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**ASEAN SECURITY AND ITS RELEVENCY**

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## **List of Acronyms**

ASEAN	Association of Southeast Asian Nations
FDI	Foreign Direct Investment
NGO	Non-Governmental Organization
UN	United Nations
ASA	Association of Southeast Asia
SEATO	Southeast Asia Treaty Organization
PKI	Partai Komunis Indonesia (Indonesian Communist Party)
USSR	Union of Soviet Socialist Republics
NIC	New Industrialized Country
CPM	Communist Party of Malaya
NKCP	North Kalimantan Communist Party
MNLF	Moro National Liberation Front
ECAFE	Economic Commission for Asia and the Far East
DK	Democratic Kampuchia
PRC	People Republic of China
PRK	People's Republic of Kampuchia
KR	Khmer Rouge
ICK	International Conference on Kampuchia
JIM	Jakarta Informal Meeting
IMC	Jakarta Informal Meeting on Cambodia
SNC	Supreme National Council
FUNCINPEC	National United Front for an Independent, Neutral, Peaceful, and Cooperative Cambodia
KPNLF	Khmer People's National Liberation Front
UNTAC	United Nations Transnational Authority in Cambodia
UNHCR	United Nations High Commissioner for Refugees
ODP	Orderly Departure Program
AFTA	ASEAN Free Trade Area
AFAS	ASEAN Framework Agreement on Services
AIA	ASEAN Investment Area
APEC	Asian Pacific Economic Cooperation
EPG	Eminent Persons Group
APT	ASEAN Plus Three
IMF	International Monetary Fund
EAEG	East Asia Economic Group
EAEC	East Asia Economic Caucus
EAVG	East Asian Vision Group
EAC	East Asian Community
EAFTA	East Asian Free Trade Area
EASG	East Asian Studies Group
CMI	Chiang Mai Initiative
FTA	Free Trade Area

CAFTA	China-ASEAN Free Trade Area
BSAs	Bilateral Currency Swap Agreements
EAS	East Asian Summit
CEPT	Common Effective Preferential Tariff Agreement
IL	Inclusion List
TEL	Temporary Exclusion List
SL	Sensitive List
GEL	General Exception List
GDP	Gross Domestic Product
WTO	World Trade Organization
GATS	General Agreement on Trade in Services
AICO	ASEAN Industrial Cooperation Scheme
IAI	Initiative for ASEAN Integration
CLMV	Cambodia, Laos, Myanmar, and Vietnam
GSP	General System of Preference
FPI	Radical Islamic Groups
AMMTC	ASEAN Ministerial Meeting on Transnational Crime
ISMCT-TC	Intersessional Meeting on Counter Terrorism and Transnational Crime
JI	Jemaah Islamiya
UNEP	United Nations Environment Programme
ADB	Asian Development Bank
FRETILIN	Revolutionary Front for an Independent East Timor
INTERFET	International Force for East Timor
UNTAET	United Nations Transitional Authority in East Timor
UNESCO	United Nations Educational, Scientific, and Cultural Organization
UNSC	United Nations Security Council
CBMs	Confidence Building Measures
ARF	ASEAN Regional Forum
SCS	South China Sea
PD	Preventive Diplomacy
CR	Conflict Resolution Stage
VFA	Visiting Forces Agreement
DoC	Declaration on the Code of Conduct of Parties in the South China Sea
CSO	Civil Society Organization
ASEAN-ISIS	ASEAN Institute for Strategic and International Studies
SAPA	Solidarity for Asian People's Advocacy
AIPO	ASEAN Inter-Parliamentary Organization
CSIS	Indonesia Centre for Strategic and International Studies
ISDS	Institute for Strategic and Development Studies
CICP	Cambodian Institute for Cooperation and Peace
SIIA	Singapore Institute of International Affairs
TAC	Treaty of Amity and Cooperation

## **Chapter I: Discussion of “Criteria of Relevance” and the term “Regionalism”**

### **1. Why ASEAN?**

There are some arguments and observations that ASEAN is losing its relevance in regional security and economy due to its obsolete approach of non-inference and consensus based decision making. This research project attempts to find some explanations for the question, “*Is ASEAN still relevant?*” By answering this question, we will find out whether ASEAN regionalism is beneficial for its members in terms of security, economics, and politics. If it is beneficial or relevant, it must meet the needs of the members in these fields and in contrast. In case all needs are not met, we will be able to identify what areas in which ASEAN is relevant and irrelevant, and the reasons why it may be irrelevant. Only through this identification, could we make appropriate recommendations to make ASEAN more relevant especially in the context of regionalization and globalization.

In order to answer the above-mentioned research question properly, it is necessary for us to divide the question into three sub-questions: Is ASEAN still relevant in terms of security/diplomatic field? Is ASEAN still relevant in the field of economics? And Is ASEAN relevant in terms of politics? In terms of security/diplomatic field, this research aims to seek answers to following questions: is ASEAN able to solve disputes or conflicts among its members peacefully? Has ASEAN regionalism enabled its members to tackle external security threats effectively? Has ASEAN been able to provide support for its members to become effective peacebuilders in the world? Answering these questions would be the key to understand whether ASEAN can meet the security/diplomatic needs of its members or not. If ASEAN could not answer these needs, we will be able to identify the factors attributed to the Association’s failure to achieve what its members want.

In addition, the study will find out if ASEAN can successfully respond to the economic needs of the members or not. Central to this question is the attempt to find out what factors behind the success and the failure of ASEAN in realizing those economic needs. Apart from security and economic aspects, this thesis also attempts to examine the Association’s ability to meet the political need of its members with a hope to identify factors contributed to the success and failure of ASEAN in responding to this need.

By testing the above-mentioned proposition in multi-faceted aspects, we would be able to accurately evaluate whether ASEAN has the ability to realize the members’ needs in the current situation or not. Based on this evaluation, ASEAN policy-makers will understand their own weaknesses, and will seek appropriate solutions for the sake of the interests of the ASEAN members. More importantly, the research will help the author understand subject matters pertaining to ASEAN clearly so that he can actively contribute to development of ASEAN regionalism upon his return to his home country, Cambodia. Here, it is worth noting that the author is directly involved in ASEAN affairs as he is working at the General Department of



ASEAN at the Ministry of Foreign Affairs and International Cooperation of Cambodia. Therefore, grasping the subject firmly will add more strengths and advantages to policy making of Cambodia as well as for ASEAN as a whole.

## 2. Criteria of Relevance

‘Relevance’ in this study will be understood as a criterion which measures connection between ‘regionalism’ and needs of ASEAN member countries. ‘Regionalism’ can be considered as relevant to the needs of ASEAN member countries when it can meet the following needs:

1. Security/Diplomatic needs: resolving all disputes between members peacefully, providing support for external security, and provide support for members to become effective peacebuilders in the world.
2. Economic needs: Becoming competitive a destination for FDI reception and expanding their markets. But it is worth noting that in order to realize these two main needs, ASEAN has to realize two sub-needs of the region: staying in the driver’s seat of East Asian regionalism and achieving an integrated market.
3. Political needs: These are the needs for promoting human rights and democracy and for becoming a more effective organization. The need for human rights and democracy promotion could be realized as long as ASEAN could meet two sub-needs: credible institutions, particularly a Charter to commit ASEAN members to democratization, and pressing Myanmar for political changes. Furthermore, in order to turn ASEAN into a more effective organization, it is necessary to have an institutions, especially a Charter which could ensure members’ compliance with the regional goals and change the current practice of ‘consensus’ mode in ASEAN’s decision-making to the majority voting.

## 3. Discussion of the Term “Regionalism”

The term ‘regionalism’ has been much debated amongst scholars interested in the politics of regionalism, and there is still no agreement on its meaning yet. This ambiguity stems from a variety of meanings of the term ‘region’ per se as Joseph S. Nye stated: there is no *absolute* meaning for the term ‘region’.<sup>1</sup> Some scholars define ‘region’ in terms of geographical proximity; more specifically, it is a cluster of countries situated in geographically specified locations.<sup>2</sup> Some scholars, like Kym Anderson and Hege Norheim, argue that ‘region’ is not solely defined basing on its physical proximity, but also on other non-geographical conditions such as culture,

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<sup>1</sup> Palmer, Norman D. *The New Regionalism in Asia and the Pacific*, Lexington Books, Massachusetts/Toronto, 1991, p. 6.

<sup>2</sup> Mansfield, Edward D. and Milner, Helen V. “The New Wave of Regionalism,” *International Organization*, Vol. 53, No. 3, Summer 1999, p. 590

language, religion, and stage of development.<sup>3</sup> For instance, France and some Francophone countries in Africa are frequently classified in the same regional grouping for language reasons. This contrasts with the above viewpoint which defines ‘region’ in terms of the physical geography. The US and Russia are seldom regarded being situated in the same region even if eastern coast of Russia is adjacent to Alaska. Many recent studies define ‘region’ by emphasizing economic bonds.<sup>4</sup> However, Bruce Russett gave a broader definition of ‘region’ basing on five features namely geographical proximity, social and cultural homogeneity, shared political attitudes and behaviors, political cohesiveness, and economic linkages.<sup>5</sup>

Because of the various definitions of ‘region’, the definition of ‘regionalism’ is also diverse. For example, some scholars think that ‘regionalism’ refers to the development of government policies aimed at enhancing the economic flow or political interaction among a group of countries in close geographical proximity.<sup>6</sup> Nonetheless, other scholars seem to downplay the significance of geographical proximity. For example, Albert Fishlow and Stephen Haggard posit that ‘regionalism’ is a *political* process marked by economic policy cooperation and coordination among countries.<sup>7</sup> Joseph A. Camilleri, in addition, sets the definition of ‘regionalism’ in a broader scope, stating that it refers to the trend of a region and its constituents aiming at maintaining or enhancing benefits of regional interaction through formulating institutions and mechanisms that set, monitor and enforce the standards of interaction.<sup>8</sup> It is worth noting that, apart from the roles of states, Camilleri stressed the significant role played by non-governmental organizations (NGOs), intellectuals, professionals, traders, and social activists in regionalism. Despite various meanings of ‘regionalism,’ this thesis will adopt the meaning given by Prof. Camilleri because his definition is consistent with the relevant criteria identified by the author. More specifically, his definition covers comprehensive purposes of ‘region’ ranging from security, economics, and politics, all of which are the criteria in which the author would like to examine in order to find out the relevance of ASEAN regionalism to its members.

### 3.1. Classification of Regionalism

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<sup>3</sup> Anderson, Kym, and Norheim, Hege, “History, Geography and Regional Economic Integration,” in Anderson, Kym, and Blackhurst, Richard (editors), *Regional Integration and the Global Trading System*, Harvester Wheatsheaf, Tokyo, 1993, p. 26

<sup>4</sup> Baldwin, Richard, and Cohen, Daniel, and Sapir, Andre, and Venables, Anthony, [Editors] *Market Integration, Regionalism, and the Global Economy*, Cambridge University Press, 1999, p. 8.

<sup>5</sup> Palmer, Norman D. *The New Regionalism in Asia and the Pacific*, Lexington Books, Massachusetts/Toronto, 1991, p. 7.

<sup>6</sup> Mansfield, Edward D. and Milner, Helen V. [Editors] *The Political Economy of Regionalism*, Columbia University Press, New York, 1997, p. 3.

<sup>7</sup> Mansfield, Edward D. and Milner, Helen V. “The New Wave of Regionalism,” *International Organization*, Vol. 53, No. 3, Summer 1999, p. 591.

<sup>8</sup> Camilleri, Joseph A. *Regionalism in the New Asia-Pacific Order*, Edward Elgar, Massachusetts, 2003, p. 12.

First of all, regionalism can be classified based on *the level of commitment* to the regional matters. The first stage of the regional processes is often known as ‘expansion’ of interaction space and the second stage is characterized by ‘deepening’ processes of integration activities. In other words, the initial stage of regional process can be regarded as ‘regional cooperation,’ whereas the second one is categorized as ‘regional integration.’ Such a distinction has apparently become visible during the transitional period between ‘old’ and ‘new’ waves of regionalism. Specifically, the differentiation has emerged after the old regionalism theorists once again recognized the validity of the integration theories which were previously assumed to be obsolete due to their failures to respond to the most imminent and significant issues of the global agenda of policy and research.<sup>9</sup> Indeed, the previous assumption regarding the obsolescence of the integration theories was wrong as the problem not only resided in theories themselves, but also in the approaches or expectations of the theorists. This might be due to the fact that the ‘old’ regionalism theorists like Ernst Hass placed too much significance on integration, while downplaying “less influential but more practical regional approaches” like regional inter-state cooperation.<sup>10</sup> In other words, these theorists only regarded regionalism as ‘regional integration’ when members in the regional group agree to elevate their cooperation to a level in which sovereignty of states is placed under authority of an supranational organization as can be seen in the case of the European Union, while disregarding the normal regional cooperation. Nevertheless, it is not always mandatory to terminate or weaken the state sovereignty in order to get regionalism recognized as regional integration. For example, ASEAN regionalism before 1989 still could be regarded as regional integration even though the Association’s members strictly adhered to the state sovereignty.

In addition, the classification of regionalism can be made in accordance with *areas of cooperation*. According to Xuto, regionalism is divided into different areas of cooperation ranging from politics, military, economics, cultures, education, and other social issues.<sup>11</sup> However, the European experience seems to suggest that cooperation may be initiated from economic field first and then expanded in other areas of common interest. Moreover, due to increased interactions between and among states and non-state actors, regionalism can also be divided into two processes: ‘soft’ and ‘hard’ regionalism.<sup>12</sup> The former implies the ‘bottom-up’ regionalism, whereas the latter is driven by formal cooperation initiatives of elites or a product of government policies. The latter is also known as ‘top-down’ regionalism.

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<sup>9</sup> Hass, Ernst B. *The Obsolescence of Regional Integration Theory*, Institute of International Studies, Berkeley, 1975, p. 1, 9, 17.

<sup>10</sup> Palmer, Norman D. *The New Regionalism in Asia and the Pacific*, Lexington Books, Massachusetts/Toronto, 1991, p. 11.

<sup>11</sup> Xuto, Somsakdi, *Regional Cooperation in Southeast Asia: Problems, Possibilities, and Prospects*, Institute of Asian Studies, Bangkok, 1973, p. 3.

<sup>12</sup> Fawcett, Louise, “Exploring Regional Domains: A Comparative History of Regionalism,” *International Affairs*, Vol. 80, No. 3, May 2004, p. 433.

### 3.2. Functions of Regionalism

Various definitions of the term result in different functions of regionalism. Firstly, it can be perceived as means to build world peace through regional cooperation and integration. David Mitrany, in his early book titled “*A Working Peace System*,” stressed the significance of inter-state cooperation in ensuring peace among countries by articulating that “the issue of our time is not relevant to how to bring peace for countries separately but how to bring them actively together.”<sup>13</sup> In other words, peace created under security arrangements or military pacts may not be sustainable; on the contrary, peace may come about when countries closely work together and become more interdependent. For instance, one of the initial functions of the European Union was to prevent further war among its members, and this apparently referred to preventing Germany from staging another war against its neighbors. Regionalists, during the drafting process of the UN Charter, also shared a similar position with Mitrany concerning the role of regionalism, positing that countries geographically in proximity would have a better knowledge about local rows or conflicts and that they would also be effectively responsive to victims of the rows and the conflicts.<sup>14</sup> In addition, regionalism could also be considered as a protecting shield for the sovereignty of states which participate in the process since the norm of non-interference in the internal affairs of states is one of the *raison d'être* or the most significant principles of various regional groupings. The reason behind the respect of this norm by several regional organizations is that these organizations are also part of the UN’s collective security framework mainly designed for protecting state sovereignty. Moreover, regional integration could also help raise the collective bargaining power of members in a regional grouping in multilateral negotiations with other countries or regions to ensure their security (for the former group), to gain market access and to counter-balance protectionism in the latter group.<sup>15</sup>

More and more, regionalism is seen as a crucial mean to help nation-states to respond to current threats that emerge beyond their individual capacity and that demand for transnational cooperation. These include financial crisis, infectious diseases, environmental pollution, terrorism, and so forth. Regarding this function, James Rosenau observed:

During the present period of rapid and extensive global change, however, the constitutions of national governments and their treaties have been undermined by the demands and greater coherence of ethnic and other subgroups, the globalization of economies, the advent of broad social movements, the shrinking of political distances by microelectronic technologies, and the mushrooming of global interdependency fostered by

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<sup>13</sup> Mattli, Walter, *The Logic of Regional Integration: Europe and Beyond*, Cambridge University Press, Cambridge, 1999, p. 21.

<sup>14</sup> Etzioni, Minerva, *the Majority of One: Towards a Theory of Regional Compatibility*, Sage Publications, 1970. Quoted: Esengul, Chinara, *The Politics of Regionalism in Central Asia*, A Master Thesis of International University of Japan, 2007, pp. 41-42.

<sup>15</sup> OECD, *Regional Integration and Developing Countries*, Organization for Economic Cooperation and Development, Paris, 1993, p. 26.

currency crisis, environmental pollution, terrorism, drug trade, AIDS, and a host of other transnational issues that are crowding global agenda.<sup>16</sup>

Another function of regionalism that seems to be most contested but important is the facilitation of access to the markets of the trading partners, the development of specialization, and the boost of the industrialization of countries participating in the regional grouping. In developing countries, regionalism is seen as a stepping-stone for long-term growth as national markets can not sufficiently provide the necessary size to exploit economies of scale and specialization. Hence, only through trade arrangements within a regional group could smaller economies obtain access to bigger markets so as to reach the aforementioned goals. At the same time, regionalism also provides protective shields for fledgling industries in developing countries, and gradually nurtures them into efficient and competitive ones in international markets.<sup>17</sup>

The last but not least important function of regionalism is the promotion of democracy in countries taking part in the process. Regionalism should be means to serve interests of the whole people of the region, and it must not be limited to serve only interests of elites, oligarchs, or a group of people. As seen in the definition of 'regionalism' given by Joseph A. Camilleri, regionalism not only demands participation of states, but also of non-state actors. In other words, this very definitional explanation suggests that regionalism should also act as a mean to encourage the participation of civil society and NGOs in the regional integration process in order to ensure that the needs of the people are truly met.

In short, we can conclude that the functions of regionalism are to ensure peace, economic development, and democracy of countries that participate in this trend.

#### **4. Chapter Breakdown**

This thesis will be divided into six chapters. The first chapter will be devoted to the identification of 'relevance criteria.' This identification will highlight areas on which the subsequent chapters of the thesis should focus. The chapter will also examine the theoretical discussions on the definition of 'regionalism' and choose the most appropriate meaning for the analysis in the next chapters.

The second chapter will identify relevance of ASEAN at the outset by tracing back the evolution of two ASEAN's antecedents namely Southeast Asia Treaty Organization (SEATO) and Association of Southeast Asia (ASA). By examining the

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<sup>16</sup> Rosenau, James, and Czempiel, Ernst-Otto, *Governance without Government: Order and Change in World Politics*, Cambridge University Press, New York, 1992, p. 3.

<sup>17</sup> OECD, *Regional Integration and Developing Countries*, Organization for Economic Cooperation and Development, Paris, 1993, p. 25

evolution of these two organizations, we will be able to identify the evolving needs for regionalism which led to the creation of ASEAN. Accordingly, the relevance of this association at its inception would be found. After finding the relevance of the Association at the creation, we will proceed to examine the relevance of the Association since its establishment until 1989 so that we can see how the needs of ASEAN were evolving since its creation until 1989 and whether or not ASEAN could respond to these changing needs.

The Third chapter attempts to find out whether or not ASEAN regionalism has been able to meet the ASEAN members' economic needs which have become prominent since early 1990s until present. The main needs are becoming a competitive destination for FDI reception and expanding its market in a wider East Asian regionalism without losing the Association's economic identity to its members. But these needs can be achieved as long as ASEAN could stay in the driver's seat of East Asian regionalism and achieve an integrated market by 2015. By examining the ability of ASEAN to achieve these two sub-needs, we will be able to conclude whether or not the Association is still relevant to the current economic needs of its members.

The Fourth chapter attempts to find out whether ASEAN regionalism is able to meet the current security needs of its members or not. To assess this ability, the study will trace back all efforts made by ASEAN in attempts to meet the security needs of its members since the early 1990s until these days. It is worth noting that the security problems raised in this chapter will cover both traditional and non-traditional security threats (which have increasingly become grave concern of ASEAN). In terms of traditional security threats, the study will examine the Association's ability to resolve the dispute between the members by looking into the case of Cambodia-Thailand conflict over Preah Vihear. The chapter will then proceed to examine the ASEAN's ability to provide support for its members in dealing with the external security threat by looking into the case of South China Sea conflict. In terms of non-traditional security threats, the research will examine the Association's ability in dealing with terrorism, haze problem, and peacebuilding in East Timor.

The fifth chapter will examine whether or not ASEAN is relevant to the new emerging need for democratization of the ASEAN democratic states by looking into the case of the ASEAN Charter and ASEAN's ability to cultivate democracy in Myanmar. Specifically, the study will examine whether or not the ASEAN Charter, which was just created in the recent years, has met what the ASEAN democratic states originally expected. In addition, the Chapter will also examine whether ASEAN's approach towards the Myanmar issue is successful or not.

The sixth chapter will summarize all findings in The Third, The Fourth, and The Fifth Chapters so as to conclude whether ASEAN is still relevant to its members or not. Basing on these findings, recommendations will be made, and the prospect of ASEAN regionalism will also be assessed.

## Chapter II: ASEAN's Relevance Since Its Establishment until 1989

### Introduction

Regionalism had actually emerged in Southeast Asia before the Association of Southeast Asian Nations (ASEAN) was established in 1967. However, those regional cooperation efforts were not successful due to their failure to meet changing needs of Southeast Asian countries which participated in the process. In this regard, one could observe that ASEAN has lasted longer than previous regional organizations existed before it, indicating that the association might have proved its relevance to its members' needs since its creation. In this chapter, we will examine whether this justification is right or wrong by raising cases which the association was trying to respond to the needs of its members since its creation until 1989. It should be noted that the relevance of the association from 1990s till present will be examined in subsequent chapters. Therefore, in order to examine how relevant ASEAN was since its inception till 1989, it is significant for us to examine the relevance of the association at its inception in advance so that we could see how the needs of ASEAN members were changing since its creation till 1989. More importantly, we will be able to see whether or not ASEAN could actually prove its relevance in response to the evolving needs of its members.

### 1. ASEAN's Relevance at Its Creation

The Association of Southeast Asian Nations, ASEAN, was officially founded on August 8<sup>th</sup>, 1967 through the Bangkok Declaration made by five countries: Indonesia, Malaysia, Thailand, the Philippines, and Singapore.<sup>18</sup> Since its inception, ASEAN has experienced both successes and failures. Therefore, an important question that is very likely to appear in mind of many scholars or those interested in regionalism is *whether ASEAN is still beneficial or irrelevant to its members for the time being*. In order to answer this question, it is mandatory for us to identify how relevant ASEAN was at its creation. This relevance has been strongly shaped by failures of this organization's antecedents namely Southeast Asia Treaty Organization (SEATO) and the Association of Southeast Asia (ASA) in fulfilling the desires or expectations of their respective members. Therefore, in order to identify the relevance of ASEAN at its inception, it is necessary for us to examine reasons why SEATO and the ASA had failed to meet the needs of their members which later became the founding members of ASEAN.

Prior to the emergence of ASEAN in Southeast Asia, there was a regional grouping known as SEATO. This organization was created through the conclusion of the Manila pact in September 1954 among eight countries namely the United States, France, New Zealand, Great Britain, Australia, Pakistan, Thailand, and the

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<sup>18</sup> "The ASEAN Declaration, Bangkok 8<sup>th</sup> August 1967," *The ASEAN Secretariat*, <http://www.aseansec.org/1212.htm> (accessed 4 November 2008).

Philippines.<sup>19</sup> This alliance was aimed at deterring communism expansion in Southeast Asia following the Geneva Conference of April-July 1954, the year in which France was seriously defeated by the communist Viet Minh and compelled to recognize independence of Indochinese states. As seen in the composition of SEATO, only two Southeast Asian states namely Thailand and the Philippines were the members of this organization even though the target of communist containment was in Southeast Asia. This was because both countries had their own stakes in joining this alliance. Thailand had two-fold interests in participating SEATO. First, the alliance would enable Thailand to resist the communist invasion from its traditional enemy, Vietnam, on Laos considered as its sensitive buffer zone. This misgiving intensified after the Viet Minh invaded Laos in March 1954.<sup>20</sup> The presence of the communist Vietnam in Laos not only posed Bangkok great concern about its external security, but also the internal one; more specifically, the threat of Viet Minh subversion amongst the Vietnamese ethnics in the northeast of Thailand. The second reason why Bangkok was interested in joining SEATO was that it hoped to receive military and economic assistance from the US. It was believed that Thai Prime Minister Phibun Songkhram needed American assistance to strengthen his political power against the military officials who had brought him to power through a coup in November 1947.<sup>21</sup> On the other hand, the Philippines did not face the immediate threat from the war in Indochina. Manila's decision to join SEATO derived from the fact that this country wanted Washington's guarantee for its security in case of an attack from a third party, particularly China. In this regard, the reason behind this Filipino concern should be noted. Beijing continuously claimed its sovereignty over Taiwan, and the Americans responded by dispatching the US Seventh Fleet to protect Taiwan.<sup>22</sup> This meant that war between Beijing and Washington was likely to come about. Thus, the Philippines, where the US's military bases were located, was concerned about the possibility of being attacked by China if the war broke out. Therefore, the Philippines wanted the assurances of the US in ensuring its security in case of being attacked. In addition to the need for US's protection against China, Manila also wanted to obtain US support against the threat of the communist subversion inside the country as well.

In contrast to Thailand and the Philippines, Burma and Indonesia refused to join the alliance, preferring to stand neutral. Actually, Burma was not interested in joining this regional coalition, considering it as a provocation against its giant neighbor, China.<sup>23</sup> Moreover, Indonesia ruled by President Sukarno, was completely hostile to any Western proposal, thereby rejecting joining with any bloc which aimed against the others.<sup>24</sup> The cause of such a reaction could be explained in two ways. First, Sukarno ruled the country by balancing the anti-communist army and the

<sup>19</sup> "Southeast Asia Treaty Organization (SEATO), 1954," *The US Department of State*, <http://www.state.gov/r/pa/ho/time/lw/88315.htm> (accessed 3 November 2008)

<sup>20</sup> Buszynski, Leszek, *SEATO: the Failure of Alliance Strategy*, Singapore University Press, Singapore, 1993, p. 28.

<sup>21</sup> *Ibid.*, p. 29.

<sup>22</sup> *Ibid.*, p. 31.

<sup>23</sup> *Ibid.*, p. 25.

<sup>24</sup> *Ibid.*



Indonesian Communist Party (PKI).<sup>25</sup> The number of *PKI* members was claimed to be approximately twenty million, the highest figure besides the USSR and China.<sup>26</sup> This means that if Indonesia decided to take part in any organization directed against communism, Sukarno's administration would run risk of facing domestic insurgencies. Another reason for Indonesia's non-participation in SEATO apparently stemmed from the so-called 'Asian values.' When Japan was fighting against Dutch in Indonesia, Sukarno and other Indonesian nationalists might have learnt important lessons from Tokyo about ambitions of Western imperialists in Southeast Asia. As a result, anti-Western sentiment of Indonesians was growing stronger ever since. This could be witnessed in Sukarno's speech on November 7<sup>th</sup>, 1944:

The Lord be praised, God showed me the way; in that valley of the Ngarai I said: 'Independent Indonesia can only be achieved by cooperation with Dai Nippon.' For the first time in all my life, I saw myself in the mirror of Asia.<sup>27</sup>

In addition, position of Malaya (including Singapore), which were under British colony, towards SEATO's membership was interestingly observable. There was no strong resistance by Malaya to the SEATO's call for membership, yet Malaya found it difficult to join the alliance. During an interview in 1959, Malaysian Prime Minister Tunku Abdul Rahman admitted that Malaya did not take part in SEATO because of Indonesia's hostile attitude towards this organization. This fact indicated Malaya did not want to provoke antagonism against its neighboring giant, Indonesia.

In addition, for Indochinese countries such as Vietnam, Cambodia, and Laos, becoming the SEATO members seemed to be impossible since these countries were locked into the 1954 Geneva agreements which banned these countries from joining in military alliances.<sup>28</sup> Though Cambodia and Laos were refrained from joining a military alliance under the provision of the Geneva agreements, SEATO gave these countries rights to appeal for its assistance.<sup>29</sup>

As seen from the beginning of its establishment, SEATO faced difficulties in gaining broad-based support from most of Southeast Asian countries, and this would undoubtedly affect the organization's future operations in the region. Eventually, SEATO's failure was revealed when Lao crisis occurred in 1959 and 1960-61. Lao Premier Phoui Sananikone attempted to eliminate the power base of the Pathet Lao, a strong communist faction backed by the communist Vietnam, in Phong Saly and Sam Neua provinces in 1959, seeking for direct US military support with an aim to integrate these two provinces under the control of Vientiane administration. The

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<sup>25</sup> Weatherbee, Donald E. *International Relations in Southeast Asia: the Struggle for Autonomy*, Rowman & Littlefield, Lanham, 2005, p. 67.

<sup>26</sup> *Ibid.*, p. 67.

<sup>27</sup> Friend, Theodore, *The Blue-Eyed Enemy: Japan Against the West in Java and Luzon, 1942-1945*, Princeton University Press, New Jersey, 1988, p. 84.

<sup>28</sup> "The Final Declarations of the Geneva Conference on Restoring Peace in Indochina, July 21<sup>st</sup>, 1954," *The Department of State Bulletin*, <http://www.fordham.edu/halsall/mod/1954-geneva-indochina.html> (accessed 3 November 2008)

<sup>29</sup> Buszynski, Leszek, *SEATO: the Failure of Alliance Strategy*, Singapore University Press, Singapore, 1993, pp. 71-74.

communist Vietnam, a teacher of the Pathet Lao, followed this development with great anxiety, and accused the US of intending to turn Laos into a provocative SEATO base. As a consequence, the communist Vietnam pushed the Pathet Lao to launch its attacks on Laotian government from 16 July to 11 October 1959.<sup>30</sup> Since then, Vientiane government became alerted to any provocative action against the communist forces in Laos. The political situation in Laos became exacerbated after captain. Kong Le, the commander of the parachutists, staged a coup on August 9<sup>th</sup>, 1960, and nominated Souvanna Phouma as a new prime minister.<sup>31</sup> The new figure adopted the neutral foreign policy and tried to accommodate the Pathet Lao. Britain and France expressed their support towards the neutral policy of Laos and desired to resolve the Lao crisis through diplomatic means. In their mind, doing so would not provoke the communists, and a ceasefire agreement on the crisis would be expedited. Notwithstanding there were some disagreements with the British and French position at the beginning, US President Kennedy finally decided to go along with the above proposals of the two countries.<sup>32</sup> Against this backdrop, Thai leaders became resentful of SEATO, particularly the aforementioned decision of its Western members. However, it had no choice but to agree with that decision.<sup>33</sup> In fact, what Bangkok expected from SEATO was a military intervention in Laos as Thailand's security would be at great risk once there was the communist subversion in Laos. The loss of trust in SEATO was likely to create two simultaneous approaches in Thai foreign policy: maintaining its alliance with the Western powers in the framework of SEATO; at the same time, forming an indigenous regional grouping which was militarily in nature but not ostensibly antagonistic towards the communists. For the Philippines, the failure of SEATO in the Lao crisis gave this country the message that this organization might not be able to deal with its concerns over the possible Chinese attack and the domestic insurgencies. Furthermore, Filipino leaders seemed to realize that the Philippines' involvement in SEATO had prevented this country from playing an appropriate Asian role. In other words, the Philippines's membership in this organization made the perception which considered the Philippines as a trans-Pacific appendage of the US bolder and clearer.<sup>34</sup> As a result, the notion of creating an indigenous regional cooperation emerged in the mind of the leaders in this country.

In short, the alliance of both Thailand and the Philippines in the SEATO did not bring the good results as these countries had expected from the beginning. In contrast, the alliance even generated some adverse affects on the society of both countries. Because of these reasons, the idea of forming a regional organization without involvement of the US and other Western countries became another target to pursue for the two countries. This was precondition for an indigenous regional organization called the Association of Southeast Asia (ASA) to take shape.

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<sup>30</sup> Ibid., p. 73.

<sup>31</sup> Ibid., p. 73.

<sup>32</sup> Ibid., pp. 76-77.

<sup>33</sup> Ibid., p. 77

<sup>34</sup> Weatherbee, Donald E. "The Philippine and ASEAN: Options for Aquino," *Asian Survey*, Vol. 27, No. 12, December 1987, p.1224.

### 1.1. The Association of Southeast Asia (ASA)

As mentioned earlier, both Thailand and the Philippines were dissatisfied with the SEATO's inability in the Lao crisis, sparking the two countries to attempt to create another regional grouping which was capable to fight against communism. However, a new organization must neither be ostensibly hostile towards the communists nor get involved with external powers. This type of characteristic of the attempted regional grouping made Malaya convenient to join since it would not provoke Indonesia's hostility. Malaya had long wanted to participate in a regional grouping in order to tackle the outgrowth of its internal communist insurgencies, but it was unable to do so because of the Indonesia's factor.

Finally, the three countries namely Thailand, the Philippines, and Malaya agreed to establish the Association of Southeast Asia (ASA) in July 1961 by putting its political agenda behind the smokescreen of economic cooperation.<sup>35</sup> Still, in order to convince the communist and neutralist countries about the ostensible nature of the ASA, the ASA members had endeavored to clarify the purpose of this regional association several times, and this could be witnessed in the statement made by Malaysian Prime Minister Abdul Rahman on the first day of the 1961-Bangkok conference:

...As we have stated, many times before, this organization is in no way intended to be an anti-Western bloc or an anti-Eastern bloc, or for that matter, a political bloc of any kind. It is not connected in any way with any of the organizations which are in existence today; it is purely a Southeast Asian Economic and Cultural Cooperation Organization [a proposed name for what becomes ASA] and has not backing whatsoever from any foreign source. It is in fact, in keeping with the spirit, and is in the furtherance of the purpose and the principles of the United Nations.<sup>36</sup>

Despite these efforts, this regional organization could not escape from the Indonesia's charge of acting as an extension of SEATO's influence in Southeast Asia.<sup>37</sup> This accusation was not actually groundless if one took a remark made by Thanom Kittikachorn, the then Thai Defense Minister, prior to the signing of the 1961 Bangkok Declaration, into account. His statement was as follow: "While the ASA members were to promote cultural and economic cooperation at the outset of the organization, this stage or degree of cooperation should soon be substituted by or subordinated to a coordination of military policies."<sup>38</sup> To put it simply, Bangkok did not want to antagonize Beijing at the initial stage of the ASA, but the former wanted

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<sup>35</sup> Drummond, Stuart, "Fifteen Years of ASEAN," *Journal of Common Market Studies*, June 1982, p. 301.

<sup>36</sup> *Ibid.*, p. 247-51.

<sup>37</sup> Weatherbee, Donald E. *International Relations in Southeast Asia: the Struggle for Autonomy*, Rowman & Littlefield, Lanham, 2005, p. 68.

<sup>38</sup> Pollard, Vincent K. "ASA and ASEAN, 1961-1967: Southeast Asian Regionalism," *Asian Survey*, Vol. 10, No. 3, March 1970, p. 245.

to see the association becoming a military alliance against the latter in the end. This covert purpose of the ASA undoubtedly caused the other Southeast Asian countries, especially Indonesia to be skeptical about the organization's genuine intention. This was the reason why attempts to expand the organization's membership faced a deadlock as acknowledged by ASA Foreign Ministers.<sup>39</sup>

Eventually, the ASA became paralyzed after the Philippines claimed its sovereignty over Sabah. Manila put the ASA behind and cooperated with Jakarta in an attempt to delay the Malaysian Federation establishment which could adversely impact on the territories of the Philippines and Indonesia. As a result, a series of conferences in 1963 between the governments of Malaya, the Philippines, and Indonesia was held, and they finally agreed to found an entity called MAPHILINDO to resolve their boundary issues. However, the attempt to transform MAPHILINDO into a formal organization could not be succeeded after Malaysia proclaimed itself as an independent state on September 16<sup>th</sup>, 1963 by incorporating the former British colonies in Borneo-Sabah and Sarawak.<sup>40</sup> Indonesian President Sukarno responded to this proclamation by launching the so-called 'Crush Malaysia' campaign or *konfrontasi*. Indonesian troops forcefully penetrated peninsular Malaysia, and conducted terrorist bombing in Singapore. In Sukarno's mind, maintaining a fractured Malaya, Sarawak, Singapore, Brunei, and Sabah, Indonesia wanted to fulfill its ambition as a hegemonic power in the region. Also, Sukarno viewed that an independent and strong Malaysia would encourage future secessionism in Sumatra since Malaya was sympathetic with secessionists there. In addition, fighting against Malaysia would shift public attention in Indonesia to a foreign target, helping ease its political tension and failing economy back home. However, the hostility against Malaysia was put to an end due to Indonesian domestic upheaval. Specifically, President Sukarno encountered a coup attempted by the PKI-backed leftist military officers who claimed to take the preemptive action against the army-backed coup on September 30<sup>th</sup>, 1965. But this group was then crushed by forces of General Suharto. Since then, Sukarno's power declined while Suharto's authority was on the rise. After Suharto assumed the full authority from Sukarno, Indonesia, under the guidance of Thai Foreign Minister Thanat Khoman, came to conclude an agreement with Malaysia in August 1966 in order to end the confrontation.<sup>41</sup>

## 1.2. The Association of Southeast Asian Nations (ASEAN)

The end of the *konfrontasi* could be regarded as a prerequisite condition for a broad-based regional cooperation in Southeast Asia, specifically for ASEAN as a former Malaysian Foreign Minister put: "ASEAN originated from the pains of

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<sup>39</sup> Ibid., p. 248

<sup>40</sup> Palmer, Ronald D. and Reckford, Thomas J. *Building ASEAN: 20 years of Southeast Asian Cooperation*, The Center for Strategic and International Studies, Washington, 1987, pp. 5-7.

<sup>41</sup> Ibid.

*konfrontasi*.<sup>42</sup> Actually, its advantages for the regionalism could be seen in two ways. First, it made other Southeast Asian leaders aware that any regionalist project that excludes Indonesia would not be viable as this country can destabilize the security of its neighboring countries given its largest population and country size in the region. In addition, Indonesia had a different vision of regional security from other Southeast Asian countries; more specifically, it considered that the regional security could be ensured as long as Southeast Asia was free from the political involvements of major powers.<sup>43</sup> This conceptual difference might trigger a lot of difficulties for other countries in the region to resolve regional security problems with Indonesia. The second benefit which resulted from the end of the *konfrontasi* was that the Southeast Asian countries, with different visions of interest, could sit together and discuss ways to get their individual desires fulfilled without resorting to force, and this was where a newly broad-based regional organization could begin.

Malaysia could gain the Indonesia's commitment to resolve their conflict through peaceful means. This desire was reflected in the second clause of the 1967 ASEAN Declaration stipulating that "...The aims and purposes of ASEAN shall be... to foster regional peace and stability through adhering to justice and the rule of law in the relationship among countries of the region, and abiding by the principles of the United Nations Charter."<sup>44</sup>

Indonesia, on its part, could obtain the commitment from Malaysia and other Southeast Asian countries to disengage foreign powers from their individual countries in the future. Jakarta's desire to detach foreign powers can be seen in the preamble of the ASEAN Declaration stating that "All foreign bases are temporary and remain with the consent of the relevant countries and are not attempted to be used directly or indirectly to harm the national independence and freedom of states in the region or prejudice the orderly processes of their national development."<sup>45</sup> It is noteworthy that this preamble not only indicates Indonesia's intention to prevent the interference from external powers, but also from other Southeast Asian countries into the internal affairs of this country. Without these interferences, Jakarta believed that it would be safe from the internal subversion or communist insurgencies.

For Thailand, its expectations from ASEAN were not different from what she had expected from the ASA, i.e., the containment of the Chinese expansion. This can be witnessed in the preamble of the declaration: "...Southeast Asian countries are committed to maintaining their stability and security from any type or likelihood of external interference so as to protect their national identities in line with the ideals and wishes of their peoples."<sup>46</sup> But in order to avoid causing hostility towards China

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<sup>42</sup> Leifer, Michael, *ASEAN and the Security of South-East Asia*, Routledge, London/New York, 1989, p. 2.

<sup>43</sup> Shee Poon-Kim, "A Decade of ASEAN, 1967-1977," *Asian Survey*, Vol. 17, No. 8, August 1977, p. 754.

<sup>44</sup> "The ASEAN Declaration, Bangkok 8<sup>th</sup> August 1967," *the ASEAN Secretariat*, <http://www.aseansec.org/1212.htm> (accessed 4 November 2008)

<sup>45</sup> *Ibid.*

<sup>46</sup> *Ibid.*

or any other communist country, the Bangkok Declaration (or ASEAN Declaration) incorporated the economic and social aspects into the purposes of the regionalism.

Nevertheless, economic development was truly the main motivation of joining ASEAN by Singapore. For Singapore, ASEAN regionalism was the key for its economic survival as this country, throughout its history, heavily relied on the intra-regional than external trade.<sup>47</sup>

For the Philippines, the motivations behind its membership in ASEAN were pretty the same as what it had expected from joining the ASEAN's antecedent, the ASA, i.e., promotion of regional identity, gaining support to prevent possible Chinese attacks, and counter-internal communist insurgencies. Furthermore, it was also believed that another reason for Manila to participate in ASEAN was the promotion of its economic development through the diversification of its exporting markets as the Philippines, during the 1960s, was on the verge of becoming a New Industrialized Country (NIC) in Asia.<sup>48</sup>

In short, due to the awareness of the significance of Indonesia's participation in regional cooperation, and the recognition of the necessities of regional cooperation in fulfilling desires of each country in the region, the five countries mentioned above agreed to create ASEAN in August 1967.

In this regard, one might question why the other Southeast Asian countries like Burma, Cambodia, Laos, and Vietnam were not included in this association at its inception. Indeed, ASEAN seemed to have no clear criteria in defining the membership before it was officially established. This point was seen in the fact that Thanat Khoman, the then Thai Foreign Minister had invited Sri Lanka which is geographically in South Asia other than Southeast Asia to join the association. Ceylon responded positively to this request and was asked to communicate the request in writing.<sup>49</sup> Surprisingly, Sri Lanka then dropped its claim for the membership because of its internal problems. This fact indicates that the eligibility criteria for the membership were just developed when ASEAN was formally founded. One of the main criteria has actually been based on geographical condition as seen in the Bangkok Declaration; more specifically, only countries in Southeast Asia can be qualified as ASEAN members. Though ASEAN had not placed the geographical condition as the membership criterion at the beginning, it did try to engage more Southeast Asian countries in the association, but the latter group had their different reasons to reject the ASEAN's offer. Burma refused to join ASEAN at that time because this country strongly adopted its neutral position by not joining with any bloc. There were two reasons behind this neutral stance. First, Burma was so busy to cope with domestic insurgencies that it could not afford to consider about the membership, and Burma attitude in 1967 was clarified by General Khin Nyunt,

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<sup>47</sup> Starner, Frances L. "Singapore and Regional Cooperation: Once Bitten, Twice Shy," *Far Eastern Economic Review*, Vol. 57, No. 3, 20 July 1967, p. 151.

<sup>48</sup> Weatherbee, Donald E. "The Philippine and ASEAN: Options for Aquino," *Asian Survey*, Vol. 27, No. 12, December 1987, p.1224.

<sup>49</sup> Severino, Rodolfo C. *Southeast Asia in Search of an ASEAN Community*, Institute of Southeast Asian Studies, Singapore, 2006, pp. 45-46.

the former Prime Minister of Burma, in a letter dated 27 July 2004 to former ASEAN Secretary General Rodolfo.<sup>50</sup> The second reason was that, in Burma's eyes, ASEAN was still a pro-Western alliance; therefore, becoming an ASEAN member would antagonize its neighboring giant, Beijing, and this was what Burma tried to avoid. Cambodia also shared the same view with Burma that ASEAN was a pro-Western bloc; therefore, Prince Sihanouk, the then Head of State of Cambodia, rejected the ASEAN membership.<sup>51</sup> This objection was driven by Cambodia's need to be neutral. Specifically, Sihanouk thought that while North Vietnam and China were apparently going to win the war against America, Cambodia would run risk of antagonizing them if he chose to become an ASEAN member.<sup>52</sup> By then, Cambodia's security would be threatened by the communist bloc. However, if he chose to ally with the North Vietnam, Cambodian security would be threatened by Thailand and South Vietnam considered as Cambodia's traditional enemies.<sup>53</sup> As a result, the neutrality seemed to be the most effective option for this country. Another reason for this neutral policy was that Phnom Penh wanted to receive assistance from both adversaries. Apart from Burma and Cambodia, Brunei Darussalam could not participate in ASEAN either, for this country did not yet gain independence from Britain until 1984. Furthermore, South Vietnam did not join the association as it was, at that time, involved directly with the US in the escalated war against North Vietnam. Hence, ASEAN members, especially Indonesia were unlikely to accept the membership of South Vietnam. In Laos, the communist faction called Pathet Lao was increasingly powerful. The Pathet Lao and Viet Minh forces which were present in Lao territory at that time put their military pressure on Vientiane government led by the right-wing faction. As a result, in order not to provoke the hostilities of the communist forces, the Lao government decided to adopt neutral position by not participating in ASEAN.

## 2. ASEAN's Relevance since Its Establishment till 1989

### 2.1. Definitions of "traditional security" and "non-traditional security"

The term "security" per se is a debated concept. Therefore, any attempt to deal with the relevance of ASEAN to security of its members requires a clear understanding of the definition of the term. According to William T. Tow and Russell Trood, the term "security" was traditionally confined to the military aspects such as deterrence, power balancing, and military tactics.<sup>54</sup> This sort of security can be termed as "traditional security". However, this traditional concept has been

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<sup>50</sup> Ibid., p. 44.

<sup>51</sup> Ibid., p. 45.

<sup>52</sup> Kimhoun, Kao, *Cambodia's Foreign Policy and ASEAN: From Non-Alignment to Engagement*, Cambodian Institute for Cooperation and Peace, Phnom Penh, 2002, p. 23.

<sup>53</sup> Ibid., p. 22.

<sup>54</sup> Tow, William, T. & Trood, Russell, "Linkage between Traditional Security and Human Security," in Tow, William, T. & Thakur, Ramesh & Hyun, In-Taek (editors), *Asia's Emerging Regional Order: Reconciling Traditional and Human Security*, United Nations University Press, Tokyo/New York, 2000, p. 13.

questioned by some scholars since the end of the Cold War. These questions are: Who is secured? Whose security should we be worried about? And how should this security be obtained? One of the very first scholars who have challenged this traditional concept of security is Barry Buzan, with his influential work called *People, States and Fear: An Agenda for International Security Studies in the Post-Cold War Era*. In this work, Buzan suggested that the concept of security should be broadened.<sup>55</sup> Anthony and Emmers later elaborated the concept of security suggested by Barry Buzan, positing that it is no longer limited to the state and its defence from external military threats but also encompasses societal and human dimensions.<sup>56</sup> These dimensions cover various issues such as infectious diseases, refugees, environmental degradation, drugs and human trafficking, and so forth. Such non-military issues are regarded as non-traditional security challenges.

In short, referring to the difference in the concept of security, the security relevance in this thesis would cover issues related to both military and non-military dimensions. More specifically, ASEAN could be considered as relevant if it could provide support for its members in tackling both military and non-military threats. Military threats in the thesis are: communist insurgencies, territorial disputes between ASEAN members, threats from Vietnam and China, East Timor crisis. Non-military threats are: refugee problem, terrorism, and pollution (haze). Therefore, I argue that since the establishment of the association until 1989, ASEAN proved its relevance to the security needs of its members. It proved its credibility in tackling the traditional security threats such as communist insurgencies, the territorial dispute between the Philippines and Malaysia over Sabah, and Vietnam's invasion of Cambodia. In terms of the non-traditional security threats, ASEAN also proved its relevance in resolve the problem of refugees from Indochina.

## **2.2. ASEAN's Efforts to Resolve Crisis**

### **2.2.1. Anti-Communist Insurgencies**

Having confronted with the common threat of communism, ASEAN countries began intensifying their regional cooperation which they had not made before with a hope that the association would act as a springboard in seeking support from their fellow members to fight against the growing communist insurgencies inside their own territories. Eventually, ASEAN successfully weakened the strength of the communist forces throughout Southeast Asia, particularly in Southern Thailand and along the East Malaysia-Kalimantan border. In other words, ASEAN appeared to be relevant to its members' need in fighting against communism in the region. The following facts are the illustration of this argument.

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<sup>55</sup> Tan, Andrew, T.H. & Boutin, Kenneth, J.D. [Editors] *Non-Traditional Security Issues in Southeast Asia*, Institute of Defence and Strategic Studies, 2001, p. 1.

<sup>56</sup> Callabero-Anthony, Mely & Emmers, Ralf, "Understanding the Dynamics of Securitized Non-Traditional Security," in Callabero-Anthony, Mely & Emmers, Ralf & Acharya, Amitav (editors) *Non-Traditional Security in Asia: Dilemma in Securitization*, Nanyang Technology University, Singapore, 2006, p. 1.



Before ASEAN's creation, there were some bilateral security arrangements among Indonesia, Malaysia, and Thailand on anti-communist insurgency. These security arrangements were the 1965-agreement on border control between Thailand and Malaysia and the 1966-agreement on joint border controls between Indonesia and Malaysia.<sup>57</sup> Despite the existence of these bilateral agreements, their efficacy was limited due to mutual suspicion among these countries. Specifically, Malaysia had always been alerted by Indonesia's ambition to eliminate it. The relations between Thailand and Malaysia were not smooth either. The former accused the latter of assisting Muslim rebel in its Southern provinces, and the latter also accused the former of providing the sanctuary to the Communist Party of Malaya (CPM). However, the cooperation against the communist insurgency among these countries could only be intensified after they became the members of ASEAN. Being members of the association made the countries able to put forth concrete measures to stop the spread of the communist insurgency across their borders. For example, Malaysia and Thailand signed a security agreement in 1970 allowing their troops to conduct the joint operations and pursue the rebellious communist groups in each other's territory.<sup>58</sup> This agreement put more pressure on the Communist Party of Malaya (CPM) forces, which had already been weakened by the attacks of British-Malay forces and had escaped into Southern Thailand, to surrender. Because of this military pressure, a split among the CPM members arose, and the result was loss of support from Indonesia and the Communist China. Chin Peng, the leader of the CPM, was obliged by China to disband the CPM in December 1989.<sup>59</sup> In addition, Malaysia and Indonesia also signed the similar agreement in 1972 with an aim to jointly crack down the communist insurgency in the East Malaysia-Kalimantan border. This agreement allowed both countries to conduct the joint military offensive operations such as the *Seri Aman* in 1974, which led to the defection of five hundred members from the North Kalimantan Communist Party (NKCP), and *Operation Kemudi* in 1982, which severely decreased the strength of the NKCP to only 96 active guerrillas.<sup>60</sup> Despite the effectiveness of the bilateral defense cooperation created by ASEAN, one might question why ASEAN could not be a collective defense community or military pact so that the problem of the communist insurgency could be resolved faster. This proposal was initially requested by Filipino president Marcos, and later by Singaporean Prime Minister Lee Kuan Yew in 1982.<sup>61</sup> Nevertheless, it was turned down by Thailand and Indonesia contending that the move would be counter-productive as it would constitute provocation towards China. Jakarta and Bangkok might have thought that avoiding the provocation towards the latter group would make them cease support to the communist rebellions in ASEAN countries. This assumption appeared to be well-grounded because the non-collective

<sup>57</sup> Antolik, Michael, *ASEAN and Diplomacy of Accommodation*, An East Gate Book, New York, 1990, p. 21.

<sup>58</sup> Acharya, Amitav, *Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order*, Routledge, London, 2001, p. 62.

<sup>59</sup> Peng, Chin, Book Review: My Side of History, *Contemporary Southeast Asia*, Institute of Southeast Asian Studies, Singapore, Vol. 27, No. 3, 2005, p. 527.

<sup>60</sup> Acharya, Amitav, "The Association of Southeast Asian Nations: 'Security Community' or 'Defense Community'?" *Pacific Affairs*, Vol. 64, No. 2, Summer 1991, p. 165.

<sup>61</sup> *Ibid.*, pp. 160-161.

military nature of ASEAN made Beijing change its attitude towards the CPM in the mid 1970s. Then China's First Vice Premier Deng Xiao Ping, during his visit to Kuala Lumpur in 1974, reportedly stated that Beijing considered its relations with the CPM as a fact of history-something that could be forgettable.<sup>62</sup> Noticeably, on June 30<sup>th</sup>, 1981, Beijing forced Chin Peng to remove his radio station in which the latter enjoyed broadcasting his propaganda for decades, from Hunan.<sup>63</sup> In spite of the remarkable alteration in its attitude, Beijing did not completely abandon its assistance to communist insurgencies in Southeast Asia, especially the CPM. China's decision to totally cease the assistance only came in 1989 since it needed ASEAN's rigid support to its position against the Vietnamese invasion of Cambodia.<sup>64</sup> Here, even though the non-military nature of ASEAN was not the main reason behind Beijing's move to stop the assistance to the insurgencies, it did help build Beijing's confidence in ASEAN, thus significantly contributing to the disbandment of the CPM and undermining the strength of the communist insurgencies in other parts of Southeast Asia.

### **2.2.2. Sabah Problem**

The current Malaysia's Sabah state used to be a severely disputed territory between the two ASEAN member countries namely Malaysia and the Philippines. Despite the problem still remain today between the two countries, it does not, at least, escalate into an armed confrontation or sours the current relations between the two countries. ASEAN engagement diplomacy was an important factor in bringing the above outcome. In order to illustrate the argument explicitly, it is inevitable for us to understand the genesis of the dispute.

#### **2.2.2.1. Genesis of the Dispute**

Frequently, it is very likely that disputes could not be easily resolved on bilateral basis once they are related to historical claims. The Sabah problem was not an exception as it is involved with Filipino historical rights over this region. Sabah was previously ruled by the Sultan of Brunei, but was then awarded to the Sultan of Sulu in early 18<sup>th</sup> century as an expression of gratitude towards the latter who had helped the former crackdown a rebellion movement there.<sup>65</sup> Since then, Sabah was merged with Sulu (the current island province of the Philippines). In late 19<sup>th</sup> century, the Sultan of Sulu leased Sabah to the British North Borneo Company. Six days after the Philippines had attained its independence (1946), this company

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<sup>62</sup> Peng, Chin, Book Review: My Side of History, *Contemporary Southeast Asia*, Institute of Southeast Asian Studies, Singapore, Vol. 27, No. 3, 2005, p. 526.

<sup>63</sup> Ibid.

<sup>64</sup> Haacke, Jurgen, *ASEAN's Diplomatic and Security Culture: Origins, Development and Prospects*, Routledge, 2003, p. 114.

<sup>65</sup> Paridah Abd. Samad & Darusalam Abu Bakar, "Malaysia-Philippines Relations: The Issue of Sabah," *Asian Survey*, Vol. 32, No. 6, June 1992, p. 556.

transferred all rights and obligations to the British government. The latter then exercised the *de jure* control over Sabah based on the 1930-treaty concluded between the US and Britain. The treaty was actually aimed at laying the groundwork for the Philippines's independence, but it failed to incorporate Sabah into the Philippines's territory. This was the reason why, following the independence, Manila was trying to prepare legal documents to claim back Sabah from Britain. In June 1962, Diosdado Macapagal, the then Filipino president, officially laid Filipino claim over Sabah. Another reason for asserting the claim was related to its security concern. The concern could be witnessed in a letter written by Filipino President Macapagal to US President John F. Kennedy dated April 20, 1963, emphasizing that Sabah was of extreme significance for security of the Philippines.<sup>66</sup> Sabah is just 10 miles away from the Philippines' Sulu archipelago; therefore, security of the Philippines was much dependent on stability in Sabah. Specifically, the Philippines wanted to freeze any support from Sabah's leaders to secessionists in its southern provinces. What happened was that Sabah's leader, Tun Mustapha, actively provided military assistance, training camps, communication center and sanctuary to fighters of Moro National Liberation Front (MNLF), who wanted to secede from the Philippines.

Because of these reasons, the Philippines attempted to use MAPHILINDO to hinder the creation of the Federation of Malaysia which may incorporate Sabah into the latter's territory. However, the *Konfrontasi* and ASEAN creation put the Philippines' claim over Sabah on the sidelines. The problem of Sabah revived and shook relations between Malaysia and the Philippines after Kuala Lumpur learnt about President Marcos's clandestine plan to send his Muslim recruits, who were trained on Corregidor Island, to invade Sabah. The plan was disclosed after one of these Muslim trainees confessed to a Philippine congressional committee that the Muslim trainings in Corregidor were actually aimed for penetration into Sabah.<sup>67</sup> It is worth noting that many of these Muslim trainees were killed under the Marcos's administration after they started disobeying the order of Manila. The disobedience was indeed the result of serious training conditions and irregular payments provided by the Marcos administration.<sup>68</sup> Following the Corregidor killing, relations between the two countries were overwhelmed by accusations and mutual recriminations, leading to the diplomatic breakup in 1968, just seven months after the birth of ASEAN.

#### **2.2.2.2. ASEAN's Response to the Dispute**

Other ASEAN members were deeply concerned about this quarrel since it would have serious repercussions for the existence of the fledgling ASEAN. Thus, at the second ASEAN Ministerial meeting in Jakarta in August 1968, the other three

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<sup>66</sup> Ibid., p. 558.

<sup>67</sup> Severino, Rodolfo C. *Southeast Asia in Search of an ASEAN Community*, Institute of Southeast Asian Studies, Singapore, 2006, p. 164.

<sup>68</sup> Snitwongse, Kusuma & Thompson, Scott W. [Editors] *Ethnic Conflict in Southeast Asia*, Institute of Southeast Asian Studies, 2005, pp. 143-144.

members of ASEAN urged Malaysia and the Philippines to normalize their relations. In response, both countries expressed their consent on a “cooling-off period”. However, it could not prevent further escalation of tension between these two countries. In December 1968, ASEAN foreign ministers held talks on the sidelines of the UN Economic Commission for Asia and the Far East (ECAFE) over Sabah issue, getting both sides to an agreement to convene further talks in the Thai resort of Bangsaen. The outcome of the talks there was the agreement between the two sides on another “cooling-off period” and on their pledge to participate in ASEAN meetings regularly. Thereafter, Filipino President Marcos declared to drop Filipino claim over Sabah temporarily.<sup>69</sup> The change of Manila’s attitude might be owing to its desire to seek the national identity through ASEAN channel since the Philippines often underwent the conception that it was an American appendage. In addition, as mentioned somewhere in this writing, ASEAN’s existence was not only essential in promoting the Philippines’s Asian identity, but also in providing support to this country against possible Chinese aggressions and the domestic communist insurgencies. These were the motivating factors behind the Philippine decision to drop the claim temporarily. Malaysian Prime Minister Tunku Abdul Rahman, on his part, spelled out the normalization of the diplomatic relations between the two countries in his opening address at the third ASEAN Ministerial Meeting in December 1969. Despite this normalization, it is noteworthy to note that the Philippines, under President Aquino, could not succeed in getting the issue of Sabah dropped at the Senate due to the political pressures at home. Fortunately, President Fidel Ramos could remove this stumbling block, and eventually made his state visit to Malaysia in January 1993. Malaysian Prime Minister Mahathir also visited the Philippines in February 1994. Since then, the relations between the two countries have been improved, and the tension between the two countries over Sabah has been significantly eased.

### **2.2.3. Vietnam’s Invasion of Cambodia**

The Vietnam invasion of Cambodia was the first challenge for ASEAN in dealing with the external threat. I argue that ASEAN proved its relevance in tackling the Vietnamese invasion of Cambodia as it could lobby the international community to exert considerable pressures on Vietnam to withdraw its forces from Cambodia, and could ensure that the so-called ‘Vietnamese threat’ may not reoccur. In order to illustrate my argument clearly, it is necessary for me to explain the origin of the invasion in advance.

#### **2.2.3.1. Origin of the Invasion**

In April 1975, the government of the Khmer Republic backed by the US was toppled by the Democratic Kampuchia (DK) or Khmer Rouge assisted by communist

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<sup>69</sup> Weatherbee, Donald E. “the Philippines and ASEAN: the Sabah Issue,” *Asian Survey*, Vol. 27, No. 12, December 1987), pp. 1231-1232.

Vietnam. Even though North Vietnam had been its ally during the war against the US, the Khmer Rouge leadership, especially Pol Pot, was always skeptical about the Vietnam's genuine intention towards Cambodia. This suspicion actually stemmed from the problem of history in which Cambodia's territory had gradually been lost to its neighboring country, Vietnam. The skepticism became exacerbated after Ha Noi signed a treaty of cooperation with Vientiane in July 1977, a move regarded by the Khmer Rouge as the Ha Noi's plot to encircle Cambodia and to incorporate Vietnam, Cambodia, and Laos into one grand strategic position called the Indochinese federation.<sup>70</sup> Pol Pot thought that the concept of the federation was nothing more than Vietnam's ambition to dominate Cambodia. Hence, Pol Pot regime in Cambodia conducted the hostile policy toward its neighboring country, Vietnam, and considered the latter as 'the Number One Enemy'. This policy resulted in a series of border skirmishes between the two countries in the late 1970s, creating precedence for the Vietnamese occupation of Cambodia from 1978 to 1989. Here, one might come up with two important questions: Is the problem of history between Cambodia and Vietnam an adequate reason to convince Pol Pot to launch its attacks on its mightier neighbor, Vietnam? What made Vietnam decide to invade a sovereign country like Cambodia, especially to militarily confront with the aggressive Khmer Rouge forces?

The Vietnamese invasion of Cambodia was mainly triggered by the rifts among superpowers, particularly between the People Republic of China (PRC) and the Soviet Union. The Khmer Rouge dare launch its offensives on Vietnam as it was confident in the extensive support provided by the PRC. Beijing's firm support to Phnom Penh could be evidenced in the statement made by then Chinese Premier Huo Guofeng during Pol Pot's visit to Beijing in September 1977: "Beijing would resolutely be on Phnom Penh's side in her just struggle against imperialism and hegemonism."<sup>71</sup> On February 26<sup>th</sup>, 1978, Hua went on clarifying the PRC's unwavering support towards Phnom Penh in his report to the Fifth National People's Congress: "No country ought to become a hegemon in any region or to force others to follow its will." The country that Hua referred to, according to Deng Xiao Ping, was Vietnam.<sup>72</sup> Indeed, the rationale behind Beijing's firm support towards Democratic Kampuchia (DK) was that it desired to contain the Soviet's hegemonism, particularly to destroy the joint Soviet-Vietnamese alliance attempted to encircle China. However, the PRC could not react in such a way without allying with another power to balance the threat from the Soviet Union. In this regard, the US was willing to support China as this was a part of its communist containment strategy. Indifferent from the Khmer Rouge and China which applied the tactic of the balance of power, Vietnam decided to launch the full-scale invasion of Cambodia after it was assured of the Soviet Union's backing through the conclusion of the twenty-five-year of friendship and cooperation with the Soviet Union on November 3<sup>rd</sup>, 1978.<sup>73</sup> Here, it

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<sup>70</sup> Chandler, David, *A History of Cambodia*, Westview Press, Colorado, 1992, p. 220.

<sup>71</sup> Chang Pao-Min, *Kampuchia between China and Vietnam*, Singapore University Press, Singapore, 1985, p. 53.

<sup>72</sup> *Ibid.*, p. 59.

<sup>73</sup> Chandler, David, *A History of Cambodia*, Westview Press, Colorado, 1992, p. 223.

is worth noting that before being assured of the Soviet Union's support, Hanoi had not attempted to use force to overthrow Pol Pot regime as the move would further antagonize Beijing. Instead, Hanoi had persuaded the PRC to put pressure on the Khmer Rouge to accept negotiations so as to end the Khmer Rouge's offensives on the border between Cambodia and Vietnam. Hanoi's request was, however, flatly turned down by Beijing. This was the reason why Vietnam turned to seek the Soviet Union's patronage in order to balance the Chinese threat. Furthermore, the Soviet's decision to assist Vietnam to invade Cambodia was also worth observing. Indeed, Soviet regarded Southeast Asia as an important strategic access route between the Indian and Pacific oceans for the Soviet Navy; as a result, maintaining freedom of navigation of the Soviet Fleet in this region, particularly Vietnam would pose a challenge to the US's military strategy in the Indian Ocean.<sup>74</sup> Another motivating factor of the Soviet's decision to support the Vietnam's invasion was owing to its attempt to end the brutality and atrocity committed by Pol Pot regime. By so doing, the Soviet influence would become more appealing to Cambodians who severely suffered from those acts as well as to other people around the world.

#### **2.2.3.2. ASEAN's Positions towards the Invasion**

The Vietnamese occupation of Cambodia not only constituted a great threat to Cambodian sovereignty, but also worried many countries in the world, particularly ASEAN countries since Vietnam breached its promise made during Vietnamese Prime Minister Pham Van Dong's visit to ASEAN countries, assuring that she would respect sovereignty of other countries and non-interference principles.<sup>75</sup> However, it does not mean that all ASEAN countries had a common position towards the Vietnamese intervention in Cambodia. The countries which voiced strongly against the invasion were Thailand and Singapore, whereas Indonesia and Malaysia were somewhat sympathetic with the Vietnamese cause. The Philippines, on the other hand, adopted the wait-and-see approach, deferring to the consensus reached among the other four members. Brunei Darussalam followed the Filipino style after becoming the member of ASEAN in 1984.

Thailand's protest against the Vietnamese presence in Cambodia was understandable because the country is close to Cambodia. Instability in the latter would have spillover effects on the former. The war between Vietnam and the Khmer Rouge caused thousands of Cambodians to seek refuge in Thailand, some of whom were the anti-Vietnamese elements; therefore, Thai leaders thought that the direct fighting between Vietnam and the anti-Vietnam groups could spill over into Thai territory.<sup>76</sup> Thailand's strong resistance to the Vietnamese invasion of Cambodia was also attributed to its confidence in the support of the US and China.

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<sup>74</sup> Buszynski, Leszek, "Soviet Foreign Policy and Southeast Asia: Prospect for the Gorbachev Era," *Asian Survey*, Vol. 26, No. 5, May 1986, p. 596.

<sup>75</sup> Narine, Shaun, *Explaining ASEAN: Regionalism in Southeast Asia*, Lynne Rienner, Colorado, 2002, pp. 44-45.

<sup>76</sup> Theeravit, Khien, "Thai-Kampuchean Relations: Problems and Prospects," *Asian Survey*, Vol. 22, No. 6, June 1982, p. 570.

Even though the US was somewhat weakened by the consequence of the Vietnam War, Thai leadership still viewed that Washington, at least, could provide political, logistic, intelligence, and probably naval and air support in the event of the military clashes with the Vietnamese forces.<sup>77</sup> At the same time, Bangkok started to be more confident in the Chinese backing in case of the Vietnamese aggression on Thai territory even if it used to be suspicious of China in the past. Specifically, China's attack on Vietnam in February 1979 made Bangkok more confident in Beijing's credibility in checking Vietnamese military aggression. Also, Thailand was assured by the PRC on several occasions that any Vietnamese military offensive against former would be deterred by the latter's military forces.<sup>78</sup> Moreover, Singapore, though its security was not under the direct threat from the Vietnamese invasion, shared the similar standpoint with its Thai counterpart as it found the presence of the Vietnamese troops would severely destroy the regional security and stability. Specifically, the continuous war in Indochina sparked the exodus of Indochinese refugees, especially Chinese ethnics into Singapore's neighboring countries namely Malaysia and Indonesia. This would worsen the ethnic division in those countries, eventually generating spillover effects on bilateral relations with Singapore per se. Another reason for Singapore's opposition to the Vietnamese encroachment was that it did not want the Vietnamese invasion to become the legitimate precedence for other countries in the region, especially for Indonesia and Malaysia about which the city-state had had serious misgiving. Singaporean leadership thought that had this invasion been legitimized, any future invasion by any aggressive government in the region on Singapore would have also been tolerable.<sup>79</sup> Here, one might question why the city-state strongly resisted the Vietnamese invasion of Cambodia and did not do so in the case of Indonesia's intervention in East Timor in 1975. In this regard, there were two possible explanations: First, Singaporean government was enjoying the good relationship with Suharto's government at that time.<sup>80</sup> Second, unlike Vietnam's invasion which was strongly assisted by the Soviet Union, Indonesia's intervention in East Timor was not backed by any great power which attempted to expand its influence in the region. Singapore viewed that regional security and stability could be ensured when there was the balance of power between the US and the Soviet Union in the region.<sup>81</sup> The city-state leadership regarded the Vietnamese occupation as the loss of the buffer zone between the Soviet-led communist and the US-led capitalist spheres, and this could result in the regional instability.

In contrast to the position of Thailand and Singapore, Indonesia seemed to be more sympathetic to Vietnam. Jakarta's fear of Beijing, indeed, outweighed its fear of Hanoi. Indonesia long resisted Beijing's influence in Southeast Asia as the former thought that the latter's leverage would undermine its supremacy in the region. Malaysia also shared the similar viewpoint with Jakarta, expressing its skepticism

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<sup>77</sup> Ibid., p. 573.

<sup>78</sup> Ibid.

<sup>79</sup> Haacke, Jurgen, *ASEAN's Diplomatic and Security Culture: Origins, Development and Prospects*, Routledge, 2003, p. 85.

<sup>80</sup> Ibid., p. 85.

<sup>81</sup> Narine, Shaun, *Explaining ASEAN: Regionalism in Southeast Asia*, Lynne Rienner, Colorado, 2002, p. 45.

about China's intention in Southeast Asia. Prime Minister Mahathir openly declared that China was a threat to Southeast Asia.<sup>82</sup>

The Philippines, on the other hand, was neither in favor of Vietnam nor China as its geographical location dragged the country away from the threat of both countries. Therefore, Manila left the final decision to the four countries mentioned. Brunei, which was also geographically distant from the war zone, also adopted the similar stance like the Philippines did.

It should be noted that in spite of different positions towards the Vietnamese invasion, ASEAN members were still able to coordinate one voice towards the issues at last. In other words, Indonesia and Malaysia finally could go along with Thailand's and Singapore's position towards Vietnam. Jakarta felt that it should have done so because the persistent rejection of the proposal of its fellows would further exacerbate the suspicion of its neighboring countries towards itself; consequently, its image as a leading regional player as it had expected from ASEAN's creation would be deteriorated. Furthermore, Malaysia, despite its convenience with the Vietnamese invasion in the beginning, changed its stance after exodus of Indochinese refugees came to the peninsular. The arrival of these people, particularly the ethnic Chinese added more tensions in the already fragile Malay society.

Since their positions on the Vietnam's invasion of Cambodia could be compromised, I could assume that what ASEAN's needs from this problem were Vietnam's withdrawal from Cambodia, and the assurance that Vietnam would no longer pose any threat to Cambodia as well as ASEAN in the future.

### 2.2.3.3. ASEAN's Efforts to Resolve the Crisis

In order to achieve its first aim, that is, Vietnam's withdrawal from Cambodia, ASEAN, particularly Singapore mobilized the support from the international community in isolating Vietnam and the People's Republic of Kampuchia (PRK). Regarding the isolation strategy, Singapore coordinated a 91-21 vote successfully on November 14<sup>th</sup>, 1979 in the support of a UN's resolution calling for a ceasefire in Cambodia and the pullout of Vietnamese troops.<sup>83</sup> Moreover, ASEAN generated economic pressure on Vietnam and the PRK, which was under Vietnamese influence at that time, by preventing it from receiving international assistance. Having encountered isolation and economic difficulties back home, Vietnam appeared to accept negotiations with ASEAN and the relevant powers such as the US and China by expressing its intention to withdraw its forces from Cambodia in 1985.<sup>84</sup> Even though the isolation strategy of ASEAN could probably

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<sup>82</sup> Haacke, Jurgen, *ASEAN's Diplomatic and Security Culture: Origins, Development and Prospects*, Routledge, 2003, p. 87.

<sup>83</sup> "Responsibility to Protect," *International Commission on Intervention and State Sovereignty*, [http://www.iciss.ca/02\\_Section\\_B-en.asp#cambodia](http://www.iciss.ca/02_Section_B-en.asp#cambodia) (accessed 27 November 2008).

<sup>84</sup> Narine, Shaun, *Explaining ASEAN: Regionalism in Southeast Asia*, Lynne Rienner, Colorado, 2002, p. 53.



influence Vietnam's decision to pull out its troops from Cambodia, ASEAN seemed to be convinced that resolving the problem of power-sharing between Cambodian disputants was the major solution to influence such a decision. Hanoi wanted to see the PRK becoming stronger in comparison with the Khmer Rouge (KR) and being recognized by the international community as the sole legitimate government of Cambodia so as to prevent the latter from returning into power. The successful return of the KR into power would again pose the security threat to Vietnam. This was the reason why ASEAN tried to seek solutions to the political governance in Cambodia by engaging the great powers and all Cambodian disputants in various ASEAN-initiated forums (which will be described below) and contributing to the UN peacebuilding operation in Cambodia.

Regarding the engagement tactic, ASEAN initiated an International Conference on Kampuchia (ICK) scheduled to be held in New York in July 1981 by inviting all relevant countries such as China, the Soviet Union, Vietnam, and other interested parties to join the conference under the auspices of the UN.<sup>85</sup> At the conference, ASEAN proposed three formulas: disarmament of all Cambodian disputants, the dispatch of the United Nations (UN) peacekeeping forces, and the creation of an interim UN authority in Cambodia pending free elections which were to be supervised by the UN.<sup>86</sup> Nonetheless, the said formulas could not take off the ground due to the objection from Beijing and Washington. Beijing's resistance to this initiative was linked to its strategy of 'bleeding Vietnam white.' The US had a similar reaction as China did as this was a part of its strategy against the Soviet Union. More noticeably, ASEAN not only failed to win the support from China and the US towards the aforementioned initiatives, but also failed to secure the participation of Hanoi and the Soviet Union at the ICK. Actually, Vietnam declined to attend the conference because the UN still continued to recognize the Khmer Rouge as the legitimate government of Cambodia.<sup>87</sup> Furthermore, the Vietnamese government was perhaps not convinced that ASEAN as well as international community were able to persuade the hard-boiled Khmer Rouge to disarm. Once the Khmer Rouge failed to be disarmed, it would have been hard for Hanoi to allow its vulnerable client government, the PRK, to disarm. At this point, the Soviet Union also shared the same standpoint with Vietnam, thus boycotting the ICK. The ASEAN's proposed formulas would require the premature withdrawal of the Vietnamese forces from Cambodia. Soviet leadership viewed that this pullout would be tantamount to the acceptance of the high possibility of the return of the Chinese-backed Khmer Rouge into power.<sup>88</sup> As can be seen, the ASEAN's diplomacy in seeking the political solution to Cambodian crisis at the ICK encountered its

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<sup>85</sup> "Introduction to ASEAN," *The ASEAN Secretariat*, <http://www.aseansec.org/10045.htm> (accessed 28 November 2008)

<sup>86</sup> Haacke, Jurgen, *ASEAN's Diplomatic and Security Culture: Origins, Development and Prospects*, Routledge, 2003, p. 91.

<sup>87</sup> Narine, Shaun, *Explaining ASEAN: Regionalism in Southeast Asia*, Lynne Rienner, Colorado, 2002, p. 50.

<sup>88</sup> Buszynski, Leszek, "Soviet Foreign Policy and Southeast Asia: Prospect for the Gorbachev Era," *Asian Survey*, Vol. 26, No. 5, May 1986, p. 602.

limitation, and this effort was regarded by Michael Leifer as a ‘diplomatic defeat’ of ASEAN.<sup>89</sup>

Dissatisfied with this result, former Indonesian Foreign Minister Mochtar Kusuma-Atmadja, put forth the so-called ‘*cocktail diplomacy*’ which divided the resolution into two steps: the first step would involve only Cambodian conflicted factions, and the second one would require the participation of other countries including Vietnam. In light of the cocktail diplomacy, Indonesia proposed the convening of Jakarta Informal Meetings in July 1988 (JIM-I) and February 1989 (JIM-II) to resolve the problems of power-sharing among the Cambodian disputants, the withdrawal of the Vietnamese troops, and the peacekeeping.<sup>90</sup> Given symbolic viewpoint, JIM-I could be regarded as a diplomatic success as it was the first time that all Cambodian factions met each other (in the morning) and also the first time that Vietnam joined the meeting initiated by ASEAN. In terms of substance, JIM-I was a failure because the concern parties did not reach remarkable outcomes besides the agreement to link the pullout of Vietnamese soldiers with the cut of external aid to all Khmer disputants. JIM-II also had the similar fate as the PRK and Vietnam refused to give concessions on two problems namely the provisional government and the problems of the mandate and size of the Vietnamese force in Cambodia. However, the crisis was partially resolved after Vietnam finally accepted to totally withdraw its troops from Cambodia by late September 1989.<sup>91</sup> The main motivating factor behind Hanoi’s move was that it could no longer rely on the assistance from the Soviet Union which increasingly decreased its aid to Vietnam. Another reason for the Vietnamese pullout was related to its intention to normalize relations with its mighty neighbor, China.

Though Vietnam withdrew its forces from Cambodia in 1989, it did not mean that Vietnam could no longer pose a threat to ASEAN security. If the PRK government was severely threatened by the Khmer Rouge forces, it was very likely that Vietnam would intervene or perhaps return to Cambodia again. Therefore, ASEAN responded to such a concern by striving to tackle the problem of power-sharing among different Cambodian factions by setting stages for them to meet and discuss with each other. In February 1990, Indonesian Foreign Minister Ali Alatas hosted the so-called Jakarta Informal Meeting on Cambodia (IMC) in an attempt to address the said problem.<sup>92</sup> The meeting resulted in a breakthrough since all Cambodian conflicted parties agreed on the creation of a supreme national organ granted with sovereignty, but they still could not reach an agreement on the composition in this body. In September 1990, the second IMC was organized in

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<sup>89</sup> Narine, Shaun, *Explaining ASEAN: Regionalism in Southeast Asia*, Lynne Rienner, Colorado, 2002, p. 51.

<sup>90</sup> Acharya, Amitav, *The Quest for Identity: International Relations of Southeast Asia*, Oxford University Press, Singapore, 2000, p. 120.

<sup>91</sup> Erlanger, Steven, “Vietnam Promises Troops Will Leave Cambodia by Fall,” *The New York Times*, 6 April 1989, [<http://query.nytimes.com/gst/fullpage.html?res=950DE6D71431F935A35757C0A96F948260>] (accessed 03 August 2008).

<sup>92</sup> Haacke, Jurgen, *ASEAN’s Diplomatic and Security Culture: Origins, Development and Prospects*, Routledge, 2003, p. 109.

Jakarta. At this meeting, the Cambodian disputants came to an agreement on the composition of the Supreme National Council (SNC), that is, six out of twelve SNC's members were from the State of Cambodia. The rest came from FUNCINPEC headed by Prince Norodom Rannaridh, Khmer People's National Liberation Front (KPNLF) led by Son San, and the Khmer Rouge. Prince Norodom Sihanouk was to be the chairman of the SNC.

The major reason behind the volte-face of the positions of the four parties was not directly influenced by ASEAN's diplomacy, but by the pressure of the 'Perm-Five'. In other words, the Perm-Five pressed all Khmer factions to agree on the establishment of the SNC pending for the national election in 1993. In addition to exertion of its pressure on the Cambodian factions, the "Perm-Five" produced five documents allowing the United Nations to monitor peace and democratization process in Cambodia through United Nations Transitional Authority in Cambodia (UNTAC).<sup>93</sup> The UN's mission in Cambodia could be regarded as a triumph because it successfully transformed the fighting among Cambodian disputants in battlefields into the one through the national election.<sup>94</sup>

This success was, of course, the result of the ASEAN's continuous efforts in seeking political solutions to the problem of power-sharing among Cambodian conflicted parties, and these contributions can be evidenced by three facts. First, the idea of engaging the UN in monitoring the peace and democratization in Cambodia actually originated from the ASEAN's initiative at the International Conference on Kampuchea in 1981. Second, it was ASEAN which was trying to provide a forum for the relevant parties to seek the resolution to the conflict; therefore, some sorts of understanding among them might have been built up. Third, ASEAN, represented by Indonesia, contributed 2,000 troops to carry out peacebuilding operations in Cambodia in late 1992. It is worth noting that though Indonesia was the only ASEAN country that contributed to the UN operations, its forces accounted for 10% of the total UN forces in Cambodia.<sup>95</sup> Without Indonesian forces, the national election in 1993 and peacebuilding activities would have faced failure resulting from disruption by the warring factions, especially the Khmer Rouge.

#### **2.2.4. Indochinese asylum-seekers**

ASEAN not only proved its success in dealing with the problems of traditional security but also of non-traditional security issues, and the most striking example of the success of the association's efforts in dealing with non-traditional security threats is the settlement of the Indochinese refugee problem. The continuous inflow of asylum-seekers from Indochinese countries became a headache problem

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<sup>93</sup> Sorpong Peou, *Intervention and Change in Cambodia*, Institute for Southeast Asian Studies, Singapore, 2002, p. 249.

<sup>94</sup> *Ibid*, p. 200.

<sup>95</sup> "Indonesia, ASEAN, and the Third Indochina War," *Indonesia Country Studies*, <http://countrystudies.us/indonesia/99.htm> (accessed 04 August 2008)

for the ASEAN countries since the number of the asylum-seekers was too large to take care of. Moreover, their presence may exacerbate political tensions in the ASEAN countries as well. Following Vietnam independence and the communist victory in Cambodia and Laos in 1975, exodus of people in the Indochinese countries started fleeing because of their concern about the instability in their home countries.

In Vietnam, border skirmishes and the breakup of relations between Vietnam and China caused the Vietnamese authority to expel thousands of ethnic Chinese out of Vietnam. By late July 1978, the number of Vietnamese refugees crossing to China alone was over 160,000.<sup>96</sup> In Cambodia, people concerned about the communist ruling also fled out of the country. More importantly, after Pol Pot assumed his power in 1975, the brutality committed by this regime forced several Cambodians to flee to Thailand and Vietnam. In Laos, a large number of Hmong, many of whom had fought for the US in the war against communism in Indochina, also fled to Thailand following the victory of the Pathet Lao. According to the United Nations High Commissioner for Refugees (UNHCR), the number of people which fled from Vietnam to East and Southeast Asia was 796,310, many of whom landed in the ASEAN countries.<sup>97</sup> Thailand alone received 237,398 asylum-seekers from Cambodia, 359,930 from Laos, and 42,918 from Vietnam.<sup>98</sup> These figures did not yet include the number of the arrivals that were unregistered with the UNHCR.

Even though the financial expenses were largely liable to the UNHCR, the presence of these foreigners in the ASEAN countries had profound social impacts on social and political situation in these countries. Massive spending on the international refugees widened the gap of living standards between the refugees and local people, aggravating the social discontents in the host countries. For example, Filipinos who suffered from the volcanic eruption in the Philippines in 1991 and hurriedly settled in refugee camps complained that they received worse treatment vis-à-vis the Vietnamese refugees. In Malaysia, a large number of the ethnic Chinese among the Vietnamese refugees posed an additional threat to the existing ethnic division in this country. Singapore and Indonesia also faced the similar problem as Malaysia did. This can be evident through the joint statement of ASEAN foreign ministers in a special meeting in January 1979 admitting that the large number of refugees seriously impacted on multi-faceted fields of individual ASEAN country as well as on the regional peace and cohesiveness.<sup>99</sup>

Because of this reason, ASEAN countries were not willing to take responsibility to treat these people as “refugees” but “asylum-seekers” in their home countries. Thus, what they had to do were to seek permanent residence for the

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<sup>96</sup> Chang Pao-Min, “the Sino-Vietnamese Dispute over the Ethnic Chinese,” *The China Quarterly*, No. 90, June 1982, p. 207.

<sup>97</sup> Severino, Rodolfo C. *Southeast Asia in Search of an ASEAN Community*, Institute of Southeast Asian Studies, Singapore, 2006, p. 175.

<sup>98</sup> *Ibid*, pp. 175-176.

<sup>99</sup> “Joint Press Statement the Special ASEAN Foreign Ministers Meeting on Indochinese Refugees dated 13 January 1979,” *The ASEAN Secretariat*, <http://www.aseansec.org/1258.htm> (accessed 10 August 2008).

refugees in the third countries, and to stop Vietnamese authority from prodding a further outflow of Vietnamese people from its territory. The ASEAN countries in cooperation with the UNHCR continually put their pressure on developed countries to provide permanent residence for the refugees, and on Vietnam to stop instigating the outflow of its people, to accept the repatriation of those ineligible for refugee status, and to broaden the Orderly Departure Program (ODP).<sup>100</sup> As a result, in May 1979, Vietnam came to an agreement with UNHCR on the ODP, in which Vietnam, the resettlement countries and UNHCR would collaborate to permit Vietnamese to immigrate without forcefulness, dangers of escape or other inappropriate ways of leaving. According to UNHCR, approximately 1,311,183 Indochinese refugees were allowed to have permanent settlements in many developed countries such as the US, Australia, Canada, and France.<sup>101</sup>

### 3. Conclusion

In conclusion, the relevance of ASEAN at its inception can be summed up as follow: non-use of force to resolve disputes between members, non-interfering into internal affairs of each other, providing support for external security and anti-domestic communist insurgencies, promoting regional identity, and boosting economic development. Since its establishment until 1989, the relevance of the association was especially tested in the field of security. The security needs of ASEAN members during this period were the Association's support against the communist insurgencies; Vietnam's invasion of Cambodia; Indochinese refugee problem, and resolving the dispute between the Philippines and Malaysia peacefully. ASEAN proved its relevance in resolving these security issues of the members. Pertaining to the territorial dispute between the Philippines and Malaysia, ASEAN successfully prevented the dispute from escalating into an armed confrontation between the two members by using its engagement diplomacy.

ASEAN not only proved its relevance in dealing with the dispute among its members, but also in tackling with the external threats such as the communist insurgencies and Vietnam's invasion of Cambodia. The association effectively responded to the need of its members in tackling the communist threat since it provided a foundation on which the member states could deepen their regional and multilateral cooperation. In addition to the communist threat, ASEAN also proved its success in dealing with the problem of Vietnam's invasion of Cambodia. This triumph was manifested in three ways. First, ASEAN could mobilize international support against the Vietnamese invasion, generating pressure on Vietnam to accept negotiations over the withdrawal of its forces from Cambodia. Second, through its

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<sup>100</sup> Orderly Departure Program is the program designed to allow Vietnamese refugees to immigrate to the US under auspices of the UNHCR.

<sup>101</sup> Severino, Rodolfo C. *Southeast Asia in Search of an ASEAN Community*, Institute of Southeast Asian Studies, Singapore, 2006, p. 180.

engagement diplomacy, ASEAN successfully engaged all Cambodian conflicted parties in its initiated forums. Through these forums, the formula for the power-sharing was finally agreed by all Cambodian factions except the Khmer Rouge. The last success of ASEAN in dealing with the Vietnamese threat was the successful implementation of UN peacebuilding operation in Cambodia by ASEAN, especially Indonesia. Indonesia contributed a number of troops to secure a peaceful environment for the election in Cambodia, especially to prevent the Khmer Rouge from hampering the peace process. What ASEAN did towards the political governance in Cambodia significantly eased the Vietnam's fear of the return of the Khmer Rouge into power, considerably mitigating ASEAN's fear of a possible Vietnamese intervention in Cambodia in the future.

In terms of non-traditional security threats, ASEAN also prove its relevance. This can be seen in how the association handled the Indochinese refugee problem. ASEAN successfully put pressures on developed countries to accept Indochinese refugees to resettle in their countries, and on Vietnam to stem further instigation of the outflow of its people. The main factor behind this success was that all ASEAN members faced with the common threat. Therefore, I can conclude that ASEAN was relevant to the needs of its members from 1967 until 1989.

### **Chapter III: ASEAN's Relevance in Economics since Early 1990s till Present**

#### **Introduction**

If security was the predominant concern of ASEAN from 1967-1989, economic development become a prominent item on the agenda of the Association following the end of the Cold War in 1988. The end of this War has brought about a rapid increase in globalization as well as regionalism. Particularly, the rise of regionalism in various parts of the world increasingly challenged ASEAN economies which are mainly export-oriented. It should be noted that this type of economy requires two important elements: the assurance of market expansion and FDI reception in order to ensure its survival. Against the backdrop of rising regionalism in other parts of the world, ASEAN has chosen to integrate itself with East Asia in a hope to meet the needs for market expansion and FDI reception. Even though this integration could potentially answer the above-mentioned needs of ASEAN, it could also bring more damage to the organization. In other words, ASEAN could face the calamity of being absorbed by bigger economies in East Asia such as Japan, China, and South Korea if no appropriate measures have been taken by ASEAN. In this sense, ASEAN is required to fulfill two tasks. First, it should stay in the driver's seat of East Asian regionalism so that it could have more weight in trade negotiations with these countries. Second, ASEAN needs to possess the capability of attracting greater FDI so as to raise its export competitiveness vis-à-vis these economies. But,

in order to do so, ASEAN has to create investor confidence through building an integrated market. Therefore, the relevance of ASEAN in economics lies in its ability to play a major role in the development of East Asian regionalism and to achieve the integrated market goal without losing its identity.

I argue that ASEAN may appear relevant to the economic needs of its members. However, this relevance appears to have gradually lost, and could be exacerbated in the future due to ASEAN's difficulty in implementing four essential commitments to reach an integrated Market. They are the ASEAN Free Trade Area (AFTA), the ASEAN Framework Agreement on Services (AFAS), the ASEAN Investment Area (AIA), and narrowing the development gap among ASEAN members. Before examining the Association's relevance to those needs, it is necessary for us to understand what has challenged ASEAN so far.

## **1. Challenges to ASEAN Economic Needs**

### **1.1. APEC as the First Challenge to ASEAN**

As mentioned earlier, in order to survive, ASEAN needs to play a primary role in any regional project that may be initiated by outsiders. This was what ASEAN had initially expected by being a part of the Asia Pacific Economic Cooperation (APEC) formed in 1990 in an attempt to promote the liberalization of trade and investment among countries throughout the Asia Pacific. However, with the participation of various economic powers, particularly the US, Japan, and China in the process, ASEAN realized that it may be under threat. ASEAN could not afford to lose its economic status in the international arena; otherwise, it would also lose its economic relevance to its members. Given a broader scope of economic regionalism, APEC could provide larger trade benefits to ASEAN economies, which were mainly export-based, in comparison with what ASEAN could actually do for its members. Nevertheless, the forum was not yet institutionalized at that time. Still, it did task the so-called Eminent Persons Group (EPG), composing of famous economists and other scholars from APEC member states, to work out a free trade blueprint for the Asia-Pacific regionalism.<sup>102</sup> This meant that APEC had a potential to become a free trade area sometime in the future. If it could achieve this goal, ASEAN would be truly in danger of losing its economic relevance to the members. This was the reason why ASEAN was unenthusiastic about seeing an institutionalized APEC. The Indonesian Foreign Minister Ali Alatas stated at the 22<sup>nd</sup> ASEAN Ministerial Meeting in July 1990 that APEC should not move beyond its current status as a consultative forum so that ASEAN's identity would not be threatened.<sup>103</sup>

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<sup>102</sup> Simon, Sheldon W. "The Parallel Tracks of Asian Multilateralism," in Sharon Siddique and Sree Kumar, *The 2<sup>nd</sup> ASEAN Reader*, Institute of Southeast Asian Studies, Singapore, 2003, pp. 345-346.

<sup>103</sup> Buszynski, Leszek, "ASEAN's New Challenges," *Pacific Affairs*, Vol. 70, No. 4, Winter 1997-1998, p. 566.

In response to the future threat of APEC, ASEAN decided to form the so-called ASEAN Free Trade Area (AFTA) in 1992. The AFTA was, at that time, aimed at achieving an integrated market among ASEAN member countries (ASEAN-6) through tariff reduction to 0-5% by 2008. The deadline of AFTA was then advanced to 2003 so that an integrated market could be achieved faster. ASEAN expected that this deadline would help ensure its future survival since it could make the Association stay one step ahead in achieving a free trade area goal before APEC. Furthermore, ASEAN also expected that the success of the implementation of AFTA by the above deadline could help ASEAN to be at the centre of all similar trade promotion efforts.

## **1.2. East Asian Community and ASEAN**

### **1.2.1. Background of the East Asian Community**

The Challenges of the East Asian Community to ASEAN could not be well explained without prior understanding of the concept of the community and how it functions. Actually, the concept of the East Asian Community is linked to the formation of the ASEAN Plus Three (APT) process which came up during 1990s.<sup>104</sup> Hence, it is important for us to know how the ASEAN Plus Three was created and how it works in advance.

Actually, the creation of the ASEAN Plus Three was mainly triggered by the 1997-1998 Asian financial crisis. The crisis made ASEAN members lose their confidence in the US and the International Monetary Fund (IMF) and considered the buildup of firm economic relations with Northeast Asian countries namely Japan, China, and South Korea as an efficacious mean to prevent the recurrence of any possible economic crisis in the future.<sup>105</sup> This sort of thinking came after the US had failed to aid Southeast Asian economies during the crisis. Moreover, the IMF which mainly serves Washington's economic policies even exacerbated the crisis while it had prescribed ASEAN countries the wrong medicine amidst the crisis. Japan, on the other hand, decided to grant US\$30 billion to Asia under the Miyazawa Plan, particularly Southeast Asia in 1998 in an attempt to help these economies to recover.<sup>106</sup> Noticeably, China did not depreciate its Renminbi currency so that ASEAN exports would not be hurt by Chinese commodities. Because of the contribution of China and Japan in helping to recover ASEAN economies, ASEAN leaders hosted a Summit in Vietnam in December 1998 with the aim to seek ways for effectively integrating their economies with the Plus Three countries.<sup>107</sup> Here, the response from the Plus Three countries, especially Japan and China to ASEAN's intention to form an economic bloc is worth observing. Before the crisis struck Asia

<sup>104</sup> ASEAN Plus Three refers to ASEAN countries plus China, Japan, and South Korea.

<sup>105</sup> Stubbs, Richard, "ASEAN Plus Three: Emerging East Asian Regionalism?" *Asian Survey*, Vol. 42, No. 3, May-June 2002, p. 449.

<sup>106</sup> Narine, Shaun, *Explaining ASEAN: Regionalism in Southeast Asia*, Lynne Rienner, Colorado, 2002, pp. 177-178.

<sup>107</sup> The Plus Three Countries refer to China, Japan, and South Korea.



in 1997, China was reluctant to join the East Asia Economic Group (EAEG) or East Asia Economic Caucus (EAEC), which had been initiated by Malaysian Prime Minister Mahathir in 1990 since it was concerned that other countries might use EAEC as a forum to criticize its human right abuses.<sup>108</sup> However, this position changed when the financial crisis attacked Asia. Though China was less affected, it learnt an important lesson from the Asian financial crisis. Specifically, China thought that it should not heavily depend on the US market for its exports since this could make the country more reliant on the US dollar. China wanted to avoid the same fate faced by many Asian economies. Therefore, China wanted to diversify its exporting markets by responding positively to ASEAN's request to join the ASEAN Plus Three meeting in late 1997. In addition, before the crisis began, Japan also hesitated to join the EAEC since it thought that the move would antagonize the US. Nevertheless, the shift of the US's stance towards the ASEAN Plus Three in 1996 and China's positive response to the ASEAN's request made Japan agree to take up the request, too. South Korea had little choice but to join East Asian regionalism since its two major economic partners already took part.

Since the ASEAN Plus Three countries [APT] appeared to respond positively to East Asian regionalism, the APT leaders, at the 1998-Summit, tasked the East Asian Vision Group (EAVG) to give recommendations on the vision of the cooperation between ASEAN and the Plus Three countries. At the 2001-APT Summit in Brunei, the EAVG first introduced the notion of East Asian Community (EAC) in its report to the APT leaders. The aims of the EAC are of following:

- (1). Preventing conflict and promote peace among the nations of East Asia;
- (2). Achieving closer economic cooperation in such areas as trade, investment, finance, and development;
- (3). Advancing human security in particular by facilitating regional efforts for environmental protection and good governance;
- (4). Bolstering common prosperity by enhancing cooperation in education and human resources development; and
- (5). Fostering the identity of an East Asian Community.<sup>109</sup>

However, it seemed that the most practical aims that the East Asian countries want to achieve is the economic cooperation; more specifically, an East Asian Free Trade Area (EAFTA) and financial cooperation. So far, EAFTA has not been implemented yet since it is still being studied by the East Asian Studies Group (EASG) which was tasked by the APT leaders to assess the inputs of the EAVG since November 2000. Even so, its implications on ASEAN could be preliminarily

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<sup>108</sup> The creation of the EAEG or the EAEC between ASEAN and Northeast Asian countries aimed to balance with other economic blocs such as the European Union and North American Free Trade Area (NAFTA). But the concept EAEC was put on the back burner due to the lack of support from Northeast Asian countries, and even among ASEAN countries, especially Indonesia.

<sup>109</sup> "Towards an East Asian Community: Region of Peace, Prosperity and Progress," *The Ministry of Foreign Affairs of Japan*, <http://www.mofa.go.jp/region/asia-paci/report2001.pdf> (accessed 15 April 2009)

evaluated. This is because individual Plus Three countries already concluded three sub-regional agreements with ASEAN, two of which have already been in effect.<sup>110</sup> Specifically, ASEAN concluded the Framework Agreement on Comprehensive Economic Cooperation with China in November 2002.<sup>111</sup> With Japan, ASEAN reached the Framework Agreement for Comprehensive Economic Partnership in October 2003.<sup>112</sup> Also, ASEAN reached the Framework Agreement on Comprehensive Economic Cooperation with South Korea in December 2005.<sup>113</sup> In addition to EAFTA, the EAC has a particular focus on the financial cooperation. The APT countries concentrate on currency swap arrangements aiming to assist the member states which face financial liquidity problems. These arrangements were first proposed in 2000, and became known as the Chiang Mai Initiative (CMI).

## **1.2.2. East ASEAN Community as a Challenge to ASEAN<sup>114</sup>**

### **1.2.2.1. East Asian Free Trade Area (EAFTA) as a Challenge to ASEAN**

It appears that since the conclusion of the sub-regional agreement for FTAs with individual Plus Three countries, ASEAN gained what it had expected from East Asian regionalism, that is, the increase in FDI inflows. Regarding FDI, the inflows from China grew from minus US\$72 million in 2002 to US\$1.1 billion in 2007. For South Korea, FDI was about US\$534 million in 2005, but then jumped to US\$2.7 billion in 2007. Also, FDI from Japan stood at approximately US\$3.9 billion in 2003, but the figure rose to US\$6 billion in 2005 and US\$9.5 billion 2007.<sup>115</sup> Nonetheless, EAFTA could also pose two challenges to ASEAN as its market could be dominated by the Plus Three countries and it could lose FDI to the Plus Three countries over the long-term.

First of all, ASEAN's concern of losing its market to the Plus Three countries may be justified if one takes a look at recent trend of trade between ASEAN and individual Plus Three countries. ASEAN was inclined to encounter continuous trade deficits with the latter group. For instance, the deficit with China was approximately US\$1.5 billion in 2003, but the figure jumped to US\$ 9.9 billion in 2006. In 2007,

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<sup>110</sup> The detailed implementation of the ASEAN-Japan Framework Agreement for Comprehensive Economic Partnership is still under negotiation between the two sides.

<sup>111</sup> Joseph Yu-Shek Cheng, "The ASEAN-China Free Trade Area: Genesis and Implication," *Australian Journal of International Affairs*, Vol. 58, No. 2, June 2004, p. 259.

<sup>112</sup> "Framework for Comprehensive Economic Partnership between the Association of Southeast Asian Nations and Japan," *The ASEAN Secretariat*, <http://www.aseansec.org/15274.htm> (accessed 24 March 2009)

<sup>113</sup> "Framework Agreement on Comprehensive Economic Cooperation Among the Governments of the Member Countries of the Association of Southeast Asian Nations and the Republic of Korea," *The ASEAN Secretariat*, <http://www.aseansec.org/18063.htm> (accessed 25 March 2009)

<sup>114</sup> Challenges of the East Asia Summit (EAS), composed of ASEAN, China, Japan, Korea, Australia, New Zealand, and India will not be examined because the EAS was created (in 2005) to minimize challenges of the EAC.

<sup>115</sup> "Foreign Direct Investment Statistics," *The ASEAN Secretariat*, <http://www.aseansec.org/18144.htm> (accessed 24 March 2009)

the trade deficit even increased up to US\$15.3 billion. With Korea, the trade deficit increased from approximately US\$1.1 billion in 2006 to US\$2.3 billion in 2007. In addition, the trade deficit with Japan, despite a decline, is still large. The deficit was about US\$7 billion in 2003 and the figure stood at US\$2.9 billion in 2007.<sup>116</sup> The above-figures of trade deficits between ASEAN and individual Plus Three countries suggest that individual ASEAN countries might have traded more with the Plus Three countries rather than with other ASEAN members. This means that the ASEAN market could gradually lose its significance to ASEAN members and could be dominated by the Plus Three countries' commodities in the future. This judgment could be justified if one compares the shares of intra-ASEAN trade with trade between ASEAN and the Plus Three countries. As shown in Table 1 below, the shares of the intra-ASEAN trade are lower than the trade between ASEAN and the Plus Three countries except in 2007. Even though the share of the trade among ASEAN members is approximately equal to trade between ASEAN and the Plus Three countries in 2007, it does not mean that the intra-ASEAN trade has increased. On the contrary, intra-ASEAN trade seemed to decline. These statistics indicate that ASEAN traded more with outsiders such as the US and the EU than with its own members and with the Plus Three countries in that year. If such a trend continues, the ASEAN market might not be seriously threatened by the Plus Three countries. This is because ASEAN does not rely much on the Plus Three countries markets. However, the current trend of rising protectionism in the US and the EU market due to the global financial crisis could hinder ASEAN products from accessing their markets easily as it used to in the past. In this case, ASEAN would be inclined to increase its trade with the Plus Three countries markets again. Ultimately, the ASEAN market may be dominated by the Plus Three countries.

Table 1: Shares of the Intra-ASEAN trade and Trade between ASEAN and the Plus Three countries in Comparison with ASEAN Total Trade (%)<sup>117</sup>

Year	2005	2006	2007
Intra- ASEAN trade	24.9	25.1	25
ASEAN-Japan	12.5	11.5	10.7
ASEAN-China	9.2	10	10.5
ASEAN-Korea	3.9	4	3.8
ASEAN with Plus Three countries	25.6	25.5	25

Source: The ASEAN Secretariat

Secondly, ASEAN could lose FDI to the Plus Three countries over the long-term. When tariff barriers and non-tariff barriers between ASEAN and the Plus Three countries have been gradually removed, ASEAN products will be subjected to equal competition with the commodities of the Plus Three countries. Because of lower technology and higher labor costs compared with the Plus Three countries (especially

<sup>116</sup> "External Trade Statistics," *The ASEAN Secretariat*, <http://www.aseansec.org/18137.htm> (accessed 02 February 2009)

<sup>117</sup> Ibid.

China), ASEAN products may become less competitive in comparison with the commodities of the Plus Three countries on its own market as well as on the Plus Three countries markets. This is the reason why ASEAN continuously faced a trade deficit with the latter group. As a result, many investors may consider moving their investment from ASEAN to the Plus Three countries, China above all, in order to seek better technology and cheaper labor costs.

#### **1.2.2.2. China-ASEAN Free Trade Area (CAFTA)**

CAFTA has been implemented after ASEAN and China concluded the Framework Agreement on Comprehensive Economic Cooperation in 2002. It is an integral component of future EAFTA. But it is worth examining its challenge to ASEAN separately from EAFTA since it appears to pose more imminent challenges to ASEAN in comparison with other EAFTA components such as ASEAN-Japan FTA and ASEAN-Korea FTA. Similar to the previous section, ASEAN could face two challenges from CAFTA: First, the ASEAN market could lose its significance for its members and become dominated by Chinese products; second, ASEAN FDI could flow into China. Regarding the first challenge, the ASEAN market could be absorbed by China other than Japan and Korea since the amount of deficit between ASEAN-China is much higher than that between ASEAN-Japan and between ASEAN-Korea. This trend indicates that individual ASEAN members might have traded more with China rather than with their own members. As shown in Table 1, even though the shares of the ASEAN-China trade were still lower than those of the intra-ASEAN trade, they tended to be continuously on the rise. By contrast, the shares of the intra-ASEAN trade appeared to decrease. Noticeably, while the percentages of trade between ASEAN and Japan and between ASEAN and Korea seemed to decline, that between ASEAN and China seemed to increase gradually. All of these facts suggest that the ASEAN market could gradually lose its importance to its own members in comparison with the Chinese market. More noticeably, China could even become the most dominant actor vis-à-vis Japan and South Korea on the ASEAN market.

CAFTA not only mean loss of the significance of the ASEAN market to its members, but also the loss of ASEAN FDI to China. The FDI from ASEAN will be likely to flow to China because it is a more integrated market compared to ASEAN. Specifically, China could become a more competitive destination for FDI from ASEAN since the country could set common labor costs and provide freer flows of goods and services in comparison with the ASEAN market.<sup>118</sup> However, one may wonder why FDI still flowed from China to ASEAN in recent years even though China had greater potential for absorbing FDI than ASEAN. The main reason is that China is not the main export market for ASEAN, while the US, the EU and Japan

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<sup>118</sup> Because of cheaper labor costs, China could be even a more competitive destination for FDI reception than both Japan and Korea.

are. Investors found that it was more lucrative to invest in ASEAN other than in China since they could enjoy more trading preferences granted by the US, the EU and Japan in accessing these markets. But once these preferences gradually disappear, investors will consider moving their investments out of ASEAN to more integrated markets like China. The recent increase in economic protectionism in the developed economies today could hasten this trend.

### 1.2.2.3. Chiang Mai Initiative as a Challenge to ASEAN

As mentioned earlier, following the 1997-1998 Asian financial crisis, ASEAN countries expected that the Association would be able to obtain the financial support from the Plus Three countries under the framework of the APT in order to avoid or minimize negative impacts of any financial crisis which could reoccur in the future. At the ASEAN Plus Three Finance Ministers meeting in May 2000, ASEAN gained a substantial financial support from the Plus Three countries to the Chiang Mai Initiative (CMI), which proposed the bilateral currency swap arrangements amounting to US\$37.5 billion among East Asian countries.<sup>119</sup> Here, it should be noted that, under the CMI, there are total 33 bilateral currency swap agreements (BSAs) subjected to negotiations among the APT countries, 30 of which have to be negotiated and concluded between individual Plus Three country and individual ASEAN member country. The other three BSAs have to be concluded between the Plus Three countries.<sup>120</sup> The aim of the BSAs is to help secure currencies of the East Asian countries against speculative attacks as witnessed in the 1997-1998 financial crisis. Under the BSAs, a signatory country is authorized to use the short-term swaps foreign currency reserves, whose amount is specified under the BSAs (concluded with other countries), to purchase its own currency so as to keep its exchange rate stable. As of December, 2008, 16 BSAs were concluded between the APT countries with the total swaps of the currency reserves amounting to US\$84 billion, 84.5% of which were contributed by Japan, China, and Korea.<sup>121</sup> In addition, at the 14<sup>th</sup> ASEAN Summit in February-March 2009 in Thailand's Hua Hin, ASEAN leaders even called for the increase in the BSA reserves up to US\$120 billion, 80% of which will be covered by the Plus Three countries.<sup>122</sup> The above-mentioned facts demonstrate that individual ASEAN countries have increasingly becoming more financially dependent on the Plus Three countries, meaning that ASEAN has increasingly lost its relevance to the economic needs of its members.

<sup>119</sup> "Chiang Mai Initiative as the Foundation of Financial Stability in East Asia," *The ASEAN Secretariat*, <http://www.aseansec.org/17902.pdf> (accessed 27 March 2009)

<sup>120</sup> "The Chiang Mai Initiative," *Institute for International Economics*, [http://www.iie.com/publications/chapters\\_preview/345/3iie3381.pdf](http://www.iie.com/publications/chapters_preview/345/3iie3381.pdf) (accessed 20 April 2009)

<sup>121</sup> "Network of Bilateral Swap Arrangements (BSAs) under the Chiang Mai Initiative (CMI)," *The Ministry of Foreign Affairs of Japan*, <http://www.mofa.go.jp/policy/economy/wef/2009/fact11.pdf> (accessed 20 April 2009)

<sup>122</sup> "ASEAN Summit Ends with Call to Expedite \$120 bil. Asian Reserve Pool," *BreitbartCom*, [http://www.breitbart.com/article.php?id=D96L21O81&show\\_article=1](http://www.breitbart.com/article.php?id=D96L21O81&show_article=1) (accessed 20 April 2009)

## 2. ASEAN's Response to Challenges

In order to effectively respond to challenges posed by APEC, the East Asian Community, especially CAFTA, ASEAN needs to undertake two tasks: First, it has to play a primary role in the wider East Asian regionalism; otherwise, it could be economically dominated by the Plus Three countries. Second, ASEAN needs to become an integrated market so as to avoid losing its market significance to its members and to turn itself into a competitive destination for FDI. In other words, achieving the integrated market goal would prevent ASEAN from being absorbed by either China or a wider East Asian regional grouping. Therefore, relevance of the Association lies in its ability to exercise a primary role in East Asian regionalism and to achieve the integrated market goal.

### 2.1. ASEAN as a Driver of East Asian Regionalism

ASEAN has to be in the driver's seat of East Asian regionalism; otherwise, its economic agenda would be left behind by China, Japan, and South Korea. Here, I argue that ASEAN has succeeded in becoming the driver of East Asian regionalism given its role in proposing the memberships in East Asian Regionalism and in the hosting of the APT Summits. Regarding the membership, ASEAN made East Asian regionalism possible by including the Plus Three countries in the effort to stabilize the region during the 1997-1998 financial crisis. Concerning the organization of the APT Summits, only ASEAN countries could chair those summits in their respective countries. Hosting the Summits is a vital task for ASEAN in exercising its leading role in the East Asian Community since the Association could place its own agenda in the summits. Because of ASEAN, various important initiatives have been translated into reality. For example, Singapore's initiative to chair the third East Asia Week in 2008, aimed to foster cooperation among East Asian youths, arts, and culture were translated into reality at the 11<sup>th</sup> APT Summit in Singapore in 2007.<sup>123</sup> Also, Thailand's initiative to hold an ASEAN Plus Three forum on Nuclear Energy Safety in 2008, aimed at promoting regional specialization in nuclear energy safety, was also accepted by the Plus Three countries at the summit.<sup>124</sup> As the hosts of the APT Summits, ASEAN not only could set its own agendas, but also fix the schedules for the APT Summits. So far, all APT Summits have been held back to back with the ASEAN Summits. This gives ASEAN members a good opportunity to have discussions between them before meeting with for the APT leaders.

Even though ASEAN could play a primary role in the East Asian Community, this position has increasingly been challenged and could be even lost to the Plus Three countries in the future. This is because the latter group is politically and economically more powerful than the former. Furthermore, the latter group could exploit differences among ASEAN members well. At this point, one may question

<sup>123</sup> "Chairman's Statement of the 11<sup>th</sup> ASEAN Plus Three Summit," *The ASEAN Secretariat*, <http://www.aseansec.org/21096.htm> (accessed 16 April 2009)

<sup>124</sup> Ibid.



why the Plus Three countries, particularly China and Japan can not take the lead in the East Asian cooperation at the moment. This was perhaps due to the fact that the Plus Three countries, particularly China and Japan could not allow another to dominate the process of East Asian cooperation. The problem of history between the three countries has created the mutual suspicions, and even caused high tensions in their bilateral relations frequently. While they could not accept each other's leadership in East Asian regionalism, they both tended to support the leadership of the 'weak ASEAN'. In other words, ASEAN can assume such a role as it has not been perceived by both China and Japan as a "threat". This created a dilemma within ASEAN. If the Association had to be strongly institutionalized, it would run risk of losing its leadership role in the East Asian Cooperation over the long-term. This is because both China and Japan could change their perceptions about ASEAN. But if ASEAN failed to institutionalize itself, it could be gradually absorbed by China and the East Asian regional grouping. ASEAN responded to this dilemma by successfully forming the East Asian Summit (EAS) composing of the APT members together with India, Australia and New Zealand in 2005.<sup>125</sup> This means that ASEAN still could and would be able to play a leading role in East Asian regionalism because of the emergence of the EAS.

## **2.2. ASEAN as an Integrated Market**

ASEAN could, of course, stay in the driver's seat of East Asian regionalism, but it could also be under the command of either the East Asian regional grouping or China. In other words, ASEAN needs to avoid being economically absorbed by both of them. As seen in the above analysis, the tendency of being absorbed by the latter group is rather apparent if one takes a look the trade tendency between ASEAN and the latter group. This requires ASEAN to improve its capacity in attracting greater FDI. In order to do so, ASEAN has to become an integrated market as soon as possible. This was the reason why ASEAN leaders, at 13<sup>th</sup> Summit in Singapore in November 2007, committed to achieve the four significant elements of the integrated market, which had been previously agreed in the 2003-Bali Summit, by 2015. The four elements include: the ASEAN Free Trade Area (AFTA), the ASEAN Investment Area (AIA), the ASEAN Framework Agreement on Services (AFAS), and narrowing of development gap among ASEAN members. Therefore, the relevance of ASEAN lies in the Association's ability to realize these commitments.

### **2.2.1. ASEAN Free Trade Area (AFTA)**

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<sup>125</sup> "Kuala Lumpur Declaration on the East Asia Summit, Kuala Lumpur, 14 December 2005," *The ASEAN Secretariat*, <http://www.aseansec.org/18098.htm> (accessed 16 April 2009)

AFTA is aimed at increasing ASEAN intra-regional trade, contributing to the boost of FDI from both ASEAN and non-ASEAN countries.<sup>126</sup> To achieve this end, AFTA members have been committed to abolishing tariff and non-tariff barriers through the implementation of various measures in which Common Effective Preferential Tariff Agreement (CEPT) has been the pivot of the process. Specifically, under this agreement, tariffs imposed on the various intra-trade commodities will finally be abolished by 2010 for ASEAN-6 and 2015 for ASEAN new members. But it should be noted that before coming up with the above deadline (2010), ASEAN (ASEAN-6) has changed the CEPT deadline many times already. ASEAN not only faces the problem of tariff reduction under the CEPT scheme, but also the problem of non-tariff barriers, expected to be removed in accordance with the above-mentioned CEPT deadlines. These problems question ASEAN's ability to achieve the target of a free trade area by 2015. Before illustrating the said problems clearly, it is necessary for us to understand how CEPT works in advance. As mentioned earlier, CEPT covered both reduction in tariff and non-tariff barriers of commodities traded among ASEAN member countries. Since the tariff reduction under CEPT scheme is a complicated process, it is important for us to understand how the process works before-hand. Under CEPT scheme, two programs of tariff reduction have been carried out: Fast Track Program and Normal Track Program. They could be detailed as follows:

- a. The Fast Track Program: products with tariff over 20% will be subjected to 0-5% tariff band within ten years (by January 1<sup>st</sup>, 2003). Products with tariff equal to 20% and lower will be down to 0-5% within seven years (by January 1<sup>st</sup>, 2000). There were 15 commodity groups identified in this program. They were vegetable, pulp and paper, rubber goods, wooden and rattan furniture, gems and jewelries, electronics, cement, chemicals, pharmaceuticals, plastics, fertilizer, leather goods, ceramics and glass commodities, copper cathodes, textiles.
- b. The Normal Track Program: products with tariff over 20% will be subjected to reduction in two steps: First, the tariff will be down to 20% within five to eight years (by January 1<sup>st</sup>, 2001). Second, the tariff will be consecutively brought down to 0-5% by January 1<sup>st</sup>, 2008. In addition, commodities with tariff at 20% or lower will be subjected to the reduction to 0-5% level within 10 years (by January 1<sup>st</sup>, 2003).<sup>127</sup>

As seen, the CEPT deadline were originally scheduled in 2008, but it was almost immediately shortened to 2003 in response to the APEC threat. Then it was advanced to 2002 at the 1998 ASEAN Summit in Vietnam in response to the 1997 Asian financial crisis. After that, ASEAN products (ASEAN-6) were rearranged in accordance with the new CEPT deadline (2002):

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<sup>126</sup> "ASEAN Free Trade Area: An Update," *The ASEAN Secretariat*, <http://www.aseansec.org/7665.htm> (accessed 20 August 2008)

<sup>127</sup> "Questions and Answers on the CEPT," *The ASEAN Secretariat*, <http://www.aseansec.org/10153.htm> (accessed 19 April 2009)



- a. *Inclusion List (IL)*: the commodities in this list will be subject to the tariff reduction to maximum 20% in 1998, and 0-5% in 2002 for ASEAN-6. However, for new members, the deadline is extended to 2006 (for Vietnam), 2008 (for Laos and Myanmar), and 2010 (for Cambodia). Non-tariff barriers will also be removed.
- b. *Temporary Exclusion List (TEL)*: the goods in this list can be protected from the tariff reduction temporarily, but they have to be gradually moved into the IL and started the tariff reduction process after the transfer in the IL.
- c. *Sensitive List (SL)*: this list includes unprocessed agricultural commodities, which are given longer timeframe before being included in the free trade area. The tariff reduction rate for the products in this list would be finally decreased to 0-5% in 2010 for ASEAN-6, and other non-tariff barriers will also be removed. For new ASEAN members, the deadline is extended: Vietnam (2013), Laos and Myanmar (2015), and Cambodia (2017).
- d. *General Exception List (GEL)*: the goods in this list are permanently excluded from liberalization for reasons of national security, public morals, archaeological values, and so forth.<sup>128</sup>

The continuous changes of the CEPT deadline questioned the Association's ability to enforce what its members had committed to do under the new deadline. This concern finally became true when Malaysia requested for suspending the transfer of its national motor vehicles in the Temporary Exclusion List (TEL) to the Inclusion List (IL) in 2000. Due to a decline in the car demand following the 1997-1998 financial crisis, Malaysia asked for such a delay until 2005. This act was considered as a breach of commitment to what ASEAN Economic Ministers had agreed at their 2004-meeting in Yangon. It is worth noting that, the Ministers agreed that, under the CEPT scheme, all items in the TEL of ASEAN-6 (including Malaysia) would be completely transferred to the IL by early 2000. ASEAN was unable to put pressure on Malaysia to comply with the CEPT scheme even though the Association had learnt that this breach would hurt automobile industries in other ASEAN countries, particularly Thailand, the top exporter of the motor vehicles in the region. Instead of putting pressures on the violator, ASEAN, during the fourth ASEAN Informal Summit in Singapore in November 2000, concluded a protocol enabling AFTA members to temporarily adjourn the transfer of any commodity from the TEL into the IL, or to temporarily delay its concession on a commodity already placed in the IL.<sup>129</sup> This is not the end of the story yet. In January 2003, ASEAN even extended the CEPT deadline to 2010 for ASEAN-6. Other ASEAN members including Thailand could do nothing to stop Malaysia from pursuing what it wanted. The failure to put pressure on Malaysia was due to the practice of the consensus method and the lack of regional mechanisms to enforce the commitment of member states to the regional agreement. These two factors could, of course, encourage other ASEAN members to do the same thing when their economic interests are threatened. The Philippines, for example, followed Malaysia's action by asking to suspend the

<sup>128</sup> "ASEAN Free Trade Area: An Update," the ASEAN Secretariat, <http://www.aseansec.org/7665.htm> (accessed 20 August 2008)

<sup>129</sup> "Protocol Regarding the Implementation of the CEPT Scheme Temporary Exclusion List," *The ASEAN Secretariat*, <http://www.aseansec.org/12365.htm> (accessed 01 September 2008)

transferring of some petrochemical commodities from TEL to IL in August 2003. Even though, as of August 2007, approximately 90% of total ASEAN products have been brought down to 0-5% tariffs and 98.7% of products of ASEAN-6 have been brought down to 0-5% tariff, there is no guarantee that ASEAN new members would strictly comply with the ASEAN's CEPT deadline, that is, 2015 (Refer to Table 2 for details of the current CEPT deadline of ASEAN).<sup>130</sup> What Malaysia and the Philippines did could set a precedent for new ASEAN members to follow when latter group's interests are at stake. In other words, ASEAN new members may request to suspend the CEPT deadline if their interests are threatened.

Table 2: Current Schedule of ASEAN for Tariff reduction to Zero Percent<sup>131</sup>

Country	Year	Percentage of Reduction in the Inclusion List
ASEAN-6	2003	60%
	2007	80%
	2010	100%
Vietnam	2006	60%
	2010	80%
	2015	100%
Laos and Myanmar	2008	60%
	2012	80%
	2015	100%
Cambodia	2010	60%
	2015	100%

Source: The ASEAN Secretariat

ASEAN not only faces its limitation in dealing with the problem of tariff barriers, but also non-tariff ones. Perhaps, the non-tariff barrier issue is the major challenge to the realization of AFTA at the moment. To date, ASEAN is still in the process of defining them and establishing a database on them. More noticeably, ASEAN has not even specified when and how its members are going to eliminate these barriers. This is perhaps because ASEAN members are still concerned about losing the competitiveness of their products or industries to other members within the

<sup>130</sup> "One Vision One Identity One Community, Annual Report 2007-2008," *The ASEAN Secretariat*, <http://www.aseansec.org/AR-08.pdf> (accessed 10 April 2009)

<sup>131</sup> "The ASEAN Free Trade Area," *The ASEAN Secretariat*, <http://www.aseansec.org/12021.htm> (accessed 20 April 2009)

same Association through the elimination of the non-tariff barriers. Again, the lack of effective mechanisms to enforce the compliance of the members is the main reason.

In short, the failure to realize the removal of tariff barriers within the deadline and to specify when the non-tariff barriers will be removed has created a high possibility that ASEAN could and would continuously change its CEPT deadline. If the situation continues, it is difficult to see AFTA could be realized by 2015. The ultimate result is that ASEAN would lose its economic competitiveness to either the East Asian regional grouping or China. Dr. Surin Pitsuwan, the former Thai Foreign Minister and the current ASEAN Secretary General, once warned ASEAN countries of a danger resulting from the delay of the CEPT deadline:

AFTA has been a mockery. ASEAN has kept moving the deadlines and we still cannot open our markets to each other... We will not be able to attract foreign investments if we cannot guarantee an integrated common market.<sup>132</sup>

### **2.2.2. ASEAN Framework Agreement on Services (AFAS)**

Trade in services plays a crucial role in the development of many ASEAN economies as services takes up approximately 40-50% of GDP of those countries.<sup>133</sup> Having acknowledged this significance, ASEAN countries concluded the so-called ASEAN Framework Agreements on Services (AFAS) in December 1995 with an aim to promote competitiveness and efficiency of ASEAN suppliers of services by removing intra-trade barriers and other restrictions among the member countries by 2015.<sup>134</sup> Noticeably, this agreement is designed to liberalize the services beyond the scope covered in the WTO's General Agreement on Trade in Services (GATS). Despite the conclusion of the above agreements, some ASEAN members appear hesitant to expand their trade in services through liberalization, or to treat services like trade in goods, they are still concerned about serious competition from other members in the sectors they do not have strong comparative advantages. Even Singapore, regarded as the most open economy in Southeast Asia, also finds hard to open up its financial and telecommunications services because of this reason.<sup>135</sup> This is the reason why ASEAN members prefer to negotiate for liberalization of trade in services on the sector-by-sector basis as they did in the WTO negotiation rounds with an aim to seek concessions from each other. Consequently, the process of the liberalization of trade in services among ASEAN members is rather slow. The AFAS

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<sup>132</sup> Pitsuwan, Surin, "Future Directions for ASEAN," in Siddique, Sharon & Kumar, Sree (Compilers), *The 2<sup>nd</sup> ASEAN Reader*, Institute of Southeast Asian Studies, Singapore, 2003, pp.487-488.

<sup>133</sup> Severino, Rodolfo C. *Southeast Asia in Search of an ASEAN Community*, Institute of Southeast Asian Studies, Singapore, 2006, p. 231.

<sup>134</sup> "ASEAN Framework Agreement on Services," *The ASEAN Secretariat*, <http://www.aseansec.org/6628.htm> (accessed 27 January 2009)

<sup>135</sup> Severino, Rodolfo C. *Southeast Asia in Search of an ASEAN Community*, Institute of Southeast Asian Studies, Singapore, 2006, p. 249.

not only faces the slow implementation process, but also encounters an uncertainty in its objective. More specifically, even though the ASEAN economic ministers, at September 2005 meeting, agreed to set 2015 as the deadline for liberalizing all services sectors, they did not specify exactly what ASEAN wishes to achieve by that time.<sup>136</sup>

The slow process of liberalization and the uncertainty of what to be achieved are major hurdles for ASEAN in realizing its goal of liberalization of trade in services in particular and an integrated market in general. In spite of the acknowledgement of these consequences, the Association has not been able to compel its members to expedite the liberalization process and to outline clear objectives of the AFAS. The failure is a result of the lack of effective institutions to enforce compliance of the member states with what they committed to the AFAS.

### 2.2.3. ASEAN Investment Area (AIA)

The AIA became effective since October 7<sup>th</sup>, 1998. It is aimed at attracting investments especially those from ASEAN member countries in regional industrial networks. To achieve this aim, under the AIA, ASEAN members agreed to decrease or remove investment barriers and gives national treatment to investors from the member countries by 2010 and to non-ASEAN investors by 2020.<sup>137</sup> The industries covered under the AIA include manufacturing, agriculture, and services incidental to these sectors.<sup>138</sup> Nevertheless, in practice, the AIA implementation seems to be unable to go beyond the manufacturing sector. Specifically, the AIA scheme which is really at work is ASEAN Industrial Cooperation (AICO) scheme.<sup>139</sup> ASEAN (ASEAN-6) could successfully remove investment barriers by lowering their tariff rates for AICO-eligible products down to 0-5% by 2002-2003 in accordance with the CEPT deadline. Indeed, the AIA could be well implemented in manufacturing because of the complementary nature of the trade covered in this sector.

Even though the AIA seems to prove its success in the manufacturing sector, ASEAN countries appear reluctant to carry out the agreement by granting national treatment and removing investment barriers in the other sectors especially agriculture and services. This is because they still perceive each other as competitors rather than partners in those sectors. This reason is perhaps justified if one has a look at the share of intra-ASEAN exports in comparison with total ASEAN exports. It still remains at

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<sup>136</sup> Ibid., p. 233.

<sup>137</sup> "ASEAN Investment Area: An Update," *The ASEAN Secretariat*, <http://www.aseansec.org/7664.htm> (accessed 05 September 2008)

<sup>138</sup> Dennis, Hew, [Editor] *Brick by Brick: the Building of an ASEAN Economic Community*, Institute of Southeast Asian Studies, Singapore, 2007, p. 6.

<sup>139</sup> AICO scheme actually aims to foster closer industrial investment collaboration through allowing goods (used for manufacturing products) traded by companies in different ASEAN countries to enjoy the CEPT end rate; that is, 0-5% tariff level immediately after being approved as AICO products or products used for joint manufacturing.

a modest level, that is, between 20 to 25.2% for years.<sup>140</sup> In this regard, the Association has failed to put pressures on its members to accelerate the implementation of the AIA in the above-mentioned sectors due to the lack of mechanisms to enforce the commitment of the member states.

#### 2.2.4. Narrowing the Development Gap among Members

How can an integrated market goal be achieved if the development gap between ASEAN members is large? Poor ASEAN members such as Cambodia, Laos, Myanmar, and Vietnam (ASEAN-4) will be reluctant to quickly open up their markets to the richer ASEAN countries (ASEAN-6) for the sake of the common market if their economies remain weak. This is because fast economic liberalization in advanced ASEAN-6 could result in the loss of economic competitiveness for ASEAN-4. Having acknowledged the significance of bridging development gap between the two-tier ASEAN, former Singaporean Prime Minister Goh Chok Tong proposed the implementation of the Initiative for ASEAN Integration (IAI) at the fourth ASEAN Summit in November 2000.<sup>141</sup> It should be noted that the IAI mainly concentrates on the human resource development projects such as worker training, national planning and policy-making, and other educational programs.<sup>142</sup> In July 2002, the ASEAN Foreign Minister endorsed the IAI's work plan composed of 48 projects. In 2003, ASEAN leaders again recognized the significance of narrowing development gap through the implementation of the IAI in achieving the integrated market goal at the Bali Summit. Can ASEAN succeed in bridging this gap?

As of May 15<sup>th</sup>, 2008, the number of projects under the IAI's work plan rose up to 203, 158 of which have been funded by external donors. Among these funded projects, 116 projects have been completed.<sup>143</sup> The donors to those projects are ASEAN dialogue partners such as Japan, South Korea, European Union, India, Norway, and some international organizations. Despite the increase in the number of the IAI projects, the development gap between ASEAN-6 and ASEAN-4 has not been narrowed down. More specifically, the gap in GDP per capita between ASEAN-6 and ASEAN-4 was about 4.5 times in 2003, but it turned out that the difference slightly increased up to 4.87 times in 2007.<sup>144</sup> This is perhaps due to the fact that the IAI's focus has been placed too much on the development of the so-called "soft-infrastructures" especially, human resource development while "the hard-infrastructures" have been left behind. In the least developed countries like Cambodia, Laos, Myanmar, and Vietnam, the development of hard infrastructure

<sup>140</sup> "External Trade Statistics," *The ASEAN Secretariat*, <http://www.aseansec.org/18137.htm> (accessed 02 February 2009)

<sup>141</sup> "Initiative for ASEAN Integration," *Singapore Cooperation Program*, <http://app.scp.gov.sg/idxiai.asp> (accessed 03 February 2009)

<sup>142</sup> Ibid.

<sup>143</sup> "Status Update of the IAI Work Plan (2002-2008)," *The ASEAN Secretariat*, <http://www.aseansec.org/21636.pdf> (accessed 03 February 2009)

<sup>144</sup> Based on the author's own calculation by using data of the ASEAN Secretariat, "Basic ASEAN Indicator," *The ASEAN Secretariat*, <http://www.aseansec.org/19226.htm> (accessed 03 February 2009)

such as roads, bridges, schools, and other types of economic assistance may be more urgent need since the governments of these countries have simply no capacity to do this without relying on external aid. Former ASEAN Secretary General Rodolfo Severino recognized this problem, suggesting that ASEAN-6 economic ministers economically help the ASEAN-4 by extending tariff preferences to the imports from the ASEAN-4 or CLMV countries.<sup>145</sup> However, it turned out that ASEAN-6 offered the tariff preferences to only certain products imported from the CLMV countries instead of according the latter the across-the-board preference.<sup>146</sup> ASEAN-6 might be afraid that developed countries may stop giving the General System of Preference (GSP) to their exporting products if the former group has capacity to provide the third party trade preferences.

In short, because ASEAN has not been able to succeed completely in implementing the four essential elements of the integrated market namely AFTA, AFAS, AIA, and narrowing the development gap among its members, intra-regional trade and investments still remain modest. Specifically, intra-ASEAN trade has not exceeded 26% of the total trade since 2003. The share of intra-ASEAN FDI remains very low as well. Specifically, it is between 9-12% of the total FDI inflows into ASEAN for years.<sup>147</sup> Should the intra-regional trade and investment continue to be low, it is difficult to visualize the possibility of ASEAN in achieving an integrated Market by 2015.

### 3. Conclusion

ASEAN has endeavored to transform itself in order to overcome challenges posed by APEC and East Asian regionalism to the members' economic needs such as FDI and market expansion. These efforts include the attempt to stay in the driver's seat of East Asian regionalism and the implementation of commitments for an integrated market. It appears that ASEAN could answer the economic needs of its members well as it could exercise its primary role in East Asian regional integration process. Even so, such a role may not be sustained if its economy still remains fragmented. ASEAN actually perceived this weakness; therefore, it has endeavored to overcome it by targeting an integrated market goal by 2015. But its response to the challenges left much to be desired. More specifically, ASEAN has not been able to compel its members to strictly implement the necessary elements for an integrated market such as AFTA, AFAS, AIA, and bridging the development gap among its members, making the attempt to achieve a common market by 2015 merely a pipe dream.

In short, while ASEAN appears to be relevant to the economic needs of its members by exercising the leading role in the East Asian regional cooperation at the moment, this relevance has gradually lost and could even become worse in the future

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<sup>145</sup> CLMV countries include Cambodia, Laos, Myanmar, and Vietnam

<sup>146</sup> Severino, Rodolfo C. *Southeast Asia in Search of an ASEAN Community*, Institute of Southeast Asian Studies, Singapore, 2006, pp. 73-74.

<sup>147</sup> "Foreign Direct Investment Net Inflow, Intra-and Extra-ASEAN," *The ASEAN Secretariat*, <http://www.aseansec.org/18144.htm> (accessed 31 March 2009)



due to the failure to strengthen its internal economic strength. The strict respect for economic sovereignty and the lack of effective regional institutions to enforce the compliance of the members to the regional economic agreements are major impediments to the integrated market goal in particularly and the Association's economic relevance in general.

## **Chapter IV: ASEAN's Relevance in Security Since Early 1990s Till Present**

### **Introduction**

The change of power structure in the post-Cold War from bi-polar to multi-polar system has exposed ASEAN with both old and new security problems. The old security issues or traditional security problems such as territorial disputes between ASEAN members and the South China Sea have not faded away from the ASEAN security agenda yet. They may even turn out to be more complex for the Association to resolve than were before the Cold War. While the traditional security threats have not yet disappeared, non-traditional security issues such terrorism, environmental pollution, and so forth have begun to surface in ASEAN countries. Whether or not ASEAN is capable to resolve all of these concerns of its members would become the main theme in this Chapter. I argue that ASEAN appears to have lost its relevance to the security needs of its members since the end of the Cold War, and the main challenge to the Association's credibility to meet these security needs is the strict adherence to the non-interference norm of ASEAN. There is also a lack of institutions to enforce the members' compliance with the regional security agreements.

### **1. Successful Efforts**

#### **1.1. ASEAN Counter-Terrorism**

Terrorism has become one of the major security concerns of ASEAN since the Bali bombing in 2002 because several hundred people were killed in the event, more than half of which were foreigners. This not only posed a direct threat to the stability of all ASEAN countries, but also to its economic development since tourism, which plays an important role in the ASEAN economies, may be affected. Against this backdrop, the Association endeavored to tackle the threat by expanding regional and multilateral security cooperation.

Actually, following September 11<sup>th</sup> terrorist attacks, ASEAN began taking an initial step towards regional and multilateral cooperation to combat terrorism even though this cooperation was somewhat limited. This limitation was due to the fact that ASEAN countries still differed in their threat perception of terrorism and how to combat terrorists. Some ASEAN members, particularly Singapore were enthusiastic about intensifying regional and multilateral cooperation to fight against terrorism, whereas Indonesia and Malaysia appeared hesitant to do so. Indonesia was reluctant to treat the matter at the regional or multilateral level since it did not want to

antagonize the radical Islamic groups (FPI), and to a lesser extent, the moderate Islamic groups such as Nahdlatul Ulama. Similarly, Malaysia was not enthusiastic in placing the issue of terrorists on the regional as well as other multilateral agendas since it wanted to prevent interference from external powers, especially the US, into ASEAN affairs. ASEAN countries not only found themselves different in the threat perception of terrorists, but also in methods to combat terrorism; more specially, the extent to which the US should get involved in the regional cooperation on anti-terrorism. In spite of the above-mentioned differences, ASEAN's culture of compromise got its members to take some sorts of actions against the common threat. At the third ASEAN Ministerial Meeting on Transnational Crime (AMMTC) on October 11<sup>th</sup>, 2001 in Singapore, ASEAN declared that the cooperation among its members in combating transnational crime should particularly concentrate on terrorism.<sup>148</sup> On May 17<sup>th</sup>, 2002, ASEAN worked out the Work Programme to Implement the ASEAN Plan of Action to Combat Transnational Crime. This Work Programme entailed a series of measures in tackling transnational crimes across the region, including terrorism.<sup>149</sup> At multilateral level, ASEAN agreed to cooperate with the US by creating the regional intelligence network, curbing terrorist funding, and strengthening border controls in August 2002.<sup>150</sup>

The aforementioned efforts made by ASEAN in the post September 11<sup>th</sup> attack was not enough in addressing the terrorist problem since some of ASEAN members, as mentioned earlier, were still reluctant to take firm actions against terrorists by implementing what they had already committed to do among the members and with the US. Nevertheless, the Bali-bombing in October 2002 made ASEAN threat perception in regard to terrorism coalesced. They began realizing that Southeast Asia was also threatened by terrorists. In response to the real threat of terrorism, ASEAN took significant steps in fighting against terrorism by taking concrete regional measures against terrorists and expanding its cooperation with other dialogue partners in addition to the US. At the regional level, the Association successfully coordinated its member states in founding the Southeast Asian Counter Terrorism Center based in Malaysia in July 2003. It is noteworthy that the Center is tasked to disseminate intelligence in the region and to provide training for professionals in border controls and counter terrorism. ASEAN was not only able to gather support from its own members in combating terrorism, but also from international community. In March 2003, ASEAN, for the first time, hosted the annual Intersessional Meeting on Counter Terrorism and Transnational Crime (ISMCT-TC) in Sabah with the participation of ASEAN's dialogue partners such as Australia, the United States, EU, China, Japan, India, Canada, South Korea, New Zealand, and Russia with an aim to share information and to seek other effective

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<sup>148</sup> "Joint Communiqué of the Third ASEAN Ministerial Meeting on Transnational Crime (AMMTC)," *The ASEAN Secretariat*, <http://www.aseansec.org/5621.htm> (accessed 19 April 2009)

<sup>149</sup> "Work Programme to Implement the ASEAN Plan of Action to Combat Transnational Crime," *The ASEAN Secretariat*, <http://www.aseansec.org/5616.htm> (accessed 19 April 2009)

<sup>150</sup> Rabasa, Angel M. *Political Islam in Southeast Asia: Moderates, Radicals and Terrorists*, the International Institute for Strategic Studies, London, 2003, p. 66.



anti-terrorist measures.<sup>151</sup> At that meeting, ASEAN was able to convince its dialogue partners to help its members to improve the capacity of border controls and other counter-terrorist measures. Because of ASEAN's efforts in realizing extensive regional and multilateral cooperation, nearly 200 members of Jemaah Islamiya (JI), an Islamic terrorist group with direct connection with Al-Qaeda and directly involved in the Bali bombing case, were successively detained in Indonesia, Thailand, Malaysia, Singapore, and Cambodia since December 2001.<sup>152</sup> The arrests have made JI's operation in Southeast Asia less executable since the total number of JI members dropped less than 500.<sup>153</sup>

At this point, one important thing should be observed is that even if ASEAN succeeded in undermining the strength of the terrorists in the region, it may not be able to remove the cause of terrorism. This is because ASEAN members could only accept *expanding* but not *deepening* cooperation between its members as well as between its members and other countries. They were still reluctant to accept each other's interference into their internal affairs. This can be seen in their unwillingness to allow regional or international laws to take precedence over domestic laws of each member state in 2007-ASEAN Convention on Counter-Terrorism. Article IV of ASEAN Convention on Counter Terrorism read as follow:

Nothing in this Convention entitles a Party to undertake, in the territory of another Party, the exercise of jurisdiction or performance of functions which exclusively reserved for the authorities of that other Party by its domestic laws.<sup>154</sup>

While domestic law is still weak, the application of this law instead of regional or international laws, which appeared to be stronger than the domestic law, could give terrorists more opportunities to revitalize and expand their activities. For example, according to Jamal Alfadl, a former member of Al Qaeda, Bin Laden often used Islamic banks in Malaysia as important sources of funding terrorist activities.<sup>155</sup> The banks do not conspire with terrorists but the former groups are easily exploited by the latter group. This is, on the one hand, due to the shortage of proper financial controls. On another hand, the domestic religious law gives them great autonomy in handling the banking systems.

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<sup>151</sup> The ASEAN Secretariat, *ASEAN Regional Forum: Document Series 1994-2006*, Indonesia, 2007, p. 282.

<sup>152</sup> Abuza, Zachary, "Funding Terrorism in Southeast Asia: The Financial Network of Al Qaeda and Jemaah Islamiya," *Contemporary Southeast Asia Studies*, Vol. 25, No. 2, August 2003, p.169.

<sup>153</sup> Ibid.

<sup>154</sup> "ASEAN Convention on Terrorism," *The ASEAN Secretariat*, <http://www.aseansec.org/19251.htm> (accessed 01 February 2009)

<sup>155</sup> Abuza, Zachary, "Funding Terrorism in Southeast Asia: The Financial Network of Al Qaeda and Jemaah Islamiya," *Contemporary Southeast Asia Studies*, Vol. 25, No. 2, August 2003, p.187.

## 2. Failures To Meet Needs

### 2.1. Haze Problem

Environmental pollution has gained strong attention from all ASEAN countries in the recent years and has been placed in many agendas of ASEAN meetings since it not only has a serious repercussion on security of one state, but also on security of several others in the region. The most outstanding example of environmental pollution in Southeast Asia is the haze pollution caused by land and forest fires in Borneo and Sumatra of Indonesia in 1997-1998. The haze was mainly the result of the practice of burning forest for commercial purposes together with dry weather caused by the El Nino weather phenomena. Approximately 20 million people suffered severe breathing problems. Forest, biodiversity, and agricultural plantations were subject to severe destruction. This catastrophic incident resulted in more than 9.3 billion USD in economic loss in Indonesia.<sup>156</sup> This figure does not include damages inflicted on its neighboring countries, particularly Malaysia, Singapore, and Brunei yet. Airports in Singapore and other neighboring countries were shut due to thick smog. In Brunei, children were prevented to go outside and even miss school because of the threat to their health. Even though ASEAN acknowledged the above consequences, its ability to deal with the issue was limited. Firstly, the Association could not persuade Indonesia, the main actor in triggering the haze pollution to agree on a regional agreement on haze issue. Secondly, ASEAN could not persuade or compel its members to include a sanctions provision in that agreement in order to ensure the effective implementation of what they had committed to do.

In response to the haze problem, ASEAN created the ASEAN Ministerial Meeting on Haze composing of the environmental ministers following 1997-1998 haze episodes. This body and the Haze Technical Task Force, which was founded in 1995, were in charge of producing the Haze Regional Action Plan, which contains three significant components: prevention, monitoring, and mitigation. The prevention element appeals the member states to develop national plans for preventing land and forest fires and decreasing their affects. The monitoring part focuses on the strengthening of the ASEAN Specialized Meteorological Centre in Singapore, enhancing an intranet system within its members, and organizing workshops among experts. In order to implement the said action plan, ASEAN Ministers of Environment decided to negotiate the ASEAN Agreement on Transnational Haze Pollution in October 2000. The agreement was then signed on June 10<sup>th</sup>, 2002 in Malaysia.<sup>157</sup> To bring the agreement into effect, as suggested by the then ASEAN Secretary General Rodolfo Severino, the agreement needed to be ratified by at least six ASEAN states. Ironically, Indonesia, the key state involved in the haze, has not ratified the agreement and demanded more time for consideration. Jakarta's reaction to the ratification of this agreement is understandable because it was afraid that

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<sup>156</sup> S. Tahir Qadri [Editor] *Fire, Smoke, and the Haze: The ASEAN Response Strategy*, Asian Development Bank, 2001, p. 55

<sup>157</sup> "ASEAN Agreement on Transboundary Haze Pollution," *The ASEAN Secretariat*, [http://www.aseansec.org/images/agr\\_haze.pdf](http://www.aseansec.org/images/agr_haze.pdf) (accessed 1 June 2008)

acceding to the agreement would disrupt activities of palm oil and logging companies which cleared the forests and created the haze.

Despite Indonesia's objection to the ratification, the agreement still came into force in November 2003, and the United Nations Environment Programme (UNEP) welcomed the agreement, considering it as a global model for resolving transnational environmental issues. ASEAN should have been proud of this achievement, yet the agreement has no tool to enforce the compliance of the parties acceding to it. As a result, the effectiveness of the agreement was in question. An ADB-ASEAN study pointed out that the ASEAN's legal institution to manage transnational pollution is weak since ASEAN is unable to impose sanctions on issue of non-compliance.<sup>158</sup> ASEAN recognized this weakness, but it could not place much pressure on its members to include a sanctions provision in the agreement. Had ASEAN done so, the members would have been likely to avoid concluding the agreement or to delay the process of the conclusion. Individual ASEAN countries still wanted to reserve their rights to protect their national interests in particular circumstances even though they acknowledged the significance of dealing with the haze problem. In short, the failure in making Indonesia accede to the regional agreement and in incorporating the sanction provision in the agreement could be attributed to the lack of ASEAN institutions or law to ensure members' compliance to all regional goals.

## 2.2. East Timor Issue

Resolving East Timor problem became one of the most significant security items on agenda of ASEAN in 1999 since the issue negatively impacted ASEAN's image as an effective peacebuilder. As globalization and regionalism have been increasingly on the rise, security in a particular country or region could, more or less, affect security in other countries or regions. This was the reason why building peace in the region has become one of the most important security needs of ASEAN in the post-Cold War. Actually, the attempt to play a proactive role in ensuring world peace can be seen in the ASEAN Vision 2020 which read as follows: "ASEAN is an effective actor in promoting peace, justice, and moderation in the Asia-Pacific and the world at large".<sup>159</sup> Therefore, the Association's relevance to the security needs of its members regarding East Timor problem lies in its ability to play an effective role in ensuring peace in this newly independent country. Here, I argue that ASEAN could not play an effective role in building peace in East Timor since it could neither take any action against the mass killings of East Timorese by the Indonesian military, nor could it assume the leadership role in the peacebuilding process in East Timor. Before proceeding with my argument, it is important for us to understand the origin of the East Timor problem in advance.

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<sup>158</sup> Severino, Rodolfo C. *Southeast Asia in Search of an ASEAN Community*, Institute of Southeast Asian Studies, Singapore, 2006, p. 114.

<sup>159</sup> "ASEAN Vision 2020," *The ASEAN Secretariat*, <http://www.aseansec.org/1814.htm> (accessed 21 April 2009)

### 2.2.1. Origin of the East Timor Problem

East Timor was previously colonized by Portugal for 400 years. In April 1974, the leftist military coup toppled the Portugal's authoritarian regime of Antonio de Oliveira Salazar and his successor, Marcelo Caetano, resulting Lisbon's readiness to grant the rights of determination and even independence to East Timor. On November 28<sup>th</sup>, 1975, FRETILIN, a leftist-leaning guerrilla movement, declared East Timor independence.<sup>160</sup> Unfortunately, FRETILIN was perceived by Indonesia and the US as a communist-backed group; consequently, Indonesian troops invaded this tiny territory just nine days following the proclamation of East Timor independence and annexed it as its twenty-seventh province.<sup>161</sup> Jakarta's intervention in East Timor was actually given green light from Washington which considered the intervention as a part of its communist containment strategy. This could be seen in the statement made by David D. Newsom, the former US ambassador to Indonesia, on August 16, 1975: "If Jakarta were to invade East Timor, it ought to do so in an effective and fast manner, and not to use our military logistics."<sup>162</sup> Following Indonesia's invasion, the East Timorese became vulnerable to military atrocities and human rights violations on a large-scale. Amnesty International estimated that approximately 200,000 people, accounted for almost one-third of East Timor's population, died since Jakarta's invasion in 1975.<sup>163</sup> On January 27<sup>th</sup>, 1999, Indonesian President B.J. Habibie made a surprising move by stating that Jakarta permitted East Timorese to vote in a referendum to decide whether they wanted to remain in Indonesia or create an independent state.<sup>164</sup> The referendum was finally held under UN supervision on August 30<sup>th</sup>, 1999 with 78.2 per cent of total votes preferring independence. This result sparked the outrage of pro-integration militias who were strongly supported by Indonesian military, resulting in massive killings, looting, arson, and displacement of many people.

### 2.2.2. ASEAN's Response to the Crisis

How can one say that ASEAN was an effective organization in promoting peace in the region and the world if it could not stop one of its members from committing atrocities? Despite the fact that the atrocities of 1999 involved the Indonesia military, ASEAN was not able to terminate this brutality. By contrast, it expressed its support of Jakarta's occupation of East Timor. In this case, ASEAN

<sup>160</sup> "Timor Leste Country Profile," *The US Department of State*, <http://www.state.gov/r/pa/ei/bgn/35878.htm> (accessed 30 January 2009)

<sup>161</sup> "East Timor Revisited," *The National Security Archive*, <http://www.gwu.edu/~nsarchiv/NSAEBB/NSAEBB62/> (accessed 30 January 2009)

<sup>162</sup> Ibid.

<sup>163</sup> Shah, Anup, "Crisis in East Timor," *Global Issues*, 12 December 2001, [\[http://www.globalissues.org/article/92/crisis-in-east-timor\]](http://www.globalissues.org/article/92/crisis-in-east-timor) (accessed 30 January 2009)

<sup>164</sup> Severino, Rodolfo C. *Southeast Asia in Search of an ASEAN Community*, Institute of Southeast Asian Studies, Singapore, 2006, p. 125.

clearly could not fulfill the expectation of its members as an effective peacebuilder. In fact, there were some reasons behind the Association's passivity in taking actions against Indonesian act. First, ASEAN was concerned that allowing East Timor to gain independence would further spark secessionism in Indonesia. This would cause refugee outflows to neighboring countries, instigating regional instability. Second, ASEAN was afraid that successful separatism in East Timor would set a precedent for separatism movements elsewhere in the region. Third, ASEAN was concerned that the West might be able to use the East Timor problem as an excuse to interfere into the internal affairs of ASEAN countries as what had happened in Kosovo. Still, the most important factor behind ASEAN silence on Jakarta's act was the lack of a regional mechanism to authorize its members to intervene into each other's internal affairs. To put it simply, ASEAN norm of non-interference into domestic affairs of each other created a major stumbling block for the Association in resolving the East Timor problem.

While ASEAN was silent on Indonesia's actions in East Timor, the international community strongly condemned them. As a result, Jakarta ultimately had to accept the United Nations Peacekeeping force. Instead of supporting the UN deployment of peacekeeping forces called the International Force for East Timor (INTERFET) or the UN Transitional Authority in East Timor (UNTAET), ASEAN regarded this intervention as an insult to Jakarta which had not yet officially dropped its sovereign claim over East Timor.<sup>165</sup> Nevertheless, this rhetoric was nothing more than the smokescreen for ASEAN's hesitation in challenging the non-interference principle because ASEAN later got involved in the UNTAET operation following the request from Indonesia. ASEAN immediately changed its position from criticism to contribution to the UN operation in East Timor. This could be seen in the words of Thai Deputy Foreign Minister Sukhumband Paribatra: "It is unnecessary to use only ASEAN name to rebuild peace in East Timor. Instead, we can do so under the UN banner and in the name of good neighbor of Indonesia."<sup>166</sup>

Even after receiving the green light from Jakarta for the involvement in the UN peacekeeping operation and having contributed a large number of troops (25% of the total troop number), ASEAN was unable to assume the leading role in the INTERFET forces. Malaysia endeavored to get a Malaysian to be appointed as the INTERFET commander but eventually had to back down. On the other hand, Australia in particular was able to exercise the leading role in the UN operation. At this point, one may wonder why ASEAN should have played a leading role in the UNTAET mission and why it failed to achieve this goal. In response to the first question, I argue that ASEAN could not play an effective role in ensuring peace in East Timor if UNTAET was under the command of the external actor; more specifically, Australia. Given geopolitical reason, East Timor was located in Southeast Asia; therefore, the East Timor crisis should be handled by ASEAN rather than Australia. More importantly, one of its members (Indonesia) was directly

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<sup>165</sup> Narine, Shaun, *Explaining ASEAN: Regionalism in Southeast Asia*, Lynne Rienner, Colorado, 2002, p. 173.

<sup>166</sup> *Ibid.*, p. 174.

engaged in the crisis. Because of these reasons, ASEAN should have played a leading role in the INTERFET forces. In responding to the second question, there were two main reasons why ASEAN failed to play the leading role in the UNAET mission. Firstly, ASEAN's previous record of supporting Indonesia's intervention made the East Timorese lose their faith in ASEAN authority. Secondly, despite the request for ASEAN's involvement in the UNAET from Jakarta, ASEAN was not able to obtain extensive support from its own members with regard to ASEAN's involvement in the INTERFET operation, undermining the Association's role in the peace mission in East Timor. For example, Vietnam and Myanmar expressed their objection to the dispatch of their peacebuilding forces to East Timor while Thailand and the Philippines were enthusiastic to do so.<sup>167</sup> Here, we can see that the main obstacle to ASEAN's inability to coordinate different positions between its members was the lack of an agreement to enforce its members' compliance with the regional goal.

### **2.3. Cambodia-Thailand Dispute over Preah Vihear**

Tension between Cambodia and Thailand over land surrounding Preah Vihear temple has become one of the top security concerns of ASEAN up to this day. This tension has the strong potential to escalate into armed clashes. Despite the acknowledgement of this danger, I argue that ASEAN failed to meet its members' need to resolve this dispute peacefully. Before proceeding with the argument, it is important for us to understand the root cause of the tension in advance.

#### **2.3.1. Origin of the Dispute**

The dispute originated from the historical competition for the ownership over a 900 year-old temple called Preah Vihear. The problem occurred after Thai surveyors, in 1934, started demarcating the Siam boundaries in which Preah Vihear temple was ceded to Siam territory.<sup>168</sup> To reinforce its claim, Thai authority dispatched its caretaker called Luang-Sri to occupy the above-mentioned temple and its surrounding site in 1940. However, the move ran counter to the 1907-treaty concluded between France, the then Cambodia's protectorate, and Siam governments. This treaty stipulates that Preah Vihear temple and its surrounding areas belonged to Cambodia.<sup>169</sup> In response, France, on Cambodia's behalf, demanded that the Siam government withdraw its personnel from the site in which the former considered to be historically a part of Cambodia. Thai Foreign Minister Naradhip responded positively to the request by admitting that Preah Vihear temple belonged to Cambodia, yet the Thai military still continued to be present in the

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<sup>167</sup> Ibid., pp. 173-174.

<sup>168</sup> Kenneth, So T. "Preah Vihear: A Khmer Heritage," *Cambodian Information Centre*, 25 July 2008, [[http://www.cambodia.org/Preah\\_Vihear/?history=A+Khmer+Heritage](http://www.cambodia.org/Preah_Vihear/?history=A+Khmer+Heritage)] (accessed 9 December 2008)

<sup>169</sup> Ibid.



area.<sup>170</sup> Prince Sihanouk, the then leader of Cambodia, took the tougher measure towards Bangkok, lodging his formal complaint about Thai occupation over Preah Vihear to the International Court of Justice on October 6<sup>th</sup>, 1959.<sup>171</sup> In 1962, the court ruled that Preah Vihear temple belonged to Cambodia without clearly clarifying the ownership of the surrounding areas even though the court's rule was based on the 1907 maps which were drawn by French officers. The maps noted that Preah Vihear temple and surrounding regions were on Cambodian soil. The failure to mention the ownership of the surrounding site of the temple has become a major flashpoint of the prolonged dispute between the two countries ever since. More noticeably, the loss of the Preah Vihear has also led to the outgrowth of Thai nationalist sentiment against Cambodians. This can be witnessed in the following expressions of Donald E. Nuechterlein, an American political scientist:

Few issues have aroused such widespread public indignation, among even peasants and villagers, as did this decision of the court. In dealing with popular outburst of emotion against the Cambodians, the Sarit government had to use all the power and persuasiveness at its command to keep the situation under control and to prevent dissident and subversive elements from using it to try to discredit and perhaps to upset the regime.<sup>172</sup>

However, political upheaval in Cambodia since Sihanouk removal in 1970, as well as the Indochina conflicts drew the attention of both countries away from the Preah Vihear dispute. The tension between the two countries began resurfacing after Phnom Penh's request to list Preah Vihear temple as a World Heritage Site was approved by UNESCO in July 2008 with the support of the Thai government.<sup>173</sup> Thailand's opposition party made use of Phnom Penh's successful bid to stir up Thai nationalist sentiment in order to weaken the government of Prime Minister Samak Sundaravej. Having been under strong pressure at home, the Thai Prime Minister sought to do something to cool down the anger of Thai nationalists against his administration. Three Thai protestors, who had illegally crossed into Preah Vihear temple, were detained by Cambodian authority on July 15, 2008. Bangkok responded by dispatching a number of its military personnel to press the Cambodian authorities to free those three people. Simultaneously, it also dispatched several Thai soldiers to occupy a pagoda, which is located next to Preah Vihear temple and which was claimed by both Thailand and Cambodia. Since then, the two sides have amassed their military forces at the said pagoda and several other disputed areas around the

<sup>170</sup> Vannarith, Chheang, "Cambodia-Thailand Dispute and Its Impacts on Southeast Asian Community Construction," *Cambodian Journal of International Affairs*, Vol. 1, No. 1, October 2008, p. 31.

<sup>171</sup> "Temple of Preah Vihear (Cambodia v. Thailand)," *International Court of Justice*, <http://www.icj-cij.org/docket/index.php?sum=284&code=ct&p1=3&p2=3&case=45&k=46&p3=5> (accessed 9 December 2008)

<sup>172</sup> Keyes, Charles, F. "The Case of the Purloined Lintel: The Politics of a Khmer Shrine As a Thai National Treasure," in Reynolds, Craig, J. (editor), *National Identity and Its Defenders: Thailand, 1939-1989*, Silkworm Books, Chiang Mai, 1991, pp. 278-279.

<sup>173</sup> Wong-Anan, Nopporn, "Bangkok Dealt Another Legal Blow on Temple," *The Cambodia Daily*, Vol. 40, Issue. 1, July 9<sup>th</sup>, 2008, p. 1.

temple in order to reinforce their claims, sparking ASEAN's concern about possible armed clashes.

### 2.3.2. ASEAN's Response, Cambodia's Last Resort, and the Outbreak of the Armed Conflicts

In order to deal with a bigger country like Thailand, Cambodia had no choice but to seek assistance from outsiders, especially from ASEAN. Phnom Penh requested the Association to set up an "ASEAN Inter-Ministerial Group" composing of the Foreign Ministers of Singapore, Vietnam, Indonesia, and Laos with the aim to diffuse the tension through mediation. Though majority of ASEAN members were in favor of playing a mediating role in order to show unity among the members and prevent the possible outbreak of an armed conflict, they still could not reach a consensus on Cambodia's proposal after Thai Deputy Prime Minister Sahas Banditkul preferred the matter to be treated bilaterally.<sup>174</sup> Consequently, ASEAN fell into paralysis, upsetting Phnom Penh which was eagerly expecting intervention from the Association. Cambodian Foreign Minister Hor Namhong expressed his disappointment with ASEAN's inaction, saying that his country had no option but to seek the United Nations Security Council's intervention so as to avoid the *de facto* control over the border areas by Thai military forces.<sup>175</sup> But this is not the end of the story yet. Following the submission of the Cambodian request to the UN on July 21<sup>st</sup>, 2008, a secret diplomatic battle between the two countries to include the border dispute in the agenda of the emergency meeting of the United Nations Security Council (UNSC) also took place in the UN arena. Vietnam, the presidency of the UNSC, as well as France, supported the Cambodia's proposal to include the matter in the emergency session.<sup>176</sup> Nevertheless, Phnom Penh, on July 24<sup>th</sup>, suddenly adjourned its complaint to the UNSC over the standoff without giving clear reasons, announcing it would return to the bilateral talks with Bangkok. Despite the failure to pinpoint the reasons, it can be assumed that Phnom Penh already learnt that the UNSC would fail to reach a consensus over Cambodia's request for UN's collective actions against Bangkok's military encroachment. This was because Phnom Penh might have found out that some UNSC members preferred the two countries to settle the issue through bilateral talks after the diplomatic tug-of-war between diplomats of the two countries at the UN.<sup>177</sup> This judgment is based on a Cambodian spokesman's response to Cambodian scholars, NGOs, and some parliamentarians, who insisted on questioning why the government had suspended its complaint to the UNSC:

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<sup>174</sup> "Thailand Rejects ASEAN Role in Border Row, Cambodia Resorts to U.N.," *Kyodo News*, <http://asia.news.yahoo.com/080722/kyodo/d922sub82.html> (accessed 23 July 2008).

<sup>175</sup> Ibid.

<sup>176</sup> Charbonneau, Louis, "UN Council to Take Up Cambodia-Thai Dispute," *Reuters*, 23 July 2008, [\[http://www.reuters.com/article/worldNews/idUSN2348045020080723\]](http://www.reuters.com/article/worldNews/idUSN2348045020080723) (accessed 09 December 2008)

<sup>177</sup> Vannak, Huy, "Cambodian Government was Urged to Resolve the Dispute via the UN," *Radio Free Asia*, 05<sup>th</sup> August 2008, [\[http://www.rfa.org/khmer/indepth/khmer-thai-dispute-should-go-to-un-08062008001208.html\]](http://www.rfa.org/khmer/indepth/khmer-thai-dispute-should-go-to-un-08062008001208.html) (accessed 09 December 2008)



The government does welcome suggestions [by Cambodian scholars and some parliamentarians] to get the standoff settled by the UNSC. The government already prepared everything. Nevertheless, we [Cambodian government] would like to delay lodging the complaint to the UNSC temporarily since some UNSC members whose names should be anonymous advised us [the government] to fully utilize bilateral mechanism to diffuse the tension before proceeding to the UN<sup>178</sup>

The efforts to ease tensions through bilateral talks, however, encountered a setback due to political upheavals in Thailand and frequent changes in Thai Foreign Ministry leadership. Having felt much frustrated with the negotiation stalemates between the two countries, a helpless ASEAN and UN, and the continuous incursions of Thai troops on areas over which Cambodia claimed its sovereignty, Cambodian Prime Minister Hun Sen, on October 13<sup>th</sup>, 2008, issued an ultimatum to Bangkok: “Thailand must pull out its soldiers from Cambodian soil [referring to Veal Intry region] by tomorrow at the latest, or I’ll turn this area into the life-and-death zone.”<sup>179</sup> Two days later, an armed clash broke out, leaving four soldiers dead and eight injured on both sides.<sup>180</sup> Following the outbreak of the conflict, some ASEAN countries such as Indonesia and Malaysia offered their help in mediation between Cambodia and Thailand. Yet Cambodian Prime Minister shot down the offers, stating that his country could resolve the issue with Thailand bilaterally without any help from outsiders. Hun Sen’s rejection upset ASEAN members, particularly Malaysia and Indonesia who tried to offer their mediation role.<sup>181</sup> Even though Phnom Penh’s objection to ASEAN mediation turned out to be a surprising move, it can be assumed that Hun Sen lost his confidence in the traditional practice of ASEAN in resolving disputes through confidence building measures (CBMs). Since the beginning, Cambodia proposed the establishment of the ASEAN Inter-Ministerial Group with an aim to exert collective pressures on her bigger opponent, Thailand. But when his proposal was shot down, Hun Sen might have thought that resolving the dispute through a third party would not yield a positive outcome favoring a small country like Cambodia. According to him, ASEAN engagement diplomacy could only engage Thailand in the talks, but may not bring it to reach any agreement with Cambodia over the conflict resolution. This suggests that allowing the third party to get involved would only give that country credits without changing anything. This was the reason why Cambodia still insisted on bilateral negotiations with Thailand without using the ASEAN channel. So far, the bilateral negotiations between the two countries could not reach a fruitful outcome. The border areas, especially the

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<sup>178</sup> Ibid.

<sup>179</sup> Cambodia Daily and Reuters, “Thai Troops Must Leave or Face War,” *The Cambodia Daily*, Vol. 40, Issue. 70, October 14<sup>th</sup>, 2008, p. 1.

<sup>180</sup> The casualty’s figure given by different news agencies varied. The author, therefore, relied on sources from both Cambodian and Thai news agency (the Bangkok Post). Also, this figure includes the number of soldiers who were dead after being hospitalized, 21 October 2008.

<sup>181</sup> “Malaysia Seeks to Diffuse Thai-Cambodia Border Row,” *International Herald Tribune*, <http://www.iht.com/articles/ap/2008/10/20/asia/AS-Malaysia-Cambodia-Thailand.php> (accessed 10 December 2008)

disputed land around Preah Vihear temple continued to be exposed to large-scale military confrontations. So far, three armed clashes between the two countries have already erupted, leaving at least 6 soldiers dead and several others injured. In short, ASEAN could do nothing to prevent the eruption of the above armed clashes or even to deescalate the tension between the disputants.

## 2.4. South China Sea Conflict

The end of the Cold War brought uncertainty for ASEAN and the region, and China has exploited this uncertainty to become more assertive in its claim in the South China Sea. In order to deal with the external threats, ASEAN initiated a new multilateral security arrangement known as the ASEAN Regional Forum (ARF) with the involvement of other major powers such as the US, Japan, and Russia with an aim to maintain peace and security in the Asia-Pacific through dialogues and discussions. In the ASEAN's eyes, the ARF was a diplomatic instrument to constrain Beijing's ambition towards ASEAN countries, especially in the matter related to South China Sea (SCS).<sup>182</sup> ASEAN can be regarded as relevant if its newly formal security arrangement, the ARF, can make Beijing accept and abide by the conflict resolution procedure proposed by ASEAN in the South China Sea dispute. Here, I argue that ASEAN, particularly the ARF appears to be less relevant to the security need of its members in relations to the SCS issue as it could not constrain Beijing and obtain its commitment to a legal binding document. This makes the recurrence of armed conflicts between China and ASEAN members more likely. In order to illustrate my argument explicitly, it is important for me to briefly explain how the ARF works (the instruments of the ARF) and the origin of South China Sea dispute in advance.

### 2.4.1. The Instruments of the ASEAN Regional Forum

In order to effectively ensure peace and security in the Asia-Pacific region, the ARF mechanism is divided into three implementing stages: Confidence Building Measures (CBMs), Preventive Diplomacy (PD), and Conflict Resolution or Elaboration of Approaches to Conflicts.

**Stage 1:** the aim of this stage is to reduce mutual suspicions among participants in two tracks. The track one refers to the direct building confidence measures used to increase interaction among Foreign Ministers or among other senior government officials. The measures include the circulation of position papers regarding national and regional security, publication of national defense white papers, prior-notification of military operations, organization of joint workshops for military officers, and organization of exchange visits of military facilities.<sup>183</sup> In addition, track two refers

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<sup>182</sup> Emmers, Ralf, *Cooperative Security and the Balance of Power in ASEAN and the ARF*, Routledge Curzon, London, 2003, p. 117.

<sup>183</sup> The ASEAN Secretariat, *ASEAN Regional Forum: Document Series 1994-2006*, Indonesia, 2007, pp. 57-62.

to the building of understanding among academics through writing joint papers or issues. In short, Confidence Building Measures (CBMs) are of great significance for ensuring peace and security because, as Marie-France Desjardins argued, interactions created by the implementation of CBMs could help minimize the risk of miscalculation or miscommunication which can lead to wars.<sup>184</sup>

**Stage 2:** PD refers to actions or measures which aim to prevent the eruption of conflicts between and among states. These measures are more preventive than curative, encompassing negotiation, enquiry, mediation, and conciliation. Some measures in this stage overlap with the ones in *stage one*.

**Stage 3:** This stage is called Conflict Resolution (CR) or Elaboration of Approaches to Conflicts. This is considered to be the highest stage of the ARF development. At this stage, disputes or conflicts between participants will be settled through institutionalized structures, and there will be formal sanctions against uncooperative attitudes. However, ARF has not reached this stage yet so far; therefore, there is no institutionalized instrument or structure to resolve disputes or conflicts between and among participants yet. ARF is still at somewhere between CBMs and PD.

#### 2.4.2. Origin of the Conflict

The South China Sea (SCS) stretches from Singapore and the Strait of Malacca in the Southwest to the Strait of Taiwan and contains 400 rocks, reefs, and islands which were ignored until 1970s. When the international oil companies started prospecting oil in this region, six coastal states namely China (including Taiwan), the Philippines, Vietnam, Malaysia, Brunei, and Indonesia hurriedly claimed their sovereignty over the islands located in the SCS, particularly the Spratly and Paracels archipelagos. According to a 1995 research done by Russia's Institute of Geology of Foreign Countries, approximately 6 billion oil barrels can be found in the Spratly islands, 70% of which are natural gas.<sup>185</sup> Some Chinese specialists even confirmed that the South China Sea may possess approximately 130 billion barrels in oil and natural gas.<sup>186</sup> Therefore, we can conclude that the conflict in the SCS was driven by abundance of natural resources, particularly oil and gas in this area.

Another cause of the conflict in the South China Sea; more specifically, Spratly islands is much linked to the importance of its strategic positions for sea-lane defense, trade, and surveillance.<sup>187</sup> The islands are strategically significant in protecting national security of the coastal countries. For China, domination in this

<sup>184</sup> Desjardins, Marie-France, *Rethinking Confidence Building Measures: Obstacles to Agreement and the Risk of Overselling the Process*, In Adelphi Paper No. 307, Oxford University Press, 1996, p. 5.

<sup>185</sup> Snyder, Scott, "the South China Sea Disputes: Prospects for Preventive Diplomacy," *United States Institute of Peace*, August 1996,

[[http://www.usip.org/pubs/specialreports/early/snyder/south\\_china\\_sea1.html](http://www.usip.org/pubs/specialreports/early/snyder/south_china_sea1.html)] (accessed 28 May 2008).

<sup>186</sup> Ibid.

<sup>187</sup> Valencia, Mark, J. "Asia, the Law of the Sea and International Relations," *Royal Institute of International Affairs*, Vol. 73, No. 2, April 1997, p. 269.

area would help the country avoid a US military blockade in the Western Pacific. Also, the Spratly archipelago is a vital route for oil imports and trade for Japan, China, and Korea. This prime importance has drawn much attention of China, Taiwan and some ASEAN coastal countries to claim sovereignty over the islands.

Moreover, the conflict also stems from the failure of major powers in determining the possession of the archipelagos in the SCS during San Francisco Conference in September 1951. These islands were declared by the powers as *res nullius*, which did not belong to any country. This has caused China's resentment since the islands should have reverted to China basing on historical claims.<sup>188</sup>

### 2.4.3. South China Sea Conflict and the ASEAN Regional Forum

Indeed, the idea of CBMs, the current major component of the ARF, was first introduced by Indonesia in early 1990 in the form of workshops called "Workshops on Managing Potential Conflicts in the South China Sea." But CBMs, at that time, were not yet included in the institutional framework of ASEAN. Even though the workshops significantly made the parties concerned agree not to use force to resolve the dispute, the real resolution to the conflict was deadlocked since the officials attended were nominated by their respective governments, and adopted official positions towards the issue. Noticeably, Beijing's position regarding SCS, in this period, was defined by the concept of 'unarguable sovereignty'.<sup>189</sup> Another failure of the workshop approach was that it failed to build China's confidence in ASEAN since the impartiality of Indonesian mediation's role was called into question during the sixth workshop in 1995. When China advanced its troops adjacent to Indonesia's claimed maritime border, Jakarta strongly resisted the movement of Chinese military. Beijing responded by ceasing all formal negotiations that were planned and considered the workshop as an academic exchange.<sup>190</sup>

When the ARF was formally founded in 1994, ASEAN raised the issue for discussion with China with the aim to persuade Beijing to accept multilateral negotiations. Nonetheless, China long resisted any effort aimed at bringing her to multilateral negotiations as Mark J. Valencia, a well-known maritime policy analyst, said China developed "Three No strategies" - "No" to internationalization of the conflict, "No" to multilateral negotiations, and "No" to conditions imposed on Chinese territorial claims.<sup>191</sup> The main reason behind this was that multilateral settlement would undermine the bargaining position of China over the claimed

<sup>188</sup> Hyer, Eric, "The South China Sea Disputes: Implication of China's Early Territorial Settlements," *Pacific Affairs*, Vol. 68, No.1, Spring 1995, pp. 37-39.

<sup>189</sup> Djalal, Hasjim & Townsend-Gault, Ian, "Managing Potential Conflicts in the South China Sea: Informal Diplomacy for Conflict Prevention," in Crocker, Chester A. et al (editors). *Herding Cats: Multiparty Mediation in a Complex World*, United States Institute of Peace, Washington, 1999, p. 118.

<sup>190</sup> Swanstrom, Niklas, "Conflict Management and Negotiations in the South China Sea: the ASEAN ways?" *Department of Peace and Conflict Research of University of Uppsala*, [<http://www.southchinasea.org/docs/Swanstrom.pdf>] (accessed 30 May 2008)

<sup>191</sup> Ibid.

territories. Beijing, hence, rejected what the ASEAN countries expected from the ARF concerning the dispute settlement since the former was concerned about the involvement of external powers such as the US and Japan in the dialogue. However, as a part of the CBMs process, ARF participants were allowed to hold informal talks with each other. These talks did bring some positive results for ASEAN countries whose territory claims overlap with China. For example, between May-July 1995, China and Vietnam held a round of informal negotiations in an attempt to increase mutual understanding between the two countries. The outcome of the talks was that both sides, which always treated each other as a traditional enemy, agreed not to use force until the relations between the two countries were normalized.<sup>192</sup> In addition, because of the informal talks, China granted Malaysia some financial rights on matters concerning oil and gas exploration.<sup>193</sup>

Nevertheless, the outcomes resulted from the ARF, particularly the CBMs were still limited since China still did not accept the multilateral negotiations or approaches to engage in multilateral negotiations, which could place ASEAN countries in more advantageous positions and constraint Beijing's expansionist ambition in the SCS. However, in April 1997, Beijing made a surprising move by agreeing with ASEAN to place the SCS issue on the ARF agenda for discussion and admitting that there were overlapping areas in the SCS, a move which China had never agreed before. The volte-face of China's attitude was perhaps owing to the increased confidence built during the meeting of the ARF-Intercessional Support Group in Bangkok on March 3-5. In addition, Beijing might have thought that if it continuously rejected ASEAN's request to join the ARF, it would disengage itself from various issues of its security concerns such as Taiwan and Korean peninsula. These issues were discussed in the ARF with the participation of ASEAN member countries and other great powers, especially the US and Japan. Moreover, China might have also thought that the ARF was just an informal dialogue forum and its decisions were based on a *consensus* method; therefore, China still could refuse to obey those decisions if they conflicted with its national interests. Despite China's acceptance to place the SCS issue on the ARF agenda, this country still insisted on bilateral negotiations and refused to have negotiations with ASEAN as a group to resolve the conflict. China made the case that the ARF was only a discussion forum, not a meeting to decide the issue. Having encountered subsequent failures in engaging Beijing in multilateral negotiations and discovered Chinese occupation of the Mischief Reef in 1995, the ASEAN claimant states, particularly the Philippines became aware of the necessity and effectiveness of the US's military presence in deterring Chinese military.<sup>194</sup> On 10 February 1998, the Philippines signed with the US a Visiting Forces Agreement (VFA), which permits the US to use the Philippine facilities and train Filipino military forces. Then, Beijing started realizing that continuation of its rigid stance would result in closer military cooperation between ASEAN and the external powers, particularly the US. With the US's naval base in

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<sup>192</sup> Ibid.

<sup>193</sup> Ibid.

<sup>194</sup> Buszynski, Leszek, "Realism, Institutionalism, and Philippine Security," *Asian Survey*, Vol. 42, No. 3, May-June 2002, p. 488.

the region, Beijing not only encounters a big risk in its claim over the SCS but also over Taiwan. As a result, Beijing gradually softened its position with ASEAN and eventually agreed to sign the Declaration on the Code of Conduct of Parties in the South China Sea (DoC) with the latter on November 4<sup>th</sup>, 2002 in Phnom Penh, signifying a remarkable change in China's attitude in solving the issue with ASEAN in a peaceful manner. Nevertheless, the DoC is just the expression of the political will of both ASEAN and China in refraining from the use of force, but it is not legal binding on the behavior of the parties, nor does it define the clear territories of each party in the archipelagos. This means that ASEAN and China should have a code of conduct, which is legally binding on both parties. Unfortunately, to date the conclusion of the code of conduct is still a declaratory commitment of ASEAN and Chinese leaders, and is not expected to come soon.

This fact reveals the failure of the ARF in resolving the SCS dispute in two ways. First, the ARF could not get China to sign on the DoC, regarded as a significant step towards the future conflict resolution. China agreed on the DoC just because it wanted to prevent ASEAN from getting closer to the US. In other words, the DoC was a product of the use of the balance of threat rather than the use of the ARF's CBMs. Second, after the conclusion of the DoC, the ARF has failed to get Beijing to agree with ASEAN on the multilateral code of conduct, which was regarded as the most crucial step for peaceful conflict resolution in the SCS. The above failures of the ARF suggested that it should rapidly move from the stages of the CBMs and the Preventive Diplomacy to the stage of the Conflict Resolution. By so doing, ASEAN may be able to get China to agree on concluding the multilateral code of conduct. But in reality, ASEAN has difficulty in making the ARF move to the Conflict Resolution stage because of two problems. First, ASEAN still remains divided over whether or not this mechanism should move towards the Conflict Resolution stage since some of its members have been unenthusiastic about supporting a process of resolution from which other countries could also benefit. For instance, Vietnam, which occupies most of the islands (22 islands, rocks, and reefs) in the SCS, may find itself difficult to sacrifice some of them under its firm control if the ARF institutions; more specifically, the multilateral code of conduct requires this country to do so. Second, ASEAN is still concerned that China would walk away from the ARF if this mechanism is formally institutionalized. But this reason may not be the major stumbling block for ASEAN in moving the ARF towards the Conflict Resolution stage because China may run the risk of pushing ASEAN closer to Japan and the US if it chose to stay out of the ARF. This is what China has tried to avoid. In short, the main factor behind ASEAN's failure to deal with China over the South China Sea is the lack of willingness among ASEAN members in elevating the ARF into the Conflict Resolution stage.

### **3. Conclusion**

ASEAN is losing relevance to the security needs of its members, and this can be seen clearly in how the Association has tackled traditional and non-traditional

security issues which its members have been facing. Given the traditional security threats, the Association was not able to prevent the eruption of the armed clashes or even ease tensions between its members namely Cambodia and Thailand over their border issue. Regarding the South China Sea issue, the Association could not effectively provide support to its members in seeking a long-term conflict resolution with China. In addition, concerning the East Timor problem, ASEAN also failed to meet its members' desire to play an effective role in the peacebuilding mission in East Timor. The main reasons behind those failures were the strict adherence to the non-interference principle and the lack of means to enforce compliance from its members. These two factors also challenged the Association's credibility in dealing with non-traditional security issues as well. This can be clearly seen in how ASEAN failed to cope with the haze problem. The only security problem that ASEAN could successfully tackle was terrorism. This success was the result of close coordination between its members and between ASEAN and its dialogue partners, especially the US. ASEAN members appear to be more cooperative with each other with regard to this matter as none of its members could benefit from it. More importantly, the efforts to tackle this issue did not strongly affect the sovereignty of the member states.

## **Chapter V: ASEAN's Relevance**

### **Introduction**

In the previous chapter, we saw that ASEAN appeared to be less relevant to the security of its members because it has failed or made inadequate efforts to tackle various pressing economic and security of concerns to them. *Has the association encountered the same problems in political sphere?* This question will become the main theme in this chapter. The author argues that ASEAN is withering away and apparently becoming irrelevant since it has failed to meet the needs for democratization of ASEAN democratic states namely Indonesia, Thailand, and the Philippines. In other words, ASEAN needs to be democratized; otherwise, it will not be able to survive over the long term. At this point, one may come up with a question why democratization is necessary for the survival of ASEAN. By answering this question in advance, we will be able to proceed to examine ASEAN's ability to realize the needs of its members for democratization.

### **1. Why ASEAN Has to Democratize?**

There are two main reasons for the democratization of ASEAN: geopolitics and regionalism. Based on the geopolitical factor, if ASEAN is not democratized, it could be economically absorbed by either forces namely China or a wider East Asian regional grouping in which Japan and China are dominant. First of all, ASEAN's concern about being subordinated to China may be justified if one considers China's political and economic leverage in the region. Specifically, once the authoritarian regimes in ASEAN maintain their position, there will be a high possibility that China would continue supporting them. This is because a divided ASEAN could give China an opportunity to deal with ASEAN countries individually so as to maintain its influence in the region. In response, non-democratic ASEAN would seek non-democratic Chinese support. Eventually, ASEAN may split into two blocs: one would tilt towards China and another would seek balance against China. Myanmar and Cambodia, for example, have been increasingly falling into Beijing's sphere of influence as their leaders have enjoyed strong political and economic support from the latter. In addition to the possibility of being absorbed by the Chinese economy, ASEAN could also face the calamity of being economically absorbed by an East Asian regional grouping which would be more relevant to members' economic needs. This grouping will be likely to use its economic strength to influence individual ASEAN countries, and the final outcome could be that ASEAN would become weaker and weaker and lose its relevance to its members. Therefore, in order to make ASEAN survive over long-term, ASEAN should not only push for democracy promotion in the ASEAN democratic countries but should also encourage its non-democratic members to embrace democracy. This would ensure that ASEAN would be separate from China, which would remain non-democratic. In other words, Democratization would ensure ASEAN's survival before China.

Another reason why democratization is essential for the survival of ASEAN is related to the regional factor. Specifically, the need for democratization is linked to socio-economic development in the ASEAN countries, especially in democratic countries such as Indonesia, Thailand, and the Philippines. The development of the socio-economic conditions in these countries has led to the rise of the middle class which strongly presses for democratization. Therefore, they do not want to see democracy backsliding in their respective countries; otherwise, their socio-economic governance will become problematic. Indonesia provides a striking example of how important the adoption of democracy has been for the country's political stability in the post-1997 financial crisis. Authoritarianism has been seen by Indonesian middle class as the major obstacle to the national development since the 1997-financial crisis broke out. This was the reason why its authoritarian ruler, Suharto, had to give up his power, and Indonesia had to embrace democracy ever since. Had Indonesia failed to accept democracy after Suharto's resignation, the country would have faced political instability resulting from the middle class's resistance. Due to such a fear, Indonesia and other ASEAN democratic states want the association to respond to the aspiration of the people of ASEAN by pushing for democratization in their own countries and in the ASEAN non-democratic countries. The need for democratization in ASEAN democratic states is understandable, but why do they also want the other ASEAN member states to accept democracy? For the democratic states, the undemocratic



attitudes adopted by the non-democratic states, especially Myanmar, could set a precedent for the other ASEAN members, including the democratic states to follow; consequently, ASEAN's newly democratic countries could possibly plunge back into authoritarianism. If this happens, they could end up with economic and social chaos of the kind they had already faced in the past. Due to the significance of democratization in the acceleration of ASEAN regionalism, ASEAN can be considered as relevant if it is able to meet the regional needs for democratization in the long term. The needs for democratization in this chapter will be divided into two separate parts: the need to have a democratic Charter and the need to resolve Myanmar problem.

## **2. Democratization and the ASEAN Charter**

### **2.1. Why an ASEAN Charter?**

The ASEAN Charter has been selected as one of the main themes to test the relevance of the association in meeting members' need for democratization because it is the first institution created by ASEAN to meet the said need. Here, I argue that the ASEAN Charter does not meet the need for democratization yet. Though it just came into effect on November 15<sup>th</sup>, 2008, it was short of what ASEAN democratic countries have actually demanded, that is, democratization. This argument is based on three criteria: the involvement of civil society organizations (CSOs) in the process of drafting the Charter, the content of the Charter, and reactions from democratic states in ASEAN to the final version of the Charter. Regarding the first criterion, I think that ASEAN Charter creation will not reflect democratic values if there is no involvement of the CSOs. The CSO, as confirmed by the current ASEAN Secretary-General Surin Pitsuwan, is the best representative of the people of ASEAN since it works closely with the people, and is thus more responsive to the immediate needs of the people.<sup>195</sup> Moreover, the CSOs are frequently issue-oriented, and this qualification enables them to play an outstanding role in giving better advice to regional organizations, especially ASEAN in comparison with governmental bodies which are generally constrained by political ideologies of states. Nevertheless, the involvement of the CSOs in the Charter making is not an adequate criterion to prove the relevance of ASEAN in achieving the democratization goal. The relevance may also depend on the content of the Charter. The content should reflect the firm commitments of ASEAN members to democratization; otherwise, ASEAN could not make a real step in transforming itself to meet the needs for democratization. The last criterion to examine whether the Charter really reflects democratic values is the reactions of the group of democratic states of ASEAN, which includes Indonesia, the Philippines, and Thailand, towards the final version of the Charter. If the reactions of these states (without being compromised) towards the content of the Charter are positive, it could be assumed that the Charter truly contains democratic values.

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<sup>195</sup> "Welcome Remarks by H.E. Dr. Surin Pitsuwan, Secretary General of ASEAN, at the ASEAN Foundation 10<sup>th</sup> Anniversary Forum," *The ASEAN Secretariat*, <http://www.aseansec.org/21355.htm> (accessed 15 February 2009)

## 2.2. The Architects of the ASEAN Charter

The involvement of the CSOs in the making of the Charter is significant for democratization in ASEAN since their participation could demonstrate that ASEAN was ready to turn itself into a people-oriented organization. Having acknowledged this significance, the Eminent Persons Group (EPG), which was tasked by ASEAN leaders to give recommendations on the codification of the ASEAN Charter, invited the representatives of the CSOs to attend various meetings starting from December 2005 till June 2006 in order to get the latter's inputs into the Charter.<sup>196</sup> The CSOs involved in the meetings with the EPG consisted of the ASEAN Institute for Strategic and International Studies (ASEAN-ISIS), Solidarity for Asian People's Advocacy (SAPA), the ASEAN Inter-Parliamentary Organization (AIPO), the Working Group for an ASEAN Human Rights Mechanism, and so forth. Those CSOs provided various inputs to the EPG during the meetings, helping to eliminate the image that ASEAN is the club only for ASEAN officials or diplomats. Nevertheless, it is worth noting that some of the above-mentioned entities are not strictly the CSOs because they mainly reflect the government's line, especially those in partial democratic states like Singapore and Malaysia. For example, the ASEAN-ISIS, composed of several organizations from different ASEAN countries, does not represent true CSOs as only three organizations within ASEAN-ISIS namely the Indonesia Centre for Strategic and International Studies (CSIS), the Philippines' Institute for Strategic and Development Studies (ISDS), and Thailand's Institute for Security and International Studies are truly independent from their respective governments.<sup>197</sup>

## 2.3. The Content of the Charter

The participation of the CSOs was just an initial step of ASEAN in answering the needs for democratization through the process of the Charter creation. Perhaps, the most important evidence which could prove whether or not ASEAN really answered to the democratization needs of its democratic members is the content of the Charter. The Charter would not bring ASEAN real democracy if its content could not express the genuine commitment of ASEAN members towards democratization.

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<sup>196</sup> At the 11<sup>th</sup> ASEAN Summit in 2005, ASEAN leaders agreed to form the EPG, which was composed of well-known figures in respective ASEAN countries, to be responsible for drafting the ASEAN Charter. The EPG will be disbanded after submitting its report to ASEAN leaders at the 12<sup>th</sup> ASEAN Summit.

<sup>197</sup> ASEAN-ISIS is an umbrella institution which has been engaging with ASEAN since 1984, now composed of Brunei Minister of Foreign Affairs, the Cambodian Institute for Cooperation and Peace (CICP), the Indonesia Centre for Strategic and International Studies (CSIS), the Laos Institute for Foreign Affairs, the Malaysian Institute for Strategic and International Studies, the Philippines' Institute for Strategic and Development Studies (ISDS), the Singapore Institute of International Affairs (SIIA), Thailand Institute for Security and International Studies, and Vietnam's Institute for International Relations. ASEAN-ISIS was invited by ASEAN Senior Officials to give recommendation on the Charter

Here, it is worth noting that there were three salient proposals which the CSOs and the EPGs recommended to be included in the Charter. They were the application of *majority voting* in ASEAN decision-making, the enforcement of individual members' compliance with ASEAN decisions, and the respect for human rights. Both the CSOs and EPGs regarded these proposals as a major step to democratize ASEAN. Therefore, whether or not ASEAN could meet the needs for democratization depends on the willingness of ASEAN member states to adopt the proposals in the final version of the Charter.

Regarding the process of ASEAN decision-making, the CSOs, particularly ASEAN-ISIS proposed that the *consensus* method be maintained. But in case issues could not be resolved by using this method, *majority voting* would be applied.<sup>198</sup> This proposal was understandable as ASEAN has frequently faced paralysis when coming to deal with regional matters that conflicted with interests of individual members. This suggestion was then incorporated into the EPG's report which reads as follows:

Decision-making by consultation and consensus should be retained for all sensitive important decisions. However, if consensus can not be achieved, decisions may be taken through voting, subject to rules of procedure determined by the ASEAN Council.<sup>199</sup>

Despite the incorporation of the CSOs's suggestion on the decision-making process into the EPG's report, it turns out that the content of the final version of the Charter was watered-down. Specifically, Article 20 of Chapter VII of the Charter stipulates that:

...Decision-making in ASEAN shall be based on consultation and consensus. Where consensus can not be achieved, the ASEAN Summit may decide how a specific decision can be made... In the case of serious breach of the Charter on non-compliance, the matter shall be referred to the ASEAN Summit for decision<sup>200</sup>

As seen in this article, the Charter does not mention anything besides "*consensus*" modes of decision-making. Instead of openly rejecting "*majority voting*" style, the euphemism was used. More specifically, the Charter stipulates that

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<sup>198</sup> Hernandez, Carolina, G. "Institution Building Through an ASEAN Charter," [\[http://www.kas.de/upload/auslandshomepages/singapore/Hernandez\\_AseanCharta.pdf\]](http://www.kas.de/upload/auslandshomepages/singapore/Hernandez_AseanCharta.pdf) (accessed 16 February 2009)

<sup>199</sup> "Report of The Eminent Persons Group on the ASEAN Charter," *The ASEAN Secretariat*, <http://www.aseansec.org/19247.pdf> (accessed 16 February 2009), ASEAN Council in the EPG report would be the supreme decision-making organ of ASEAN, and was led by the heads of ASEAN governments.

<sup>200</sup> "The ASEAN Charter," *The ASEAN Secretariat*, <http://www.aseansec.org/ASEAN-Charter.pdf> (accessed 18 February 2009)

matters which can not be resolved by *consensus* will be subjected to the final decision made at *the ASEAN Summit*. However, the Charter failed to explain how *the ASEAN Summit* can reach the final decision, implying that the ‘consensus mode’ would still be applied in the final decision at the ASEAN Summit. This analysis reveals that the governing elites are still not enthusiastic in accepting *majority voting* which could reduce their influence and allow the external interference into their internal affairs.

Another important proposal of the CSOs in democratizing ASEAN was the inclusion of a sanctions provision for non-compliant behavior into the Charter. The CSOs viewed that this provision should be included in the Charter because one of the most important factors behind ASEAN’s inability to tackle current issues was the lack of a commitment of member states in realizing regional goals. The absence of a sanctions provision freed individual members from taking seriously their obligations to implement regional agreements, it made ASEAN a handicapped organization. Because of this reason, the CSOs suggested including the sanctions provisions which included limiting the rights and privileges of violators of agreements, and excluding or suspending violators from ASEAN meetings.<sup>201</sup> This proposal was then introduced into the EPG report which read as following:

Dispute Settlement Mechanisms should be created in all fields of ASEAN cooperation which should include compliance, monitoring...as well as enforcement mechanisms. The ASEAN Secretariat be entrusted with monitoring compliance with ASEAN agreements and action plans...Failure to comply with decisions of the dispute settlement mechanisms should be referred to the ASEAN Council. Such measures may include suspension of any of the rights and privileges of membership...<sup>202</sup>

In spite of the incorporation of this proposal into the EPG report, the sanctions provision was eventually toned down in the final version of the Charter, leaving an ambiguity in how to enforce the commitments or agreements of member states. More specifically, Paragraph 2 of Article 27 of Chapter VIII of the Charter read that:

Any member states affected by non-compliance with the findings, recommendations, or decisions resulting from an ASEAN dispute settlement mechanism, may refer the matter to the ASEAN Summit for a decision.<sup>203</sup>

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<sup>201</sup> Hernandez, Carolina G. “Institution Building Through an ASEAN Charter,” [\[http://www.kas.de/upload/auslandshomepages/singapore/Hernandez\\_AseanCharta.pdf\]](http://www.kas.de/upload/auslandshomepages/singapore/Hernandez_AseanCharta.pdf) (accessed 16 February 2009)

<sup>202</sup> “Report of The Eminent Persons Group on the ASEAN Charter,” *The ASEAN Secretariat*, <http://www.aseansec.org/19247.pdf> (accessed 16 February 2009)

<sup>203</sup> “The ASEAN Charter,” *The ASEAN Secretariat*, <http://www.aseansec.org/ASEAN-Charter.pdf> (accessed 18 February 2009)

As seen in the aforementioned article, in case of non-compliance, there will be no immediate sanction as originally proposed by the CSOs and the EPG. On the contrary, the matter will be referred to *the ASEAN Summit*. In this regard, it is difficult to visualize how *the Summit* would decisively act on the issue of non-compliance. Actually, the ability of *the ASEAN Summit* to handle this matter was already tested during the 13<sup>th</sup> ASEAN Summit in Singapore in November 2007. It was very obvious that the military junta in Myanmar seriously violated human rights through its severe repression of the Buddhist monk-led demonstration in September 2007. Nevertheless, ASEAN leaders could not stop Yangon from attending the Summit even though the latter appeared to ignore ASEAN's call for the cessation of the violence against the demonstrators. In short, relying on *the Summit* may not be an effective solution to deal with non-compliance because the Summit also faces difficulty and uncertainty in its decision-making process. To put it simply, it is unclear how ASEAN leaders can reach a common stance to punish a member state which breaches a particular rule of the association if the leaders in *the Summit* decide according to *consensus*. Again, this analysis reflects the unwillingness of the ruling regimes, especially those in the authoritarian states to allow the sanctions provision to be institutionalized since doing so would allow outsiders to interfere into their internal affairs, and this act could possibly jeopardize their position.

The last indispensable element of CSOs's input for the Charter is the request for the establishment of an ASEAN human rights commission. This idea was actually proposed by the CSOs in a series of consultative meetings with the EPG in December 2005.<sup>204</sup> The CSOs thought that the creation of such a commission would help protect and promote human rights which have been restricted and even seriously violated in many ASEAN countries. This would contribute to the boosting of bottom-up regionalism in Southeast Asia. At this point, there is an interesting thing worth observing. The EPG did recognize the significance of promoting human rights in the region, but it was apparently unenthusiastic about adopting the recommendations of the CSOs entirely, especially the establishment of a human rights commission. This is perhaps owing to the fact that the EPG members were not sure of how such a commission would function if it was to be created. This judgment is apparently justified if following provision of human rights in the EPG's report is taken into account:

The EPG believes that ASEAN should continue to develop democracy, promote good governance, and uphold human rights and the rule of law. The EPG discussed the possibility of setting up of an ASEAN human rights mechanism, and noted that this worthy idea should be pursued further, especially in clarifying how such a regional mechanism can contribute to ensuring the respect for and protection of human rights of every individual in every Member State.<sup>205</sup>

<sup>204</sup> Caballero-Anthony, Mely, "the ASEAN Charter: an Opportunity Missed or One That *Cannot* be Missed?" *Southeast Asian Affairs*, 2008, p. 72.

<sup>205</sup> "Report of The Eminent Persons Group on the ASEAN Charter," *The ASEAN Secretariat*, <http://www.aseansec.org/19247.pdf> (accessed 16 February 2009)

The sentence “The EPG discussed the possibility of...especially in clarifying how such a regional mechanism can contribute to ensuring the respect for the protection of human rights...” indicates the EPG’s uncertainty about the function of the commission. The ambiguity in the EPG’s report on the creation of the human rights commission creates the uncertainty about this issue in the final version of the Charter. Article 14 of Chapter IV stated that “In order to protect and promote human rights, ASEAN shall form a regional human rights body.”<sup>206</sup> Nevertheless, this statement does not specify clearly *when* such an organ will be created and *how* it will function. It is worth noting that the imperfection of the Charter regarding human rights problem is not only the result of the ambiguity in the EPG’s report, but also the result of the unwillingness of the governing elites in accepting full democratization. This can be evidenced in paragraph two of the same article: “This ASEAN human rights organ shall operate basing on criteria to be developed by the ASEAN Foreign Minister Meeting.”<sup>207</sup> As seen, such a body can only function when it can get approval from *ASEAN Foreign Ministers*, demonstrating that the ruling elites are still the key actors in deciding whether or not human rights should be promoted or protected. Furthermore, the Charter also failed to include provisions which would allow sanctions for human rights violations, giving a free hand to the authoritarian rulers to oppress their people with impunity.

In short, the EPG report seems to indicate a bold and revolutionary vision of ASEAN members in making the association truly relevant to interests of the people of ASEAN. Nevertheless, it is perhaps too early for them to be content with this achievement since the final version of the Charter does not reflect what the CSOs proposed in the beginning. Here, one may question why the content of the Charter proposed by the CSO was suddenly watered-down just before the 13<sup>th</sup> Summit took place. The reason for this was contention between members; more specifically, between the democratic and the authoritarian states over the content of the Charter. The leaders and bureaucrats from the authoritarian states might have thought that having a strong Charter might undermine their power and could weaken their role in the ASEAN decision-making process. They might have thought that paying-lip-service to the CSOs regarding the making of a bold and revolutionary Charter could reduce the pressure for actually taking steps towards democratizations. In practice, the ruling elites have not been willing to loosen their grip yet. This can be seen in the fact that in the preparation for the 13<sup>th</sup> ASEAN Summit, the High Level Task Force, which was composed of officials from the Ministries of Foreign Affairs of the ASEAN countries and which was in charge of drafting the Charter upon recommendations of the EPG, was advised by their senior leaders that the Charter must be a “realistic and implementable” document.<sup>208</sup> In other words, some of these

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<sup>206</sup> “The ASEAN Charter,” *The ASEAN Secretariat*, <http://www.aseansec.org/ASEAN-Charter.pdf> (accessed 18 February 2009)

<sup>207</sup> *Ibid.*

<sup>208</sup> Caballero-Anthony, Mely, “the ASEAN Charter: an Opportunity Missed or One That *Cannot* be Missed?” *Southeast Asian Affairs*, 2008, p. 75.



leaders, especially those of the authoritarian states did not want to see a Charter which would place pressure on themselves to take steps towards democratization which they did not want to take. This instruction completely ran counter to their previous declaration at the 12<sup>th</sup> ASEAN Summit in January 2007 stating that the Charter could compel ASEAN members to realize the common goal of democratization.

#### **2.4. Reactions of the ASEAN's Democratic States towards the Ratification of the Charter**

Because the content of the Charter departed from the original version recommended by the CSOs and the EPGs, ASEAN democratic states reacted negatively towards the amended Charter; more specifically, they were not willing to ratify the Charter.<sup>209</sup> These reactions could be seen at two levels: at the official and CSO level. But, it is worth noting that the CSOs' reactions to the ratification of the Charter could be regarded as a more reliable criterion to test the Association's relevance to the democratization need in comparison with official reactions. This is because the CSOs, as mentioned earlier, appear to be more responsive to the immediate needs of the people. This frequently makes it difficult for the CSOs to compromise over issues of concern to the people. By contrast, official reactions or reactions from governments and their relevant bodies could be changed or compromised since all of them appear to be rather distant from the people at the grassroots.

Concerning official reactions, the Philippines and Indonesia were countries which clearly expressed their opposition to the Charter. Philippine President Gloria M. Arroyo was quoted as saying on the sidelines of the 13<sup>th</sup> ASEAN Summit that her country may not ratify the Charter if the human rights situation in Myanmar is not improved.<sup>210</sup> Indeed, the real intention behind this statement was that she wanted other democratic states such as Indonesia and Thailand to follow the Philippines's example by rejecting the Charter. This intention was understandable because Arroyo, who acted as the Chair of the 12<sup>th</sup> ASEAN Summit, once proposed that an ASEAN Human Rights Commission be included into the draft Charter in response to the CSOs's proposal on human rights promotion, particularly in relation to gross human rights violations in Myanmar. But when the final version of the Charter ended up with the sentence "...ASEAN *shall* create a human rights body" without clearly specifying *when* the commission would be created, *how* it would function, and *what*

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<sup>209</sup> Even though those democratic states were discontented with the Charter, they had no choice but to sign on it since all ASEAN leaders would like to mark the commemoration of the 40<sup>th</sup> year anniversary of the association with a solemn event, i.e. the adoption of the Charter at the 13<sup>th</sup> Summit. Since the signing was somewhat obligatory, the reactions of ASEAN countries towards the Charter can only be known through their willingness towards the ratification of the Charter.

<sup>210</sup> Violet Cho, "Arroyo Again Warns Manila May Veto ASEAN Charter," *The Irrawaddy*, 07 December 2007, [[http://www.irrawaddy.org/article.php?art\\_id=9534](http://www.irrawaddy.org/article.php?art_id=9534)] (accessed 23 February 2009)

sorts of penalties would be imposed on human rights violators, Arroyo turned out to be unwilling to have the Charter ratified by raising the case of Myanmar as a reminder to other ASEAN leaders about the necessity of the creation of the regional human rights body. In her mind, the failure to mention the creation of the human rights commission in the Charter was probably equivalent to the failure to improve the human rights situation in Myanmar.

For Indonesia, even if there was no official reaction from the government towards ratification of the Charter, a lengthy debate followed among Indonesian lawmakers over whether or not the country should ratify the Charter. They doubted whether the Charter met the criteria of democratization. *The Jakarta Post* commented that it took a year for the lawmakers just to discuss the ambiguity of the regional human rights commission and the ASEAN decision-making mechanism, making this country the second last to ratify the Charter.<sup>211</sup> Actually, Jakarta's effort in pushing forward real democratization in ASEAN through the creation of the Charter was understandable since Indonesia has always wanted to prevent democracy from backsliding in the country. As mentioned earlier, the presence of authoritarianism in ASEAN could pave the way for China to exert its influence in the region, ultimately leading to the weakening of the association.

On the other hand, Thailand, experiencing the turmoil of democratization, seemed to maintain an ambivalent stance towards the Charter because of the political upheaval in the country. Specifically, the backsliding of democracy began with Thaksin, who emerged as a *de facto* authoritarian leader, prevented this country from actively promoting regional democratic change. But Thailand's passivity in promoting regional democracy was revealed more clearly under the military rule which overthrew Thaksin in the 2006-coup. General Surayud Chulanont, the Thai military-appointed Prime Minister, stated before meeting with UN envoy Ibrahim Gambari to discuss on Myanmar issue that "I am not an elected Prime Minister. How can I talk much about democracy if my government per se does not derive from the people's will?"<sup>212</sup> Because of this democracy backsliding, Thailand lost its interest in criticizing the democratic-deficit Charter. In short, the official reactions of democratic states towards the ratification of the Charter appeared to be negative since it did not truly reflect the real commitment of ASEAN members to democratization. This made it difficult for the leaders of those countries to ratify the Charter quickly. Nevertheless, they finally decided to ratify the Charter, while the leaders of the authoritarian states including the pariah Myanmar ratified it faster than any of the democratic countries.<sup>213</sup>

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<sup>211</sup> Budianto, Lilian, "Why Indonesia was Last to Ratify the ASEAN Charter," *The Jakarta Post*, 22 December 2008, [<http://www.thejakartapost.com/news/2008/12/22/why-indonesia-was-last-ratify-asean-charter.html>] (accessed 23 February 2009)

<sup>212</sup> Chin Kin Wah, "Introduction-ASEAN: Facing the Fifth Decade," *Contemporary Southeast Asia*, Vol. 29, No. 3, 2007, p. 401.

<sup>213</sup> The ratification dates of each ASEAN country are of following: Singapore (18 December 2007), Brunei (31 January 2008), Malaysia (14 February 2008), Laos PDR (14 February 2008), Vietnam (14



Even though the official reactions of the democratic states appeared to be compromised at the end, the CSOs' positions in these states towards the Charter remain unchanged. They strongly resisted their governments' move to ratify the Charter as they thought that it would bring ASEAN nowhere towards democratization. Particularly, the Philippine and Indonesian CSOs were very vocal against the ratification of the Charter. For instance, Dr. Carolina G. Hernandez, the Chair of Board of Directors of the Philippine Institute for Strategic and Development Studies, criticized the current ASEAN Charter saying that it would make the democratization goal more a pipe dream than a reachable goal.<sup>214</sup> Rizal Sukma, the Deputy Executive Director of the Indonesian Centre for Strategic and International Studies, was also hostile to the Charter, saying that "the Charter neither mainly derived from the people's will, nor met the democratization need."<sup>215</sup> Jusuf Wanandi, the senior fellow at the Indonesian Centre for Strategic and International Studies, was even more critical about the Charter than Rizal Sukma stating that "the Charter is expected to meet the ASEAN democratization need. Nevertheless, it did not mention how people could get involved with the association, how it responds to the people, and what types of institutions should be applied in order to ensure the members' commitment to democratization."<sup>216</sup>

### 3. The Myanmar problem

#### 3.1. Why examine the Myanmar problem?

The short answer to the above question is because Myanmar is a "pariah". But this pariah is not one who comes from outside the ASEAN family; as a result, what this country has done or is going to do will have certain implications for ASEAN as a group. So, what has Myanmar done? The military junta in this country has been most notorious for committing gross human rights violations against its ethnic minority groups such as Arakanese and Karen. The military regime also refused to recognize Nobel-Laureate Aung San Suu Kyi, the leader of Myanmar's National Democratic League, as the victor of the May 1990 elections. ASEAN indeed embraced Myanmar into its family without taking the above-mentioned facts into account; consequently, it has to bear the negative impact caused by this pariah country. The first possible consequence brought about by the Myanmar issue is that the gross human rights violations committed by the military junta could set a precedent for other countries in the region to follow, especially those governed by authoritarian rulers such as Vietnam, Cambodia, and Laos. This would eventually contribute to a slowing down of the process of democratization in each ASEAN country and in the region. The second consequence of the Myanmar problem is the

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March 2008), Cambodia (02 April 2008), Myanmar (11 July 2008), the Philippines (07 October 2008), Indonesia (11 November 2008), Thailand (15 November 2008).

<sup>214</sup> Hernandez, Carolina G. "A People's ASEAN: Pipe Dream or Potentially Realizable," *India Quarterly*, Vol. 64, No.1, Jan-March 2008, p. 128.

<sup>215</sup> Sukma, Rizal, "Building the ASEAN Community: How Useful Is the ASEAN Charter?" *The Indonesian Quarterly*, Vol. 36, No. 3-4, 2008, p. 271.

<sup>216</sup> Ibid.

impact upon the domestic political systems of some ASEAN countries due to the continuous influx of refugees from Myanmar. Because of this problem, it is difficult for Thailand and affected ASEAN countries to push democratization forward. The recent case of Thailand's handling of the Rohingyas who fled from Myanmar is a striking example proving how a democratic state like Thailand can find itself violating human rights. The persecution committed by the military junta of its Rohingyas in February 2009 sparked the outflow of hundreds of them into Thailand and Indonesia. Thailand, which has long been enduring the refugee problem from Myanmar, found itself financially and socially unable to cope with the continuous arrivals of the refugees. Consequently, when the Rohingyas arrived in Thailand by boat, the Thai navy decided to tow them out to sea without food and water.<sup>217</sup>

### 3.2. ASEAN's Efforts in the Myanmar Problem

Because the Myanmar problem could derail the regional democratization process, ASEAN has endeavored to resolve the issue by using various diplomatic means. Nevertheless, ASEAN has not succeeded in tackling the problem because of the two main weaknesses of the association: the non-interference norm and the absence of institutions to enforce the commitments of the member states to democracy. First of all, I will illustrate how the non-interference norm of ASEAN could hamper its efforts in dealing with the issue effectively.

An obvious example proving how the non-interference principle undermines the effectiveness of ASEAN in pressing the junta to accept democracy is the acceptance of Myanmar's request to cancel an invitation for Mr. Ibrahim Gambari, the UN Special Envoy, to brief ASEAN on human rights in Myanmar at the 13<sup>th</sup> Summit in November 2007 in Singapore. The report made by the UN envoy was very important for ASEAN since it could prove that the ASEAN members were truly committed to democracy because of the Charter which was accepted at this Summit. In spite of this significance, Myanmar objected to this arrangement because the military rulers reacted to international condemnation of its brutal repression of the Buddhist monk-led demonstration in September 2007. Because of the *consensus* method, ASEAN, especially the Singaporean hosts, at the 2007-Summit, had no choice but to accept the above request of Myanmar by canceling the invitation for the briefing. Consequently, ASEAN was strongly criticized by the international community for its lack of credibility in handling the Myanmar issue.

The non-interference norm is not the only reason for ASEAN's inability to deal with Myanmar, but there is also a lack of institutions to enforce the commitment of member states to democracy, this is also another crucial factor. For instance, while ASEAN successfully persuaded Myanmar to accept a reconciliation and democratization roadmap, which was mainly aimed at pushing Yangon to free

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<sup>217</sup> "Indonesia Criticizes Burma over Rohingya," *ABC Radio Australia*, <http://www.radioaustralia.net.au/connectasia/stories/200902/s2486186.htm> (accessed 24 February 2009)

opposition leader Aung San Suu Kyi from house arrest and to respect human rights in 2003, it had no formal means to ensure that the junta truly complied with the roadmap. This has created a favorable condition for the junta to escape from taking any responsibility and to deny any commitment to democracy ostensibly by accepting the ASEAN's request without having had to act in reality. The visit of Malaysian Foreign Minister Syed Hamid Albar to Myanmar in March 2006 proved this. His visit was initially expected to take three days and he had intended to learn first-hand about progress in Myanmar's implementation of the roadmap. However, he suddenly shortened the period of his visit to only one day after arriving in Myanmar without any explanation to the public and without the issuance of any press release on the outcome of his visit.<sup>218</sup> Despite the failure to pinpoint the reason for this act by the Malaysian Foreign Minister, it could be assumed that Kuala Lumpur might have felt betrayed by the military junta about what Yangon had pledged to do with the roadmap. The official media in Myanmar announced that the Malaysian Foreign Minister's trip to the country was a 'goodwill visit' rather than 'a visit to learn the progress of democracy in Myanmar.'<sup>219</sup> Without the means to ensure compliance, the military junta would not take seriously any ASEAN request for democratic changes in Myanmar. As a result, ASEAN would undoubtedly face continuous failures in ensuring that the military junta would commit itself to political changes.

### 3. ASEAN's Dilemmas

ASEAN finds it difficult to meet its own democratization needs by having a democratic Charter and pressing Myanmar to accept democracy. Concerning the Charter issue, we can see that if the democratic countries pushed too hard for a perfect Charter, the authoritarian states might further tilt towards China as the governing elites in these states would not easily accept democratic reform which could pose challenges to their power. As a consequence, there would be the possibility that ASEAN would be divided into two different blocs: the bloc which seeks to balance against China and the one which could live with China. Eventually, the split would make ASEAN increasingly weaker and would create favorable conditions for either China to become dominant or a wider East Asian regional grouping to economically absorb it. Because of this concern, leaders in the ASEAN democratic states had no choice but to accept the democratic-deficit Charter in a hope that its content would be gradually implemented in the future. ASEAN authoritarian states could ratify the Charter faster than the democratic ones because the current Charter is toothless. To put it simply, it could cause no harm to their power.

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<sup>218</sup> "List of Visit," *Ministry of Foreign Affairs of Malaysia*, [http://www.kln.gov.my/?m\\_id=24](http://www.kln.gov.my/?m_id=24) (accessed 01 February 2009)

<sup>219</sup> Severino, Rodolfo C. *Southeast Asia in Search of an ASEAN Community*, Institute of Southeast Asian Studies, Singapore, 2006, pp. 145-146.

#### **4. Conclusion**

ASEAN seemed to gain its relevance to the need for democratization since it could push for a Charter expected to set an initial step for its members to work towards democratization. Nevertheless, this relevance has been jeopardized as the Association actually failed to respond properly to this need. To put it simply, ASEAN is losing its relevance to the need for democratization of its members. The problem is how the Association could answer this need. Indeed, ASEAN is facing dilemmas as to how to respond appropriately to the different needs for democratization of the two groups of its members namely the democratic states and the non-democratic states. This dilemma could be clearly seen in the process of the ASEAN Charter creation and the Association's effort in cultivating democracy in the pariah state Myanmar. How ASEAN could manage the above-mentioned dilemma will be discussed in the final chapter.

#### **Chapter VI: Conclusion**

The current relevance of ASEAN appears to be seen more clearly in the fields of economics rather than security and politics. In the field of economics, the relevance could be seen in the Association's successful efforts in staying in the driver's seat of East Asian regionalism. Though economically smaller than the Plus Three countries, ASEAN could propose the memberships in the East Asian regional

cooperation. Furthermore, only ASEAN countries could host all the APT Summits. Still, the ASEAN's leadership role in the East ASEAN regionalism has increasingly been challenged by the East Asian regional group which is increasingly becoming more assertive in taking up the ASEAN's primary role. ASEAN responded to this threat by successfully founding the East Asian Summits which include more powers in the East Asian regionalism. Could ASEAN stay in the driver's seat of East Asian regionalism forever?

Though ASEAN could maintain its central position in the East Asian regional cooperation by using the EAS at the moment, the future of this position still could be lost to one of the EAC members. If ASEAN could not build up its internal economic strength, it would be able to be economically absorbed by the East Asian regional grouping or China in the course of time. In other words, without turning ASEAN into a competitive destination for FDI reception by achieving an ASEAN integrated market goal, the Plus Three countries would still be able to use their economic strength to divide ASEAN. Accordingly, ASEAN would become weaker, and lose its leading role in the process. Perhaps, the East Asian regional grouping or China may still keep ASEAN as a *leading coordinator* but not as a *decision-maker* when ASEAN loses its internal economic strength in the future. For example, ASEAN may still host the APT Summits, but the agendas of the Summits would be determined by the Plus Three countries. By then, ASEAN would become starkly irrelevant to the economic needs of its members.

ASEAN has responded to this calamity by striving to make ASEAN a competitive destination for FDI reception. In order to achieve this end, ASEAN committed to implement four significant elements of an integrated market. They are the AFTA, the AFAS, the AIA, and narrowing the development gap among ASEAN members. Nevertheless, the implementation of the above commitment leaves much to be desired. Regarding the AFTA implementation, ASEAN could not get its members to strictly comply with the CEPT tariff reduction deadline with which they already agreed, and to expedite the process of the removal of the non-tariff barriers, which appears to be the main obstacle in the current AFTA implementation. The strict adherence to economic sovereignty and the lack of the regional institutions to enforce the members' compliance are the main factors attributed to the Association's inability to carry out the AFTA.

ASEAN not only has proved its limited credibility in realizing the AFTA, but also the AFAS. The AFAS encounters a huge challenge because ASEAN members are spending much time on negotiating for liberalization of services without making a real progress in the sectors. More importantly, they have not even outlined the clear goals of what they want to reach in the service sector. The Association, in this regard, is unable to respond to these challenges because of the lack of means to enforce the members' compliance. Similar to the AFTA and the AFAS, the AIA also faces a setback. Specifically, ASEAN could not move the implementation of the AIA beyond the manufacturing sector due to its members' fear of losing their domestic competitiveness to each other. Again, the lack of institutions to enforce the compliance blocks the Association from taking effective actions against

discriminatory measures adopted by its members in various fields which involve the AIA's implementation.

ASEAN's credibility is not only diminished by the failures to implement the AFTA, the AFAS, and the AIA, but also by the failure to realize the Association's goal of narrowing the development gap among ASEAN members. While advanced ASEAN-6 were expected to play a major role in realizing the goal by implementing the IAI program and granting the tariff preferences to ASEAN new members, the former group end up with hesitation to give the economic preferences to the latter group. The main reason is that ASEAN-6 countries are still concerned about losing their own economic interests if they have to do so for the sake of regional interests. In this regard, the Association could not play its role in getting ASEAN-6 to strictly adhere to what they already committed to do regarding bridging the development gap due to the lack of means to enforce the compliance.

In short, the failure of ASEAN in implementing the AFTA, the AFAS, the AIA, and bridging the development gap indicates a trend that ASEAN economies have gradually become subordinated to either China or a wider East Asian regional grouping. This suggests that even though ASEAN is still relevant to the economic needs of its members at the moment, it has gradually lost its relevance to the economic needs of its members. This loss could even become exacerbated when ASEAN loses its leadership role in the development of East Asian regionalism to either China or the East Asian regional grouping in the future.

In addition, ASEAN is even facing more immediate threats of losing its relevance to the members in the field of security vis-à-vis economics. This can be witnessed in how the Association has dealt with traditional and non-traditional security threats with which its members have encountered since early 1990s. In terms of traditional security threats, ASEAN has not been able to manage the territorial dispute between Cambodia and Thailand peacefully. A valuable lesson worth learning from Cambodia-Thailand dispute over Preah Vihear is that the engagement diplomacy which ASEAN used to resolve the dispute between the Philippines and Malaysia over Sabah in the past may not work in all contexts of disputes. ASEAN could cool down the tension between the two countries by using such diplomacy since they both thought that keeping ASEAN alive could respond to their immediate needs, i.e. to prevent the recurrence of *konfrontasi* and to get Indonesia to recognize its sovereignty (For Malaysia), and to resolve the problem of national identity (For the Philippines). In the case of Preah Vihear, ASEAN's engagement diplomacy did not work since both parties did not have immediate gains from ASEAN as what the Philippines and Malaysia had with regard to the settlement of Sabah issue.

This suggests that ASEAN should consider forming a dispute settlement mechanism able to exert the Association's collective pressure on the conflicted parties to accede to the regional goals or agreements, especially the Treaty of Amity and Cooperation (TAC), which prohibits all the signatories to use force or threaten to use force. This was what Phnom Penh had initially suggested ASEAN to do before the armed clashes broke out, and was widely accepted by majority of the member

countries. Having known that its military strength is not comparable with Thailand, Cambodia proposed the creation of the ASEAN Inter-Ministerial Group with the aim to refrain the conflicted parties from using force or the threat to use force. Unfortunately, the *consensus* method blocked ASEAN from translating this proposal into reality; consequently, the dispute has escalated into the armed clashes.

ASEAN not only showed its limitations in resolving the border dispute between Cambodia and Thailand, but also in seeking a long-term conflict resolution with China over the South China Sea. ASEAN established the ARF with the aim to reach the conflict resolution with China by using Confidence Building Measures. Nonetheless, the ARF, particularly the CBMs could not bring about a satisfactory outcome for ASEAN countries pertaining to the SCS conflict. The limitation of the ARF is demonstrated in two ways: First, the ARF's CBMs were not the main factors in bringing China to agree on the DoC, considered as an important step towards the future conflict resolution. Second, following the conclusion of the DoC, the ARF still could not get China to conclude the multilateral code of conduct with ASEAN. Both failures of the ARF suggested that this mechanism should move faster towards the Conflict Resolution stage, where all disputes or conflicts are resolved through common institutions.

However, ASEAN has faced two difficulties in moving the ARF to that stage. First of all, some of ASEAN members, particularly Vietnam have not been ready to do so as the move could undermine its territorial claims. Second, ASEAN could confront with the possibility that China would shy away from the ARF, and ASEAN security would be further threatened by China. Still, as mentioned earlier, the first reason is still the most important factor behind the failure to move the ARF beyond its current stage (somewhere between the CBMs and Preventive Diplomacy). This meant that the main factor behind the ARF's failure is the lack of institutions to enforce the members' compliance with the regional security goals.

In addition to the failure to resolve the territorial problem between Cambodia and Thailand and the South China Sea conflict, the Association could not meet its members' need for exercising an effective role in building peace in East Timor. The inability of ASEAN was demonstrated in two ways. Firstly, ASEAN could not act against Indonesia's atrocities even though it already learnt that a number of East Timorese were killed by these actions. The non-interference norm prevented ASEAN from taking actions against Indonesia's brutality, and this resulted in the loss of East Timorese's faith in ASEAN peacebuilding's role in East Timor. Not only that, ASEAN even criticized the UNTAET's peace mission in East Timor at the initial stage of the latter's operation. Secondly, ASEAN could not play a leading role in the INTERFET operation while the external powers, particularly Australia assumed this leadership. The main reason attributed to this failure was that the Association could not obtain extensive support from its own members, and this led to the loss of ASEAN's credibility in playing a leading role in the UNTAET operation. Again, the lack of means to enforce the compliance with the common regional goals was the main reason for ASEAN's inability to exercise an effective role in the peacebuilding in East Timor.

When ASEAN's credibility in dealing with the traditional security threats has been constrained, its ability to tackle the non-traditional security threat is also limited. This can be witnessed in how ASEAN handled the haze problem. The main polluter, Indonesia, did not agree to sign on the agreement on haze problem. Furthermore, even though the said agreement was concluded, the Association ended up failing to get its members to incorporate a sanctions provision in the agreement. These failures made the efforts of the Association in resolving the environmental problem in general and the haze issue in particular elusive. The main reason for this failure is still the lack of means to enforce the members' commitment to the regional goals.

Despite its failures in succeeding many security issues of its members' concern, the Association at least proved its relevance in tackling the terrorist issue. ASEAN could manage this matter well since they began sharing the common perception that terrorism poses a great risk to any ASEAN member country in the post September 11<sup>th</sup> terrorist attack, especially since the Bali bombing. Because the perception of terrorist threat has gradually been coalesced, ASEAN also started expanding the cooperation between its members and with its dialogue partners, particularly with the US. This cooperation expansion finally brought about a satisfactory result for ASEAN members, that is, the weakening of the terrorist ability. However, removal of the terrorist threat from the region is still a problem for ASEAN. This demands intensified cooperation or coordination between ASEAN members as well as between ASEAN and its dialogue partners in law enforcement against terrorism. The inconsistency of law enforcement among different countries creates favorable conditions for terrorists, who are increasingly capable to coordinate their actions using sophisticated means, to exploit. This is the current weakness of ASEAN in tackling the terrorist problem through regional and multilateral cooperation, and the ultimate outcome could be that terrorism could never be eradicated from this region. The main reason why ASEAN could not intensify cooperation is that its members are still concerned that doing so could strongly affect their sovereignty. Specifically, they may have thought that deepening cooperation against terrorism would require drastic changes in their domestic practices, especially their laws.

ASEAN has not only been losing its relevance to the economic and security needs gradually, but also to the political needs namely the need for democratization and the need to become an effective organization. The failure to meet the democratization need could be evidenced in the failure to create a Charter which truly reflects the commitment of the member states to democratization and to press Myanmar for political changes. Regarding the Charter, the ASEAN's failure in meeting the need for democratization was revealed in two ways. First, the content of the Charter does not meet the democratization criteria proposed by the CSOs and the EPGs. Second, the reactions of the ASEAN democratic states towards the ratification of the Charter appeared to be negative. For the content of the Charter, ASEAN was initially expected to include three essential proposals to ensure the commitment of the member states to democratization. They were the use of *majority voting* in the ASEAN decision-making, a sanctions provision for non-compliance, and the creation



of a regional human rights commission. But first and second proposals were not included in the final version of the Charter, and the third one was left with ambiguity. The failure to adopt these proposals in the Charter indicates the unwillingness of the ruling elites in the ASEAN non-democratic countries in accepting the genuine democratization of ASEAN. They might have thought that having a strong Charter may weaken their power in the ASEAN decision-making.

At this point, it is worth noting that the failure to adopt the above-mentioned proposals, especially the application of *majority voting* and a sanctions for non-compliance, in the Charter not only meant the failure of ASEAN in responding to the need for democratization, but also in transforming ASEAN into a more effective organization in general. As mentioned earlier, ASEAN's credibility to respond to the needs of its members in the fields of economics and security have been limited by the strict adherence to the non-interference norm and the lack of means to enforce the compliance. Hence, the creation of the ASEAN Charter by including the provisions of *majority voting* in the ASEAN's decision-making and a sanctions for non-compliance was a response to the need to turn ASEAN into an organization more responsive to the needs of its members in comprehensive sectors. Unfortunately, the two provisions were not included in the Charter; as a result, ASEAN is still a weak organization.

In addition to the content of the Charter, reactions from ASEAN democratic states to the ratification of the Charter is also another indicator proving that the Charter did not meet the democratization criteria yet. The first official reactions of the ASEAN democratic states, especially the Philippines and Indonesia to the ratification of the Charter indicate that the Charter did not reflect the true commitment of the member states to democratization. While the official reactions of these states could be eventually compromised, the reactions of the CSOs in the ASEAN democratic states could serve as more reliable indicators to prove whether or not the Charter reflects the democratization commitment. The reactions of these CSOs turned out to be very negative about the Charter, meaning that the Charter has not responded well to the need for democratization.

In short, the current Charter is merely lip service paid by the ASEAN authoritarian rulers to the people of ASEAN, while it could bring ASEAN nowhere towards democratization. Even so, the democratic ASEAN could not push the non-democratic ASEAN to create a Charter which binds the latter to commitment to democratization; otherwise, the latter would get closer to China. Consequently, ASEAN could become weaker and would be economically absorbed by either China or a wider East Asian regional grouping. This means that ASEAN is facing a dilemma over whether or not it should democratize. Without democratization, ASEAN could be absorbed by the Chinese economy or the East Asian regional grouping. But if the democratic states push the non-democratic states too hard in creating the Charter which reflects the democratization commitment, ASEAN could split and may also end up being absorbed by either the Chinese economy or the East Asian regional grouping.

In addition, this dilemma could also be seen in how ASEAN pushed Myanmar to respond to international concerns about human rights. If ASEAN presses Myanmar too much over ASEAN's democratic roadmap, it may stay distant from ASEAN and become closer to China. Finally, the Association could lose its strength and be economically dominated by either China or the East Asian regional grouping. Therefore, the main problem here is how ASEAN could manage the dilemmas over the problems of the Charter and Myanmar. The only way to break the dilemmas is to weaken the strict adherence to the non-interference norms and create the institutions to enforce the compliance of the members. This is because doing so would allow ASEAN to have a legitimate role to press any member state, which may discredit the Association's credibility, to actually answer the need for democratization.

To sum up, I can make two conclusions about the factors which have undermined ASEAN's relevance to the needs of its members. First, based on the narrow perspective, the major stumbling blocks for ASEAN in expressing its relevance to economic, security, and democratization needs of its members today are the strict adherence to the norm of non-interference and the lack of institutions to enforce the compliance of the member states with the regional goals. Given the broad view, the fact that ASEAN has assumed many functions in a variety of sectors such as economics, security, and politics simultaneously has made the Association lose its focus. Accordingly, ASEAN has not been able to respond well to concerns of its members in a particular area. Therefore, how could we overcome these difficulties in order to make ASEAN truly relevant to the needs of its members? Perhaps, any attempt to resolve these issues demands long-term solutions because the non-democratic ASEAN may not accept any sudden change resulting from the short-term solutions. But it does not mean that the solutions would take several decades become effective. The following points are my personal recommendations to overcome the above-mentioned issues:

First of all, the solution should begin with and should focus on the least controversial field, that is, economics. Perhaps, ASEAN Minus-X formula should be applied. The formula allows a group of member states who are ready to realize the regional agreements to go ahead with the implementation of those agreements first. But it is noteworthy that this group would have to accept the inclusion of a sanctions provision in the economic agreements they have concluded or going to conclude, and the provision that legitimizes the role of the ASEAN Secretariat in monitoring members' compliance as well. This is because without those provisions, members would not take their commitment seriously. As a consequence, the concluded agreements would become merely rhetoric without real action. This was perhaps the reason why the ASEAN-Minus X formula proposed in the 1992-Framework Agreement on Enhancing Economic Cooperation is rarely used by ASEAN members.

The agreement only outlines the formula of the cooperation and role of the ASEAN Secretariat in overseeing members' compliance, while keeping silent on

*what* sorts of penalties would be given to the violators of the agreement.<sup>220</sup> This fact indicates that even the original founding members of ASEAN were also reluctant to weaken the non-interference norm and to get themselves bound by the regional agreements to which they were signatories. So, how could ASEAN new members be willing to take real steps to overcome the obstacles posed by the non-interference norm and the non-compliance issues if the original members are not even willing to take the first step?

The ASEAN-6, especially the democratic states must be the first to start applying the ASEAN Minus-X formula with provisions for sanctions and the legitimate role of the ASEAN Secretariat to oversee member states' compliance if they truly want to see ASEAN develop into a way that could respond to their socio-economic changes. If ASEAN-6 members agree to be bound by the new decision-making formula in the field of economics, new ASEAN members will agree to follow them. The success of using this formula in the field of economics would in turn give ASEAN members a motivation to apply it in the other fields including security and politics. This is because when the economies of the member countries become strongly interdependent, they would try to seek measures to create an environment conducive to further economic development. Those measures may include the strong cooperation in the fields of security and politics. By then, ASEAN would prove its relevance to its members in multi-faceted fields.

Second, solutions to weaken the non-interference norm and to make the creation of the enforcement mechanisms possible should also take the priority of state-building into account. ASEAN consists of both economically advanced and weak states. The weak ASEAN states would not easily accept any reform, i.e. democratization which could destabilize their countries or the power of the ruling elites. In this regard, developed ASEAN should continue to assist the least-developed ASEAN economically. When latter's economy develops, the internal force; more specifically, the middle class will place considerable pressures for democratic changes on the ruling elites in the latter group. By that time, all ASEAN members would be able to embrace common values, that is, democracy. When ASEAN countries share the common identity, the norm of non-interference may gradually fade away, and the creation of institutions to ensure members' compliance may be possible. By then, ASEAN would be able to prove its relevance in all areas of their members' interests. But again, who could start the project of this state-building? It is still developed ASEAN-6, particularly the democratic states. Whether or not ASEAN could prove its relevance lies in their willingness to implement the said project.

In a nutshell, if ASEAN countries, especially the founding members do not take action (including the adoptions of the above recommendations) on the strict adherence to the non-interference norm and the absence of mechanisms to enforce the compliance as well as the loss of ASEAN's focus from now, the division between two ASEAN blocs, the democratic and non-democratic groups, would be worsened.

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<sup>220</sup> "Framework Agreements on Enhancing ASEAN Economic Cooperation," *The ASEAN Secretariat*, <http://www.aseansec.org/12374.htm> (accessed 22 April 2009)

The final outcome will be that ASEAN would be economically absorbed by either China or a wider East Asian regional grouping, and its relevance to the needs of its members would gradually wither away.

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