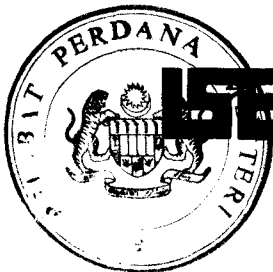


THE ASEAN READER

compiled by

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PREFACE

The Association of Southeast Asian Nations, or ASEAN for short, consisting of Brunei Darussalam, Indonesia, Malaysia, the Philippines, Singapore and Thailand, celebrated its 25th anniversary in 1992, having been formally inaugurated on 8 August 1967 with the signing of the Bangkok Declaration. Despite the fact that it has been around this long — that is, only ten years less than the EC — ASEAN's progress and performance to date continue to evoke quite different reactions amongst different peoples. Thus, to some, ASEAN still does not amount to anything much more than rhetoric — a mere talking shop; to others, ASEAN is the veritable panacea to the region's problems — the magic wand that will bring abundance and good cheer to all. Needless to say, the reality lies somewhere in between such extremes. Some aspects of this reality are becoming fairly clear. For instance, that ASEAN is going to be around for quite some time is no longer in doubt. Likewise, the benefits that ASEAN can provide through regional co-operation are no more issues of debate. After all, ASEAN is about the size of India in area, is the home of about the same number of people as inhabit the whole of Western Europe, and is a world leader in the production of a number of tropical products like rubber, copra, and palm oil, as well as substantial quantities of minerals and manufactures, particularly electronics and computer parts and

peripherals. Moreover, for all their failings and weaknesses, the various ruling power groups in the region — as distinct from any particular cabinets of the day — are firmly in control of their respective countries, and the pace of development in the area is such as to make ASEAN one of the fastest growing parts of the world in the 1990s.

Nevertheless, one may be tempted to say that all this sounds well and good, but in reality what has ASEAN, *as an organization*, achieved in terms of, for example, encouraging economic co-operation and integration amongst its members? Its record here is hardly inspiring, bearing in mind that intra-ASEAN trade has generally failed to reach 20 per cent of the total overall regional trade over the last two and a half decades. The promotion of national interests has continued to be the order of the day. Indeed, it is not too long ago when civil servants were rumoured to be spending considerable energies in devising “the giving away” of tariff concessions on imaginary regional trade items like snowploughs and samurai swords.

However, to judge the achievements and performance of ASEAN on such criteria as the foregoing is largely to misunderstand the objectives and goals of the Association. Why? Because ASEAN was not founded to promote economic co-operation or political integration *à la* European Community, or any other similar

organization, but rather to promote *stability* and *security*. And this it has done remarkably well, despite its member countries being politically relatively young, intensely nationalistic, and until recently mutually suspicious of, if not actually antagonistic towards, one another. Can we think of any other group of five or six Third World countries that have not fired a shot in anger across their borders at each other over a quarter of a century? (The five founder members of ASEAN in 1967 did not include Brunei Darussalam which joined the Association only in January 1984 when it gained independence.)

This relative peace and quiet has allowed political leaders, civil servants, and business executives to come to know and interact with one another on a close, first-name basis, in the process fostering a uniquely ASEAN non-legalistic, consensual, low-key, pragmatic, approach to problems and settling issues. In other words, over the years, there has developed a philosophy and *modus operandi* that is both practical and eclectic, long-term based yet rooted in prevailing realities, and finally one that seeks to build upon existing structures and strengths rather than inventing new ones. Equally, if not most importantly, the resulting stability and security has allowed market forces to operate and these, together with generally outward-looking and development-oriented economic policies, have seen the region grow by leaps and bounds. Indeed, the region's economic and social dynamism is almost palpable, with whole societies and peoples on the move — a situation often likened to the proverbial Rip Van Winkle waking up from a hundred-year-long sleep, and wanting to make up in 10–20 years what it normally takes nations 100–200 years to achieve. In the process, enormous energies are being released; ambitions are being multiplied overnight. This startling pace of change reverberates even more when combined with developments in neighbouring places like China, Hong Kong, Taiwan, Korea, and elsewhere in Asia. Thus, within the next 10 to 20 years the combined GDPs of ASEAN, the Asian NIEs,

and Japan are expected to equal and eventually surpass those of Europe and the Americas, setting ASEAN well on the road to becoming both a gateway to, and a hub in, a grid of vibrant economies and trading networks.

Striking though these quantitative transformations are, their qualitative nuances are even more profound. For instance, the structure of Indonesia's exports has altered beyond recognition in less than ten years, in that compared to 1982/83 when oil comprised about 80 per cent of the country's export earnings, some two-thirds of such earnings today come from non-oil items, with manufactured goods accounting for almost 80 per cent of these! The move up the economic ladder in several of the other ASEAN countries is even more astounding: rather than being satisfied with being assembly lines for MNC operations, they are becoming innovators and state-of-the art producers of sophisticated goods in their own right. Looking ahead, they are seeking to become fully computerized societies. Towards this end, an information technology plan envisions that within fifteen years Singapore, for example, will be an "intelligent island", with every home, office, school, and factory connected via computers that hook into telephones and television sets.

Paralleling such developments is a massive revamping and upgrading of education and human skills, together with the growth and the spread of a "business" culture right across ASEAN societies. Concepts and notions of financial management, productivity, value for money, accountability, and so on, are becoming part and parcel of everyday household vocabularies and practices. This in turn is reflected, among other things, in the ASEAN societies today being amongst the world's largest savers — averaging gross domestic savings rates of some 30 per cent, compared to the approximately 16 and 20 per cent in the United States and Europe respectively. This has given the ASEAN countries an estimated investment capital base of some US\$300 billion, quite apart from making it an attractive

world-class market for a growing number of products and economic activities. Opportunities in the construction industry alone are presently estimated to be worth US\$350 billion. If these are extended to include China, the NIEs and Japan, the estimated figure reaches a staggering US\$2 to US\$3 trillion.

ASEAN's growing wealth and economic buoyancy quite naturally are generating greater confidence in the region and amongst its peoples. This is also leading to a re-assessment of the potentialities of intra-ASEAN economic co-operation, particularly as the impulses for such co-operation are now being driven not so much by diplomatic niceties or political considerations, but more by market forces and intra- and inter-firm commercial requirements. These trends are not only witnessing a mushrooming of business across borders in geographically-contiguous areas, as for example, in the Growth Triangle linking Johor (Malaysia), Riau (Indonesia) and Singapore, but in January 1992 actually saw ASEAN taking the decision to create an ASEAN Free Trade Area, or AFTA, within fifteen years.

To facilitate this new realism and integration, moves are afoot to restructure the ASEAN administrative machinery, as well as to create an *ASEAN-minded* body of regular or permanent officials, to replace the current practice of nationals being assigned for ASEAN duties on a temporary basis. These moves towards greater economic co-operation and a strengthening of the ASEAN bureaucracy and decision-making processes will not, of course, overnight result in ASEAN producing its own versions of Jean Monnet or Jacques Delors or an "ASEAN Single Market" along the lines of Europe, but they are nevertheless significant steps — certainly initiatives which would have been unthinkable a few years ago.

The growing camaraderie among the ASEAN nations, together with the increasing convergence of interests, has also seen ASEAN assuming a larger and more important role in regional and international political and security affairs. Thus, having successfully withstood and

weathered the Vietnamese invasion of Cambodia and its aftermath, including totally reversing the so-called "falling dominoes theory", ASEAN rapidly moved to convert its Post-Ministerial Conference with its Dialogue Partners into a forum for the discussion of not merely the usual bilateral matters, but of larger security concerns as well, with perhaps a benchmark being reached in July 1992 when ASEAN issued a joint statement calling upon China to show restraint in pressing its claims over the Spratly Islands. If any further indication of ASEAN's growing political and economic stature was needed then this was amply supplied by the fact that not only was the region chosen as the site for the Asia-Pacific Economic Cooperation, or APEC, Secretariat, to be based in Singapore, but the Association is also being actively courted by countries ranging from India and Vietnam to Chile and Mexico. There is even talk of a formal linkage between NAFTA, or the North American Free Trade Agreement, and AFTA.

In short, ASEAN's potentialities and prospects are numerous and compelling. True, they could be upset if, for instance, a major catastrophe were to shake up the international economic system, or if ASEAN's main trading partners like Japan, the United States and the EC were unable to come out of their present doldrums, or if the GATT talks were to collapse, or on account of some other similar major catastrophe. Although such imponderables and dangers are real, they nevertheless have to be set in context. If past experience is anything to go by, then the ASEAN countries, like their East Asian cohorts, have weathered uncertainties and international shocks better than many other parts of the world. Indeed, they have time and again confounded their critics by their resilience and ability to adapt rapidly to changing demands, even to the extent of often turning adversity to advantage.

The development of ISEAS has in a way paralleled that of ASEAN, in that over the years the Institute has steadily consolidated its gains and constantly fine-tuned its research

activities to encompass the whole of Southeast Asia, as well as all its principal international linkages, including the United States, Japan, and Europe, which interact with and impact on the region and its long-term well-being.

THE ASEAN READER is a selection of research material on ASEAN carefully culled and arranged by a multi-disciplinary team of ISEAS researchers from the thousands of pieces of scholarly research which have been published in ASEAN over the past 25 years. As ISEAS itself has been a leader in the promotion of research and publications as well as in the development of significant library resources on ASEAN, it was quite natural that substantial portion of the entries contained in THE ASEAN READER have been drawn from ISEAS' own extensive publications.

THE ASEAN READER is divided into ten sections. Sections 1 and 10 provide an overview of the past and speculations on the future. Section 2 is devoted to the origins and organizational structure of ASEAN. Four of the sections (3, 7 and 9) deal with politics, international relations, defence and security issues, while another three (5, 6 and 7) concentrate on economic themes. Section 4 sets out ASEAN social and cultural issues.

Each of the foregoing is preceded by a short introduction, written by the compiler of that section. Every effort has been made to ensure a balance between the disciplinary and thematic aspects of the life and times of ASEAN; likewise, in terms of the right mix of Asian and Western presentations. In doing so, while every care has been taken to include all the leading scholars of ASEAN studies, it has, of course, not been possible to accommodate each and

every one of those who have over the years written on ASEAN.

As the materials contained in the READER have come from a variety of publications, incorporating a wide range of styles and formats, editorial control has been particularly taxing as, among other tasks, superscripts and notes have had to be renumbered. We have diligently sought to avoid the introduction of new errors, and to reproduce the published originals accurately. Similarly, Addenda notes have only been added when considered absolutely essential.

The compilers have also put together a bibliography that in itself will serve as a useful reference tool. It does not, nevertheless, pretend to be exhaustive. It comprises all references cited in the various sections, as well as significant research completed during the past few years. Complementing the bibliography are brief biographical notes on the contributors.

We are indeed grateful that two of the original signatories to the 1967 ASEAN Declaration — senior statesmen Mr Thanat Khoman and Mr S. Rajaratnam (then Foreign Ministers of Thailand and Singapore, respectively) — graciously accepted our invitation to write a foreword each for this volume. In fact, these serve more than a mere foreword: they are both insightful, reflective pieces from unique perspectives.

Last but not least, we would like to thank the Konrad Adenauer Foundation for the generous grant which made this publication possible.

K.S. Sandhu
Director

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