

[case studies]

Regional conflict and cooperation: The Case of Southeast Asia

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[Regional conflict and cooperation: The Case of Southeast Asia \(Full Text, PDF, 33 pages, 56 kbs\)](#)

Part I: Introduction: Why Study Regional Conflict and Cooperation?

The study of regional conflict and cooperation is gaining increasing attention in the field of international relations. Two features of global politics have heightened this interest: the end of the Cold War and internationalization. For most of the Cold War era the analysis of regional relations was often dominated by the logic of superpower competition. The policies of regional states and the resulting regional outcomes — conflict or cooperation — were frequently traced to this inclusive logic. Regions were regarded as simple subsets of the global chess board. The independent effects of regional forces and domestic political dynamics were often ignored. The end of the Cold War seemed to infuse regions with a life of their own. Scholars and practitioners turned their attention to region-specific dimensions of regional relations. The study of conflict and cooperation went regional.

The emerging interest in internationalization also drew increased attention to the fate of regions.[1] Of particular concern was whether or not these two trends — movement towards a single global order or multiple, distinctive regional orders — are contradictory or compatible. The study of regionalism began thriving despite difficulties in defining the phenomenon itself.[2] The term was often used to denote a drift towards free-trade-areas and away from global integration. Some feared that the presumed emergence of three major trading blocs in East Asia, the Americas, and Europe heightened the potential for trade wars and conflict across regions. Regional arrangements were viewed by some as barriers (and as stepping-stones by others) on the path to a global economy and multilateral institutions.[3] Beyond this concern with the emerging nature of *inter*-regional relations, many wondered what internationalization might portend for domestic conditions in different regions and for *intra*-regional conflict and cooperation.

This case study examines Southeast Asian states' transition from conflict to cooperation during and after the Cold War. Our objective is to dissect this particular case in order to understand in more general terms the conditions that can turn a regional order around, in either a cooperative or conflictive direction. The case is important because of the dramatic economic rise of Southeast Asia in the midst of national, ethnic, religious, and linguistic heterogeneity, the wide diversity in power attributes and socio-economic development, the severe economic and political crisis that afflicted the region in the late 1990s, and the remaining unresolved disputes within the region.

The case draws special attention to the impact of both internationalization and domestic politics on the way these states managed their regional relations. These two forces — internationalization and domestic politics — seemingly operate from above and below the level of the region, respectively. Yet they are strongly related. Southeast Asian leaders chose to integrate their countries into the global economy at a time when most other industrializing states resisted it. The strategy of export-led industrialization was expected to improve living standards, providing leaders with a means to enhance political control at home. Accordingly, their domestic political economies had to be adjusted to facilitate accelerated economic growth. Preventing extensive military investments was one important requirement for avoiding governmental and payments deficits, high interest rates, inflation, and other such effects detrimental to growth and foreign investment. A related prerequisite was **stability** — domestic and regional, political and economic — that would provide a secure environment for such investments.[4] Regional cooperation can thus be interpreted as a natural choice when seeking to enhance stability and investments, and to prevent a harmful arms race.

These objectives did not necessarily require either regional economic integration or the creation of supranational regional institutions. Accordingly, a less formal cooperative regional framework emerged in the form of ASEAN (Association of Southeast Asian Nations). The European Union experience is therefore of limited use in

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Map of Spratly Islands

Lee Kuan Yew on the Melt-down in East Asia



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(RealVideo)



Map of Southeast Asia



Flag of ASEAN



Definition of SEATO

All Resources

understanding Southeast Asia, and perhaps many other regions. Regional cooperation can come about even where there is limited economic integration or institutionalization. In turn, conflict is possible in the presence of either, as the Balkans and Arab Middle East respectively suggest. Finally, ASEAN's regional cooperation was not defined as an alternative to internationalization. Rather, it reflected a commitment to "open regionalism," where the domestic political and economic circumstances that lead to more cooperative regional orders also tend to reinforce further global integration.

Will these arrangements be sustained, particularly in the aftermath of the 1997 Asian economic and political crisis? What are the conditions that might explain the past and envisage the future of ASEAN cooperation? And what can we learn from this experience about how to study regional conflict and cooperation in other parts of the world?

Part II: Overview of Events

IIa. Southeast Asia: From Regional Conflict to Cooperation

Southeast Asia includes a highly heterogeneous set of countries with very diverse ethnic populations (Chinese, Indian, Malay, Thai, and hundreds of others), religious affiliations (Buddhism, Islam, Hinduism, Confucianism, Christianity), enormous linguistic diversity, and lingering territorial disputes. Indonesia alone encompasses over 500 ethnic groups, but nearly every state in the region comprises a number of ethnic and religious minorities. In the early 1960s president Sukarno engaged Indonesia in a military *konfrontasi* against Malaysia. Malaysia itself expelled Singapore from the Federation of Malaysia in 1965. Furthermore, Southeast Asia was enmeshed in ideological internal and interstate wars, largely related to the Cold War. Indeed, Southeast Asia was then characterized as "the Balkans of the East." Bilateral territorial disputes developed between Malaysia and the Philippines over Sabah, Malaysia and Brunei over the Limbag territory in Sarawak, Malaysia and Singapore over the island of Pedra Branca, Malaysia and Thailand over border-crossing rights, Malaysia and Indonesia over the islands of Sipadan, Sebati, and Litigan, Indonesia and Vietnam over the boundary near Natuna Island, and others.[5]

In 1967 Thailand, Singapore, Indonesia, Malaysia, and the Philippines signed the ASEAN Declaration (Bangkok Declaration), at the time little more than just that — a declaration.[6] In 1971 their foreign ministers signed a Zone of Peace, Freedom and Neutrality Declaration (ZOPFAN) that would develop their collective strength and solidarity, and would free the region "from any form or manner of interference by outside powers." In 1976 the ASEAN states convened their first summit meeting of heads of state in Bali and adopted two key documents. First, the Declaration of ASEAN Concord emphasized exclusive reliance on peaceful processes in the settlement of intra-regional differences and reaffirmed ZOPFAN. Second, the Treaty of Amity and Cooperation in Southeast Asia defined its purpose as promoting "perpetual peace, everlasting amity, and cooperation" among the member states. It also established three key principles to guide ASEAN members: respect for state sovereignty, non-intervention, and renunciation of the threat or use of force in resolving disputes. In time Brunei, Vietnam, Laos, Myanmar, and Cambodia joined into what has now become the ASEAN-10. Southeast Asia had evolved from a cauldron of war into a cooperating region, avoiding armed conflict for nearly three decades now. How did that happen?[7]

In the early years, ASEAN members were concerned with Vietnam's alliance with the Soviet Union, its invasion of Cambodia in 1979, and what they regarded as its aggressive strategy in the region, including attacks on Thai territory. At a meeting in Bali in 1979, ASEAN states established what then appeared merely as a tactical alliance against Vietnam. However, they went on to develop new commitments that endured well beyond this threat. Indeed, as early as 1982, Singapore's foreign minister described intra-ASEAN disputes as irrelevant or considerably muted. [8] Several informal mechanisms were finessed — known as the "ASEAN way" — emphasizing consultation (*musjawarah*), consensual decision-making (*mufakat*), accommodation among members, informal diplomacy, reciprocity, and confidence-building mechanisms.[9]

By the 1990s Vietnam's incipient transition to a market economy facilitated its eventual accession to ASEAN. ASEAN played an important role in the global effort to stabilize Cambodia, and formally expanded by progressively including Vietnam, Laos, Myanmar, and eventually Cambodia itself. It also extended its influence informally, by projecting its goals and style onto new regional institutions, such as the ASEAN Regional Forum (ARF). Created in 1994 to host dialogues on security issues affecting the broader Asia-Pacific region, the ARF grew to 22 members, including the ASEAN countries, South Korea, China, India, Japan, Papua New Guinea, Russia, Australia, New Zealand, Canada, the European Union, the U.S., and most recently, North Korea. Most

Southeast Asian states also developed strong bilateral cooperative relations with the United States, which most states regard as a pillar of their economic well-being, security, and stability. In 1997 the Southeast Asia Nuclear Weapon-Free Zone Treaty (Treaty of Bangkok) entered into force, committing signatories not to acquire nuclear weapons and restricting nuclear weapon states from outside the region from using or threatening to use nuclear arms anywhere within the zone.

These developments were not the natural product of complete harmony — far from it. ASEAN members faced difficult disagreements on a range of issues. Bilateral territorial disputes remained unresolved. Furthermore, in the late 1980s and early 1990s the potentially oil-rich Spratly Islands became a major focus of disagreement among Vietnam, Brunei, Malaysia, Indonesia and the Philippines, and between them and the People's Republic of China (PRC). [See Spratly Islands map]. The PRC's navy constructed observation stations in the islands in 1987. In 1992, the People's National Congress declared the Spratlys a vital part of China. The PRC's naval forces occupied Da Ba Dau, landed troops and planted markers in Dac Lac Reef, fixed oil drilling platforms in disputed areas of the Tonkin Gulf, signed an agreement with a U.S. company to search for oil and gas in the Spratlys, and impounded Vietnamese ships departing from Hong Kong. Despite strong concerns raised by these actions, ASEAN states approved a Declaration on the South China Sea at their 1992 annual meeting, urging all parties with claims to the disputed islands to renounce the use of force and to settle the disputes amicably.[10]

Yet the dispute over the Spratlys continued. In 1995 the PRC seized Mischief Reef, unleashing sharp criticism from virtually every ASEAN member, protesting China's unilateral actions and its perceived territorial ambitions in the South China Sea. At the same time, they continued to encourage the PRC's participation in two wider Asia-Pacific institutions, the Asia-Pacific Economic Cooperation (APEC) and the ASEAN Regional Forum (ARF), with the expectation that these multilateral institutions would have a restraining effect on the PRC's policies.[11] Malaysia, Singapore, and Indonesia, in particular, expanded their trade with the PRC. Yet another round of tension surfaced in 1999, when a Philippine ship chased Chinese fishing boats in the Spratlys, China fired at a Philippine surveillance aircraft, the Philippines protested Malaysian construction on the Kalayaan Islands, and Vietnam fired on a Philippine reconnaissance plane.[12] At the 1999 ASEAN summit meeting the Philippines put forward a draft "code of conduct" proposal calling for a stop to "any new occupation of reefs, shoals and islets in the disputed area to ensure peace and stability in the region." [13] China rejected the proposal at the time but agreed to hold further discussions on the draft at another time, continuing to favor bilateral negotiations over a multilateral approach, but progressively resisting the latter less forcefully than in the past.

In the economic arena, Southeast Asian states did not initially pursue economic integration but sought continued access to the global economy and *concerted* unilateral economic liberalization. Indeed, intra-ASEAN trade by the early 1990s accounted for no more than 18 percent of ASEAN's total trade, and intra-ASEAN investment accounted for less than 10 percent of the total. If one were to exclude Singapore, both levels would be dramatically reduced. Not until 1993 was an ASEAN Free Trade Area (AFTA) negotiated, designed to free trade in manufactured and processed goods by 2003.[14] AFTA was designed to create a regional market as a building block for a global trading system and to attract foreign investment to the region.[15] This approach is often characterized as "open regionalism," designed to boost regional economic exchanges while not discriminating against extra-regional partners or violating the provisions of the World Trade Organization.

In sum, ASEAN as an institution can be characterized by three main traits: *market-friendly*, *sovereignty-sensitive*, and *consensus-oriented*. ASEAN is not yet a customs union, let alone a common market. It is weakly institutionalized in formal terms, and is not a supranational entity with the power to intrude into sovereign decisions of its member states. It has not relied on formal dispute-resolution mechanisms and cannot be considered a collective security arrangement or a security community.[16] Yet ASEAN members have deepened their cooperation on security issues, successfully defused internal disputes, avoided significant armed conflict, cooperated in maintaining stability and attracting foreign investment, and managed an effective diplomacy on regional matters.[17] How can this record be explained in the midst of such ethnic, cultural, religious, and political diversity? What was ASEAN's purpose in the minds of Southeast Asian leaders?

IIb. The Impact of Internationalization and Domestic Politics

From the late 1960s onwards, but more so in the early 1970s, domestic ruling coalitions in Southeast Asian states began forging a new model of political control in an effort to stem external and internal communist advances in the region. The strategy of export-led industrialization was designed to enhance economic growth and improve living standards. The very first purpose listed in the 1967 ASEAN Declaration was "to accelerate the economic growth, social progress and cultural development in the region." Political leaders thus began privileging domestic political stability and global access, introducing a new model of political economy sensitive to synergies across the domestic, regional, and international spheres. A cooperative, peaceful regional framework was better

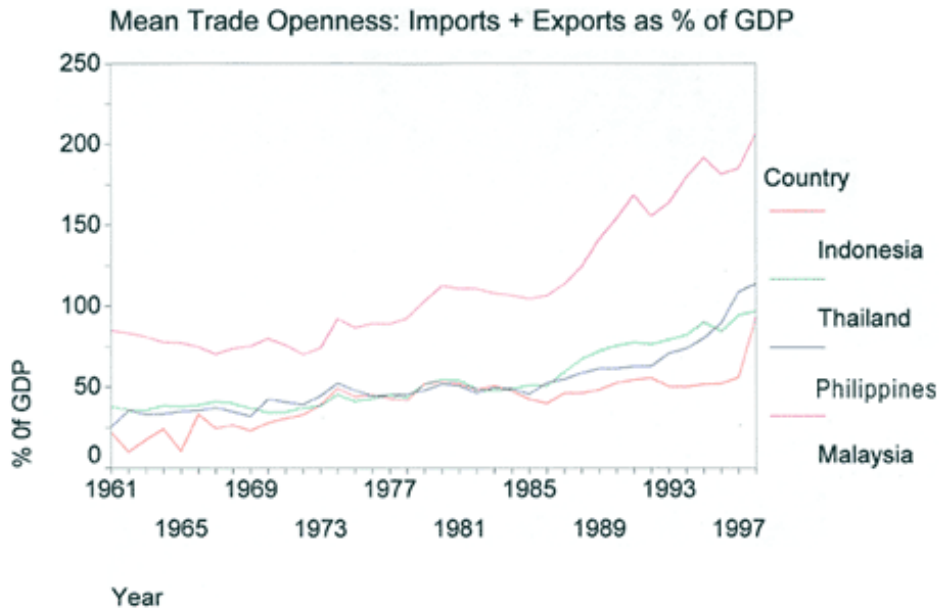
suited to ensure those objectives than a competitive regional structure.[18] As clearly stipulated in Article 1 of the Concord Declaration: "The stability of each member state and of the ASEAN region is an essential contribution to international peace and security. Each member state resolves to eliminate threats posed by subversion to its stability, thus strengthening national and ASEAN resilience."[19]

Some ASEAN members faced armed insurgencies (Philippines, Thailand, Indonesia), and their regional cooperation operated with attention to both stemming domestic challenges and enhancing their collective appeal to foreign investors. Summarizing the links between global trade strategy and regional imperatives, Lee Kuan Yew, Singapore's president, proclaimed: "The most enduring lesson of history is that ambitious growing countries can expand either by grabbing territory, people and resources, or by trading with other countries. The alternative to free trade is not just poverty, it is war."[20] Kishore Mahbubani, Permanent Secretary for Policy of Singapore's Ministry of Foreign Affairs, described how ASEAN ruling coalitions closely watched their ranking in the World Economic Forum's competitiveness tables, and how they understood that "those engaged in civil war and conflict" could not compete well internationally. Quite explicitly, Mahbubani suggested that "the most foolish thing that any East Asian society could do is to engage in traditional military rivalries."[21]

The growing importance of international trade to Southeast Asian political economies can be gauged from a brief overview of these states' increasing trade openness. This frequently-used indicator represents the sum of imports plus exports as a percentage of gross domestic product (GDP) in a given country.[22] As trade openness rises, a country is said to be more integrated into the global economy. For the original ASEAN members as a group, trade openness rose from about 80 percent in 1971 to 140 percent by 1980 (see Fig.1 below).[23] Following a decline in the early 1980s, openness returned to 140 percent by the end of the 1980s and 160 percent by 1990. For comparative purposes, this represented about three times the level of trade openness of the average Middle East state. Singapore drives the ASEAN average upward, but disaggregated figures (see Fig.2) sustain the basic point. Singapore's trade openness doubled between 1971 and 1980, to nearly 425 percent, declining slightly by the early 1990s. Indonesia's trade openness declined from 21 percent to 18 percent under Sukarno, who favored inward-looking economic policies and confrontational approaches to the region in the early 1960s. Immediately after Suharto's succession of Sukarno, the ensuing change in policies led to a jump in trade openness from as low as 10 percent in 1964 to about 33 percent in 1966. By the late 1970s it had climbed to over 50 percent of GDP, where it stayed until the 1990s. Thailand's openness rose sharply in the late 1970s, from 40 to over 55 percent, and to over 80 percent by 1990 and 93 percent average between 1995 and 1998. In the Philippines it rose significantly from 45 percent in 1966 to nearly 70 percent by 1992 averaging 90 percent in the mid-1990s, and in Malaysia from about 100 to 150 percent throughout the 1980s, averaging 180 percent in the mid-1990s.

[Figure. 1]

Fig. 1: **ASEAN** States [Indonesia, Thailand, Philippines, Malaysia]



Source: U.N. Statistical Yearbook 1999, Penn World Tables 1996

[Figure. 2]

Fig. 2: **Singapore**



Source: Penn World Table, 1996

Another indicator, exports as a percentage of GDP, also reveals Southeast Asia's growing integration into the

global economy.[24] Suharto doubled Indonesia's exports from less than 19 percent of GDP in the early 1960s to 39 percent in 1973, stabilizing around 23 percent of GDP in the 1980s and 1990s. Under Prime Minister Mahathir bin Mohamad, Malaysia's exports rose from 55 percent of GDP to over 77 percent in the 1980s, averaging over 85 percent in the 1990s. Singapore's already high exports ratios of 115 percent (late 1960s) rose to over 200 (1990s). Thailand's export ratios grew from 18 percent average in the late 1970s to about 38 percent of GDP in the 1990s. Export ratios for the Phillipines grew from 17 percent average in the 1970s to over 40 percent in the 1990s.

Foreign investment was a cornerstone of the export-promotion drive. Domestic changes and growing regional cooperation and stability in Southeast Asia contributed to attract rising levels of foreign investment. Foreign direct investment into Southeast Asia rose slowly in the 1970s but sharply in the late 1980s and early 1990s (see Fig.3). Investments in Singapore averaged \$1.7 billion a year in the 1970s-1980s, and doubled from \$5.5 billion in 1990 to \$9.4 billion in 1996. They grew tenfold in Indonesia between 1970 and 1989, rising dramatically to \$4 billion average in the mid-1990s. Malaysia's averaged \$500 million in the late 1970s, rising to \$4.5 billion in the early and mid-1990s.[25] In the Phillipines FDI grew sharply in the late 1980s, doubling again by the mid-1990s.

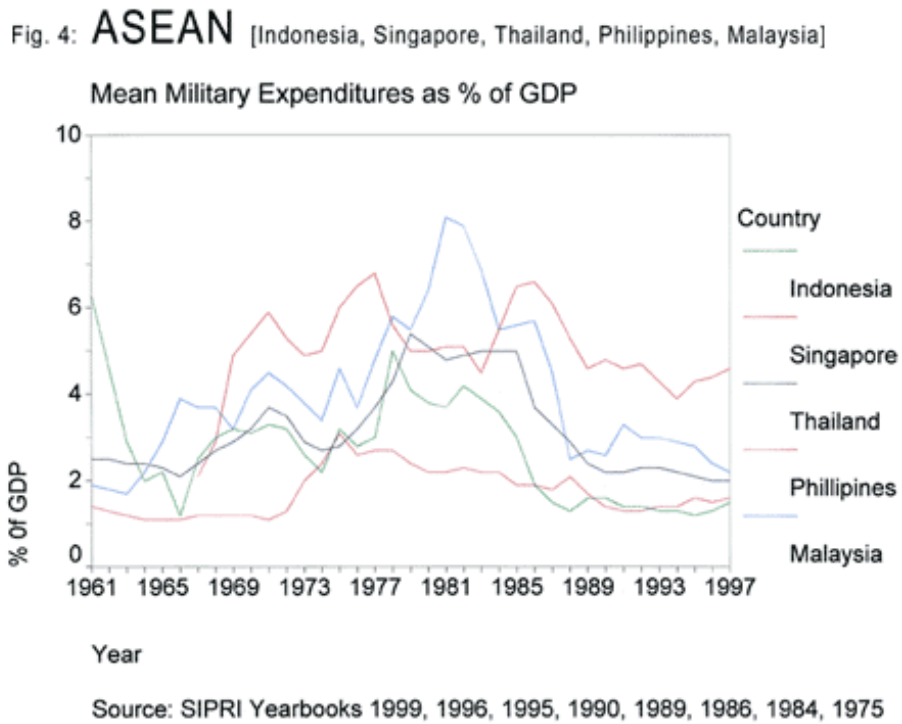
[Figure. 3]



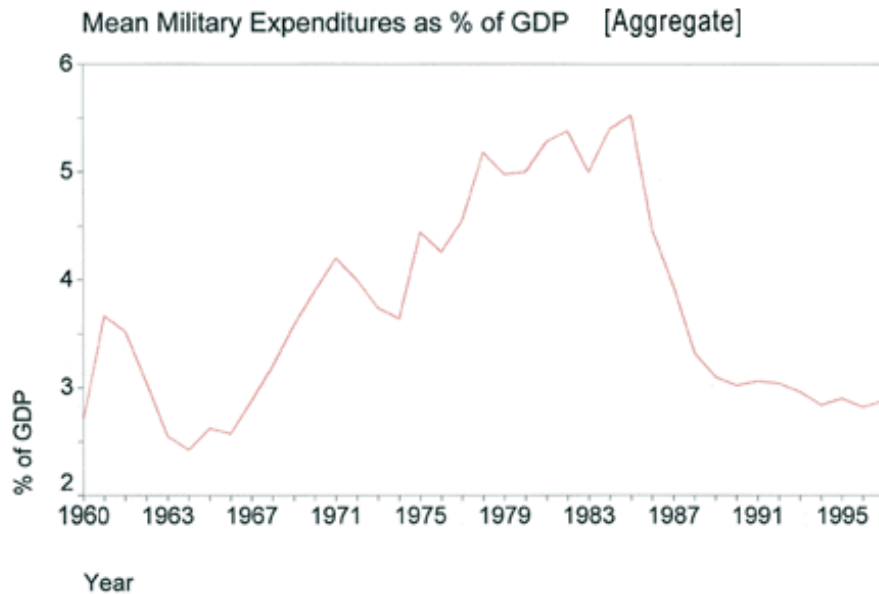
Rapidly-growing economies placed increased resources in the hands of Southeast Asian leaders, which might have tempted them to pursue competitive military superiority. Yet introducing dramatically higher levels of offensive military capabilities also carried the danger of disrupting regional cooperation and stability. The conditions leading to economic growth and increased investment could have been impaired. Thus, despite some modernization efforts, the pattern of military expenditures of ASEAN members was rather moderate when one considers the rising level of resources available for military spending. In other words, growth in military expenditures remained far behind growth in GDP. ASEAN's mean military expenditures as a percentage of GDP, as a group, reached slightly above 5 percent at their height in the late 1970s-early 1980s, but declined quite dramatically thereafter to 2.8 percent of GDP in 1990 (see Figs. 4 and 5).[26] For comparative purposes, the military expenditures of ASEAN members were lower than the average for industrializing regions and about one-fourth to one-fifth that of Middle Eastern states. Furthermore, they progressively declined in almost every case. In Indonesia, military expenditures plummeted from a high of 5.4 percent of GDP in the early 1960s to 1.2 percent by the late 1980s and 2.2 in the 1990s. Between 1985 and 1994, Thailand's military expenditures were halved from 5 to 2.5 percent of GDP, Malaysia's declined from 5.6 to 3.9 percent, Singapore's and Brunei's from

6.7 to 4.8, and Vietnam's from 19.4 to 4.7 percent.

[Figure. 4]



[Figure. 5]

Fig. 5: **ASEAN** [Indonesia, Singapore, Thailand, Philippines, Malaysia]

Source: Sipri Yearbooks 1999, 1996, 1995, 1990, 1989, 1986, 1984, 1975

Another indicator of military effort is the level of military expenditures as a percentage of central government expenditures. Here as well there are clear signs of decline. Indonesia's military expenditures fell from 25 percent of its budget in the early 1960s — when Sukarno waged a conflict with his neighbors — to 7 percent on average in the late 1980s and early 1990s.[27] Suharto abandoned Sukarno's regional policy of *konfrontasi* and was, instead, an ardent proponent of ASEAN. Military expenditures declined in the Philippines from about 19 percent of the budget in the late 1970s to an average of 10 percent in the 1980s-1990s. Malaysia's declined somewhat as well, but Singapore's and Thailand's did not. This relatively restrained pattern of military expenditures was accompanied by efforts to increase transparency in military acquisitions.[28] Furthermore, in no case were weapons of mass destruction pursued, as was the case in other regions. In sum, despite absolute increases in military spending and lingering territorial and other disputes, there has been neither an arms race nor an offensive build-up threatening neighboring states.[29]

A big shock to the domestic, regional, and global conditions affecting Southeast Asian relations came in the wake of the financial crisis of 1997, the region's worst economic and political debacle in thirty years. The consequences of this crisis had the potential to wreak havoc on the social fabric, political stability, and overall developmental model described above. Indeed, ruling coalitions in several countries were replaced, and Indonesia has yet to recover from the domestic political turmoil unleashed by the ousting of President Suharto. At the same time, no dramatic reversals to the basic policy of integration in the global economy are yet evident in early 2001. Furthermore, regional cooperation has been sustained, despite increased economic uncertainties, socioeconomic turmoil, nationalist revivals, and ethnic and religious tensions unleashed by the crisis, and despite severe environmental threats (Indonesia's haze) and other bilateral frictions (particularly involving Singapore, Malaysia, and Indonesia).[30] Although only limited multilateral responses were fashioned, ASEAN states agreed on some mechanisms to ensure collective recovery, largely along the lines of ASEAN's informal, non-interventionist tradition. The ASEAN Manila Framework Agreement (1997) created an innovative "surveillance mechanism" to prevent potential crises through "peer pressure." The Vision 2020 plan (1997) reaffirmed the ASEAN members' strategies, calling for:

... a concert of Southeast Asian nations, outward-looking, living in peace, stability and prosperity, bonded together in partnership in dynamic development and in a community of caring societies... We reiterate our resolve to enhance ASEAN economic cooperation through economic development strategies, which are in line with the aspiration of our respective peoples, which put emphasis on sustainable and equitable growth, and enhance national as well as regional resilience.[31]

Following ASEAN's initiative, finance ministers from the ASEAN nations, South Korea, Japan and China, a group known as ASEAN+3 (APT), agreed in May 2000 to the "Chiang Mai Initiative" of a currency swap system designed to avert potential liquidity crises stemming from unexpected capital outflows.[32] In addition to these responses, ASEAN confronted dilemmas posed by the collapse of Suharto's regime and Indonesia's ensuing economic debacle, political transformation, ethnic violence, and separatist tendencies. ASEAN leaders remained supportive of Indonesia, emphasizing its territorial integrity and the need to restore stability to the region.

In summary, this section provided an understanding of the ASEAN states' evolution toward cooperation, but offers no guarantees about the future. Sharp discontinuities in the political-economic model identified above could change the nature of Southeast Asia's regional order, re-introducing old conflicts and creating new tensions. Old and new variants of ruling coalitions committed to internationalization have been able to overcome the challenges of the post-1997 turmoil in most ASEAN states thus far, albeit with varying measures of success. However, both domestic and international conditions could reverse this pattern. No linear, inevitable, or irrevocable progression towards internationalization or regional cooperation can be assumed.

Part III: Controversies and Theoretical Relevance

IIIa. Controversies: Explaining the Dynamics of Regional Orders

In Part II we examined the evolution of Southeast Asian cooperation from one particular angle, relating cooperation through ASEAN to the interrelated domestic and international, political and economic agendas of ruling coalitions. Other windows offer alternative interpretations of regional conflict and cooperation in this part of the world. Indeed, different interpretations fuel controversies over what conditions seem best-suited to explain this region's past evolution and potential future dynamics. A key controversy involves different understandings of ASEAN as an institution, its origins, essence, importance, and durability.

1. Power politics: ASEAN as "talking shop"

This view is skeptical of the role of ASEAN as an institution, relegating it to marginal status. Its extensive network of activities and dense calendar of summits and meetings is considered to amount to no more than a "talking shop." From this vantage point, sovereign Southeast Asian **states** pursuing their unilateral self-interest are the fundamental actors that steer ASEAN as an instrument to advance those interests, when they converge. The natures of their ruling coalitions (and the kind of domestic political-economy or regime type they represent) are considered irrelevant. This view is generally compatible with the understanding of ASEAN as the product of classical or neorealist security considerations, where regional balance of power and state survival are the pivotal categories. ASEAN as an institution is thus seen as a thin overlay on the *realpolitik*, [business as usual] behavior typical of all states in an anarchic world, lacking external guarantees of survival.[33] In particular, Southeast Asian states are perceived to have used ASEAN to signal against Vietnam's advances in Indochina after the U.S. withdrawal in 1975, as outlined earlier.[34] The most forceful responses against a perceived Vietnamese-Soviet expansionist drive, in some cases involving a rise in military expenditures, came unsurprisingly from Thailand, which was subject to a Vietnamese territorial intrusion, and Singapore.[35]

Clearly, such an interpretation of ASEAN suggests that Southeast Asia does not exhibit any particular feature that safeguards it from the probability of war in the future, for instance over the Spratly Islands. Indeed, despite the formal declarations cited above, ASEAN members are not considered to have completely ruled out the use of force through concrete sanctioning and enforcement mechanisms.[36] Furthermore, ASEAN's increased emphasis on naval capabilities in the early 1990s was interpreted as reflecting a concern with the PRC as a looming threat in the South China Sea.[37] At the same time, however, ASEAN states have not sought power-projection capabilities, their military expenditures relative to GDP have declined, and there has been no effort to balance against the PRC, as neorealist perspectives might suggest.[38] Rather, ASEAN has expanded economic cooperation with the PRC and worked to embed it in multilateral frameworks such as the ARF. Furthermore, ASEAN has discussed advancing transparency in military acquisitions through an arms register. Military investments seem closer to an insurance policy against generalized uncertainty than to an arms race or an offensive build-up against neighbors.[39]

A variant of this general approach to ASEAN places less emphasis on realist considerations but still finds ASEAN weak and deficient institutionally.[40] Quite frequently this characterization emerges from comparisons with the

European Union, with its far more formal, legally-binding, and supranational web of institutions.

2. The power of ASEAN values and identity

This view emphasizes a developing cultural identity among ASEAN members that can explain the increase in cooperation in recent decades. The Declaration of ASEAN Concord (1976), in its Article 8, established that: "Member states shall vigorously develop an awareness of regional identity and exert all efforts to create a strong ASEAN community, respected by all and respecting all nations on the basis of mutually advantageous relationships, and in accordance with the principles of self-determination, sovereign equality and non-interference in the internal affairs of nations." As part of this effort to forge an identity, member states were to commit to introducing the study of ASEAN, its member states, and their national languages as part of school curricula, and to support ASEAN scholars, writers, artists and mass media in fostering "a sense of regional identity and fellowship." In this view, ASEAN regionalism was the product of an elite-driven process geared to promoting identity-building and realizing an imagined community.[41]

ASEAN's development of a separate identity involved a culture of dialogue and consultation (*musjawarah*) and consensual decision-making (*mufakat*) relying on an informal style. The norms and principles written into the Treaty of Amity and Cooperation, such as rejecting the use of violence in resolving conflicts, were deemed successful in helping resolve ASEAN disputes without the need for legally binding mechanisms.[42] ASEAN fostered practices of reciprocity and developed confidence-building mechanisms. For instance, members conduct bilateral military exercises designed to deal with common internal and external enemies, exercises that promote greater trust and confidence. The annual meeting of foreign ministers, summits between head of states, and numerous working committees that gather to solve common functional problems in economics, security, and the environment, among others, have also contributed to greater accommodation and trust.

For students of ASEAN's culture and norms, regional cooperation must be understood in the context of these evolving institutional practices, routines, traditions, and developing identity. ASEAN's role in the creation of the ASEAN Regional Forum is often wielded as further evidence that ASEAN "matters" and that its style and procedures have now transcended the confines of Southeast Asia. Elements of ASEAN's *modus operandi* have been transferred to the ARF, including consensus-building, confidence-building, and informal efforts to enhance transparency and share information. In the 1990s the ARF members began publishing information about their defense policies and promoting high-level contacts and exchanges between military academies.[43] More recently the ASEAN+3 process has begun extending some intra-ASEAN economic understandings into a wider East Asian framework. Although some interpret these developments as evidence of an emerging regional identity, they can also be explained by approaches stressing national interests, defensive regionalism, or domestic coalitions.[44]

These are important debates about ASEAN's institutional characteristics. Another debate addresses the impact of regime type (democratic, undemocratic) on the nature of ASEAN's cooperation.[45] Was authoritarian coordination an important factor in the emergence of ASEAN? And if so, does the current mix of democratic and authoritarian systems alter that dynamics? Yet another controversy derives from the power politics perspective introduced earlier, and revolves around the extent to which hegemonic leadership (for instance, by Indonesia) has been important for ASEAN and whether it is still required for the institution's viability. Further research can help illuminate some of the merits of each argument but controversy over ASEAN's origins and nature is like to remain entangled in broader theoretical debates in international relations theory.

IIIb. Theoretical Relevance

At the most general level, the case of Southeast Asia raises a number of hypotheses that might be advanced to explain conflict and cooperation in different regions. The requirements of internationalization, the existence of shared values, the nature of domestic coalitions, the presence or absence of democracy, and the fear of common threats are some of the leading candidate explanations that can be applied to explain most regional arrangements. The world's different regions exhibit varying, contrasting, and changing levels of conflict and cooperation, perennially offering an arena to test various explanations.

Different conceptual approaches, and the experience of ASEAN itself, give rise to additional questions, dilemmas, and puzzles about regional conflict and cooperation. Why has armed conflict all but disappeared in Southeast Asia in recent decades, but not in the Middle East? Can future conflict in Southeast Asia be discounted? Does internationalization have similar effects on most regions? Are regional institutions required to sustain regional

cooperation? And if so, what kinds of institutions are best suited for the task? Are democratic political systems required for regional cooperation to come about? Who constructs a regional identity and why? If ASEAN values are at the heart of Southeast Asian cooperation, why have comparable ones not yielded cooperation elsewhere?

Endnotes

Note *: I would like to acknowledge the University of California's Pacific Rim Program, Randall Gibbs for data collection and graphs, and Paul Evans, Peggy Karns, Shel Simon, and Nick Thomas for their helpful comments on an earlier draft.

Note 1: Internationalization involves the expansion of global markets, institutions, and norms, a process progressively reducing the purely domestic aspects of politics everywhere (Solingen, "Mapping Internationalization"). Earlier studies of regions include Russett, "*International Regions*;" Nye, "*Peace in Parts*;" and Thompson, "*The Regional Subsystem*." [Back](#)

Note 2: See, for instance, Hurrell, "Regionalism;" and Lake and Morgan, "Regional Orders." [Back](#)

Note 3: On the synergies between regionalism and a global political-economy, see Rosecrance, "Regionalism and the post-Cold War Era"; Ohmae, "Rise of the Region State"; and Gamble and Payne, "*Regionalism and World Order*." [Back](#)

Note 4: For a more elaborate argument on the connections between the global political economy, domestic coalitions, and regional behavior, see Solingen, "*Regional Orders at Century's Dawn*." [Back](#)

Note 5: See Ball, "Arms and Affluence"; and Simon, "*The ASEAN States and Regional Security*." [Back](#)

Note 6: All ASEAN's basic documents and Summit declarations can be found in <http://www.asean.or.id> [Back](#)

Note 7: For a more comprehensive overview of ASEAN's evolution prior to the 1997 crisis and in its immediate aftermath, see Solingen, "*ASEAN, Quo Vadis?*" [Back](#)

Note 8: Acharya, "Association of Southeast Asian Nations," 173. For a survey of outstanding bilateral conflicts in Southeast Asia, see N. Ganesan, "*Bilateral tensions in post-cold war ASEAN*." Singapore, Regional Strategic and Political Studies Programme, Institute of Southeast Asian Studies, 1999 [Back](#)

Note 9: Khong, "ASEAN and the Security Complex," 330-3. *Musjawarah* and *mufakat* are traced to Javanese village culture. For a comprehensive overview of the security lexicon used in the Asia Pacific region, see Capie et al., "*Speaking Asia Pacific Security*." [Back](#)

Note 10: For the text of the Declaration, see <http://www.aseansec.org/menu.asp?action=3&content=2>. See also Leifer, "ASEAN Regional Forum," 18, and Gallagher, "China's Illusory Threat," 185. [Back](#)

Note 11: For evidence supporting the logic of the ARF's potential impact on China, see Johnston, "Myth of the ASEAN Way?" [Back](#)

Note 12: "Asia's Bully Up To Mischief Again" *Bangkok Post* 27 November 1999 (FBIS-EAS-1999-1126). "Siazon Confirms SRV Shot Philippine Plane Over Spratlys," *AFP* 28 October 1999 (FBIS-EAS-1999-1028); "Vietnam Refuses Direct Comment on Spratlys Shooting," *AFP* 28 October 1999 (FBIS-EAS-1999-1028). [Back](#)

Note 13: Kavi Chongtitavorn, "Asean-China Ties Face New Challenge," *The Nation* 1 April 1999 (FBIS-EAS-1999-040.1). [Back](#)

Note 14: For further documents on AFTA, see the Agreement on the Common Effective Preferential Tariff Scheme for the ASEAN Free Trade Area <http://www.asean.or.id>. See also Chia, "Deepening and Widening of ASEAN," and Garnaut, "*Open Regionalism*." [Back](#)

Note 15: Soesastro, "ASEAN During the Crisis," argues that AFTA is less important in promoting intra-ASEAN trade and far more important as a symbolic regional commitment to promote members' unilateral liberalization in the context of open regionalism. [Back](#)

Note 16: See Kahler, "Institution-Building in the Pacific." [Back](#)

Note 17: Shirk, "Asia-Pacific Regional Security," Richardson, "Asia-Pacific: Geopolitical Optimism." [Back](#)

Note 18: On the importance of a supportive regional cooperative environment for the phenomenal growth of ASEAN states, see Thambipillai, "ASEAN Growth Areas." On the communist threat as providing an impulse to economic growth strategies, see Thambipillai, "Continuity and Change in ASEAN," 107-8. [Back](#)

Note 19: On the synergy between national and regional resilience, see Leifer, "ASEAN Regional Forum," Emmerson, and Fortuna Anwar, "Indonesia: Domestic Priorities." [Back](#)

Note 20: "Survey: Asia. A Billion Consumers," *The Economist*, 30 October 1993. [Back](#)

Note 21: Mahbubani, "The Pacific Impulse," 108; and Mahbubani, "An Asia-Pacific Consensus," 157. [Back](#)

Note 22: Gross domestic product includes a country's total output of goods and services produced at home. For difficulties in the measurement and interpretation of trade openness, see Solingen, "Mapping Internationalization." [Back](#)

Note 23: This section builds on data from Heston and Summers's *World Tables* reflected in Figs. 1 and 2 as well as data from the *World Development Indicators* (1998:310) and *World Development Reports* (1991 through 1997). On the growing importance of trade for ASEAN states, see also Bobrow, et al., "Southeast Asian Prospects," 13. [Back](#)

Note 24: All data on exports is from *World Tables* supplemented for 1992-1996 by *World Development Report* (1991-1997) and *World Development Indicators* (1998:188-9). [Back](#)

Note 25: The data from *World Tables* reflected in Fig.3 is supplemented for 1992-1996 by data from the *World Development Report* (1991-1997) and *World Development Indicators* (1998:334). [Back](#)

Note 26: Data on military expenditures reflected in Figs. 4 and 5 from SIPRI Yearbooks is supplemented by data from the *IISS's The Military Balance*, 1995/96:266-267 and 1997/98:295. [Back](#)

Note 27: Data for Milex/CGE from U.S. Arms Control and Disarmament Agency, *World Military Expenditures* (1976, 1982, 1990, 1996) [Back](#)

Note 28: Gill and Mak, *Arms, Transparency, and Security*. [Back](#)

Note 29: Ball, "Arms and Affluence"; Dewitt and Bow, "Proliferation Management," Huxley and Willett, "Arming East Asia." [Back](#)

Note 30: Relations between Malaysia and Singapore deteriorated further when Malaysia's Prime Minister Mahathir curbed *ringgit* trading abroad, including Singapore's US\$10 billion. On the challenges facing ASEAN in the post-1997 era, see Henderson, "Reassessing ASEAN." [Back](#)

Note 31: See www.aseasec.org/summit/vision97/htm. [Back](#)

Note 32: "Asian Nations Agree on Currency Protection Swap", *The Korea Times* 8 May 00: 1, FBIS-EAS-2000-0508. [Back](#)

Note 33: On neorealism as a school of thought in international relations, see Waltz, "Theory of International Politics." [Back](#)

Note 34: See Nguyen and Solingen, "Explaining ASEAN." [Back](#)

Note 35: Tim Huxley argues that there is considerable evidence suggesting that part of Singapore's increased defense spending during the eighties was directed at Malaysia rather than at Vietnam and the Soviet Union. See Huxley, "Singapore and Malaysia." [Back](#)

Note 36: See Leifer, "The ASEAN Regional Forum." [Back](#)

Note 37: Ball, "Arms and Affluence," 80; Chalmers, "Openness and Security Policy", 82. [Back](#)

Note 38: On ASEAN's military buildup, see Buszynski, "ASEAN Security Dilemmas," 92-93; Gallagher, "China's Illusory Threat." [Back](#)

Note 39: Ball, "Arms and Affluence"; Buzan and Segal. "Rethinking East Asia Security;" Mack and Kerr, "The Evolving Security Discourse." [Back](#)

Note 40: See, for instance, Kahler, "Institution-Building in the Pacific." [Back](#)

Note 41: See Acharya *"The Quest for Identity,"* and Alagappa, *"Asian security Practice."* [Back](#)

Note 42: Khong, "ASEAN and the Security Complex," 332-3. [Back](#)

Note 43: Chalmers, "Openness and Security Policy"; Wanandi, "ASEAN's China Strategy." See also Chairman's Statement, The Fifth Meeting of the ASEAN Regional Forum Manila, 27 July 1998 <http://www.dfat.gov.au/arf/arf5.html>. [Back](#)

Note 44: "Defensive regionalism" can be designed to counter extra-regional threats (economic or military) or as a response to the growing regionalization of other regions, or both. [Back](#)

Note 45: For a sample of debates on the democratic peace, see Elman, "Paths to Peace," and Russett and Oneal, "Triangulating Peace." [Back](#)

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