most vocal about the dangers of a U.S. withdrawal, has expanded U.S. air and naval access to its territory. Smaller ASEAN nations such as Singapore, have long dreaded the prospect of major regional powers like China, Japan and India taking advantage of a reduced U.S. presence to enlarge their military influence, but others take a calmer view.

Even though the Southeast Asian countries have been striving to consolidate the security of the region, an effective common understanding on the matter has not been achieved. Malaysia seems to stand firm on its belief that there is no need for ASEAN to have a military pact to further strengthen the security of the region.¹⁶ Singapore appears to prefer some form of military and security cooperation which is affiliated with major powers (especially, the United States) rather than an ASEAN own military

¹⁵ United States, which abandoned Clark Air Base in June 1991 after it was wrecked by the eruption of Mount Pinatubo volcano, will have to leave Subic by December 31, 1992 following the failure of both countries to agree on a longer lease. Clark and Subic have been two of American's biggest overseas bases since World War two.

¹⁶ Malaysian Defence Minister Mohamed Najib said in an interview "Malaysia still considers that the best way to do this is through bilateral cooperation among ASEAN members. The question of security should not be viewed from a narrow perspective such as touching only on conflicts but should be linked with the question of well-being and social and economic development of the region. The present security situation in Southeast Asia in the short- and medium-term and that there was no reason for alarm". The Star, 20 January, 1992.

alliance.¹⁷ It should be noted that certain influential groups in the Indonesian government are interested in making ASEAN into a military bloc -- a form of replacement for the defunct SEATO. However, this is not likely to be favoured by the other ASEAN countries since such a pact would mean their domination by Indonesia.

As the Southeast Asian region ushers in the "post-Kampuchea" era,¹⁸ challenges lay ahead for ASEAN in Indochina. These include how the group could accommodate the move by the Indochinese states to put behind their past and get on with peace, the change of their state-controlled economy to capitalism and their status in the region. As has so often been proved in Indochina, a treaty is no solid guarantee of peace. Suspicions and rivalries still run deep in Cambodia. Much of the challenge of eventually building a region of peace, confidence and cooperative co-existence in all of Southeast Asia remains ASEAN's responsibility.

In fact, the Kampuchean issue has been the central point of political dynamism in the Southeast Asian region. The perception of ASEAN as a functional regional organisation is evidenced by the active programme of meetings within the grouping and with its

¹⁷ Singapore former Prime Minister Lee Kuan Yew suggests that the economic well-being of Asia, of the Pacific, depends upon an American security presence in the region. New Sunday Times, 15 December 1991.

¹⁸ A U.N.-sponsored peace accord signed in Paris in October 1991 brought a formal end to 13 years of civil war in Cambodia.

dialogue partners throughout the history of ASEAN. ASEAN has been able to put up a united and common stand on salient international and regional issues which has considerably enhanced its credibility. In the meanwhile, the achievement of an ASEAN common diplomatic stand on the Kampuchean issue has not only helped to promote ASEAN unity and solidarity but has also projected ASEAN as a formidable political and diplomatic force in the world scene.

When it was formed in 1967, the fear of communism brought about unity within in ASEAN in respect of their perception of the priorities of regional security. The fall of South Vietnam in 1975 to the communists and the Vietnamese invasion of Kampuchea in 1978 had heightened the consciousness and concern of ASEAN states on the need to be on guard and united against the danger of the Vietnamese communist threat. The triumph of communism in Indochina, though, had paradoxically brought about a closing of ranks within ASEAN.

The resolution of the Kampuchean conflict connotes two-way implications. On the one hand, ASEAN's cohesion may be less concrete now than when it was originally conceived, as one of centripetal forces for ASEAN, that is, the external communist "threat" is now viewed as less serious. On the other, it can be said that ASEAN gets a chance to realise a truly "Southeast Asian Regionalism". In other words, the final resolution of the Kampuchean conflict will undoubtedly lead to the normalisation of bilateral ties between the ASEAN and the Indochinese states.

Southeast Asia then will inevitably enter into a fluid period as its nation-states attempt to redefine their foreign policy priorities, goals and strategies. In this regard, the possibility of an expanded ASEAN, incorporating Cambodia, Laos, Vietnam, and perhaps even Myanmar cannot be ruled out.

In fact, ASEAN has been trying to have and maintain dialogues with other countries in the region, although it started with the five founding members -- Indonesia, Malaysia, the Philippines, Singapore and Thailand. Accordingly, the prospect of an expanded ASEAN has often been an issue, since or even before the formation of the Association. Before the success of the communists in Indo-China, the Kingdom of Laos and the Khmer Republic had participated as observers in a number of the public sessions of the ASEAN Ministerial Meetings as guests of the host government, but the Republic of Vietnam ceased sending an observer after 1971. Burma and the Democratic Republic of Vietnam, though often invited by the host countries of the Ministerial Meetings, had never accepted the invitation.

In the joint Communiqué issued at the end of the meeting of Foreign Ministers of ASEAN in Kuala Lumpur during 25-26 November 1971 on the ZOPFAN, it was stated that in one place "the Foreign Ministers and the Special Envoy also agreed that they would bring the contents of their Declaration to the attention of the other countries of Southeast Asia and would encourage them to associate themselves with the aspirations and objectives expressed in the

Declaration."¹⁹ Here, ASEAN, in its endeavour to create ZOPFAN, wanted to convince the rest of the Southeast Asian states of its cause.

Later, when ASEAN Foreign Ministers met in Kuala Lumpur on 15 February 1973 to assess the agreement on ending the war and the restoration of peace in Vietnam which was reached at Paris by major parties to Vietnam war on 27 January 1973 and to consider its implications for Southeast Asia, they agreed to work towards possible expansion of its membership to include all the other countries in Southeast Asia, namely Laos, Cambodia, the two Vietnams and Burma.²⁰ Evidently, a statement of this nature, when seen in retrospect, attests to the naivety of ASEAN. There were also, however, another view within ASEAN which contended that their inclusion in the regional grouping would only disrupt the peace and progress ASEAN had already established. Then, too, North Vietnam and Burma were not interested in such a wider

¹⁹ Quoted in Heiner Hänggi, ASEAN and the ZOPFAN Concept (Singapore: Institute of Southeast Asian Studies, 1991), p. 63.

²⁰ The communiqué issued at the second Special Ministerial Meeting in Kuala Lumpur in 1973 states in the point number fifth: "5. The meeting was firmly of the view that a lasting peace in Southeast Asia can be achieved through the development of mutual trust and understanding among the countries in the region. It was therefore necessary for these countries to come together and to discuss matters of vital interest and mutual concern.... In addition, the meeting was of the view that it was desirable to expand the membership of ASEAN at the opportune time to cover all the countries in Southeast Asia and agreed that the trend of developments gave cause for encouragement that this may soon be achieved."

Southeast Asian Forum, although the latter wished ASEAN well.²¹

Thanks to the foresight of the founding fathers of ASEAN, legally speaking, it stands on record that ASEAN is always open to new members. The fourth article of the Bangkok Declaration of 1967, the founding document of ASEAN, revealingly states that "the Association is open for participation to all States in the Southeast Asian Region subscribing to the aforementioned aims, principles and purpose." (See Appendix I) The aims, principles and purposes are embodied in the seven points within the second part of the Declaration all of which are so general and well-meaning as to cause some initial objection. In fact, the first point reads "the establishment of an Association for Regional Cooperation among the countries of Southeast Asia to be known as the Association of Southeast Asian Nations (ASEAN).

This is further reinforced by the Treaty of Amity and Cooperation in Southeast Asia signed at the Bali Summit. The Treaty clearly stated that the intention of ASEAN is to seek friendship and peaceful coexistence with the countries in Indochina and "[I]t (the Treaty) shall be open for accession by other States in Southeast Asia". The Declaration of ASEAN

²¹ Burma's basic policy towards regional cooperation in general and ASEAN in particular under General Ne Win called for bilateral ties with neighbours and with participants of international organisations or power groupings but not membership in them. Yet, there was a fundamental conviction that Burma should concentrate on home problems, and that some regional organisations were the products of powers outside the area. Russell H. Fifield, National and Regional Interests in ASEAN, Occasional Paper no. 57 (Singapore: Institute of Southeast Asian Studies, 1979), pp. 11-12.

Concord, made on the same occasion reads at one particular place:

"7. Member states shall strive individually and collectively, to create conducive to the promotion of peaceful cooperation among the nations of Southeast Asia on the basis of mutual respect and mutual benefit."²²

Although these two documents do not repeat to the letter the Bangkok Declaration, yet in spirit, they express the same fundamental desire to try to get the other Southeast Asian countries to fully subscribe and participate in what ASEAN considers important for all of them. Whether this is simply seen as a measure to lure in prospective members is not important, but what is more significant is that ASEAN publicly declares its desire too achieve complete cooperation within the region.

Optimism vanished after 1978 when late in that year Vietnam invaded Kampuchea and tried to integrate the three Indochinese states under its hegemony. With the communist victories in Cambodia, the ASEAN countries had to face up to competition from the Marxist-socialist systems of Vietnam, Laos and Cambodia. The Joint Communiqué of the annual ASEAN ministerial meeting since 1979 became lengthy and began to devote more than ample attention to the problems of Kampuchea and refugees. It is noteworthy to add that ASEAN started to have and maintain dialogues with a number of countries and organisations, and that the starting point of this type of enterprise began mostly around the second half of the 1970's. These comprised dialogues with the European

²² See, Appendix 3.

Community, with Australia, with Canada, with Japan, with New Zealand, with the United States, and with India. Besides there were also activities of the Australia and the Japan forum. But only Brunei became its sixth member in 1984. Then, a statement to reconfirm the standing principle of making ASEAN a truly Southeast Asian body was made in the declaration of the admission of Brunei into ASEAN at Jakarta on 7 January 1984. The statement reads in full:

"Having regard to the ASEAN Declaration of 1967 establishing ASEAN where in it was declared that the Association is open for participation to all States in the Southeast Asian Region subscribing to the aims, principles and purposes of ASEAN."

This is merely a reiteration of the 1967 Declaration at Bangkok. It should be added that the Manila Declaration of 1987 did not address itself to the question of emphasizing the standing invitation to the other Southeast Asian states to join ASEAN.

As mentioned earlier, however, the situation in the last few years has been changing. Recent developments in Indochina including Vietnam show a series of incidents, a U.N.-tailored peace accord for Cambodia and the Vietnamese reconciliatory gesture toward the other Southeast Asian countries, following the Vietnamese withdrawal of most of its forces from Cambodia at the end of September 1989, under pressure from the Soviet Union and mindful of the demands that the occupation was having upon attempts to reinvigorate its own economy.

Although the political and economic differences that divide the three 'Southeast Asias' (ASEAN, Myanmar, and Indochina)

remain deep, there have been a degree of convergence since the latter half of the 1980s. As former Malaysia Foreign Minister Datuk Abu Hassan said at the second Southeast Asia Forum that:

"one of the most encouraging trends in the region over the last couple of years has been changes in Governments' economic policies and strategies... The changes have been based on the concept of the market place and done through structural adjustment programmes."²³

In other words, Myanmar, Cambodia, Laos, and Vietnam have all adopted rather more reformist and pragmatic economic policies. The collectivization of agriculture has been slowed down and in some cases reversed, and the private ownership of land legalized. Private enterprises have been tolerated and even encouraged, and foreign investment and joint ventures have been welcome. In addition to these economic reforms, there has also been limited political convergence between the countries of ASEAN and Indochina.²⁴

It may also be useful to attempt to examine the prospect of Myanmar and the three Indochinese states joining an expanded ASEAN. To begin with, Myanmar has been ruled by the military, since it overthrew a civilian Government in 1962, covering itself under the cloak of the so-called Burmese Way to Socialism. Myanmar sees itself as a truly non-aligned state and shuns association with any group that might undermine its non-aligned status. Now, Myanmar still remains under the grip of a

²³ New Strait Times, 29 November, 1989.

²⁴ Jonathan Rigg, op. cit., p. 227.

military junta under General Saw Maung which continues to be guided by Ne Win and his close associates.²⁵ The junta came to power by crushing a nationwide pro-democracy protest in 1988, and has been widely accused since then of large-scale human rights violations to stamp out the dissidents. It has kept Aung San Suu Kyi, the daughter of Myanmar's independence hero Aung San, under strict house arrest since July 1989 and has refused to cede power to her opposition National League for Democracy (NLD), which swept the May 1990 general election, taking 392 of the 485 contested seats. At the moment, dissident groups have resorted to underground activities. Ethnic rebel groups²⁶ have extended their help to the opponents of the regime, while outside powers have tried to restrain the authoritarian

²⁵ The military junta in Yangon (formerly Rangoon) is officially headed by General Saw Maung. But diplomats, academics and most Burmese believe Ne Win, officially retired, remains the power behind the scenes. New Straits Times, 19 October, 1991.

²⁶ Myanmar's military confronts insurgencies by ethnic minorities on its all borders. Burmese Muslims account for about 7% of Myanmar's population of 41 Million. Muslims supported the 1988 uprising for democracy led by Aung San Suu Kyi and 400 were killed in the subsequent military crackdown. Since the early 1950s, Burmese Muslims have waged periodic guerilla warfare on Governments they accuse of trying to annihilate the Muslim minority and create a pure Buddhist State. Persecution has been worst in Arakan, which was an independent Muslim kingdom from 1430 to 1784 and now in the only Muslim-dominated province in Myanmar. Arakan's Muslims are called Rohingya Muslims, from Rohang, the ancient name of Arakan. The guerilla group is running a secret camp deep in the jungle, in the Bangladesh-Myanmar border where more than 500 young Muslims are training, under the Rohingya Solidarity Organisation founded in 1982, to make war on the Buddhist military Government of Myanmar, while anti-Muslim activities have increased under the current military ruler, General Saw Maung. Edith Lederer, "Mujajids training to fight for free Arakan", New Straits Times, 4 July 1991.

government by imposing trade sanctions on Myanmar. On the part of Myanmar, it might have to change its external policy to some extent in order to ease the domestic and international pressure against it. Nevertheless, it is doubtful that there would be any dramatic change in policy in the near future. The prospects for economic changes though appear much brighter. Soon after the military take-over in late 1988, a package of economic reforms, called the "Open Door Policy", was announced with the declared intention of switching from a rigidly centralised to a market-oriented economy. The military regime even dropped the word "socialist" from the official name of the country. Since 1988, too, Myanmar has continued to adopt a number of measures to achieve its goal of becoming a market-oriented economy. Myanmar too has to depend on more foreign aid to sustain its ailing economy and to achieve economic reforms. Under the circumstance, there is some likelihood that Myanmar (with which all ASEAN countries have diplomatic ties) may try to establish closer relationship with ASEAN countries as a means to overcome its internal and external difficulties, since the ASEAN six have resisted what they call an interference in the internal affairs of another State and prefer to have a constructive engagement with Myanmar to help restore political stability.

The three countries of Indochina are in a state of transition brought about by the retrenchment of Soviet interest and assistance, normalisation of Sino-Vietnamese relations, and the settlement of the Cambodian conflict. Vietnam and Laos appear to

follow the Chinese model of going for economic liberalisation without giving up their respective communist Parties' monopoly of politics.

Laos which, before 1975, had been used to participate in ASEAN ministerial meetings as an observer has been trying to develop under the socialist guidance since the 1975 communist victories over U.S.-backed forces in Indochina. But, unlike Vietnam and Cambodia, however, Laos has not been diplomatically and economically isolated from the West. The country has adopted more extensive economic reforms than Vietnam. Since 1986, and in a reversal of the centralised command economy that came into being in the post-1975 period, Laos has pushed through a thoroughgoing economic reform program, dubbed the New Economic Mechanism.²⁷ In its external relations, Thailand is likely to be increasingly important economically for Laos although its traditional ties with Vietnam in party and security affairs will probably remain close. The Lao people are akin to the Thais in race, language, and culture. Also, traditionally Thailand has been the natural outlet for Laotian commerce with the outside world. Relations with Thailand have improved significantly since the visit to Vientiane in March 1991 of Thai Army Commander, General Suchinda.²⁸ In the longer run, should the trend continue

²⁷ Geoffrey C. Gunn, "Laos in 1990: Winds of Change," Asian Survey, vol. XXXI, no. 1 (January 1991), p. 87.

²⁸ Daljit Singh, "Political Outlook: Southeast Asia 1992-93" in ISEAS, Regional Outlook: Southeast Asia: 1992-93 (Singapore: ISEAS, 1992), p. 15.

Laos might seriously consider joining ASEAN. In fact, it has been reported that Laos plans to apply to join ASEAN and has indicated its intention to accede to the Treaty of Amity and Cooperation which is considered by ASEAN as a necessary first step for a country to join its ranks.²⁹

In the case of Vietnam, Vietnam before its invasion of Kampuchea, ASEAN was not consider a threat of any kind to it. But after 1978, Vietnam saw things differently. Vietnam was very close to the Soviet Union and the Eastern European countries. It was a member of COMECON. As Vietnam was firmly in the Soviet orbit, its economy needed support from the Soviet in view of the fact that the Indo-Chinese War had considerably weakened its economy. Since the start of 1991, Vietnamese leaders have shown concern about foreign trade, as it lost its foot-hold in Eastern Europe, and watched Moscow change its trade policy as it began to respond to market capitalism and the demands for hard currency. Vietnam, which saw aid from Moscow dry up after the collapse of the Soviet Union, following its Seventh Communist Party Congress in June 1991, embarked on a campaign to widen its relations with other countries notably in Asia. Before that, its Sixth Congress of 1986 had already approved that the Government implemented *doi moi* (renovation), with the declared aim of reforming the centrally-planned system. the Vietnam-Hebdo, French language news magazine, reported that "the proportion of

²⁹ New Straits Times, December 14 1991.

exports to Eastern Europe and the Soviet Union fell from 50 per cent in 1990 to just 13.5 per cent in 1991. Exports to Asian neighbours meanwhile rose to 80 per cent".³⁰ In this situation, Vietnam had to change its policy towards the world community as well as the regional community. The Bangkok Post, in a special article, noted that "Vietnam had recently expressed its wish to join the Treaty of Amity and Cooperation which marks its first step towards integration into ASEAN".³¹

The resolution of the Cambodia problem opens a new era of peace and development in the region after nearly half a century of war and isolation. The Indonesian Foreign Minister Ali Alatas aptly talked about "a new era of relationships in Southeast Asia" when Nineteen countries signed a UN-brokered peace accord for Cambodia.³² It is no exaggeration to say that the prospects of "an expanded ASEAN" now depends on Cambodians who appear to have entered the road to peace which would hopefully lead to freedom and democracy. It is important that no one be allowed to hamper the journey. Under the terms of the Paris Accords, a UN contingent of 16,000 and 1,500 civilians is supposed to be deployed in Cambodia to keep the peace and supervise elections scheduled for April 1993. The sovereignty of Cambodia during this transitional period will be embodied in the Supreme

³⁰ Quoted in *ibid.*.

³¹ Quoted in *ibid.*.

³² New Strait Times, 25 October 1991.

National Council comprising the representatives of the four Cambodian factions under the chairmanship of Prince Sihanouk. Sihanouk is expected to be elected President of the new State of Cambodia, but the legislature as well as the government will probably have representatives from all four factions. The post-election government will face formidable social and economic problems. An estimated 350,000 refugees in Thailand as well as thousands of internal refugees will have to be located and removed. The task of massive economic reconstruction will have to be undertaken. The situation will demand an able and united political leadership and a viable civil administration with the capacity to absorb international assistance and to undertake the tasks of reconstruction. But, for the moment, such assets are likely to be lacking. The government under Sihanouk will represent parties with a history of deep suspicion and hostility. So, while peace is returning to Cambodia the longer-term picture is somewhat troubling.³³ As regards its economy, Cambodia has also implemented reforms to improve its war-torn economy, following the lead of its Indochinese neighbours. Unlike the Vietnamese and Laotian governments, however, the SOC (State of Cambodia) appears to be taking a low reform profile. The first Five-Year Plan (1986-90) was adopted at the Fifth Party Congress in October 1985. The most important element of the Cambodian reform package has been to recognise the role of

³³ Daljit Singh, *op. cit.*, pp. 12-13.

the private sector. Family and other private sector economic activities have been encouraged, and autonomy was granted to government industries in 1988. In 1989 inheritance and foreign investment laws were introduced.³⁴ With the Cambodia issue resolved, Phnom Penh Government discarded its communist ideology recently and announced its decision to promote a market-oriented economy. As regards the possibility of joining ASEAN, this depends squarely on the composition of the coalition which will shape the policy. The post-election government, whatever its composition, will be likely to stay neutral assuming a coalition that is acceptable to major parties. Neutralisation of Cambodia, however, will set up constraints in its relations with other countries. It will therefore also mean that Cambodia may not yet be ready to become member of ASEAN at least in near future. However, on the other hand, it is not unlikely that mechanisms such as a forum or dialogue which ASEAN now has with some countries may be extended to Cambodia.

For ASEAN, Cambodia, Laos, Myanmar, and Vietnam, with a total population of over 100 million, form an attractive potential market for made-in-ASEAN products. Thailand, under the new-style diplomacy of former Prime Minister Chatichai Choonhavan, was trying to turn Indochina, including Vietnam, which it saw as a danger to its national security earlier, from

³⁴ Mya Than, "Economic Outlook: Indochinese States and Myanmar 1992-93", in ISEAN, Regional Outlook: Southeast Asia: 1992-93, p. 53.

a war zone to a trading zone, with an eye to its 75 million population as a potential market for Thai goods and Indochina's raw materials serving its industries.³⁵ Thailand too continues to trade with Myanmar very freely. Singapore's economic diplomacy towards Kampuchea and Vietnam is also at variance with the other ASEAN countries and could be sustained only by the lack of ASEAN cohesiveness towards Kampuchea and Vietnam. Malaysia and Indonesia have slowly upgraded their economic and political ties with Vietnam.³⁶ In fact, the diversity of the Southeast Asian

³⁵ Stephen Chee, op. cit., p. 26. It is well-known that Thailand is determined to become the centre of development and modernisation in the so-called Indochina - Thailand - Myanmar peninsula. Former Prime Minister Chatichai Choonhavan, during whose Ministry had alluded to it. He even talked of Thailand's new found role as big brother in the economies of Indochina. While Mr Chatichai, Thailand's first elected Prime Minister, was overthrown in a military coup a year ago, his successor, Anand Panyarachun, is continuing with the economic policy of Thailand's first elected Prime Minister. Mr Anand has promised that it would not be long before Thailand became the "gateway" to Southeast Asia. He even said that Thailand was poised to become "a kind of catalyst" in the region, geographically, politically and culturally. Furthermore, one of the visionists of the new Thailand goes to the extent even to say that the entire region of Myanmar, Thailand, Laos, Cambodia and Vietnam may be a "baht area" as Thailand lies smack in the middle.

³⁶ Malaysia too is mapping out another trade triangle to use the new open-door policy adopted by the Indochinese countries of Laos, Cambodia and Vietnam as an opportunity for investment. The triangle, what is called, the Pahang-Terengganu-Indochina economic cooperation is aimed at promoting development in Malaysian east coast region and establishing trade links with the Indochinese region. With the formation of the triangle, The two States, Pahang and Terengganu expect that the Indochinese countries will provide the abundant raw materials and a good market for their products, mainly agricultural and forestry products.

region in terms of levels of development, resource availability, and consumption patterns, indicates a high potential for an expansion of inter-regional trade, particularly border trade, and private investment.

Finally, it would be useful to briefly review ASEAN's past attitude towards the question of an extended ASEAN. When Sri Lanka tried to apply for admission in 1981, ASEAN's Standing Committee rejected the application on the grounds that it was "outside the geographic area."⁹⁷ Papua New Guinea had expressed a desire to join in 1986 and 1987, but it was rejected in preference to an arrangement with Indonesia. Despite informal expressions of support, an ASEAN consensus is still lacking, and there is little likelihood of a change in this position in the near future.⁹⁸ Nevertheless the two cases, involving Sri Lanka and Papua New Guinea, cannot in all fairness be applied to the countries of Indochina. The geographic factor that brings the ASEAN states together remains a legitimate consideration.

⁹⁷ Hans H. Indorf, "ASEAN in Extra-regional Perspective," Contemporary Southeast Asia, vol. 9, no. 2 (September 1987), p. 97.

⁹⁸ ASEAN's primary concern seems to be a possible dilution of its regional identity, particularly since Papua New Guinea (PNG) is also the leader of the South Pacific forum, another regional grouping. Rejecting the PNG application for this reason is difficult to explain since some ASEAN states are themselves members in extra-regional entities. Consequently, it seems more likely that the lack of enthusiasm is generated by Indonesia's censure of the Free Papua movement and the 10,500 dissidents being given sanctuary in the PNG. Ibid..

The foregoing analysis has demonstrated that the shift from confrontation to conciliation in the region has certainly, at one and the same time, raised the possibility that ASEAN may, in the longer term, expand its membership to include Cambodia, Laos, Vietnam, and even Myanmar. Conversely, however, since Vietnam's occupation of Cambodia was the galvanising force behind ASEAN's greatest show of solidarity, its withdrawal may lead to a loss of sub-regional resilience as the members of the Association enter a period of reduced regional tension.

Economic Field

Viewed from the perspective of the past, the achievements of the ASEAN grouping in the last twenty years have been truly, impressive, not only in the political sphere, but also in the realm of economic cooperation. This conclusion is based on the record of ASEAN economic development which has been impressive, when compared to the past and with other parts of the Third world. The large number of institutionalised committees and other organisations engaged in debating ASEAN issues and negotiating agreements, the plethora of meetings held in the ASEAN capitals each month and the many institutions, both in the private and the public sectors, dedicated to ASEAN economic cooperation are witness to the fact that ASEAN has become a reality in the

region.³⁹

However, the actual impact of all this activity on economic development in the region is another matter. Many economists have criticised ASEAN's lack of success from the "conventional" criteria of regional goods, such as increased trade, industrial cooperation, and harmonisation of investment incentives.⁴⁰ As mentioned earlier, ASEAN has made a long-term commitment to full regional trade liberalisation during the period since 1967. To that end, a number of instruments have been adopted of which four stand out: the agreement on Preferential Tariff (PTAs), ASEAN Industrial Projects (AIPs), ASEAN Industrial Cooperation (AIC), and ASEAN Industrial Joint Venture (AIJV). With the benefit of hindsight, however, it may now be appropriate to conclude that such grand plans failed, or succeeded only partially.

The dissatisfaction regarding progress in economic cooperation raises the question of how this is to be measured. Obviously, if the number of meetings, negotiations, agreements and other forms of ASEAN activities are to be the guide, the grouping is doing extremely well. But there can be -- and many argue there has been -- activity without impact on economic performance. Conceptually, it would be proper to measure the

³⁹ ISEAS, ASEAN: The Task Ahead, Report of a Colloquium on ASEAN Economic Cooperation (Singapore: ASEAN Economic Research Unit, ISEAS, 1987), p.58.

⁴⁰ Pushpa Thambipillai, "The ASEAN Growth Triangle: The Convergence of the National and Sub-National Interests," Contemporary Southeast, vol.13 no.3 (December 1991), p.301.

economic impact of ASEAN economic cooperation in terms of changes in member countries' growth rates, but because fluctuations of economic performance are due to a large extent to individual countries' domestic policies and because they are furthermore strongly influenced by world economic trends, such measurement would be unsatisfactory.⁴¹

A more reliable measure of the success of ASEAN economic cooperation is the increase in intra-ASEAN trade. This is so because practically all the measures undertaken in the field of economic cooperation must ultimately have an impact on intra-ASEAN trade. This applies most directly to the Preferential Trading Arrangements, but also to the measures aimed at increasing the level of industrial specialisation in ASEAN -- the AIC scheme and the AIJV scheme as well as the AIP. The direct concomitant of economic specialisation is the need to exchange the goods thus produced. To be sure, intra-regional trade can also pick up for other reasons not connected with government cooperation policies, and to that extent increased intra-ASEAN trade may overstate the impact of ASEAN economic cooperation. But on the other hand, the absence of substantial increases in intra-ASEAN trade could be interpreted as a lack of impact of economic cooperation measures on economic development of the region.⁴²

⁴¹ ISEAS, op. cit., p. 58.

⁴² Ibid.

Table 3 shows that intra-ASEAN trade began to increase steadily after 1977, reversing a declining trend in the early 1970s. In 1982 such exports rose sharply, peaking in 1983 but falling as a percentage of total exports and imports in both 1984 and 1985. The increase in the share of intra-ASEAN trade throughout the 1970s and early 1980, which is often attributed to the ASEAN PTA, seems to have been more closely related to changes in the prices of a few commodities such as petroleum. Similarly, the decline in shares after 1983 correspond to falling

Table 3

Intra-ASEAN as a proportion of total ASEAN trade
1970-89 (per cent)

Year	Exports	Total Trade	Imports
1970	19.8	17.3	14.7
1971	20.1	17.0	13.9
1972	18.8	16.2	13.6
1973	17.6	15.9	14.1
1974	15.4	14.2	13.0
1975	17.0	14.9	12.7
1976	16.0	15.4	14.8
1977	15.7	15.6	15.5
1978	16.3	15.6	14.8
1979	17.3	17.0	16.7
1980	17.8	17.4	16.9
1981	18.4	17.3	16.2
1982	22.4	21.0	19.5
1983	24.0	22.4	20.8
1984	19.8	19.4	18.9
1985	18.7	18.7	18.6
1986	17.3	17.2	17.1
1987	18.2	17.6	17.6
1988	17.7	17.1	16.5
1989	18.0	16.8	15.6

Source: International Monetary Fund, Direction of Trade Statistics, various issues.

petroleum prices.⁴³ The conclusion is inescapable: the impact of ASEAN economic cooperation has remained negligible, despite the evident flurry of activities undertaken at all levels of the ASEAN circuit.

The retardation of economic cooperation among ASEAN countries, especially intra-ASEAN trade, can be attributed to differences in levels of development, size of country, and trade regimes, as well as political and cultural factors. Obviously, ASEAN is not a homogeneous grouping. Brunei and Singapore, the smallest in terms of population and land area, are also the richest in terms of per capita income. In terms of industrial and infra-structural development, Singapore is the most advanced, with Malaysia trailing behind. Indonesia, the biggest of them all, happens to be the poorest in terms of per capita income. The Philippines and Thailand, which are much smaller than Indonesia but considerably larger than the other three members, lie between the two extremes not only in terms of size but also in terms of the stage of economic development. It is only natural that such heterogeneity gives rise to suspicion and jealousy among ASEAN members which cannot augur well for the grouping. This, more than anything else, can explain why there has been very little substance thus far in the realm of ASEAN economic cooperation.

Popular notion has long suggested two reasons for the current stalemate. The first has to do with the so-called non-

⁴³ Seiji Naya, Toward an ASEAN Trade Area (Kuala Lumpur: Institute of Strategic and International Studies, 1987), p.6.

complementarity of the ASEAN economies. The second involves the lack of political will among ASEAN leaders to subordinate narrow national interest to broad regional concerns.⁴⁴

The first allegation is that economic structures of ASEAN countries lead to competition more than complementarity. With the exception of Singapore, ASEAN members produce similar agricultural and industrial goods and compete with themselves in the world market. This argument, appealing as it may sound, is an oversimplification of the issue. For it ignores the well-known doctrine of comparative advantage, which ensures that a complementary relationship can be achieved even between similar economies, for as long as they agree to trade freely among themselves.⁴⁵ In other words, to an increasing extent, economic complementarity is man-made. The fact that ASEAN countries' industries are competitive rather than complementary is a result of trade and industrial policies pursued by the member countries. It is the promotion of the same industries behind the protection wall that leads to the present lack of complementarity.⁴⁶

The second popular notion has to do with national interest supposedly conflicting with regional interest. This argument is strange for the distinction between regional and national

⁴⁴ Ibid., p. 122.

⁴⁵ Ibid..

⁴⁶ Djisman S. Simandjuntak, "Instability of Global Environment and ASEAN Economic Cooperation," The Indonesian Quarterly, vol. XVII, no. 1 (First Quarter, 1989), p.64.

interest is an unnecessary if not a mischievous one. What benefits the region as a whole should ultimately benefit ASEAN's individual members. If at any time one member feels that its national interest is being left out in the others' definition of regional interest, then it can easily bolt the association. In fact, there is no real conflict between regional and national interest. Rather, the conflict is between short-term interests versus long-term gains. Most of the ASEAN leaders are well aware of the benefits of closer economic cooperation in the long run, but they are afraid to face the political consequences of economic adjustment and dislocation in the short run.⁴⁷

ASEAN's institutional structure is also an impediment to regional economic cooperation. Most major decisions are taken at yearly Foreign Ministers's meetings. Between these meetings, the interests of the Association are managed by the Standing Committee, which rotates each year between the ASEAN capitals. The committee consists of the Foreign Minister of the host country, the five ambassadors of the other members states, and the six ASEAN directors-general. In addition to the Standing Committee there are a number of other ASEAN bodies that function only periodically. The most important for the promotion of regional economic cooperation is the ASEAN Economic Ministers Meeting, which is held twice a year. This institutional structure has three implications: first, it means that national interests

⁴⁷ Bernardo M. Villegas, *op. cit.*, p. 123.

are likely to prevail over regional interests as there is no individual representing the interests of the Association. Second, the peripatetic nature of the Standing Committee means that it is 'inefficient and lacking in continuity and expertise'. And, third, there are difficulties of co-ordination because there is no integrated decision-making structure.⁴⁸

Yet another reason quoted widely opposing ASEAN economic cooperation relates to the smallness of ASEAN economies. The combined GDP of ASEAN countries is currently less than one tenth of the GDP of the United States. The total import of ASEAN countries including intra-ASEAN import in 1987 was less than one fifth of the total import of the United States. In short, even if ASEAN economies were highly integrated, the ASEAN single market would remain far less attractive than that of the United States for instance. However, there is a possibility of using ASEAN economic cooperation to support member countries' efforts to improve competitiveness in the global market.⁴⁹

In a sense, poor progress in intra-ASEAN economic cooperation can be attributed to the member states' relatively high growth rates, rather than economic structures of ASEAN countries. In reality, in the decade and a half after ASEAN was founded in 1967, excluding exceptional 1980 and 1982, each member state enjoyed unusually high rates of economic growth. The

⁴⁸ Jonathan Rigg, *op. cit.*, pp.220-221.

⁴⁹ Djisman S. Simandjuntak, *op. cit.*, p. 64.

external environment was most favourable - commodity prices hit record levels, world trade expanded at a brisk pace, and foreign creditors were relatively liberal in lending money. This combination of circumstances was tailor-made to ASEAN as a whole, such that even countries that did not deserve to do so - for example, the Philippines - grew by at least 6 per cent. With growth coming almost effortlessly, there was little pressure among the ASEAN states to cooperate with one another.⁵⁰ In fact, many quarters of ASEAN have been very blunt in their criticism of the slow progress in ASEAN economic cooperation.

However, the economies of ASEAN countries except Thailand slowed to a low growth rate of two percent to minus two percent in both fiscal year of 1985 and fiscal year of 1986, owing to a combination of adverse factors such as the economic slowdown in the industrialised countries and the resultant rise of protectionism, and the yen appreciation. Therefore, all member states were dissatisfied at the current level of intra-ASEAN economic cooperation. Each member state began to take far-reaching economic reforms for its respective country, and proposed national initiatives which were reinforced by the agreement reached at the Manila Summit, to substantially liberalise intra-ASEAN trade and investment in the following five years.

⁵⁰ Bernardo M. Villegas, *op. cit.*, p. 124.

Meaningful economic cooperation cannot be achieved without substantial market sharing and resource pooling within a given region. At present, ASEAN seems to be willing to pool resource, but is ready to share markets only to a small extent. The first and foremost basis for ASEAN cooperation is that it serves primarily to advance each member's interests, not that of the group. Judging from the fact, the most convincing reason that ASEAN's efforts at economic cooperation lack the determination necessary for their success is the unwillingness to adopt stronger cooperation, or even carry out much milder economic programmes, which is interpreted as the lack of genuine "political will". That is to say, ASEAN member countries define their interests so narrowly that actions cannot be taken for the greater regional good.

In discussions of possible ASEAN free trade area, for example, some quarters in ASEAN countries harboured fears against the move to turn ASEAN into a free trade area. Among them, Indonesia has especially been fearful that market sharing in the name of regional cooperation would amount to the sharing of the Indonesian markets with other ASEAN countries without Indonesia sharing the markets of other members, as its own industries are inefficient and uncompetitive. Under such circumstances, trade liberalisation among ASEAN countries would simply result in a predominantly one-way flow of goods into Indonesia. In addition, since Indonesia constitutes the bulk of the ASEAN market, the sharing of the regional market was seen essentially as a formula

for the penetration into the Indonesian market. Understandably, therefore, Indonesia was reluctant to open its market to its ASEAN partners.

In the meantime, ASEAN countries have been undergoing rapid industrialisation over the past decade. They have now reached a stage where there are increasingly more complementarities among them in trade and investment than before.⁵¹ Regionally, the prevailing trends suggest that in the near future security threats to the regional group are likely to be less concrete, more amorphous and no longer immediate or pressing in nature and that the member-states' concerns will be primarily focused on economic problems. Extra-regionally, ASEAN is reaching a "dangerous phase" now in a more competitive world where it was tougher to bargain. Europe had been making great progress towards a united economy and "Europe 1992" is hardly questioned any longer. The USA and Canada have had closer trade and economic cooperation since 1989 and efforts are being made to extend such cooperation to include Mexico and the other countries in South America. Australia and New Zealand have concluded an agreement on closer economic cooperation (CER). Therefore, it is quite

⁵¹ Previously, all ASEAN countries, except Singapore, were producing primary commodities for the world market and were competing with each other in certain light manufactures. The proportion of manufactures in ASEAN countries has risen considerably, taking Indonesia for example, from a meagre 1.2 per cent in 1975 to 27.8 per cent in 1988. The opportunities for investment in each other industries are now greater.

natural for ASEAN countries to think of pooling their resources and of sharing their markets in order to be more self-reliant.

Nevertheless, the present wide diversity of trade regimes among ASEAN countries and the different stages of development of the manufacturing sectors of the individual ASEAN countries, need some considerations. Based on the problems mentioned earlier, a discussion about the future of ASEAN economic cooperation should be made in the following three contexts: (1) the international economic environment and economic relations with important outside powers (Japan and the United States, in particular), (2) the relationship between government bureaucracy and private enterprise, and (3) implications for national economic interests.

First, ASEAN represents a group of market economies in which the external sector plays an important role. The ASEAN economies are among the most open economies of the Asia-Pacific region, with exports contributing over one-third of the aggregate ASEAN GDP, and imports accounting for a slightly smaller proportion of the aggregate expenditure in the region. Hence, it is hardly surprising that the external sector has played a catalytic role in stimulating the economic growth in ASEAN countries.⁵² In a similar vein, the external sector in turn can exercise a great deal of influence over ASEAN cooperation. This is especially true since extra-regional forces exert such a strong economic

⁵² Mohamed Ariff, "Multilateral Trade Negotiations: ASEAN Perspectives," in Mohamed Ariff & Tan Loong-Hoe, ASEAN Trade Policy Options (Singapore: ISEAS, 1988), p.1.

influence. In this context economic differences among the ASEAN member countries are given political emphasis by outsiders and within ASEAN itself. Experience with the AIPs eloquently speaks of the role of the outsiders.⁵³ It could also be noted that passage of time in the turbulent international economic environment of the 1970s and early 1980s changed the salience of issues between ASEAN and all of its dialogue partners. Joint efforts to strengthen ASEAN cooperation have become overshadowed by problems in trade relations, most significantly rising protectionism in developed-country markets such as Japan and the United States.

On the other hand, ASEAN countries owe their economic prosperity to trade and investment links with the outside world. Autarkic measures in the name of regional cooperation can undermine this. ASEAN must continue to maintain its outward-looking orientation and remain competitive in world markets. In the next decade, therefore, ASEAN will need to take the multilateral, bilateral, and unilateral approaches in dealing with the global trade issues. It is clear that the global trade

⁵³ The net result for the AIPs has been a certain wariness about Japan's strong influence on ASEAN cooperation. In addition, fears of 'divide and rule' appear to be justified since Japan has been willing to assist in several national projects that duplicate the AIPs. The ASEAN members, of course, leave themselves open to 'divide and rule' due to self-interest in promoting national industrialisation at the expense of regional cooperation. The cumulative effect seems more conducive to ASEAN difficulties and disharmony than to cooperation and integration. Marjorie L. Suriyamongkol, op. cit., pp.228-29.

issues can only be solved at the multilateral forums or by the major industrialised countries. The bilateral and unilateral approaches can be used to minimize the adverse effect of the global trade problems. Thus, the strategy which ASEAN should follow will have to be a combination of these approaches. ASEAN should fully participate in the multilateral forums in order to influence the decisions taken at these forums for the maximum benefit of ASEAN. Lobbying the major industrialised countries for actions that would help reorganise the world trading system for ASEAN's benefit should also be attempted.⁵⁴

Secondly, there is a reason for skepticism regarding the efficacy of present economic cooperation strategies adopted by ASEAN. The private sector has made effective inputs in the official corridors of the ASEAN committees. In particular, the ASEAN Chamber of Commerce and Industry (CCI) has made excellent proposals for the promotion of intra-ASEAN trade. On the other hand, Government policy-makers and the ASEAN governmental machinery served to restrain and even frustrate the activism of ASEAN's private sector.⁵⁵ Thus, various forms of economic

⁵⁴ Narongchai Akrasanee, "ASEAN Trade Policy Options: An Overview," in Mohamed Ariff and Tan Loong-Hoe, op. cit., p.199.

⁵⁵ Let alone the AIPs which are selected by government bureaucrats and are run by government bureaucrats, not also exception are AIC and AIJV of which the most important shared feature was the initiative taken by ASEAN's private sector as organised under the ASEAN-CCI. The choice and allocation of industries and products for the AIC scheme in the hands of private sector bureaucrats (ASEAN-CCI) with endorsement by government bureaucrats. AIJV, although selected and eventually run by entrepreneurs from the private sector, are approved and
(continued...)

cooperation schemes have gone through a long gestation period. Several reasons help explain why, chief among which is a lack of congruence between ASEAN governments and their private sectors' desire. Most governments in the region are well aware of that dynamic development must rely primarily on the private sector. Yet again and again governments devise measures to curtail or evade market competition on the well-meaning assumption that they are thereby furthering public welfare,⁵⁵ while private sectors are trying to protect their industrial base and their markets.

In view of the fact that all six members of ASEAN have essentially private enterprise systems, therefore, it follows for future cooperation that the ASEAN efforts to achieve effective and meaningful economic cooperation should be directed towards setting up a business-orientated framework and ground rules which would enable the ASEAN private sectors to translate economic cooperation intentions into actual business cooperative ventures.

⁵⁵(...continued)

endorsed by government bureaucrats. On this account, the government sector can retain a significant role. And again the issues of investment, market access and market-sharing have slowed the pace of implementation since governments have not quite resolved these issues to the satisfaction of the ASEAN private sectors.

⁵⁶ Private sector techniques have been 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 view of some government policy-makers. The issue of the latter case is highly sensitive in Indonesia, which has long history of anti-Chinese. Ethnic Chinese in Indonesia, accounting for about three per cent of the population, dominated the private sector.

Thirdly, regional interests are usually accorded priority only if they coincide with or promote national interest.⁵⁷ In other words, the slow progress made in this area is due to the differing perceptions of national interests and not sufficiently high priority given by member countries to ASEAN economic cooperation. Economic nationalism plays a dominant role in the formulation of national policies. This ingrained attitude of governments cannot be easily swept aside but must somehow be adjusted.

Luckily, the renunciation of national interest is not necessary for cooperation to be beneficial, except in what game theory refers to as zero-some games.⁵⁸ Economic cooperation, whether in the trade or industrial sectors, would entail short-term and long-term losses and gains for each member. However, if the distribution of gains and losses is uneven, so that some lose while others gain, potential losers may -- nay, should --

⁵⁷ The ASEAN Preferential Trading Arrangements is a sound conceptual framework, but when put into practice, national interests invariably dominated the process of negotiations. For example, so long as governments place heavy reliance on import tariffs as a major source of revenue, any attempts to reduce the income from that source is bound to be resisted strenuously by the Ministries of Finance.

⁵⁸ In the zero-sum game situations, the gain of one individual player is equal to the loss of the other, such as in a territorial dispute. With six ASEAN countries as players, the game would be zero-sum if the sum of all net gains and net losses were zero. The economic cooperation among ASEAN cooperation need not be a zero-sum game. On the contrary, it is more likely to be a non-zero-some game, which the sum of all net gains and losses is, by definition, greater than or less than zero. ISEAS, ASEAN: The Tasks Ahead, pp.64-65.

act to thwart the positive sum outcome by adopting strategies that maximize their individual gains or minimize their individual losses. This is where cooperation comes in. By agreeing to a co-ordination of strategies to maximize the sum of outcomes and by agreeing on the distribution of the overall net gain in advance, all players would be able to profit from the cooperation arrangement. The criteria which should govern any ASEAN arrangement of economic cooperation should, therefore, be as follows:

1. Benefits to participating member countries should exceed the costs.
2. Member countries, in participating in any ASEAN cooperative arrangement, would gain more economic benefits through such participation than they would have been able to obtain through their own individual national programmes.⁸⁹

To put all these in a nutshell, the form and mode of economic cooperation must take into account not only considerations of economic efficiency, but also socio-political constraints within individual countries. It will therefore be necessary to give sufficient time and provide appropriate incentives or assistance for the necessary adjustments to be made in individual countries.

⁸⁹ Anand Panyarachun, "Keynote Address: ASEAN and its future," in Luechai Chulasai and Suwarat Gypmantisavi, The Role of Private Enterprise in Intra-ASEAN Trade and Investment (Chiang Mai: ASEAN and Private Enterprise Studies, Chiang Mai University, 1986), p.8.

In reality, many attempts have been made by ASEAN officials over the years to come up with new ideas and new approaches toward ASEAN economic cooperation. When the Philippine proposed that the ASEAN region be converted into a free trade area in 1979, response among the other member states was lukewarm. An ASEAN Common Market by the turn of the century was proposed by the Philippine Economic Minister at the meeting of ASEAN representatives in Manila in 1986. Untimely, the proposal was hastily brushed aside by representatives from the other ASEAN member states. The latest attempt was made at the 24th ASEAN Ministerial Meeting, held in Kuala Lumpur in July, 1991. At that meeting, ASEAN members agreed to propose the establishment of a free trade area to the heads of the six Governments when they meet at a summit in Singapore in January, 1992. Up for submission to the Fourth ASEAN Summit is a Treaty of Economic Cooperation proposed by the Philippine at the 23rd ASEAN Ministerial Meeting, which legally binds the member countries, may be necessary as a prerequisite for strong economic ties.

Until now, ASEAN has not yet achieved the goal of becoming a "Free Trade Area" which is the first step of economic cooperation leading to regional integration.⁶⁰ The recent state

⁶⁰ Generally, four levels is illustrated as a step of economic cooperation, that is, a free-trade area, a customs union, a common market and an economic union. Bernardo M. Villegas, "The Challenge to ASEAN Economic Cooperation," Contemporary Southeast Asia, vol. 9, no. 2 (September, 1987), pp. 120-21.

of ASEAN is near the beginning of the list of options, with Preferential Trading Arrangement in place. Further pursuit of this strategy could lead to a limited free trade and eventually to a free trade area. Therefore, the prospect of reaching a higher level of cooperation like the Common Market arrangement of the EEC variety is certainly out of the question in the ASEAN context.⁶¹

An enlarged ASEAN market could prove even more attractive to foreign investors seeking to exploit existing tax advantages in the region. This will come out of better times. Given the attractions of direct foreign investment in the enlarged markets of Europe after 1992 and of North America with the implementation of the NAFTA, an ASEAN Free Trade Agreement would lessen the diversionary effects of international capital flows towards the former region.

The widening of the market, which would attract larger foreign investment into the ASEAN area, cannot obviously be a comprehensive one, but may be applied on a sector by sector or

⁶¹ Most proposals have tried to avoid explicit mention of a full-fledged free trade area or a customs union. For example, at a discussion prior to the 3rd ASEAN Summit between President Suharto of Indonesia and the then Prime Minister Lee Kuan Yew of Singapore, it was reported that it was "not realistic to talk in terms of a common market or an ASEAN free trade zone as an item for discussion at the summit". Quoted in ISEAS, ASEAN: The Tasks Ahead, p.66. In a similar vein, Dr Mahathir Mohamad, Prime Minister of Malaysia, criticised ASEAN in 1985 for not finding areas for greater complementarity in trade on which to agree, while carefully noting that national economic structures and conditions "rule out any common-market arrangement". Marjorie L. Suriyamongkol, op. cit., p.233.

product by product basis -- qualified by realistic time frame and workable procedures. If such specific guidelines can be established at the highest-level political meeting, and endorsed by responsible national bodies, government officials and national delegations, who have to draw up ASEAN agreements in the direction set by their superiors, will not feel vulnerable to any charges of sacrificing their national interests. They will also be instilled with a sense of regionalism -- a sense of ASEAN identity which will forge closer relations among ASEAN members.⁶²

If the prospects for a significantly greater economic cooperation remain poor, then we can see a possibility that ASEAN might become incorporated in a larger Pacific-wide regional grouping. As Dr. K. S. Sandhu, director of Singapore's Institute of Southeast Asian Studies, has observed:

"ASEAN is at a crossroad. Should we go for greater intra-ASEAN cooperation or should ASEAN as a unit forge ahead in the wider economic scenario? ASEAN's future could lie in the implementation of trade and economic linkages between ASEAN and Pacific nations."⁶³

Since the late 1970s there has been a great deal of discussion about the viability of a Pacific Community, or Pacific Basin Community, with the impetus for such a grouping coming largely from Japan and Australia. This culminated in November 1989 when the Foreign and Economic Ministers of the six ASEAN countries, together with those of U.S.A., Japan, Canada,

⁶² Arnand Panyarachun, op. cit., p.10.

⁶³ Cheng Lee Shuang, "The way ahead for ASEAN nations," New Straits Times, 16 November, 1990.

Australia, South Korea, and New Zealand gathered in Canberra to lay the groundwork for the creation of an Asia-Pacific Economic Cooperation forum (APEC). The forum's aim is to increase regional trade, enhance investment and technology transfer between developed and developing countries, and to achieve these objectives by endorsing the principles of free trade.

The first reservation ASEAN had with regard to the APEC was its apprehension that this wider regional effort at Pacific-Economic Cooperation would dilute ASEAN's own identity, cohesion or economic cooperation. Some have argued that the nucleus for an APEC process already existed even before Canberra since all the present members of APEC are a party of ASEAN itself and the countries of its "dialogue partners".⁶⁴ It is argued that APEC merely takes the process out of ASEAN; and that with APEC we cannot reasonably expect these dialogue countries to continue to give due weight to the ASEAN PMC (Post Ministerial Conference) process. The erosion may be gradual or it may be dramatic. But the expectation is there that ASEAN will be increasingly "peripheralised".⁶⁵

Accordingly, though the development may be exciting, not all the ASEAN countries are equally enthusiastic about APEC: Indonesia is rather more circumspect in its support and Malaysia

⁶⁴ Korea, which had maintained a sectoral dialogue partnership with ASEAN since 1989, has just been made the seventh full partner at the 24th ASEAN Ministerial Meeting in July, 1991.

⁶⁵ Noordin Sopiee, "ASEAN and APEC - time for more action," New Straits Times, 29 July, 1990.

adopt a wait-and-see approach on whether to join the APEC; while Singapore and Thailand are highly interested. Prime Minister Mahathir Mohamad of Malaysia in December 1990, following the failure of the Uruguay Round of multilateral trade negotiations to reach an agreement at its last session in Brussels (December 3-7, 1990), proposed the setting up of an East Asian Economic Grouping (EAEG).⁶⁶ Malaysia said the proposed EAEG, which could include ASEAN and countries such as Vietnam, Burma, Japan, South Korea, China and Taiwan, was intended to counter the emergence of single markets in Western Europe and North America. This proposal contrasts with earlier proposals on Pacific cooperation in as much as it excludes Australia, New Zealand and North America. It is too early to make comments on the concept as it is in the very preliminary stage, but the EAEG is now being depicted as a forum for consultation to counter the growing protectionism in the economies of the developed world, rather than a plan to form a trading bloc of East Asian countries under the leadership of Japan.⁶⁷

The mushrooming proposals on wider cooperation imply that ASEAN is at a crossroad. ASEAN is attracted to the idea of a

⁶⁶ The idea of the Group was first raised by Dr. Mahathir during a speech at a dinner to honour the four-day visit of Chinese Prime Minister Li Peng in December 1990. In his speech, he urged China to play a role in its formation. The EAEG was re-named as East Asian Economic Caucus (EAEC) at the ASEAN Ministers Meeting in Kuala Lumpur in October 1991.

⁶⁷ Mochtar Kusumaatmadja, "ASEAN and the Pacific in the 1990s," Indonesian Quarterly, vol. XIX, no. 2 (Second Quarter, 1991), p. 137.

wider regional effort at Pacific cooperation as it realises that it can not oppose something which is clearly a trend of the future. The export oriented economies of ASEAN have greatly benefitted from trade and economic relations with countries outside ASEAN vindicating the view of those that never had much faith in intra-ASEAN trade. At the same time, ASEAN have yet to be firmly on board.

It is important for ASEAN leaders to work out a strategy to meet these new developments and challenges in the global economy. The prospects of ASEAN economic cooperation in the future are unduly dismal. Some developments appear to be in favour of a closer ASEAN economic cooperation. ASEAN's dependence or rather over-dependence on exports to the developed countries, which have increasingly protected their markets despite assertions of allegiance to GATT, already have to a certain extent compromised the economic interests of the individual member states of ASEAN. The dramatic developments in the economies of the ASEAN member countries, especially since 1987 have exceeded the expectations and goals set during the Manila Summit in 1987. If the responsiveness of the Manila Summit is reflective of the types of decisions that are forthcoming, future years may see a more venturesome ASEAN organisation. In the nearest, 1992 can be another important year in the history of ASEAN, if the Heads of Government can give a special meaning to it during their fourth summit which is scheduled to be held in Singapore in the early part of the year.

Social and Cultural Field

The examination of the above prospects of ASEAN political and economic cooperation shows that ASEAN is at a crossroad, in the midst of the dramatic changes in the international political and economic environment of which some are bound to have far reaching implications for ASEAN regionalism, for better or for worse. Given the rapidity at which these changes occur -- they can also reverse unexpectedly -- it is not at all clear what one should recommend to ASEAN in order to remain relevant. At this time, much emphasis should be placed on ASEAN's socio-cultural cooperation, in light of the fact that this is designed to step up awareness of ASEAN, widen involvement of the peoples of ASEAN, in regional cooperation and expand human resources development to bolster political and economic cooperation.

As we have shown in Chapter III, there have been various attempts at regional cooperation in the area of socio-cultural activities on a governmental or quasi-governmental level, helping to create a kind of regional identity of the highly pluralistic societies of ASEAN. There is indeed cultural development in ASEAN. In its early stage as it is true today, cultural development in ASEAN has been energized by the ASEAN spirit and the political will of the leaders. The ASEAN way to cultural development has been developed from the organisational structures and procedures of ASEAN; from the principles derived from earlier experiences of cooperation, particularly ASA and

Maphilindo; and from the cultural similarities which member states share each other. At present, the relationship among the political elites is distinguished by the ASEAN way. Above all, when it is taken into consideration that the most important thing about ASEAN is a feeling of Aseanness in the ASEAN region, it is encouraging that the most discernible phenomenon of this feeling is the vitality of the private or non-governmental bodies or organisations in the region to promote a regional identity in the name of ASEAN.⁶⁸

However, this does not necessarily constitute sufficient evidence that the masses among the peoples of ASEAN are beginning to understand or to come closer to one another. And that this could happen only when there is greater interaction among the masses through joint participation in social and cultural activities. Indeed there are many who wish for a distinct ASEAN cultural identity, and for more attempts to be made in this direction, for example, by way of having a common language to communicate with one another; a greater blending of the art forms (in music, dance, literature, drama, in the modernisation of traditional decorative arts, as well as paintings and sculptures); and by way of giving greater emphasis to the adoption of traditional social and cultural values.

Whilst no one would seriously object to having more of the common cultural denominators to weld together the peoples of

⁶⁸ For example, ASEAN NGOs, ranging from lawyers' groups to accountants and environmentalists, number more than 30.

ASEAN, the problems of creating unity in diversity are considerable, and these do not appear to be easily resolved within a short period of time. In the case of ASEAN, which is not a supra national institution with supra-national powers, but is only an association aiming at the creation of solidarity for cooperation for the common interests of its members, it might be unrealistic to assume that it should have a regional culture to be adhered to by all nations in the region. But what is needed and what can be accomplished with the goodwill and good intentions of all member nations is a true understanding and appreciation of each other's cultures and each other's interests. For this, a reasonable way out is to develop a coherent cultural system for the region by which the peoples of ASEAN, armed with the traditional ASEAN spirit of cordiality and friendship, can look forward together to many years of joint efforts and which certainly constitute good a example of regional cooperation. In line with this, a move to familiarize the younger generation with the ASEAN concept was very necessary to ensure continued regional cooperation among ASEAN countries. Various ways can be suggested. Among them is to encourage ASEAN studies at school and University levels. Another way is to set up an ASEAN university.

In ASEAN, an often-used cliché is that governments must have a certain amount of political will in order to promote economic cooperation. In the area of socio-cultural cooperation, political will is not the only necessary factor -- the private

sector must also have the will to cooperate. The will and the work of the private sector will undoubtedly enhance socio-cultural cooperation as well economic cooperation in ASEAN. The different peoples of ASEAN might come to really understand one another's cultural life to a point when common and collective ASEAN cultural forms may begin to be discerned.