

# The Development of ASEAN from Historical Approach

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## Abstract

Since ASEAN was established in 8 August 1967, ASEAN organization was only joined by five countries. Now ASEAN has become a successful regional organization in bringing the attention of the other countries in rest of the world. Generally, ASEAN has successfully nurtures the cooperation in political, economical, social and cultural with establishment in exercise and research facilities for shared interest. Nowadays, ASEAN roles and influence has strong base in Southeast Asia and South Asia regions. ASEAN has taken place as important body in Asia Pacific political stream through Asian Regional Forum (ARF), where it is successful to create attention of various countries not only in Asia region but also United States of America and Europe involvement. Nevertheless, beside the successful story and prosperity achieved by ASEAN at this moment it has uniqueness when it has to face challenges at the early stage of ASEAN establishment. This journal will touch on history and ASEAN life story and explain What and How ASEAN able to strengthen its role and existence at the time Southeast Asia countries need an organization with the ability to unite all the countries in Southeast Asia region.

**Keywords:** ASEAN, Diplomacy, Political cooperation, Regional integration

## 1. Introduction

After the end of World War II, the international structure had undergone an alteration, whereby the international structure was dominated by superpowers with a system called bipolar (D.P Calleo, 1996:419). This structural change was the result of power competition between the United States and Soviet Union (W.T.R. Fox, 1944:21). This power competition produced the formation of ideology pacts, North Atlantic Treaty Organization (NATO) and Warsaw Treaty of Friendship, Co-operation and Mutual Assistance (WARSAW) at an international level (Karl W. Deutsch, 1995:236; Kenneth Waltz, 1979:168). This development of international system had affected other countries, as well as countries in Southeast Asia. Superpowers' stratagem and competition in international level have influenced Southeast Asian (SEA) countries to constantly conform to current demands to ensure national security. This is because in the 1950s and 1960s a good number of SEA countries were newly 'born' after achieving independence from colonization. Because the SEA countries were very young, these countries faced tremendous internal political instability, ethnic conflict, unity problem and weak security and defense system (Mohammed Ayoob, 1995:5). These problems have alerted and motivated SEA to consider a formation of a state or regional organization that can be an alternative for regional peace foundation. Singh, K.R (1987:61):

*“Regionalism is an advance over the traditional concept of absolute state sovereignty. Regionalism in its contemporary form is largely a post war phenomenon. While it began with the formation of regional military alliances, mostly in the context of bipolar rivalry gradually it has acquired the context of regional economic cooperation.”*

The formation process of Southeast Asian regionalism is a process of understanding and cooperation between countries in the region which were formed in the 1950s and 1960s. The main key factor which became a motivator to regionalism formation was derived from the stability of regional politics, peace objective, regional conflict solution, security guarantee, economic development and cooperation between countries and act jointly especially issues relating to regionalism. This process involves organization formation which acted as an organization from the combination between regional countries in demonstrating opinions, proposals, representative approaches and stances of membering countries. The formation of regionalism is influenced by the understanding between countries. Understanding is a psychological factor which involves awareness between countries to unite, cooperate and mutually respect each country in the region. Furthermore, the formation of a regionalism organization can be a platform for problem solving between countries. Therefore, the border conflicts, sovereignty, land invasion, island conflicts and other regional problems are solvable through the formation of a regional organization. These circumstances can drive countries in the region use the regional organization as a method to resolve problem in a more healthier manner. (Mohd Noor Yazid, 2000:29-34).

Through the establishment of a regional organization, such security threats from outside could be overcome through the formulation of joint policy. Geographical factors are among the factors that forms a regionalism process, which is called the unification and cooperation process between countries. These countries have close geographical boundaries, interrelated cultures, tradition, society values, political philosophy, similar economic goals and security interest and mutual peace (K.S Balakrishnan, 2001:3-4). The idea of regional organization is a foundation and catalyst to strengthen the relationship between regional countries and reinforce solidarity in facing the challenges in the political, security and international economy arena. Regionalism produces the feeling or sentiment of regionalism, which becomes the identity of the countries involved, and enables to improve interrelationship between societies in the region. This feeling of regionalism will motivate the regional countries to strengthen the bond and mutually help each other. According to Andemicael (1979:26):

*“Effective region is a convenient geographical area controlled by sovereign governments whose interests in the particular subject matter to be dealt with are sufficiently compatible for them to be able to enter into effective multilateral cooperation.”*

K.R Singh (1987: 62-65) in his article entitled *“Regionalism: Past and present”*, emphasized that interrelated geography should not be the only factor in measuring the process of regionalism, on the other hand, early relations between countries (from historical aspect) must in addition be perceived as a factor in the formation of regionalism. Bruce M. Russett (1967:2-3) who submitted MacKinder's opinion (1919) in studying the regionalism process in an area that is geographically separated said, the regionalism process can be explained through the study on residents in a particular area. According to him, residents of an area are native to a bigger area but separated by geographical factors. The study on a particular population would involve nature, culture, language, tradition, customs and beliefs, and geographical environment. He stresses that the elements have mutual relationship and similarities. The failure to create regionalism is due to the division of border state that separates existing community ties. Regionalism adhered with principle of interdependency between one another and act jointly through a regional

organization. Without interdependency and mutual trust between parties involved, the regionalism process would evidently face problems (Boyd Gavin, 1984). Baharom Mahusin (2001:21) states that:

*“Those leaders (ASEAN leaders) understand that most Southeast Asian countries possess geo-cultural resemblance and share similar historical heritage.”*

## 2. What and Who is Southeast Asia Countries?

The Southeast Asian region is region that was once been fought over and colonized by superpowers such as Britain, the United States, France and Spain. In the early stages before World War II, countries in Southeast Asia was not recognized as a region, on the other hand they were identified merely by the country's own name and not seen as a country from a particular region. For instance, Burma, Malaya or Sumatra among others. However, just before World War II, for the first time in history these countries which were colonized by superpowers (Allied Forces) in this region were called Southeast Asia. The word Southeast Asia was used in Quebec Conference in August 1943, where the allied parties have placed Malaya, Sumatra, Thailand and Burma under the Southeast Asia Command (SEAC I) to protect the colony in the Southeast Asian region. In July of 1945 during the Postdam Conference, SEAC I was expanded by adding Netherlands East Indies (Indonesia) and several countries of Indochina, which were Southern Vietnam and Cambodia (SEAC II). During the World War II, these Southeast Asian countries was categorized as the Allied Forces Zone under the command of Lord Mountbatten (C. M Turnbull, 1999:258-259).

## 3. The Establishment of ASEAN

### Insert Map 1 Here

At the end 1950s and 1960s, the Southeast Asia region comprises of very young countries in terms of national development or nation building. Tun Dr. Mahathir had once said that:

*“Security is not just a matter of military capability. National Security is inseparable from political stability, economic success and social harmony. Without these all the guns in the world cannot prevent a country from being overcome by its enemies, whose ambition can be fulfilled sometimes without firing a single shot.”* (Abdul Razak Abdullah Baginda, 1990:39)

It relates to the maturity of these countries in managing a country and creating unity among Southeast Asia countries (SEA). Mainly, the SEA countries were still considered at its infancy since most achieved independence around 1950s and 1960s. As such, the SEA countries were concentrating more on strengthening internal security and economic development. The idea of establishing ASEAN idea starting with a few bilateral and multilateral agreement. These ideas starting with Southeast Asia Friendship and Economic Treaty (SEAFET) after Tunku Abdul Rahman's official visit to Philippines in January 1959 (K.S Nathan, 1988:515). The idea of establishing SEAFET even though it is slightly a narrow organization, which is limited to economy, trade and education, however this idea has inspired the making of ASEAN. However, the establishment of SEAFET experience failure due to disagreement of several Southeast Asian countries (J. Saravanamuttu, 1983:42-43). The idea on the other hand produced a positive impact on the establishment of regional organization, where on the 31 July 1961, Association of Southeast Asia (ASA) was set up and involved the union of three countries: Malaya, Thailand and Philippines. The purpose and objective of founding ASA is to create peace and regional stability. At the same time, ASA aim to cultivate cooperation in the field of economic, social science and culture, as well as to provide training facility and research for the benefit of everybody. ASA too experienced failure due to the conflict and objection between countries, specifically between Malaya and Philippines. Philippine has withdrawal from ASA for objecting Malaya's proposal to include and claiming Sabah into Malaysia.

After the failure of Association of Southeast Asia (ASA), another regional organization was established, called MAPHILINDO comprising Malaysia, Philippines and Indonesia. The objective of MAPHILINDO's formation is to create cooperation in the field of economy, culture and social science (Arnfinn Jorgenson Dahl, 1982). Moreover, this organization was a solution to end the dispute between Indonesia, Philippines and Malaysia especially concerning territorial issues. Still, MAPHILINDO too experienced failure when each country emphasized on their own national interest (M. Patmanathan, 1980:23). During this era, SEA's policies were based on national interest compared to regional interest (Russell H. Fified, 1979:6-9). SEA provided more attention on the process of strengthening, development and creating internal political stability of each country. The policies have neglected the regional interest. Consequently, it placed SEA in a tense situation, cause the regional interrelationship to break and create conflict between member countries (Kunnaseelan Muniandy, 1996:205-227). For example, the confrontation between Malaysia-Indonesia in 1963 where arm forces approach was applied in this conflict. This confrontation between countries produced the elements of uncertainty and suspicion between one another. Hence, the establishment ideas of regional organization such as ASA and MAPHILINDO

experienced failure (Chamil Wariya, 1989:44-45). After the end of the confrontations and tension between countries, SEA tried to revive relationship between the regional states. Therefore, a conference attended by SEA leaders was held in Bangkok in 1967, where the conference produced the Declaration of Bangkok on the 8<sup>th</sup> of August 1967. The declaration leads to establishment of Association of Southeast Asia Nations (ASEAN) (Khaw Guan Hoon, 1977:6).

The Bangkok Conference was represented by Tun Abdul Razak (Malaysia, Deputy Minister), Adam Malik (Indonesia, Foreign Minister), Thanat Khoman (Thailand, Foreign Minister), Narciso Ramos (Philippines, Foreign Minister) and S. Rajaratnam (Singapore, Foreign Minister). In its early stage, ASEAN had five members from Southeast Asia, including Thailand, Malaysia, Singapore, Indonesia and the Philippines (Russel H. Fifield, 1979:7). Its membership increased with the addition of Brunei, Cambodia, Laos, Vietnam and Myanmar in between the 1980s and 1990s. Brunei entered ASEAN in 1984 following its independence from the British. During the Cold War, Indochina countries like Vietnam, Cambodia and Lao could not join ASEAN due to power competition and internal problems, such as civil war and internal conflict. ASEAN that had successfully settled a few regional problems had given confidence to Indochina countries to join ASEAN. After the end of Cold War in 1991, ASEAN's membership increased through the participation of communist countries of Indochina. Vietnam decided to join ASEAN on the 23<sup>rd</sup> of July 1995 and this entry consequently influenced other Indochina countries to join, Laos entered in 1997, followed by Myanmar and Cambodia in 1999 (Nasrudin Mohammed, 2005:103).

### 3.1 The Objective of ASEAN

ASEAN is not a military pact, on the other hand it is a regional organization with a target to establish economic cooperation, politics, social and culture. Through ASEAN's establishment, it prioritizes economic growth and development, social and culture in the countries of Southeast Asia. Apart from that, ASEAN tries to protect mutual interest and creating regional solidarity as well as promoting regional peace and stability (Allan Gyngell, 1983:116). ASEAN too aims to encourage peace and political stability founded by the principles of United Nations (UN), besides fostering cooperation and close relationship between nations and other organizations. Therefore, ASEAN members should comply to the rules and regulations when buiding regional ties and observe the UN charter. Furthurmore, ASEAN aims to promote a more effective cooperation in the industrial and agriculture field, expand trade, increase transportation and relationship development as well as the living standard in membering countries. Moreover, to strengthen present regional ties, ASEAN encouraged a more effective cooperation in matters pretaining economy, social, culture, technical, science and administration. Through the establishment of ASEAN, assistance in terms of training and research especially in education, professional, technical and administration can be channeled. Through ASEAN, a more effective cooperation in the sectors of agricultural, industry, trade expansion including study on society and regional culture can be developed. This cooperation aims to upgrade society's standard of living and make this region a developed and competitive region. Studies on ASEAN are encouraged to ensure cultural relationship and regional interest can be shared together by membering countries.

### 3.2 Organisational Structure of ASEAN

The second conference of ASEAN's Ministers meeting in Kuala Lumpur in November 1971, has produced the Kuala Lumpur Declaration. The characteristics of the Kuala Lumpur Declaration are:

1. *ASEAN agree to the implementation of neutral policy in South-East Asia. ASEAN will assist all superpower to avoid their interference in this region.*
2. *ASEAN wants to create Peaceful, Free and Neutrality in Southeast Asia or known as ZOPFAN.*

Although several ASEAN conferences or important meetings were held after the Bangkok Declaration, these meetings did not discuss the effectiveness and organisational structure which was still unstable. Kuala Lumpur Declaration in general was solely a process to pledge and support the stances which was established in the Bangkok Declaration in 1967. Between 1967 and 1976, ASEAN had a weak organzational structure and the elected committee were unclear and overlapping. This is because during the Bangkok Declaration in 1967, ASEAN leaders used and employed ASA's organisational structure in drafting its organisational structure (Shee Poon Kim, 1977:763). Hence, the structure used since 1967 until 1976 was unstable and ineffective. During the phase the ASEAN's committee comprises of four key components:

1. *ASEAN Ministerial Meeting*
2. *ASEAN Standing Committee*
3. *Ad Hoc and Fixed Committee*

#### 4. ASEAN Secretary member

ASEAN Ministerial meeting are held once a year and each country will host ASEAN general meeting. This meeting is highest ASEAN meeting in determining policies and stances. ASEAN permanent members or Standing Committee consist of Foreign Ministers or ambassadors from each country member. The Standing Committee are responsible in managing and planning the main meeting, that is ASEAN Ministerial Meeting. The Secretary Members are responsible for preparing the report, proposal and issues to respective ministers. The Secretary are assisted by the Ad Hoc and Fixed committee appointed to ensure the report, proposal and issues are prepared precise and concise (Hans Indorf, 1975:27) (See figure 1).

#### Insert Figure 1 Here

Seemingly, it obvious that the organisational structure of ASEAN until 1976 experienced and overlapping, especially the Ad Hoc and Fixed Committee. Even the ambassadors and Foreign Ministers responsibility as ASEAN Standing Committee was burdening. This is because the issues and affairs relating to politic, economy, social and culture were under their responsibility. This made them unable to focus on the to real objective especially concerning economic development (Russel H. Fifield, 1979:120). This weakness however was solved through the ASEAN conference in Bali in 1976. The Bali conference held from the 23rd to 25th February 1976 has given ASEAN the opportunity to create a more efficient and arranged organisational structure (Russel H. Fifield, 1979:15). The Bali conference had successfully formulated a new organisational structure by creating five important committee, which are:

1. ASEAN Head of States meeting are held for cooperation programs.
2. ASEAN Foreign Ministers meeting held one year once
3. ASEAN Economic Ministers meetings held twice a year.
4. ASEAN other Ministers
5. ASEAN Secretariats (David Irvine, 1983:60)

The new structure of ASEAN is much comprehensible and no overlapping transpires. In this reshuffle, the ASEAN Head of States meetings are the utmost meetings. Economic affairs are placed under the meetings of ASEAN Economic Ministers, while political matters are ASEAN Foreign Ministers meetings concern. The other ASEAN Ministers meeting also will be accountable for matters pertaining social, cultural and the like (See figure 2).

#### Insert Figure 2 Here

#### 3.3 ASEAN and The Neutrality Policy

The non-interference policy has become the principle and prime foundation of ASEAN based on the foundation document of ASEAN in the Bangkok Declaration 1967, followed by Kuala Lumpur Declaration 1971, producing ZOPFAN and further reinforced with the Cooperation and Friendship Treaty in 1976. Bangkok Declaration 1967 pointed out that the desire to form a cooperation between country members are predicated on the spirit of ASEAN partnership to preserve peace and stability through honouring the principles of the UN Charter. The Zone of Peace, Free and Neutrality Declaration (ZOPFAN) in 1971 was acknowledged and agreed by all countries, large and small. This principle is recognized to be important in leading a country free from outside interference. This is because external intervention can influence the freedom, independence, sovereignty and standpoint of SEA countries. Article 2 of the Treaty of Amity and Cooperation (TAC) was enacted in Bali Conference 1976. Allen Gyngell (1983) stated that :

*“The concept of ‘ASEAN Unity’ became, therefore, the primary way of demonstrating their resilience in the face of external threats.”* (Allen Gyngell, 1983:116)

This article touched on several government principles of ASEAN countries, among them was the mutual respect of independence, sovereignty, similar territories and respect national identity. Which means every country are free to lead their own nation and free from external intervention. While article 11 prescribe that every member country should strive to strengthen their defence system in terms of politics, economy, sociocultural and security aspects. The security development in this region has the aim to stop external intervention and internal rebellion. The expansion of membership and function of ASEAN members involves 10 countries with Southeast Asian background and the target to safekeep peace and security of the region. Successes in economic development among ASEAN countries like Singapore, Thailand, Malaysia and Indonesia has become the catalyst to ASEAN's effectiveness. The platform enables the countries to take the advantage and invests in the nearest neighbouring countries, in terms of natural resource or labour force from less developed countries in the regional. This situation is vital for economic growth of less developed countries and create a regional understanding among members

country. ASEAN countries face various political and security challenge. It is often related to the shift of leadership power, frequently dubbed leadership crisis in several ASEAN countries like those occurred in the Philippines and Indonesia. Almost every ASEAN country are compelled to impose certain restrictions to the freedom of politicking like those carried out in western countries to ensure internal politics and maintenance of peace stability.

### *3.4 Non Intervention's Policy And Constructive Engagement ASEAN*

Among basic principles of ASEAN utilized to hold the relationship between country member is the non-intervention policy in internal affairs of respective countries. In fact this principle is the major content in most important documents of ASEAN such as The Zone of Peace, Free and Neutrality Declaration (ZOPFAN) sealed in year 1971 and Treaty of Amity and Cooperation of Southeast Asia in year 1976. The principles of ZOPFAN was announced by foreign ministers of ASEAN during the Kuala Lumpur declaration on the 27th of November 1971. ZOPFAN's main purpose is to create peace and political stability in Southeast Asia and to avoid political and military intervention from superpowers like the United States, China, and Russia in the region. With this agreement, country members should not be involve in the political arena of superpowers. The concept of its establishment is hoped to create friendship with every country in the world regardless of political ideology so that peace and security in this region is further guaranteed (Ghazali Shafie,2002:69). It also is hoped to peacefully solve any dispute in Southeast Asia without exercising force. However, the effectiveness of this neutral policy is often debated among ASEAN members. The interest to change this principle was voiced by Thailand and Philippines which tried to suggest the flexible interaction approach or healthy intervention enabling a small amount of intervention without jeopardizing the non-intervention principle. In the effort to use confidence building steps and preventive diplomacy in the future, it will form a guideline which would enable intervention only in certain circumstances.

There are signs exhibiting that ASEAN has started to move little by little towards limited intervention. For example in coup d'état and conflict issue in Cambodia, ASEAN decided to become the middlemen to resolve Cambodia's problem. That particular move successfully persuaded the conflicting parties to negotiate and this approach has openly solved the internal crisis in Cambodia which happened in the late 1970s until early 1990s. The effectiveness of indirect intervention or limited intervention could be related to the increase of dependence among ASEAN countries and SEA countries confidence towards the ASEAN organization.

### *3.5 Southeast Asia Nuclear Weapons-free Zone (SEANWFZ)*

ASEAN has constantly strived to enhance peace stability in this region thus the SEANWFZ agreement known as Southeast Asia nuclear weapons-free zone was signed by 10 ASEAN's head of states in 1995 (Nasrudin Mohammed:104). The SEANWFZ's concept is an agreement to avoid member countries of possessing, placing and utilizing nuclear weapon. This concept merely ensures that nuclear energy would be employed for peaceful purposes. ASEAN countries are prohibited of owning, manufacturing, transporting and using nuclear weapon. In other words, ASEAN uses SEANWFZ to rejected any deployment, preservation and possession of nuclear weapon by any member country. This is ASEAN's principle maintaining peace and avoid nuclear weapon threats in the Southeast Asia region.

### *3.6 Confidence Building Measures (CBM)*

Diplomacy is a policy based on negotiation between countries or international entities to achieve a specific objective (Raymond Aron, 1968:5). It is a bilateral interaction in the international arena, methodes and skills to execute negotiation (Mohd Fo'ad Sakdan, 2003:34). Preventive diplomacy concerns with the efforts in settling potential conflicts of war. This action should be taken to prevent war and the most vital action during this stage is Confidence Building Measure (CBM) (Paul Wolfowitz, 1994: 4-5). Prevention and solution through diplomacy will be used if peace in an area or zone crisis is menaced. More often than not, international community will try to prevent lingering conflicts diplomatically. According to Gareth Evans (1993:77):

*"Diplomatic measures would be employed to reduce and prevent crisis and avoid terrorism"* .

When a dispute occurs within a country, external intervention is important to prevent the plagued of dispute through readiness and deterrence. Military intervention may be adopted by stationing military forces in conflicting countries in order to control the conflict. Therefore the prevention conflict or war could be achievable by implementing a few approach guaranteeing the security and peace, for instance the CBM method. What are the steps in confidence building or Confidence Building Measure (CBM)? CBM is concept that can be viewed from various angles. J.J Holst and K.A Melander (1977:147) explained that the concept of CBM have been carried out in Europe since the 1960s. They clarified that:-

*"Confidence building (CBM) involves notification of credible evidence on the absence of disturbing threats."*

Jonathan Alford (1981:134) detailed CBM as:

*"Measures that are able to explain a military action or aim."*

Jay Shafritz, T. Shafritz and D B Robertson (1989:105) viewed CBM as:

*"A type of arms control aim to reduce concern and risk of surprising attacks."*

While J. Borawski (1986:3) found CBM as:

*"CBM is a management tool to seek out a way to guard and explain when, where and why a the military action was made."*

History has revealed that CBM was first used during the Cold War, between two superpowers, the United States and Soviet Union. It was the effect of a weapon control and conflict settling failure without war. On the other hand, the risk of war in conflict were increasingly higher, thus opened the possibility of CBM ideas (J Borawski, 1986:207-215). This approach are to create confidence and reduce threats of war or use of force in a conflict. This approach is known as the Confidence Building Measures (CBM). According to M. Chalmers (1996), in South-East Asia, CBM emerged when the Institutes of Asean Regional Strategic Studies formulated a memorandum to respective governments on CBM in December 1993. The content include:-

*"It has become imperative that confidence building measures (CBM) be introduced into the region with greater vigour. CBM's possess a genuine promise for reducing the chances of unintended conflict and for improving the basic quality of a region's political environment. They basically aim at enhancing transparency between states....CBM's also seek to make explicit military intentions in order to promote confidence by increasing the flow of information to make relations more predictable, thereby reducing the chances of conflicts and surprise attacks (M. Chalmers, 1996:161).*

### 3.6.1 ASEAN'S Confidence Building Measure- Track 1 and Track 2

The CBM model influenced by western values are difficult to be applied and accepted by SEA countries. This difficulty are due to NAT's national policy influenced by factors relating to security, national interest and mutual distrust among the countries. In other words, to arrange dialogues or negotiation of security is fairly easy but to obtain mutual agreement in matters of security and regional interest is more difficult to achieve. As such, CBM taken from the western model must be adaptable to Southeast Asian values. This condition cause CBM to be applied through 2 different types, known as Track 1 and Track 2. CBM Asean was applied through Track 1 where it is the efforts and confidence building steps through official measures between countries such as negotiation, agreement and leader/state representative's official visit to a country. This step is to build confidence between countries during the initial stage, where official efforts are held to strengthen the relationship among country members. It will have a psychological impact especially the confidence of one country's stance on other regional states to hold good tidings and avoid coercive acts upon other country members (Boutros Boutros Ghali, 1992:11-36).

This process can be applied through bilateral approach between countries (through mutual diplomacy) and multilateral approach (relationship through ASEAN). Apart from that, other method that can be taken into account by arrange official visits of head of states, ministers and senior officers of government and military. Besides increasing confidence, exchange of intelligence information and military can also be practiced. Confidence between regional countries can be developed by establishing a center for regional security that will be house the maritime data port and information centre so that opinions concerning ASEAN member's strategic plans can be exchanged (P. Kerr, A. Mack and Gareth Evans, 1994:239). Track 2 however, is the second and informal method in creating confidence between regional countries. It involves strong relationship, understanding and mutual respect of the sovereignty of other state. Hence, the bilateral and multilateral relationship could be used as a platform to implement CBM through track 2. Informal visits, campaigns between regional countries, to announce bilateral or multilateral stance could encourage confidence among country member. Understanding between countries on sovereignty and security would also create confidence and a relationship that could increase security. This would directly make CBM as a method that can be applied to achieve objectives and be a standard in maintaining the security of ASEAN countries (Gareth Evans, 1993:77). What can be concluded from the confidence build measures through Track 1 and Track 2 is that it generates confidence, mutual understanding and create a feeling of trust among countries, thus further assist in settling conflicts, whereby preserving the peace and security in the region. CBM's concept in ASEAN prioritize confidence building and understanding process unlike

forming security institutions that are done in the west. If this is carried out in a proper manner, CBM can be increase the peace and stability in this region (Jusuf Wanandi, 1996: xiii).

#### **4. ASEAN's Political Cooperation**

##### *4.1 ASEAN Regional Forum (ARF)*

The establishment of ASEAN Regional Forum (ARF) was suggested by Australia during the ASEAN Ministerial Meeting (AMM) in Jakarta, July 1990 (M. Antolik, 1994:118). ASEAN Regional Forum (ARF) was held for the first time on the 25th of July 1994 in Bangkok, Thailand (Micheal Liefer, 1996:22). ARF is ASEAN's new idea from the fourth ASEAN summit meeting in the Declaration of Singapore 1992 (Zakaria Haji Ahmad, 1995:31). In this declaration, ASEAN seek to create ASEAN intensive dialogue with foreign countries especially the Asia Pacific in matters pertaining politics and security. Through this proposal, ASEAN can make ARF as the main medium to foster political and security relationship between ASEAN and Asia Pacific. ARF can even be the center stage to problem solving, dispute and security threat as well as nuclear threat among country members in a peaceful manner (Michael Leifer, 2001:61-63). The ability and effectiveness of ARF is clearly visible through efforts taken by member countries such as organizing regional security document, defence policy statement distribution between members, national policy and security aspect opinion, relinquishment of arms and defence activities such as signing UN's comprehensive nuclear test ban treaty in 10 September 1995 (Mohd Rashid Darham, 1996:44). ASEAN Regional Forum (ARF) have 23 members. 10 countries are from ASEAN, they are: Brunei; Singapore; Thailand; Burma; Cambodia; Malaysia; Indonesia; Lao; Philippines and Vietnam. While 13 other partners are European Union (EU), Australia, Canada, China, India, Japan, South Korea, North Korea, New Zealand, Russia, the United States, Papua New Guinea and Mongolia (Micheal Liefer, 1996:31). New country wishing to participate in ARF must be able to contribute and act collectively in any area especially to achieve the goal and objective of ARF. ARF's major challenge would be to to reinforce Asia Pacific security and maintain stability of regional politics. All country member should pay attention to related issue on security and political stability especially in the Asia Pacific region. During the ARF's conference on August 1995, it has been asserted the necessity of member's active involvement to ensure the goals and objectives of ARF are achieved.

##### *4.2 Declaration of ASEAN Concord*

This declaration orders each ASEAN country members to expand political cooperation among members and other countries outside ASEAN. This declaration also demands that ASEAN member countries resolve conflicts either with country members or non ASEAN country member through method of negotiation and peace. Each dispute and conflict must be resolved immediately to avoid the growth and persistent of the matter. This declaration also compels members to take every action collectively and stand for ASEAN's basic principle.

##### *4.3 Southeast Asian Treaty of Amity and Cooperation (TAC)*

During the Bali conference 1967 the Southeast Asian Treaty of Amity and Cooperation (TAC) was sealed. This treaty is based on the non intervention policy principles of a country's internal affairs, mutual respect of each country's sovereignty and effective settlement of the intra region issues through peace and cooperation among country member. This agreement designed a peaceful settlement procedure code for each contention and mandated the establishment of a supreme council which comprises of Ministers of parties involved as a solving mechanism for conflict and dispute. To this date, TAC still remains the sole regional diplomatic tool providing mechanism and the process to solve regional conflicts peacefully. Kamboja's conflict is one of ASEAN diplomacy's success which was resolve peacefully. It is one of ASEAN's methods which is known as the solution diplomacy or preventive diplomacy.

##### *4.4 Straits of Malacca Cooperation*

Existing problems in the straits of Melaka such as of pirates, border dispute, waters security, border invasion, sovereignty, illegal immigrants and illegal fishing have brought three ASEAN member countries to form a cooperation. The three countries are Malaysia, Singapore and Indonesia and have agreed to cooperation in ensuring security and resolving issues by applying cooperative patrol. This patrol called the Melaka Straits Singapore Coordinated Partol (MSSCP) is a combination of the three respective countries navy force since July 2004 patrolling 24 hours year round (Mohd. Fairuz Yusof, 2004). This cooperation is the evidence that the three countries have effective diplomatic ties and uphold ASEAN's principle to act collectively in ensuring the security of straits of Malacca is under control (Mohd Fairuz Yusof, 2004). This agreement involved Malaysia's military commander, Tan Sri Mohamad Zahidi Zainuddin and Royal Navy Admiral (RMN) Admiral Dato Seri Mohd. Mohd Anwar. Nor, Indonesia's National Army (TNI) General Endriantono Sutarto and Navy Commander Admiral Bernard Kent Sondakh, while Singapore was represented by Singapore's Military Commander (RSAF)



Lieutenant General Ng Yat Chung and Navy Commander (RSN) Admiral Ronnie Tay. The establishment of MSSCP also proved the ability of the three countries in guarding the Straits Of Malacca collectively and directly dispel the possibility of the United States intervention, who had previously offered assistance. However, the straits security is the responsibility of those three countries and not external parties. It is in keeping with the ASEAN's principle that rejects any intervention of superpowers in issues pertaining ASEAN's regional interest.

#### *4.5 The Strategy of ASEAN*

During the ASEAN leadership forum on March 17th 2005, Malaysian deputy prime minister, Dato' Sri Najib Tun Razak outlined the strategy of three countries executed by ASEAN of make Southeast Asia a developed, safe and stable region, while also able to face future challenges wisely. Strategy for the three countries requires country members to implement measures and activities which was mutually agreed under Vientiane Action Program (VAP) as soon as possible. This effort will contribute towards making ASEAN an attractive destination for investment and foreign trade. By supporting the policy of non intervention of external parties in country members internal affairs, ASEAN also rejects coercion as a way to resolve any dispute among members. The formation of ASEAN security community not only ensure preservation of peace but also believing that the non coercion approach is norm to uphold by country member. In this forum, Malaysia proposed that ASEAN should organize ASEAN defence ministers annual meeting (ADMM) in the hope to reinforce CBM in South-East Asia. It involves the registration of weapons of ASEAN countries and set up a early-warning system to prevent the development of regional conflict and avoid use of weapon. Second harpoon is to fortify ASEAN's internal work mechanism. Overall restructuring of ASEAN's institutional framework should be performed so that ASEAN's policies implementation are attainable. ASEAN institutional framework needs to be reinforced to achieve organization effectiveness and the interest of ASEAN can be maintained in the future. In other words, ASEAN requires a much stronger and effective apparatus to ensure ASEAN's future success.. This harpoon purpose is to create a new and better ASEAN that can operate according to and transparent procedures and effective methods. Third harpoon was to maintain ASEAN as a respected and effective organization in the struggle to prosperity and universal peace. This was successfully achieved since 1997 through the the first ASEAN summit conference through ASEAN regional cooperation with Asia Pacific countries.

### **5. ASEAN's Economic Cooperation**

#### *5.1 ASEAN Industrial Projects*

After the Bali conference held from 23rd to 25th February 1976, an ASEAN economic committee meeting was performed. The meeting's committee decided to develop industries in ASEAN countries. Every member states was give specific project allocation. ASEAN industrialisation project involved investment between USD250 million to USD350 million and owned jointly by all five country members. Those countries accountable for the project will own 60 percent from total equity. Under this program, Malaysia and Indonesia was given the responsibility to handle urea fertilizer, located in Bintulu, Sarawak and Aceh, Sumatra. Philippines was given the phosphate sulphur project, soda ash project was given to Thailand while Singapore was assigned to run the diesel engine project. The urea fertilizer project is aim to supply urea fertilizer to ASEAN countries and will as well be exported to other countries. The projects in Singapore and Thailand were considered unprofitable and was compensated with new projects known as Vaksin Hepatitis B project for Singapore, while Thailand received stone salt ash soda project. Project in Philippines altered twice from phosphate sulphur to fosphatic fertilizer finally to the copper fabrication project.

#### *5.2 ASEAN Free Trade Area (AFTA)*

ASEAN's 23rd economic ministers meeting held in Kuala Lumpur in October 1991 agreed upon the establishment of the ASEAN Free Trade Area (AFTA). This free market trade means that all ASEAN goods can be traded to member state's market with a minimum tariff or without tariff. Priority are given to 11 industries, where tariff elimination are for goods in 11 sectors, including the automotive sector, in the free trade area ASEAN (AFTA) were brought forward three years from the original schedule, that is from 2010 to 2007. Among the 11 major industries are electronic, wood-based industry and automotive, agro-based and fishery, airline and tourism, rubber products and textile.

#### *5.3 ASEAN Investment Area (AIA)*

The framework agreement for ASEAN Investment Area (AIA) was signed by ASEAN Economics Ministers in Manila, October 1998. AIA is aimed to encourage direct flow from inside and outside ASEAN aiming to make a competitive, open and liberal investment area. At the same time, AIA also target to build a the ASEAN region as a competitive investment area by 1 January 2010. ASEAN also desires Southeast Asia to become a free investment

region by 2020 by opening every industry to investor from among ASEAN countries and foreign investors by 2010. ASEAN's efforts in rapidly building regional economy has been visibly successful through the recorded economic growth of some Southeast Asia alongside developed countries.

### **Insert Schedule 1 Here**

#### *5.4 East Asian Economic Caucus (EAEC)*

The success of European region and North America Free Trade Agreement (NAFTA) in formulating a regional economic development through regional economic cooperation had influenced other countries in other regions especially Asia Pacific. Due to this success, Malaysian prime minister Tun Dr Mahathir proposed to form a regional economic cooperation that can provide a wide economic opportunity and prospect in Asia Pacific. Hence, it has brought to the setting up of group called East Asia Economy Group (EAEG). EAEG constitute 10 ASEAN countries, including China, Japan and South Korea (Nazarudin Shahari,2001:60). However the formation of EAEG failed to be implemented when the United States opposed it because is based on the idea of an Asian race, which directly prevent the US influence in Asia Pacific economic prospect. This failure however was replaced by the foundation of East Asian Economy Caucus (EAEC) a much looser regional economic negotiation council. This establishment was the result of East Asia's economic booming development especially in Japan and China (Kamarulnizam Abdullah,2001:15). This economic rapid development were used by regional states, especially ASEAN, to capitalize on the flourishing East Asian within the context of prosper thy neighbour (making our neighbors prosperous). The seriousness of economic cooperation between East Asia and ASEAN was validated when China, Japan and South Korea agreed to participate in ASEAN+3. ASEAN+3 is the involvement of Asia's economic superpowers, China and Japan in expediting regional economic growth especially Asia Pacific. The commitment of East Asian and Southeast Asian countries in economy gleamed with the East Asia Summit (EAS) on December 14th 2005 that prepared the ground for the establishment of East Asia Community (EAC) (Mohd Shukri Mohd Ariff,2005:5).

## **6. ASEAN Social Cooperation**

### *6.1 Education*

The focus on Indonesia Malaysia bilateral cooperation in the field of education have started since early 1980s. Malaysia has took the opportunity to build a collaboration programme with Indonesia by sending various students in fields such as medical, housing, information, agriculture and others. Additionally, high learning collaboration was enacted through 32 MOU between both countries government/private universities.

### *6.2 SEA Games*

During the Asian Games in Tokyo on the 22nd of May 1958, a proposal to organize a sports event among Southeast Asian countries was presented by representatives from Burma, Lao and Malaya. This SEA Games is aimed to consolidate the existing good relationship among regional states and as platform for local athlete to evaluate and increase their capabilities in the Asian Games and Olympics. A decision was reached that SEA Games are held biannually from year 1959. Hosting countries are rotated among members following alphabetical order.

### *6.3 Amnesty for Illegal Immigrants Program (Malaysia)*

The Amnesty program administered by Malaysian government to 1.2 millions illegal immigrants (PATI) started in from 29th October to 14th November 2004 as a goodwill to all immigrants to enable their return to their respective country without imposing legal action, allowing them to enter Malaysia legally. In this programme Indonesian government sent 2 military carriers to bring back the 80% out of a the 1.2 millions illegal immigrants (Salleh Buang, 2004:12-13).

### *6.4 Drug Issues*

The drug abuse issue, all ASEAN members concurred to eradicate drug abuse by cooperating with relevant and interested parties. The world body has also established the International Conference on Drug Abuse and Illicit Trafficking (ICDAIT) to thwart the drug abuse problem among ASEAN countries. Moreover, ASEAN also attempted to eliminate border crimes or transorganized crimes. Which involved the eradication of smuggling and extermination of crimes utilizing borders between regional countries.

## **7. ASEAN and The Superpowers**

### *7.1 Security and Defence Cooperations*

Mohamad Haron (1979:48) stated that:

*“Southeast Asia is important to all major powers for a variety of reasons, as strategic waterways, as sources of raw material, as export markets”*

When civil war in China ended in 1949, it has brought victory to the communist under the leadership of Mao Zedong. This victory became the point of change in the relationship between SEA and superpowers. The communist victory has provided China a closer kinship with Soviet Union, thereby having similar aims to extend the communist influence in Southeast Asia. The relationship development of China and Soviet Union have persuaded the expansion of communism in the Southeast Asian region. As a matter of fact, this communist development validated the 'domino theory' which speculated the growth and acquisition of Southeast Asian countries in the hands of communist (Chamil Wariya, 1992:54&179). China and Soviet's recognition of Viet Minh fighters, under the leadership of Ho Chi Minh, impended the United States of America with the expansion of communist influence in Southeast Asia. At the same time this development started to plague into several Southeast Asian countries, such as Malaya, Indonesia, Vietnam and Cambodia. For example China stressed that :-

*“A change in the centre of power in Asia...(it) will certainly have repercussions throughout the whole of which Vietnam is a part (Hemen Ray, 1983:2)*

The development of superpower competition worsen with the intervention of both the United States and Soviet Union during the Korean civil war in 1950-1953. It entails the indirect involvement of the United States supporting the South Korean democratic government, while China and Soviet Union supported the communist government of North Korea. The communist victory over the Civil War in China became a model of government formation of Southeast Asian countries. For example in North Vietnam, Ho Chi Minh established the Vietnam Communist Party (PKV) in 1927 and in 1930 Ho Chi Minh modified it to Indochina Communist Party (PKI) to form the Vietnamese government. Ho Chi Minh viewed China's support as:

*“In close with the heroic Communist Party of China whose glorious example serves as a beacon to the communist parties of the East (King C. Chan, 1969:29-30).*

The United States participation in these conflicts is related to the concern over the expansion of communism in Asia Pacific. The ideas and power of communism spread into the Southeast Asian and East Asian regions has propelled America to intervene and strengthen their power in Asia Pacific. The rapid expansion of communism that infiltrated into NAT countries like Vietnam, Malaya, Indonesia, Cambodia and Lao etc have confirmed the domino theory which speculates that communism would expand in Southaast Asia if not handled. The assumption that communism would spread did not only involve Vietnam, Cambodia and Laos but also other countries in Southeast Asia (Chamil Wariya, 1992a: 56). This theory speculated that the victory of communist in Southeast Asia will also influence communist movements in South Asian, West Asia, Africa, Australia and New Zealand. This assumption has become a motivator to the United State to interfere actively in the Southeast Asian region and prevent communism from growing. The domino theory has been supported by John Foster Dullas in year 1950. The fall of South Vietnam government (a democratic government) supported by United States has further validated some truth of the domino theory (Brian Harison, 1966:53). Superpowers intervention are categorized in two forms, known as direct involvement and indirect involvement. Direct involvement in Southeast Asia is seen through the participation of superpowers in the Vietnam war (1965-1975). The United States directly participated in the war providing military assistance, economic aid and fully backing the South Vietnam government. While Soviet Union provided support to the North Vietnam government. Indirect involvements of superpower in this region include several memoradum or understanding or security cooperation. Between the year 1950 to the establishment of ASEAN in 1967, there were numerous politically and security based treaties between the superpowers and SEA countries.

#### 7.1.1 Anglo-Malayan Defense Agreement (AMDA)

The expansion of communist ideology in Southeast Asia since 1920s became the inducement to the idea in arranging defence and security agreement with the superpowers (D. S Zagoria, 1982:86; Joyce E Larson, 1980:21). Concerns over the communism phenomenon prevailed over Malaya which at the time experienced the growth and threats of communism (Fitzgerald Stephen, 1978: 49-71). The communist power and movement in Southeast Asia is related to the help and support from Soviet Union and China (Arnold C. Brackman, 1965:262-302; Ruth T. Mcvey, 1971: 59-60). The development and threats of communis, as well as the weakness in the defence and security system, has prompted Malaya to search alternatives in ensuring its security. Thus had impelled Malaya to set forth an agreement with the British Empire known as the Anglo-Malaya Defence Agreement, signed in 1957 (K.W Chin, 1983:chapter 3&4). Through this agreement, British promised to provide military aid if Malaya was attacked by enemies. This agreement also had set both countries to mutually negotiate and help each other if sovereignty of state was endangered. However, this it is not the duty of Britain, Australia and New Zealand to

directly help when under attack, it is merely a cooperation of understanding between these country focus on security aspect (Chamil Wariya, 1992b:21-22).

#### 7.1.2 Southeast Asia Treaty Organization (SEATO)

Apart from Malaya, other SEA countries such as Thailand and Philippines decided to join the Southeast Asia Treaty Organization (SEATO) on the 6th of September 1954 in Manila. This agreement is also known as the Manila Pact and headquarters in Bangkok. SEATO is an organization participated by Philippines, Thailand, Pakistan, Australia, New Zealand, Britain, United States and France. SEATO aims to safekeep regional peace and security. And also targets to prevent communist development in the region (K.S Nathan, 1984:132). The involvement of several SEA countries in SEATO was driven by communist and China threats, as well as to ensure the security of respective countries. Thailand's dependence on the United States assistance and support in security matters was proved by its acceptance in locating United States armed forces in Thailand. During the Non-Aligned Movement (NAM) conference of 1961 in Belgrade, Thailand and Philippines declared that their participation in SEATO is aimed to protect national security and by creating a better relationship with superpowers (Vasily Vakhruher, 1973:199)

#### 7.1.3 Formation of FPDA

The AMDA accord between Malaya and Britain did not last. This agreement survived for only 4 years, between 1957 and 1971. The termination was the result of communist ideology expansion in Eastern Europe that forced Britain to withdraw their military from the Suez canal (Middle East) and in other regions including Southeast Asia. However to ensure security from communist threat in the region, a memorandum of understanding called Five Power Defence Arrangement was constructed. The MOU consist of countries like Singapore, Britain, New Zealand and Australia. The agreement acted as an element for assuring security of country members (Chamil Wariya, 1989:79).

#### 7.2 ASEAN and the United States (US)

The United States involvement in the Southeast Asian region from one angle can be perceived as the countervailing power against the communist (Graham Evans and Jeffery Nenwham, 1992:4). It directly provided confidence and reassured SEA's security. Hence, the United States power in Southeast Asia was considerably blessed by SEA, especially to prevent threats of communist. The acceptance of US power and rejection of communism was distinctly visible during the Cold War era (James W. Morley, 1993:105). US's involvement in Southeast Asia region became a motivator to SEA in strengthening bilateral ties between countries to ensure and strengthen national security. The involvement of the United States in Southeast Asia was viewed significantly important by NAT. This is because US power is also seen as a catalyst to a country stability and security in Asia Pacific. According to Mohd Azizudin Mohd Sani (2001:52):

*“Based on The United States Security Strategy For The East Asia Pacific Region's report 1998, United States arm forces involvement (in Asia) could develop strength and political, economy and military growth in various Asian environment, US can provide regional confidence, promote value of democracy and increasing regional security”.*

The importance of the US power in Asia Pacific countries was visible when Singapore declared in August 1989 their willingness to be accept US in developing the military and security (Asmady Idris, 2000:84). This approach openly enables Singapore to strengthen its position as a military power in Southeast Asia. Singapore's decision although based on national interest, however had effectively confused other SEA country, especially the ASEAN's principle rejecting any external intervention in Southeast Asia. Singapore approach raised heated debates among ASEAN countries. Various issues arised especially relating to ASEAN policy and principles that is the ZOPFAN principles and US presence in Southeast Asia. However, the debates decreased when Singapore proclaimed that the country will only allow US military facilities and US military stationed in the country. Singapore's explanation convinced SEA and also defuse Malaysian and Indonesian worries because this approach does not breach the values stipulated in principles of ZOPFAN. Although ASEAN from one angle rejects superpower intervention in Southeast Asia, this does not mean that ASEAN completely rejects the United States interest as one of the world superpower. Because majority of the SEA countries have good relationship with America especially in term of economy and trade.

The development of the United States influence in the ASEAN region are based on several factors. Since World War II, the ASEAN region was colored by experience implicating direct and indirect intervention of superpowers. Among them was the balance of power in Southeast Asia region, that forced the United States participation in economic, politics and social activities of ASEAN countries. This was stressed by William Sullivan, who was the

US ambassador to Philippines. He explained that the United States is always ready to of the responsibility to maintain balance of power in the world including Southeast Asia region (Michael Leifer, 1986:145). In fact he mentioned that it doesn't solely consist in matters relating to security but also covers future economic development and prosperity of SEA, which evidently requires stability and balance of power (W. Woodruff, 1992:105). Realizing their role, the United States had taken several moves. Among the moves are the United States committed to improve military power to prevent the use of other military power that could threaten the Southeast Asia region's stability. The second factor which propelled US involvement in Southeast Asia region was to preserve the economic interest (Clayde A. Buss, 1982:62). As far as the United States is concerned, ASEAN countries had contributed to growth of trade between both countries through bilateral ties. In 1974 for example, ASEAN exports of goods to the US including Indonesia total export recorded as USD1580.3 million (21.3%), Malaysia USD595.4 Millions, Singapore USD 862.6 Millions (142.2%). ASEAN countries also supply 90% natural rubber, 10% petroleum, 72% tin ore, 14% sugar and 17% tea to the US. The United States trade with SEA has flourished since 1990s and 2000. This is because the Southeast Asian region achieved tremendous economic prosperity and recorded a rapid economic growth rate since 1990s. The expansion of US power in Southeast Asia includes the transfer of technology to ASEAN countries. The US feels that it is their responsibility to spread new technology discoveries to the world including Southeast Asia. This technology transfer does not only focus on foreign investment but also the collaboration between governments (Asmady Idris, 2000:84-86). On the other hand, ASEAN countries can supply necessary resources. Thus, the actions taken by US in the development in Southeast Asia is an interdependence relationship between US and ASEAN, especially in the field of economy and security.

### 7.3 ASEAN and China

During the Cold War, China was viewed as an Asia Pacific power that could provide threat to SEA. The communist developments in SEA throughout the Cold War, such as Malaya Communist Party (Malaya), Indonesia Communist Party (Indonesia), Vietnam Communist Party (Vietnam) made an impact over China's relationship with NAT (Karl W. Deutsch, 1995:199). The repairation of China-US relationship since 1972 have started to produce one new era in the relationship between the democratic government and communist government in Asia Pacific. Although, there was no direct impact on SEA, it became a point of awareness to SEA members to carry out good ties between countries of ideological difference. This is visible through ASEAN's acceptance on communist countries as members of ASEAN like Vietnam, Lao and Cambodia in the 1990s. China modernization since under the rule of Deng Xiaoping (1978-1997) successfully demonstrated an impetuous growth of China's economy and military. Opening to foreign investment (FDI) and practising a capitalist system has given China a strong economic growth rate since 1980s (Qin Shi, 1995:21). In line with Deng Xiaoping's economic reform, China opened the opportunity to countries from the Southeast Asia region to invest in China and encourage bilateral economy growth. This opportunity also provide the chance to NAT to work with China to increase economic growth rate. Henry Kissinger (1995:12) said:

*"I think it is inevitable that China will become a great power. I think if China continues even half the rate of increase of the last 15 years that it will become one of the really significant countries in the world...it will insist on being treated accordingly not by military expansions but simply by the weight of its culture, of its economy, and of its mass".*

China's reformation and modernization consequently strengthen the the ties with ASEAN countries, SEA has benefited a lot especially in term of economy. Diplomatic ties between China and ASEAN countries have already existed since the Cold War. For example, the official visit by Malaysian Prime Minister Tun Abdul Razak in May 1974 intended to shape close ties especially in relation to security. This relationship in started as diplomatic ties, however it was the starting point to prepare the ground for the creation of economic and diplomatic ties between China and ASEAN. Since 1980s, there was the sudden growth in trade links between China and ASEAN countries, even after the end of Cold War in 1991 its escalated the China-ASEAN bilateral economic cooperation. The restoration of relation between ASEAN and China has presented a new era in the economic cooperation. The ASEAN and China trade ties bloomed and increased when a memorandum of understanding (MOU) on transport cooperation was sealed in 1996. It aims to strengthen the cooperation of both countries in the field of transport and encourage the ASEAN-China Free Trade Area. China commitment to ASEAN was confirmed by the country's proposal to established an ASEAN-China figure group that study and recommend future direction of both sides of the relationship. Asean-China has also issued a declaration underlining various fields to perform regional cooperation during 2005 to 2010. This declaration targets to anchor peace, development and prosperity in this region. China's trade with ASEAN hit the highest record in year 2003 with RM297.35 billion, an increase of 42.8 percent from 2002.

**Insert Schedule 2 Here**

### Insert Map 2 Here

China participation stimulated the progress on FTA in penetrating the global market. China's decision to join ASEAN+3, enabled the ASEAN regional organization to become a world economy group at a global level (Zia Mahmud, 2005:11-14). China partaking in ASEAN, is important asset economically, thereby strengthening ASEAN economy. Moreover, China made several ASEAN countries like Malaysia, Thailand, Philippines and Indonesia as their fixed trading partner. China's progress resembling other developed countries like Japan and EU, will contribute a positive impact to SEA especially matter concerning economic development and technology transfer.

### Insert Graph 1 Here

The appearance of Chinese as a superpower in Southeast Asia are visible through other positive angle. After the end of Cold War in 1991, it implies the end of power competition between two superpowers, the United States and Soviet Union, and the formation of a unipolar system in international arena. The fall of Soviet Union left a gap to China to emerge as a communist power and replace the power of Soviet Union. The collapse of the Soviets, became the example to China in reinforcing the economy through mean of politic and military. As such, since the 1990s, China was seen to strengthen economic growth by trade relationship without taking into account differences of ideological of a country, therefore promoting relationship and economic cooperation with regional states. The emergence of China's power in the Asia Pacific region ultimately created balance of power with the United States America which is known as the unipolar power since 1991. This balance of power extremely important to avoid the domination of United States on small and weak countries residing in SEA. The entry of China in ASEAN+3 made China the countervailing power over SEA's dependence on the economy and politics of United States. Obliquely China's involvement is a protector that safeguard security, in addition to strengthening the political stability and economy in Southeast Asia.

## 8. Conclusion

To ensure political condition of Southeast Asia, ASEAN has struggled to implement various efforts even though the implementation was little bit slowly. This show ASEAN spirit and sense of belongings as what been stated by former Malaysia Prime Minister Tun Dr. Mahathir Mohammad and it is the secret of ASEAN successful by holding on 5 Cs which are Consolidation, Consultation, Consensus, Caring and Cornerstone. Consultation is one way of decision making among ASEAN countries' leader with frequent contact and negotiation to gain Consensus or collective agreement in every decision made. Caring is a concern feeling and each ASEAN country need to has high spirit and always think about ASEAN interest besides their individual needs. Cornerstone is the direction that is needs every ASEAN country to establish their foreign policy as an ASEAN country based on ASEAN spirit. Consolidation or unity required all ASEAN countries to unite in any action taken. ASEAN was born while the world is having tension in Cold War and unsecured security. Because of this, it has made ASEAN busy in political problems. Even though ASEAN countries possess different strategic and security perspective, ASEAN unity has manage to come with big success in creating peace. It can be seen when ZOPFAN concept was declared during ASEAN Head of State Summit in Kuala Lumpur in 1971. The treaty based on sovereignty respect principles of other countries, non-intervention on internal affairs, to solve regional internal issues with peace and effective cooperation. The treaty also had come out with code of conduct of peaceful solution for every conflict based on ASEAN principles as conflict solving mechanism. Until now, ZOPFAN concept manage to be the only applied regional diplomatic tool in providing mechanism and process for peaceful solution in any dispute. ASEAN was not the organization or body to establish cooperation among Southeast Asia countries but has become an important society to East Asia countries. Moreover, ASEAN and East Asia are also defending their interest and direction and working together to increase regional economic integration. In order to measure the effectiveness of economic development, ASEAN needs several solid strategies to ensure member countries to enhance their economic level accordance to ASEAN direction to prosperous regional economy. By making China and Japan that have rapid growth in economy, it is an advantage for ASEAN to develop cooperation and maintaining peace among member countries. With constructive experiences and principles accepted by regional countries, ASEAN become stronger in establishing stability and prosperous according to their own mould.

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Map 1. The Countries of ASEAN

Source: Accessed on 8 April 2010 from <http://www.aseansec.org/69.htm>



Map 2. Southeast Asia importance to China as a trade route

Source: Modified from Bruce Vaughn, *China-Southeast Asia Relations: Trends, Issues, and Implications for The United States*. Analyst in Southeast and South Asian Affairs, Foreign Affairs, Defense, and Trade Division. 8 Februari 2005 <http://www.fas.org/sgp/crs/row/RL32688.pdf>

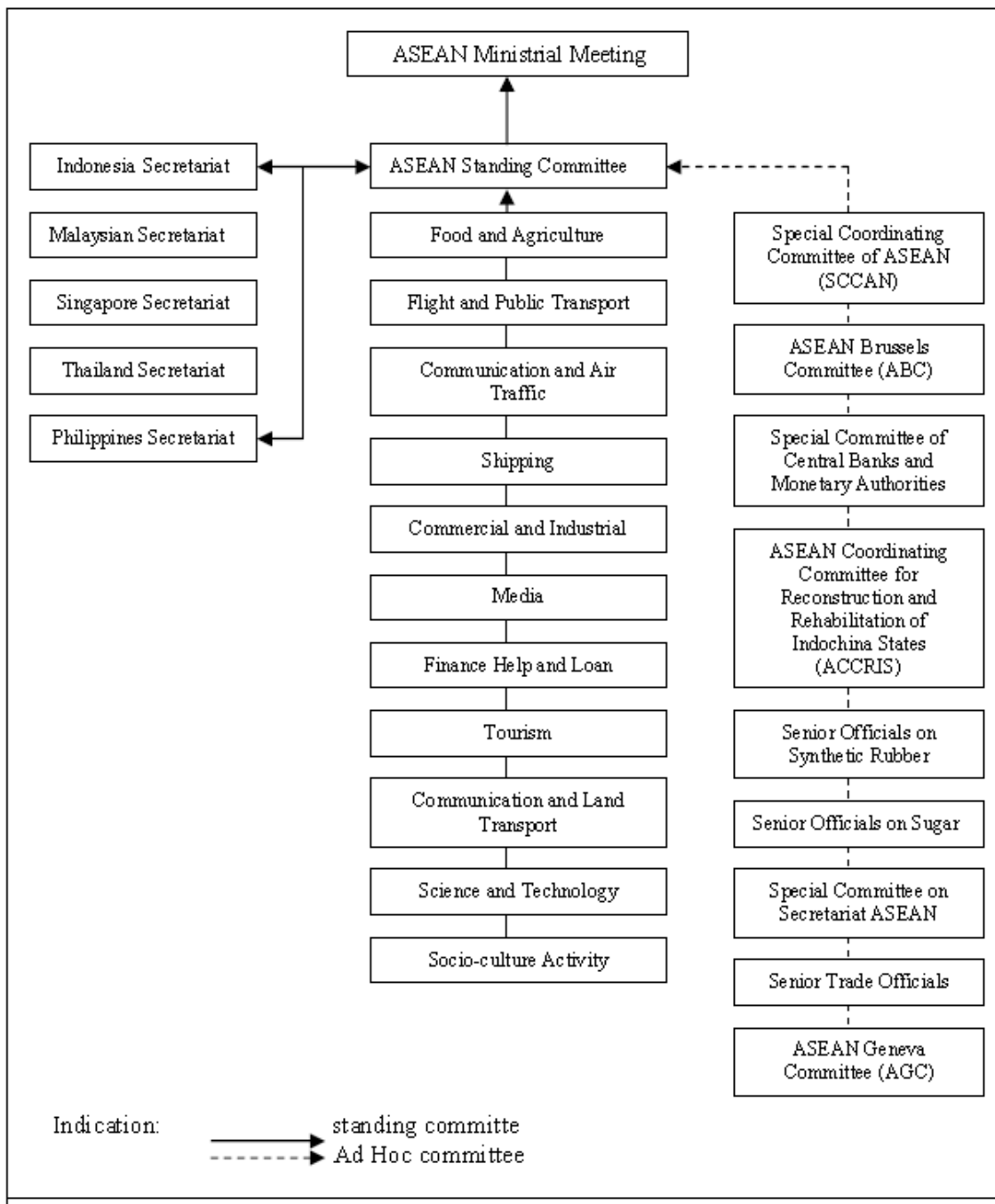


Figure 1. The organisational structure of ASEAN between 1967 and 1976

Source: David Irvine, Making haste less slowly: Asean from 1975, in Alison Broinski (editor), *Understanding Asean*, Macmillan Press Ltd, London, 1983 p.53

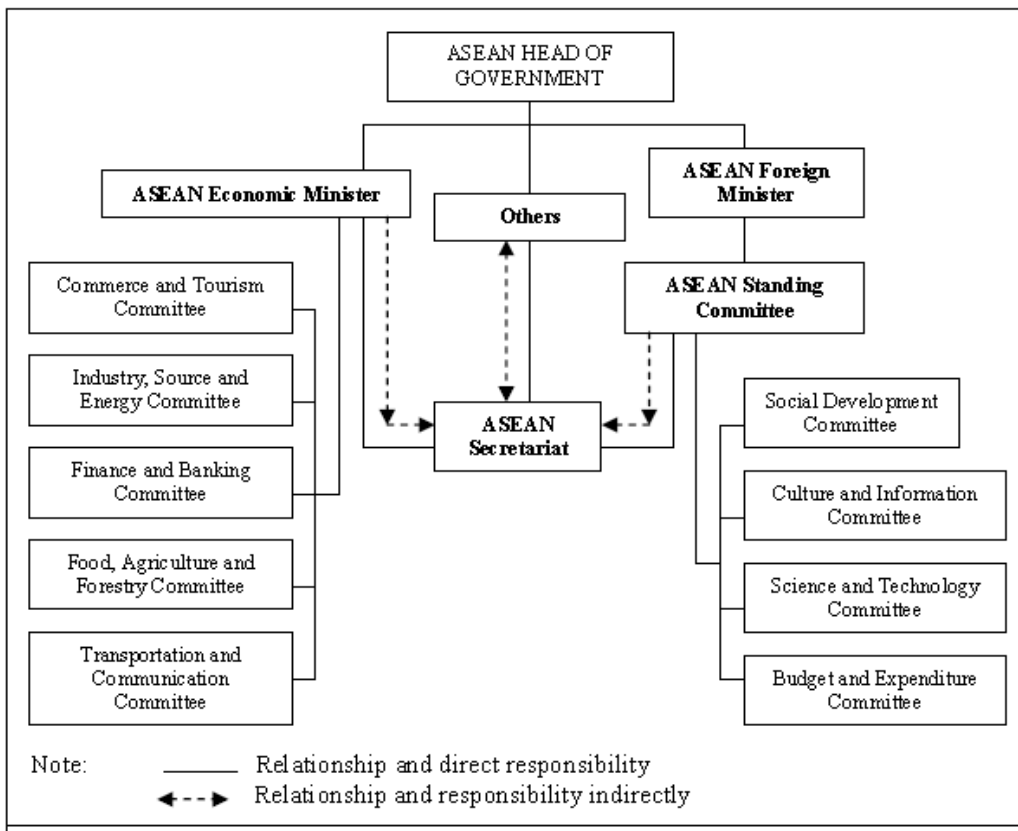


Figure 2. ASEAN's organisational structure since 1977

Source: David Irvine (1983). Making haste less slowly: Asean from 1975. In Alison Broinski (edt. *Understanding Asean*. London: Macmillan Press Ltd. pg 60

IMD World Competitiveness ranking			
	2004	2002	2000
US	1	1	1
Singapore	2	8	2
Australia	4	10	11
Hong Kong	6	13	9
Taiwan	12	20	17
Switzerland	14	5	7
Malaysia	16	24	26
Germany	21	17	13
United Kingdom	22	16	15
Japan	23	27	21
China	24	28	24
Thailand	29	31	31
France	30	25	22
Korea	35	29	29
South Africa	49	39	39
Philippines	52	40	35
Brazil	53	37	38
Indonesia	58	47	43
Argentina	59	48	42

Source: IMD World Competitiveness Report

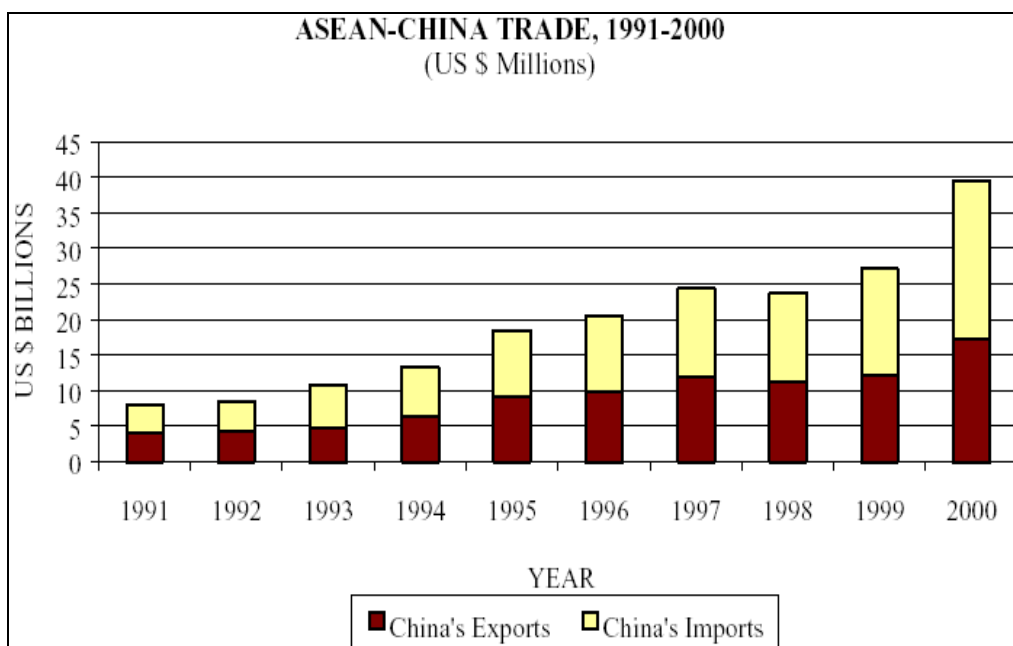
Schedule 1. Ranking development process progress nations of the world

Source: Tigers bite back, Why FDI will flow back to Southeast Asia on-line. <http://www.fullermoney.com/content/2004-08-09/AseanCLSA.pdf>

	China Exports to		China Imports from	
	1992	2003	1992	2003
Brunei	\$10	\$34	\$5	\$312
Cambodia	\$13	\$295	\$0.2	\$26
Indonesia	\$471	\$4,482	\$1,554	\$5,747
Laos	\$28	\$98	\$4	\$11
Malaysia	\$645	\$6,141	\$830	\$13,986
Burma	\$259	\$910	\$131	\$169
Philippines	\$210	\$3,093	\$155	\$6,307
Singapore	\$2,030	\$8,864	\$1,236	\$10,485
Thailand	\$895	\$3,828	\$425	\$8,827
Vietnam	\$106	\$3,183	\$73	\$1,457

Schedule 2. China trade with countries of Asean in 1992 and 2003

Source: Modified from Bruce Vaughn, China-Southeast Asia Relations: Trends, Issues, and Implications for The United States. Analyst in Southeast and South Asian Affairs, Foreign Affairs, Defense, and Trade Division. 8 Februari 2005 <http://www.fas.org/sgp/crs/row/RL32688.pdf>.



Graph 1. ASEAN-China Trade 1991-2000

Source: Modified from Forging Closer Asean-China Economic Relations In The Twenty-First Century, A Report Submitted By The Asean-China Expert Group On Economic Cooperation, October 2001, p. 9, [http://www.aseansec.org/newdata/asean\\_chi.pdf](http://www.aseansec.org/newdata/asean_chi.pdf)