



## ASEAN: A COMMUNITY STALLED?

NARAYANAN GANESAN

The Association of Southeast Asian Nations (ASEAN) was born from the Bangkok Declaration of August 1967. Much of the political turbulence that was a hallmark of politics in maritime Southeast Asia prior to ASEAN's formation eventually dissipated as the regional organization cohered in the 1970s and 1980s. Structurally, ASEAN functioned well within the framework of the Cold War since it amalgamated the interests of the non-communist countries of Southeast Asia, despite being predominantly anchored in the maritime region and in particular the Malay Archipelago comprising Indonesia, Malaysia, and Singapore. Quite apart from its anti-communist character, ASEAN evolved to provide familiarity and accommodation between the indigenous political elite and also significantly enhanced regime legitimacy for nation-building and developmental purposes.

ASEAN has been widely acknowledged as a significant actor in Southeast Asian international relations, especially for its involvement in resolving the Cambodian political situation in the 1980s, albeit with broader structural changes and the involvement of major external powers that facilitated the process significantly. With the eventual admission of Cambodia into ASEAN in April 1999, the organization fulfilled its corporate desire of representing the entire region. Accordingly, at least in terms of its geographical footprint, ASEAN, perhaps with the exception of East Timor, collectively represents Southeast Asia. The organization's lengthy tenure, against the backdrop of previously failed regional predecessors in the Association of Southeast Asia (ASA) and MAPHILINDO (Malaysia, Philippines, and Indonesia), and its involvement in regional affairs have led analysts to regard ASEAN as a community of sorts, in its various manifestations.

Significantly, ASEAN is often regarded as constituting a diplomatic, security, economic, and cultural community. This chapter appraises the utility of ascribing such labels to ASEAN on the basis of empirical evidence. The central argument of the chapter is that whereas ASEAN fulfils the procedural and transactional demands of a diplomatic and cultural community, it is

neither a security nor an economic community.<sup>1</sup> The major reasons for ASEAN's failure as a security community are the prevalence of intramural threat perceptions and the large number of outstanding bilateral issues that have the propensity to deteriorate into violence. Its failure as an economic community is a function of the competitive rather than complementary nature of economic activities and the economic introversion rather than integration arising from the Asian financial crisis of 1997. Both the economic and political failures are also a function of extra-regional developments and pressures.

This chapter is divided into three major sections. The first section briefly surveys ASEAN's formation and its significant achievements thus far. The second section looks at the centrifugal and centripetal forces within ASEAN as well as pulls and pushes from the larger regional and international communities. On the basis of an examination of the empirical evidence, the third section correlates ASEAN-related developments to the four different conceptions of community that will be addressed.

### **ASEAN IN HISTORICAL AND CONTEXTUAL PERSPECTIVE**

ASEAN's inauguration in August 1967 was significant in that it brought an effective end to Sukarno's policy of military confrontation against Malaysia.<sup>2</sup> It was also significant in enhancing Malaysia-Philippine relations, endangered by the latter's claim to the East Malaysian state of Sabah in the island of Borneo, and Malaysia-Singapore relations owing to the latter's fissure from the Malaysian federation in 1965 following a short two-year merger. President Suharto of Indonesia inaugurated his New Order government, which abandoned Sukarno's aggressive and revolutionary foreign policy, to reorder regional relations. Nonetheless, Indonesia adhered to its proprietary claim to lead the region—a role that was exercised until the collapse of the Suharto government in May 1998.<sup>3</sup>

Lingering suspicions and anxieties between member states made things difficult for ASEAN at the outset. Its first significant activity was in declaring the region a Zone of Peace, Freedom and Neutrality (ZOPFAN) in 1971 in view of broader international structural changes, particularly the winding down of the Cold War in Europe and the inclusion of China in international

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<sup>1</sup> At the 2003 ASEAN Summit, leaders resolved to work to develop an ASEAN security, economic and social community.

<sup>2</sup> For a description of the pre-ASEAN political situation, see Bernard K. Gordon, *The Dimensions of Conflict in Southeast Asia* (New York: Prentice Hall, 1966).

<sup>3</sup> See Michael Leifer, *Indonesia's Foreign Policy* (London: George Allen and Unwin, 1983), p.xiv.

diplomatic relations. An ambitious attempt at import substitution, the ASEAN Industrial Projects (AIPs) of the early 1970s generated little enthusiasm.

Approximately a decade after its formation, in 1976 ASEAN established a central secretariat in Jakarta and signed two explicitly political treaties, the Treaty of Amity and Cooperation and the Treaty of ASEAN Concord. The first emphasized the disavowal of conflict and aggression to resolve inter-state disputes, while the second was a gesture of solidarity and willingness to coordinate political activities. All these developments led to the significant institutionalization of ASEAN and paved the way for its political involvement in the Indochina theater. Suffice it to say, as observed by Michael Leifer, these developments were a response to the Indochinese situation in general, and Vietnam in particular. Only a year before these developments, in 1975, the Vietnam conflict ended in a North Vietnamese triumph, and ASEAN was anxious to contain the success of revolutionary communism in mainland Southeast Asia, and perhaps beyond.

From 1976 to 1989, ASEAN's coherence and *raison d'être* quickly shifted to developments in the Indochinese peninsula. Vietnam's invasion and occupation of Cambodia in 1979 for a period of ten years was catalytic in transforming ASEAN.<sup>4</sup> The organization sought to contain perceived Vietnamese ambitions by frustrating its invasion and occupation of Cambodia.<sup>5</sup> From 1979 to 1982, ASEAN led diplomatic efforts at the United Nations to deny Vietnam political legitimacy in Cambodia by supporting the ousted government of Democratic Kampuchea (DK) led by the Khmer Rouge. When international opinion turned against the DK regime for genocide, ASEAN engineered an expanded Khmer coalition by including the nationalist forces of Son Sann and the royalist forces of Norodom Sihanouk to form the Coalition Government of Democratic Kampuchea (CGDK). The rationalizations ASEAN offered for this policy were to deny Vietnam the precedent to reorder regional inter-state relations through force and to prevent Thailand from becoming a 'front-line' state to communism through the occupation of Cambodia. Separately, Thailand, together with China, set up border encampments for the CGDK on the Thai-Cambodian border to engage Vietnamese occupation troops. For Thailand, this policy was part of a broader informal alignment with China to replace the United States as an

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<sup>4</sup> The importance of the Indochinese political situation for ASEAN cohesion is detailed in Michael Leifer, *ASEAN and the Security of Southeast Asia* (London: Routledge, 1989).

<sup>5</sup> See Muthiah Alagappa, 'Regionalism and the Quest for Security: ASEAN and the Cambodian Conflict,' *Journal of International Affairs* 46:2 (Winter 1993), pp.439-467.

external guarantor to its security.<sup>6</sup> China's 'punitive expedition' against Vietnam in February 1979 was both to assuage Thai security concerns as well as to support the Khmer Rouge. Suffice it to say then that ASEAN's involvement in the Cambodian situation brought the organization far greater coherence and international visibility. In the meantime, Brunei joined ASEAN in 1984 after the United Kingdom lifted its protectorate status over the country.

While the Cambodian situation was being resolved by the larger international community that was in turn led by the United Nations, ASEAN reformulated a new agenda for itself in the 1990s.<sup>7</sup> Concurrently, it sought the expansion of its membership to include all the countries of Southeast Asia. In terms of political initiatives, ASEAN initially elevated the status of its Post-Ministerial Conference (PMC) in 1992 and then went on to inaugurate the ASEAN Regional Forum (ARF) as the premier regional multilateral security forum in July 1994. It also enhanced internal security cooperation to deal with a number of transnational security issues like piracy, drug trafficking and illegal migration. Additionally, ASEAN formed a nucleus within the Asia Pacific Economic Cooperation forum (APEC) that was formed in 1989. For economic initiatives, it endorsed regional 'growth triangles' as constitutive of intra-ASEAN cooperation and in 1993, signed a pact that was to eventually lead to an ASEAN Free Trade Area (AFTA) by 2008. This timetable was subsequently reduced so that it would take effect in 2002.

To fulfill its goal of an expanded membership encompassing the region, ASEAN accepted Vietnam into the organization in July 1995 and Laos and Burma/Myanmar in July 1997. The outbreak of domestic conflict in Cambodia in 1997 between the forces of Hun Sen and Norodom Ranariddh led to a postponement of Cambodian membership. Cambodia was subsequently absorbed in April 1999. ASEAN's membership expansion changed the organization's calibration and outlook in that it now has within its fold three communist member countries in Vietnam, Laos, and Cambodia, and a country with a military junta in power in Burma. The inclusion of military authoritarian states is not without precedent, since Indonesia, the Philippines and Thailand all had such governments during the association's history. Nonetheless Burma's accession brought with it intramural differences between the Philippines and Thailand on the one hand, and the remaining members on the

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<sup>6</sup> Sukhumbhand Paribatra, *From Enmity to Alignment: Thailand's evolving relations with China* (Bangkok: Institute of Security and International Studies, Chulalongkorn University, 1987).

<sup>7</sup> See N. Ganesan, 'Taking Stock of Post-Cold War Developments in ASEAN,' *Security Dialogue* 25:4 (December 1994), pp.457-468.

other, over how to best deal with the new entrant. Such considerations were at least in part fuelled by diplomatic difficulties that ASEAN encountered with the United States and the European Union over the new entrant.<sup>8</sup>

More recently, ASEAN initiatives have included an attempt to collaboratively engage the Northeast Asian countries through an institutionalized mechanism in the ASEAN + 3 grouping that includes China, Japan, and South Korea. Attempts at the further and formal institutionalization of this grouping by Malaysia through the location of a permanent secretariat in Kuala Lumpur have been frustrated. Other than external pressures from the United States and countries allied with it to contain what is perceived as exclusive regionalism, there are also anxieties within ASEAN. Indonesia, which houses the ASEAN secretariat, and Singapore, which houses the APEC secretariat, are anxious to avoid being overwhelmed. There are also widespread suspicions that the new corporate entity is but a reformulation of Malaysia's East Asian Economic Grouping (EAEG) that was subsequently downgraded to an East Asian Economic Caucus (EAEC) in ASEAN deliberations.

### **CENTRIFUGAL AND CENTRIPETAL FORCES**

There is little doubt that there exist both pulls and pushes within ASEAN. Among the positive factors in its favor is the maturity of the organization itself. After thirty-five years of uninterrupted existence and having overcome the initial anxieties of the original member states, ASEAN has evolved a policy of regular consultation and dialogue on a wide variety of matters and at different levels of officialdom, from bureaucrats to heads of states. The approximately 300 meetings a year and joint cooperation have indeed had a percolating effect on the inhabitants of the region. This conception of ASEAN consciousness does indeed exist. Similarly, at the elite level, the policy of unobtrusive engagement and consultation has even spawned the phrase the 'ASEAN Way'.<sup>9</sup> This 'soft capital' acquired over years of interaction and the passing down of such familiarization through regular tours for new incumbents in office has remained intact and gelled.

Both geography and history have aided the process of bonding. Geographically, the founder members of ASEAN had always envisaged the

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<sup>8</sup> N. Ganesan, 'ASEAN and its Relations with Major External Powers,' *Contemporary Southeast Asia* 22:2 (August 2000), pp.258-278.

<sup>9</sup> See Amitav Acharya, 'Ideas, identity and institution-building: from the 'ASEAN Way' to the 'Asia-Pacific Way'?' *The Pacific Review* 10:3 (1998), pp.319-346.

eventual membership of all Southeast Asian countries in ASEAN and live with the realization that the individual destiny of member states is at least partly derived from the immediate regional environment. Historically, regional elites are also familiar with the turbulence that characterized inter-state relations in the 1960s, and are anxious to avoid a return to the negative past. Additionally, it is hoped that the history of positive cooperation will deflect threats to return to a disruptive past. Yet, both internal and external forces and related agendas are not always within the control of ASEAN member states.

There are a number of internal forces that exert pressure on ASEAN and its evolution and agenda. One of the more serious forces is the dissipation of collective regional and institutional leadership of ASEAN following the collapse of the Suharto government in May 1998. Suharto's ascendancy in Indonesia clearly stabilized the regional environment and the willingness of member states to grant Indonesia *primus inter pares* status within ASEAN also restrained Indonesian hegemonic ambitions in the region.<sup>10</sup> The political turbulence and rapid regime changes in post-Suharto Indonesia have not fostered the conditions required for domestic political consolidation, leave alone regional leadership. During better times, Indonesia was able to attempt to broker the Cambodian impasse, albeit unsuccessfully with the Jakarta Informal Meetings (JIM) in 1988, played honest broker in trying to resolve the disputed Spratlys territorial claims between China and ASEAN member states in the 1990s through informal annual dialogues, and brokered the truce between the Ramos government in the Philippines and the Moro National Liberation Front (MNLF) in 1996.<sup>11</sup> Such regional leadership no longer exists, and arguably ASEAN is the weaker for it.

Domestic political challenges and regime transitions in many of the core ASEAN member countries have left regional political elites weakened and more focused on an internal agenda of regime consolidation than on collective regional development. Quite apart from the situation in Indonesia, there have been significant problems in Malaysia, the Philippines, and Thailand, the larger of the original five member states. Weakened internal political legitimacy and correspondingly reduced state capacity to coherently articulate policy output clearly inhibits regional cooperation.

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<sup>10</sup> See Anthony Smith, *Strategic Centrality: Indonesia's Changing Role in ASEAN* (Singapore: Institute of Southeast Asian Studies, 2000).

<sup>11</sup> On Indonesian regional leadership efforts see Leo Suryadinata, *Indonesian Foreign Policy Under Suharto: aspiring to international leadership* (Singapore: Times Academic Press, 1996).

The Asian financial crisis of 1997 has also weakened the economic capacity of member states. Correlated to regime contestation in Indonesia, Malaysia, and Thailand, the crisis has led to high unemployment rates, significant weakening of the financial and property markets, depreciated currencies and bankrupted reserves. Coping with these problems while adhering to the demands of international donor and lender agencies as well as investors has been an immense challenge.<sup>12</sup> It may be remembered, for instance, that it was the internationally mandated removal of subsidies for food and other essential daily consumables in Indonesia that led to the food riots that eventually metamorphosed into political violence and regime change in Indonesia. In light of these problems and associated domestic economic restructuring, Southeast Asian states have become considerably more introverted, forced to deal with domestic agendas rather than regional ones.

ASEAN's internal dynamics following the admittance of four new members in the 1990s has also complicated the decision-making process. In recognition of the lower levels of development and preparedness of the newer members to immediately accede to ASEAN's pre-existing agenda, these states have been offered longer grace periods for compliance with collective decisions like trade liberalization and tariff reduction. There are also unspoken fears of Vietnam bearing overwhelming influence on the decisions of Cambodia and Laos for a strengthened position. Finally, it must be noted that ASEAN's policy of consensual decision-making will obtain significantly lower levels of convergence on policy matters for ten countries instead of six. Such procedural difficulties weaken ASEAN's previously coherent organizational culture.

There are also a number of specific issues that have seen relations deteriorate between ASEAN member states. Some of the more serious ones that are partly related to state and enforcement capacity include piracy, drug trafficking, atmospheric and marine pollution, insurgency, and illegal migration and fishing. Many of these 'non-traditional' security issues have frayed

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<sup>12</sup> There are a large number of books and articles that deal with the issues and impact of the Asian financial crisis. For a sampling of the literature see H.W. Arndt and Hal Hill eds., *Southeast Asia's Economic Crisis: Origins, Lessons, and the Way Forward* (Singapore: Institute of Southeast Asian Studies, 1999); Karl D. Jackson ed., *Asian Contagion: The Causes and Consequences of a Financial Crisis* (Boulder, CO: Westview Press, 1999); Richard Robison et al., eds., *Politics and Markets in the Wake of the Asian Crisis* (London: Routledge, 2000); Gerald Segal and David S.G. Goodman eds., *Towards Recovery in Pacific Asia* (London: Routledge, 2000); and Purnendra Jain et al. eds., *Crisis and Conflict in Asia: Local, Regional and International Responses* (New York: Nova Scientific, 2002).

relations between geographically proximate states.<sup>13</sup> They are often the cause of serious bilateral disputes that have sometimes deteriorated into conflicts. For example, drug trafficking, insurgency and illegal fishing have led to the outbreak of a number of conflicts between Thailand and Burma in the 1990s. Illegal migration of Indonesians to Malaysia has led to serious tensions between those two countries. Piracy and pollution from Indonesian forest and agricultural fires—euphemistically referred to as the ‘haze’—has led to considerable disquiet in neighboring Malaysia and Singapore. More recently, terrorism and the discovery of transnational terrorist cells in Southeast Asia such as the *Jemaah Islamiyah*, has also led to considerable regional frustration at the slow response of the Indonesian government in apprehending those of its nationals who are widely accused of leadership and complicity in such activities.<sup>14</sup> The terrorist attack in Bali in October 2002 provided the Indonesian government with an opportunity to deal with Islamic extremism and terrorism. It remains to be seen whether the Indonesian government will act decisively in the matter, although the indications are that it is determined to. Many of the issues mentioned are causal factors in deteriorated regional inter-state relations. Over time, they became interactive with deteriorated ties, in terms of the emergence of new issues or the prominence given to existing ones.

### EXTERNAL FORCES

External forces that impact on ASEAN, like internal forces, have both positive and negative effects. Of the positive effects, the ‘soft capital’ that ASEAN has acquired over the years is generally acknowledged and often successfully utilized. Major Asian regional powers such as China, India, Japan, and South Korea deal with ASEAN as a collective body. The well-entrenched set of regular dialogue partnerships that include the United States, the European Union, Australia, Canada and New Zealand continue to provide the benefits of regular consultation and policy coordination. ASEAN-initiated multilateral fora such as the ARF and the ASEAN + 3 grouping are generally well regarded and attended. Similarly, the existence of an ASEAN core within APEC is also recognized. Hence, ASEAN’s general standing as an organization that is representative of the Southeast Asian region is generally not challenged. Additionally, it is acknowledged that the dynamic leadership

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<sup>13</sup> See Andrew T.H. Tan and Kenneth Boutin eds., *Non-Traditional Security Issues in Southeast Asia* (Singapore: Select Publishing, 2001).

<sup>14</sup> See Barry Desker and Kumar Ramkrishna, ‘Forging an Indirect Strategy in Southeast Asia’, *The Washington Quarterly* 25:2 (Spring 2002), pp.161-176.

provided by ASEAN member states has led to the formation of many other consultative organizations including the Asia-Europe Summit Meeting (ASEM) and the East Asian Latin American Forum (EALAF). ASEAN and its member states, collectively and individually, are regularly establishing structured relationships with countries geographically farther afield while continuing to deepen existing ones. In a similar vein, there are a number of issue areas such as trade and tourism where ASEAN projects a united front abroad. Such unity also facilitates representation on more contentious issues like human rights and democracy. ASEAN member states like Malaysia and Singapore were also passionate advocates of 'Asian values' over Western ones in policy choices and development in general.<sup>15</sup>

There are, however, a number of structural and issue-specific challenges that confront ASEAN as well. Structurally, at the international level, the dissipation of bipolarity and the collapse of the Soviet Union as previously constituted removed the anti-communist ideological glue that informed and led to convergent foreign and defense policies. The resulting decompression effect has been a reordered agenda in terms of external threat perceptions, defense strategies and arms acquisitions. For example, the Soviet Union and its perceived proxy Vietnam are no longer the threats to regional security. Similarly, the disbandment of communist insurgency movements in Malaysia and Thailand has significantly altered threat perceptions and defense doctrines. Some of the issues involved in heightened bilateral tensions alluded to above, have actually informed ASEAN member states of security and threat perceptions, in a seeming displacement effect. The altered broader structural arrangements have clearly raised the regional temperature and threat perceptions are increasingly being identified with geographically proximate neighboring states that typically obtain voluminous transactions in many areas, some of which are viewed as threatening state security.<sup>16</sup>

In terms of specific issues, since the September 11 terrorist attack on the World Trade Center and Pentagon in the United States, and the more recent bombings in Bali and the Philippines, there has been tremendous international pressure on ASEAN countries to deal more effectively with terrorism. These incidents and their regional sponsors and sympathizers are sometimes part of

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<sup>15</sup> For a sampling of the literature of this school see Kishore Mahbubani, 'The Pacific Way,' *Foreign Affairs* 74:1 (January/February 1994), pp.100-111 and 'The West and the Rest,' *The National Interest* 28 (Summer 1992), pp.3-14; and Fareed Zakaria, 'Culture is Destiny: A Conversation with Lee Kuan Yew,' *Foreign Affairs* 74:2 (March/April 1994), pp.109-126.

<sup>16</sup> N. Ganesan, *Bilateral Tensions in Post-Cold War ASEAN* (Singapore: Institute of Southeast Asian Studies, 1999).

domestic political problems, as is the case in Indonesia and the Philippines. Accordingly, such international pressures are occasionally deflected or acted upon slowly due to domestic political considerations. For example, Indonesia's Islamic political constituency has become significantly more empowered in the post-Suharto era while the Philippine situation is delicate due to an increasingly uneasy truce between Islamic former rebels and the Philippine government. In many instances, the situation is complicated by anti-American nationalism, and correlated impacts on tourism and foreign investment.

Other political issues for which ASEAN member states have been faulted in the past include democracy, human and labor rights and corruption. With the collapse of communism, Western countries, and in particular the United States, have introduced such issues to condition the negotiating process. Persistent diplomatic pressures on labor rights in Indonesia and Burma and greater pressure on the latter to open a process of dialogue and reconciliation with the political opposition are common. In many of these instances, there appears to be a general failure to appreciate the conflation of state security with regime security. Hence, rather than capitulating to such pressures, incumbent regimes often further entrench themselves and invoke anti-Western nationalist sentiments.

Economic issues over which ASEAN countries have been pressured include tariffs, the imposition of quotas on selected products or sectors, financial transparency and the liberalization of trade and investment rules. The truth of the matter is that while many ASEAN countries hope to emulate their Northeast Asian counterparts in development through export-led growth, tariffs account for a high proportion of governmental revenue in countries like Indonesia. Such external pressures may also stoke anti-Western sentiment, as has occurred in Indonesia and Thailand. Indonesia has a long history of economic protectionism and much of its resource exploitation has clearly been to benefit incumbent regimes and related elites and is viewed with a degree of suspicion. In provinces like Aceh and West Irian, such grievances sometimes reinforce existing pressures like separatism, making Western investments potential targets over regime-related grievances.

In other forms of financial and economic transaction there is also scrutiny. Malaysia, for example, opted against international financial assistance after the 1997 crisis and imposed economic controls in 1998. Whereas large and swift flows of capital and investments were previously viewed as being clearly positive, there is now greater scrutiny of the potential fallout arising from equally rapid withdrawals. In view of such reappraisals, ASEAN states are now

much more vigilant regarding the type of investments and financial transactions that occur. Currency speculation in particular, is actively discouraged. In light of both the positive and negative influences that obtain from within ASEAN and the larger external environment, an informed assessment can now be made regarding the type of community that ASEAN has evolved into. As stated at the outset, there is sufficient evidence in favor of a diplomatic and cultural community while there is equally sufficient evidence to conclude that ASEAN is neither a security nor an economic community.

### **ASEAN AS A DIPLOMATIC COMMUNITY**

One of the greatest benefits of collective membership in ASEAN is the articulation of a united front on policy matters, especially those that require attention and resolution within a broader structural environment. From as early as the 1970s, ASEAN has served the function of a larger diplomatic lobby for individual member states. ASEAN is regularly utilized as a collectively representative regional forum to further the policy agenda of individual states, from negotiations on the price of export commodities to tariff reduction. Within the larger state-centric international environment that is in turn mediated by multilateral regimes, cohesive regional groupings obtain significantly more leverage than individual states. Even the largest ASEAN country, Indonesia, despite being a medium power in terms of traditional determinants like land area and population size, gains significantly from such enhanced leverage. Smaller member states like Brunei, Cambodia, Laos, and Singapore naturally benefit much more from such a collective representation.

At the larger level, it is arguable that ASEAN has also functioned as a cohesive corporate entity. In terms of diplomatic representation, as noted earlier, ASEAN maintains a large number of regular dialogue partnerships with individual countries as well as other multilateral organizations like the European Union. Additionally, ASEAN has initiated its own multilateral fora like AFTA and the ARF. Significantly, the ARF and APEC also have a discernible ASEAN nuclei core. The greatest evidence of ASEAN's diplomatic cohesiveness is its repeated interventions in the United Nations in the late 1970s and throughout the 1980s to deny Vietnam political and diplomatic recognition over its occupation of Cambodia.

There have, however, been a number of instances in which ASEAN's collective image has been dented by the competitive demands or policy

outputs of individual states.<sup>17</sup> For example, Indonesia and Malaysia recognized Vietnam's security considerations when they jointly issued the Kuantan Declaration in 1980, seemingly breaking ranks with ASEAN's anti-Vietnamese position, and Thailand unilaterally launched its conciliatory and development-oriented Indochina Initiative towards Vietnam in 1988 when ASEAN was still antagonistic towards Vietnam. Similarly, the Philippines and Thailand lobbied hard for a policy of 'constructive engagement' with Burma in the 1990s, much to the chagrin of the less democratic ASEAN members, which objected to the concept of violating the cherished principle of non-intervention in the domestic affairs of member states.

Notwithstanding such intramural differences, it is arguable that ASEAN coheres sufficiently on important matters, especially those pertaining to political and economic security. The fairly high level of recognition that the association is accorded internationally also buttresses this conception of diplomatic community. This conception of a diplomatic community is likely to cohere and persist into the future, if for no other reason than to allow for the structured process of mutual consultation and accommodation internally, and to obtain greater leverage for individual member states and the entire region.

#### **ASEAN AS A CULTURAL COMMUNITY**

ASEAN can also be said to fulfill the requirements of a cultural community. The term is however not meant to be interpreted in the ethno-religious and linguistic sense of community. The Southeast Asian region is far too diverse in these terms to be purposefully integrated as a community nor is it a necessarily positive or requisite development. In fact, many of the member states themselves are sufficiently heterogeneous to preclude such a conception of unified culture. Rather, the reference here is to procedural norms that have been sufficiently institutionalized to obtain an organizational culture in transactional terms between states. The existence of a permanent secretariat, the alphabetical rotation of Secretary-General appointments, and the vast array of meetings at different levels of officialdom and political elite have fostered a sense of community. It is a sense of community that member states are anxious to retain since it has led to much familiarity and accommodation between competing national priorities and leadership styles. The culture of regular exchanges on a number of issue areas and the periodic visits

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<sup>17</sup> See, for example, Jürgen Haacke, 'The concept of flexible engagement and the practice of enhanced interaction: intramural challenges to the 'ASEAN Way', *The Pacific Review* 12:4 (1999), pp.581-611 and Kay Möller, 'Cambodia and Burma: The ASEAN Way Ends Here,' *Asian Survey* XXXVIII:10 (1997), pp.961-978.

undertaken by newly appointed senior bureaucrats and elite as well as retiring ones have had a percolating effect on this organizational culture well beyond ASEAN's founding and early elite.

Collective attempts at dealing with regional challenges and problems have also broadened the organizational culture. From coordinated attempts to deal with problems like drug trafficking, pollution and piracy, the culture of regular consultation is utilized to deal with common problems as well. This culture is facilitated as well as hindered by the policy of consensual decision-making.<sup>18</sup> The facilitation derives from the invocation of lowest-common-denominator principles that are agreeable to all members while the hindrance derives from the difficulties associated with obtaining policy convergence among many members with differing priorities and goals. The generally accepted principle of non-interference in the domestic affairs of member states has also allowed for decisions obtained to be sufficiently acceptable to members to ensure compliance. This cultural community is interactive with ASEAN as a diplomatic community and is in turn informed and mediated by national interests and the larger external environment and related structures and pressures. In conceptual terms, it is likely to be the third tier in the policy output of member states, after the national level and important bilateral channels.

#### **ASEAN AS A SECURITY COMMUNITY**

There has been some literature proclaiming ASEAN as a security community.<sup>19</sup> Such claims are typically premised on the evolution of an 'ASEAN Way' that is non-intrusive in the domestic political affairs of member states and the joint agreement to renounce aggression in the resolution of inter-state disputes. This agreement, identified in the Treaty of Amity and Cooperation (TAC), has been lodged at the United Nations as comprising part of the regional diplomatic protocol. In fact, states that obtained membership in ASEAN in the 1990s were required to become signatories to TAC prior to being granted membership. The evolution of the ARF as a regional forum in 1994 with a mission to enhance confidence-building measures through

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<sup>18</sup>Johan Saravamuttu and Pushpa Thambipillai, *ASEAN Negotiations: Two Insights* (Singapore: Institute of Southeast Asian Studies, 1985).

<sup>19</sup> One of the earlier and more influential pieces drawing on the absence of conflict for this argument is Amitav Acharya, 'The Association of Southeast Asian Nations: 'Security Community' or 'Defence Community'?', *Pacific Affairs* 64:2 (Summer 1991), pp.159-178. For a different view, see N. Ganesan, 'Rethinking ASEAN as a Security Community in Southeast Asia,' *Asian Affairs: An American Review* 21:4 (Winter 1995), pp.210-226.

common codes of conduct and transparency in weapon acquisitions and defense doctrines may also be cited in support of the argument.<sup>20</sup> Finally, analysts sometimes point to the absence of inter-state conflict following the resolution of the Cambodian situation as evidence of the existence of a security community.

Despite these observations, it may be argued that ASEAN does not yet constitute a security community, although it is perhaps moving in a that direction. The simple reason is that when Karl Deutsch identified the prerequisites of a security community, the absence of inter-state threat perceptions was one of the most important criteria. The absence of conflict is meant to derive from such a fundamental condition, as is the case with the United States and Canada. It is clear that ASEAN is far from meeting this important prerequisite. In fact, the structural changes associated with the end of the Cold War have raised rather than lowered intramural threat perceptions.

Threat perceptions and defense doctrines of ASEAN member states typically do not preclude geographically proximate states as basic sources of threat on a wide range of conventional and non-conventional issues. Rather, a careful examination of the situation will prove that defense doctrines and weapon acquisitions of many ASEAN states are premised exactly on such conceptions of threat. The absence of the previously ideologically defined threat perceptions and the introversion in policy output of member states since the Asian financial crisis of 1997 have led to competitive rather than complementary perceptions of threat.<sup>21</sup> Domestic political contestation and regime change in many of the ASEAN countries have also led to a process of readjustment between states. In this regard, it is interesting to note that much of ASEAN's ideological convergence derived from external forces and structures.

The constructivist school has been the most articulate proponent of describing ASEAN as a security community, drawing on the evolution of norms and elite pronouncements regarding cooperative tendencies.<sup>22</sup> Whereas

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<sup>20</sup> See Michael Leifer, *The ASEAN Regional Forum*, Adelphi Paper 302 (Oxford: Oxford University Press, 1996).

<sup>21</sup> N. Ganesan, 'Domestic and Regional Responses to the Asian Financial Crisis in Southeast Asia,' in Purnendra Jain et al., eds., *Crisis and Conflict in Asia: Local, Regional and International Responses* (New York: Nova Scientific, 2002), pp. 91-106.

<sup>22</sup> Amitav Acharya, *The Quest for Identity: International Relations of Southeast Asia* (Singapore: Oxford University Press, 2000). Also see Sorpong Peou, 'Realism and constructivism in Southeast Asian security studies today: a review essay,' *The Pacific Review* 15:1 (2002), pp.119-138.

such pronouncements and desires may be genuine, the national interests of member states continue to take precedence over regional designs. Additionally, the absence of inter-state conflict since the 1990s is a necessary but insufficient condition to characterize ASEAN as a security community. A causal relationship between the two variables cannot be clearly established and the high level of tension in the bilateral relationships of many ASEAN countries is hardly symptomatic of an absence of intramural threat perceptions.

### **ASEAN AS AN ECONOMIC COMMUNITY**

Among the four types of communities discussed thus far, ASEAN is perhaps weakest as an economic community. There are numerous reasons for this assertion.<sup>23</sup> First, development levels between many of the countries are uneven, leading to different requirements to cope with economic development. Second, many ASEAN countries produce similar primary commodities such as rubber, palm oil, cocoa, and timber for export. This convergence extends into the manufacturing sector as well. Third, the products of most ASEAN member states are destined for similar markets in Europe, North America, and Japan. Fourth, some member states have either expressed an interest in protecting domestic infant industries (Indonesia and Malaysia, for example), or have protectionist tendencies (the Philippines). Fifth, tariffs are an important source of revenue for many of the ASEAN member states and reducing them significantly will reduce state revenues, with all the attendant repercussions.

Western-style trade liberalization is being viewed suspiciously since the onset of the Asian financial crisis. Economic nationalism in Indonesia, Malaysia, and Thailand has been instrumental in obtaining regime legitimacy recently and there is widespread suspicion that trade and investment liberalization is meant to fulfill a Western-inspired agenda that depletes the savings and resources of regional states.<sup>24</sup> Accordingly, there is now far greater

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<sup>23</sup> See Harold Crouch, *Domestic Political Structures and Regional Economic Cooperation* (Singapore: Institute of Southeast Asian Studies, 1984) and Hans Indorf, *Impediments to Regionalism in Southeast Asia* (Singapore: Institute of Southeast Asian Studies, 1984).

<sup>24</sup> Structural reforms associated with loan disbursements from the international financial community, especially the removal of food subsidies was one of the major factors leading to the collapse of the Suharto government in Indonesia. In Malaysia, elite differences between Prime Minister Mahathir and his Deputy, Anwar Ibrahim, centered among other things, on appropriate policy responses to the Crisis. Similarly, the incumbent *Thai Rak Thai* government of Prime Minister Thaksin Shinawatra campaigned on a platform of economic nationalism against Chuan Leekpai's Democratic Party in 2001.

reluctance on the part of ASEAN states to enthusiastically endorse trade and investment liberalization. Attendance to national economic reconstruction has also meant less effort expended for regional economic integration. The clearest evidence of this trend is the way AFTA has stalled, despite the optimistic pronouncements at annual meetings. In fact, it is as a result of the frustrations associated with the slow implementation of APEC initiatives and AFTA that Singapore has negotiated its own bilateral Free Trade Arrangements (FTAs) since 2000.

ASEAN does, however, provide an important lobbying platform for the economic interests of individual member states. Similarly, it is an important platform to coordinate trade and tourism-related 'road-shows' to the West. Nonetheless, even such activities exist alongside the independent initiatives of member states. Unlike the case of the EU, AFTA does not provide for sanctions against non-compliance to norms within specified time frames. Even if sanctions are agreed upon, they will not be enforceable, leading merely to a greater deterioration of the situation. It is in light of such realities that the present momentum towards an economic recalibration of the region is simple accepted as *fait accompli*.

## CONCLUSION

ASEAN has clearly evolved from the time of its formation in 1967 to become a coherent regional organization that encompasses the entire region of Southeast Asia. The frequent meetings between the member states and common position on a number of issues have led to significant levels of familiarity and accommodation. This organizational culture or cultural community has had its norms entrenched. Incumbent governments of member states have also evolved a policy of allowing this culture to percolate downwards to new elite. This organizational culture has in turn allowed ASEAN to act in concert in the international arena and the association maintains its coherence in larger fora like APEC. This diplomatic community that is in turn interactive with the cultural community is generally recognized as a bloc and treated as such, both by individual dialogue partners and international institutions.

However, ASEAN is neither a security nor an economic community. It is not a security community because it does not fulfill the fundamental Deutschian criterion of the absence of intramural threat perceptions that undergirds the absence of interstate conflict. Bilateral tensions between member states on a wide variety of traditional and non-traditional sources of threat preclude ASEAN from obtaining this fundamental precondition. The

absence of intra-state conflict since the 1990s is a necessary but insufficient condition to conclude that ASEAN is a security community. Similarly, ASEAN is also not an economic community. The economic agenda of member states is essentially nationally rather than regionally driven. ASEAN states exhibit a certain level of economic nationalism and in the aftermath of the Asian financial crisis of 1997, have also become suspicious of Western pressures for trade and investment liberalization. In fact, a number of recent governments in ASEAN have capitalized on economic nationalism to bolster regime legitimacy.

The four conceptions of community or domains addressed in this chapter are interactive in a variety of ways. It was earlier noted that the existence of an internal cultural community facilitated the evolution of a diplomatic community, in terms of interest aggregation and representation at the internal level. This diplomatic community, despite being weakened by the absence of Indonesian leadership, continues to make possible the benefits that accrue to member states on the basis of bargaining as part of a larger and more established platform. Both these conceptions of community have the potential to generate sufficient spill-over effects for ASEAN to become a security community. Such conditions are, however, absent at the present time. The evidence thus far also indicates that national economic priorities of member states are sufficiently discrete and entrenched to preclude the formation of an economic community in the near future.

The conditions that determine ASEAN's evolution as a community, in all its various manifestations, are a function of both internal and external pulls and pushes. Internally, political will and perceptions are major determinants of progress and externally, ironically, powerful perceptions of threat have made ASEAN cohere better. External pressures come in the form of specific issues like terrorism or attractive extra-regional groupings like APEC. For an external pressure to be effective in weakening ASEAN cohesion, it must be sufficiently appealing to meaningfully accommodate the national interest of a member state. ASEAN's progress is therefore a dialectical condition contingent on centrifugal and centripetal forces from within and without.