

## **ASEAN REGIONALISM: Political, Security, Economic and Socio-Cultural Challenges Towards Regional Integration**

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### **Introduction : Understanding Regionalism In The Age Of Globalisation**

Globalisation is an old phenomenon that can be interpreted in many new ways. Contemporary globalisation is very much seen as a process of becoming a borderless world. This can lead to a state of global village with the hope of good governance implemented or taking place at the global level. It can be also witnessed at the level state and regional entities. The idea of a free world with the free flow of goods, services and people moving across countries and regions is very much desired. Stronger economies are confident about the process whereas weaker and developing countries are somewhat apprehensive about it. The failure of GATT (General Agreement On Trade And Tariffs) in the late 80's and the establishment of the WTO (World Trade Organization) subsequently to replace GATT in order to accelerate the free flow of trade in goods and services indicates that globalization is continued to be seen in a positive light.

Even though regionalism or initiative at the regional level was already in existence since the Second World War to deal with security challenge of the Cold War, the process regional integration was only encouraged in its intensity following the European Economic Community (EEC) model as observed by other parts of the world. When the EEC moved towards the formation of EU (European Union), other regions of the world started to move quickly to accelerate to process of regionalism as an important tool of managing globalization, especially in facilitating the free flow of goods and services in trade. Trade became an important aspect of regionalism and regional integration after the 1990 as compared with security and political regionalism which existed for quite some decades. Since then economic regionalism became the important 'mantra' of the global process or globalisation. Economic regionalism too pushed other sectors of regional cooperation in areas such as political, security and the socio-cultural dimensions.

Overall, regionalism and globalization were moving in parallel. Sometime regionalism is seen as a positive vehicle for globalization and in different situation it can be viewed as an impediment to the phenomenon if the process creates a form of block mentality regional architecture. Powerful trading blocks that practice closed regionalism is abhorred and not encouraged after 1990. Therefore only open regionalism is very much encouraged. The EU for example, is seen as a closed block trying fight for only the European interest prior to the 1990s. After the 1990s more regions started to opt for the concept of open regionalism which allows free trade and rules and regulations that are commonly shared with other regions and countries. The benefits and gains of regional cooperation with a mindset of open regionalism are very much encouraged today on the global stage. Regions and countries no longer just

practice open regionalism but they also participate in many intra-regional and inter-regional cooperation and initiatives to speed up the process of regionalism. The ultimate aim of the regional process or regional integration is to become a single entity like the European Union which possesses a “supra-national authority” whereby member states’ policies must concur and can be controlled by the regional organization. EU is seen as the only model of “supra-national authority” type of regional organization that successfully exist and a well-established organisation today. Many regional organizations that try to adopt or follow the EU model are not doing in an expected manner. Regionalism is also a process that is strongly mushrooming in the developing world but the level of regionalism is different. There are some Third World regionalism that is successful like ASEAN, but still very far from the EU in terms of implementations, action and enforcements. Regulatory framework is major challenge in many regional organizations including in ASEAN. At the same time, there are several regional organisations in Africa, South Asia and Latin America which can be even slower than ASEAN in speeding up regionalism.

What is interesting nonetheless is that, economic forces are pushing regionalism to flourish throughout the world. Regionalism is here to stay for a long time since a single global authority for effective global governance is very far from what is desired. Powerful and larger states sometime do not like their authority and sovereignty challenges bigger agencies. Smaller states in the region too feel the pressure. Amidst all the challenges, regionalism is no doubt growing. It is helping states to cope with the pressures of globalization. At times it offers rescue packages for countries to continue to survive and thrive. While sovereignty can be diminishing, some states see regional organization as an extended vehicle for promoting their national interest. ASEAN is still very much grappling with this dilemma of one the one hand wanting regionalism and on the other hand being shrewd.

### **Regionalism in Southeast Asia and ASEAN Regional Cooperation, 1945-1967**

Regionalism is not something very new to Southeast Asia. The leaders in Southeast Asia had thought about the idea of a bigger state or regional entity without having the knowledge of regionalism. This occurred immediately after the World War Two. When the Japanese attacked Southeast Asia and ousted the colonial powers from the region, it started the seed of nationalism and thinking about national independence with much greater intensity after observing how western powers were defeated by Asians. The belief of powerful colonial western powers can be defeated by an Asian power, especially by Japan altered the mindset of the national leaders and the nationalists. This became apparent when the Japanese left and the western powers like British, Dutch and Americans returned to the Southeast Asian states. Anti-western colonial power movement started to mushroom in Southeast Asia, South Asia and the Middle East. The liberation movements and the struggle for independence were strong in the second half of the 1940s.

The Indonesians under Sukarno and others fought against the Dutch to declare Indonesia as an independent state in 1946. India was liberated from colonization in 1947. This spurred the desire to be free in the region. Malaya’s nationalism and struggle started in 1946 when it was protesting against the British’s plan of Malayan Union which could

diminish the political rights of the indigenous Malay people. Malaya received independence only in 1957 after series of negotiation and diplomacy with the British. Indonesia which received independence much earlier became renown under Sukarno's leadership in international affairs which was very strong in the Afro-Asian movement that propagated independence and the concept of non-alignment to many countries, especially of the developing world.

Indonesia's vision of the region was much stronger and wanted to include Malaya, Singapore, Borneo (Sabah) , Sarawak and Kalimantan into what was called Indonesia Raya. Indonesia was the first to use the concept of 'Wawasan Nusantara' a concept that envisioned a larger state which includes the region, especially the maritime Southeast Asia. When British wanted to give independence to Brunei, Sabah, Sarawak and Singapore to create what to be called Malaysia, Indonesia was against the idea of establishing Malaysia in 1960s. Malaya led by Tunku Abdul Rahman was already working very closely with Britain and announced his plan in 1961 to create Malaysia as an independent entity. Indonesia was up in arms against the formation of Malaysia on 16 September, 1963. However when it was formally established with a fact finding mission supporting the initiative came from the United Nations, protest from Indonesia and the Philippines increased. When Malaysia was established with the support of the UN, British and also the United States, Indonesia launched its paratroopers and military incursion in the name of Confrontation or "konfrontasi" between 1963 and 1965. Malaysia was accused by Indonesia as a neo-imperialist colonial project. The Philippines also protested the initiative of Malaysia because it claimed Sabah or North Borneo was a part of Sulu Sultanate. Brunei decided not to join Malaysia and remained independent.

The political and security situation in the region was tense and Malaysia had to depend on the military support of Britain and Commonwealth forces from Australia and New Zealand which fought against the communist in Malaya between 1948 and 1960. Malaysia continued to use diplomacy and external military support both before 16 September 1963 and after the formation of this new state. Indeed one could argue very strongly that the presence of this regional conflict among the newly independent states of Southeast Asia was what propelled the political, security, economic and socio-cultural regionalism through the Bangkok declaration in 1967. Secondly, the idea of regional cooperation was always present in the minds of the regional leaders even before that. Tunku Abdul Rahman and his counterparts in Thailand and in the Philippines had already initiated dialogue in forming up regional organization known as ASA (Association of Southeast Asia) in 1961. ASA failed because of "konfrontasi" and Indonesia's protest against the establishment of Malaysia. Later, Maphilindo (Malaysia, Philippines and Indonesia) was initiated in 1963 which also failed to materialize regional cooperation.

After Malaysia and Indonesia made peace agreement and signed a bilateral treaty in 1966, attempts were made to revive the earlier debunked ASA. Meetings of ASA led to the formation of ASEAN in Bangkok on 8 August, 1967. ASEAN or the Association of Southeast Asian Nations became more acceptable to Indonesia and others. The Bangkok Declaration of ASEAN in 1967 focus the main objective of economic and socio-cultural cooperation among the five founding members of Malaysia, Thailand, Singapore, the

Philippines and Indonesia. The document was generally focusing on peace and stability of the region. Regional economic and socio-cultural cooperation was seen as a better way to start regional cooperation among ASEAN members to improve peace, stability and prosperity.

### **The ASEAN Political Community**

The vision of an ASEAN Political Community is a bold step forward. The ASEAN member countries were never similar in terms of their political system and process within each of them. To aim to become a political community is not all that simple. Southeast Asian nations were all known to have several oppressive regimes in the past. Cambodia was once a killing field under the Pol Pot regime where millions of lives were lost in political massacre by the Khmer Rouge regime supported by China. Military rule was strong under the Suharto regime in Indonesia from 1966 till 1998. His family members were punished after 1999. Thailand had its own military role even very recently when Thaksin Shinawatra was ousted. For many years, Myanmar's politics cannot be separated from the military rule. The junta is still strong in the new parliament now. Brunei is a monarchy since independence and even today. Malaysia and Singapore are criticised for not having a perfect democracy. Democracy in the Philippines can be seen as vibrant, but corruption scandals affect many of its leaders. Hun Sen is still strong in Cambodia with his own style of scaring the opposition candidates. In Vietnam, the Socialist Party cannot be criticized openly for all its excesses and corruption. Laos is also not a democracy.

The problem of becoming a good democracy is a challenge in many developing countries and ASEAN is not an exception. Human rights situation in ASEAN is improving day by day but corrupt and authoritarian regimes continue to undermine political stability and good governance in Southeast Asia. But there are also good examples like Singapore where corruption is not a problem. Politics in Malaysia, Thailand, the Philippines and Indonesia have improved a lot over the years. Myanmar is currently more recognized by the US and EU after the release of Aung Sun Su Chi. The level of press freedom, freedom to assembly and the overall human rights situation is getting better in recent decades compared with the period of the Cold War. Political liberation is growing in Southeast Asia. In line with these developments, ASEAN has chartered a vision of becoming a political community that is liberal, respects human rights and which can improve good governance. It is hoped that the degree of differences in democracy and human rights record should not hinder the region from moving forward in their vision of a political community. It is important to point out that the support of the external power like China can be good for investment in ASEAN, but not helpful in political liberation. Some corrupt regimes may use this advantage by not listening to the West and also the United Nations in their call for democracy, human rights and good governance.

While all the above differences and problems exist, ASEAN as a regional organization has been adopting a lot of liberal ways of managing the regional problems. As an organization which promotes regionalism, it has created a rotational system in chairing the organizational process which is respected by all the big countries. In this way even the smallest of ASEAN countries take pride in organizing the ASEAN Ministerial Meeting, ASEAN Summit Meeting,

ASEAN Regional Forum, ASEAN Defence Ministerial Meeting and other related meetings. Both the small and big countries support one another to see ASEAN becoming a successful regional organization. This is not the same in South Asia under the organization like SAARC, where regionalism is still very far behind ASEAN in terms of implementation and activities. But the vision of an ASEAN Political community is still at the very low level in comparison with the European Union (EU).

One positive step that ASEAN has taken is the signing of an ASEAN Charter. The document is very far from the EU constitution. ASEAN is also not having the regional parliament and representative elections like the EU. The EU Commission is much bigger and powerful. While comparing ASEAN with EU is not wise, it is important for the regional organization to move towards a strong legal basis organization and enhance enforcement. Enforcement and law based system is lacking in the region. Therefore good governance will remain a challenge in the decades ahead. ASEAN is also not having a system of track record in including or expelling members. Therefore, we can't expect big progress in ASEAN as a political community. This will only keep ASEAN a loose political community that can contribute towards regional cooperation but not a strong political community as envisioned.

The aim of a regional political community is not something easy. Sovereignty is not an easy barrier to cross in a Third World organization. Each ruler or government has their own agenda and protecting national interest is still high on the agenda than following the regional interest. ASEAN identity as a regional community is very much challenged by both the external and internal forces. As a political community, ASEAN is currently engaged in more than 200 meetings a year. It has earned a reputation of a talk shop and not as an action oriented regional organization. However, ASEAN regards jaw-jaw is still better than war-war. What is good about this political community is that it is respected and its meetings and processes are participated by all the powerful states from within and outside region. Some great powers prefer ASEAN to be in the forefront or driving seat on regionalism. Therefore ASEAN regionalism has a positive effect on East Asian and Asian Pacific regionalism which is larger than Southeast Asia. This is indeed biggest success of ASEAN in an age of global interdependence.

Processes and initiatives like the East Asian Summit (EAS), ASEAN Regional Forum (ARF) and Regional Comprehensive Economic Partnership (RCEP) include many powerful countries and economies. It was never in the imagination ASEAN in 1967, that this regional organization could influence agenda setting and policy making at such a gigantic regional scale. ASEAN has always contributed to peace and stability of the region where great power competition can become detrimental if the process is not managed wisely. The presence of ASEAN and its dialogue process allow all the great powers to participate and work towards peace, stability and continuous prosperity. It is no doubt that the vision of political community can contribute strongly in the establishment of greater security, economic and social-cultural community within ASEAN and the Asia Pacific region.

In this regard all criticism targeted at ASEAN must be also examined in a balance manner. As an organization of the developing world, ASEAN has built a track record unmatched by

numerous other Third World regional organizations. To compare it with the EU is not a fair judgment. The region's history, culture, economy and politics are completely different. However, it is also interesting to note that Myanmar's opportunity to chair ASEAN was postponed once in the past by ASEAN because of the numerous issues surrounding its political credibility. Myanmar will now become the ASEAN chair 2014. This time it is better prepared despite some internal political problems like the racial political violence in Rakhine province. For the first time, the world will have the opportunity to see Myanmar to host several ASEAN meetings and Asian Pacific related large events which will be attended by leaders from the powerful countries. Overall, one could argue that the goal of a regional political community is ongoing. The pitfalls are many but the process are improving in a much slower pace than what is expected on regionalism.

### **Constructing the ASEAN Security Community**

Regionalism after the formation of ASEAN in 1967 was not the same as the way we can analyse the regional cooperation initiated and process in the 1990s. ASEAN was very new. At this stage familiarisation, summit meetings, joint communiqués and declaration documents were important to start the entire endeavor called regionalism. ASEAN was also less familiar with way, for example, the European Union was evolving from the original European Economic Community. Economic cooperation was never ASEAN's forte in the first three decades of ASEAN. ASEAN did not have a chance to learn from a good model of regional economic cooperation. The organization lacked both in terms of ideas and capital to spur economic regionalism. However what was more pressing and interesting for ASEAN in the initial years was diplomacy and issues of regional security affecting its members because of the Cold War. Numerous security challenges created the impetus for the newly formed regional organization to think of a common agenda.

Thinking of a common security agenda was important so that all members could discuss freely and participate regularly to look for a commonly agreed solution for the ailments of the Cold War which were then affecting the peace and stability of Southeast Asia. Initially, ASEAN members were never united in many issues. They were against the idea of security cooperation at the military level so that ASEAN will not be seen as a military pact which serves the interest of the superpowers or as an organization of military alliance. The creation of a military bloc ala NATO was prohibited after the formation of ASEAN. SEATO (Southeast Asia Treaty Organisation) that was formed in 1954 led by the United States failed. Only Thailand and the Philippines initially supported it. Defence cooperation could not be initiated until 2006 from within using the name of ASEAN. What existed between the formative years in 1967 till 2006 were bilateral and trilateral defence cooperation and exercises among the members without using the name ASEAN. It took decades for ASEAN to shed this mentality in order to ensure that the organization is not to be seen as a military alliance type of regionalism.

Nonetheless, the politico-security cooperation was still pursued by creating some important dialogue processes, treaty documents and declarations so that the Southeast Asian security, peace and stability were given prime importance by ASEAN. Numerous summit meetings of

ASEAN and the ministerial meetings were focusing on security issues of the time, namely dealing with Cold War problems that were affecting the region. Among the main concerns were the role of superpower or great powers, like the Vietnam War effect, the Cambodian invasion of Vietnam and also the serious refugee influx which were affecting ASEAN members. By 1970, Malaysia became an accepted member of non-alignment movement (NAM). Tun Abdul Razak, the prime minister of Malaysia was fully aware of the security importance of Malaysia can no longer be relied on Britain because of London's policy of withdrawing military forces and bases from the East of Suez.

Security was important for Malaysia and Singapore because of the coming end of the Anglo-Malayan Defence Agreement (AMDA). The negotiation towards the FPDA (Five Power Defence Agreement) in the late 1960s too did not go far revealing that the West can no longer be trusted and Malaysia had to build its own defence force and crafted a new foreign and security policy. Within Malaysia too, there was already call by younger politicians like Mahathir for distancing the country from the West. Malaysia's exposure to NAM's policy of neutrality in foreign policy was later translated in ASEAN summit in 1971 by Tun Abdul Razak into the Declaration of Zone of Peace, Freedom and Neutrality (ZOPFAN). This was in line with Indonesia and others. This declaration was intended to send a strong signal to all superpowers to start recognizing Southeast Asia as a neutral zone and eventually they have to withdraw all foreign military bases from the region.

All ASEAN members were encouraged to stay neutral in the superpower rivalry. Security was better served if a neutral policy approach was portrayed and given recognition by all the superpowers. Besides seeking the superpowers approval of ZOPFAN, ASEAN was often busy on trying to find solution to the Cambodian problem after the 1978 Vietnamese invasion. There was also fear of the domino theory. In line with ZOPFAN, ASEAN members started to recognize communist regime and established diplomatic links with Russia, Vietnam, China and North Korea in Asia. Even though not all ASEAN members started recognizing the communist China but Malaysia was in the forefront, by enhancing ties with Peking and Moscow. This was parallel to the US policy of 'detente' or relaxing of tension started by Kissinger in 1971 and later by Nixon in 1972. This was a crucial part of the creation ZOPFAN in an unexpected manner. Not only Malaysia's foreign policy became more neutral but it paved other ASEAN members to follow suit in recognizing the communist world. The initiatives were also crucial to liberate the region from superpower rivalry and confrontation.

The focus of security and political cooperation was mainly on issues that could allow all the five members of ASEAN to participate freely at that time so that sensitive issue between them were not put on the table. The focus on Indochina particularly the refugee crisis affecting ASEAN countries and the Cambodian conflict became the important rallying point for all to keep on regular meetings. ASEAN had to constantly work with the western power like the United States, Canada, Australia, New Zealand and European Community (EC) in trying to find financial assistance and resettlement places for the Vietnamese and Cambodian refugees. Malaysia and others had maintained temporary placement islands which were then used to clear refugees to final destination in the United States, Canada, Australia and Europe. ASEAN was very often united and spoke very strongly on the

Cambodian and “boat people” issues at the United Nations. Numerous UN agencies became helpful and funding was also coming from the West.

On the Cambodian issue, solutions were sought by series of resolution in the United Nations, and by participating in Paris and other venues for finding a permanent solution. ASEAN threw its support at establishing a Coalition Government of Democratic Cambodia (CGDK). The west was also behind ASEAN in order to curb China’s influence in Indochina. The USSR was also urged to support the ASEAN position. Vietnam was pressured to withdraw from Cambodia. With the support from the United Nations and ASEAN members, Cambodia had its own election in 1994 and formed its government under Prime Minister Hun Sen and Prince Norodon Sihanouk. By 1995, Vietnam too became a member of ASEAN. The hostility with Vietnam no longer existed. The United States resumed its ties with Vietnam.

The end of the Cold War brought about a sea of change in Southeast Asia in terms of the Indochina problem and the threat from the superpower rivalry. This led to the further expansion of ASEAN political and security dialogue even wider and deeper. By 1993 the United States withdrew its bases from the Philippines’ Subic Naval Base and Clark Air Field. The withdrawal of the US bases was a vital indication of the success of ZOPFAN principles established in 1970 via the Kuala Lumpur Declaration. The collapse of the USSR in 1990 and the bringing down of the Berlin Wall prior to that were important events which also influenced ASEAN to adopt a new mindset to expand the organization into what was known as ASEAN 10. By 1984, Brunei joined ASEAN as the sixth member. Vietnam became a member in 1995. ASEAN leaders were working very hard to bring in all the CLMV (Cambodia, Laos, Myanmar and Vietnam) countries into ASEAN fold by 1997. But only Myanmar and Laos managed to join in 1997. Cambodia’s membership to ASEAN was delayed till 1999 following the frequent internal political turmoil between the Hun Sen’s regime and the Sihanouk royal family.

Even though Myanmar too had its internal problem of ruled by the military and the imprisonment of Aung Sun Su Chi, ASEAN decided to bring in Yangon so that China’s influence can be curbed. This was done with the hope that Myanmar will eventually become less reliance on China. Curbing another great power’s strong influence in Southeast Asia become important for ASEAN in ensuring the region is not exploited by any superpower for its own strategic gains. In this manner, the aim of ZOPFAN was always given importance. Another important ASEAN document that give utmost value for political and security cooperation is the Treaty of Amity and Cooperation (TAC) signed in 1976 in Bali. This document focuses specifically on the policy of non-intervention in internal affairs of the members and adopting peaceful mechanisms in settling disputes. TAC is used in recent years to expand the ASEAN process into a larger process called the East Asian Summit (EAS). All great powers and important nations must sign the TAC treaty in order to be included in the ASEAN initiated EAS process.

Security dialogues were expanded beyond ASEAN since 1990. ASEAN used to have its post-ministerial conference (ASEAN-PMC) with important Dialogue Partners. This dialogue process eventually gave birth to the ASEAN Regional Forum in 1994 following the end of



the Cold War. The ARF has its own ministerial meeting and Inter-Sessional Meetings. These meetings of ARF are currently being used to discuss security issues not only focusing on Southeast Asia but even larger issues such as North Korea, maritime security issues and all relevant Confidence and Security Building Measures (CSBMs) for the Asia Pacific region. Over the years, ARF has provided the platform for ASEAN to focus on Asia Pacific security and stability. The inclusion of all the great powers and other important players like Australia, India and the EU give the forum additional impetus to focus on larger issues such as cooperation on global terrorism, nuclear related issues and other non-traditional issues.

Non-traditional security issues are many revolving around organized or transnational crime. Issues of smuggling involving people, animals, weapons, drug trafficking, commercial crime, money laundering and cyber warfare are now being discussed at the various level of ASEAN meetings on security cooperation. The ARF has become one of the main platform for discussing security issues and cooperation in numerous sectors. Another important area that started to gain attention in the ARF and other platform is the security cooperation on disaster management and humanitarian relief assistance. This began to become an important agenda for cooperation because of the 2004 tsunami that hit Southeast Asia and almost many countries of the Indian Ocean Rim. Maritime security forums in the region too started to pay more attention to this subject so that more naval exercises and cooperation are created for regional navies to work together.

Beside the tsunami incident in 2004, it is important to note that naval and maritime cooperation were already enhanced between the Asia Pacific navies after September 11, 2001. The US played a vital role in making the issue of potential for maritime terrorism appear crucial because of the bombing of the US ship in Yemen known as USS Cole incident. Various maritime initiatives including the RMSI (Regional Maritime Security Initiative) was pushed by the US in 2004. ASEAN countries too cooperate on Port Security Initiative (PSI). Malaysia, Singapore and Indonesia participated in 'Eye in the Sky' initiated to patrol the Straits of Malacca which now includes Thailand.

Security cooperation is constantly growing throughout the region among the ASEAN members and with their greater power counterpart. India is also becoming involved in maritime exercise. Australia too used the FPDA platform to increase its influence. The US takes the exercise CARAT quite seriously and expanded it to several ASEAN countries including Malaysia. The US has strong defence ties with the Philippines, Thailand and Singapore. It is also upgrading defence cooperation with Vietnam and Malaysia. Indonesia is also getting attention in terms of the US defence assistance since it is quite some time that East Timor has become independent and Jakarta's human rights and political liberation record has improved tremendously after the Suharto regime.

The Obama administration has reversed the old sanctions on Myanmar and is currently including Myanmar from all angles, especially on the economic and security cooperation agenda. The process of ASEAN and its numerous dialogue sessions have influenced many great powers and superpowers to give importance to the regional organization. It helps more countries to enhance ties and security cooperation with ASEAN members. After almost two

decades of defence and security dialogues via the ARF, ASEAN too decided to involve the participation of defence officials and military personnel in specific defence meetings. ASEAN had always prevented the organization from being seen as a platform for a Southeast Asian military alliance. But the situation has changed tremendously. Participation in ARF for almost two decades paved way for security personnel and defence officials to be included directly in the discussion.

This resulted in a new set-up called the ADMM (ASEAN Defence Ministerial Meeting) process. ADMM operates at two levels. First, it allows Defence Senior Official Meeting (ADSOM) and secondly it is conducted by the ASEAN Defence Ministers themselves. The inaugural meeting of the ADMM was held in 2006. The desire to include defence officials and defence ministers was there but never fulfilled at the wider ASEAN level because of the existence of AMM (ASEAN Ministers Meeting) annually covering all the security agenda. Security is also often deliberated at the level of the Summit Meeting of ASEAN leaders. But the pressing need to allow and engage defence officials and defence ministers became a reality in 2006 because of the years of informal meetings, consultations and confidence building measures that were put in place.

The starting of this new defence official dialogue process has begun to expand further in a bigger scale to what is now known as ADMM Plus. Under the aegis of the ADMM Plus, ASEAN Defence Officials and Ministers will now participate and discuss beyond just ASEAN like the way security dialogue is conducted under the ARF platform. The difference between ARF process and ADMM dialogue is very clear that now the military elements and officials are directly engaged in specifically focused area in which the armed forces of the ASEAN countries are engaged in selected and highly focused cooperation and confidence and security building measures. Among the key sectoral areas of ASEAN defence cooperation since the start of the ADMM include military education, defence industry, doctrinal aspect, training, peacekeeping operation centre, disaster relief and humanitarian assistance and also maritime cooperation. ADSOM and ADMM meetings and agendas will directly report to ASEAN-SOM, AMM and the ASEAN Summit. It reflects that ASEAN defence forces and officials are in line with professionalism, where the military report to the civilian government set-up. ADMM Plus generally involves the other ASEAN Dialogue Partners who are already a part of the EAS meeting. Overall the ADMM process has had several meetings since 2006 in numerous ASEAN capitals. The focus is slowly growing towards the overall capacity building for security building. Defence Ministers freely participate in forum open to specialist and the military officers. They are candid and willing share ideas in a transparent manner about defence planning and policy.

ASEAN members have also become accustomed to publishing defence white papers or other documents which can increase transparency and decrease tension in the region. It is hoped that increase in the ADMM meetings and military to military ties, some of the security dilemma of the ASEAN countries will be better managed and pave ways for conflict resolution. ASEAN too had succeeded in not to portray the organization as a defence alliance but rather a move towards becoming a regional security community which will adopt the concept of comprehensive security and cooperation for the region. ASEAN's defence and

security policy and visions are also totally in line with principles of security cooperation encouraged by the United Nations. Numerous working groups, workshops and inter-sessional meetings are initiated to study specific conflict and preventive measures.

Preventive diplomacy is vital for ASEAN. It is an important process that can prevent the exacerbation of conflict. There are an array of track two diplomacy and meetings. These include the establishment of Eminent Person Groups and organisations like ASEAN- ISIS and CSCAP (Council for Security Cooperation for the Asia Pacific). These organizations also set-up working groups to specific problems and make contribution towards idea and policy in mitigating conflict and suggesting preventive measures. Besides the overall regional level initiative, ASEAN members constantly engaged in bilateral and trilateral mechanism on security issues. Joint border committees, joint-border commissions and technical committees also constantly work in ensuring border and territorial security issue are kept under control. The military forces and other border enforcement agencies are having their regular exercises at the bilateral and trilateral level.

Growth areas and growth triangles are created by ASEAN members to bring development and peace. It is believed if border and peripheral areas are developed, peace and stability can prevail. So far, most of the initiatives are quite successful. Malaysia has played a significant role in mediating conflict in Southern Philippines. Now it is also getting involved in helping to overcome the Southern Thai problem. Most of the maritime security problems between ASEAN members are handled amicably or brought to the International Court of Justice (ICJ). The Sipadan and Ligitan Islands conflict and Batu Puteh island disputes have become good models and cases for conflict management and resolution. It is only the Spratlys, Paracels, Scarborough and other maritimes disputes in the South China Sea are issues that poses serious challenges because of China's adamant position of its nine dash line claims and Beijing's refusal to go to the International Tribunals.

China's naval and other enforcement agencies expansion and intrusion into the EEZ (Exclusive Economic Zones) of ASEAN countries can create tension. Some ASEAN countries prefer to engage the US and others in the South China Sea. The situation is not very stable because of China's retaliation and conduct of constant pressure and intrusions. Illegal fishing is also on the increase in the maritime zone of the member states. Overall it can be agreed that the vision of ASEAN security community has shown tremendous progress. ASEAN has succeeded in creating a regional security community but challenges are also growing. Terrorism, organize crime, arms build-up and natural disasters are constantly challenging the ASEAN security forces and various governmental agencies. Crime is on the increase, death by accident are growing, natural disasters are difficult to tackle jointly and the issue like the haze problems indicates the weaknesses of ASEAN enforcement agencies.

However successes in managing terrorism, piracy and the numerous organized crimes for so long because of good security and intelligence cooperation should be given its due credit. Many security issues demand a regional solution. This makes ASEAN security cooperation even more relevant and pertinent. Therefore the idea of an ASEAN security community is an ongoing journey and endeavor. The existence of ADMM, ADMM Plus and the ARF has

created an important network of security cooperation for the ASEAN region and the Asia Pacific as a whole. The Asia Pacific region contains almost two-third of the global population and gross domestic product (GDP) of the world. Peace and stability is crucial. It is also a region where weapon purchases are also on the increase alongside with the conflict in the Middle East. The building of regional security architecture towards a regional security community is without doubt necessary. Disputes and conflicts are many. New challenges like cyber security, the use of social media for criminal purposes and also to promote terrorism and political instability are important treats to be vigilant. ASEAN's security cooperation at the various levels must be constantly vigilant towards new challenges. It is also necessary to ASEAN to take stock of all its security cooperation initiatives, measure the overall results and put in the necessary steps to upgrade the process so that the vision of security community is fully achieved.

### **ASEAN Economic Community (AEC)**

Economic cooperation within ASEAN was very slow and could be regarded a failure from 1967 till 1990. When ASEAN was newly established, economic cooperation was pronounced in 1967 as a key goal. However, ASEAN did not have the strategy and capital to initiate a major economic cooperation initiative covering all members. ASEAN members at that time were mainly nations that produced agricultural products, except in the case of Singapore and Brunei. Manufacturing industries were hardly present in bigger countries like Indonesia, Thailand, Philippines and Malaysia during the 1970s. Until the late 80s, most of the economies were commodities driven. Singapore was the only entre port economy and Brunei which joined in 1984 is an oil and gas producing economy. The global depression affected several ASEAN economies in the 70s and 80s because of the price of raw commodities went low. The US selling its stockpile of tin and rubber brought down further the price. Some of the ASEAN countries realized the importance of economic diversification and industrialization true painful lesson.

By the late 80s, ASEAN economies improved on industrialization and become export driven economies. By the early 1990s they acquired the status of the NIEs (Newly Industrialised Economies). Some were referred as Tiger or Dragon economies of Asia. While the above labels were positive, regional economic integration was still minimal. In the early years after the formation of a regional organization, ASEAN members tried to initiate a common ASEAN Fund and also the ASEAN Chamber of Commerce and industry in 1971. In 1976, ASEAN meeting in Bali came up with a document known as ASEAN Concord which stipulated the economic cooperation measures. The economic field was still very much new compared with political and security diplomacy of the Cold War. Issues like the refugee crisis, Cambodian conflict and Vietnamese threat were more interesting to focus than initiating economic cooperation among the Southeast Asia countries which were practically competing for the same market and also in luring foreign investment.

The start-up stage for economic cooperation was difficult for ASEAN. In 1977, ASEAN initiated the PTA (Preferential Trading Arrangement) with an aim of establishing a Free Trade Area (FTA) in the longer run. PTA was basically to start-up reducing tariff between

members which were very high by giving preferential status on certain mutual agreed item or list. Between 1980 and 1983, the organization initiated the ASEAN Industrial Project, ASEAN Industrial Complementation and ASEAN Industrial Joint Venture. All these industrial projects became a failure because of the lack of capital, enthusiasm and not having the right know-how, policies and technology. ASEAN countries were then still new in industrial development. The attitude among the members on economic cooperation was not highly positive. Plan for ASEAN Food Security and Reserve, Centre for Forest Management, Centre for Rural Development and also Agricultural Development Centre were initiated under the ASEAN umbrella. Economic cooperation were further strengthened by initiating the Dialogue Partner process with bigger economies like US, Japan, Australia, South Korea and others. Economic regionalism was rather slow and without proper direction and enthusiasm. However this was changed by external events.

With the failure of GATT (General Agreement on Trade and Tariff) in the late 1980s, regionalism was seen as an important vehicle for overcoming trade barriers. It was hoped that the free trade agenda could be pursued at the regional level. ASEAN too looked at its own track record on trade liberalization. By 1991 and 1992, ASEAN responded positively by establishing its AFTA (ASEAN Free Trade Area) concept by targeting to bring down tariffs for thousands of product to between 0-5 percent. The aim was to attain the goal of AFTA by 2005. The AFTA initiative can be regarded a success for a regional organization which includes mostly developing countries, except for a more developed Singapore. ASEAN has also its own flexible time table for compliance to AFTA for the least developed countries which join very late as members. This helped countries like Laos, Myanmar, Cambodia and Vietnam which became member between 1995 and 1999 to adjust and adhere to AFTA goals amicably and with greater flexibility. Three important factors could slow down the AFTA process. First is the existence of the sensitive list of products for each country. Secondly, is the problem of protective industries of national interest. Third is the gap between the most industrialized and wealthier economies in comparison with the lowest and smaller economies. Currently ASEAN is trying to speed-up the AFTA process further and working towards becoming the ASEAN Economic Community (AEC). The meeting in Bali in 2012 decided to speed the goal of AEC by 2015. The speeding up of the goal of AEC to 2015 from 2020 is a big challenge.

Commonly reported statistics indicate intra- regional trade is still the level 25 percent for ASEAN amounting to an estimate USD\$601 billion. The intra-regional investment is only about 18.5 percent. ASEAN is still very much dependent on foreign investment. The FDI inflow was recorded USD\$108 billion for 2012. The ASEAN Economic Community (AEC) Blueprint scorecard is now at 79.4 percent of which Malaysia top the list with 88.17 percent. These statistics appeared widely in the news media recently. The monitoring process is already underway. In order to upgrade economic integration, initiatives for ASEAN Infrastructure projects and ASEAN Connectivity programmes are being developed. ASEAN has a lot more to do in raising investment level and the economic integration process. There is also an important need to close the gap between the least developed and advance developing economies.

Since the 1990s, ASEAN has also initiated several growth areas in the border zones of ASEAN members. This include initiatives like SIJORI ( Singapore, Johor and Riau), IMT-GT (Indonesia-Malaysia-Thailand Growth Triangle) and the BIMP-EAGA (Brunei, Indonesia, Malaysia and Philippine – East Asian Growth Area). The Mekong Basin Development is another similar development project for Indochina. Beside the sub-regional economic growth area project, ASEAN has moved forward to go beyond Southeast Asia by initiating the East Asia Summit (EAS) in 2005 which was started by Mahathir as the EAEG (East Asian Economic Grouping) idea to discuss pertinent political economic issue for Asia going in parallel to APEC style initiated by the West, with the support of others in Asia. Beside the success of the EAS process which has expanded into 18 countries, ASEAN is now looking at linking all the Dialogue Partners into a largest trading bloc known as the Regional Comprehensive Economic Partnership (RCEP).

RCEP is another way countering the TPP (Trans-Pacific Partnership Agreement) under the aegis of US. Only 4 ASEAN members are in TPP. APEC too is supportive of TPP. ASEAN has also signed several FTAs with Dialogue Partners like Australia, New Zealand, Japan, South Korea, China and India. Overall the network of FTAs will grow to make RCEP a success in the longer run. Although there are numerous FTA signed and some still under negotiations, ASEAN is constantly pursuing the agenda for economic liberation. However one could not see ASEAN moving far ahead on trade liberation because of the nature of the economies of the member states that are still developing and the desire protect certain sectors and sensitive goods continue to exist among its members. In this context, it is difficult for ASEAN to pursue a full fledged market and investment liberalization aiming at creating a single market by 2015. The policies at the ASEAN Secretariat level and at the national level are still evolving. National interest can hinder full fledged regional economic liberalizations in many ways. ASEAN is good in coming up with documents and FTAs but still very slow on implementation and enforcement. Dispute settlement mechanism for trade and other business activities is not well established. The haze issue and economic compensation is a good case to study in recent years. Intellectual property rights and numerous other sectors need to be strengthened from within ASEAN in order to move towards a rule based economic regime in the region.

ASEAN has yet to integrate the private or business sector fully and the awareness of the benefits of ASEAN is still low among the business community. The harmonization of rules and regulations among the members need strengthening. The issue of non-tariff barriers practiced by ASEAN member is a great concern. The EU and others have also curbed products from the region on the ground of standard, quality and packing. There are numerous other challenges for ASEAN to cope with before it becomes a fully integrated economic region like the EU. ASEAN has no single currency. Although the subject was discussed at the think tank level, it is not all that simple because of the problems of the economic imbalance that exist in the region. Debt, currency management, unemployment, income gap and the slow growth on the developing economies like India, China and elsewhere will also affect ASEAN. Some of the Asian economic giants are vital trading partners of ASEAN.

The economic problems in Japan, China and India will also affect ASEAN because of the interdependence nature of the global economy. Regulatory harmony is still long way to go within ASEAN. Banking and financial cooperation are still at the superficial level where dependence on big Asian economies are very much sought after when a member country's currency is in trouble. It reveals ASEAN is still small in economic terms despite all the positive publicity and climate which exist. The aim of the AEC is still very much far away than it is currently being publicized. ASEAN economic regionalism appears well on paper and speeches of the leaders but not as integrated as one can imagine. This is one area in which the regional organization has difficulties in breaking through the borders of national interest and protectionism.

From within each country, there is a call for leniency. One case to note about protectionism in ASEAN is the participation of the member in the TPP process. Public and non-governmental agency outcry and protest on Malaysia joining the TPP is so huge that almost everyone jump into the bandwagon to go against the government desire to be a part of the negotiation process. The recent publicity of the whole fiasco in the media reflects how Malaysians in general think about TPP and economic liberalisation as a whole. It shows Malaysia is not fully ready for full fledged economic liberalization. There is a fear about TPP that it will favour the US' giant corporations and business sector interest. There is fear over the issue that it will put the country into jeopardy with all kind of litigations. Some even go as far as to say Malaysia's currency will not be stable and economic crisis is imminent if Malaysia joins the TPP.

Only four of the ASEAN members are currently under the TPP group. Singapore is the strongest ASEAN member because of its open and liberal economic status. Trade is the lifeline of its economy. Overall, it could be summed up that the noble good ASEAN Economic Community is positive in increasing economic linkages, trade and investment routes, but the road ahead of full scale liberalization is still a long term goal. For ASEAN to have come this far, some credit can be given for what it is trying to put in place. The necessary infrastructures are slowly being developed and the already in place AFTA framework too can help. Economic liberalization and the formation of regional economic community is not just about free trade and zero tariffs, it is also about good governance and prudent economic management with the harmonization of the regulatory framework. Some ASEAN members are quite far ahead in this while others are still lagging behind. The gap in the economic capacity and know-how between the countries can hamper the overall process and vision of regional economic community. Having said the above, ASEAN remain the most attractive economic entity of the developing world. One could see a country like Indonesia with a population of 280 million becoming the next economic power house in Asia, the way in which China and India were being viewed for quite some years. The consumer market in the ASEAN region is always vibrant. The presence of the Chinese business community in Southeast Asia is also a point to note.

Constructing a regional economic community is not all that simple. There are various economic models for regional economic integration. Economic regionalism takes place in the form customs union, free trade area formation, the creation of a single market and economic

union for the whole region. The EU is the only model in the forefront on economic union. Others like NAFTA, MERCOSUR, APEC, RCEP and AFTA are examples of free trade initiatives for both smaller and bigger region. APEC (Asia Pacific Economic Cooperation) is for now among the largest in term of geographical area, population and size of the economies. ASEAN is still small because of its 600 million population and smaller geographical area. It has 2 trillion dollar GDP. What is interesting about ASEAN as an economic region is that it is among the leading from the developing world where the overall average economic growth rates have been highly positive besides states like China and India. ASEAN is also an economically strong region with good policies implemented for recovery from the 1997/1998 economic crisis and also after the 2008 US economic crisis, which affected the entire global economy. Currently most of the economies of ASEAN post more than 5 percent of annual GDP growth rate after the 2008 crisis.

### **ASEAN Socio-Cultural Community**

The vision of creating a socio-cultural community within ASEAN is an important challenge. ASEAN is a diverse regional organization because of the member countries' mix cultural and religious background. Almost all religions and a variety of cultural communities exist in Southeast Asia. No single language can be said as ASEAN language even though the Malay language is among the most popular one. The colonial experiences of all the members except Thailand too can be seen as different because of the arrival of the Portuguese, Dutch, French, Spanish, English, American and the Japanese. However, English is now currently accepted as the main medium of communication. Food, music, songs, film and dance are so varied that Southeast Asia can be as a rich place for cultural and anthropological studies. The region is also popular for its historical heritage site like the Borobodur temple in Indonesia and Angkor Wat in Cambodia. The amalgamation of Hindu-Buddhist tradition and the arrival of Islam at a later stage are so obvious in some of the regional countries.

However, Southeast Asia is so different in the modern era. Some of ASEAN members are so advanced and accept Western culture and civilization quite freely. Capitalism has changed the landscape of culture and economy. Christianity from the West is also growing very rapidly in all ASEAN countries except maybe Brunei. The ASEAN motto is now all about one vision, one identity and one community. ASEAN has also established an Inter-Cultural Dialogue Process. Cultural diplomacy is also part of government agenda even though money is still small to carry out the programmes. The Bangkok Declaration in 1967 emphasised on constructing cultural understanding. ASEAN can be given credit for what it is today especially after being able to bring in all the Southeast Asian countries into one regional organization and also in building cooperation. This is truly remarkable. Film, food, music and numerous other festivals and programmes are being organized at various levels both with the support of the government and private sector. Art exhibitions are on the increase in the Southeast Asian capitals. Educational and media exchange are plenty and growing.

Education is one field that is being exploited by all members. Currently we have numerous educational exchange programmes, ASEAN scholarships in some developed



countries and the establishment of ASEAN University Network (AUN). The Asia-Europe Institute (AEI) in Malaysia host several ASEAN Masters program. The number of ASEAN scholarship program is growing in the region and in many developed countries of the world. The knowledge about ASEAN can be said as growing. Funding for research and education on ASEAN is available both from within and outside ASEAN. Sports and tourism is another field that is being developed quite rapidly. The Sea Games is one of the oldest region wide sport activities that exist today. It has grown rapidly to include all kind of sports. Tourism is growing with the concept like ASEAN Visit Year. The increase in the number budget airlines like Air Asia and others, the slogan of “Now everyone can fly” is a reality in Southeast Asia. There is no visa required for social visit in the ASEAN region for member countries.

While this is good it creates numerous other problems like illegal stay and vice activities in some ASEAN capitals. However the freedom of movement for ASEAN people is ever growing although there is no introduction of a single ASEAN passport. The main problem for this is that there will be exodus of labour into the more advance ASEAN economies. Even then the rise in the case of illegal labour, human smuggling and refugee is so obvious and poses challenge to enforcement officials in more developed economies like Malaysia, Thailand and Singapore. Labour shortage is no longer an issue for low skill work. ASEAN has yet to move towards a common time zone although the idea was once discussed. The goal of building a single Southeast Asian community is further explored by moving into what is known as ASEAN Connectivity Program. Under ASEAN Connectivity, it is hoped that the use of ICT infrastructure will increase and further strengthened. There are plans for increasing broadband network that can speed up the role of ICT. Plans for numerous ASEAN Digital Broadcasting Projects are currently under way with the hope to increase connectivity. Both the increase in physical and virtual infra-structure projects throughout Southeast Asia linking India and China will likely to change the entire cultural and economic landscape of the region. This can bring more investment on ICT and spur connectivity. Some of the ASEAN countries are already having sizeable number of mobile telecommunication network. Population access to mobile telecommunication is ever growing day by day. Internet access is no longer a problem even in rural Southeast Asia.

Road projects and new railway lines are on the pipeline with major infrastructure investments. Speed trains like in Japan and Europe will be in the region soon. Will the above bring about regional unity and one cultural community remained to be seen. While governments are up in arms to execute plans, the private sector is still slow. Public awareness about ASEAN or even the ASEAN spirit is still lacking. People still see themselves as Thai, Malaysian or Singaporean and not as ASEAN citizen. Human smuggling, kidnapping terrorism and organized crimes are important issues that hamper the construction of a peaceful community. Identity formation is not easy in Southeast Asia. Separatism, terrorism and extremism are still there as security and cultural challenges.

Till today, there is no a TV channel for ASEAN. The existence of ASEAN journals and newspapers if any is not widely publicized. The public are just not interested in knowing what is happening in the whole of Southeast Asia. This let the whole project of an ASEAN Cultural Community in the hands of the government and some private foundations. Civil

society organizations are growing and slowly expanding in the region. It is hoped that with more ASEAN connectivity projects and program, the awareness about a single regional community will increase. However, the ASEAN governments can be given some credit because they are able to sell the idea quite well to foreign governments who in return have increased their interest in looking at the region quite seriously, with a long term perspective. While the awareness about ASEAN is still low within the region, it is now growing from outside. In this manner, one could say that ASEAN is in the right direction.