People's ASEAN and Governments' ASEAN

RSIS Monograph No. 11

edited by
Hiro Katsumata
See Seng Tan

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On 1 January 2007, the S. Rajaratnam School of International Studies (RSIS) was inaugurated at Nanyang Technological University, Singapore. It was originally established as the Institute of Defence and Strategic Studies (IDSS) on 30 July 1996. The IDSS remains as a key component within the RSIS, focusing on security research, while the School takes over its teaching functions. The RSIS will:

a. Provide a rigorous professional graduate education with a strong practical emphasis,

b. Conduct policy-relevant research in defence, national security, international relations, international political economy, strategic studies and diplomacy, and

c. Build a global network of like-minded professional schools.

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PREFACE

This volume is the result of a conference commemorating the 40th anniversary of the Association of Southeast Asian Nations (ASEAN). At the behest of the S. Rajaratnam School of International Studies (RSIS) and the Friedrich Ebert Stiftung (FES), a panel of scholars met in Singapore on 31 July and 1 August 2007 to assess four decades of ASEAN regionalism, with an eye to future possibilities. What emerged from the proceedings was a collective sense among the participants that the road the association must travel in order to make good its professed aim of regional community formation would be long and arduous. It is not only ASEAN governments that need to do this. The peoples and societies of ASEAN must likewise contribute to community building—a process already underway, at least by some accounts, particularly where transnational networking activities undertaken by civil society groups and research communities are concerned.

Thus understood, the realization of ASEAN as a community is a highly complex enterprise at the state-to-state, society-to-society and state-to-society levels. The complexity of the task is evidenced by official pronouncements on transforming ASEAN into a "people-centred" community. By the same token, the notion of a people-centric ASEAN does not automatically rule out the reality of and necessity for a state-centric ASEAN. In this respect, an ideal model of ASEAN is constituted by a combination of what can be regarded as a "people's ASEAN" and a "governments' ASEAN". The former is an association designed to serve the interests of people, while the latter aims to serve the interests of the ASEAN member states. These two ASEAN

types are neither mutually exclusive nor interchangeable. The aims of this volume are to explore the status of ASEAN cooperation, in terms of the construction of an ideal ASEAN, and to identify the tasks to be completed for the realization of such an ideal model. The RSIS is grateful to the FES for its financial support of this conference.

Hiro Katsumata
See Seng Tan
Singapore, 2007

S. RAJARATNAM SCHOOL
OF INTERNATIONAL STUDIES
A Graduate School of Nanyang Technological University

FRIEDRICH
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AN IDEAL ASEAN FOR PEOPLE AND GOVERNMENTS

Hiro Katsumata
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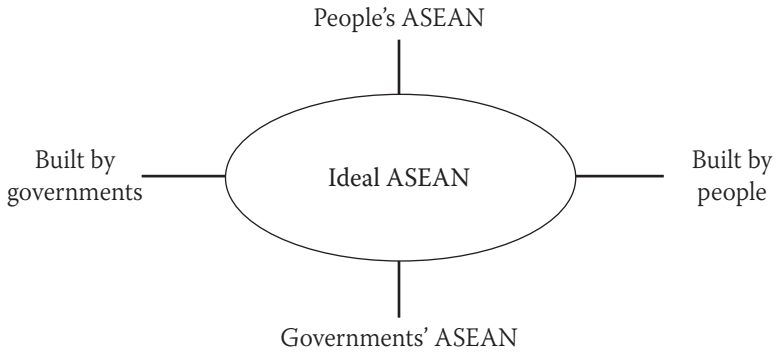
[ASEAN] will need the support of the people, 530 plus million people, ten governments, the NGOs, the labour movements, the private sector, the academic institution—all elements within our region will have to come together and work together and try to push this process forward.
—Surin Pitsuwan, 31 July 2007

An ideal model of the Association of Southeast Asian Nations (ASEAN) is constituted by a combination of what can be regarded as a "people's ASEAN" and a "governments' ASEAN". The former is an association designed to serve the interests of people, while the latter aims to serve the interests of the ASEAN member states. To construct each of these two types, both the governments of the ASEAN member states and the people of Southeast Asia have to make efforts. Therefore, an ideal ASEAN consists of four elements: a people's ASEAN, built by governments; a people's ASEAN, built by people; a governments' ASEAN, built by governments; and a governments' ASEAN, built by people (Figure 1).

The identification of this ideal model is based on the observation of the discourse of ASEAN cooperation in recent years. The development of this discourse seems to endorse the normative statement that ASEAN should serve the interests of people and of

FIGURE 1
Four Elements of an Ideal ASEAN



governments. In its traditional form, ASEAN diplomacy is state-centred. It is all about the national interests of the member states, which are defined in terms of national security, state sovereignty, national welfare, and ASEAN's autonomy vis-à-vis external powers. The notion of a "governments' ASEAN" introduced in this volume describes this kind of diplomatic practice. However, in recent years, the notions of a "people's ASEAN" and of a "people-centred ASEAN" have become increasingly salient. The ministers of the ASEAN countries have recognized that the "involvement of civil society is a vital component of developing a people-centred ASEAN Community,"[1] and that research institutions should also be involved in the discussion of human rights in the "broader context of a People's ASEAN."[2] Similarly, the Eminent Persons Group has proposed that the ASEAN Charter should call for the development of ASEAN as a "people-centred organization", thereby shedding its image of being an elitist organization comprising exclusively government officials.[3] The epigraph to this chapter is drawn from the comment made by the next Secretary-General of ASEAN, Surin Pitsuwan, at the conference which resulted in this volume.[4] The word "people" in this volume refers to various actors inside states, such as civil-society organizations, business groups, and most importantly, individual citizens. The interests of these actors include the promotion of human rights and democracy, the

safeguarding of their communities from the threat of terrorism, the enhancement of their business interests, gender equality, and international exchange and friendship.

Is an ideal ASEAN being built? Has there been any progress toward the realization of an ideal model? If there are any tasks which remain to be tackled, what are they? The aims of this volume are to explore the status of ASEAN cooperation, in terms of the construction of an ideal ASEAN, and to identify the tasks to be completed for the realization of such an ideal model. The volume explores these issues by focusing on the four elements of this ideal model.

To state the main findings of the volume, the construction of an ideal ASEAN has certainly been in progress, but it is still incomplete. Some remarkable developments have been taking place on each of the four dimensions of an ideal model; yet, at the same time, for the realization of such a model, a number of tasks remain to be tackled. In other words, ASEAN cooperation is developing in the right direction, but the developments so far mark only the beginning of a long journey, and the road ahead has a number of obstacles to be cleared.

Structure of the Volume

Following this introduction, this volume has fifteen further chapters. These chapters can be divided into four categories, in terms of the four elements of an ideal ASEAN (Figure 2). As noted above, some remarkable developments have been taking place on each of these four dimensions, yet, at the same time, a number of tasks still remain.

People's ASEAN, Built by Governments

The governments of the ASEAN members have increasingly been concerned with the interests of their own people. They have begun to address a broader range of issues, and to take a number of initiatives to make their association "people-oriented". Symbolically, by adopting the Declaration of ASEAN Concord II in October 2003, they set out a plan to establish an ASEAN community, consisting of

FIGURE 2
Four Aspects of ASEAN Cooperation

People's ASEAN

Built by governments	1. Three ASEAN communities (Severino) 2. WMD terrorism (Basrur) 3. Human rights (Katsumata) 4. Economic integration (Yoshimatsu) 5. Gender (Mathiaparanam)	6. ASEAN People's Assembly (Morada) 7. Philippine industry and ASEAN integration (Trinidad) 8. Thai national identity (Preston) 9. Regional identity (Roberts)
	10. ASEAN and Northeast Asia (Ba) 11. ASEAN and the US (Nathan) 12. Intra-ASEAN and external relations (Prasetyono) 13. ASEAN's trade with external partners (Thambipillai)	14. Preventive diplomacy and Track 2 activities (Yeo) 15. Engagement of China and Track 2 activities (Tan)
		Built by people

Governments' ASEAN

three pillars—namely, an ASEAN Security Community, an ASEAN Economic Community and an ASEAN Socio-Cultural Community.[5] However, all the four chapters in this category suggest that more should be done. The governments should pursue more drastic measures to address a broad range of new challenges, and take specific steps to implement the drastic plans which they have set out.

In Chapter 1, Rodolfo Severino focuses on the three pillars of an ASEAN community. He recognizes that some positive developments have been taking place in each of the three areas. In terms of a security community, the commitment on the part of the ASEAN members to settle disputes by peaceful means has become firm. In terms of an economic community, intra-ASEAN trade has increasingly been free of duty. In terms of a socio-cultural community, the members were able to work closely to stem the SARS crisis in 2003. However, he maintains that ASEAN has a long way to go before it becomes a real community. ASEAN has developed norms of conduct for inter-state relations, but not common standards for the treatment by the member states of their citizens. A number of non-tariff barriers remain in place. Severino, a former ASEAN Secretary-General, also finds that the authority of the ASEAN Secretariat is still limited.

Rajesh Basrur in Chapter 2 holds that ASEAN has begun to take some steps to tackle the threat of terrorism involving the use of weapons of mass destruction (WMD). The governments have responded to the WMD terrorism threat in a top-down manner, by issuing some declarations, signing a few agreements, strengthening anti-terror cooperation with external powers and so on. Basrur warns that the threat of WMD terrorism in Southeast Asia should not be underestimated, and therefore that more concerted efforts should be made. He makes a set of recommendations, and points out that many of the necessary measures would not involve high costs.

Hiro Katsumata in Chapter 3 finds that the ASEAN members have been setting out a number of plans to reform their association, thereby announcing their readiness to pursue liberal agendas such as human rights and democracy. However, their implementation of these liberal reform plans has been slow. Katsumata argues that

these countries, with the intention of enhancing ASEAN's international legitimacy, have "mimetically" been adopting a set of liberal norms, which have increasingly attracted concern in today's global society. They are prioritizing the announcement of their reform plans over its implementation, so as to manifest their adoption of legitimate international norms.

In Chapter 4, Hidetaka Yoshimatsu shows that, in response to the economic rise of China and India at the global level, the ASEAN member states have taken initiatives to incorporate business interests into the ASEAN economic integration process, by strengthening their ties with local business groups. By so doing, they have sought to improve the competitiveness of local industries. Yet, at the same time, Yoshimatsu points out that the extent to which business interests are reflected in the governments' policies should not be overestimated, partly due to the organizational weaknesses of business associations.

In Chapter 5, Braema Mathiaparanam focuses on the status of women in Southeast Asia. She maintains that ASEAN has taken some initiatives to improve their status, but the situation is still nowhere close to bridging the gender gap in terms of leadership, economic participation and several other indicators. Thus, much work needs to be done. She identifies two forces which may derail concerted efforts within ASEAN: labour migration and globalization. In Southeast Asia, a large number of women are leaving their homes to work in other countries. Against the background of the economic competition at the global level, many micro enterprises have been shut down, and as a result, women in the rural area have been losing their sources of income.

People's ASEAN, Built by People

The people of Southeast Asia have become proactive. They have become better organized, outspoken, and more energetic in expressing their own voices and identities. The view that ASEAN diplomacy is simply the business of the governments of the Southeast Asian countries is no longer valid. In this regard, the developing activities of the ASEAN People's Assembly (APA) since 2000 have been remarkable. The main participants of APA activities are

civil society organizations. These organizations are central to the so-called "Track 3" channels. The intergovernmental diplomatic channels are regarded as "Track 1", and unofficial channels are considered "Track 2". The main participants of Track 2 channels are researchers in strategic studies institutions and government officials in their private capacities. In the early 1990s, the Track 2 activities were called a "growth industry".[6] The Track 3 activities have the potential to become a growth industry of the 2000s. Nonetheless, people have yet to appear on the central stage of ASEAN diplomacy. For the realization of an ideal ASEAN, the governments should pay more attention to the voice of the people, and provide more opportunities for civil society groups to participate in their policymaking. This is what one of the key individuals involved in APA activities suggests in his chapter.

Noel Morada in Chapter 6 reflects on APA activities since 2000, and argues that the APA process does contribute to community building in Southeast Asia. For him, APA has been more than a mere Track 3 assembly. Its activities today should be considered Track 2½ diplomacy, in the sense that it is serving as a venue for bringing together representatives from all three tracks—i.e., policymakers, think tanks and civil society advocates. Morada observes that a "people-oriented ASEAN" has been the recurring theme in APA meetings. Yet he also points out that the long-term sustainability of APA still remains questionable, because ASEAN has not provided sufficient material support to the assembly. In addition, the interface between the ASEAN Summit and APA has not been institutionalized.

In addition to APA, there are several other remarkable developments. In Chapter 7, Dennis Trinidad shows that business people have facilitated ASEAN economic integration. He maintains that the process of economic integration is by no means a simple top-down procedure. Macro factors associated with global economic changes—the factors underlined by Yoshimatsu in Chapter 4—do become an impetus for economic integration. Yet equally important are domestic factors. Macro/global factors would be irrelevant unless they were accompanied by positive responses from the domestic business community. Trinidad demonstrates this by

conducting a case study of the Philippines. Manila's active involvement in ASEAN economic cooperation can only be understood by focusing on the development of the export-oriented manufacturing sector which has favoured the country's economic liberalization since the 1980s.

Notwithstanding their role in facilitating ASEAN economic integration, people may also react negatively to regional economic deals, on the basis of their national identities. Peter Preston in Chapter 8 reminds us that economics, politics and national identity are intermingled, and that the promotion of economic integration cannot be separated from the issues of politics and national identity. He does so by focusing on the sale of a Thai telecom company to a holding company owned by the government of Singapore—i.e., the deal between Shin Corporation and Temasek Holdings. This deal was "commercially rational" and "regionally integrative", but it produced a backlash in Thailand, in terms of the reassertion of national identities. It led to mass street demonstrations in Bangkok, followed by a coup staged by conservative groups.

The establishment of an ASEAN community requires a regional identity, as opposed to national ones. Christopher Roberts in Chapter 9 considers the prospects for the development of a regional identity in Southeast Asia, on the basis of the results of surveys and interviews which he conducted in all the ten ASEAN countries. He finds that people in these countries do tend to see them as forming a region. Moreover, a sense of mutual trust is burgeoning. Among the more than eight hundred respondents from the general public, 37.5% said that they could trust all the ASEAN countries, while 26.4 % said they could not. Nonetheless, the overall picture is by no means rosy. Nearly 60% of policymakers and academics said they could not trust all the ten countries to be "good neighbours". Roberts concludes that the process of embedding a sense of community will probably occur over the course of many decades, rather than in the near future.

Governments' ASEAN, Built by Governments

The governments of the ASEAN member states have constantly expanded the geographical scope of ASEAN diplomacy. In 1967,

when the association was established, ASEAN diplomacy was largely inward-looking, in that it was all about fence mending between the then member states—namely, Indonesia, Malaysia, Thailand, the Philippines and Singapore. Yet, in the 1970s, ASEAN began to establish official relations with external powers. In 1979, it institutionalized the ASEAN Post-Ministerial Conference, involving its dialogue partners. In the post-Cold War era, in 1994, the Southeast Asian association held the first meeting of the ASEAN Regional Forum (ARF), thereby taking the initiative for the cooperative security of the whole Asia-Pacific region, involving major powers such as China, the US, Japan and Russia. In parallel with this Asia-Pacific initiative, ASEAN sought to integrate all the Southeast Asian countries, thereby constructing a community of ten nations. In the second half of the 1990s, the original five, together with Brunei, which joined the association in 1984, admitted four countries as new members—namely, Vietnam in 1995, Myanmar and Laos in 1997 and Cambodia in 1999. Even more remarkably, ASEAN is now leading East Asian regionalism, whose participants include China, Japan and South Korea. It has been in control of two main East Asian frameworks since their inception: the ASEAN Plus Three in 1997 and the East Asia Summit in 2005.

The management of ASEAN's relations with external powers is a serious challenge. Equally challenging is the management of intra-ASEAN relations in the community of ten nations. All the four contributors focusing on these issues argue, in one way or another, that the ASEAN member states should be firmly united in their dealings with external powers. The consolidation of Southeast Asian cooperation is a prerequisite for the promotion of ASEAN's interest vis-à-vis external powers.

Alice Ba in Chapter 10 focuses on ASEAN's expansion of its regional scope since the late 1980s, and argues that this expansion was the association's "institutional adaptation" to changes in its relations with external powers, including China, Japan and the US. This adaptation has helped ASEAN to remain relevant, in that ASEAN today is at the centre of East Asian and Asia-Pacific arrangements. Yet, at the same time, the expansion of its regional

scope has brought about a new set of challenges, in terms of the promotion of Southeast Asian interests vis-à-vis larger actors and of the safeguarding of ASEAN's relevance within larger regional frameworks. In this regard, she states that ASEAN should become more coordinated and integrated.

In Chapter 11, K. S. Nathan points out that the US has largely been sceptical of ASEAN and the ARF, and thus places a greater emphasis on bilateralism than on multilateralism, in its dealings with the Southeast Asian countries. According to Nathan, one of the reasons why the members of the association are seeking to establish the ASEAN Charter is to strengthen ASEAN's relations with Washington. They are trying to strengthen the institutional framework of their association and to grant ASEAN a legal personality, thereby overcoming the institutional and legal obstacle to US-ASEAN relations.

Edy Prasetyono in Chapter 12 begins his analysis of regional security by maintaining that ASEAN has certainly been successful in building confidence and preventing conflicts between its members, and in engaging external powers through multilateral frameworks such as the ARF. However, for Prasetyono, there are a number of issues to be addressed, on both the internal and external dimensions. In terms of intra-ASEAN relations, there remain several sources of dispute, in particular, those over maritime boundaries. In terms of ASEAN's relations with external powers, its members have to balance the interests of various great powers, such as China, India, Japan and the US. These external powers have been concerned with the sea lanes in Southeast Asia.

In Chapter 13, Pushpa Thambipillai focuses on ASEAN's relations with its dialogue partners, such as Australia, New Zealand, Japan, the US, the European Union and the United Nation Development Programme. She explores the contribution of these external powers to the community-building process in Southeast Asia, and argues that their role has been vital to the development of regional cooperation. In particular, in terms of trade and investment, the ASEAN members rely heavily on these external partners. In this respect, one of the main purposes of the ASEAN Free Trade Area has been to attract foreign direct investment to Southeast Asia.

Governments' ASEAN, Built by People

Non-state actors have been supporting the governments of the ASEAN members. ASEAN diplomacy had been dominated by the governments involved; however, because they were facing a broad range of complex challenges in the post-Cold War era, they wisely took advice from non-governmental actors. In concrete terms, they have been collaborating with Track 2 actors, in particular, researchers of strategic studies institutions. At least two institutions are worth focusing on here: the ASEAN Institutes of Strategic and International Studies (ISIS) and the Council for Security Cooperation in the Asia Pacific (CSCAP).[7] The two chapters focusing on Track 2 activities demonstrate that ASEAN-ISIS and CSCAP have played a great role in the development of security cooperation, within the frameworks of ASEAN and the ARF. Yet, at the same time, the chapters also suggest that greater collaboration between Track 1 and Track 2 should be sought. This is because there is no doubt that the nature of the challenges which ASEAN has to handle will be more complex in the future.

In Chapter 14 Lay Hwee Yeo explores the development of a security community, with a particular focus on preventive diplomacy (PD) mechanisms. She notes that one of the factors which facilitated security cooperation is the role of the Track 2 institutions, which dates back to the early 1990s. The search for a new framework, which resulted in the establishment of the ARF, was informed by the discourse within ASEAN-ISIS. Today ASEAN needs to develop a comprehensive PD system, which comprises mechanisms for early warning, early action and peace building. In this respect, she notes that Track 2 actors may become proactive in proposing some concrete measures.

Finally, See Seng Tan in Chapter 15 underlines the relevance of Track 2 diplomacy to ASEAN's deep engagement of China. Courting Beijing has been a key part of ASEAN's regionalism strategy, a key part of which is the provision to external powers of a stake in the preservation and promotion of the peace, prosperity and security of Southeast Asia. In this regard, ASEAN-ISIS and CSCAP activities have served as platforms to "socialize" the Chinese to the diplomatic culture and conventions of ASEAN. Admittedly, the

symbiosis between official and unofficial tracks has been tenuous at times. However, Tan believes that the role of Track 2 diplomacy in confidence building and norm diffusion remains germane to ASEAN's continued engagement of the great powers.

Policy Implications

One of the main purposes of this volume is to make policy recommendations. It is clear from the overall view of the volume, above, that the construction of an ideal ASEAN is incomplete, and a number of tasks remain to be tackled. These tasks may be divided into two categories—those for a people's ASEAN and those for a governments' ASEAN.

For a People's ASEAN

A people-centred ASEAN is about the well-being of the peoples and societies of Southeast Asia. In this regard, ASEAN member states need to adopt a set of common standards for the treatment of their own citizens. They should take concrete steps to reform their association, with the aim of addressing liberal agendas such as human rights and democracy, and of enhancing the status of women in Southeast Asia (Chapters 1, 3 and 5). In fora such as APA, which facilitates dialogue among government officials and civil society advocates, the existing positive trend of developing mutual understanding and confidence between the two groups should be maintained and enhanced. State elites today are increasingly shedding their traditional biases against civil society groups by viewing them more as partners rather than as detractors, whereas civil society actors have realized that their concerns would receive greater attention if they avoided being anti-government or anti-ASEAN. Hence, ASEAN officials should not only give more financial support to APA but also institutionalize the interface between the ASEAN Summit and APA (Chapter 6).

Where economic cooperation and integration are concerned, various non-tariff barriers should be removed to facilitate intra-ASEAN trade. In this respect, customs procedures need to be reformed, and product standards need to be harmonized (Chap-

ter 1). In addition, the organizational weaknesses of the business associations need to be overcome—namely, the ASEAN Business Advisory Council (BAC) and the ASEAN Chamber of Commerce and Industry. Their consensual decision-making procedure should be reconsidered, and the frequent change in their chairpersonship should be avoided. Moreover, the participants of ASEAN-BAC should not be appointed by governments, so as to facilitate a shift in the policy orientation of the council from national to regional (Chapter 4). Finally, it behoves ASEAN governments to be mindful of the potential for nationalist blowback when pursuing regional economic integration (Chapter 8). In this regard, efforts should be made by businesses—state-owned or otherwise—to reciprocate in relevant ways to the communities of Southeast Asia, for example, by improving the educational and health standards.

Regarding security cooperation, questions of nuclear safety and security have arisen in tandem with the apparent drive by several Southeast Asian states to pursue nuclear energy for civilian use. The decisions of some governments to locate future nuclear power plants in areas prone to volcanic activity have not escaped the attention of analysts and the media. Equally important is the security of nuclear materials, which could be compromised by terrorist groups aiming to develop or procure WMD. To deal with the possible threat of WMD terrorism, institutional arrangements to provide technical and legal assistance need to be strengthened, while legislative and administrative requirements on the medical and industrial sectors which possess WMD-related materials should be established. The scope of the existing joint disaster management mechanism should be expanded to cover not only natural disasters but also WMD terrorism (Chapter 2).

In order for the above recommendations to be implemented, the authority of the ASEAN Secretariat needs to be expanded (Chapter 1). The next Secretary-General of ASEAN, Surin Pitsuwan, has emphasized the need for the Association to make good its claims as an institution for the people by putting their interests first.[8] In order to achieve this, the ASEAN Charter must necessarily increase the mandate of the Secretariat and of the Secretary-General.

For a Governments' ASEAN

Notwithstanding the emphasis on a people's ASEAN, the notion of a governments' ASEAN is still pertinent. Chief among the global challenges confronting ASEAN today is the need to ensure its relevance to the East Asian and Asia-Pacific regions. In this regard, ASEAN's pursuit of greater economic integration is necessary for improving its trade and investment attractiveness vis-à-vis other parts of the world (Chapters 10 and 13). In security terms, ASEAN needs to be consolidated and integrated in order to maintain its central position in the Asia-Pacific regional security architecture, encompassing major powers such as China, Japan, India and the US (Chapters 10, 11 and 12).

ASEAN must develop effective dispute-settlement mechanisms, given the persistence of intra-regional disputes. It needs to develop a comprehensive PD system, comprising mechanisms for early warning, early action and peace building. For effective early warning, the ARF unit of the ASEAN Secretariat should be strengthened. For early action, three existing mechanisms can be activated—namely, the ASEAN Troika, the ARF Register of Experts and Eminent Persons, and Friends of the ARF Chair. Furthermore, peace-building mechanisms should be developed in cooperation with the dialogue partners of ASEAN (Chapter14). Finally, greater collaboration between Track 1 and Track 2 should be sought, given the complexity of security challenges in Southeast Asia (Chapters 14 and 15).

Conclusions

Some of the tasks identified above contradict others. At the basis of the problem lies what can be regarded as a "unity-progress dilemma". On the one hand, for all the ASEAN members, the maintenance of the unity of the association is crucial, especially in their dealings with external powers. On the other hand, many of the tasks for an ideal ASEAN point to a certain degree of progress—in terms of people-centred cooperation, human rights and democracy, PD or dispute-settlement mechanisms and the like. The performance of these tasks may become detrimental to the unity

of the association, since it involves a departure from the principle of non-interference in internal affairs, on the sole basis of which the Southeast Asian countries have maintained their unity.

There is no magic formula to solve this dilemma. Yet, at the most basic level, at least three things should be stated. First, dialogue and consultation are important. A sense of mutual understanding and trust, enhanced through dialogue and consultation, is a prerequisite for maintaining the unity of the association. In this regard, the so-called ASEAN Way of diplomacy is still valid.

Second, skilful leadership is required. Such leadership is important for the coordination of diverse interests and the achievement of a reasonable balance between unity and progress. In this regard, Severino argues in his chapter that ASEAN may need two or more leaders.

Finally, ASEAN should pursue positive measures to strengthen the unity of the association, rather than simply avoiding agendas which are detrimental to it. In specific terms, a particular emphasis should be placed on the third pillar of an ASEAN community—i.e., a socio-cultural community. Within this third pillar are issues such as social development and poverty reduction; the development of educational and human resources, and of science and technology; social protection; public health; environmental governance; and cultural and sports exchanges. Mutual assistance and cooperation in addressing these issues will amplify the value of the association for each member. Joint efforts will lead to the cultivation of an ASEAN identity, which in turn will strengthen the unity of the Southeast Asian nations.

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6. Paul Evans, "Building Security: The Council for Security Cooperation in the Asia Pacific (CSCAP)", *The Pacific Review* 7, no. 2 (1994), p. 125, 127.
7. The aim of CSCAP is to support the ARF process. The key players in CSCAP activities are the participants of ASEAN-ISIS. While ASEAN is the leading player of the ARF process at the Track 1 level, ASEAN-ISIS plays a central role in CSCAP activities at the Track 2 level. ASEAN-ISIS is a coalition of strategic studies institutions of the Southeast Asian countries. For these two channels, see Desmond Ball, Anthony Milner, and Brendan Taylor, "Track 2 Security Dialogue in the Asia-Pacific: Reflections and Future Directions", *Asian Security* 2, no. 3 (2006), pp. 174–188; Sheldon W. Simon, "Evaluating Track II Approaches to Security Diplomacy in the Asia-Pacific: the CSCAP Experience", *The Pacific Review* 15, no. 2 (2002), pp. 167–200; Hiro Katsumata, "The Role of ASEAN Institutes of Strategic and International Studies in Developing Security Cooperation in the Asia-Pacific Region", *Asian Journal of Political Science* 11, no. 1 (June 2003), pp. 93–111; and See Seng Tan, *The Role of Knowledge Communities in Constructing Asia-Pacific Security: How Thought and Talk Make War and Peace* (Lewiston, N.Y. :Edwin Mellen Press, 2007).
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1

A SENSE OF COMMUNITY FOR SOUTHEAST ASIA

Rodolfo C. Severino

As the ASEAN Charter is being drafted, 40 years after the Association of Southeast Asian Nations came into existence, the question is asked in knowing circles: Will the institutions created or strengthened by the Charter help in building an ASEAN community? This question is important because, without becoming a true community, ASEAN could not hope to achieve its three basic goals of regional peace and stability, regional economic integration, and regional cooperation on critical common problems. Indeed, neither the ASEAN Charter nor the ASEAN institutions would work effectively if the region were not animated by a sense of community. Thus, institutions and a sense of community ought to reinforce each other.

D. W. McMillan and D. M. Chavis, writing in the *Journal of Community Psychology* in 1986, define a sense of community as "a feeling that members have of belonging, a feeling that members matter to one another and to the group, and a shared faith that members' needs will be met through their commitment to be together".[1] It is fitting that psychologists have given this definition. For our purposes, a sense of community is, after all, a state of mind and a matter of emotion. Note that McMillan and Chavis talk about "feeling" and "faith".

Bali Concord II

In 2003, ASEAN articulated its own idea of what a community is. The second Declaration of ASEAN Concord, or Bali Concord II, issued by ASEAN's leaders in Bali in October of that year (the first was formulated in February 1976 at the first ASEAN Summit, also in Bali), laid down three components of the ASEAN Community that they intended to build—the ASEAN Security Community, the ASEAN Economic Community and the ASEAN Socio-Cultural Community.[2]

The ASEAN Security Community would promote peace and stability in the region and contribute to fostering them in the larger world. Bali Concord II reiterates ASEAN's commitment to the peaceful settlement of disputes and its intent to get others to share that commitment. It also stresses ASEAN's adherence to a comprehensive concept of security. Such a concept encompasses threats other than armed conflicts between states—threats such as environmental pollution, possible pandemics, international terrorism, drug trafficking and trans-national crime.

The ASEAN Economic Community would constitute an integrated regional economy, the achievement of which would be subject to "clear timelines". This would mean making ASEAN a "single market and production base". Its creation would be accelerated in 12 "priority sectors", an increase from the 11 originally set out. The ASEAN leaders agreed to establish institutions and processes intended to ensure compliance with measures agreed upon, including the enhancement of ASEAN's mechanism for settling disputes that arise from economic agreements. Economic integration is deemed to encourage investments and thus generate jobs, improve efficiency and productivity, and lower costs. The ASEAN Economic Community also calls for technical and developmental cooperation among the members, including cooperation in human resource development, capacity building, infrastructure and communications, and consultations on economic policies.

The ASEAN Socio-Cultural Community envisions cooperation in raising the living standards of "disadvantaged groups" and the rural population, and in dealing with problems arising from population growth, unemployment, environmental degradation and

natural disasters. It would focus on cooperation in public health. At the same time, it calls for cooperation in the preservation and promotion of the region's cultural heritage and for the cultivation of public awareness of ASEAN.

Plans of action and lists of "specific measures" were appended to Bali Concord II. So were the recommendations of the High-Level Task Force on ASEAN Economic Integration, composed of senior economic officials.

In the following year, in November 2004, the ASEAN leaders adopted the Vientiane Action Programme 2004–2010.[3] This set forth a "theme" and a "strategic thrust" for each of the three communities. Lists of more detailed and more specific measures were annexed to the document.

At their summit in Cebu, the Philippines, in January 2007, the ASEAN leaders issued a declaration expressing "ASEAN's strong commitment towards accelerating the establishment of an ASEAN Community by 2015" —advancing the target year from the original 2020. Obviously, building a regional community out of such an extremely diverse collection of countries as Southeast Asia will take time. The year 2015 is but eight years away. At the same time, circumstances invest the enterprise of regional community building with increasing urgency. Competitive forces are rising all around Southeast Asia. The region finds itself in a vexingly fluid security configuration. Problems that require regional cooperation are increasing in number and severity. The acceleration of ASEAN community building, therefore, seems justified and urgently so.

Achievements So Far

In this light, 40 years after ASEAN's founding, four years since Bali Concord II, and three years since the Vientiane Action Programme, it would be appropriate to ask: How far has ASEAN gone in being a community, as its leaders define it? In what ways has ASEAN fallen short? Can ASEAN ever be a true community, both as defined by its leaders and in the sense that McMillan and Chavis would have it understood—a feeling of belonging and the faith that the needs of the members will be met by being together?

In terms of the Security Community, it has often been noted that no two ASEAN members have ever come close to fighting each other. ASEAN countries' fidelity to their commitment to settle disputes only by peaceful means seems firm. Indonesia and Malaysia have submitted their dispute over Sipadan and Ligitan to the International Court of Justice (ICJ) and have accepted its judgment. Malaysia and Singapore have similarly referred their conflicting claims over Pulau Batu Putih, or Pedra Branca in Portuguese, to the ICJ. They have agreed to have their dispute over Singapore's reclamation activities adjudicated by the International Tribunal for the Law of the Sea, and seem to be abiding by its ruling. The High Council, provided for by the 1976 Treaty of Amity and Cooperation in Southeast Asia, is there to recommend ways of settling disputes peacefully. It has never been used; however, its existence manifests ASEAN's commitment to the peaceful settlement of disputes. ASEAN has adopted, and its members have generally complied with, agreed norms of behaviour in inter-state relations, as embodied mainly in the Treaty of Amity and Cooperation. ASEAN has succeeded in engaging the major powers in constructive ways through the Dialogue Partner system, the ASEAN Regional Forum, and other ASEAN-led venues for consultation and dialogue. The ASEAN Plus Three process, involving China, Japan and South Korea, provides a mechanism for close cooperation among the 13 countries of East Asia and an additional occasion for the three Northeast Asian countries to undertake their own consultations. ASEAN has a similar framework with India. The new East Asia Summit brings together the leaders of the ASEAN countries, Australia, China, India, Japan, Korea and New Zealand for top-level discussions on great strategic issues and directions for cooperation on overarching problems—including the threat of an avian influenza pandemic and energy security. These are major contributions to peace and stability, both in Southeast Asia and in the larger area of East Asia and the Pacific.

In terms of regional economic integration, almost all intra-ASEAN trade is now, at least on paper, free of duty—if only traders made more use of the tariff preferences that the ASEAN Free Trade Area accords. ASEAN has also reached agreement *in principle* on

a number of other measures for integrating the regional economy, such as measures concerning non-tariff barriers, customs, product standards and conformity assessment, transport and services. Some progress has been made in the negotiations on their implementation. ASEAN is also conducting negotiations on economic agreements with several dialogue partners, the most advanced being those with China, Australia and New Zealand, Korea and India. Some components of such agreements, which have political as well as economic significance, have been concluded. Together with China, Japan and Korea, financial cooperation, with ASEAN at its core, has made significant headway. Because of these, ASEAN is looked upon as a region that is at least aspiring to integrate its economy.

With respect to the cooperation envisioned in the Socio-Cultural Community, ASEAN has been credited with effectively working together to stem the SARS crisis of 2003. There has been some ASEAN cooperation in protecting the regional environment, as there has been in countering international terrorism, dealing with the problem of illicit drugs, and combating trans-national crime. A sense of regional affinity has developed among government officials, businesses, and professional and social groups that organize on a regional basis. Several programmes bring ASEAN youth together periodically. In this light, a measure of regional identity is emerging in Southeast Asia.

Tasks to be Handled

However, ASEAN has a long way to go in achieving the goals that its leaders have set. It is still a long way from becoming a real community. ASEAN may have norms of conduct in the relations between states, and its members may have largely abided by them; but, unlike some other regional associations, it has not adopted common standards for the treatment of citizens by their respective states. In this sense, ASEAN is still a group without standards. ASEAN has seldom espoused common positions on great international or regional issues. It has not exerted effective intellectual leadership in the regional security forums that it has organized.

The regional economy is far from being effectively integrated. Although the ASEAN Free Trade Area agreement of 1992 directs their elimination, non-tariff barriers to intra-ASEAN trade remain largely in place. Reforms of customs procedures and practices, required for the proper implementation of ASEAN trade agreements, have been uneven. The harmonization of product standards, necessary for an integrated market, is extremely slow. So is the conclusion of mutual recognition arrangements that would do away with multiple tests of traded products. Negotiations on the liberalization of trade in services, although mandated by the 1995 "framework agreement", seem to be marking time. Transportation between or through ASEAN countries remains cumbersome and expensive, and the development of infrastructure is highly uneven. Communications within ASEAN are still fragmented.

An ASEAN agreement on trans-boundary haze pollution has come into force, and some progress has been made in terms of mechanisms and local-community consciousness. However, the haze problem still recurs every year. The effectiveness of an ASEAN response to an avian influenza pandemic is uncertain. Programmes to familiarize the people of ASEAN with one another's cultures are dependent on external funding and are, therefore, inadequate. Little is being done in informing the public or educating children in the region about ASEAN, although these are essential for community building.

Institutionally, the authority of the ASEAN Secretariat is limited, although its authority was greatly expanded and elevated in 1992. ASEAN member states remain reluctant to provide the association with sufficient resources for enlarged functions. There are few effective mechanisms for ensuring compliance with ASEAN agreements or for settling disputes arising from these agreements.

The ASEAN Charter could help. It could do so by codifying ASEAN's norms and values. It would strengthen ASEAN's institutions and make its processes more effective. It could expand the authority of the Secretariat, its ability to do independent research, and its capacity to take initiatives on the association's behalf. It could improve compliance with ASEAN agreements. It could

make ASEAN's dispute-settlement mechanism more independent and more credible. Not least, it could prod ASEAN's top leaders to assume active, hands-on management of the association's affairs.[4]

Conclusions

What is more important than overhauling institutions and promulgating rules is the development of a sense of community in McMillan and Chavis's meaning—the feeling of belonging, the conviction that members matter to one another and to the group, and the faith that members' needs will be met through their commitment to be together. This would mean the identification of the interests and welfare of the region with those of the nation, the regime and the leader himself or herself. To invoke a cliché, it would entail a change in the mindset of most ASEAN leaders, officials, business people, educators, journalists, other opinion-makers and publics.

In any case, there is a cycle involved here—either vicious or virtuous. On the one hand, without a charter of the sweep and scope recommended by the Eminent Persons Group on the ASEAN Charter, it would be difficult to develop a sense of community in Southeast Asia.[5] Yet, without a sense of community, the charter would probably not be complied with, and it would not be effective to any significant extent. On the other hand, a sense of community could promote compliance with the charter, which in turn could help build a sense of regional community.

There are two things that are certain and clear. First, building a sense of community takes time, especially in a region as diverse as Southeast Asia and with a legacy of mutual suspicion and even antipathy. Second, the rest of the world is not standing still and will not wait for ASEAN to develop a sense of community. To resolve this dilemma and to ensure that the cycle becomes virtuous, ASEAN may need two or more leaders. What strong leadership can do is to push the region's abiding purposes, and to overcome and transcend the lingering suspicions and animosities that continue to divide the region. In other words, two or more leaders may drive the rapid development of a sense of community in Southeast Asia.

Notes

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2

WMD TERRORISM
CHALLENGE AND RESPONSE

Rajesh M. Basrur

We live in what has been called the "global risk society", in which the three main sources of risk are ecological crises, financial crises and terrorism.[1] The last has a particularly threatening aspect when it is linked with the use of so-called weapons of mass destruction (WMD), i.e., chemical, biological, radiological and nuclear weapons. The element of interdependence in meeting the threat posed by such weapons is strong, requiring inter-state cooperation to meet the threat. The materials for these weapons (except nuclear weapons) are widely available and transportable. Present-day communication technology facilitates the diffusion of both the idea and the capability to use them. While ASEAN has taken some steps to tackle the threat, a more concerted effort would be helpful.

The Nature of the Challenge

WMD include chemical weapons that utilize toxic and other chemicals; biological weapons that spread harmful diseases and infections; radiological weapons that expose victims to radiation; and nuclear weapons that produce powerful explosions as well as radiation.[2] Terrorists have so far not achieved significant levels of harm in numerous attempts to utilize WMD. Potentially, the effects of such weapons can be severe. For instance, 100 kilogrammes of

anthrax spores air-delivered over an area of 300 square kilometres can cause between one and three million fatalities.[3] While this would be an extreme case requiring considerable technical expertise and financial resources, smaller levels of damage can be achieved more easily. Again, with the exception of nuclear weapons, the availability of most materials is easy and is expected to increase with industrial and technological development.[4] The term "WMD" is deceptive. Mass destruction requires expensive and technically sophisticated weapons. To generate lower levels of destruction is less difficult. Dangerous chemicals are widely used in industry, harmful pathogens are available in research laboratories and germ banks, and radioactive materials are widely used in hospitals, research establishments and industry. Terrorists have already begun to employ low-technology chemical weapons by blowing up gas canisters in Iraq.

What are the potential effects of WMD terrorism? The physical effects vary, depending on the characteristics of the target area (especially density of population), weather conditions, and the type and quantity of materials used. Biological and radiological attacks do not have immediate effects but produce symptoms later. Economic effects can be severe, particularly the cost of decontamination. For instance, one US study has estimated that if a typical quantity of americium used for oil-well surveys were to be blown up with about half a kilogramme of TNT, the cost of decontamination could reach fifty billion US dollars.[5] Further negative effects include higher insurance costs and the slowdown or even withdrawal of investment. Psychological effects include distress responses such as fear, insomnia, impaired concentration and a range of ailments that fall under the rubric of Multiple Idiopathic Physical Symptoms (MIPS); behavioural changes such as fear of travel, increased use of tobacco and alcohol and compulsive use of medication; and psychiatric illness, notably post-traumatic stress disorder (PTSD), acute stress disorder (ASD) and severe depression.[6] Political effects are harder to predict. Citizens may remain calm and largely inactive. On the other hand, it is entirely possible that they may panic, resort to violence and question the legitimacy of their governments.

ASEAN's Response

There is certainly growing awareness of the threat of terrorism in Southeast Asia, particularly after the Bali bombings of 2002. Efforts to act on terrorism have been made through a process that has been largely a top-down one, with governments taking the initiative, though think tanks and the media have played a role in communicating the issue to the public. To a considerable degree, pressure from outside the region, mainly from the United States as well as the United Nations, has brought about regional action. ASEAN's responses may be categorized under the following headings.

Full ASEAN Response

Collective action has been generated in the following ways:

- *Declarations:* These include the Declaration on Joint Action to Counter Terrorism (2001), which was followed up by additional declarations in 2002 and 2003, and are complemented by declarations on the related subject of trans-national crime, which have a longer history.
- *Agreements:* Two major agreements are the Mutual Legal Assistance Agreement (2004) on criminal issues relating to terrorism and the ASEAN Agreement on Disaster Management and Emergency Response (2005). The latter does not specifically address terrorism but does treat disasters as natural as well as "human-induced".
- *Institutionalized interaction:* This includes the ASEAN Ministerial Meetings on Terrorism, the ASEAN Ministerial Meetings on Transnational Crime, the ASEAN Committee on Disaster Management, and the long-standing ASEAN Chiefs of Police Conference. In July 2007, representatives from ASEAN police forces met to discuss ways of dealing with bio-terrorism.

Other Institutional Responses

ASEAN has cooperated collectively with the United States through the Joint Declaration for Cooperation to Combat Terrorism (2001) and, more broadly, with China via the Joint Declaration on Cooperation in the Fields of Non-Traditional Security Issues (2002). There

have also been the ASEAN Plus Three Meetings on Transnational Crime, which started in 2004. This is an important development since there is a significant possibility of WMD-related materials being obtained or transported through organized crime channels.[7] Within ASEAN, there has been sub-regional cooperation in the form of the Indonesia-Malaysia-Philippines Trilateral Agreement on Information Exchange and Establishment of Communication Procedures (2002), which was joined by Brunei, Cambodia and Thailand in 2003. The agreement provides for intelligence sharing and combined counter-terrorism operations. Individual ASEAN members have cooperative arrangements among themselves and with others, including the United States and Australia.[8]

Limitations of the ASEAN Response

The regional response outlined above relates largely to the terrorism threat in general. ASEAN as an institution has undertaken relatively few serious initiatives with respect to WMD terrorism. Individually, its member states are required to act under United Nations Security Council Resolution 1540 (2004), which calls on all members of the UN to adopt administrative and legal measures to counter the WMD terrorism threat. So far, reports to the so-called "1540 Committee" established to monitor progress reveal, not much has been done by most ASEAN members, with the exception of Singapore.[9] The reasons for the slow movement are numerous. They include variations in perceptions of the threat, resource constraints, concerns over costs and resistance to the imposition of requirements through Chapter VII of the UN Charter, behind which looms the possible threat of sanctions for non-compliance. Some members of ASEAN are also uncomfortable with associating Resolution 1540 with the US-led "global war on terrorism".

ASEAN's limited response to terrorism issues may also reflect its history as an organization based on consensus and the acceptance of differences among its members. At present, the debate over how much farther the organization can go remains unresolved. But tight institutionalization is not a prerequisite for effective collective response. What is necessary, though, is an appreciation of the seriousness of the threat.

How Serious Is the Threat?

To many, the threat of WMD terrorism seems distant and is not worth incurring the costs associated with it. Both types of costs—the cost of not taking action as well as the cost of taking action—have to be addressed in working out an appropriate response.

Not taking action has the potential to incur high human and other costs of the kind outlined above. Even if terrorists do not inflict "mass" destruction, these costs can be considerable. The potential for such costs to actually arise depends on some sort of strategic warning, that is, on an assessment of indicators of the probability that WMD events will occur. There are certainly arguments against the anticipation of a WMD threat. It could be argued that terrorist activity in Southeast Asia, while not under control, has been contained; that its external links to Al-Qaeda, a major source of interest in WMD, have been largely cut; and that the major regional terrorist groups are on the defensive. But the case is not convincing. Groups that are on the defensive may become more desperate, as in the case of the Liberation Tigers of Tamil Eelam (LTTE), which resorted under pressure to the use of chemical weapons in Sri Lanka in 1990.[10] The revival of intense terrorist activity with trans-national links cannot be ruled out. Besides, external inspiration and practical instructions on making WMD can reach the region easily via the Internet.[11] The London car bomb plots of June 2007 were planned through Internet chats.[12] Kafeel Ahmed, who was involved in the near-simultaneous suicide attack on Glasgow airport, had downloaded hundreds of bomb designs from the Internet, which enabled him to design and put together makeshift chemical weapons.[13] While many terrorist groups may not be inclined to opt for WMD, there has certainly been interest in doing so among some well-known terrorist figures, such as Osama bin Laden, Abu Musab Al Suri and Dhiren Barot.[14] Most significantly, the WMD threshold has already been crossed by terrorists. In several instances, gas cylinders have been blown up by terrorists in Iraq in 2007.[15] The London car bomb plot involved the use of gas along with other materials.[16] Thus, the WMD terrorism threat is real, not far-fetched.

On the other side, the costs related to taking action need not be excessive. Some recommendations are made in the next section.

Towards an Optimal Response

The response to the WMD terrorism threat does not necessarily require costly and difficult organizational expense and effort. In practice, it would be more useful to opt for a relatively decentralized response. Terrorist organizations are themselves increasingly decentralized. Combating them by means of decentralized networks can be effective as local officials know their ways of functioning best.[17] The principal components of such an approach would be as follows.

First, there is a need to create greater awareness among officials at all levels that their roles are crucial. This involves the cultivation of a diffused and well-embedded security culture. Second, it is important to ensure that information is exchanged among the numerous organizations concerned with countering terrorism at the intra-state and inter-state levels. Third, the focus should be on flexible systems (ad hoc groups under an institutional umbrella) that coordinate and adapt to new situations quickly rather than on building strong centralized organizations, which are difficult to create and become slow-moving once they are set up.[18]

On a practical note, ASEAN can set up a working institutional arrangement to discuss and resolve issues of common concern and to provide assistance to states that require technical and legal assistance. This can be similar to the ad hoc working group established at the Regional Ministerial Meeting on Counter-Terrorism in February 2004. The group can share experiences, formulate models for best practices, develop a database on legislative and administrative measures, and facilitate more effective intelligence exchanges. It would be useful to have a continuous arrangement for the exchange of WMD-related information. Notification of inter-state movement of material, accidents and cases of "orphaned" material as well as intelligence on criminal and/or terrorist activity relating to such material can be shared.

Another area of importance is the role of the research and

development, medical and industrial sectors, all of which possess WMD-related materials. These are often inadequately secured. Apart from imposing legislative and administrative requirements, governments should involve them in building awareness of risks, threats and preventive measures and in the creation of a security culture among them. The joint disaster management mechanism seems to be focused mainly on natural crises such as tsunamis, earthquakes and floods. Within its framework, more attention can be given to the task of responding to acts of WMD terrorism, which requires some additional planning, training and equipment.

None of these initiatives involves high costs. Nevertheless, some of these costs can be met under the arrangements made for the implementation of Resolution 1540, which envisages multilateral assistance. Overall, a regional response can optimize counter-terrorism efforts and obviate the need for excessive dependence on external powers.

Notes

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3

HUMAN RIGHTS AND DEMOCRACY
FROM BIG TALK TO CONCRETE ACTIONS?

Hiro Katsumata

Reflecting on its 40 years of cooperation, it can be said that ASEAN has achieved a great deal. It has achieved more than its founders originally sought. At the time of the establishment of the association in 1967, the main purpose of ASEAN diplomacy was to mend fences and to build political confidence between the five Southeast Asian countries: Indonesia, Malaysia, Thailand, the Philippines and Singapore. Remarkably, today, ASEAN has attained a status as the centre of Asia-Pacific security regionalism, involving major powers such as China, the US, Japan and Russia. The association of minor powers in Southeast Asia held the first meeting of the ASEAN Regional Forum (ARF) in July 1994, thereby taking the initiative for the cooperative security of the whole Asia-Pacific region. Since then, the ARF has been the most prominent multilateral security arrangement in this region.

However, ASEAN today is facing a new set of challenges. One of the most serious is the implementation of liberal reform, aimed at addressing liberal agendas such as human rights and democracy. ASEAN diplomacy has traditionally been state-centred, designed to address the interests of governments. The challenge now is to address the interests of the people of Southeast Asia, some of whom have been under political oppression.

Liberal reform will involve the redefinition of the conception of sovereignty. On the one hand, the ASEAN members, who have practised state-centred diplomacy for a long time, have adhered

to the Westphalian conception of state sovereignty, with its core element of the principle of non-interference. The Westphalian conception of sovereignty and the non-interference principle have been fundamental components of ASEAN diplomacy. On the other hand, liberal agendas are associated with a people-centred conception of sovereignty. The pursuit of human rights and democracy involves a flexible interpretation of state sovereignty—or the notion that these issues cannot be considered the internal affairs of states, and thus are not subject to the principle of non-interference.

This chapter first focuses on the way in which the ASEAN members have been dealing with this new challenge. It argues that they have been setting out a number of impressive plans for liberal reform; however, their implementation of such plans has been slow. The chapter then explores the question of why they have been announcing liberal reform plans which are unfeasible and unreasonable. It argues that their announcement of reform plans should be seen as a set of instances of their "mimetic adoption" of external norms for the sake of legitimacy. The chapter concludes by identifying the policy dilemma which makes it difficult for the ASEAN members to implement their reform plans.

ASEAN's Big Talk

Their plans sound impressive. The ASEAN members have been setting out a number of ambitious plans for reform, thereby announcing their readiness to pursue liberal agendas such as human rights and democracy. To begin with, at their summit meeting in October 2003, they set out a plan to establish an "ASEAN security community". Elements of such a community include "conflict prevention", "conflict resolution" and "post-conflict peace building". These elements can be developed into mechanisms to deal with humanitarian crises. In November 2004, the ASEAN countries adopted a Plan of Action for a security community, which underlines their "shared vision and common values to achieve … democracy in the region." In this respect, they noted that, in such a community, unconstitutional and undemocratic changes of government should not be condoned.[1]

In addition, they have been considering the establishment of an ASEAN Regional Mechanism on Human Rights. At the non-official level, workshops on this issue have been held regularly, and reports on these workshops have been noted by ministers.[2] Remarkably, in July 2007, they agreed to establish a human-rights commission.[3]

Furthermore, the Southeast Asian countries are now seeking to establish the ASEAN Charter. They are contemplating some drastic changes to their existing practice. Symbolically, the Eminent Persons Group (EPG) proposed in 2006 a set of principles to be reflected in the charter, including the strengthening of democratic values, the rejection of unconstitutional and undemocratic changes of government, and respect for human rights.[4]

Yet all of these are mere plans. There is no guarantee that the ASEAN members will implement these liberal reform plans in the near future. Indeed, they have been slow to implement them. In terms of institutionalization, they have taken few substantial measures, although they have repeatedly announced their readiness to "strengthen [their] efforts in promoting human rights in ASEAN."[5] In short, they have been talking big, announcing a number of impressive plans without taking concrete steps for their implementation.

Intriguing Aspects

Why are they talking big? Why have the ASEAN members been announcing so many liberal reform plans? This is an intriguing issue, taking into consideration the fact that these plans are unfeasible and unreasonable, in the light of one of the most fundamental purposes of ASEAN diplomacy – i.e., the maintenance of the unity of the association. These plans have thus far been unfeasible. This is because some of the members have been reluctant to pursue liberal agendas, preferring the Westphalian conception of state sovereignty, whose core element is the principle of non-intervention. These plans are unreasonable, in the sense that they may become detrimental to the unity of ASEAN, which is crucial for all the members. Even an attempt to moot a liberal agenda may

alienate some of the members. The question therefore arises of why the ASEAN members have been announcing such unfeasible and unreasonable plans.

A focus on the material environment surrounding the Southeast Asian association would lead to only a limited understanding of this issue. The main elements of this environment are the material capabilities of the great powers, such as the US and the members of the European Union. These powers have hardly attempted to coerce ASEAN to announce a plan for a security community which contains liberal agendas. Nor have they made a specific request concerning the content of the ASEAN Charter. They have taken punitive action against an individual country – namely, Myanmar – but not against the association.

Yet this does not mean that the activities of the great powers are totally irrelevant. The relevance of their activities should be understood in an ideational sense. The ASEAN members do care about a particular kind of activity on the part of external powers. The latter often threaten to boycott ASEAN meetings. Their absence in these meetings is detrimental to the status of ASEAN as a legitimate leader of Asia-Pacific security cooperation. To capture the ASEAN members' concern with the international standing of their association, it is necessary to focus on the ideational aspect of their current environment.

Mimetic Adoption of External Norms

The announcement of reform plans on the part of the ASEAN members should be seen as a set of instances of their "mimetic adoption" of external norms for the sake of legitimacy. They have mimetically been adopting a set of liberal norms, which have increasingly attracted concern in today's global society, and have been practised by prominent international institutions such as the United Nations and the Organization for Security and Cooperation in Europe (OSCE). They have been doing so in a social environment which defines these norms as elements of international legitimacy. Their intention has been to secure their identities as legitimate members of the community of modern states, and to

enhance the status of ASEAN as a legitimate institution, which is eligible to lead Asia-Pacific security regionalism. To be specific, their intention has been to salvage the credibility of their association—or to reverse the trend of its losing credibility, which began in the late 1990s, with various challenges in the background, including the Asian financial crisis, terrorism, and non-traditional issues such as pandemic diseases.

The explanation here is founded on the sociological literature on institutional isomorphism. This literature suggests that the mimicking of external models for the sake of legitimacy explains the isomorphic structures of various organizations, such as firms, schools, hospitals and nation states. The international social environment—or the world culture—may define various things as elements of legitimacy as members of the community of modern states. Thus, almost all states have national flags, airlines, and similar educational systems. They all seek similar high-tech weapons, and have tripartite military structures, with an army, air force and navy.[6]

The ASEAN members have mimetically been adopting a set of liberal norms, against the background of a particular social environment. In today's global society, a normative shift is taking place, which concerns the relationship between the principle of non-interference and the norms of human rights and democracy. The dividing line between domestic and international issues is gradually blurring, and many domestic issues are beginning to have external dimensions, including those associated with separatist movements, ethnic and religious conflicts, human rights and the like. In this situation, the strict application of the principle of non-interference in internal affairs is beginning to seem irrelevant, as international efforts to address these issues have been considered legitimate. The principle is now being interpreted in a more flexible way. As a flexible interpretation of sovereignty is becoming an important normative element in today's interstate relations, various prominent international institutions have pursued liberal agendas such as human rights and democracy. Most notably, the participant countries of the OSCE agreed in 1992 that issues related to human rights cannot be considered as internal affairs of states, and are not subject to the principle of non-intervention.[7]

With this kind of normative shift in the background, the ASEAN members have been announcing their readiness to pursue liberal agendas. They are talking big because they are attempting to display their adoption of external norms, with the intention of enhancing their international legitimacy. They are prioritizing the announcement of their reform plans over its implementation, so as to manifest their adoption of legitimate norms.

Policy Dilemma: Two Aspects of ASEAN's Relevance

Obviously what the ASEAN members should do now is to translate their big talk into concrete actions. They should take specific steps to reform their association and to address liberal agendas such as human rights and democracy. Ultimately, these issues have a moral implication. From a moral standpoint, ASEAN should serve the interests of the people of Southeast Asia, and should never turn a blind eye to any abuse of human rights in this region.

However, our expectation should be modest. This is because the ASEAN members have been seeking two goals which are contradictory to each other, thereby placing themselves in a dilemma—a policy dilemma over two different aspects of the relevance of ASEAN. The enhancement of the association's relevance in the global society, which encompasses the Asia-Pacific region, has become an important theme of ASEAN diplomacy. During the Cold War era, ASEAN's relevance was a function of superpower rivalry, and its members focused only on intra-regional fence-mending. In contrast, ASEAN today is an independent player in the global society, involving major powers but itself leading the cooperative security process in the Asia-Pacific region. In this new environment, the ASEAN members have been trying to enhance two aspects of the relevance of their association—namely, relevance in terms of legitimacy, achieved through the implementation of liberal reform; and relevance in terms of influence, enhanced by strengthening the unity of the Southeast Asian countries.

On the one hand, the Southeast Asian countries have been trying to enhance ASEAN's relevance in terms of its international legitimacy, by announcing liberal reform plans and their readiness

to pursue liberal agendas such as human rights and democracy. They have been concerned about ASEAN's legitimate status as the centre of Asia-Pacific security regionalism. The participant countries of the ARF process do question the legitimacy of the leader of this process. The 2005 ARF is a case in point: the US Secretary of State, Condoleezza Rice, boycotted the meeting, recognizing the possibility that the Southeast Asian countries might allow Myanmar to chair the series of ASEAN meetings in 2006–2007. In the following year, she attended the ARF, but only because ASEAN had made it clear that Myanmar would not chair the meetings.

On the other hand, the ASEAN members have been trying to enhance the relevance of their association in terms of its influence, by strengthening the unity of the Southeast Asian countries. They have been concerned with ASEAN's influence as the leader of Asia-Pacific security cooperation. Thus, in the second half of the 1990s, the original five, together with Brunei, which joined the association in 1984, admitted four countries as new members, namely, Vietnam in 1995, Myanmar and Laos in 1997 and Cambodia in 1999. Since then, the strengthening of the unity of the ten countries has been crucial for all of them. After all, ASEAN has become a global player, only because its members have been able to speak with one voice. Since its establishment, this association of minor powers, by acting as one body, has been able to ensure a bigger role for Southeast Asia than any member could have played alone.

For the purpose of maintaining the unity of ASEAN, liberal reform is undesirable, since some of the members are reluctant to pursue liberal agendas. It is therefore understandable that the ASEAN members have been careful not to seek a sudden change in their practice. In the case of Myanmar, they have been careful not to alienate this country. The worst scenario for them is that Yangon will become China's proxy, speaking on behalf of Beijing. In this respect, ASEAN needs Myanmar as much as—or perhaps more than—Yangon needs the Southeast Asian association.

Both of these two goals—ASEAN's relevance in terms of legitimacy and of influence—are sensible, although they can only be pursued at each other's expense. By talking big while not taking concrete steps for implementation, the ASEAN members are trying

to strike a balance between these two incompatible goals. The balance between these goals is likely to remain a key to understanding ASEAN diplomacy in the foreseeable future.

Notes

1. ASEAN, Declaration of ASEAN Concord II, Bali, 7 October 2003; ASEAN, ASEAN Security Community Plan of Action, Vientiane, 29 November 2004; and ASEAN, Activities, annexed to ASEAN Security Community Plan of Action, Vientiane, 29 November 2004.
2. See ASEAN, Joint Communiqué, the Thirty Ninth ASEAN Ministerial Meeting, Kuala Lumpur, 25 July 2006; and ASEAN, Joint Communiqué of the Thirty Eighth ASEAN Ministerial Meeting, Vientiane, 26 July 2005.
3. *The Straits Times*, 31 July 2007, p. 1.
4. ASEAN, Report of the Eminent Persons Group on the ASEAN Charter, December 2006.
5. ASEAN, Joint Communiqué of the Thirty Eighth ASEAN Ministerial Meeting, Vientiane, 26 July 2005.
6. Paul J. DiMaggio and Walter W. Powell, "The Iron Cage Revisited: Institutional Isomorphism and Collective Rationality in Organizational Fields", *American Sociological Review* 48, no. 2 (April 1983), pp. 147–160; John W. Meyer *et al*., "World Society and Nation-State", *American Journal of Sociology* 103, no. 1 (1997), pp. 144–181; John W. Meyer and Brian Rowan, "Institutionalized Organizations: Formal Structure as Myth and Ceremony", *American Journal of Sociology* 83, no. 2 (1977), pp. 340–363; Mark C. Suchman and Dana P. Eyre, "Military Procurement as Rational Myth: Notes on the Social Construction of Weapons Proliferation", *Sociological Forum* 7, no. 1 (March 1992), pp. 137–161; and Martha Finnemore, "Norms, Culture, and World Politics: Insights from Sociology's Institutionalism", *International Organization* 50, no. 2 (Spring 1996), pp. 334–337. For the discussion of the mimetic adoption of external norms, also see Hiro Katsumata, "Mimetic Adoption and Norm Diffusion: 'European' Security Cooperation in Southeast Asia?" paper presented at the International Studies Association (ISA) Annual Convention, Chicago, 2 March 2007.
7. Conference for Security and Co-operation in Europe, Helsinki Document 1992: the Challenges of Change, Helsinki Decisions, Helsinki, 9–10 July 1992.

4

THE CHALLENGE OF GLOBALIZATION, BUSINESS INTERESTS AND ECONOMIC INTEGRATION IN ASEAN

Hidetaka Yoshimatsu

Ever since the early 1990s, the members of ASEAN have deepened regional economic integration. In 1992, they launched an initiative to create an ASEAN Free Trade Area (AFTA) by 2008. Since then, they have accelerated the schedule of trade liberalization for AFTA and expanded the scope of market integration, targeting investment areas, services sectors and procedures for goods movements. With AFTA virtually in place, ASEAN members have decided to create a common market with a free flow of goods, services and capital, by putting forward the idea of the ASEAN Economic Community (AEC).

In the process of economic integration, ASEAN members have to take into account the influence of globalization. While globalization implies the growth of money markets and financial transactions, as well as the transnational restructuring of production on a global scale, it takes place in parallel with regionalization because of the lower transaction costs associated with geographic proximity.[1] In Southeast Asia, globalization has been permeated in the form of growing competitive challenges from neighbouring countries. As a result, ASEAN members have been forced to adopt effective measures to meet such challenges.

This chapter examines ASEAN's attempts to develop economic integration initiatives with due attention to the incorporation of business interests. It analyses how ASEAN members have sought to strengthen linkages with local business circles, and articulates

problems that the public and private actors have been confronted with in promoting the economic integration process.

ASEAN's Attempts to Promote Economic Integration

In the new millennium, trade liberalization and market integration have become critical policy agenda for major parts of the world. Southeast Asia is no exception. At the Ninth Summit at Bali in October 2003, ASEAN leaders agreed to establish the AEC.[2] The objective of the AEC is to set up a single market and production base with a free flow of goods, services, investment, capital and skilled labour. ASEAN members took a step to materialize the AEC in the following year. In November 2004, ASEAN leaders launched the Vientiane Action Programme (VAP) at the Tenth Summit. The VAP is the second mid-term (2005–2010) plan, succeeding the Hanoi Plan of Action, which ended in 2004. The programme contains clearer goals and strategies for realizing the AEC: the completion of integration in the eleven priority sectors before 2010,[3] and the elimination of tariffs for products—by 2010 for the old ASEAN members and by 2015 for the new ASEAN members. The VAP also prepares for a monitoring and evaluation system, which is based on a scorecard that comprises both a consolidated assessment mechanism at the macro level and a quantitative rating mechanism at the project level.

Why did ASEAN members launch new programmes for market integration in the new millennium? The integration programmes were reactions to challenges posed by globalization. As Charles Oman correctly points out, the regional processes can be seen as a reaction to phenomenon and problems caused by globalization.[4] ASEAN members had to react to changes in their surrounding environments, in particular, their relations with China and India. ASEAN's economic position vis-à-vis China has been gradually declining after the mid 1990s. China has been the primary recipient of foreign direct investment (FDI) among developing countries since 1992. FDI into ASEAN increased from US$15 billion in 2002 to US$19 billion in 2003, but the 2003 figure was still less than

40% of China's corresponding figure of US$54 billion.[5] There was a perception that China's rapidly growing economy would divert FDI inflows away from ASEAN towards China. Furthermore, China's economic presence has gradually undermined the relative position of products from Southeast Asia in the third markets. For instance, while exports from China to the US market grew by 144% between 1997 and 2003, those from ASEAN-4 increased by only 20% in the same period.[6]

In addition to China, another neighbouring country has emerged as a serious rival to ASEAN. India has raised its presence in the world economy by developing global outsourcing linkages in the information technology (IT) sector. Major IT enterprises such as General Electric, Microsoft, Intel and Cisco have expanded investment into the country. India's pool of English-speaking human resources for computer software is expected to raise the economic potential of the country.

Confronted with growing challenges from China and India, some ASEAN leaders became more anxious about the relative decline of Southeast Asia as a growth pole in Asia. This concern was revealed in their desire for the acceleration of internal market integration. At the ASEAN Economic Ministers (AEMs) meeting in September 2003, the ministers agreed on the 2020 timeframe for the AEC completion, accepting some countries' reservations about opening the market too hastily.[7] However, some leaders were apprehensive about this timeframe. Thai Prime Minister Thaksin Shinawatra and Singaporean Prime Minister Goh Chok Tong felt that 2020 might be too late, hoping to see an earlier completion date. At the 2003 Bali Summit, Thaksin argued that the AEC should be formed by 2012 to prevent such a goal from becoming obsolete. He feared that if ASEAN's integration moved slower than that date, outside forces would undermine the internal integration process, as ASEAN would have forged FTAs with China by 2010, with India by 2011, and with Japan by 2012.[8]

While China's looming economic expansion has posed a serious challenge to ASEAN members, the growing Chinese market has also provided ASEAN firms with opportunities for business expansion. In order to change China's economic growth from

threat to opportunity, ASEAN members would need to improve the competitiveness of local industries and firms. Importantly, the AEC contains measures for trade facilitation—in addition to trade liberalization—such as faster customs clearance and the harmonization of product standards and technical regulations. These measures are valuable in realizing the economies of scale through reduced transaction costs. ASEAN leaders expect that local firms with larger economies of scale will develop into multinational enterprises that retain the capability to advance into the Chinese market to compete.

Business Interests and Economic Integration

In order to improve the competitiveness of local firms and industries, ASEAN and its members have striven to tighten their relationship with existing business associations in Southeast Asia. This was the case with the ASEAN Chamber of Commerce and Industry (ASEAN-CCI), the representative business association in Southeast Asia.[9] The ASEAN-CCI was involved in the development of AFTA by delivering business preferences for the tariff reduction schedule and dispute settlement mechanisms. In the late 1990s, ASEAN and its members tried to strengthen linkages with the CCI further. In 1996, the ASEAN Secretary-General offered a space for the secretariat office of the CCI within the ASEAN building in Jakarta. Moreover, ASEAN and its members pursued institutional linkages between the ASEAN-CCI and other ASEAN bodies. The Senior Economic Officials Meeting (SEOM) agreed that representatives of the ASEAN-CCI be invited to all meetings of SEOM and the Working Group on Industrial Cooperation. It was also approved that the ASEAN-CCI would be invited to an AEM meeting whenever necessary.[10] These measures were taken to enhance the CCI's role in creating a more cohesive business community in Southeast Asia and to promote harmonization between the CCI's policy preferences and ASEAN's policy.

A more decisive initiative emerged in the new millennium. At the Seventh ASEAN Summit in November 2001, an initiative to establish the ASEAN Business Advisory Council (ASEAN-BAC)

was approved and its inaugural meeting was organized in April 2003. The council, whose 30 members were nominated by their representative governments, was expected to provide ASEAN leaders with requests and opinions from the private sector concerning ASEAN's economic integration and industrial competitiveness. ASEAN and its members have established privileged institutional linkages with the ASEAN-BAC. While ASEAN members appointed a minister for trade or commerce as the main point of contact to communicate with the council members, these members were also invited to an annual meeting of ASEAN leaders and AEMs.

By taking advantage of its close ties with ASEAN, the ASEAN-BAC has undertaken activities such as the holding of the ASEAN Business and Investment Summit (ABIS) and the management of the ASEAN Pioneer Project Scheme (APPS). The ABIS, organized annually since 2003 in conjunction with the ASEAN Summit, has provided business leaders from ASEAN and non-ASEAN countries with opportunities to identify issues and problems in market integration in Southeast Asia. The APPS, a "fast track" mechanism to expedite project approvals in custom clearances and technical regulations, was formed to help indigenous ASEAN companies grow into ASEAN conglomerates.

Thus, ASEAN and its member governments have advanced government-led initiatives to strengthen linkages with the local business community, through which they have sought to reflect business interests in ASEAN's integration policies. Such initiatives, being ultimately aimed to raise the local firms' competitive edge in the rapidly globalizing business world, have been their response to the challenge of globalization.

Problems in Incorporating Business Interests in Economic Integration

While ASEAN and its members seek to strengthen linkages with the local business circles, the degree to which business interests are incorporated into ASEAN's policymaking needs scrutiny. The two business associations—the ASEAN-CCI and the ASEAN-BAC—

have organizational weaknesses in becoming a substantial force for ASEAN's market integration and industrial competitiveness. The chairmen of the associations have been rotated by country in alphabetical order. This system, which follows the rotational style of the ASEAN chairmanship, gives due respect to sovereign equality and aims to forge close links with ASEAN activities. However, the frequent change in chairmanship has impeded the associations from formulating decisive policy initiatives under strong leadership. In particular, their weak leadership becomes apparent when the less developed countries assume chairmanship.[11] In a sense, the business associations follow the "ASEAN Way". The ASEAN-BAC and the ASEAN-CCI have ingrained the central procedural norms of sovereign equality and consensual decision making in their operations. The adherence to these norms has made the operations of these associations inflexible and rigid, preventing them from demonstrating the practical and substantial representation of business interests in the process of market integration.

The ASEAN-BAC has a mission to deliver business interests to ASEAN's top leaders. However, it has essential weaknesses in terms of composition. The council comprises 30 members — three business leaders from each country — whom ASEAN leaders personally nominate on the basis of advice from their senior economic officials and chambers of commerce.[12] The regional economic integration is a process which involves a shift in policy orientation, from a narrow national base to a broader regional one. The organization has intrinsic limitations in going beyond national interests or national orientation. In addition, more than half of its members represent the interest of small and medium enterprises (SMEs). Given that most firms in Southeast Asia are SMEs, policymakers need to give due consideration to their interests. However, the high representation of SMEs has made differentiation from the ASEAN-CCI ambiguous, and allowed the council to adopt generalized "lowest-common denominator" positions. This is largely because large firms and SMEs tend to develop different perspectives on industrial and trade policies.

The ASEAN-BAC's weaknesses become apparent when compared to business representation in the economic integration proc-

ess in Europe. In the process towards forming the Single European Market in the late 1980s and early 1990s, a business association called the European Round Table of Industrialists (ERT) had significant influence.[13] The ERT, created in 1983 by chief executive officers (CEOs) of major European firms, acted as an agenda setter and pressure group. As a purely private and independent association, the ERT had complete freedom to set political highlights according to its preferences, and to express and deliver its opinions to the policymakers. The association, which was dissatisfied with the inability of its member governments to take positive action in promoting a unified European market, provided the agenda and policy alternatives for this objective.

The ERT's influential role in the process towards forming the Single European Market illustrates the importance of an independent business group in economic integration in Southeast Asia. Such a group is expected to play at least three important functions. First, it may function as a critical agenda setter for the integration programme, and as a group that puts pressure on governments to promote the integration process. Second, it may be a vital ally of the ASEAN Secretariat in advancing integration programmes by facilitating coordination with member governments. Third, the existence of an independent business association should enable local firms to learn skills in interest aggregation and interest representation from other business groups composed of non-local firms. For instance, the US-ASEAN Business Council has played an active role in representing the interests of US firms in ASEAN's economic integration.[14] Local firms in Southeast Asia can get expertise from the activities of US firms and their association.

Conclusions

As a reaction to the challenges of globalization, ASEAN members have exhibited great interest in incorporating business interests into their economic integration process, and adopted concrete measures. While seeking to strengthen linkages with the existing ASEAN-CCI, they have commissioned various talks to the newly established ASEAN-BAC. Although these government-initiated

policies have contributed to stronger linkages between ASEAN and the local business community, the latter's substantial input in the integration process remains weak due to their limitations as independent business associations in terms of member composition and administrative procedure. The challenge of globalization is dynamic, and both private and public actors need flexibility and decisiveness. In addition to strong linkages between them, the transformation of organizational style and administrative management is crucial for substantiating business representation in ASEAN's economic integration efforts.

Notes

1. Samuel S. Kim, "Regionalization and Regionalism in East Asia" *Journal of East Asian Studies* 4, no. 1 (2004), p. 43.
2. The AEC is one of three pillars that make up the ASEAN Community as declared by the ASEAN leaders in the Bali Concord II. The concord was an accord agreed at the ninth summit in October 2003. The other two pillars are the ASEAN Security Community and the ASEAN Socio-Cultural Community. The Bali Concord II was the new ASEAN vision, 27 years after the first Bali Concord was signed by the then ASEAN-5.
3. The eleven priority sectors are as follows: automotives, wood-based products, rubber-based products, textiles and apparels, agro-based products, fisheries, electronics, air travel, tourism, e-ASEAN, and healthcare.
4. Charles Oman, *Globalisation and Regionalisation: The Challenge for Developing Countries* (Paris: OECD, 1994).
5. UNCTAD, *World Investment Report 2004: The Shift towards Services* (Geneva: United Nations Conference on Trade and Investment, 2004), p. 50.
6. Yasuo Onishi, "Shinka suru Chugoku ASEAN keizai kankei" (Deepening economic relations between China and ASEAN) in Yasuo Onishi (ed.) *Chugoku ASEAN Keizai Kankei no Shin Tenkai* (New development in economic relations between China and ASEAN) (Chiba: Ajia Keizai Kenkyujo, 2006), p. 11.
7. *The Nation*, 8 October 2003.
8. *Far Eastern Economic Review*, 23 October 2003, p. 16.

9. ASEAN-CCI was founded in April 1972 by the national chambers of commerce and industry in the five founding members accepting a suggestion from the ASEAN Foreign Ministers. ASEAN-CCI, *ASEAN-CCI Handbook '81* (Bangkok: ASEAN-CCI, 1981), p. 9.
10. "Private sector participation", available at <http://www.aseansec.org/10058.htm>(accessed 31 July 2007).
11. This problem was revealed in the management of ASEAN-CCI. ASEAN-CCI held a council meeting only seven times in seven years in 1997–2004. An equal number of council meetings was held in two years in 2004–2006. The dormant activities in 1997–2004 were influenced by weak leadership from the presidency countries as well as by the Asian financial crisis. The revitalization of the chamber's activities in 2004–2006 was heavily dependent on the assertive leadership of the Singapore Business Federation, which assumed the presidency during this period.
12. 'The private sector in ASEAN's Integration and Competitiveness Initiative: the ASEAN Business Advisory Council', available at <http://www.aseansec.org/14818.htm>(accessed 31 July 2007).
13. For details of the influence of the ERT on the European integration process, see Maria Green Cowles, "Setting the Agenda for a New Europe: The ERT and EC 1992", *Journal of Common Market Studies* 33, no. 4 (1995), pp. 501–526.
14. The US-ASEAN Business Council has influenced ASEAN's integration policy by providing information and technical guidance that would facilitate the economic integration process.

5

ASEAN EFFORTS TO IMPROVE THE STATUS OF WOMEN

Braema Mathiaparanam

The establishment of ASEAN 40 years ago was an attempt on the part of its members to unite in order to enhance political and economic cooperation and to keep communism at bay. Today, the ASEAN member countries are still focusing on strengthening economic and political infrastructures that, through stability and growth, will lead to social development and a sustainable livelihood for the 500 million people spread across 4.5 million square kilometres of ASEAN.[1] The ASEAN members have been introducing and enhancing measures to develop the potential of men and women and to promote gender equality. This chapter first assesses the status of women in Southeast Asia. It then focuses on the efforts made at the ASEAN level to enhance the status of women. Finally, it identifies the challenges which the ASEAN members must overcome in this area.

The Status of Women

There is clear progress in the development of women, compared to the situation forty years ago when access to education and healthcare was remote to most women in ASEAN. This is borne out by the Human Development Index (HDI). The HDI shows that most ASEAN countries are ranked "medium" in progress, with the exception of Singapore and Brunei Darussalam, which are at the "high" end.[2] The data shows that there have been greater access

to education, an increase in life expectancy and an improvement in maternal mortality rates (MMR).[3]

Yet the HDI only tells half the story. To look at women's progress, one needs to focus on the details through gender-disaggregated data. For example, the adult literacy figures alone show that the ASEAN countries have overlooked the human potential of its female population. Women trail men by a difference of between 2.9 and 21.8 percentage points in literacy, with the exception of the Philippines, in which men trail women by 1.4 percentage points.[4] Women also fall behind in other fields, such as healthcare, access to employment, wages, work hours and the holding of leadership positions (see Table 1). In addition, land rights and access to credit and information technology are not easily available to women. Rural women and the urban poor remain most vulnerable to abuse, violence, illnesses and diseases.

Another useful indicator for gauging women's progress is the

TABLE 1
Selected indicators for economic, professional and political participation[5]

Country	Labour force participation rate (aged 15–64 years)		Seats in Parliament held by women (%)	Female legislators, senior management (%)	Female professionals and technical workers (%)
	Male	Female			
Brunei Darussalam	84.2	49.4	—	—	—
Cambodia	82.3	76.2	10.9	14	33
Indonesia	86.3	53.2	8.0	—	—
Lao PDR	91.1	77.4	22.9	—	—
Malaysia	35.7	39.4	16.3	20	45
Myanmar	89.7	68.3	—	—	—
Philippines	84.7	54.8	17.2	58	62
Singapore	82.7	56.3	16.0	26	43
Thailand	81.1	65.0	10.6	27	55
Vietnam	86.0	79.4	27.3	—	—

TABLE 2
Gender-related development index[6]

Ranking	Country	GDI (highest: 1)
51	Malaysia	0.795
58	Thailand	0.781
66	Philippines	0.761
80	Vietnam	0.708
81	Indonesia	0.704
97	Cambodia	0.578
100	Laos	0.545
NA	Singapore	NA
NA	Brunei	NA
NA	Myanmar	NA

Gender Development Indices. The data shows stark disparities in the development of women across ASEAN (see Table 2).[7] The Gender Empowerment Measurement (GEM), which measures the participation of women in decision-making, is a stronger indicator of the status of women. The GEM reveals the poor presentation of women in top positions, even in the more developed ASEAN member countries such as Singapore and Malaysia.[8] For example, female representation in Parliament in Laos PDR is 22.9 per cent while the figures in the Philippines, Indonesia, Singapore and Malaysia do not exceed 19%.[9] Though recent statistics show an increase in female representation in Parliament, the figures are still below 30 per cent—a threshold recommended by the Beijing Platform of Action in 1995, the signatories of which include the ASEAN countries.

In sum, there are still gaps between men and women in leadership positions, economic participation and culture. Two forces—globalization and the migration of labour—may stand to derail the efforts within ASEAN to close the gender gap, as will be argued later. The next section will focus on efforts made by the ASEAN members to enhance the status of women.

ASEAN's Efforts

The first ASEAN meeting in which the issues of women were tabled was in Jakarta in 1981. In this meeting, each country agreed to set up a clearinghouse to document, analyse and disseminate data, and to appoint a national agency as a focal point to coordinate policies. These focal points were within government organs, such as the Ministry of Social Affairs or Community Affairs, or within civil society organizations such as women's organizations.[10]

In 1988, ASEAN went one step further and signed the Declaration on the Advancement of Women in the ASEAN Region. The Declaration set out several goals, including the right to vote (except for Brunei, which was a monarchy); access to political participation; access to positions in management, judiciary and the diplomatic corps; recognition for both formal and informal work; access to health and education; and the development of national programmes and legislation to protect abused women.[11] Four years later, the ASEAN members agreed to operationalize the Declaration and, seven years later, in 1995, a monitoring-and-reporting mechanism was adopted.

Issues concerning the rights of women also featured in the 1998 Hanoi Plan of Action and in the 2004 Vientiane Action Programme. In 2004, all ten ASEAN members signed the Declaration on the Elimination of Violence Against Women in the ASEAN Region and the Declaration Against Trafficking of Women and Children. The Coordinated Mekong Ministerial Initiative (COMMIT), a multi-stakeholder network in combating trafficking, became an action plan for the Greater Mekong subregion. There is also an ASEAN Regional Programme on Women and Skills Training, formed in 2000. Other action plans—on HIV/AIDS, transnational crime, rural development and poverty eradication—also have mechanisms aimed at improving conditions for men and women within ASEAN. In addition, the ASEAN Committee of Women (ACW), comprising ministers and government representatives, acts as a focal point for G-to-G discussions on gender matters. The ASEAN Confederation of Women's Organizations (ACWO) brings together civil society actors in the region.[12]

There are also multilateral and bilateral agreements between ASEAN and other agencies to improve the status of women in Southeast Asia. One example is the memorandum of understanding signed in 2006 between ASEAN and the United Nations Development Fund for Women's East and Southeast Asia Regional Office, which commits both organizations to actively involve more women in the social, economic and political spheres. The ASEAN countries have also adopted the Beijing Platform of Action, and most of them have ratified the Convention on the Elimination of All Forms of Discrimination Against Women (CEDAW) and the Convention on the Rights of the Child (CRC). Some countries in ASEAN have even gone a step further to become signatories of the Optional Protocol on CEDAW.

Challenges

What are the challenges for the ASEAN members? There are at least four crucial tasks to address: (i) the harmonization of monitoring mechanisms; (ii) the promotion of the rights of migrant workers; (iii) the safeguarding of the economic plight of women in a globalizing economy; and (iv) the provision of clean water and other basic amenities.

Monitoring Mechanisms

The report card so far, as discussed earlier in this chapter, shows that there is still much work that needs to be done to improve the status of women. The last two decades have been exemplary in terms of the development of women. Development programmes have become better structured, with universal goals and common indicators at the United Nations level. The new goalpost set in the Millennium Development Goals (MDG) will soon overtake the Beijing Platform for Action, which was solely dedicated to the development of women. These changing goalposts underline the need for ASEAN to harmonize the Monitoring Mechanism on the Declaration for the Advancement of Women with other international instruments used for various phenomenon.

Migration and Trafficking

More women are leaving their homes and families to work in other countries and to become offshore breadwinners. Southeast Asia is the main arena in this phenomenon, as a large number of the female migrant labour force comes from this region. They take up jobs as domestic workers, healthcare workers, frontline service staff and sex workers. The 2007 ASEAN Declaration on the Protection and Promotion of the Rights of Migrant Workers is a way forward in protecting the rights of workers although, to date, its implementation plans remain vague. The operational, monitoring and reporting plans of this Declaration need to accord the same protection and rights to all workers, irrespective of the ASEAN country she or he chooses to work in.

There is also an increase in the volume of tourists travelling in the region, mainly due to the availability of low-cost budget travel. More women in Southeast Asia have been lured to the sex industry due to poverty or ignorance. They have also been risking contracting HIV. The ASEAN Secretariat has spearheaded a campaign to raise the awareness of HIV among travel operators. However, the enforcement of the measures stipulated in the Declaration Against Trafficking of Women and Children remains weak.

Globalization

Economic competition through globalization has both opened opportunities and created problems for micro-enterprises and small-and-medium enterprises. Shrinking markets for certain products means unemployment. The shutting down of micro-enterprises means more rural women are without a basic income. The integration of ASEAN economies on certain products is crucial to stave off competition and keep women and men employed. The impact of globalization has also increased the movement of people looking for jobs—from rural to urban set-ups or across borders. Women continue to run the greater risk of being easily trafficked into markets where they are exploited—doing much more for lower wages.

Access to Basic Amenities

Access to education, clean water and sanitation is a burden that women still carry more than men. ASEAN's water management policy is important because this issue is trans-border in nature. Developmental projects can affect livelihoods as well as turn rivers into infection carriers. The Mekong River, for example, sustains livelihoods for populations in China, Thailand, Laos, Myanmar, Vietnam and Cambodia. More focused models such as COMMIT can be useful in preventive work and in educating women on the cleanliness of water and the acquisition of skills for alternative livelihoods.

Conclusion

As ASEAN turns forty, it is important to note that the association has introduced initiatives to develop women's potential and to bridge the gender gap. Nevertheless, ASEAN can still introduce a Temporary Special Measure at the regional level that focuses on elevating the status of women in the various areas of concern. As ASEAN works its way towards the ASEAN Charter, it is important to note that the vast majority of women within the ASEAN family are still in a subordinate position compared to men. The ASEAN Way needs to become one of enforcement and implementation if ASEAN is to advance the status of women and to level the playing field with men.

Notes

1. Alberto G. Romulo, "Speech on ASEAN Day 2007", 8 August 2007.
2. The HDI of Singapore is 0.916—out of 1 as the highest score—and Lao PDR, the lowest ranked ASEAN country, has a score of 0.553. United Nations Development Programme, Human Development Report 2006, pp. 263–280.
3. The ASEAN Secretariat, "Gender Dimensions of Globalisation and Regional Integration," Third Report on the Advancement of Women in ASEAN, 2007, p. 11.

4. ASEAN Secretariat, Third Regional Report, 2007, pp. 21–23.
5. ASEAN Secretariat, Third Regional Report, 2007, p. 29.
6. United Nations Development Programme, Human Development Report 2006, pp. 363–370.
7. All data related to HDI, GDI and GEM need to be treated with caution in comparative analyses across countries because of the limitations in terms of their consistency. Factors such as unemployment rates between men and women or the daily hours of housework performed by men and women are usually not included in the computation.
8. United Nations Development Programme, Human Development Report 2006, p. 367.
9. ASEAN Secretariat, Third Regional Report, p. 29, 2007.
10. ASEAN Secretariat, "Clearinghouses on Women in Development," ASEAN's Women's Programme, 1994.
11. The five goals became indicator markers on this ASEAN road map on the Advancement of Women in ASEAN Secretariat, A Regional Report, 1996.
12. On November 20th, 1981, ACWO was formally established, comprising the National Council of Women's Organizations in each ASEAN member country.

6

APA AND TRACK 2½ DIPLOMACY

THE ROLE OF THE ASEAN PEOPLE'S ASSEMBLY IN BUILDING AN ASEAN COMMUNITY

Noel M. Morada

The ASEAN People's Assembly (APA) is a Track 2 initiative of the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS) that was launched in 2000. The idea behind APA is the creation of a forum for debate, exchange of ideas, and generation of people-oriented policies on issues and problems facing the region among the various stakeholders and sectors. It also aims to foster dialogue and confidence building among policymakers, academe, think tanks and civil society groups in Southeast Asia on a range of traditional and non-traditional security issues, including human rights, human development and democracy. This chapter presents a background to APA, its outputs, as well as the challenges and opportunities for its institutionalization in the long term.

This chapter argues that the APA process no doubt contributes to community building in ASEAN. In particular, it serves as a venue for bringing together representatives from the various sectors in Tracks 1, 2 and 3 in the region. To some extent, it may be considered as a kind of Track 2½ diplomacy in the sense that it has created a network of think tanks, civil society advocates and policymakers that are committed to pushing the transformation of ASEAN into a more people-centred organization that is responsive to the voices, visions and values of peoples and communities in Southeast Asia.

ASEAN People's Assembly: an Overview[1]

APA was first convened in Batam, Indonesia, in 2000, and was organized by ASEAN-ISIS. To date, there have been five APA meetings, all held in Bali (2002) or Manila (2003, 2005 and 2006). Between 200 and 300 representatives from governments (in their private capacities), academe, think tanks, civil society groups and people's organizations in Southeast Asia and beyond have participated in these meetings. The Institute for Strategic and Development Studies (ISDS), a member of ASEAN-ISIS, will again host the Sixth APA on 23–25 October 2007 in Manila as part of the 40th anniversary celebrations of ASEAN's foundation.

The convening of APA is based on the rationale that community building in ASEAN must include all sectors of society. ASEAN must be made relevant to the ordinary citizens of each of the member states—as it has become relevant to many members of the elite communities—if a genuine Southeast Asian Community is to be built. Such a community requires wider and deeper understanding about ASEAN among the citizens of the ten member states. Since its conceptualization, APA has responded to official views about the Southeast Asian Community as expressed in various ASEAN documents. A more concrete rationale for this community was expressed in the ASEAN Vision 2020 that seeks to build a community of caring societies, the component elements of which concern every citizen of ASEAN and target the unsatisfactory socio-economic conditions affecting its population at the grassroots level. Since October 2003, this vision has become concretized through the Bali Concord II in the ASEAN Community of three pillars: (i) an ASEAN Economic Community; (ii) an ASEAN Security Community; and (iii) an ASEAN Socio-Cultural Community.

The idea of APA was first brought up in Track 1 and Track 2 discussions in the mid 1990s. Among official or Track 1 circles, the proposal for such a gathering of ASEAN peoples was brought up by the Thai Foreign Minister during the ASEAN Ministerial Meeting (AMM) in Brunei Darussalam in 1995. ASEAN-ISIS, through ISIS Thailand, was requested subsequently to discuss

the modality and procedure for organizing such a gathering and to make recommendations.

The discussion of the idea in Track 2 arenas was based on the conviction that widening and deepening ASEAN awareness is an indispensable cornerstone for the creation of an authentic ASEAN community. This requires the inclusion in community-building efforts of all sectors of ASEAN societies. Track 2 gatherings involve largely members of elite communities such as government, academe, business and the media. Rarely do representatives from the "peoples" sector—indigenous and marginalized peoples, civic organizations, civil society organizations and peoples' organizations—get invited to these activities. Neither do they wish to be so involved in the early days of Track 2 processes. Instead, non-governmental organizations have organized their own activities in parallel, and often in opposition, to those organized by government.

ASEAN-ISIS has ruled out as premature the creation of a body similar to inter-parliamentary unions as a way to bring together the peoples of ASEAN. It produced a think piece on APA that was shared with the ASEAN SOM in its meeting in Yogyakarta in 1996. The idea of a people's assembly was realized only four years after its formulation. The first APA, held in Batam, Indonesia, in 2000, was an experiment that was regarded as a success though the concept of APA required further development in subsequent years.

The goals of the ASEAN People's Assembly are as follows:

- To promote greater awareness of an ASEAN community among the various sectors of ASEAN on a step-by-step basis
- To promote mutual understanding and tolerance for the diversity of culture, religion, ethnicity, social values, political structures and processes, and other elements of ASEAN's diversity among broader sectors of the ASEAN population
- To obtain insights and inputs on how to deal with socio-economic problems affecting ASEAN societies from as many relevant sectors of ASEAN societies as possible

- To facilitate the bridging of gaps through various confidence-building measures, including participation in APA, between social and political sectors within and across ASEAN societies, especially Track 1 and Track 2, on a step-by-step basis
- To assist in the building of an ASEAN community of caring societies as sought by the ASEAN Vision 2020 and the Bali Concord II

Since its inception, APA has sought to increase the participation of peoples from the various sectors in the ASEAN member states in the activities of APA, including agenda setting and the organization of panels. It has also sought to bridge the gap between Track 1 and Track 3 by ensuring that there is a balanced participation from these two tracks in APA. The agenda includes items to inform APA participants about the activities of Track 1 and views from Track 3, which were articulated during various plenary sessions of APA and concurrent panels to be heard directly by participants from Track 1.

APA has also succeeded in obtaining recognition from ASEAN leaders of its role in awareness-raising and community-building in ASEAN, specifically in the Vientiane Action Programme in November 2004 and through the Chairman's Report of APA 2006, which was presented during the Twelfth ASEAN Summit in January 2007. These are the outcomes of the various APA gatherings since 2000.

APA and ASEAN Community Building: Challenges and Prospects for Institutionalization

This section provides a discussion of the author's observations of issues and concerns raised in the APA meetings that may have an impact on the long-term institutionalization of the APA process. In particular, it focuses on the challenges and prospects for the institutionalization of APA as a mechanism for consultation with peoples and communities within ASEAN.

There is no doubt that APA continues to be an important venue for the participation of representatives from Tracks 1, 2 and 3,

where debates, the exchange of ideas and the generation of people-oriented policy recommendations have been important outputs over the last five meetings. A more people-oriented ASEAN has been the recurring theme of the past five APA meetings, underscoring the growing importance of greater responsiveness of ASEAN as a regional organization to the needs and concerns of people in the region. At the same time, many participants from civil society organizations have realized, after participating in APA meetings, that they need to continue engaging the governments of ASEAN in order to have their voices heard, instead of being anti-government or anti-ASEAN. The Working Group on Regional Human Rights Mechanisms, for example, has acknowledged that civil society groups must be patient with ASEAN in order to attain their goals and objectives of pushing for a regional human-rights agenda. This group has also participated in a number of ASEAN-ISIS Colloquium on Human Rights (AICOHR) meetings organized by ASEAN-ISIS even before APA was conceived, which provided the opportunity to learn more about the "slow by slow" process of engaging with ASEAN.

A major principle observed in APA is inclusiveness, wherein individuals and groups from the various sectors and political/ideological persuasions are encouraged to participate and debate on issues that affect peoples and communities in the region. This principle has contributed to the growing legitimacy of APA as one of the major vehicles for community building in ASEAN, especially in the context of pushing for more people-to-people interaction in the region, as enunciated in the Vientiane Action Programme in 2004. Even so, the APA process has also been criticized by some civil society groups in the region for not being "representative" enough of Track 3. This criticism, however, springs from either a misconception of or a misplaced expectation about APA as a forum for articulating only the interests of civil society groups in the region.

Until the Fifth APA in Manila in December 2006, the opportunity for interface between APA and the ASEAN Summit was not available. In fact, there was much reluctance on the part of the official ASEAN circles—e.g., the ASEAN Foundation—to provide

material support for APA meetings. The opportunity came only in January 2007, when the Chair of APA 2006 was given the opportunity to present the Chairman's Report before the ASEAN leaders during the Twelfth Summit in Cebu, but only for 10 minutes. The presentation of the APA report was given due recognition in the ASEAN Summit Chairman's Report, but the details of the former were not spelled out. This is in stark contrast to the detailed recommendations incorporated in the Eleventh ASEAN Summit Chairman's Report of the First Civil Society Conference's Chairman's Report in 2005. It remains uncertain, however, whether the interface between APA and the ASEAN Summit will be repeated in the Thirteenth ASEAN Summit in Singapore. In the long term, this interface must be institutionalized for the sole reason that ASEAN's community-building efforts cannot ignore inputs from people's organizations and communities in the region.

Notwithstanding the uncertainties concerning the long-term institutionalization of the APA-ASEAN Summit interface, it must be pointed out that APA has provided greater opportunities for networking among civil society groups in the region. Through this, Track 1 officials have recognized the increasing importance of civil society networks, especially in the context of drafting the ASEAN Charter. A number of consultations between civil society groups in the region, on the one hand, and the Eminent Persons Group on the ASEAN Charter and the High-Level Task Force that was created to draft the charter, on the other, have been conducted since 2006. ASEAN-ISIS and APA have been at the forefront of facilitating these consultations between Tracks 1 and 3 on the ASEAN Charter even as ASEAN-ISIS has also submitted memoranda as inputs to the EPG and HTLF. How much of the inputs from ASEAN-ISIS and the various civil society groups in the region will be incorporated into the ASEAN Charter draft remains to be seen.

Based on a set of recommendations and policy advocacies of the various civil society organizations that have participated in APA, a people-centred ASEAN is taken to mean that the member states of the association must take into primary consideration the welfare and development of marginalized sectors and ensure that

the voices of the "little people" be heard. Where state and human security interests may clash, it is expected that ASEAN states would still be sensitive and responsive to human security concerns and respect human dignity and human rights.

The sustainability of the APA process is a major challenge facing ASEAN-ISIS as the organizer. To date, non-ASEAN funding organizations have substantially provided material support for the last five meetings of APA.[2] It was only in the Fifth APA in 2006 that the ASEAN Secretariat sponsored partially.[3] The good side of this is that the independence of APA is ensured. However, this may also be a liability given that funding supporters of APA may also reach their "fatigue" level in the future, especially if the APA-ASEAN Summit interface fails to be institutionalized over the long term. Thus, a healthy balance between ASEAN and non-ASEAN funding for the APA process must be maintained in the long run, in order to sustain the networking and agenda setting that APA provides for Track 3 and the building of confidence and trust between Tracks 1 and 3.

Will APA eventually have a life of its own in the long term, and will ASEAN-ISIS be willing to take a backseat in this regard? This remains an open-ended question. Nevertheless, it is clear that, for ASEAN-ISIS, its role in this project is to be its convenor, facilitator, fund-raiser, spokesperson and driving force, until APA takes on a life of its own. There is no doubt that the idea behind APA is that it would be a regional mechanism, meant to create a people's gathering where they would meet on a regular basis, discuss issues they consider timely, important and relevant, seek solutions for them, and make recommendations to governments on these matters.[4]

Finally, to what extent would APA contribute to the institutionalization of ASEAN's decision-making processes, particularly in ensuring that it is part of the consultative mechanisms that may be enshrined in the ASEAN Charter? In the absence of an ASEAN Parliament at this time, APA could very well be the forum for the people's voices and concerns to be heard by ASEAN leaders and the official track. Moreover, the APA process could also help in establishing a monitoring mechanism within ASEAN that would

ensure compliance by member states on various agreements that are aimed to protect the welfare of peoples and communities in the region, and in channelling their views and perspectives in the process of policymaking.

Conclusion

The APA process no doubt contributes to community building in ASEAN. In particular, it serves as a venue for bringing together representatives from the various sectors in Tracks 1, 2 and 3 in the region. To some extent, it may be considered as a kind of Track 2½ diplomacy in the sense that it has created a network of think tanks, civil society advocates and policymakers that are committed to pushing the transformation of ASEAN into a more people-centred organization that is responsive to the voices, visions and values of peoples and communities in Southeast Asia. Although it has been recognized by ASEAN as an important mechanism for promoting people-to-people interaction, the sustainability of APA in the long run remains a big question given that, to date, ASEAN as an organization and its member states have not provided significant material support for its meetings. The interface between APA and the ASEAN Summit no doubt needs to be institutionalized so that the annual meetings of ASEAN leaders become not just about state-oriented issues and problems that affect the region but also about how they impact on the lives of the Southeast Asian peoples and communities.

Notes

1. This section of the paper is from the project proposal for the Sixth ASEAN People's Assembly, "ASEAN at 40: Realizing People's Expectations?" written by Dr. Carolina G. Hernandez and the author on 7 July 2007. For proceedings and background papers from APA meetings since 2000, see (1) *An ASEAN of the People, By the People, For the People: Report of the First ASEAN People's Assembly, Batam, Indonesia, 24–26 November 2000* (Jakarta: Centre for Strategic and International Studies, 2000, (2) *Challenges Facing the ASEAN Peoples*

(Jakarta: Centre for Strategic and International Studies, 2002), (3) *Towards Building an ASEAN Community of Caring Societies* (Manila: Institute for Strategic and Development Studies, Inc. for ASEAN ISIS, 2003), (4) *Towards A People-Centered Development in the ASEAN Community* (Manila: Institute for Strategic and Development Studies, Inc. for ASEAN ISIS, 2005), and (5) *The Role of the People in Building an ASEAN Community of Caring and Sharing Societies* (Manila: Institute for Strategic and Development Studies, Inc. for ASEAN ISIS, 2006).

2. The main supporters of APA are: The Open Society Institute (OSI) in New York; the Canadian International Development Agency (CIDA); The Asia Foundation; the Konrad Adenauer Stiftung (KAS); the Sasakawa Peace Foundation; the Japan International Cooperation Agency (JICA); and some government institutions in the Philippines during the APA meetings held in Manila since 2003.
3. The ASEAN Secretariat partially covered one meal function for the APA 2006 meeting.
4. Mely Caballero-Anthony, "ASEAN ISIS and the ASEAN People's Assembly: Paving a Multi-Track Approach in Regional Community Building", in Hadi Soesastro, Carolina G. Hernandez, and Clara Joewono (eds.), *Twenty Two Years of ASEAN ISIS: Origin, Evolution and Challenges of Track Two Diplomacy* (Jakarta: CSIS for ASEAN ISIS, 2006), p. 64.

7

DOMESTIC ACTORS, MARKET REFORM AND ECONOMIC COMMUNITY BUILDING

Dennis D. Trinidad

Founded in 1967, ASEAN is considered the most successful regional organization outside of Europe. Though criticized for its lukewarm achievements, ambitious objectives and "all talk, no action" stance, the association, from its humble beginnings as a promoter of regional stability, has moved slowly but surely towards greater economic cooperation. Since the early 1990s, ASEAN has become bolder and more ambitious in outlook and vision. To fast-track market integration, its member states have agreed to further eliminate import duties through the Common Effective Preferential Tariff (CEPT). Indeed, total ASEAN intra-trade products have increased since 1993 but extra-regional trade still far outweighs intra-regional trade. In 2003, the Bali Concord II stipulated the formation of the ASEAN Community resting on three "pillars"—ASEAN Security Community (ASC), ASEAN Economic Community (AEC) and ASEAN Socio-Cultural Community (ASCC)—by 2020, while the drafting of an ASEAN Charter was first enunciated during the 38th ASEAN Ministerial Meeting in Vientiane in July 2005.

The ASEAN Community is a manifestation of renewed interest in economic integration. Of the three pillars, the ASEAN Economic Community (AEC) focuses specifically on the interests of the business community. The AEC envisions the development of a single ASEAN market as well as the economic integration and enhanced competitiveness of the member states.[1] These goals,

nonetheless, necessitate the involvement of the business sector in the process of economic community building. Apropos, this chapter will examine the mind shift of the business sector that has prompted ASEAN to push vigorously for greater economic integration in the region. The Philippine case is cited to underscore this point.

Recent developments in ASEAN are attributed to macro factors, particularly dramatic changes in the international economy. John Ravenhill noted that ASEAN member states are more committed and cooperative this time because of the structural incentives and changes dictated by a globalized economy.[2] I argue that, while macro factors are essential, the realization of the ASEAN vision depends on domestic processes. These latter elements are significant because ASEAN customarily leaves the implementation of any integration scheme to individual member states. Global economic changes are irrelevant if they do not induce a *positive response from the business sector*, without which the government will have difficulty in complying with the ASEAN plan of economic integration, regarded as market-driven and based on the principle of open regionalism. Ponciano Intal acknowledged the policy changes in the domestic front that led to the evolution of ASEAN to what it is today. He averred,

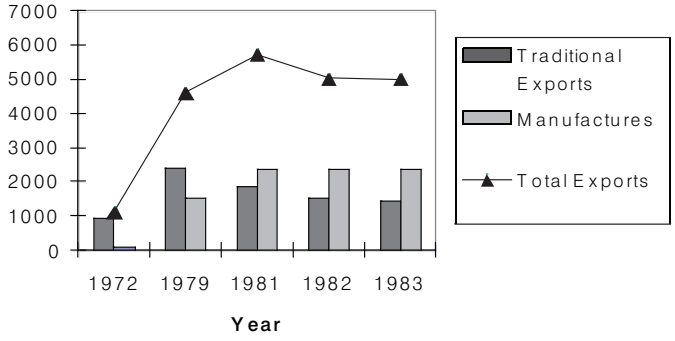
> The domestic policy environment in the ASEAN member economies has changed significantly since the late 1980s. As a result, the ASEAN has correspondingly evolved. Being the largest economy in the ASEAN, Indonesia's dramatic shift in trade and industrial policy—from an inward-looking industrial protectionism in the 1970s to an increasingly outward-oriented economy in the late 1980s—paved the way for the resurgence of ASEAN economic cooperation initiatives by the turn of the 1990s. Besides Indonesia, the Philippines also started to reform its economy in earnest, beginning in 1986, towards greater export orientation and more stable macroeconomy.[3]

From Inward to Outward Orientation: The Expansion of the Philippine Export Sector

Fidel V. Ramos was the newly elected President of the Philippines when the Common Effective Preferential Tariff came out in 1992. The country was then consolidating the gains of the political and economic reforms implemented by the Aquino Administration. Limited market liberalization, however, was introduced during the final years of the Marcos dictatorship. The dominantly agricultural Philippine economy had become a maelstrom—turbulent and unsound. In the 1950s, an inward-oriented and protectionist economic strategy was instituted. Because protectionism favours producers over consumers, the development of the manufacturing sector was painfully slow. It was only in the late 1970s and 1980s, when the prices of Philippine agricultural products plummeted in the international market, that many agrarian barons shifted to manufacturing and other sectors of the economy.[4]

Between 1979 and 1981, the values of manufactured goods exported by the Philippines to the world gradually exceeded those of traditional and agricultural exports (see Figure 1). Since

FIGURE 1
Agriculture vs. manufactures exports, 1972–1983



Sources: Data for 1972 and 1979 were taken from Philippine Development Indicators, NEDA, 1980. Data for 1981–1983 were taken from the Central Bank of the Philippines' online database.

TABLE 1
Philippine GDP by industrial origin in percentage, 1985–2006

Sector/Year	1985	1990	1995	2000	2003	2006
Agriculture, fishery and forestry	24.6	21.9	21.6	15.1	14.6	14.2
Industry sector	35.1	34.5	32.1	31.6	31.9	32.1
Service sector	40.4	43.6	46.3	53.2	53.4	53.7
GDP	100	100	100	100	100	100

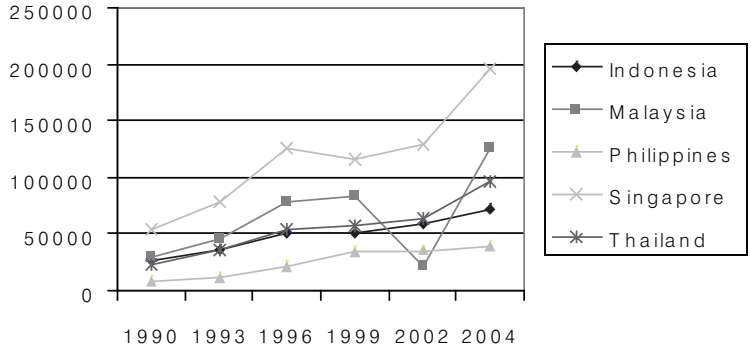
Sources: Compiled from *National Economic and Development Authority (NEDA)* online database 2007.

1985, the total production of the Philippine industrial sector has consistently surpassed that of the agricultural sector (see Table 1). Increased production in the manufacturing and industrial sectors also gave rise to a new type of business whose interests were distinct from the agrarian concerns of the traditional elite. Moreover, these new capitalists espoused different policy preferences, and shaped an economic orientation which could be inward or outward-looking, depending on their market base. The export share of the local manufacturing sector in 2003 was 91.8%.[5]

Expansion of the Export Sector and the ASEAN Vision of Integration

Since the CEPT creates rent favouring manufactured goods, the export orientation of the manufacturing sector of the participating state must be high to maximize the benefits from the scheme. Apparently, member states with the highest export targets are deeply committed to greater integration. By the 1990s, the Philippines' export performance had improved, as evidenced by the value of exports in Figure 2. Likewise, the other original ASEAN members also experienced dramatic increases in the values of their exports during the period under review. The figures also explain why Singapore and Malaysia have been the most tacit advocates of free trade in the region. The two countries—at 102.8% for Malaysia and 205.3% for Singapore—have the highest ratio of exports

FIGURE 2
Export orientation of ASEAN5 (Export in millions of US dollars)



Source: Bangko Sentral ng Pilipinas (BSP)/ NEDA 2007

to GDP among the member states. The manufacturing sector in Malaysia also employed 32.4% of the country's total workforce, compared to Singapore's 24.9% in 2001.[6] Meanwhile, the employment share of the manufacturing sector in the Philippines was only 15.6% while that of Indonesia was 17.5% during the same year.

In the 1980s and early 1990s, most investments in the region were export-oriented and labour-intensive.[7] This trend exponentially increased the export orientation of the host states. Furthermore, the ASEAN6 was looped into the flying geese strategy of Japan, which initially set the momentum for market integration.[8] The domestic condition since the 1990s was, thus, ripe for ASEAN to pursue its economic integration vigorously.

Altogether, an export-oriented economy, the growing ratio of industrial production to the country's GDP and the new policy preferences of the business elite in the manufacturing sector who favour trade and FDI liberalization created a favourable condition for the adoption of market reforms. The Philippines reached this threshold between the 1980s and the 1990s. Thus, when the idea of accelerated ASEAN economic integration cropped up, the Philippines was, more or less, ready to embrace a more open and liberal regional policy. Former President Fidel Ramos assumed the difficult task of continuing the liberal momentum that began in the

late 1980s. Coincidentally, he focused on economic reforms that were encapsulated in the Medium-Term Philippine Development Plan (MTPDP) or "Philippines 2000", his flagship programme of government. His reforms were aimed at restoring political stability; implementing economic reforms to level the playing field and democratizing the economy to make it more competitive; infrastructure and energy development; environmental protection and preservation; and modernizing the bureaucracy.

Domestic Actors and the Pursuit of Market Reform in the Philippines

To ensure that the Congress would support the executive agenda, President Ramos partnered then House Speaker Jose De Venecia, who formed the Rainbow Coalition in both Houses of Congress. This political coalition enacted at least 229 structural laws based on the policy recommendations of the Ramos Administration. Of these, 79 were economic reforms, 85 were social reforms while the remaining were political, electoral, defence and administrative reforms.[9] To avert an impasse between the executive and the legislative branches, which usually beset policy- and law-making processes in the past, the Presidential Legislative Liaison Office (PLLO) was set up "to promote Presidential initiatives and act as conduit between the Office of the President and individual members of Congress, non-government and other cooperative interest groups supportive of the President". The PLLO addressed coordination problems between the president and the members of the legislature common to a presidential system that observes the principle of separation of powers. The Rainbow Coalition and the PLLO galvanized executive-legislative collaboration, which saw the passage of important socioeconomic legislations in the 1990s.

Liberalization-related and export-promoting legislations enacted during the Ramos Administration included, among others, the Export Development Act (RA 7844), Amendment to the Omnibus Investment Code (RA 7888), Amendment of RA 7042, which further liberalized foreign investments, and an act liberalizing the entry of foreign banks in the Philippines (RA7721).

These laws boosted the country's receptivity to greater economic integration in Southeast Asia. In August 1994, President Ramos issued Executive Order (E.O.) No. 193, creating the World Trade Organization (WTO) Advisory and the ASEAN Free Trade (AFTA) Advisory Commissions. These bodies were tasked to "prepare and implement a plan of action to be adopted by government and the private sector to comply with the Philippine commitments to the Uruguay Round and the ASEAN Free Trade Agreements".

The now-merged WTO-AFTA Advisory Council is also mandated to enhance collaboration and build consensus among the various sectors that may be affected, to conduct an information campaign and to coordinate with the various government and private agencies regarding the country's compliance with the WTO and AFTA. The Philippine Chamber of Commerce and Industry (PCCI) sits in the council as a representative of the business sector to ensure that its interests are heard in policy formulation and implementation. Hence, the Philippines' active participation in ASEAN Economic Forums is proof of the newly formed consensus between the public and the private sectors. The country has either introduced or vigorously supported important initiatives for greater economic cooperation in ASEAN since the 1990s. One such initiative is a scheme that would allow the use of ASEAN currencies for intra-ASEAN trade, which could eventually make the region less dependent on the US dollar.[10] Unfortunately, the economic gains of the early 1990s suffered a temporary setback when the Asian financial crisis hit in 1997.

The Arroyo administration has continued the liberal economic agenda. But due to the persistent issues of her administration's legitimacy and her being an "accidental" president following Estrada's extra-constitutional ousting, President Arroyo still suffers from "social control" deficit, which has somehow obstructed her government's economic agenda. The political bickering between the opposition and the administration did not subside after she was elected president in 2004. Instead, it worsened because of alleged electoral fraud. Wary of street politics and people power, President Arroyo has vowed to transform the Philippines into a "strong republic". In the area of economic reform, her administra-

tion emphasizes good governance and upholds the rule of law to improve the influx of investments, particularly by reducing the cost of business, safeguarding consumer welfare, rationalizing incentive structure and honouring international commitments.[11]

President Arroyo also uses market reform and its corresponding economic gains as an important strategy to reduce poverty and to ensure her political survival. As a result, she survived the worst attempt yet to forcibly oust her from office in February 2006. The political squabbles and intrigues have not affected the government's market reform or its commitment to the ASEAN Free Trade Area because of the strengthening consensus between politicians in general and the business sector.

Conclusion

The importance of domestic factors and their role in ASEAN's economic integration cannot be overemphasized or discounted. To begin with, the consensus-based decision making and the absence of supranational institutions in the organization leave the implementation of economic integration schemes to member states. This makes economic community-building a very slow and arduous process, and dependent on each member's commitment and inputs, which are determined by domestic conditions. While external factors like globalization provide the impetus to ASEAN's vision of integration, the business community must respond favourably to liberalization to successfully implement it. The new local elites in the export-manufacturing sector can provide aggregate support to the government in pursuing liberal reforms required for economic integration. The key to the growth of the export sector is foreign investment.

In the case of the Philippines, the government was compelled to relax its investment policies following the capital and debt crises in the 1970s and the 1980s. This subsequently led to the inflow of foreign investments, which resulted in the expansion of the export sector of the economy. Another unintended outcome was the emergence of a new breed of economic elite in the export-manufacturing sector with new policy preferences that favour market reform and greater economic integration of the region. To accelerate economic

integration, the leaders of each member state must consider shifting from consensus-based to rule-based decision making. This will harmonize efforts to community-building and enable eager members to move forward, even without those that are not yet fully committed to or ready for a closer economic integration.

Notes

1. ASEAN, Declaration of ASEAN Concord II, Bali, 7 October 2003.
2. John Ravenhill, "Economic Cooperation in Southeast Asia: Changing Incentives", *Asian Survey* 35, no. 9 (September 1995), pp. 850–866.
3. Ponciano Intal, Jr., "ASEAN and the Challenge of Closer Economic Integration", in Ma. Lourdes Aranal-Sereno and Joseph Santiago (eds.), *The ASEAN: Thirty Years and Beyond* (Quezon City: Institute of International Legal Studies and U.P. Law Center, 1997), p. 32.
4. Dennis D. Trinidad, "Understanding Policy Shift: Class Interest, Exogenous Pressure and Policy Reforms in the Philippines", *Philippine Political Science Journal* 27, no. 50 (October 2006), pp. 31–60.
5. *ASEAN Statistical Yearbook* 2005, p. 317.
6. Ibid.
7. Mike Mochizuki, "Japan as an Asia-Pacific Power", in Robert S. Ross *et al*. (eds.), *East Asia in Transition: Toward a New Regional Order* (New York: M.E. Sharpe 1998), p. 129.
8. Ponciano Intal, Jr. "ASEAN and the Challenge of Closer Economic Integration", in Ma. Lourdes Aranal-Sereno and Joseph Santiago (eds.), *The ASEAN: Thirty Years and Beyond* (Quezon City: Institute of International Legal Studies and U.P. Law Center, 1997).
9. Romulo B. Lumauig, "Executive-Legislative Relations", *The Ramos Presidency and Administration: Record and Legacy (1992–1998) President Fidel V. Ramos* (Quezon City: U.P. Press, 1998), p. 65.
10. Domingo Siazon, "Foreign Affairs", *The Ramos Presidency and Administration: Record and Legacy (1992–1998) President Fidel V. Ramos* (Quezon City: U.P. Press, 1998), p. 222.
11. Epictetus E. Patalinghug, "Trade and Industry", *Alternative Views and Assessments of the Macapagal-Arroyo Presidency and Administration: Record and Legacy 2001–2004*, Third U.P. Public Lectures on the Philippine Presidency and Administration Vol. 2 (Quezon City: The University of the Philippines Press, 2004), p. 487.

8

REGIONAL LINKAGES, NATIONAL POLITICS AND THE ROLE OF IDENTITY

Peter W. Preston

International political economy is centrally concerned with the social construction of livelihood. It insists that economics and politics are two sides of the same coin. It views the social construction of livelihood as an essentially political activity, and claims that elites must read enfolding structural circumstances and pursue definite projects. It also suggests that elites mobilize their populations, legitimize their activities and make polities, and that polities build identities. International political economy locates the social construction of livelihood within international and domestic economics, and within social and political structures. Domestic and international relations intermingle, and the intermixing of politics and economics at these two levels is very complex. While the elite pursuit of desired goals can be upset by unexpected events, these events can also open up new goals. Thus international political economy is concerned with the unfolding dynamics of change. Understanding the actions of politicians, social groups, commercial actors or organizations implies contextualizing their activities. What were the structures within which they operated and why did they take the actions which they did? In this vein, against the expectations of liberal market theorists who posit a self-regulating economic system, it can be asserted that economics, society, politics and national identity are intermingled. There is no self-regulating liberal market; it is a myth.[1] Economics are embedded in societies, which are shaped by politics and grasped in terms of

the ideas current within the national community or culture. In this perspective, national economic champions have values wider than market price and gain attention from groups other than direct shareholders. A vivid example was offered recently by the sale of a Thai telecoms company, which resulted in a military coup.

Temasek Holdings and Shin Corporation

Temasek Holdings is owned by the Republic of Singapore.[2] It is a sovereign wealth fund.[3] These organizations invest funds derived from government sources in a variety of instruments available within global financial markets—bonds, bank deposits, equities and so on. They are secretive; their concerns are unclear;[4] their governance is unsupervised;[5] their linkages with domestic political/administrative elites are unclear; and they are controversial.[6]

Thaksin Shinawatara was a member of a prosperous trading family from Chiang Mai in northern Thailand.[7] He attended an expensive school—the Thai Police Academy—and later gained a doctoral degree from an American university. He enjoyed business success and his family became wealthy. Thaksin first went into politics in the early 1990s and became fully engaged later. The Asian financial crisis marked a change in his political fortunes. After the shock of the crisis the new Democratic Party-led coalition government blamed Thai institutional regulatory weakness and careless domestic borrowing, and a Washington-consensus-style package of reforms was instituted, which included regulatory strengthening, expenditure cuts and liberalization.[8] There was domestic distress and anger. The business community and others blamed international financial institutions and their corporate policies in respect of lending and investing.[9] Thaksin offered an alternative. In 1998 Thaksin founded the Thai Rak Thai party, and it was able to assemble a distinctive electoral coalition, comprising a mass of rural Thai voters and key sections of the urban population, including business people and social activists. Thaksin offered a strategy of national economic development in order to use aggressively the opportunities of the internationalized global economy. The party won the January 2001 elections and was re-elected in February 2005, but success did not last.

In January 2006 Temasek Holdings bought a controlling share in the Shin Corporation telecoms conglomerate. On the face of it, the deal was a simple commercial arrangement.[10] The Shinawatara family sold the company at the top of the market and the investment firm gained a stake in a strategic industry. The deal was intra-ASEAN and thus strengthened regional economic links. However, the deal proved to be highly controversial. By this time Thaksin had lost support among the urban professionals and commercial groups, who perceived his government to be corrupt in respect of economic matters and careless in respect of political and human-rights issues.[11] Mass street demonstrations in Bangkok followed, and long-hostile conservative groups took their chance and a coup took place.[12]

The trouble had structural roots. Thaksin's economic policies and the Temasek deal implied a future for Thailand and reforms. Thaksin modelled himself on Lee Kuan Yew and Mahathir Mohammed:[13] both had been powerful political figures; neither had been content merely to update the legacy given to him by history; both had significantly changed the economic and political make-up of their countries; and both had upgraded the niche their country occupied in the international system. Thaksin followed their lead. His policies were oriented towards national development. But in the case of Thailand, the country has a distinctive political structure, including: a conservative elite comprising palace, bureaucracy and army who take upon themselves a particular responsibility for the country; an assemblage of metropolitan and provincial business groups who have supported various political parties; an urban middle class which has comparatively little power; and a large, dispossessed rural population. Thaksin successfully created a coalition of groups from outside the traditional elite. His economic policies were a threat to the position and self-understanding of the traditional conservative elite in the palace, bureaucracy and army. A version of the familiar conflict between palace and politicians had taken place earlier, albeit muted by Thaksin's electoral success and the burgeoning economy. When Thaksin was deserted by his urban supporters, it gave his long-established enemies their chance. The conservative forces acted, and they characterized the Thaksin government as typically corrupt and represented themselves in a familiar excuse as saviours of the nation.

Identity: the political project of ASEAN

ASEAN has been extensively theorized, often as a security organization or an economic organization.[14] In a social constructivist style, it has been argued that ASEAN cooperation is allowing the region to reconstitute itself after the severe long-term disruptions caused by the incoming colonial powers.[15] In this perspective, ASEAN is essentially a political project. The general crisis in East Asia saw the collapse of foreign empires and allowed local proto-nationalist elites to take their chances.[16] New states emerged and nation building was initiated. The key elite preoccupation was with differentiation, that is, the establishment of a regional order of states. Overall, the region escaped the interminable insecurities that have plagued other areas in the wake of the end of empire—such as Africa, the Middle East and parts of South Asia. In this sense, the record is one of success, and ASEAN is a part of that success.

ASEAN routinely considers its institutional apparatus. The organization is sometimes compared to the European Union,[17] but this is a limited analogy. European elites had the experience of a general crisis in the period 1914–1945—plus division and occupation thereafter—before they agreed on the goal of unification. The historical experience of the elites of ASEAN member states has been quite different. The ASEAN elites came to power in the context of dissolving foreign empires. There were no states and no nations, and the first task for the replacement elites was to make states and nations. Their historical experience means that there is no equivalent moral impulse to institutional convergence. Rather, the moral impulse is towards mutual differentiation. In this way, it can be suggested that talk of unification in Europe runs with the historical and cultural grain, whereas such talk in Southeast Asia cuts across the grain, and thus talk of integration is intrinsically more difficult.

If we look at today's politics in Southeast Asia, it is clear that domestic and regional inter-linkages can work in various ways—both towards and away from convergence. In the case of the Singaporean investment agency's purchase of the Thai telecoms company, the link was commercially rational and regionally

integrative but it produced a backlash in Thailand. Conservative elite factions took exception to the future implicit in the activities of the Thaksin government—the energetic pursuit of national development within the global market economy. The takeover deal was criticized, and a coup followed as domestic groups reasserted their distinctive identities. Whatever view may be taken about the coup leaders, the mix of economic, political and identity concerns is probably typical of elites throughout Southeast Asia.

Implications: Lessons from the Temasek-Shin Corp Episode

ASEAN is contingent. The organization is the outcome of the interaction of local states reading and reacting to shifting structural circumstances. The general crisis in East Asia gave rise to the collapse of empires. Prospective replacement elites took their chance, gained power and pursued national development. ASEAN has not been oriented towards creating a polity. Southeast Asian elites were concerned with differentiating their regimes one from another.

ASEAN is a loose regional body. It has facilitated the activities of post-colonial nationalist elites. It has allowed them to define the boundaries of post-colonial states, to resolve differences, and to imagine a cooperative future. It is a success. In forty years, ASEAN has developed its own contingent forms, and the habit of cooperation continues.

Economic matters cannot be separated from wider social and political issues. Regional economic inter-linkages will always have a political aspect and, depending on circumstances, they may also have an identity aspect. The promotion of economic integration cannot be separated from the promotion of regional political and identity integration. The experience from the European Union suggests that, while arguments for economic integration are awkward, the later arguments about politics and identity are thoroughly difficult—as evidenced by the wrangling over the proposed European Union constitutional treaty. Moreover, the nature of the arguments and their likely success will be shaped by the historical trajectories

of the regions: what groups have done and what they think may be achieved. Thus, the discussion has to be specific.

Looking to the future of ASEAN:

- it would be useful to develop ASEAN dialogues on identity;
- it would be useful to reinforce ASEAN dialogues on politics;
- it would be useful to attend to the low politics of ad hoc regional economic cooperation;
- it would be sensible to have low expectations but to continue to interact routinely; and
- it might be interesting to borrow an idea from Europe and ask if an ASEAN core group might be helpful, to move ahead of the organization as a whole and perhaps plot a course for the future.

Notes

1. It does not exist (empirical claim), it cannot exist (ontological claim), and it is not desirable (moral claim). What we do have is the contingent model of the form of economic life of the United States misrepresented as a universal model. On universal and local models, see Stephen Gudeman, *Economics as Culture* (London: Routledge, 1986), esp. Chap. 2.
2. The Singapore government has two funds: Temasek Holdings and General Investment Corporation (GIC). The former controls assets valued at US$100 billion while the latter controls assets valued at US$330 billion. *Economist*, 26 May 2007.
3. *Economist*, 26 May 2007; and *Financial Times*, 30 July 2007.
4. These concerns could be short term or very long term. They could be political, or they could be strategic, seeking technology, resource or market control.
5. They are not standard market players. They do not have to make public reports on their operations. See Lawrence Summers in *Financial Times*, 30 July 2007. Temasek's place within the Singaporean system of governance is dealt with in Ross Worthington, *Governance in Singapore* (London: Routledge Curzon, 2003), pp. 25, 168, 197–206.

6. *Economist*, 26 May 2007; and *Economist*, 28 July 2007.
7. Amy Kazmin, "A Setback for Thai Democracy: The Rise, Rule and Overthrow of Thaksin Shinawatra", *Asian Affairs* 37, no. 2 (2007), p. 214–215.
8. Kazmin, "A Setback for Thai Democracy", p. 213.
9. On the various explanations of the crisis, see Paskuk Phongpaichit and Chris Baker, *Thailand's Crisis* (Singapore: Institute of Southeast Asian Studies, 2000), esp. Chaps. 1 and 2.
10. *Economist*, 26 January 2006.
11. An early summary was offered in Pasuk Phongpaichit, "Thailand under Thaksin: A Regional and International Perspective", *Core University Project,* Centre for Southeast Asian Studies, Kyoto University, September 2004, pp. 3–7.
12. The events were followed by *The Economist*. A series of criticisms of the coup were made. In brief, the coup was ill-advised and its leaders were less than obviously competent. A different critique was offered by Walden Bello, "A Siamese Tragedy", in *Trans-national Institute*, 2006, available at <http://www.tni.org>(accessed 31 July 2007). Bellow notes the criticisms of Thaksin and adds that the cure was much worse than the disease.
13. Phongpaichit, "Thailand under Thaksin", p. 2. Kazmin reports that urban Thais came to see an old style Chinese *tao kae* (businessman). Kazmin, "A Setback for Thai Democracy", p. 218.
14. ASEAN is politically contextualized in Michael Yahuda, *The International Politics of the Asia-Pacific* (London: Routledge Curzon, 2004), pp. 223–231. The organization is surveyed in a standard text, Kernial S. Sandhu *et al.*, *The ASEAN Reader* (Singapore, Institute of Southeast Asian Studies, 1992). The future is considered in Simon S. C. Tay *et al.* (eds.), *Reinventing ASEAN* (Singapore, Institute of Southeast Asian Studies, 2001), esp. Chaps. 1, 2 and 3.
15. Amitav Acharya, *The Quest for Identity: International Relations of Southeast Asia* (Oxford: Oxford University Press, 2000), esp. Conclusion.
16. The destructive period can be dated in various ways: 1911 sees the Chinese Revolution, the first decisive break with colonial rule; and 1975 sees the reunification of Vietnam and the end of colonial rule.
17. On the political history and motives driving the European Union, see Tony Judt, *Postwar: A History of Europe Since 1945* (New York: Penguin Press, 2005), esp. Chaps. 1 and 3. These chapters detail the occasion of the moral impetus to unification. On the Union

machineries, see Jeremy Richardson (ed.), *European Union: Power and Policy Making* (London: Routledge, 2001), esp. Chaps. 1, 2 and 3. Ben Rosamond offers an excellent general survey of theories of integration. Ben Rosamond, *Theories of European Integration* (London: Palgrave 2000). Thomas Christiansen, Knud Erik Jorgensen and Antje Wiener offer an interesting constructivist take on the Union. Thomas Christiansen, Knud Erik Jorgensen and Antje Wiener (eds.), *The Social Construction of Europe* (London: Sage, 2001), esp. Part Two. Peter Preston looks at European identity in the post-Cold War period. Peter W. Preston, "Reading the Ongoing Changes: European Identity", *Political Quarterly* 76, no. 4, pp. 497–504.

9

AFFINITY AND TRUST IN SOUTHEAST ASIA

A REGIONAL SURVEY

Christopher Roberts[1]

Events such as the haze, SARS, and the 2004 Tsunami are reminders of the increasing interdependence of regional security. Recognizing this emerging interdependence, some prominent members of the scholarly and political elite in the Southeast Asian countries have become advocates of a more institutionalized political, economic and cultural identity in the region. In building on the works of Karl Deutsch and Amitav Acharya, *inter alia*,[2] the perceived necessity of such "comprehensive integration" was most influentially advocated by Rizal Sukma—at the behest of the Indonesian Foreign Ministry—with the direct result of ASEAN's proposal in October 2003 to forge an "ASEAN community". This chapter seeks to outline the challenges and prospects regarding the proposal and its goal to foster a "regional identity".[3] Despite the enlightened aspirations behind the proposal, the primary challenges raised by the analysis involve continued distrust, suspicion over the motivations behind institutional reform in ASEAN, and the various political and normative divisions that have exacerbated such reservations.

Research Approach and Methodology

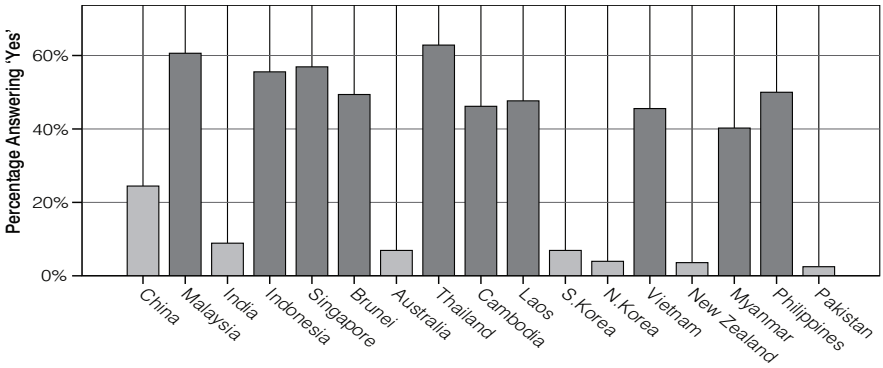
To provide a rudimentary set of indicators regarding the extent of integration and community in ASEAN, the author conducted fourteen field trips to all ten of the ASEAN countries between

May 2004 and July 2007. During this time, over 100 in-depth interviews were conducted together with two sets of surveys that were alternatively designed for respondents at the elite and communal levels. In both cases, the surveys were designed to test perceptions of "self" and "other" along with the extent of community in Southeast Asia.[4] Pilot studies for both surveys were conducted and approval was sought and obtained from the UNSW@ADFA Research And Ethics Committee. In the case of the "elite" sample, 100 surveys involving 50 questions were conducted, with 38 of the respondents from government and 38 from academia. Meanwhile, and in the case of the communal survey, a "cluster sample"[5] of 819 surveys (55 questions), in seven languages, was conducted in all the ASEAN capital cities except Yangon.[6] A primary limitation to the elite survey regarded the small sample of respondents from Brunei and Myanmar as well as—despite best attempts to the contrary—a complete absence of government respondents from Singapore. While all due care has been taken to provide an accurate survey of regional perceptions, the fact that the communal level survey was conducted in the capital cities of ASEAN has undoubtedly meant that the relatively more affluent and educated citizens of the region were sampled. Consequently, the true extent of regional affinity and trust is likely to be somewhat lower than indicated below. In the case of the elite level survey sample, the influence of bias cannot be ruled out due to the political culture of some countries. Nevertheless, various insights from the elite interview work assisted to provide some contextualization to these data.

Affinity and Knowledge amidst the Southeast Asian People

For the purpose of investigating the degree of affinity between the communities of Southeast Asia, an early question in the "communal survey" asked "which of the following countries form a part of your region?" In outlining the results, Figure 1 indicates a relatively strong differentiation and knowledge between the countries that could be more correctly perceived as a part of Southeast Asia and those countries that are not. For example, on average, at least 40%

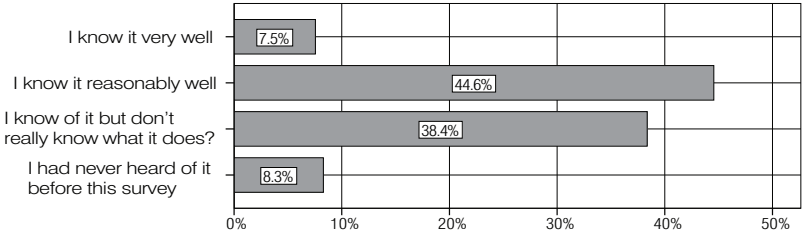
FIGURE 1
Which of the Following Countries Form a Part of Your Region?



of the respondents recognized the "ASEAN" countries to be a part of their region. However, at a level of analysis where the data has been separated by "country", what is interesting is that the notion of region within the survey sample is yet to extend beyond the neighbouring countries of each respondent. For example, with Indonesia, Cambodia, Laos and Malaysia, a "yes" score of 60% was only reached in the case of their neighbouring countries. Meanwhile, the countries that demonstrated the narrowest understanding of "region" were Brunei, Myanmar and the Philippines while the broadest notion of the ASEAN region was ingrained within Singapore and Vietnam. In the case of the Vietnamese respondents, all the ASEAN countries were selected.

Meanwhile, and as illustrated in Figure 2, 52.1% of "communal" respondents considered themselves to have either a "very good" or "reasonable" knowledge of ASEAN. More specifically, 7.6% stated "I know it very well" while 44.6% stated "I know it reasonably well". However, 38.4% of respondents indicated that they didn't really know what ASEAN does and 8.3% stated that they had never heard of the association prior to participating in the survey. More specifically, and while no individual country had a significant frequency of response (mode) for the option that "they knew ASEAN very well", the countries who felt they "understood ASEAN reasonably well" were Laos (41.9%), Cambodia (42.5%),

FIGURE 2
Please select a category that best describes your knowledge of ASEAN



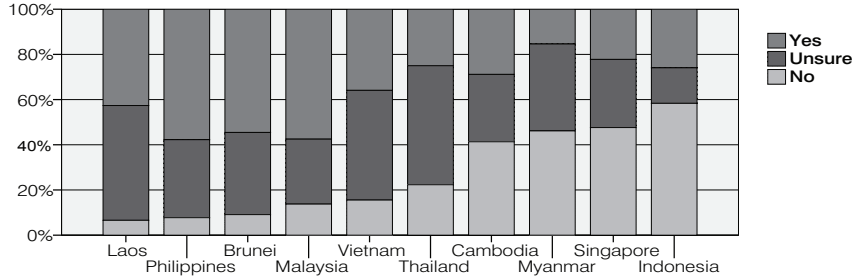
the Philippines (52.3%), Indonesia (52.3%) and Vietnam (52.8%). The countries with the highest frequency of responses for those who "didn't feel that they really knew what ASEAN does" (but had at least heard of the association) were Myanmar, Thailand (35.4%), Singapore (50.8%), Malaysia (56.1%) and Brunei (58.3%). To varying degrees, these figures provide added weight to the importance of ASEAN's plan to implement a greater level of education about ASEAN in the schools of Southeast Asia.

Perceptions of Trust, Conflict and Institutional Reform

The survey also examined the level of trust in the region. In one question, the respondents were asked if they could trust all the Southeast Asian countries to be "good neighbours". While 37.5% of the "communal survey" respondents said that they could trust all the ASEAN countries, of some concern was that 36.1% were "unsure" while 26.4% answered "no" to the question. Interestingly, when the data was filtered to only "yes" or "no" answers regarding "trust", 56.9% indicated "yes" while 43.1% indicated "no". As indicated in Figure 3, the three countries that were the most *distrusting* were Myanmar, Singapore and Indonesia.

However, the most disconcerting statistics arose from the respondents within the "elite survey" sample. When forced to provide only a "yes" or "no" answer to the question of "trust", 59.8% of

FIGURE 3
Do you believe you can trust all the Southeast Asian countries to be good neighbours?



regional elites said they couldn't trust other countries in Southeast Asia to be "good neighbours". Furthermore, when the sample was split between the "government" respondents and the "academic" respondents, it was the academics who were the most cynical with 66.7% answering "no" to the question of trust.

When the elites were asked whether they could envisage any circumstances leading to armed conflict between two or more ASEAN states during the course of next twenty years, 50% of them indicated "no" while 22.3% answered "yes" and a further 27.7% were "unsure". The results are similarly differentiated over the question of whether the principle of non-interference is as important now as it was a decade ago. For this question 46.7% responded "yes", 39.1% "no" and 14.1% were "unsure". Interestingly, the percentage of "yes" responses for the question rose to 61.1% in the case of "government" respondents and to 75% for the category of elites who indicated—in a separate question—"democracy was not personally important". Significantly, 54.8% of the "elite" sample selected "yes" on the issue of whether diplomatic interventions could be justified between the ASEAN states. More specifically, when the data was split between "academic" respondents and "government" respondents, 66.7% of academics and 50% of government officers thought that "diplomatic interventions" could be justified.

While some of the statistics above may lend support to Donald

Emmerson's claim that the greatest challenge to ASEAN's identity lies in the possible emergence of a democratic/authoritarian divide,[7] such an ideational divide is more significantly illustrated through a "qualitative" analysis of elite perceptions regarding Indonesia's proposal for a security community. For the purpose of implementing the proposal, Indonesia circulated a draft "Plan of Action" to its ASEAN counterparts in February 2004. Controversially, the plan contained 75 concrete steps, including a proposal for a regional peacekeeping force along with the interdependent themes of "human rights" and "democracy". These ideals represented such a radical departure from the traditional *modus operandi* of ASEAN that the language had to be significantly watered down and the plan for a peacekeeping force aborted.[8] The contentious nature of the proposal was also demonstrated by the level of cynicism in the ASEAN Secretariat and some of the ASEAN states regarding the origins and motivations behind the proposal. Thus, and according to one senior official in the ASEAN Secretariat, the proposal was perceived to be so unfeasible that he interpreted it as an excuse for Indonesia to walk away from ASEAN by demanding agreement over something to which it knew the other member states would reject.[9] Beyond the Secretariat, some more cynically suggested that it had been induced by the United States for the purpose of its "war on terror".

Despite the initial cynicism articulated by some of the elite in interview, a positive statistic to arise from the "elite" sample was the fact that 75.9% believe—rhetorically at least—that the security community proposal will "benefit Southeast Asia and its people". Nonetheless, such optimism needs to be qualified by the fact that 42.1% of the respondents from government thought that a security community could exist amidst the possibility of armed conflict. Furthermore, while it may be true that recent references to "democracy", "human rights" and other developments—such as Myanmar—reflect an evolution in the norms of ASEAN,[10] the collective picture generated by the research indicates that such a phenomenon has unevenly developed. Consequently, the strongest advocates of change have been the more democratic countries—e.g., the Philippines—while the less democratic countries

have been the most critical of such change. In this regard, another officer from the ASEAN Secretariat explained that there have been two interpretations of the meaning of democracy.[11] Thus, and by the account of a senior scholar from Vietnam's Ministry of Foreign Affairs, "the Bali Concord does not mean a common concept of democracy … it was [advocated] in relation to the political development of the region".[12]

Conclusions

As stated, the study was designed to provide some basic indicators of the extent of "community" experienced by the region's people and elite. Further, the brevity of the paper has meant that only a small sample of the 105 questions asked by the two survey designs could be addressed. Nevertheless, a number of general impressions seem apparent. For the communal respondents, there was little statistical correlation between the period of membership in ASEAN and questions regarding "ASEAN knowledge" or the concept of an "ASEAN region". Furthermore, the timeframe for membership in ASEAN has also not significantly affected the extent of trust between the communities and the elite of Southeast Asia. In reality, the history of *negative interaction* experienced between some ASEAN states may continue to influence and explain the percentages of mistrust indicated in some of the countries—e.g., Indonesia and Singapore.

Meanwhile, the emergence of a possible democratic/authoritarian divide is inhibiting the potential for a collective identity. This divide has exacerbated the extent of mistrust and misunderstanding over the notion of a "security community" and has limited the prospects for a regional community on the basis of the "we-feeling" approach. Consequently, and until the extent of economic development and institutional capacity improves in some countries, the likelihood of political reform and the prospects for foreign policy coordination and interest harmonization will remain low. Over the longer term, and given the relatively higher levels of trust displayed at the communal level, a bottom-up process of community building may be equally important to embedding a

sense of community in ASEAN and Southeast Asia. In order to provide support to this process, ASEAN may wish to establish a facility to undertake a larger and more representative survey of regional perceptions with the capacity to report identifiable issues that require further attention. Nevertheless, and in order to avoid the trappings of disillusionment, it should be accepted that the process of embedding a sense of community and regional identity will likely occur over the course of many decades rather than by ASEAN's current goal of 2015.

Notes

1. Sincere thanks to Professor James Cotton, RSIS and its staff for their assistance during the course of the PhD. I am also indebted to the Endeavour Australia Cheung Kong Award and the University of New South Wales for their generous funding of the research. I am equally grateful for the invaluable advice provided by Dr Hiro Katsumata during the final editing of this paper.
2. Amitav Acharya, *Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order* (London: Routledge, 2001); and Karl W. Deutsch *et al.*, *Political Community and the North Atlantic Area: International Organisation in the Light of Historical Experience* (New York: Greenwood Press, 1957).
3. ASEAN, Vientiane Action Programme, November 2004.
4. The relevance of perceptions regarding the "Self" or the "We", the "significant we" and the "Other" arises from recent studies of "identity" in the context of social identity theory (SIT). SIT has its origins in social-psychology and attempts to examine the "inevitability of conflict" along with the causal properties behind when two or more states will seek to cooperate. Trine Flockhart, "'Complex Socialisation': A Framework for the Study of State Socialization", *European Journal of International Relations* 12, no. 1 (2006), pp. 90–92; and Peter Hays Gries, "Social Psychology and the Identity-Conflict Debate: Is a 'China Threat' Inevitable?" *European Journal of International Relations* 11, no. 2 (2005), pp. 256–257.
5. Phillips W. Shively, *The Craft of Political Research* (New Jersey: Pearson Prentice Hall, 2005) pp. 100–101.
6. 92.1% of these respondents were from a "city of 20,000 people or more".

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8. Christopher Roberts, "ASEAN Charter: The Model Decision", *The Straits Times*, 9 September 2005.
9. Interview with senior official in the ASEAN Secretariat, Jakarta, April 2006.
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10

ASEAN IN EAST ASIA

Alice D. Ba

ASEAN is commonly characterized as the institutional expression of regional reconciliation following states' confrontational politics of the early to mid 1960s. As such, the focus of those who work on ASEAN is frequently and rightly on the relations between its member states, and the tensions that exist between national and regional interests, perspectives and identities. At the same time, as defining as these dynamics are, no explanation is complete without an accounting of ASEAN's relationship with major actors and global forces. This chapter focuses on ASEAN's institutional development in relation to the wider regions of East Asia and the Asia Pacific. However, rather than focusing on ASEAN's sovereignty-bounded or non-interference-norm-bounded institutionalism as many do, it looks instead at ASEAN's evolution as a self-identified Southeast Asian organization into one whose institutional attention and regional scope increasingly extend beyond Southeast Asia.

This expanded regional and institutional focus has helped the organization remain relevant amid fast-changing regional developments. ASEAN today participates in—and is even at the centre of—new multilateral East Asian and Asia-Pacific arrangements. Treaties and norms originally forged for Southeast Asia alone are now being made open to non-Southeast Asian actors. Linkages and processes between collective ASEAN and extra-regional powers have also witnessed tremendous growth. As much as modifications to ASEAN's

non-interference norm, changes in ASEAN's regional attention and scope are also examples of institutional adaptation and institutional departures from ASEAN's founding purpose and design.

At the same time, these expanded activities raise questions for the 40-year-old association. Especially with growing East Asian integrative trends and perhaps a more assertive China and Japan, East Asian regional configurations pose particular challenges. Specifically, how does ASEAN, as a self-identified Southeast Asian organization of lesser powers, adequately represent and promote Southeast Asian interests vis-à-vis other, mostly larger, actors? How does ASEAN ensure its own institutional relevance and distinctiveness within larger regional frameworks? Indeed, will member states continue to maintain ASEAN as a distinct entity? In short, the adaptation itself poses an important challenge for ASEAN as a Southeast Asian organization.

ASEAN Of and Beyond Southeast Asia

ASEAN is the institutional expression of a geographic concept. However, as far as organizing principles go, the idea of Southeast Asia as a basis for organization may be more contested than most. By conventional arguments, Southeast Asia is economically irrational as primary trade dependencies lie outside the region, politically problematic given the intra-regional competition between states, and strategically challenged given that these are weaker powers in a world of major powers. Yet, ASEAN's founders based their organization on the normative idea that Southeast Asia was a distinct region of states with commonalities that distinguished them from other regions and other powers. If today, forty years later, we see in Southeast Asia a coherent regional entity, it is largely due to ASEAN, whose activities have done much to give concrete form, substance and meaning to this once ambiguous region.

As an explicitly Southeast Asian organization that was created in 1967 for and by Southeast Asian states, ASEAN's regional scope was narrowly defined geographically and substantively. As designed, ASEAN's focus was to create the conditions that would facilitate self-strengthening and regional unity—*resilience*—in

the interest of national and regional self-determination. However, since the late 1980s, various changes—including the rise of China, a politically conflicted and economically challenged Japan, changing US economic and security policies (as security guarantor and as growth driver), as well as an ever more competitive global economy—have increasingly challenged ASEAN to reconsider its regional scope and institutional content, form and purpose. The result is an ASEAN that now participates in and even anchors new Asia-Pacific and East Asian arrangements.

But while, today, ASEAN's expanded regional role may sometimes seem a natural and logical choice, reluctance, not enthusiasm, has mostly characterized ASEAN's earliest forays into Southeast Asia-plus regionalisms. In the case of the ASEAN Regional Forum (ARF), for example, insecurities vis-à-vis US commitments and a rising China created incentives to pursue a security arrangement that would facilitate constructive, Southeast Asia-friendly roles from both. Yet decisions surrounding the creation and development of ARF were complicated especially by concerns over what such arrangements would mean for ASEAN's lesser economies/powers and ASEAN as an institution. Institutional concerns were underscored by a string of extra-regional proposals (four from Australia, one from Canada and one from Japan) that preceded the 1991 recommendation from ASEAN-ISIS.[1] In this sense, as much as ARF was, as many argue, a response to growing regional insecurities about the United States and China, ASEAN's first institutional venture beyond Southeast Asia was also an attempt by ASEAN states to exercise a degree of self-determination and to pre-empt the imposition of a non-ASEAN framework on Southeast Asia that potentially might exclude or marginalize ASEAN.[2]

Additional steps were taken to underscore ASEAN's centrality. The new forum was called the *ASEAN* (not Asian) Regional Forum and chairmanship would be held by an ASEAN state. The ARF adopted ASEAN-style consensual decision making to guard against larger powers overwhelming Southeast Asian needs, interests and perspectives. States also agreed that ASEAN's Treaty of Amity and Cooperation (TAC) would provide the code of conduct for the larger forum.[3]

TAC, in fact, offers another early example of ASEAN's ambivalence towards expanding beyond its founding regional purview. During debates in the mid-to-late 1980s Indonesia, especially, expressed concern about the effects of extra-Southeast Asian accession for TAC's High Council and a Southeast Asian Zone of Peace, Freedom and Neutrality (ZOPFAN).[4] Despite a 1987 compromise that opened the door to conditional and qualified non-Southeast Asian accession—specifically, accession was contingent on the consent of all Southeast Asian states and signatories, and non-Southeast Asian participation on the High Council was limited to cases of direct involvement[5]—states continued to debate the proper relationship between ASEAN and non-Southeast Asian powers into the early 1990s. Further clarification came with ASEAN's 1993 ZOPFAN Programme of Action, which affirmed ASEAN's interest in a code of conduct that extended beyond Southeast Asia but still made absolutely clear the distinction between Southeast Asian and non-Southeast Asian actors and the necessity of parallel efforts to strengthen intra-ASEAN cooperation. That then paved the way for a more proactive promotion of TAC in the ARF[6] and eventually the East Asian Summit (see below).

ASEAN in East Asia

If the late 1980s to mid 1990s represented the first period of major reassessment of ASEAN's Southeast Asian scope, if not content, the late 1990s was the second, with East Asian arrangements as the major beneficiaries.[7] As a rival regional concept, East Asia, even more than the Asia Pacific, poses a particular challenge to ASEAN-Southeast Asia on both functional and ideological grounds. For one, East Asian regionalism appears a natural functional response to intensified interdependencies between Southeast Asia and Northeast Asia. In addition, East Asian cooperation could mitigate a particularly intense dependency on Western, especially US, markets as drivers of ASEAN growth. It could also increase ASEAN leverage vis-à-vis Western trade partners. In the political-security sphere, East Asian regionalism also offers the opportunity to build improved relationships—if not a community—through dialogue

and functional cooperation. Compared to Asia-Pacific conceptualizations, a non-Western East Asia also satisfies anti-imperialist or anti-nationalist sentiments that target mostly the West.

All these considerations came together with the 1997 Asian financial crisis, now commonly recognized as the turning point in what many describe as "emerging" or "nascent" East Asian regionalism.[8] In addition to the regular ASEAN Plus Three (APT) summitry at the highest levels, there is also growing functional cooperation. This includes high-profile financial cooperation like the Chiang-Mai Initiative, the Asian Bond Markets Initiative and annual, separate meetings of APT Finance, Economic and Foreign Ministers. There are also increasingly regular meetings between the ten states on a growing number of other issues—health (two ministerial meetings as of 2006), labour (at least five ministerial meetings as of 2006) and tourism (six ministerial meetings as of January 2007). ASEAN linkages with its individual Northeast Asian counterparts are also evidenced in the various free trade agreements that have emerged over the last five years.

Nevertheless, ASEAN states remain conflicted, with questions especially about what "East Asia" means for the regional idea and regional ideal of Southeast Asia—resilient, self-determined and unified. Debates over an APT secretariat are a case in point. Thailand, Indonesia and Singapore, for example, all saw the APT secretariat—a formal and physical expression of the East Asia idea—as "steal[ing] the shine" from the ASEAN Secretariat,[9] or even as a potential threat to ASEAN and/or ASEAN interests. Thus, various representatives have argued to strengthen the ASEAN secretariat in Jakarta first so that ASEAN would be better able to manage and "steer" the APT process.[10]

The development of the EAS, which currently includes the ten APT states plus Australia, India and New Zealand, is thus an interesting example of some of ASEAN's intersecting concerns. On the one hand, the EAS, as a potential rival to the APT and as a nominally *East Asian*—not *ASEAN-plus*—initiative, could represent a departure from ASEAN's institutional centrality. The decision to make TAC a precondition of EAS membership reflects those concerns. On the other hand, those like Singapore, who sup-

port EAS's development, do so partly to offset the dominance of any one state (especially China) in East Asian processes.

Conclusion and Policy Implications

In short, ASEAN has expanded its regional scope and institutional role in ways unanticipated by its founders. Such an expansion into Asia-Pacific and East Asian arrangements is a notable institutional adaptation that has arguably helped sustain ASEAN's institutional relevance despite significantly changed circumstances from its founding. ASEAN's expanded regional and institutional focus points to a growing acknowledgement of Southeast Asia's economic and security interdependence with Northeast Asia. Most of all, it points to a heightened awareness that the special conditions (e.g., US Cold War commitments to Southeast Asia and a Cold War regional political economy minus China) that had facilitated ASEAN-Southeast Asia's development as a region have changed. Expanding what had historically been a narrow and inward-looking Southeast Asian regionalism was thus an adaptation to changes and challenges in ASEAN's major power relations—the US, as well as Northeast Asian.

Thus far, ASEAN has not just adapted well to the changing regional landscape, but its influence and centrality in East Asia's new regionalism has exceeded what one would expect of a small-power coalition. In addition to the ARF and the APT, in which ASEAN plays pivotal and leading roles, the extension of TAC beyond Southeast Asia is an especially remarkable development for ASEAN's group of lesser powers. Not only is it a condition of membership in the EAS, East Asia's newest regional framework, but it also stands out as an indigenous, regional instrument that has now been acceded to by every state in East Asia except North Korea, the major powers of South Asia and the South Pacific, as well as Russia. In addition, ASEAN has become a kind of a hub for political-economic and free-trade initiatives in East Asia.

Nevertheless, the economic, political and institutional challenges remain great. While ASEAN has done well by most standards, its current centrality, much like its early development, took

place under special conditions. Important roles have been played by Japan, and especially, China, whose presence is being felt at nearly all levels of the regional political economic production chain, especially by ASEAN economies. Due to economic, political and domestic constraints, China has until now played a relatively restrained political role. While China, of the major powers, has proven the most supportive of continued ASEAN centrality and even leadership, the question to ask is whether such support would continue if current conditions were altered. Changes to consider include: a more anxious and assertive Japan; a leadership or political crisis in China; a more economically confident China that becomes increasingly impatient with what Chinese nationalists may see as excessive or endless world and/or regional demands; the further (but still uncertain) development of the EAS, a weak ASEAN that either lacks the will or ability to be more assertive in promoting interests of common concern or so divided within itself that it loses the normative legitimacy that has attracted players to its table and justified its centrality.

These challenges point to certain policy implications. Developments have challenged ASEAN to be more coordinated and integrated. Greater ASEAN economic integration will improve its investment and trade attractiveness. Greater political consultation and coordination will help ASEAN's lesser states hold their own vis-à-vis larger actors and other regional groups. This is not a novel policy implication. Past efforts to speed up the ASEAN Free Trade Area (AFTA) in response to APEC in the 1990s were similarly motivated. As Singapore's foreign minister put it in 1995, "If we in ASEAN do not move fast and stay ahead of developments, we will be sidelined."[11]

Recommendations made by various eminent persons and officials in anticipation of ASEAN's 40th anniversary initiatives similarly point to the need to develop ASEAN's own cooperative mechanisms and integration. These include the ASEAN Charter, ASEAN Concord II, as well as recommendations made by a High Level Task Force on ASEAN Economic Cooperation. Nevertheless, questions remain. The proposed ASEAN Charter and now its delay reflect both the acknowledged need to self-strengthen and

continued resistance to change. ASEAN elites express concern about the ASEAN Secretariat being overshadowed but then give it limited resources and authority. At the very least, these tensions suggest reservations about the direction of intra-ASEAN coordination and integration, but they nevertheless have practical effects. ASEAN incoherence hurts its image and detracts from ASEAN's ability to play a stronger role in larger arrangements. It can also weaken its bargaining position on individual agreements, as in the ASEAN-China Free Trade Area Agreement. Despite China's initial collective approach, intra-ASEAN differences were such that the process devolved into one involving separate bilateral negotiations between China and individual ASEAN states.

In short, what began as an institutional adaptation to changes and challenges in ASEAN's great power and global relations is now an important and growing challenge. The question is not only whether states are able to achieve the coordination and integration that many think are necessary but also whether new intra-ASEAN development will, in turn, destabilize the old areas of intra-ASEAN consensus and agreement in ways that strengthen or weaken the Southeast Asian idea, ideal and organization.

Notes

1. Pauline Kerr, "The Security Dialogue in the Asia-Pacific", *Pacific Review* 7, no. 4 (1994), pp. 397–409; and Andrew Mack and Pauline Kerr, "The Evolving Security Discourse in the Asia-Pacific", *Washington Quarterly* 18 (Winter 1995), pp. 123–124.
2. Alice Ba, "The ASEAN Regional Forum: Maintaining the Regional Idea in Southeast Asia", *International Journal* LII, 4 (Autumn 1997), pp. 634–656.
3. Mely Caballero-Anthony, *Regional Security in Southeast Asia* (Singapore: Institute of Southeast Asian Studies, 2005), Chapters 4 and 5.
4. Bertha Henson, "EAEC and Amity Treaty Two Hottest Issues Today", *Straits Times*, 23 January 1992; and Anuraj Manibhandu and Nattaya Chetchotiros, "Thailand: Govt pushes For Wider Backing of ASEAN's Treaty", *Bangkok Post*, 23 January 1992.

5. See ASEAN, Protocol Amending the Treaty of Amity and Cooperation in Southeast Asia, Philippines, 15 December 1987.
6. See "ASEAN Has Plan of Action to Create Zone of Peace, Neutrality", *Straits Times*, 26 July 1993, p. 22; and Chin Kin Wah, "ASEAN: Consolidation and Change", *Pacific Review* 8, no. 3 (1995), pp. 424–439.
7. Douglas Webber, "Two Funerals and a Wedding? The Ups and Downs of Regionalism in East Asia and the Asia-Pacific after the Asian Crisis", *Pacific Review* 14, no. 3 (2001), pp. 339–372.
8. Richard Stubbs, "ASEAN Plus Three: Emerging East Asian Regionalism?" *Asian Survey* 42, no. 3 (2002), pp. 440–456.
9. Confidential Interview with author, Ministry of Industry and Trade, Kuala Lumpur, August 2002.
10. See comments of director-general, Thai foreign ministry's Asean Department; Philippine foreign minister Siazon; former ASEAN Secretary General Severino. "Asean Considers Strengthening 'Asean plus 3' Cooperation", *Japan Economic Newswire,* 27 July 2002; and Saiful Azhar Abdullah. "Plus3 'Home' Dogs ASEAN", *New Straits Times*, 29 July 2002.
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11

US-ASEAN RELATIONS IN THE CONTEXT OF ASEAN'S INSTITUTIONAL DEVELOPMENT

CHALLENGES AND PROSPECTS

K.S. Nathan

During the Cold War era, the Southeast Asian regional grouping served as a critical front against international communism. The strategic goal of the United States in its relations with ASEAN was to build a regional block as a counterweight to the influence of the Soviet Union, Vietnam and China in the region. The United States supported ASEAN, with the aim of insulating its members from the threat of international communism stemming from Moscow and Beijing.

For its part, ASEAN needed US engagement and support to build an "anti-communist" grouping, to buy time to consolidate its political and economic foundations to ward off the communist threat, and to remain firmly in the American camp. In this respect, the US-ASEAN Dialogue mechanism was established in 1977. Within this framework, the two parties focused on issues such as economic development, the extension of US preferential trade arrangements to ASEAN members, and the promotion of direct investment from the United States to Southeast Asia. In sum, during the Cold War era, both sides were pursuing strategic goals on the basis of mutual interests and complementarity.

The relevance of ASEAN in terms of US strategic interests determined the kind of institutional framework and process of interaction between the two parties. US economic and military assistance to ASEAN was important in shoring up the "external

façade" of ASEAN as a collective grouping possessing a singular personality. However, in reality, the "internal façade" indicated otherwise: Washington dealt with ASEAN members on an individual basis.

This chapter focuses on the development of US-ASEAN relations in recent years. Its central claims are threefold. First, ASEAN has advanced multilateralism in the political/security sphere of the Asia-Pacific region in the post-Cold War era. In particular, it established the ASEAN Regional Forum (ARF), involving the great powers such as the United States. By so doing, it has taken a liberal, or constructivist, approach to regional security, as opposed to a realist one.

Second, the United States has largely been sceptical of ASEAN. It has been sceptical of the ability of ASEAN to deliver concrete results, and thus places a greater emphasis on bilateralism vis-à-vis Southeast Asian countries. Although the United States does participate in the ARF, it has remained suspicious of the ability of the forum to contribute to regional security.

Third, the Southeast Asian countries have considered an ASEAN Charter, with the aim of strengthening US-ASEAN relations. These countries have attempted to strengthen the institutional framework of their association and to grant ASEAN a legal personality, thereby overcoming the institutional and legal obstacles to US-ASEAN relations. By so doing, they have sought a new form of bilateralism, in which the United States deals with ASEAN as a collective entity, while making a departure from the traditional version of bilateralism, which is founded on Washington's relations with individual ASEAN countries.

ASEAN's Institutionalism and Regional Empowerment

The 1998 Hanoi Plan of Action (HPA) underscores the trajectory of ASEAN's constructivism in the political/security sphere. The HPA outlines ASEAN's Vision 2020 in the security sphere, with emphasis on the principles of ASEAN's Treaty of Amity and Cooperation (TAC) and Zone of Peace, Freedom and Neutrality (ZOPFAN), and

the pursuit of cooperative security via the ARF.[1] Indeed, ASEAN's pursuit of cooperative security within the framework of the ARF is indicative of how an initially purely realist approach to security can be gradually transformed to include liberal and constructivist conceptions. In this regard, Amitav Acharya observes that norm-building and norm-setting are equally important functions of ASEAN's institutional development.[2]

As Sekiguchi Sueo and Noda Makito claim, "the ASEAN Way has to some extent won over China and the United States, despite its defects and shortcomings".[3] If we regard the ASEAN Track 2 processes as an integral part of the "ASEAN Way" of institutional development, the ASEAN-ISIS, according to Desmond Ball, is at the core of networking and dialogues on security cooperation.[4]

In the post-Cold War era, the policies of the United States toward ASEAN have increasingly reflected the need to identify with the prevailing trends in Southeast Asian regionalism, i.e., the regional entity's efforts to empower itself in light of the significant geopolitical shifts that are currently underway: a rising China and India, a consolidated European Union and so on. In the late 1970s and 1980s, in meetings of the US-ASEAN Dialogue, the two parties focused mainly on increasing ASEAN's access to the US market, stabilizing commodity prices, encouraging US investment in Southeast Asia, and strengthening security cooperation in light of the communist threat. In contrast, since the end of the Cold War, Washington has been obliged to subscribe to ASEAN-oriented multilateral security via the ARF, to ensure that the United States remains the pre-eminent, if not the dominant, player in the Asia-Pacific region.

However, the United States still views the ARF as a supplementary or complementary framework to the US-Japan alliance. For Washington, the latter represents the centrepiece for the maintenance of security in the Asia-Pacific region. From a US perspective, as Ralph Cossa maintains, the ARF's contribution to the regional security order remains constrained by two factors: Taiwan's exclusion from the ARF, even in discussions involving the Taiwan Strait; and China's preference to deal with conflicting claims in the South China Sea through separate talks with

individual claimants in ASEAN.[5] The United States continues to demonstrate less faith in the ARF than in its bilateral security mechanisms with Asian/ASEAN states, in which Washington is clearly the senior and dominant partner.

US unilateralism, especially under the Bush Administration, could well impede ASEAN's institutionalization of multilateral security in Asia. In its second term, the Bush Administration might have somewhat tempered the original Bush Doctrine formulated in the immediate aftermath of the September 11 terrorist attacks in the United States in 2001. However, despite a tinge of pragmatism, the main features of the Bush Doctrine remain the same: US leadership in the Global War on Terror and its willingness to undertake pre-emptive action against suspected terrorists and terrorist bases.

ASEAN Charter and US-ASEAN Relations

The major external powers, including the United States, have been closely watching the development of the institutionalization of ASEAN. While ASEAN has taken the view that the "process" itself reflects the "product" and vice versa, external powers such as the United States have been more inclined to measure ASEAN's performance as a regional institution with a corporate personality in terms of honouring obligations. The United States has not been happy with the loose arrangements and informality characterized by the "ASEAN Way", which leaves much room for ambiguity.

However, if progress toward an ASEAN Charter is reflective of the regional entity's effort to transform words into action, the United States is likely to take ASEAN more seriously as a collective entity, capable of taking collective action and collective responsibility. The ASEAN Charter, if endorsed and implemented, will strengthen Washington's willingness to formally appoint a US Ambassador to ASEAN. It will also encourage the United States to sign ASEAN legal agreements on a plethora of issues such as trade, commerce and investment, the environment, health, education, human rights, immigration, double taxation, and security and technological cooperation. This new "bilateralism", in which

the United States deals with ASEAN as a collective entity, will significantly transplant the traditional form of bilateralism, which is constituted by Washington's relations with individual ASEAN countries.

Community building in ASEAN in the decade ahead will arguably involve a variety of elements. These include a stable balance of power within multilateral mechanisms which do not pose any major threat to Washington's economic, political and security interests; the creation of a stable and secure environment, envisioned by the ASEAN Security Community (ASC); the progress of ASEAN cooperation to a higher level of economic integration in the context of the ASEAN Economic Community (AEC); significant if not measurable improvement in ASEAN's record on human rights and political liberties, and greater participation of civil society via the creation of the ASEAN Socio-Cultural Community (ASCC); and the effective implementation of the ASEAN Charter with the aim of deterring or punishing renegade regimes which attempt to set the clock back in terms of ASEAN's transformation into a full-fledged community by 2020.

Conclusion: Community Building and US-ASEAN Relations

The US-ASEAN dialogues, initially economic in nature, are steadily developing and addressing political and security issues. Regional institutions, such as the ARF and the US-ASEAN Dialogue, exert significant influence on the policy process of ASEAN's institutional development. External inputs from the United States—in terms of economic and military assistance, annual joint military exercises such as Cobra Gold, cooperation in improving governance in the security and public sectors, and the regularization of US-ASEAN summit meetings—may accelerate the pace of community building within ASEAN itself. After all, the United States and ASEAN are institutionalizing both the formal and informal processes governing the regional security architecture.

Yet, unless ASEAN produces concrete results in terms of formulating common positions backed by legal power and responsi-

bility, the United States will continue to place more faith in bilateral mechanisms for political, security and economic cooperation, which have been developed over the past 40 years. The United States as a singular sovereign nation-state apparently has more confidence in dealing with individual sovereign states than with regional groupings such as ASEAN, which is still grappling with the notion of "pooled sovereignty".

If we take the more optimistic view of the constructivists, ASEAN's institutional development and success should be measured over the long haul. It should not be measured by immediate results in terms of establishing a free trade area or a collective security organization. In other words, our focus should be more on "process regionalism" rather than "product regionalism".[6] The engagement of external powers in Southeast Asian affairs will undoubtedly inject new values and norms into ASEAN. The Southeast Asian countries may eventually be socialized by these values and norms. In this respect, the role of the United States remains important in the political, legal, ideological, economic and strategic dimensions of ASEAN's community building efforts and evolution as a corporate entity.

Notes

1. See *ASEAN Into the Next Millennium: ASEAN Vision 2020—Hanoi Plan of Action* (Jakarta: ASEAN Secretariat, 1999), pp. 2–3.
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6. See, for instance, Amitav Acharya, "Regional Institutions and Asian Security Order: Norms, Power, and Prospects for Peaceful Change", in Muthiah Alagappa (ed.), *Asian Security Order: Instrumental and Normative Features* (Stanford: Stanford University Press, 2003), pp. 210–240.

12

TRADITIONAL CHALLENGES TO STATES

INTRA-ASEAN CONFLICTS AND ASEAN'S RELATIONS WITH EXTERNAL POWERS

Edy Prasetyono

ASEAN was established in 1967 as a loose regional organization, on the basis of a declaration—the Bangkok Declaration—rather than of a treaty. Due to fundamental changes in international relations in the past few years, the ASEAN member states have decided to establish the ASEAN Charter, with the aim of developing their association into a community with a legal personality. At the Kuala Lumpur Summit in 2005, the member states agreed to enact the charter, so as to strengthen an institutional framework for solving problems and realizing its objectives, and to establish a firm foundation to facilitate and strengthen the process of community building.

These institutional projects are perhaps the most important ASEAN undertakings in the post-Asian financial and economic crisis era, underlining significant progress in the regionalization process in Southeast Asia. There certainly remain many questions regarding the nature of the community ASEAN is now developing, and the transformation of relations between its members, and between ASEAN and external powers. There is no doubt that ASEAN has been remarkably successful in managing inter-state relations and in providing modalities for the engagement of external powers in the region. It has proven to be effective in building confidence and in preventing conflicts among the member states. The association has also been the driving force in the process of broader security and economic multilateralism in the Asia Pacific,

such as the ASEAN Regional Forum (ARF), ASEAN Plus Three (APT) and the East Asia Summit.

It should be noted, however, that states' interactions are not static. New developments in international relations have put Southeast Asian countries in a corner: some have been able to make adjustments while others have been constrained. First, domestic factors which surfaced due to the democratization process in the region have to be taken into account in the formulation of foreign policy. This has created some sensitivity in the member states' interactions in dealing with regional and bilateral issues, such as border security, environmental issues, illegal migrants and human trafficking. The second factor is the rise of regional powers and their activities in the Southeast Asian region. Traditional issues, such as border conflicts, territorial claims and power projection, will remain relevant. In addition, new issues, such as competition for energy resources, the safety of supply lines and maritime security, will arise and shape regional strategic configurations in the future.

Traditional Security: Intra-ASEAN Conflicts

ASEAN is frequently said to be the most successful regional organization in terms of the promotion of regional peace and stability. Politically speaking, it has developed a set of norms and values which shape the behaviour of its members towards the realization of the association's goals and objectives. No one believes that war will ever break out between ASEAN member states. The likelihood of an accidental or inadvertent war arising between putative adversaries is extremely low.[1]

However, this does not tell the whole aspect of Southeast Asian security. There remain geopolitical disputes across the region. In particular, many maritime boundaries in the region are ill defined, and this has resulted in disputes over maritime territory and resources. As states are becoming increasingly dependent upon sea routes and natural resources for their economic survival, territories and borders have become sensitive issues in the region. The need

to protect natural resources has become significant, and territorial issues have become an important national security agenda, in a region vulnerable to external interference.[2] Thus, in the new international environment, two elements of regional security are relevant: the importance of natural resources to international trade and competition over such resources. It should be noted that domestic sensitivity to territorial disputes has been very high in the past few years.

Perhaps the sensitivity of geopolitical issues pertains to the traditional notion of sovereignty, which has been strengthened by deep-seated historical animosity and the different perceptions of threats. This has been complicated further by the pervasive involvement of external powers in the region. Lingering suspicions between sub-regional powers continue to persist. The relations between Singapore, Malaysia and Indonesia are illustrative. Their relations have been undergoing ups and downs, characterized by dynamic domestic factors arising from the history of Southeast Asian politics. A similar pattern can be seen in the relations between the Burmese, the Thai, the Khmer and the Vietnamese. They have gone through cycles of greatness, decline and rivalry, all of which have influenced their security perceptions. Barry Buzan has rightly used the term "security complex" to describe this regional security in Southeast Asia.[3]

To a lesser extent, geopolitical issues also explain the logic behind the current trend of military modernization—if not a regional arms race. For Indonesia, the loss of Sipadan and Ligitan Islands to Malaysia and the dispute over the Ambalat waters have underlined the relevance of the defence of its islands and sea boundaries and the need to develop air and naval forces in the future. The perception that Singapore's import of sand from Indonesia has enlarged the former's territory and affected its border with Indonesia reflects geopolitical calculations. The notions of "maritime" and "mainland" Southeast Asia also underline the historical legacy of interstate relations which have shaped the perceptions of states. The most controversial issue may be the rumour that there has been a plan to build a tunnel across the Kra region of Thailand to connect the Indian and Pacific Oceans. Far

from being economically feasible, it echoes intra-ASEAN relations on the basis of the classical realist conception of international relations.

Relations with External Powers

From its inception, one of the basic purposes of ASEAN has been to find modalities for its relations with external powers. ASEAN has never intended to exclude external powers from the region. The geo-strategic and geo-political positions of Southeast Asia have made it unthinkable to insulate the region from the interests of major powers. It should be noted, in this respect, that Southeast Asia had been central to the rivalry between the US and the Soviet Union during the Cold War. The Southeast Asian countries have always been making policy choices, by maintaining a balance between bilateralism and multilateralism, with some adjustments where necessary, and by preserving a significant degree of autonomy in their foreign policy. In 1976, ASEAN established the Treaty of Amity and Cooperation (TAC), which stipulated a set of norms and values or a code of conduct in states' interactions. The TAC can be seen as the first political undertaking to build mutual confidence and trust and to prevent conflicts. Another set of norms—which is more practical than political in nature—is the Treaty on a Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ), which underlines ASEAN's global commitment to nuclear non-proliferation.

It is true that an economic crisis hit the region severely in the late 1990s, causing dramatic political and regime changes in some of the Southeast Asian countries. ASEAN, however, has recorded much progress in its economic recovery. In fact, the crisis has served as a catalyst for deeper economic integration. ASEAN has maintained its key role as the driving force for broader political and security cooperation. It has decided to move towards an ASEAN community, and has championed the APT as an integral part of the process of East Asia community building.

In addition, the development of international trade underlines the significance of sea routes for transportation services in

Southeast Asia. This development is becoming greater, and international trade has become more dependent on ocean transport than ever before. The World Bank estimates that the volume of seaborne trade will increase from 21,480 billion tons in 1999 to 35,000 billion tons in 2010, and to 41,000 billion tons in 2014.[4] Meanwhile, the United Nations Conference on Trade and Development (UNCTAD), in its report entitled "Review of Maritime Transport 2004", has recorded a constant increase in seaborne trade in the last 20 years. Asia takes up 37.2% of total seaborne trade in the world, thereby topping the list of regions which have high volumes of such trade, followed by Europe (25.1%), America (20.7%), Africa (8.9%) and other regions (8.1%).[5]

The activities of external powers are also affected by the significance of the sea lanes in Southeast Asia. To begin with, China has become dependent on the Straits of Malacca, Sunda, Lombok and Ombai Wetar, and the northern area just before reaching the South China Sea. These lanes are used by 50,000–60,000 ships every year, carrying 25% of the total world trade and 50% of world oil transportation. 50% of China's oil imports pass through these lanes, and this figure is expected to increase because China now has only 2.1% of the world's oil supply in its territory. More than 90% of China's oil demands are imported and transported by sea. This figure is expected to increase because China will be importing 12.7 million barrels per year by 2020. At present, China imports 6.2 million barrels per day. This means that China will become more dependent on the sea lanes in Southeast Asia and, in particular, the area surrounding Indonesia. Hence, the tendency on the part of China to strengthen its military power projection will inevitably become greater.

China has made significant progress in terms of its relations with ASEAN. It has signed FTAs with ASEAN and with individual ASEAN countries. It has also launched a soft face of diplomacy. It has published a defence white paper in response to the criticism that there is no transparency in its military capabilities. Beijing signed the Declaration on the Conduct of Parties in the South China Sea in 2002, and exhibited its goodwill in the region by acceding to ASEAN's TAC in 2003. To a large extent, by taking these

initiatives, China has successfully persuaded ASEAN countries that it does not pose an immediate security threat to them. However, it seems that Beijing has not been able to dispel completely the suspicions that China as a great power can dominate the region in the future.[6] It is worth mentioning that Southeast Asia is important for China for various other reasons. This region is crucial in terms of the promotion of multi-polarity and the countering of the US. In addition, ASEAN is also a potential ally in resisting Western pressure in the areas of political liberalization and human rights.[7] Finally, China's relations with ASEAN will make it difficult for Taiwan to strengthen its political ties with ASEAN.

A similar trend can be identified in the case of Indian diplomacy. India sees ASEAN as a potential strategic partner for the pursuit of its economic and security interests, and thus has taken some initiatives. It became a summit-level partner in 2002. It has also signed ASEAN's TAC, as well as the ASEAN-India Partnership for Peace, Progress and Shared Prosperity. India was included in the East Asia Summit in Kuala Lumpur in 2005.

Japan has also been demonstrating an assertive foreign policy. Many factors explain this trend. Historically, Southeast Asia is a bridge connecting the Pacific Ocean and the Indian Ocean, both of which are vital to Japan's sea lanes of communications. Most of the oil which Japan imports from the Middle East passes through Southeast Asian waters.[8] Southeast Asia will continue to remain economically attractive to Tokyo's economic interests. Being left out of the China-ASEAN FTA, Japan recently launched the Japan-ASEAN Comprehensive Economic Partnership. It has also been involved in peacekeeping operations in Southeast Asian countries, signifying an increase in its security role in the region. The country's defence agency has recently been upgraded to become the ministry of defence. Politically, Japan-ASEAN relations serve as a counterweight to China.

In light of these developments, the US remains an important actor in the region. Its military presence and bilateral alliances have been able to maintain the stability of the region. While it has been pessimistic about the prospect of community building in East Asia and has also lost interest in the ARF, the US has sought

to revive Asia-Pacific Economic Cooperation (APEC) as the main institution to address security and economic issues in the Asia Pacific. Given that the role of the US is important and there is no one at the moment ready to replace it as a stability guarantor, the ASEAN members have to find a way of involving Washington in various regional initiatives and in an East Asian Community.[9]

Conclusion: Implications for ASEAN

The implications are clear for ASEAN. First, the association must consolidate its position by developing institutional capacities and mechanisms, in particular, effective decision-making processes and dispute-settlement mechanisms. These two are among the most important requirements for ASEAN in transforming itself from an association into a community. What is needed is an effort to maintain the relevance of ASEAN as an effective regional organization, capable of addressing practical issues arising from state interactions in the region. In an institutionalist sense, this is the main element of the proposed ASEAN Charter. Second, consolidation will put ASEAN in a central position in the broader regionalization of the Asia-Pacific region. Offensive diplomacy on the part of China, Japan, India and the US can cause ASEAN to be adrift and divided, should the association fail to respond effectively and timely to recent regional developments. The challenges are thus real. Ultimately, Southeast Asia is an open geopolitical and strategic landscape, in which both the ASEAN members and the external powers always have legitimate interests to pursue.

Notes

1. Bernard Fook Weng Loo, "Transforming the Strategic Landscape of Southeast Asia", *Contemporary of Southeast Asia* 27, no. 3 (2005), p. 391.
2. Edy Prasetyono, "NTS Challenges and Policy Responses in Indonesia", a paper presented at the Inaugural Meeting for the Consortium on Non-Traditional Security Studies in Asia (NTS-Asia), Singapore, 8–9 January 2007.

3. Barry Buzan, "The Southeast Asian Security Complex", *Contemporary Southeast Asia* 10, no. 1 (June 1988), p. 4.
4. Cdr PK Ghosh, "Maritime Security Challenges in South Asia and the Indian Ocean: Response Strategies", A paper presented for the Center for Strategic and International Studies-American-Pacific Sealanes Security Institute conference on Maritime Security in Asia, Honolulu, Hawaii, January 18–20, 2004.
5. See Keynote Address of YB Dato' Sri Chan Kong Choy, Minister of Transport Malaysia at the 3rd Indian Ocean Research Group (IORG) Conference on Sealane Security in the Indian Ocean, Kuala Lumpur, 11 July 2005.
6. Denny Roy, "Southeast Asia and China: Balancing or Bandwagoning", *Contemporary of Southeast Asia* 27, no. 2 (2005), p. 308.
7. Jie Chen, "Human Rights: ASEAN's New Importance to China", *The Pacific Review* 6, no. 3 (1993), pp. 227–237.
8. JCIE, *ASEAN-Japan Cooperation: A Foundation for East Asian Community* (JCIE: Tokyo, 2003), p. 157.
9. Jusuf Wanandi, "East Asia Regionalism and Global Governance", *Indonesian Quarterly* 35, no. 1 (2007), p. 114.

13

EXTERNAL PARTNERS IN ASEAN COMMUNITY BUILDING

THEIR SIGNIFICANCE AND COMPLEMENTARITIES

Pushpa Thambipillai

Developing countries which seek to build a regional community cannot advance their goals independently, unlike their developed counterparts elsewhere. They need support and input from other external partners in order to realize their socioeconomic and political security aspirations. This chapter focuses on ASEAN's relations with its external partners. It explores the community-building process in Southeast Asia and the contributions of the external partners to the development of ASEAN cooperation.

Since the 1960s, developing states which share common aspirations have established regional groupings for various political and functional purposes. In time, some groupings were disbanded while others prospered by constantly reorganizing themselves.[1] Geography alone is insufficient as a driver of regional cooperation. Shared identity and interests—common goals in the areas of development and security—are equally important. Shared identity within a regional grouping is hardly inherent. It comes only after years of close inter-state cooperation. Effective regional cooperation will contribute to the building of a regional community—the amalgam of communities of states and people.

Within the framework of regional groupings, developed member countries often have a hard time enhancing intra-regional trade or offering economic and development assistances to other participants. Hence, the involvement of external actors becomes vital in the development of their regional cooperation, as the following discussion of ASEAN will demonstrate.

ASEAN's External Network

Scholars have debated whether or not the formation of ASEAN was motivated by external factors associated with the Cold War. When ASEAN was formed, the formation of the Southeast Asia Treaty Organization (SEATO) in 1954 was still fresh in the memory of many policymakers. ASEAN was conceived partly as a reaction to the external factors which shaped the national regional and national strategic conditions. ASEAN regionalism has never excluded external participation. ASEAN has maintained intimate links with international institutions such as the United Nations. Some of the members have forged defence arrangements with external powers, such as the Five Power Defence Arrangement involving Malaysia, Singapore, Australia, New Zealand and the United Kingdom. The Philippines and Thailand have been allied with the United States.

Another key aspect of ASEAN's external network concerns its dialogue partners. Beginning in the early 1970s, based on mutual interests, a number of external powers have established special links with the new Southeast Asian association. ASEAN's external linkages were strengthened after the first ASEAN Summit in 1976, which provided the first formal direction for the grouping. This led to meetings with leaders of three important external partners—Australia, New Zealand and Japan—during the Second ASEAN Summit, which coincided with the tenth anniversary of ASEAN in 1977. From this modest beginning, the dialogue-partner system expanded over the next two decades to include ten full dialogue partners, one sectoral partner and the United Nations Development Programme (UNDP) (see Table 1).[2] It is worth noting that ASEAN had been in consultation with this UN agency on developmental issues during its formation period in the 1960s. The contribution of the UNDP which sealed its future ties with ASEAN was its Kansu Report in 1972, which reviewed potential regional industrialization projects.

TABLE 1
Dialogue Partners and Commencement of Formal Links

Partner	Year (approximate)
Australia	1974
Canada	1977
China	1996
European Union	1975
India	1995
Japan	1973
Korea	1991
New Zealand	1975
Russia	1996
United States	1977
Pakistan (sectoral)	1997
UNDP	1972

Source: ASEAN website (www.aseansec.org) and other publications of the ASEAN Secretariat

ASEAN's Goals and External Linkages

Since its inception in 1967, ASEAN's goals have remained steadfast: peace and security in the region and the socioeconomic development of its member countries. Over the last forty years, at least three important milestone declarations have been issued: the initial ASEAN Declaration of August 1967, the ASEAN Vision 2020 of December 1997, and the Declaration of ASEAN Concord II of October 2003. The ASEAN Concord II strengthens guidelines for the achievement of an integrated regional community, which covers the political/security, economic and socio-cultural areas.

In their endeavour to "strengthen the foundation for a prosperous and peaceful community of Southeast Asian nations",[3] the ASEAN leaders have sought to engage extra-regional parties from the outset. It is true that they have attempted to limit the involvement of outsiders through the Zone of Peace, Freedom and Neutrality (ZOPFAN)

declaration of 1971, the Treaty of Amity and Cooperation (TAC) in Southeast Asia signed in 1976, and the Treaty on the Southeast Asia Nuclear Weapon Free Zone (SEANWFZ) signed in 1995. However, they have made efforts to ensure peaceful and positive relations with extra-regional powers in the South China Sea, on the basis of the 2002 Declaration on the Conduct of Parties in the South China Sea.

The Declaration of ASEAN Concord II is perhaps the most elaborate in expressing ASEAN's outward-looking aspiration.[4] It calls for the transformation of ASEAN into a stronger community of states that is "dynamic, cohesive, resilient and integrated". Such an aspiration was prompted by the collective sense that the association needed to be strengthened institutionally, in order to respond effectively to the economic and political challenges posed by the rise of China and India. In this regard, this declaration reiterates the significance of the 1976 TAC and the ASEAN Regional Forum (ARF), which was established in 1994 to serve as diplomatic instruments for political and security cooperation. The process of community building in the security field inevitably involves external parties or dialogue partners. With regards to the economic community, there are specific mentions of the ASEAN Plus Three and of linkages with external partners which contribute to the development in terms of trade, industry, tourism, human resources and technology.[5]

Patterns of Mutually Beneficial Relations

Interstate transaction is an indicator of the extent of linkages between states, and certain intra- and extra-regional transactions are clearly indicative of ASEAN's efforts to build a community. Take, for example, the ASEAN Free Trade Area (AFTA): under the Common Effective Preferential Trading Arrangement, initiated in 1992, the members will gradually remove barriers to intra-regional trade. All tariffs will eventually be eliminated or, at least, no more than 5% will be imposed on the products of the member states. Within the framework of AFTA, there should be no barriers to trade so that an open trading system among the members may develop. Yet trade constitutes only one area of economic integration among states. Other elements include frameworks for promoting investments, such as the ASEAN Investment Area (AIA) and the ASEAN Framework Agreement on

Services (AFAS), as well as attempts at the sub-regional level—for example, cooperation among the Mekong Basin countries. Taken collectively, ASEAN can be a single production and trading base. Another important regional policy is the Initiative for ASEAN Integration (IAI), targeting mainly the newer and less developed members of the grouping to address technical and developmental issues. In an attempt to promote a community of caring societies, the ASEAN leaders have emphasized social development and human security, seeking to improve the health and living standards of people and to publicize their cultural traditions. The aim here is not only to reduce the developmental gap but also to promote social unity.

Trade

The external implications are obvious in the area of trade. Intra-ASEAN trade accounts for only about 25% of the total volume trade in ASEAN. In contrast, in the case of the European Union, intra-regional trade accounts for 66% of the total trade at the regional level and for more than half for each of its members (Table 2).[6] It is worth adding

TABLE 2
ASEAN: Intra- and Extra-Regional Trade, 2005

	Exports (%)		Imports (%)	
	Intra	**Extra**	**Intra**	**Extra**
Brunei	24.0	76.0	49.1	50.9
Cambodia	4.7	95.3	36.4	63.6
Indonesia	18.5	81.5	30.0	70.0
Lao Republic	84.8	15.2	51.6	48.4
Malaysia	26.1	73.9	25.5	74.5
Myanmar	49.9	50.1	54.9	45.1
Philippines	17.3	82.7	18.7	81.3
Singapore	31.3	68.7	26.1	73.9
Thailand	21.8	78.2	18.3	81.7
Vietnam	17.6	82.4	27.4	72.6
Total ASEAN	**25.3**	**74.7**	**24.5**	**75.5**

Source: ASEAN Secretariat, *ASEAN Statistical Pocket Book 2006*, Table 18

that one of the aims of AFTA is to enhance trade among its members, and studies have shown that there has been a slight but visible increase in the proportion of intra-ASEAN trade.

Investment

Another main goal of AFTA is to attract foreign direct investment into the production sectors of the ASEAN economies, with the aim of bringing about benefits to the Southeast Asian region by promoting intra-regional trade on the basis of the "rules of origin" requirement. AFTA will attract more investment into the region; moreover, it also increases the volume of trade among the members, and thus contributes to the goals of creating an economic community. ASEAN depends heavily on extra-regional sources for investment funds. Intra-regional investment flows are beginning to show some increase, especially from advanced members such as Singapore (Table 3).[7]

TABLE 3
FDI Net Inflow (US$ million)

	Intra-ASEAN	Extra-ASEAN	Total net inflow
2004	2,630.3	23,030.8	25,661.1
2005	2,220.4	35,862.5	38,082.9

Source: ASEAN Secretariat, *ASEAN Statistical Pocket Book 2006*, Table 25.

Developmental Gap

Southeast Asia is diverse in terms of economic development, political systems and ethnic composition, and an unequal distribution of natural, human and capital resources is salient there. In order to help reduce the stark differences, efforts have been undertaken by the more developed members to support the less developed ones, so as to alleviate their developmental gap and to facilitate regional integration. Social development among the population is equally important in regional integration. This has not been left entirely to the richer members. Efforts have been made by some of the dialogue partners which have contributed

funds to specific developmental programmes. For example, Japan has contributed to the IAI and the ASEAN Foundation while the European Commission has facilitated ASEAN's economic integration.[8]

Regional and Human Security

In the fields of regional security and human security, ASEAN has initiated various intra-regional agreements for safeguarding the region against the threat of trans-national crime, human trafficking, piracy, drug trafficking and terrorist activities. Yet these measures will be inadequate without the support of other major players. Bilateral support from external partners is essential. In addition, the ARF, whose participants include the world's major powers, is an appropriate forum to address issues of common concern.[9]

Conclusion

Efforts to build a regional community have been made by various actors in Southeast Asia, and the ASEAN leaders have been cognizant of the ever-present need for ASEAN to engage extra-regional powers. Without the involvement of these powers, ASEAN will not be able to realize its vision of developing an integrated community. The task of ensuring the long-term commitment of extra-regional partners to the peace, prosperity and security of the ASEAN region will remain a fundamental challenge for ASEAN.

Notes

1. See for instance, cases cited in Finn Laursen (ed.), *Comparative Regional Integration* (Aldershot: Ashgate, 2003); and W. Andrew Axline, *The Political Economy of Regional Cooperation: Comparative Case Studies* (London: Pinter, 1994).
2. The term "dialogue partner" is perhaps derived during the early years of cooperation from the notion that both sides would hold a dialogue to explore what ASEAN needed and what the other partner could offer in the fields of trade and economic development.
3. ASEAN, The ASEAN Declaration, Bangkok, 8 August 1967.

4. ASEAN, Declaration of ASEAN Concord II, Bali, 7 October 2003.
5. See ASEAN Secretariat, *Handbook on Selected ASEAN Political Documents* (Jakarta: ASEAN, 2003).
6. For current data on the EU, see <http://www.europe.eu>.
7. There has been a variation in the inflow of investment funds into ASEAN. For example, in 2005, Singapore registered an inflow of $957.1 million (intra) and $19,123 million (extra) while Laos registered $6.7 million (intra) and $21.0 million (extra).
8. The ASEAN Foundation, established in 1997, supports community building. Not only the ASEAN members but also external partners give financial support its activities. Japan is the greatest contributor. In addition, China, Korea, France and Canada also make contributions. For the European Commission, more details are in a press release from its regional office in Jakarta on 5 June 2007, available at <http://www.aseanse.org>(accessed 31 July 2007).
9. For details, see ASEAN Secretariat, 2006, ASEAN Regional Forum Documents Series, 1994–2006.

14

THE ASEAN SECURITY COMMUNITY

TOWARDS PREVENTIVE DIPLOMACY AND INSTITUTIONALIZED SECURITY COOPERATION

Lay Hwee Yeo

ASEAN was founded at the height of the Cold War. With the confrontation between Malaya and Indonesia as well as other regional disputes foremost in its leaders' minds, ASEAN began with the modest aim of trying to reduce tension among its members so that each constituent state could focus on its own economic development and political consolidation. Despite the political and security background against which ASEAN was established and its early involvement in confidence building, there had been no explicit reference to security cooperation in the agenda of ASEAN, until the Fourth ASEAN Summit in Singapore in 1992.

Indeed, ASEAN's founding document, the Bangkok Declaration of 1967, makes no mention of security cooperation beyond the general statement that the association aims "to promote regional peace and stability through abiding respect for justice and the rule of law in the relationship among countries of the region and adherence to the principles of the United Nations Charter".[1] The rest of the declaration's expressed objectives revolve around cooperation in the socioeconomic, cultural, scientific and technical fields.

However, with the end of the Cold War and the challenges that came with the changing security and economic climate, ASEAN had to adapt in order to remain relevant. This chapter looks at the reasons behind ASEAN's promulgation of an ASEAN Security Community (ASC) and the opportunities for moving towards more institutionalized security cooperation.

From Passive Security Role to an ASEAN Security Community?

From avoiding any explicit reference to security concerns and security cooperation to articulating the idea of an ASC, ASEAN has taken a major step forward, both psychologically and normatively. The shift from a low-key implicit security role of reducing tensions through dialogue and diplomacy to one openly promulgating an ASC containing four main elements—norm setting, conflict prevention, conflict resolution and post-conflict peace-building—is a result of a constellation of factors.

Globalization, the Asian Financial Crisis and its Aftermath

The seeds for rethinking the "ASEAN Way" in order to prevent ASEAN from becoming irrelevant were planted in the immediate aftermath of the Asian Financial Crisis (AFC). The AFC highlighted new risks and challenges that ASEAN had to face. The severe environmental haze that enveloped the region around that time further reinforced the severity of non-traditional security threats to the well-being of ASEAN. The havoc wreaked by global capital flight and the hazards of the environmental haze brought about strategic shifts in thinking, from traditional security concerns to non-traditional security concerns, on one hand, and from the focus on state security to that of human security, on the other. These shifts were critical for the region, in terms of the intensification of non-traditional security threats due to globalization. Crucially, attempts to address these concerns would challenge ASEAN's core principle of non-interference.

Additionally, the impact of the AFC on ASEAN countries has significantly challenged ASEAN's longstanding modus operandi. The AFC has provided the impetus for political and economic reforms. Memorably, it triggered the downfall of Suharto and engendered Indonesia's democratic transition. In turn, these regional transitions have influenced thinking about issues such as human rights and human security in the region. The global emergence of powerful civil society networks, non-governmental organizations (NGOs) and the media has challenged the traditional state-centric approach to agenda setting in ASEAN.

The Enlargement of ASEAN

The enlargement of ASEAN to ten members to include countries such as Cambodia, Laos and Myanmar has brought about even greater political and economic diversity. Both the internal political changes taking place within ASEAN member states and the pressures from enlargement and increased diversities have complicated intra-ASEAN relations. As the regional working environment becomes more complex with greater diversity in voices from inside and outside, the need to achieve a condition in which ASEAN is at ease with itself and to renounce war as an option for resolving intramural disputes among the members has been reinforced. Existing regional cooperation needs to be consolidated. Opportunities to build trust and confidence among the new members of ASEAN, and between the old and new ASEAN members, ought to be pursued. The habit of dialogue and cooperation has to be reiterated and strengthened in the face of increasing diversities and widening differences in national interests and perceptions.

The Role of Track 2, ASEAN-ISIS and CSCAP

The role of Track 2, particularly the ASEAN Institutes of Strategic and International Studies (ISIS) and the Council for Security Cooperation in the Asia-Pacific (CSCAP), has been instrumental in calling for enhanced security dialogue on a multilateral basis.[2] The launch of the ASEAN Regional Forum (ARF) in 1994, the only multilateral security forum in the Asia-Pacific region, was the result of the various policy dialogues and activities conducted by Track 2 institutions.

The end of the Cold War, the rise of China and the proliferation of security matters of non-military nature have left the Asia-Pacific region searching for a new organizing principle and framework of security. The search was informed by the discourse within ASEAN-ISIS, which in turn was coloured by the interactions within ASEAN-ISIS and its partnerships with its other institutional counterparts in Australia, Canada, the US and the European Union (EU). A leading analyst on Asian security has put it,

> Based on the ASEAN-ISIS experience, the Council for Security Cooperation in the Asia-Pacific (CSCAP) was formed in June 1993. The underlying goal was enunciated by the ASEAN-ISIS founders of CSCAP to create an alternative conception of security in the Asia-Pacific based on cooperation rather than military balances.[3]

Although the ARF process was launched in 1994, its concept paper was only adopted at the second ARF meeting in 1995. The concept paper stated that the ARF, in order to contribute to peace and prosperity of the region, should take a "gradual evolutionary approach" which can take place in three stages:

Stage 1: Promotion of confidence-building measures
Stage 2: Development of preventive diplomacy mechanisms
Stage 3: Development of conflict resolution mechanisms[4]

The ARF had focused on confidence building for many years and it was only in 2001, after several CSCAP meetings and discussions, that the concept of preventive diplomacy was adopted. Preventive diplomacy, as formally agreed and adopted by ARF members in 2001, is defined as consensual and political action taken by sovereign states, with the consent of all directly involved parties, to prevent disputes and conflicts from (i) arising between states that could potentially serve as a threat to regional peace and stability; and/or (ii) escalating into armed confrontation and spilling over to the rest of the region.[5]

In establishing the ARF in 1994, ASEAN has claimed for itself a special role as the driver of the ARF. However, ASEAN's limited experience in conflict resolution and its lack of institutionalized security cooperation undermine its claim to be the primary driving force. In response to the complex challenges wrought in the wake of the AFC and the September 11 terror attacks, Track 2 actors have been at the forefront in calling for a review of the ASEAN Way and pushing for more institutionalization. The call for the creation of a much more integrated and rules-based community—comprising the ASC, the ASEAN Economic Community and the ASEAN Socio-Cultural Community—has reflected the clear recognition of the need for change in order for ASEAN to maintain its relevance.

The adoption of the ASC as the new platform for political and security cooperation among ASEAN members states was actively lobbied by Track 2 actors, led particularly by Rizal Sukma of the Centre for Strategic and International Studies in Indonesia.

Preventive Diplomacy and Institutionalized Security Cooperation

In principle, the ASC aims to bring political and security cooperation within ASEAN "to a higher plane to ensure that countries in the region live at peace with one another and with the world at large in a just, democratic and harmonious environment".[6] The Declaration of ASEAN Concord II, singed in Bali in October 2003, also promises that "ASEAN shall explore innovative ways to increase its security and establish modalities for the ASEAN Security Community".[7]

In 2004, a year after the Declaration of ASEAN Concord II, the ASEAN leaders adopted the comprehensive Vientiane Action Programme, which lays out in more detail the "goals and strategies towards realizing the ASEAN Community". The action plan for the ASC contained within the overall VAP document is an expression of the belief among ASEAN leaders that political and security cooperation needs to be strengthened and institutionalized. The ASC is to be realized along five strategic thrusts: political development, shaping and sharing of norms, conflict prevention, conflict resolution and post-conflict peacebuilding.[8]

Most of the strategies for conflict prevention listed in the ASC Action Plan lie within the realm of confidence-building measures, such as the exchange of military and civilian defence personnel, sending observers to military exercises, the publication of security outlook and defence white papers, and the setting up of an ASEAN arms register. However, it is in the call to "develop an ASEAN early warning system based on existing mechanism to prevent occurrence/escalation of conflicts" where the potential for preventive diplomacy can be further explored.

Track 2 Recommendations on Conflict Prevention and Preventive Diplomacy

As ASEAN strives to create an integrated community by promising to step up cooperation in all areas—including the security arena—Track 2 actors can be proactive in proposing concrete measures that ASEAN must take if it is to realize its goal to become a security community. Track 2 actors have pushed their respective governments to recognize that the Westphalian concept of state sovereignty and the policy of non-intervention cannot be rigidly applied. The Eminent Persons Group (EPG) for the ASEAN Charter has accepted many of the recommendations that Track 2 actors have made on the principles, objectives and organizational structure of ASEAN. One such recommendation is the call for the ASEAN traditional policy of non-intervention to be calibrated when regional interests dictate.[9] If the principle of "calibrated non-intervention" passes muster and enters the ASEAN Charter, it would constitute the official recognition that, in an increasingly interdependent world, an acceptable balance between respect for sovereign equality and state autonomy, on one hand, and the necessity of closer regional coordination of policies, on the other, has to be achieved.

Shifting from the unwavering adherence to the principle of non-intervention to the acknowledgment of the need to calibrate this principle when greater regional interests dictate is crucial. Such a shift forms the underlying norm that can support a more pro-active and institutionalized approach toward conflict prevention. And if ASEAN is indeed serious about conflict prevention and wants to strengthen the ARF process to combat various trans-boundary problems, it will need to devise a workable system to improve its own response to potential conflicts. Besides the usual ongoing confidence-building measures such as dialogue and exchange of personnel and information, ASEAN has to take steps to establish an institutional framework for the implementation of preventive diplomacy, either within ASEAN or within the broader ARF. Ad hoc and reactive responses will no longer be sufficient.

Central to the effective working of preventive diplomacy is a good early warning mechanism. A full-fledged preventive

diplomacy process normally includes three stages: early warning, early action and peace-building measures. Although distinct in abstract terms, they actually form a continuum. The collection of timely and reliable information for early warning purposes represents the starting point of preventive diplomacy. But early warning is barren if not accompanied by early diplomatic actions and, if necessary, operational actions conducive to defusing the most direct or immediate causes of the emerging conflict. A comprehensive ASEAN conflict-prevention system could ideally comprise the following:

Early warning to be provided by the ARF Unit within ASEAN: An ideal conflict prevention system should have a centralized, autonomous body to gather and analyse information. The ARF Unit within ASEAN can be expanded and bolstered with expert staff so that research and analysis can be carried out on the security issues in the region. This unit should work closely with academic institutions, civil society organizations and even the business sector, to collect, collate and make proper use of information to analyse and evaluate threats and pick up warning signals on potential conflicts. It should be responsible for producing Early Warning Reports to be sent to the ASEAN Secretary-General, who in turn reports to the Council on ASEAN Security Community.

Early action by the ASEAN Troika, the ARF Register of Experts and Eminent Persons (EEPs) or Friends of the ARF Chair: Upon receiving an Early Warning Report, the Chairman of the Council on ASEAN Security Community should quickly convene a meeting to discuss the issue and establish a consensus on the type of preventive measures to be taken. Three existing mechanisms—the ASEAN Troika, the ARF Register of EEPs and Friends of the ARF Chair—can be activated for early action. The elements of early preventive responses include fact-finding missions aimed at framing the issues, informal consultations with the parties involved, the establishment of forums for dialogue and negotiations, and the facilitation of negotiations by experts. The next step can be to call for the convening of the High Council provided for in the Treaty of Amity and Cooperation for mediation and arbitration.

Peace-building measures to be developed in conjunction with the ASEAN dialogue partners and the ARF: Where appropriate, ASEAN should work in tandem with other institutions and countries. For example, it can work with its development partners such as Japan, the EU and the United Nations Development Programme (UNDP) to establish longer-term peace-building measures. This is particularly important in areas in which ASEAN lacks resources, expertise and capacity—such as long-term development assistance, advice and support on institution building and structural reforms.

Conclusion

With the adoption of the ASC in ASEAN Concord II and the plan of action spelt out in the Vientiane Action Programme, and the drafting of an ASEAN Charter, the opportunity for ASEAN to develop its conflict prevention capability and work toward much more institutionalized security cooperation must be seized. ASEAN needs to develop mechanisms for early warning and procedures for conflict prevention activities. The early warning and conflict prevention mechanisms must be capable of addressing not only inter-state disputes but also other trans-boundary non-traditional security issues. The establishment of such institutionalized mechanisms within ASEAN will also strengthen ASEAN's position as the "primary driving force" of the ARF. The ASC has promised that ASEAN would move the ARF into the preventive diplomacy stage—one that would certainly require the strengthening of ASEAN's own role, capability and credentials in carrying out conflict prevention.

Notes

1. ASEAN, The ASEAN Declaration, Bangkok, 8 August 1967.
2. ASEAN-ISIS is a network of think tanks in ASEAN involved in policy research. Founded in 1984, it comes close to being a policy network in which communities with a limited number of people, with frequent contact, persistent membership and consensus on basic values, working together to advance ASEAN's development.

3. Sheldon W. Simon, "The ASEAN Regional Forum Views the Council for Security Cooperation in the Asia Pacific: How Track II assists Track I", *National Bureau of Asian Research Analysis* 13, no. 4 (July 2002), pp. 5–23.
4. ASEAN, The ASEAN Regional Forum: A Concept Paper, 18 March 1995.
5. See ASEAN, "ASEAN Regional Forum: Concept and Principles of Preventive Diplomacy", in *ASEAN Regional Forum Document Series 1994–2004* (Jakarta, ASEAN Secretariat: 2005), pp 253–257.
6. ASEAN, Declaration of ASEAN Concord II, Bali, 7 October 2003.
7. Ibid.
8. ASEAN, Vientiane Action Programme, Vientiane, 29 November 2004, pp 6–8
9. ASEAN, Report of the Eminent Persons Group on the ASEAN Charter, December 2006, pp. 2–3.

15

COURTING CHINA

TRACK 2 DIPLOMACY AND THE ENGAGEMENT OF THE PEOPLE'S REPUBLIC

See Seng Tan

The premise of this chapter is that non-official or Track 2 diplomacy has been vital to ASEAN's strategic engagement of China. Getting China in from the revolutionary cold and into the regional fold, as it were, has been a key part of ASEAN's pursuit of peace, stability and prosperity for the Southeast Asian region. The strategy has essentially involved extending the ASEAN model of regional security—a soft regionalism, as it were—to the wider Asia-Pacific region, and providing regional powers such as China with a stake in the preservation and promotion of the peace and prosperity of Asia.[1] This has led to a spate of regional institution building, the ASEAN Regional Forum (ARF), ASEAN Plus Three (APT) and, most recently, the East Asia Summit, all of which have ASEAN as their common hub.

To be sure, the "ASEAN Way" of consensus, consultation and non-interference has been viewed by many as a poor excuse for a persistent lack of political will among member-nations to advance expressed regional goals.[2] Yet it is this model of regional security that has arguably succeeded in allaying Chinese suspicions concerning multilateral diplomacy and convinced Beijing of the value and virtue of ASEAN-based regionalisms. In this respect, the role of Track 2 actors in engaging China and socializing the Chinese to the diplomatic culture and conventions of the region has been an important contribution to an expansion of international society, ASEAN-style. Against this backdrop, how have Asian Track 2 proc-

esses, practices and personages contributed to regional security in general and the diplomatic engagement of China in particular?

Track 2 in Asia

Modern diplomacy includes official and non-official processes, all working—though not necessarily in any coordinated fashion—to influence the policy process. How effective second-trackers are in their efforts depends on "the extent to which their policy recommendations find their way into official policy, the value attached by government officials to their views and the presence or absence of institutionalized mechanisms for the transmission of their policy advice to official policy makers".[3] Understandably, not all support the idea, much less the practice, of Track 2 diplomacy. Reservations among regional state elites over the role of Track 2 still animate the complex relationship between official and non-official tracks.[4] For the most part, Asian second-trackers—especially members of the ASEAN Institutes of Strategic and International Studies (ASEAN-ISIS) in Southeast Asia and the Council for Security Cooperation in Asia Pacific (CSCAP) in the Asia Pacific—have laboured long and hard at rendering themselves relevant to both national and regional policy establishments, so much so that it has been said of these regional security studies communities that they have in fact serviced rather than challenged the agendas of regional governments.[5] In this regard, the relationship between both tracks is interdependent and symbiotic.[6]

Asian Track 2 processes have by and large accommodated state interests in their deliberations. Indeed, state presence is an integral element for strengthening the interaction between academe, the business community and state apparatuses.[7] But states do not have dominant control over the Track 2 agenda. This said, the sensitive nature of some Track 2 discussions is reflected in the occasional failure by participants to check their nationalist loyalties at the door during discussions. Regional governments have also acknowledged the contributions of second-trackers. This has been most obvious in the ASEAN region, where emerging chal-

lenges confronting regional states and societies from the 1980s onwards highlight the need for more regional meetings of experts and scholars "in the face of politico-security and economic issues and problems affecting ASEAN".[8] For instance, ASEAN-ISIS has received formal recognition at annual ASEAN ministerial meetings for its contributions to regional diplomacy, not least in the formation of the ARF.[9]

Courting China

The evolution of Chinese diplomacy towards the ASEAN region from the 1990s to the present has been a sight to behold. From an initial distrust of multilateralism as a possible Western attempt at encirclement to becoming a sophisticated connoisseur of multilateral diplomacy and regional institutionalism, China has successfully transformed itself from past revolutionary pariah to a "prudent regional power, more traditional and conservative, a pro status quo power and one which is starting to link up with the region more intensely and responsibly".[10] In the international diplomatic-strategic arena, Beijing has advanced, with relative success, the idea that its rise to power is an essentially "peaceful" development that threatens none.[11] In an era of perceived US unilateralism and growing anti-Americanism, Beijing has assiduously cultivated ASEAN through demonstrating remarkable sensitivity towards the region's concerns, taking pains to soothe nerves and win friends through engagement with various ASEAN countries on a bilateral basis.[12] In 2002, Chinese goodwill led to an agreement to establish the ASEAN-China Free Trade Area and also to the signing of the Declaration on the Conduct of Parties in the South China Sea.[13] Furthermore, the extent to which the Chinese appear to have aced their education on multilateral diplomacy is evident in their contributions to the Shanghai Cooperation Organization, the sole security forum serving the Central Asia region.

Today it has become conventional wisdom to assume the significance of ASEAN's contribution in encouraging and facilitating China's robust involvement in regional multilateral arrangements.[14] ASEAN's engagement of China has no doubt been complicated

by regional circumspection about Chinese motives and power.[15] This said, the readiness to grant China a say was clearly apparent, for instance, when the ARF acceded to China's demand that the third phase of regional security cooperation as envisaged in the 1995 ARF Concept Paper—"conflict resolution"—be amended to "the elaboration of approaches to conflict". Equally important, the very principles of the ASEAN Way, the avoidance by ASEAN states of discourse that defines China as a threat, and so forth, have clearly resonated well with China. As Alice Ba has argued, the "complex engagement" approach of ASEAN—one deliberately "informal, non-confrontational, open-ended and mutual"—has likely swayed China to reconsider its relations with ASEAN, to view ASEAN more positively and to be more responsive to ASEAN's concerns.[16]

In courting China, Asian Track 2 processes have been significant in helping to build mutual confidence and disseminate regional conventions and norms. Leading second-trackers, such as Indonesia's Jusuf Wanandi, have long advocated the region's deep engagement of China, rather than its containment.[17] Since the early 1990s, numerous consultations and cooperative activities have been and continue to be conducted by ASEAN-ISIS, CSCAP and the Network of East Asian Think-tanks in which Chinese academics, analysts and officials have been intimately involved. For instance, in CSCAP, the designated parallel track in support of the ARF, the Chinese have clearly benefited from the many opportunities for multilateral dialogue and cooperation afforded them, not only with their ASEAN counterparts but also with security intellectuals and practitioners from major powers such as Japan, India, Russia, the US and the European Union.[18] Likewise, the Chinese have also profited from their tutorials with Canada-based second-trackers on security ideas that enjoy currency in the Asia-Pacific region.[19]

For second-trackers who argue for engagement with China, the key to regional peace and stability in the post-Cold War period boils down to two interests: ASEAN's desire for a new regional order in contemporary Asia, on one hand, and the effort to secure China's clear commitment to and pacific participation in that

regional order, on the other.[20] Wanandi and others have long seen the emergence of a cooperative security arrangement in the region as key to realizing both interests.[21] In their view, such a "cooperative regionalism" would likely win Beijing's support for ASEAN and the APT, and thereby ensure China's peaceful integration into East Asia because "China needs ASEAN for a peaceful environment to continue with her modernization, and to prevent any possibility of encirclement to contain her in the future".[22]

At the same time, Track 2 leaders have by and large also demonstrated a clear-eyed appreciation for power political considerations:

> ASEAN countries recognize that their security, both at home and in the region, depends on a pluralism of power. In regional terms, ASEAN needs both great powers (China and the US) to be present in the region. ASEAN needs the U.S. presence to maintain a balance between the great powers in the region, and ASEAN also would like to have China incorporated in the region in cooperative security arrangements.[23]

Clearly, Wanandi and other second-trackers believe the importance of the complementary role of the ARF, the sole multilateral security forum serving the Asia Pacific, to the other regionalisms in institutionalizing a politico-military balance among its great power members that would stabilize the region.

Finally, Track 2 has also been useful as a channel through which the Chinese have signalled their ostensibly pacific intentions, support for multilateral diplomacy and appreciation for ASEAN-led regional arrangements and initiatives to their regional counterparts. For example, the propagation of China's "new security concept" (*xin anquan guan*)—the Chinese version of cooperative security (*hezuo anquan*), as it were—that began in 1997 was done through numerous Track 2 fora as well as official channels.[24]

Conclusion

Despite continued regional circumspection over China's so-called "peaceful rise (now 'development')", ASEAN's pursuit of deep

institutional engagement with China has arguably succeeded in part due to the contributions of Track 2 diplomacy, whose processes, practices and personages have helped socialize the Chinese to the diplomatic culture and conventions advanced by ASEAN and embedded in various ASEAN-based regionalisms. Indeed, the absence of references in official ASEAN security discourse to China as a strategic threat is a testament partly to the socializing efforts of the second-trackers.[25]

Significantly, the argument here has not been that China's graduate education in diplomatic conventions and regional norms significantly reduced misunderstanding and disagreement between the Chinese and the rest. Rather, it is that their participation in multilateral diplomacy has provided useful confidence-building opportunities and relevant venues for them to discuss sensitive concerns with their regional counterparts in frank and constructive ways. In this regard, the aims of Track 2 diplomacy—forming habits of dialogue, encouraging inclusive, cooperative and non-confrontational security approaches, achieving a mutual understanding of perceived threats and security goals, identifying new perspectives, innovations and ideas of security—have more or less been realized.[26] In digesting these lessons along with the more traditional principles of sovereignty and non-interference, the Chinese today demonstrate keen appreciation for and skilful appropriation of international practices that might have eluded them had Track 2 not undertaken the challenge of constructively engaging China.

It would certainly behove the security of the region for the longstanding partnership between ASEAN and Track 2 networks to be strengthened and enhanced. Indeed, Track 2's role in capacity and confidence building could assume even greater significance in view of ASEAN's ongoing renovation towards a rule-based regionalism. This chapter has argued that the ASEAN Way has contributed significantly to ASEAN's success in courting China. Institutional reform, however, could change the way the association has traditionally operated. The ASEAN Way would not be immediately jettisoned but would be "supplemented by a new culture of adherence to rules".[27] This development, though incremental,

would likely have ramifications for ASEAN's ties with China and other extra-regional powers. In this regard, enhanced cooperation between both official and non-official tracks would be essential to the future peace and security of Asia.

Notes

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2. David Martin Jones and Michael L.R. Smith, "Making Process, Not Progress: ASEAN and the Evolving East Asian Regional Order", *International Security* 32, no. 1 (Summer 2007), pp. 148–184.
3. Carolina G. Hernandez, *Track Two Diplomacy, Philippine Foreign Policy, and Regional Politics* (Manila: Center for Integrative and Development Studies, University of the Philippines Press, 1994), p. 6.
4. See Seng Tan, "Nonofficial Diplomacy in Southeast Asia: Civil Society or 'Civil Service'?" *Contemporary Southeast Asia* 27, no. 3 (2005), pp. 370–387.
5. David M. Jones and Michael L.R. Smith, "Is there a Sovietology of Southeast Asian Studies?" *International Affairs* 77, no. 4 (2001), pp. 843–865.
6. See, for example, Charles E. Morrison, "Track 1/Track 2 Symbiosis in Asia-Pacific Regionalism", *The Pacific Review* 17, no. 4 (2004), pp. 547–565; Herman J.S. Kraft, "Unofficial Diplomacy in Southeast Asia: the Role of ASEAN-ISIS", *CANCAPS* no. 23 (Toronto: Canadian Consortium on Asia-Pacific Security, 2000); and Hiro Katsumata, "The Role of ASEAN Institutes of Strategic and International Studies in Developing Security Cooperation in the Asia-Pacific Region", *Asian Journal of Political Science* 11, no. 1 (2003), pp. 93–111.
7. Lawrence T. Woods, *Asia-Pacific Diplomacy: Nongovernmental Organizations and International Relations* (Vancouver: University of British Columbia Press, 1993), p. 150.
8. Carolina G. Hernandez, "The Role of the ASEAN-ISIS", *ASEAN-ISIS Monitor* 6 (April 1993), p. 1.

9. See Joint Communiqués of the Twenty-sixth ASEAN Ministerial Meeting, Singapore, 23–24 July 1993 and the Twenty-eighth ASEAN Ministerial Meeting, Bandar Seri Begawan, 29–30 July 1995, available at <http://www.aseanhrmech.org/downloads/1993_Joint_Communique.pdf> and <http://www.aseansec.org/2087.htm>(accessed 21 August 2007).
10. Jusuf Wanandi, "China after the Communist Party's 16th congress", *The Jakarta Post*, 21 November 2002, available at <http://www.csis.or.id/tool_print.asp?type=opinion&id=55&op_id=102>(accessed 21 August 2007).
11. See David Shambaugh, "China Engages Asia: Reshaping the Regional Order", *International Security* 29, no. 3 (2004/05), pp. 64–99.
12. See Evelyn Goh, "China and Southeast Asia", *FPIF Commentary*, 12 December 2006, available at <http://www.fpif.org/fpiftxt/3780>(accessed 21 August 2007); and Alice D. Ba, "China and ASEAN: Re-navigating Relations for a 21st Century Asia", *Asian Survey* 43, no. 4 (2003), pp. 622–647.
13. Leszek Buszynski, "ASEAN, the Declaration of Conduct, and the South China Sea", *Contemporary Southeast Asia* 25, no. 3 (2003), pp. 343–362.
14. Alastair Iain Johnston, "Is China a Status Quo Power?" *International Security* 27, no. 4 (2003), pp. 5–56.
15. See essays in Evelyn Goh (ed.), *Betwixt and Between: Southeast Asian Strategic Relations with the U.S. and China* (Singapore: Institute of Defence and Strategic Studies, 2005).
16. Alice D. Ba, "Who's socializing whom? Complex engagement in Sino-ASEAN relations", *The Pacific Review* 19, no. 2 (2006), p. 160.
17. Jusuf Wanandi, "ASEAN's China Strategy: Towards Deeper Engagement", *Survival* 38, no. 2 (1996), pp. 117–128.
18. Desmond Ball, *The Council for Security Cooperation in the Asia-Pacific (CSCAP): Its Record and Its Prospect*, Canberra Papers on Strategy and Defence no. 139 (Canberra: Australian National University, 2000).
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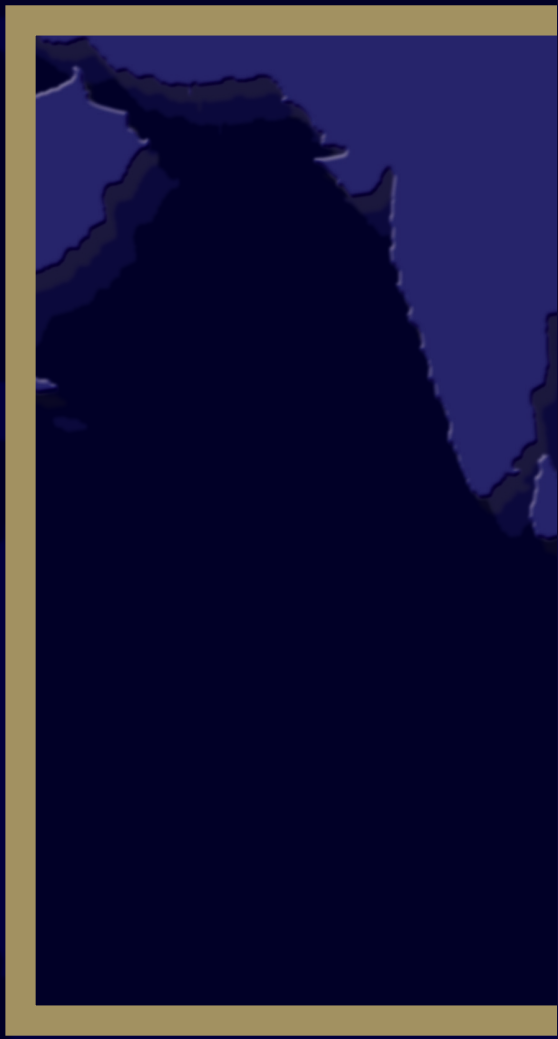
22. Jusuf Wanandi, "The effects of leadership changes in East Asia (Part 1 of 2)", *The Jakarta Post*, 27 January 2004, available at <http://www.csis.or.id/tool_print.asp?type=opinion&id=55&op_id=81>(accessed 21 August 2007).
23. Wanandi, "ASEAN's China Strategy: Towards Deeper Engagement", p. 127.
24. Nan Li, "The Evolving Chinese Conception of Security and Security Approaches", in See Seng Tan and Amitav Acharya (eds.), *Asia-Pacific Security Cooperation: National Interests and Regional Order* (Armonk: M.E. Sharpe, 2004), pp. 53–70.
25. Evelyn Goh, "Introduction", in Goh (ed.), *Betwixt and Between*, p. 3.
26. Sheldon W. Simon, "Evaluating Track II Approaches to Security Diplomacy in the Asia-Pacific: The CSCAP Experience", *The Pacific Review* 15, no. 2 (2002), pp. 167–200.
27. Tommy Koh, Walter Woon, Andrew Tan, and Chan Sze-Wei, "The ASEAN Charter", *PacNet Newsletter* no. 33A, 6 September 2007, available at <http://www.csis.org/component/option,com_csis_pubs/task,view/id,4038/type,3/>(accessed 11 September 2007).

Is an ideal Association of Southeast Asian Nations (ASEAN) being built? An ideal model of ASEAN is constituted by a combination of what can be regarded as a "people's ASEAN" and a "governments' ASEAN". The former is an association designed to serve the interests of people, while the latter aims to serve the interests of the ASEAN member states. The aims of this volume are to explore the status of ASEAN cooperation, in terms of the construction of an ideal ASEAN, and to identify the tasks to be completed for the realization of such an ideal model. Each of the fifteen empirical chapters focuses on a particular issue concerning either a people's ASEAN or a governments' ASEAN. Belonging to the former category are issues such as WMD terrorism, human rights and democracy, gender equality, economic integration, the ASEAN People's Assembly, and national and regional identities. In the latter category include ASEAN's relations with external powers, intra-ASEAN relations, preventive diplomacy and the role of "Track 2" institutions. Overall, the volume finds that some remarkable developments have been taking place, yet, at the same time, a number of tasks still remain to be tackled.



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