



THE PROSPECTS OF COOPERATION AMONG S.E. ASIAN COUNTRIES

I

I feel greatly honoured by being invited to read a paper in honour of Kingsley Martin this evening. I recall that my own association with Kingsley dated back to the end of the Second World War, when he was the editor of the prestigious *New Statesman*. With Dorothy Woodman working at the Union of Democratic Control, Kingsley turned his attention to the problems of Southeast Asia in the postwar period. I was then a postgraduate student at the L.S.E. Kingsley and Dorothy frequently met with a group of Southeast Asian students in order to discuss with us the problems of the struggle for independence, what the Labour Government and Members of Parliament could do for the freedom of these countries, and how the *New Statesman* could help. Alas, I cannot remember the names of those Southeast Asians in our group; but there

was an Indonesian radical, a Malaysian Prince, a Vietnamese vegetarian, and I believe a Ceylonese as well. Among those labour politicians that he introduced to us, mostly young men—many have become famous and a number have become cabinet ministers. Dorothy and Kingsley were never tired of giving us good advice and making the right introductions: they were the champions of the independence of old colonial territories everywhere. For Southeast Asia, they were able to witness Malaysia, Singapore and Burma become free from the British, Indonesia from the Dutch, the Philippines from the Americans and Vietnam, Cambodia and Laos then struggling against the French. Thailand itself, never a colony, was helped by them in some measure to escape the fate of being a defeated nation at the end of the War.

II

The Southeast Asia that Kingsley knew in 1946 essentially differs from the Southeast Asia thirty years after. Before the Second World War, it produced most of the rice that the hungry world purchased for consumption. Burma, Vietnam, Cambodia and Siam then together exported some 90% of the rice that came into world market. That was before the Americans, the Chinese, the Australians and the Japanese have learned to grow much rice. The best teak, which is the best of the hard wood, came from this part of the world. Nowadays only Thailand produces enough rice for export, Burma, for reasons of her own, shut herself out of the world market; and the former French Indochinese territories are starving after thirty years of war. Teak still is exported from Southeast Asia, but in negligible

quantity. The region still provides natural rubber and tin for the industrial countries and sugar still comes from the Philippines as before. There are new export products from Southeast Asia since the 1950's, such as palm oil from Malaysia and Indonesia, maize, topioca and kenaf and fluoride from Thailand, manufactured goods from the Philippines, and especially from Singapore. Indonesia and Malaysia have already started to export petroleum, while Thailand and the Philippines are exploring their petroleum resources seriously. Potential resources yet to be exploited in large scale are bauxite in Indonesia and Malaysia, copper in the Philippines and Indonesia, nickel in Indonesia and aquatic resources everywhere. Not much can be reported yet about the natural resources of Vietnam, Cambodia and Laos.

If we judge the progress of economic development by the growth of national income in the national aggregate sense, three countries in the region can be said to have made steady progress during the past thirty years, namely Singapore, Malaysia and Thailand. Singapore as can be expected specializes in trade and manufacture. Malaysia and Thailand succeed in combining stability with progress and manage to diversify their production and export. The Philippines' economic development performance has also been impressive, although punctuated by foreign exchange crises from time to time. Indonesia, the largest country in the region in population, land and natural resources, was ruined financially by Sukarno, but has since late 1960's made steady improvement. Burma stagnates over the years. In Laos, Cambodia and Vietnam, economic development was impossible during the war, and the three states are still struggling to recover from the ravages of long-drawn armed conflicts.

Politically, all the states in Southeast Asia are now

independent. But in the past three decades, few among them have shown themselves to be good neighbours. Malaysia and Thailand on the whole have cooperated very well in all respects. But Thailand soon quarrelled with Srihanouk's Cambodia; Thailand intervened in the affairs of the Kingdom of Laos and recently has borders disputes with the People's Democratic Republic of Laos. From Thailand, again, American aircrafts had bombed Vietnam, Cambodia and Laos. Malaysia and Singapore have become separate states. In the 1960's, Indonesia found herself confronting Malaysia and Singapore on one side and the Philippines on the other. The Philippines' claims on Malaysia's Sabah are still unresolved and the Manila Government as well as the Bangkok Government have found their Moslem minorities in the South a thorn in the flesh. At present ideologically, the region is divided into three Communist countries and six anti-Communist governments, the latter with communist insurgents, real or imaginary "disturbing peace" within their territories.

All nine of them are authoritarian with varying degrees and forms of despotism. They are authoritarian in the sense that none of them would have satisfied the criteria of the United Nations' concept of basic human rights. Even Malaysia, with her parliamentary system, is too preoccupied with her racial problems and anti-Communist policies to comply with the principles of Liberal Democracy.

III

Outside the war zone of former French Indochina, and with the deliberate abstention of Burma, during the 1960's there have been indeed many attempts at regional cooperation in

Southeast Asia, ranging from defence groupings to general political, economic, social and cultural groupings. Many of these organizations are instigated and participated in by outside powers from North America and Europe. Among these organizations could be mentioned: SEATO, ASA, MAPHILINDO, ASEAN, The Mekhong Committee, ASAIHL, SEAMEC and SEACEN. Not included in this list are ad hoc sportive or cultural organizations such as the SEAP (Southeast Asian Peninsula) games or the football competitions among the region.

The Southeast Asian Treaty Organization (SEATO) is essentially a defense organization designed to provide collective security for Southeast Asia. It attracted only two of the regional countries, Thailand and the Philippines, with outside members the U.S.A., the U.K., France, Australia and New Zealand. Shortly after it was formed, France decided to stop participation and SEATO remained a "paper tiger" until its official demise was announced for 1977. SEATO's activities in the field of education, science and medicine were more noteworthy than its main function of defense. A by-product of SEATO which will survive it is the Asian Institute of Technology (AIT) in Bangkok which dissociated itself from SEATO in 1967 and has become an important regional institution of higher learning in its own right.

The Mekhong Committee, created by the United Nations with the cooperation of the World Bank, was designed to develop the Lower-Mekhong Basin for the benefit of the four riparian countries: Laos, Cambodia, Thailand and Vietnam. Before 1975, the delegates from Thailand, Cambodia, the Kingdom of Laos and South Vietnam met from time to time to decide upon matters of policy. Some ambitious multi-purpose, multi-national

projects have been devised, e.g. the Pa-Mong Dam Project which would bring far-reaching irrigation, hydro-electric, flood control and navigation benefits to all the four countries. After 1975, because of the change in the regime of the governments in three of the four participants, no ministerial meeting has been possible, and the Mekhong Secretariat in Bangkok is at best marking time.

The Southeast Asian Ministers of Education Council (SEAMEC) was also created in the 1960's, with the Secretariat in Bangkok, with the intention of encouraging cooperation among its members in the educational sphere. Several institutions for research and training have been established under its umbrella in various cities of the region, and have functioned reasonably well. Since April 1975, with the disappearance of three of the participating governments, SEAMEC's future has been uncertain, to say the least.

The Association of Southeast Asian Institutes of Higher Learning (ASAIHL) predates SEAMEC by a decade—its membership comprises most of the universities and colleges of the region. This association is still functioning, although with notable abstentions among its members since April 1975.

Southeast Asian Central Bank Governors (SEACEN) began their quiet unpublished annual meetings early in the 1960's, even while several governments in the area were not on speaking terms with each other. The meetings soon gathered strength, and they have resulted in close cooperation among the various countries in the region in the fields of central banking, monetary policy, and commercial banking practice. It was due to SEACEN that the countries in the region began to group together and have their own representatives on the

Boards of the International Monetary Fund and the World Bank. SEACEN meetings are still functioning nowadays, despite the political changes in 1975. At the last meeting early in 1977 Malaysia, Vietnam and Laos sent their representatives. And it is interesting to note that Indonesia and Thailand at present still represent the interests of Vietnam, Cambodia and Laos in the International Monetary Fund and the World Bank respectively. One of the objectives of the originators of SEACEN is to co-ordinate medium-term development plans of the various governments, together with their fiscal and monetary policies. This objective has not been reached. In any case, SEACEN meetings have been useful in the sense that it could easily be incorporated into any regional cooperative organization, such as ASEAN.

IV

The organization that is likely to have most far-reaching consequence is the Association of Southeast Asian Nations (ASEAN). And to this, I shall now turn my attention.*

At the time of "confrontation" involving Malaysia, Singapore, Indonesia and the Philippines, in the early 1960's, in order to bring about some reconciliation and harmony in the

* I am indebted to Michael Leifer of L.S.E. for having made many useful suggestions on this topic. See his article "Politics, Society and Economy in the Asean States," (Wiesbaden 1975), and "Problems and Prospects of Regional Cooperation in Asia, the Political Dimension," (1977).

region, there were created two regional bodies: the Association of Southeast Asia (ASA) of which Thailand, Malaysia (and Singapore) and the Philippines were members; and later, the organization known as Maphilindo (Malaysia + Philippines + Indonesia). Apart from showing that there was a will to cooperate among their members and that the participants wanted to live together in peace, these two bodies were short-lived and had nothing to show for their existence. In 1967, they were replaced by the creation of ASEAN.

The various leaders of ASEAN have at various frequent times, reiterated that this Association, unlike SEATO, was not a military alliance, that its purposes were anything but collective security. The preamble to the first ASEAN Declaration stated that "the countries of Southeast Asia share a primary responsibility for strengthening the economic and social stability of the region and ensuring their peaceful and progressive national development and that they are determined to ensure their stability and security from external interference in any form or manifestation in order to preserve their national identities in accordance with the ideals and aspirations of their peoples."

The Association has five founding members: Indonesia, Malaysia, the Philippines, Singapore and Thailand. It was from the outset open for participation "to all states in the Southeast Asian region which subscribed to its aims, principles and purposes." There has not been any addition to its membership to this day. Cambodia, the Kingdom of Laos and South Vietnam have in the past sent observers to ministerial meetings of ASEAN. Burma and North Vietnam were also invited to send observers but they have never attended.

The annual ministerial meetings were, and are still, held

on a rotating basis in the member countries. In between annual meetings, there is a standing committee situated in the capital of the host country for the next ministerial meeting. There are five national Secretariats located in the respective capitals. There are a number of "Permanent Committees" and "Special Committees." In 1974, it was agreed in principle that a permanent ASEAN central Secretariat be established in Jakarta. In March 1977, the formation of this Secretariat is still incomplete.

Within its membership, there have been various degrees of enthusiasm for the Association. Indonesia is on record as giving ASEAN the highest priority making it "the corner-stone of our independent and active foreign policy." This statement, coming from the member which is the largest, most populous and most endowed in natural resources, is not surprising. An observer (Leifer) believes that "Asean is important for Indonesia in that it is contemplated... as the appropriate instrument... with which a willing acceptance of Indonesia's political primacy within Southeast Asia might be promoted among both regional and extra-regional states." There are international problems within the region which remain unsolved: the problem of Sabah, the problems of the status of the Straits of Malacca, the archipelago principle in the Law of the Seas, the territory claims and minority conflicts among members etc. Moreover, the different stages of industrialization and economic development among the members make it difficult for any kind of trade and tariff cooperation. For instance, Singapore, as the most advanced industrialized state, has been advocating a free-trade zone in the region; whereas Indonesia, best endowed with natural resources but rather backward in industrialization, would be naturally opposed to the free-trade area in the present and near future.

In view of its organizational structure, and of the inherent conflict of interests among its members, it is therefore not surprising that until 1976, ASEAN has had little to show for all the paper work and lip service that has accumulated since 1967: a trade fair here, a products display centre there, a dancing and cultural show some time, some joint action regarding Japan, Australia, the EEC, GATT. AUN Team, headed by Professor Austin Robinson, published in 1972 a report on "Economic Cooperation for ASEAN" after a few years' studies, suggesting trade liberalization, industrial complementarity agreements and package deal arrangements. Two years later, the Foreign Minister of Singapore complained that this report had not been discussed by ASEAN. It was not until 1976 when things began to move, perhaps as a result of the radical changes in Vietnam, Cambodia and Laos in 1975.

It was clear from the beginning that for an organization like ASEAN to function efficiently and effectively, there was no place for part-timers who constitute the rotating and shifting standing committee, nor for national secretariats, without a central body. The agreement in 1974 to form a permanent secretariat is a step in the right direction, although the implementation has been slow. In February 1976, the Heads of Governments of the Five started to hasten matters up by holding a Summit meeting in Bali and signing a Declaration of ASEAN Concord and a Treaty of Amity and Cooperation in Southeast Asia. The Concord declared that "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." The first concrete step has

now been taken regarding the UN Team's recommendation on industrial complementarity. More importantly, Lee Kuan Yew has begun his offensive by travelling to Manila and Bangkok to secure bilateral agreements with the Philippines and Thailand on a general mutual reduction of tariffs of 10% across the board. This was seen as the beginning of the Free Trade Area so long advocated by Singapore and resisted by one or other of the members. In Manila, on February 24th 1977 (last week), the Foreign Ministers of ASEAN, compounded Singapore's efforts by signing an agreement establishing for all members the framework of preferential trading arrangements, to be applied to basic commodities, particularly rice and crude oil. The agreement provides, among other things, for long-term quantity contracts, for finance support at preferential interest rates, for preference in procurement by government entities, for the extension of tariff preference, and for the liberalization of non-tariff measures on a preferential basis. Unified political and economic action, was also pledged, especially in relation with Indochina, Japan, the EEC, the U.S., Australia and New Zealand.

At the same meeting, Malaysia, Indonesia and Singapore also signed an agreement for the "safety" of navigation through the Malacca Straits. These agreements have yet to be ratified by the member governments, and sanctioned by GATT.

It is therefore interesting to observe that, after nine years of virtual inaction, ASEAN has now assumed a vigorous and business-like pace. Its future actions certainly deserve close attention.

V

The Treaty of Amity and Cooperation in Southeast Asia of February 1976 explicitly stated that "It shall be open for accession by other states in Southeast Asia." thus reiterating an invitation for "other states in Southeast Asia" to join it, as previously envisaged in the 1967 document.

China applauded both the Concord and the Treaty. Perhaps, because China was sympathetic, Vietnam and Laos had to be different.

Vietnam and Laos objected to ASEAN having an exclusive right to speak for Southeast Asia. After the Colombo Conference of non-aligned countries in 1976, the spokesman for the Vietnamese delegation stated "The Vietnamese people are ready to forget the past and establish new relations with other Southeast Asian countries on the basis of the four-point policy of the Socialist Republic of Vietnam which has been approved by the Governments of three countries themselves, but we decidedly do not tolerate any scheme to revive a none-too-bright part of ASEAN and to sell an outmoded and bankrupted policy of this organization."

In November 1971 in Kuala Lumpur, the Foreign Ministers of ASEAN declared their determination to secure the recognition of, and respect for, Southeast Asia as "a zone of Peace, Freedom and Neutrality free from all manner of interference by outside Powers." This Declaration was endorsed by the Non-Aligned Conference in Algeria in 1973. At the 1976 Non-Aligned Conference in Colombo, a resolution containing a similar declaration was proposed. It was objected to by the delegates of Laos and Vietnam. "We did not agree, they

said, to insert this question in the resolution of the Summit Conference in the name of the Kuala Lumpur Declaration of ASEAN, a declaration issued at the very moment when the ASEAN countries were directly or indirectly serving the US aggressive war in Vietnam, Laos and Cambodia in complete contravention of the principles of non-aligned movement."

In the meantime, Hanoi, Vientiane and Phnom Penh have at various times shown their readiness to negotiate bilateral agreements with individual members of ASEAN. The pro-Soviet attitude of Vietnam and Laos, whatever its reason, induced Indonesia, which had Chinese problems, to adopt sympathetic attitude toward these two governments, although individual politicians from Indonesia, in private conversations, still deny that their government wants to negotiate with Hanoi or Vientiane. Other members of ASEAN have shown various degrees of readiness to open talks with the three former French Indo-chinese states. This readiness will no doubt be influenced by the attitude of the U.S. new administration when it decides to recognize Vietnam. The notable exception might be Thailand whose present military-controlled government has consistently shown hostility towards Vietnam, the Vietnamese minority and the Vietnamese refugees in Thailand. Before October 1976, the elected governments of Thailand had endeavoured to normalize relationships with the three Communist states, in the face of open opposition by Thai generals. This policy was reversed after the recent coup d'état, and the extreme anti-communist attitude of the present government has led the Chinese Ambassador in Bangkok to ask the civilian Prime Minister whether he should not return home, in order not to embarrass the Thai Government. The Chinese in fact are enthu-

siastically in favour of normalization of relations among South-east Asian countries. They had demonstrated this policy by sending the Foreign Minister of Cambodia to talk in Bangkok in a Chinese plane as early as in 1975. The subsequent deterioration of relations between Thailand and its Northern and Eastern neighbours cannot be blamed upon China.

VI

In my opinion, it is a great pity that the prospects for cooperation among Southeast Asian countries are not as good as they should be at the present time. Although culturally and ethnically, there are varieties among the peoples, the whole peninsula has a common mode of life. The style of life of the common farmer is the same, whether in the Philippines, Malaysia, Indonesia, Laos, Thailand or Vietnam. It is sometimes called the "banana and coconut" style of life. In every country, one sees a fusion of the ancient cultures of India and China, and in the majority of countries, of Islam as well. The cooperation of various nations in the education field as in SEAMEC and ASAIHL has proved to be highly useful to all concerned. The Mekhong Development Programme has great potential benefits for all the countries bordering the great river, benefits which are indivisible and which would be much reduced without the joint actions of the four countries. In industrialization and trade, each separate country would gain by close cooperation among themselves. In some fields there is room for the international division of labour; in others, joint control of the raw materials would ensure better terms of trade for the whole region. In a world of large economic blocs in America and in Europe,

OPEC, the USSR, China, India and Japan, each small country in Southeast Asia, even Indonesia, will have great difficulties in competing with advantage. In the field of economic and social development, each country will benefit from some measures of coordination in planning. All the countries in the region have common social problems, the principal of which are the distribution of incomes and the pervasive question of educational opportunities. The three Communist states have, in addition, the current problems of postwar rehabilitation, particularly food shortage, for which a neighbourly helping hand would surely be welcome. Politically, one could not bear to think of the vulnerability of each country should the border disputes, or ideological differences become important enough to cause outbreaks of fighting. Worse still, the presence of the two blocs: ASEAN versus the three Communist Republics, confronting each other in mutual distrust, with or without outside interference, is contrary to the principles of stability, freedom and development which are held dear in every country of the region.

Since the time of the Bandung Conference in 1955, statesmen have often paid lip service to Panja Sila: the principles of coexistence inspite of ideological difference, of mutual respect for independence, of non-interference in other country's affairs. This is the time to put Panja Sila to practice in Southeast Asia. The will for cooperative actions is already there, if we are to judge from the ASEAN Treaty of Amity and Cooperation, and from the willingness of the three Communist Republics, and indeed Burma, to continue their membership of the International Monetary Fund, the World Bank and the Asian Development Bank. Each nation has only to act according to its declared policy, ready to forget the past, as rightly stated by the

Vietnamese spokesman. Then there should be a way of real cooperation.

When ASEAN was established in 1967, ASA and MAPHILINDO were discarded in its favour. All the nation members of ASEAN were willing and ready to start anew. ASEAN leaders should be big enough to overcome their pride and dismantle ASEAN and start anew with an organization with eight or nine members which will ensure peace, freedom, non-alignment and development for Southeast Asia.

If this can be achieved I am sure that the common man and woman in Southeast Asia will benefit and Kingsley Martin would congratulate us all.

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