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## ASEAN 2030: Challenges of building a mature political and security community

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## **ADB Working Paper Series**

### **ASEAN 2030: Challenges of Building a Mature Political and Security Community**

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**Abstract**

This paper examines the political and security challenges and prospects of the Association of Southeast Asian Nations (ASEAN) in the coming two decades. To simplify what is a hugely complex and wide-ranging set of issues, I divide the security challenges facing ASEAN into six broad categories. These include (1) the shifting balance of power in the Asia Pacific region, triggered mainly, if not exclusively, by the dramatic rise of the People's Republic of China (PRC); (2) the persistence of intra-ASEAN territorial conflicts; (3) the territorial dispute in the South China Sea, which is a critical factor in PRC–ASEAN relations; (4) the programs of military modernizations undertaken by ASEAN states and the resulting prospects for an intra-ASEAN arms race; (5) uncertainty and strife caused by demands for domestic political change; (6) and the dangers posed by transnational (non-traditional) security threats. I argue that ASEAN faces major hurdles in realizing a mature political-security community, where intra-ASEAN tensions are significantly managed and reduced to the point where war becomes “unthinkable” and a deep and genuine sense of regional community emerges. While recent steps undertaken by ASEAN are bold and far-reaching, realizing them would depend on several factors, especially the maintenance of its unity and cohesion in the face of a rising PRC, the ability to resolve regional disputes, complying with the provisions and instruments of the ASEAN Charter and the Political-Security Community Blueprint, and ensuring an agenda-setting and managerial role in the wider East Asian and Asia-Pacific multilateralism.

**JEL Classification:** F50, F51, F53, F55

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## 1. INTRODUCTION

A durable regional grouping in the developing world, the Association of Southeast Asian Nations (ASEAN) has been a force for stability and cooperation in Southeast Asia and Asia for the past four and half decades. Since 1997, spurred by widespread criticism of its performance in responding to the economic and political challenges presented by the Asian financial crisis, ASEAN has taken a number of key initiatives to revitalize and strengthen itself. It has clarified its vision and consolidated its agenda by launching three “communities:” economic, political-security, and socio-cultural. It has adopted a Charter, thereby giving itself a legal personality and paving the way for greater institutionalization and consolidation of its agreements and mechanisms of cooperation. As part of these efforts, ASEAN has instituted new instruments of conflict management and collective action. Moreover, whereas ASEAN in the first two decades of its existence focused on a limited range of issues, its mandate has expanded rapidly and may well continue to do so for the next two decades. Its functions now cover a range of new transnational or non-traditional security issues, such as climate change, disaster management, counter-terrorism, pandemics, food security, drug trafficking, people smuggling, and many other issue areas. ASEAN has also extended its institutional model within the wider Asia Pacific and East Asia regions by anchoring new regional institutions like the ASEAN Regional Forum (ARF), ASEAN Plus Three (APT), and the East Asian Summit (EAS). As ASEAN’s Secretary-General, Surin Pitsuwan, has recently observed, “ASEAN has emerged as the fulcrum of geopolitical stability in Asia.”<sup>1</sup>

With an ambitious vision, expanded agenda, and enhanced instruments of cooperation, ASEAN may seem well prepared to cope with the challenges it faces in the two coming decades. But can we take its longevity and effectiveness for granted?<sup>2</sup>

This paper examines this question with particular respect to the political-security challenges facing ASEAN. For analytical convenience, I divide the principal security challenges facing ASEAN into six broad categories, although these are not mutually exclusive and not presented here in any particular order of importance. These categories are: power shift, intra-ASEAN disputes and tensions, the South China Sea dispute, prospects for an intra-ASEAN arms race, domestic instability, and transnational (non-traditional) security threats. Below, I provide a brief description of each.

## 2. POWER SHIFT

The first is the ongoing power shift in the region, triggered mainly by the rise of the People’s Republic of China (PRC) and, to a lesser extent, India. When ASEAN was formed, the global power structure was bipolar. Today, the United States (US), the

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<sup>1</sup> Surin Pitsuwan, “The ASEAN Heart of Asia,” *Jakarta Post*, 15 June 2011, p.7.

<sup>2</sup> The opening two paragraphs and the conclusion of this essay draws from Amitav Acharya, “Will ASEAN Thrive in 2030?,” *Jakarta Post*, 14 February 2011, which itself was drawn from the author’s presentation to the workshop on “ASEAN 2030: Growing Together for Shared Prosperity,” co-organized by the ASEAN Studies Center at American University and the Asian Development Bank Institute, Washington DC, 7 February 2011. Available at: <http://www.thejakartapost.com/news/2011/02/14/will-asean-thrive-2030.html>.

PRC, India, Japan, and a resurgent Russia constitute the basis of a multipolar regional international system.

What are the implications for Asia's security and ASEAN's future? We cannot have a definite answer to this question, and this uncertainty itself is part of the security challenge facing ASEAN today, because ASEAN never had to deal with genuine strategic multipolarity before. Indeed, there had never been a multipolar structure of indigenous powers in Asia's past. The last time the region brought together a multitude of great powers, from the 17th century until the early 20th century, they were mainly outside powers (with the limited exception of Japan after the Meiji reforms). This was when the United Kingdom, France, the Netherlands, and Spain, along with the relatively latecomer the US, were scrambling for territory, profit, and influence. This led to the impoverishment and subjugation of Asia for over three hundred years, including the marginalization of its two major classical civilizations—the PRC and India.

In Asia's geopolitical past, the periods of ascendancy of Japan and the PRC never really coincided. The post-Meiji reform Japanese ascendancy coincided with the precipitous decline of Qing China. The same cannot be said of the situation today, because while Japan has been overtaken by the PRC as the world's second largest and Asia's leading economy (in purchasing power parity [PPP] terms), it would be misleading to compare Japan today with Qing China in the late 19th century. And while the PRC and India have shared time as great powers (the Moghul and the early Qing periods did coincide, but the Gupta empire from 320 AD to 500 AD and the Tang empire from 618 AD to 907 AD did not), they have not shared the same geopolitical space. In the pre-globalization era, the mountains dividing India and the PRC might have deterred Chinese rulers if they ever thought of expanding their territory beyond Tibet more than Chinese pilgrims seeking wisdom in India.

Today the situation is very different. Asia currently has three indigenous great powers, two of them rising simultaneously, with Japan still a significant power notwithstanding its recent troubles. They are joined by two outside powers—the US and Russia. Globalization, modern military technology, and the transport revolution, have brought these powers to a state of much closer and more continuous interaction than had ever been the case in the past. Among the big five, none can ignore any of the others, mired as they are in a deep state of strategic interdependence.

Some Western theorists of international relations see Asia's emerging multipolarity as a dangerous development, especially compared to Cold War bipolarity. One strand of theory, neorealism, argues that multipolar systems tend to be more prone to war than bipolar systems. Having only two main actors holding each other in check allows for simpler and more predictable patterns of alliances and interactions, whereas a multipolar environment would be more complex and chaotic. They contrast Europe's 19th and early 20th century multipolarity—a highly unstable period culminating in two world wars—with the "long peace" of the post-World War II bipolar era. From this perspective, Asia's emerging multipolarity might mean Europe's past could be Asia's future. Others, especially liberal and constructivist theorists, do not see any necessary correlation between bipolarity and conflict, and some even argue that multipolar interactions can induce stability by creating more opportunities for alignments and interactions. After all, a rising power with aggressive intentions would have to contend with more than one potentially countervailing power.

This debate remains unsettled to date, but has implications for ASEAN's long-term future. ASEAN was to some extent the product of a bipolar era, with the US and the former Soviet Union shaping the regional balance of power through their forward military presence and alignments (the US with Japan, the Republic of Korea, Thailand,

and the Philippines; Taipei, China with Australia and New Zealand; the Soviet Union with Communist PRC before the Sino-Soviet split, Viet Nam, and India). Moreover, ASEAN emerged at a time when the three indigenous Asian powers—Japan, the PRC, and India—were all unwilling or unable to assume serious regional leadership. India had lost influence in Southeast Asia following its 1962 border conflict with the PRC, and was otherwise distracted by domestic problems and its rivalry with Pakistan. Mao's PRC was mired in its Cultural Revolution, and was viewed with intense suspicion by its neighbors because of its support (until the late 1970s) for Communist insurgencies in Southeast Asia. Japan, although it had re-emerged by the 1960s from its World War II defeat with an increasingly powerful economy, was not seen as an acceptable regional leader due to persisting memories over its wartime role, as well as fears over its economic dominance. Realizing this, Japanese governments refrained from seeking or taking on any major independent regional political role.

This situation gave ASEAN a double opening. Firstly, the Cold War stalemate between the US and the Soviet Union gave ASEAN a margin of freedom to pursue its own economic and security goals (which included a relatively non-aligned posture through its Zone of Peace, Freedom, and Neutrality framework) without being molested by superpower intervention. Secondly, the predicaments of the PRC, India, and Japan gave ASEAN the space to develop its own brand of regionalism, *the ASEAN Way*, without being overshadowed by the traditional Asian great powers.

While the rise of the PRC and India and the gradual erosion of anti-Japanese sentiment in Southeast Asia (although not necessarily in the PRC and the Republic of Korea) do not automatically translate into a capacity for them, either individually or collectively, to lead regional institutions,<sup>3</sup> it does give them a much greater ability to shape the regional order. It narrows ASEAN's margin of autonomy and challenges its capacity to "lead" Asian regional institutions. Some Southeast Asians wonder whether the re-emergence of the PRC and India will return Southeast Asia to its historical predicament as an appendage of the two historically important civilizations and marginalize it politically and economically. Moreover, with five great powers engaged in competition and balancing, ASEAN might find itself facing difficult dilemmas in deciding and coordinating how to engage them individually and collectively in different issue areas.

Another future for ASEAN—an equally unpromising one—would be a coming together of the great powers into some sort of a concert, akin to the European Concert of Powers established after the Napoleonic wars in the 19th century. Such a concert, a subset of which could be a Sino-US condominium, would entail their joint management of regional political and security affairs, aside from economic dominance. As a well-known saying in Southeast Asia goes, "when the elephants fight, the grass suffers; when the elephants make love, the grass also suffers." An Asian concert of powers involving the PRC, the US, Japan, and India would marginalize the weak, as the European Concert did in the 19th century. That would make ASEAN centrality and leadership a thing of the past.

These developments need not doom ASEAN, but they will severely test its political maturity and foresight. Coping with the global and regional power shift would require a measure of cohesion and purpose in dealing with the great powers of the region that, as I shall discuss in the conclusion, would determine whether ASEAN 2030 retains its centrality or sinks into irrelevance.

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<sup>3</sup> Amitav Acharya, "Can Asia Lead? Power ambitions and global governance in the twenty-first century," *International Affairs*, Vol. 87, No.4 (2011), pp. 851–69.

### 3. INTRA-ASEAN DISPUTES AND TENSIONS

Indeed, resisting marginalization in a multipolar environment would be impossible for ASEAN unless it holds together as a group. This leads to the second major challenge facing the organization: intra-ASEAN tensions and disputes.

ASEAN's single greatest success as a regional body, a central basis of its claim to be a "nascent security community,"<sup>4</sup> was its ability to dilute and manage, if not entirely resolve, intra-mural disputes. This success was evident from the very birth of ASEAN, which consummated the political settlement, mediated by Thailand, of the Indonesia–Malaysia/Singapore conflict (*Konfrontasi*) triggered by President Sukarno's refusal to accept the legitimacy of the British-created Malaysian Federation. ASEAN in its early years was severely challenged by the Philippine–Malaysia dispute over Sabah, but the conflict paradoxically led the founding members of ASEAN to realize the importance of regional cooperation and the pacific settlement of disputes. Over the years, ASEAN members have not allowed their bilateral territorial disputes and political tensions—including those over maritime boundaries in the Gulf of Thailand, the South China Sea, the Sulu Seas, and other areas—to cripple the organization. The Singapore–Malaysia dispute over the Pedra Branca islands in the South China Sea and the Malaysia–Indonesia dispute over the Sipadan and Ligitan Islands in the Sulawesi Sea have been settled through resort to arbitration by the International Court of Justice (ICJ). Though the ICJ is an "outside" body, their very willingness to resort to judicial settlement rather than to violence is a testimony to the spirit of accommodation among ASEAN members.

Another success was ASEAN's role in the Cambodian conflict. Although not an intra-ASEAN conflict (neither Viet Nam nor Cambodia was a member of ASEAN then), the conflict took up a considerable amount of time and effort by ASEAN as it sought a negotiated settlement while organizing international support against the Vietnamese occupation of Cambodia. This was a role that was all the more important during the early stages of the conflict, when the Western players, such as Australia and France, were absent from the scene, although this would not prevent them from claiming maximum credit for the eventual settlement of the conflict through the misleadingly named "Paris Peace Agreement." The real groundwork for the settlement had been laid in Bogor and Jakarta, rather than in Canberra and Paris.

But inter-state disputes and tensions within ASEAN have not disappeared. Neither has war become "unthinkable"—the hallmark of a "mature" security community.<sup>5</sup> ASEAN's

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<sup>4</sup> Amitav Acharya, *Constructing a Security Community in Southeast Asia: ASEAN and the Problem of Regional Order*, 2<sup>nd</sup> edition (Oxford and London: Routledge, 2009). The distinction between *nascent* and *mature* refers to different stages in the evolution of security communities, according to security community theory. Simply put, in a *nascent* phase, a security community might still retain some sense of rivalry and competition among its members, although this would be muted by converging threat perceptions, expected trade benefits, an evolving common identity, and organizational emulation (learning from the experience of other multilateral organizations). At the *mature* stage, a security community is marked by greater institutionalization, some degree of supranationalism, a high degree of trust, and low or no probability of military conflicts. Members of a mature security community observe self-restraint and expect no military threats from each other. Beyond this, their relationship might further evolve into that of a "mutual aid society," providing for collective and cooperative efforts to help each other and offer joint solutions to common problems, and finally into a "post-sovereign system," which might include common national institutions as well as supranational and transnational institutions, and some form of collective security. Emanuel Adler and Michael Barnett, A Framework for the Study of Security Communities, in Emanuel Adler and Michael Barnett (eds.), *Security Communities* (Cambridge: Cambridge University Press, 1998), p. 30.

<sup>5</sup> Acharya, *Constructing a Security Community in Southeast Asia*.

Secretary-General has warned that “unresolved and overlapping maritime and territorial claims remain ASEAN's biggest challenge.”<sup>6</sup> But the land boundary dispute between Thailand and Cambodia is also important, as it has already produced military clashes and seriously challenges ASEAN's claim to be a security community, i.e., a grouping of states that have developed “long-term expectations of peaceful change” and ruled out the use of force in settling their disputes. The Thailand–Cambodia conflict is a reminder that domestic politics can become a source of intra-ASEAN discord (as with Thailand's Yellow Shirt–Red Shirt rivalry, which led to the hardening of the Thai position on Preah Vihear), and that new ASEAN members may not always adhere to the established norms of ASEAN (e.g., Cambodia's sheltering of fugitive Thai Prime Minister Thaksin Shinwatra, which went against the spirit of non-interference).

The news is not all bad, however. Singapore–Malaysia relations have steadily improved since the end of Mahathir and Lee Kuan Yew premierships, respectively; witness the recent resolution of their 20-year old railway land dispute. Indonesia and Singapore also enjoy a better political relationship than in the days when Indonesian President Habibie disparaged the city-state as a “little red dot.” But a variety of bilateral issues between Singapore and its neighbors remain to be settled. With Malaysia, they include, among others, Singapore's access to Malaysian water and, more trivially, alleged violations of Malaysian airspace by Singapore's air force planes. Moreover, the bilateral tensions are not strictly inter-governmental, but also inter-societal. Despite the fact that Singapore has increasingly been turning to ASEAN, it is still regarded by some of its neighbors as somewhat self-centered. The historical perception in Malaysia and Indonesia of Singapore as a wealthy Chinese island in a “sea of Malays” is a latent source of tension, and might resurface in a future economic crisis in which Singapore is perceived to be unwilling to provide unconditional aid to its neighbors (as Malaysia alleged during the 1997 economic crisis). While Singapore and Indonesia have reached agreement on their western maritime boundary, and talks are well under way to settle the eastern boundary, there have been tensions over extradition. (Indonesians feel that its corrupt businessmen find it easy to flee to or via the city state rather than face justice at home.) The pacifying effect of the ICJ-mandated settlement of the Sipadan–Ligitan island dispute has been marred by a new dispute between Singapore and Malaysia over the Malaysian claim to the nearby Ambalat. And the Pedra Branca dispute might still surface as a source of Singapore–Malaysia friction, because the ICJ settlement recognized Singapore's sovereignty over Pedra Branca itself, but awarded the adjacent Middle Rocks to Malaysia.<sup>7</sup>

## 4. THE SOUTH CHINA SEA DISPUTE

Nonetheless, most of these intra-ASEAN tensions are likely to be low-intensity and should not cause severe disruption of economic development or regional stability. For the next 20 years, the South China Sea conflict will probably remain the “worst-case” threat to peace and security in the ASEAN region, and possibly the most serious challenge to ASEAN's regional conflict management role.

In 2001, a Rand Corporation assessment (Sokolsky, Rabasa, and Neu 2001: 15–16) identified two types of “conventional military threats” from the PRC to Southeast Asia “that would require a U.S. diplomatic or military response”. Under the first, “[a]n aggressive and hegemonic [PRC] could threaten freedom of navigation in the South

<sup>6</sup> Surin Pitsuwan, “The ASEAN Heart of Asia,” *Jakarta Post*, 15 June 2011, p.7.

<sup>7</sup> It is useful to remind ourselves that the Thailand–Cambodia dispute over Preah Vihear was not “settled” by the ICJ ruling in 1962.

China Sea, perhaps to coerce the United States, Japan, or the ASEAN states into accepting PRC political demands.” The second would involve:

“an attempt by [the PRC] to forcibly establish and maintain physical control over all or most of the Spratly Islands, prompting requests for military assistance from one or more of the ASEAN countries. Such a [PRC] operation could feature the threat or use of force against the territory of an ASEAN state, either to compel acceptance of [PRC] demands or to defeat opposing military forces; alternatively, [the PRC] could expand its ‘salami tactics’ to assert control over more territory.”<sup>8</sup>

But that study did note constraints on PRC power projection capability as well as the political and economic costs of conflict as factors discouraging the PRC from launching a major attack in the South China Sea area. Instead, it posited that the “ASEAN countries are likely to face a continuation of [the PRC’s] creeping irredentism.”<sup>9</sup> But ten years later, with its growing naval capabilities (including “area denial” capability) and increasing “assertiveness,” fears are growing in ASEAN about PRC intentions in the South China Sea. Those ASEAN members concerned about the PRC’s military build-up are likely to be further alarmed by a statement by the Commander of the US Pacific Command, Admiral Robert Willard, saying that: “[the PRC]’s rapid and comprehensive transformation of its armed forces...challenge our freedom of action in the region,” and “potentially infringe on their (US allies’) freedom of action.”<sup>10</sup> An outright PRC Monroe Doctrine over the South China Sea is unlikely, however, partly because the PRC has to consider the severe economic consequences of a military takeover of the South China Sea to deny it to the US and others. Over 60% of the PRC’s gross domestic product (GDP) now depends on foreign trade, while imported oil accounts for 50% of its oil needs. Hence:

“[The PRC]’s commerce and hence prosperity depends very much on access to sea lanes through the Indian Ocean, the Malacca Straits and other areas over which it has little control, and which are dominated by US naval power. India too has significant naval power in the Indian Ocean... So if push comes to shove, an aggressive Chinese denial of South China Sea trade routes to world powers, and the disruption of maritime traffic the resulting conflict might cause, would be immensely self-injurious to [the PRC]. It would provoke countermeasures that will put in peril [the PRC]’s own access to the critical sea lanes in the Indian Ocean and elsewhere... [PRC] leaders are not oblivious to this fact of life. The truth is that they may not have the option of pursuing an aggressive posture. The costs will simply be too high.”<sup>11</sup>

This does not, however, warrant complacency on the part of ASEAN. The question facing ASEAN now is whether it can replicate its earlier record in conflict management in the Cambodia conflict of the 1980s in the case of the larger South China Sea dispute. Like the Cambodia conflict of the 1980s, the South China Sea disputes are not an intra-ASEAN dispute. But the similarity between the two conflicts ends there. Unlike Soviet-dependent Viet Nam in the 1980s, the PRC, the main non-ASEAN party to the dispute, is an emerging superpower. While the Cambodia conflict was mainly a political/ideological matter, the South China Sea conflict revolves around issues of

<sup>8</sup> Richard Sokolsky, Angel Rabasa, C. Richard Neu, *The Role of Southeast Asia in U.S. Strategy Toward China* (Santa Monica CA, The Rand Corporation, 2001), pp.15–16.

<sup>9</sup> Ibid., p.28.

<sup>10</sup> <http://armed-services.senate.gov/statemnt/2010/03%20March/Willard%2003-26-10.pdf>.

<sup>11</sup> Amitav Acharya, “Beyond the Chinese ‘Monroe Doctrine’,” *The Straits Times*, 20 June 2011.

territorial claims and sovereignty, underpinned by the lure of (as yet unproven) natural resources, especially oil and gas, that the PRC so critically needs. Another key difference is that not all ASEAN members are claimants in the dispute, a fact the PRC uses to insist on bilateral approaches to conflict management, rather than engaging ASEAN as a grouping. The Cambodia conflict was a serious and clear violation of the non-intervention principle, hence ASEAN found it relatively easy to mobilize international condemnation of Viet Nam, aided by the climate of the Cold War. The South China Sea issue is getting hotter at a time of the PRC's growing international clout notwithstanding the fact that the extent of the PRC's claims (its dotted lines over almost the entire South China Sea) is rightly regarded as dubious by almost everyone else in the region. In the 1980s, ASEAN had little difficulty in securing ever increasing majorities in the United Nations (UN) General Assembly for its resolution condemning the Vietnamese occupation of Cambodia. Would the African or Latin American countries who receive billions of dollars in PRC economic aid now vote against the PRC at the UN to condemn its military action against Viet Nam or Philippines in the South China Sea, no matter how unprovoked?

The South China Sea conflict holds important lessons for ASEAN's future approach to conflict management. With the resolution of the Cambodia conflict in 1991, it was widely seen as the "next Cambodia" for ASEAN. But it almost disappeared from the radar except for a brief escalation over the "Mischief Reef Incident" in 1995, seven years before the Declaration on Code of Conduct in South China Sea that ASEAN and the PRC signed in November 2002. This was partly due to the Indonesian-led track two workshops on "Managing Potential Conflicts in the South China Sea," which ran through the 1990s. But the real reason might have to do with the fact that this was a time when the PRC needed time for focusing on its economic development and coping with the Taipei, China conflict that had reached a boiling point over the then Taipei, China ruling party's quest for independent statehood. Now, with the Taipei, China conflict somewhat muted and the PRC having already substantially increased its economic and military power, the South China Sea issue has resurfaced with renewed vigor. This is an uncomfortable reminder that ASEAN's traditional practice of "sweeping conflicts under the carpet" does not always work. The PRC in particular is too big a player to be swept under the ASEAN carpet. That approach works as long as the political relations among the parties remain good, as was the case in the heydays of the PRC's "charm offensive" in Southeast Asia in the 2000s. But it is no substitute for more long-term and definitive mechanisms for conflict resolution.

## 5. AN ARMS RACE?

Some analysts warn that there is a growing arms race in East Asia, including Southeast Asia. According to estimates by the Stockholm International Peace Research Institute (SIPRI), defense spending by the ASEAN countries (excluding Myanmar for which reliable data is not available) has roughly doubled in the past decade (2000–2010) (see Table 1).<sup>12</sup> Moreover, the ASEAN region has seen a "dramatic increase" in arms imports. Between 2005 and 2009, Malaysia's arms imports

<sup>12</sup> These estimates are in constant (2009) US dollar terms. In current (2010) dollar terms, SIPRI data puts the defense spending of ASEAN countries at US\$28.7 billion in 2010. *World Armaments and Disarmament: SIPRI Yearbook, 2011* (Oxford University Press for Stockholm International Peace Research Institute, 2011). Available at: <http://www.sipri.org/yearbook/2011/04/04A>. In May 2011, Indonesian Defense Minister Purnomo put the ASEAN countries' defense spending at US\$25 billion. "Indonesia, Malaysia agree to promote ASEAN defence industry collaboration" 20 May 2011. Available at: <http://www.investors.com/NewsAndAnalysis/Newsfeed/Article/131651749/201105200224/Indonesia-Malaysia-agree-to-promote-ASEAN-defence-industry-collaboration.aspx>.

jumped 722%, Singapore's increased by 146%, and Indonesia's rose by 84%. Singapore ranks among the top ten arms importers in the world. This prompted Siemon Wezeman of SIPRI to warn that "The current wave of South East Asian acquisitions could destabilise the region, jeopardising decades of peace."<sup>13</sup>

**Table 1: Defense Spending by ASEAN Member States in Constant  
(2009) US\$ million**

<b>Economy/Year</b>	<b>1990</b>	<b>2000</b>	<b>2010</b>
Brunei Darussalam	368	304	327
Cambodia	77	121	191 (2009)
Indonesia	1,829	2,025 (for 2001)	6,009
Lao PDR	n.a.	24.6	18.4 (2009)
Malaysia	1,495	2,020	3,259
Myanmar			
Philippines	1,060	1,215	1,486
Singapore	3,038	5,855	7,651
Thailand	3,304	2,638	4,336
Viet Nam	1,565	n.a.	2,410

n.a. = not available.

Note: For Myanmar, constant dollar figures are not available. Measured in terms of its local currency (Kyat) current figures, Myanmar's defense spending was 5.4 billion Kyat for 1990 and 63.45 billion Kyat for 2000.

SIPRI does not provide data for 2010.

Source: SIPRI Yearbook, various years. Available at: <http://milexdata.sipri.org/>.

Most projections suggest that defense spending in East Asia, including Southeast Asia, will continue to grow rapidly into the next two decades. In June 2011, Singapore's defense minister projected a 60%–70% increase in defense spending in Southeast Asia and East Asia compared with the last decade.<sup>14</sup> But much of the increases in defense spending and arms purchases will be driven by the bigger players—the PRC, India, and Japan—rather than Southeast Asia. Historically, defense spending and arms imports in Southeast Asia have been determined by a variety of factors, of which intra-ASEAN disputes and tensions (e.g., Singapore–Malaysia, and Thailand–Myanmar) is only one part. The other factors include domestic insurgencies, concern for the security and safety of sea lanes from disruption by piracy and terrorism (which are common security concerns of ASEAN members), and, of course, extra-regional security challenges such as uncertainty over the PRC's strategic intentions or fear of retrenchment of the US military presence in the region. The last factor is important, since Southeast Asia is part of the wider East Asian strategic theatre, and hence is affected by developments in the relationship among the major players. This serves as an impetus for defense spending and arms purchases, but it need not destabilize intra-ASEAN relations per se. This distinction between the intra-ASEAN and extra-ASEAN contexts is important to bear in mind when considering the economic and strategic implications of the perceived "arms race" in East and Southeast Asia. The largest ASEAN member in terms of population and GDP, Indonesia, is only the sixth highest defense spender in ASEAN, while the smallest ASEAN member, Singapore, is the highest spender with the most capable armed forces. This causes a state of "balanced strategic disparity" that has served intra-ASEAN stability well in the past and should

<sup>13</sup> "Singapore first among ASEAN to make list of top 10 biggest arms importers" Available at: <http://jacob69.wordpress.com/2010/03/30/singapore-first-among-asean-to-make-list-of-top-10-biggest-arms-importers-and-then-theres-the-iron-dome/>.

<sup>14</sup> <http://www.channelnewsasia.com/stories/singaporelocalnews/view/1138171/1/.html>.

continue to serve it well into the future.<sup>15</sup> Finally, defense spending in ASEAN has historically been highly sensitive to the economic cycle (unlike South Asia, where defense spending is driven mainly by strategic consideration whether the economies perform well or not). This is a hopeful sign for ASEAN that indicates that its members will not put guns before butter.

## 6. INTERNAL CONFLICTS AND POLITICAL CHANGE

Southeast Asia was the scene of some of the worst domestic violence of the late 20th century. The Khmer Rouge regime in Cambodia killed about 1.7 million (a quarter of the Cambodian population) during its brutal rule between 1975 and 1979. Anti-Communist riots in Indonesia that accompanied the transition from President Sukarno to Suharto claimed about 400,000 lives. Ethnic and separatist movements in East Timor and Aceh claimed 200,000 and more than 2,000 lives, respectively.<sup>16</sup> While there are no proper collated figures for ethnic separatism in Myanmar—usually low-scale, random casualties, and conflicts, 600,000 “internally-displaced persons” from these conflicts have been recorded.<sup>17</sup> According to one estimate, “Myanmar, which was embroiled in 6 different intrastate conflicts, is the world’s most conflict-prone country during the 1946–2003 period, having experienced 232 ‘conflict-years’.”<sup>18</sup> Other conflict-prone countries during this period, in terms of having experienced the greatest number of conflict-years, are Philippines (86 conflict-years), Indonesia (40 conflict-years), Cambodia (36 conflict-years), Viet Nam (36 conflict-years), and Thailand (35 conflict-years). Although Southeast Asia has witnessed a decline in battle deaths in keeping with the overall trend around the world, and has been free of major conflict since the fighting in Cambodia (1979–1991) ended, internal conflicts in southern Thailand, southern Philippines, and Myanmar remain a serious challenge to human security. Military rule, which accounted for some of the worst human rights violations in the region, continues in Myanmar, briefly recurred in Thailand in 2006, and cannot be entirely ruled out in the Philippines.

The main sources of internal conflicts in ASEAN include (1) the lack of fit between the territorial boundaries of the modern “nation-states” and the ethnic composition of their populations (the members of the same ethnic group straddling national boundaries and individual nation-states containing many different ethnic groups); and (2) struggle for regime survival and demands for political change against authoritarian regimes. While one might consider terrorism as a domestic security threat, because it is sometimes rooted in ongoing domestic conflicts, I would include it in the category of transnational threats, given that the major terrorist organizations tend to draw support from and

<sup>15</sup> “RI’s defense spending ranks low in SE Asia,” Available at: <http://www.thejakartapost.com/news/2010/12/01/ri%E2%80%99s-defense-spending-ranks-low-se-asia.html>.

The phrase “balanced strategic disparity” is borrowed from Don Emmerson’s term “balanced disparity” in ASEAN, which implies that the largest member states in terms of size and population are not the strongest economic and military powers, while the weaker members in terms of size and population are wealthier and stronger military powers.

<sup>16</sup> Ingrid Wessel and Georgia Wimhofer, eds., *Violence in Indonesia* (Hamburg: Abera-Verlag, 2001).

<sup>17</sup> US Department of State, Country Reports on Human Rights Practices, Burma, 31 March 2003. Available at: <http://www.state.gov/g/drl/rls/hrrpt/2002/18237.htm>.

<sup>18</sup> It is possible for a country to be involved in two or more state-based armed conflicts in a given year and thus accumulate more than one conflict-year for each calendar year. Myanmar, for example, was embroiled in six different intrastate conflicts.

operate across national boundaries, and retain significant external or extra-regional links (e.g., Al-Qaeda and the Jemmah Islamiah network in Southeast Asia).

Domestic conflicts not only challenge the internal stability of ASEAN states, but also regional stability as a whole. Many domestic conflicts tend to spill over national boundaries, especially when militants or refugees flee the conflict zone and seek asylum in neighboring states (as happened in the past when members of the Communist Party of Malaya moved across the border into Thailand, and may be happening now with the reported movement of Muslim radicals from Thailand's south coming over to Malaysia). Although it seems to happen rarely these days, such spillovers could become a source of friction between ASEAN member states. Moreover, uneven democratization in ASEAN may see some newly democratic regimes (such as Indonesia), unable to resist domestic demands for sympathy and support for opposition figures in neighboring authoritarian state, which might be construed as unwarranted interference by the latter.

The past decade has seen the end of several long-standing separatist movements in ASEAN, particularly Aceh and East Timor, although the ending of these conflicts did come at a significant human and developmental cost. But the separatist movements in the southern Philippines and southern Thailand have no immediate end in sight, and may well continue into the next two decades. (It remains to be seen whether the new Thai government's election campaign pledge to give autonomy to the southern provinces will make any difference, as this will be resisted by the armed forces, and autonomy has not ended the southern Philippine conflict.) Myanmar too is likely to see periodic flare-ups of its myriad ethnic rebellions, as happened in 2009 and 2010.

**Table 2: Freedom and Democracy in ASEAN**

Economy / Year	1972	1988–1989		2010	
	Freedom Status	Freedom Status	Electoral Democracy	Freedom Status	Electoral Democracy
Brunei Darussalam	Not Free	Not Free	No	Not Free	No
Burma	Not Free	Not Free	No	Not Free	No
Cambodia	Not Free	Not Free	No	Not Free	No
East Timor (not an ASEAN member)	...	...		Partly Free	Yes
Indonesia	Partly Free	Partly Free	No	Free	Yes
Lao PDR	Partly Free	Not Free	No	Not Free	No
Malaysia	Free	Partly Free	No	Partly Free	No
Philippines	Partly Free	Free	Yes	Partly Free	No
Singapore	Partly Free	Partly Free	No	Partly Free	No
Thailand	Not Free	Free	Yes	Partly Free	No
Viet Nam	Not Free Partly Free	Not Free	No	Not Free	No

Source: Freedom House.

ASEAN remains an odd mixture of authoritarian, semi-authoritarian, and democratic regimes. Democratization in ASEAN has proven to be an uneven and nonlinear phenomenon. Since 1986, democratic transitions have theoretically occurred in four ASEAN members—Philippines, Thailand, Cambodia, and Indonesia. However, democratic rule in Thailand was briefly but significantly reversed in 2006, and it remains fragile there as well as in Philippines and Cambodia. Notwithstanding its recent elections, Myanmar's transition to a stable polity with a modicum of democracy remains far from certain. According to Freedom House data, only one out of ten

ASEAN members is regarded as “free,” five are considered “partly free,” and the rest “not free.” Using Freedom House’s strict criteria, that count not just elections but also civil liberties, only two out of ten are “electoral democracies.” (See Table 2.) Further democratization in ASEAN is certainly possible in the next two decades. Malaysia and Singapore, traditionally regarded as a mixture of democracy and authoritarianism (“soft authoritarianism”) are already facing increasing demands for greater political liberalization and openness. If the last elections are any indication, there is a growing sense of political openness in Singapore, once regarded by Western observers as the paradigmatic case of an authoritarian-developmental (albeit a successful one) state, whose former prime minister, Lee Kuan Yew, once associated democracy with indiscipline and hence a barrier to development. This view has been laid to rest.

The process of democratization is sometimes seen as a source of instability and even war. But there is scant evidence in Asia that newly democratic governments have gone to war with their neighbors (an exception could be India and Pakistan in the late 1990s). Instead, newly democratic regimes—such as Thailand with Chatichai Choonhavan in the late 1980s, the Republic of Korea under Kim Dae Jung in the 1990s, and Indonesia post-Suharto—have pursued generally moderate and peaceful relations with their neighbors. Moreover, in these countries, as well as in Taipei, China after Chiang Kai-shek, we have seen that democratization has sharply reduced domestic violence and deaths compared to the period under authoritarian rule.<sup>19</sup> As could be seen from the human security data presented earlier, authoritarian regimes in Indonesia, Cambodia, and Myanmar perpetrated substantial domestic violence. Hence, one might ask whether it is the persistence of stark authoritarian rule that might engender greater domestic violence rather than transitions to democracy. Dictatorships can never secure long-term popular acquiescence, and are often tempted to meet demands for political change with violent repression, thereby causing the very instability they seek to avoid.

## 7. TRANSNATIONAL CHALLENGES

Transnational threats—environmental degradation, pandemics, terrorism, maritime piracy, financial volatility,<sup>20</sup> drug trafficking, people smuggling, money laundering, and other forms of transnational crime do not respect national boundaries. Some arrive at very short notice, like the severe acute respiratory syndrome (SARS) pandemic in 2003 or the terrorist bombings in Bali in 2002. Others, like climate change, have a long gestation period, and are thus likely to be ignored by policymakers. Certain aspects of globalization, such as the transport revolution and tourism, aggravate and act as a transmission belt for many such challenges. Perhaps on the positive side, because transnational threats defy unilateral or national remedies, regional and international cooperation becomes a necessity, rather than a matter of choice.

Climate change may turn out to be especially important as a security challenge to ASEAN for the coming two decades. It is widely regarded as a threat to global and regional security. A study by the Center for Naval Analysis in the US argues:

<sup>19</sup> For a detailed empirical analysis, see Amitav Acharya, “Democracy or Death? Will Democratisation Bring Greater Regional Instability to East Asia?,” *Pacific Review*, Vol. 23, No. 3 (2010), pp. 335–58.

<sup>20</sup> I do not discuss financial volatility in this paper, as it is covered in other papers in this ADBI project. For a detailed discussion of the security implications of the 1997 financial crisis, see Amitav Acharya, “Realism, Institutionalism and the Asian Economic Crisis,” *Contemporary Southeast Asia*, Vol. 21, No. 1 (April 1999), pp. 1–29. Lack of space also precludes a discussion of maritime piracy, drugs, people-smuggling, and other forms of transnational crime as they affect ASEAN.

“Unlike most conventional security threats that involve a single entity acting in specific ways and points in time, climate change has the potential to result in multiple chronic conditions, occurring globally within the same time frame. Economic and environmental conditions in already fragile areas will further erode as food production declines, diseases increase, clean water becomes increasingly scarce, and large populations move in search of resources. Weakened and failing governments, with an already thin margin for survival, foster the conditions for internal conflicts, extremism, and movement toward increased authoritarianism and radical ideologies.”<sup>21</sup>

It is difficult to consider the impact of climate change within a strictly ASEAN context, given the proximity of ASEAN to South Asia and the PRC, two of the regions most vulnerable to the security implications of climate change. Thus, in a report to the US Defense Department, Peter Schwartz and Doug Randall (Schwartz and Randall 2003: 3) argue that<sup>22</sup> by 2020, “persistent conflict in South East Asia; Burma, [Lao PDR], [Viet Nam], India, [the PRC]” could occur as a result of climate change.<sup>23</sup> The Center for Naval Analysis study suggests that due to climate change the PRC could suffer from “decreased reliability of the monsoon rains, longer, colder winters and hotter summers caused by climate change (decreased evaporative cooling because of reduced precipitation), could lead to widespread famine, chaos and internal struggles, and conflict with Russia and western neighbors for energy resources.” For Bangladesh, the consequences could be a rise in sea levels, storm surges, and coastal erosion, all of which would make “much of Bangladesh nearly uninhabitable,” as the rising sea level might contaminate fresh water supplies inland, including drinking water. A related consequence would be large-scale emigration, which would trigger tension with neighbors, including India, the PRC, and Southeast Asian countries. The report also warns that, India and Indonesia could experience “violent storms, deaths from war and famine, riots and internal conflicts.”<sup>24</sup> Furthermore, since several of Asia’s major rivers—the Indus, Ganges, Mekong, Yangtze, and Yellow—originate in the Himalayas, “[i]f the massive snow/ice sheet in the Himalayas—the third-largest ice sheet in the world, after those in Antarctic and Greenland—continues to melt, it will dramatically reduce the water supply of much of Asia.”<sup>25</sup> ASEAN has already seen how haze from forest fires in Indonesia can cause discontentment and tension (both at popular and official levels) in Indonesia’s relations with Singapore and Malaysia.

Climate change has the potential to significantly aggravate the degradation of ASEAN’s environment already caused by deforestation. In the period of 1980 to 2007, ASEAN forests have decreased by a total of 555,587 square kilometers, an area roughly the size of Thailand, or by an annual average rate of 20,578 square kilometers, an area almost 29 times the size of Singapore. (See Table 3.) Although the data is uncertain, climate change has been linked to increasing severity of storms and floods. The 2004 Indian Ocean Tsunami showed that the erosion of mangroves could cause intensified

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<sup>21</sup> *National Security and the Threat of Climate Change*, The CNA Corporation, Alexandria, VA, 2007. Available at: <http://securityandclimate.cna.org/>, p.6. Accessed 25 April 2007.

<sup>22</sup> Peter Schwartz and Doug Randall, “An Abrupt Climate Change Scenario and Its Implications for United States National Security,” October 2003. Available at: <http://www.grist.org/pdf/AbruptClimateChange2003.pdf>, p.3.

<sup>23</sup> *Ibid.*, p.17.

<sup>24</sup> Reproduced from Mark Townsend and Paul Harris, “Now the Pentagon Tells Bush: Climate Change Will Destroy Us,” *The Observer*, 22 February 2004. Available at: <http://archives.zinester.com/13183/117352.html>, accessed 25 April 2007.

<sup>25</sup> The CNA Corporation 2007: 13–15.

damage to coastal areas. The dramatic reduction of mangrove coverage in ASEAN (Table 4) could thus amplify the impact of storms and tsunamis.

**Table 3: Forest Area in the ASEAN Region in 1980–2007**

ASEAN Members	Forest Area (km <sup>2</sup> )				Annual Rate of Change
	1980	1990	2000	2007	
Brunei Darussalam	4,830	3,130	4,430	4,380	−0.14
Cambodia	120,300	129,460	115,410	100,094	−1.66
Indonesia	1,246,220	1,165,670	978,520	847,522	−1.67
Lao PDR	144,700	173,140	99,332	96,407	−0.37
Malaysia	217,220	223,760	201,600	196,630	−0.31
Myanmar	329,290	392,190	345,540	312,900	−1.18
Philippines	110,260	105,740	79,490	68,472	−1.73
Singapore	50	23	23	23	0
Thailand	189,930	159,650	148,140	144,024	−0.35
Viet Nam	106,380	93,630	117,250	134,134	1.80
ASEAN	2,460,180	2,446,393	2,089,742	1,904,593	−1.11

Source: ASEAN Centre for Biodiversity, *ASEAN Biodiversity Outlook*, Philippines, 2010

**Table 4: Area Coverage of Mangroves in the ASEAN Region**

ASEAN Members	1980 km <sup>2</sup>	2005 km <sup>2</sup>	1980 and 2005 difference		Percentage to ASEAN total remaining Mangrove Area
			km <sup>2</sup>	%	
Brunei	184.0	184.5	-	-	0.4
Darussalam					
Cambodia	912.0	692.0	220.0	24.1	1.5
Indonesia	42,000.0	29,000.0	13,000.0	34.1	61.7
Lao PDR	-	-	-	-	-
Malaysia	6,740.0	5,650.0	1,090.0	16.2	12.0
Myanmar	5,555.0	5,070.0	485.0	8.7	-
Philippines	2,950.0	2,400.0	550.0	18.6	5.11
Singapore	17.9	5.0	12.9	72.1	0.01
Thailand	2,800.0	2,400.0	400.0	14.3	5.11
Viet Nam	2,691.5	1,570.0	1,121.5	41.7	3.34
ASEAN	63,850.4	46,971.0	16,879.0	26.4	~100%

Source: ASEAN Centre for Biodiversity, *ASEAN Biodiversity Outlook*, Philippines, 2010.

**Table 5: ASEAN's Goals and Measures Related to Climate Change**Goal:

The ASEAN Vision 2020 calls for a "clean and green" ASEAN with fully established mechanisms to ensure the protection of the environment, and the sustainable use and management of natural resources, and high quality of life for people in the region.

Measures (since 2007):

ASEAN Declaration on Environmental Sustainability (13th ASEAN Summit in 2007);

ASEAN Declaration on COP-13 to the UNFCCC and CMP-3 to the Kyoto Protocol (13th ASEAN Summit in 2007);

Singapore Declaration on Climate Change, Energy and the Environment (3rd EAS Summit in 2007);

Joint Ministerial Statement of the 1st EAS Energy Ministers Meeting (2007);

Ministerial Statement of the Inaugural EAS Environment Ministers Meeting (2008);

ASEAN Joint Statement on Climate Change to COP-15 to the UNFCCC and CMP-5 to the Kyoto Protocol (15th ASEAN Summit in 2009);

Singapore Resolution on Environmental Sustainability and Climate Change (11th AMME in 2009).

Source: ASEAN Secretariat

**Table 6: Disasters\* by Country, 2000–2009**

Country	Number	Share (%)
Cambodia	16	3.10
Indonesia	152	29.46
Lao PDR	9	1.74
Malaysia	34	6.59
Myanmar	14	2.71
Philippines	145	28.10
Singapore	2	0.39
Thailand	54	10.47
Timor-Leste	8	1.55
Viet Nam	82	15.89
100.00	516	100

\*Disasters include: Drought; Earthquake (seismic activity); Epidemic; Extreme temperature; Flood; Insect infestation; Mass movement dry; Mass movement wet; Storm; Volcano; Wildfire.

Source: EM-DAT: The OFDA/CRED International Disaster Database, [www.emdat.be](http://www.emdat.be) (Université Catholique de Louvain, Brussels).

ASEAN as a subregion also faces special dangers of its own when it comes to climate change. Raman Letcumanan, Head of the Environment Division, ASEAN Secretariat, puts the security implications of climate change for ASEAN succinctly:

"ASEAN is particularly vulnerable to the impacts of climate change due to the concentration of people and economic activities in the coastal areas, its rich biological diversity, resource-based economies, and the increased vulnerability of the people especially the poor. Due to its geological and geographical factors, the region is also one of the world's vulnerable regions to suffer from a range of climactic and natural hazards such as earthquakes, typhoons, sea level rise, volcanic eruptions, droughts, heat waves and tsunamis which are becoming more frequent and severe. In addition, the geophysical and climactic conditions shared by the region have also led to common and trans-boundary

environmental concerns such as air and water pollution, urban environmental degradation and trans-boundary haze pollution.”<sup>26</sup>

Despite the widespread fear of terrorist attacks in Southeast Asia sparked by the Bali and Jakarta bombings in the 2000s, terrorism has proven to be an exaggerated risk for ASEAN. Modern terrorism is truly a transnational threat, given the ability of radical groups to plan and execute attacks in several countries at the same time, operate across national boundaries, and secure funds and other forms of support sources worldwide. Part of the credit for this should be given to increasing vigilance and preventive actions by individual ASEAN governments, including, after a period of hesitancy, newly democratic Indonesia. Also important were various forms of bilateral and multilateral—both intra-ASEAN and extra-ASEAN—intelligence sharing and counter-terrorism cooperation. Whatever the reason, it is clear that the Jemmah Islamiah group, in cooperation with Al Qaeda, is hardly in a position to establish a regional network of terror (or an Islamic Caliphate incorporating territories from Malaysia, southern Philippines, Singapore, Indonesia, southern Thailand, and even northern Australia, as some analysts had feared), with a view to seriously disrupting tourism, travel, economic development, and political stability in the region. Moreover, as noted, as with other transnational threats, especially pandemics, natural disasters and drug trafficking, the threats of terrorism and piracy have proven to be a catalyst for regional cooperation (Table 7). This situation is unlikely to change in the foreseeable future, barring a collapse of the Indonesian state.

**Table 7: ASEAN Cooperation on Terrorism**

- ASEAN Declaration on Transnational Crime, Manila, 20 December, 1997
- ASEAN Plan of Action to combat Transnational Crime, 1999
- ASEAN Declaration on Joint Action to Counter Terrorism, Bandar Seri Begawan, 5 November 2001
- Declaration on Terrorism of the Eight ASEAN Summit, November 2002
- Agreement on Information Exchange and Establishment of Communication Procedure, Putrajaya, Malaysia, 7 May 2002
- Work Programme to Implement the ASEAN Plan of Action to Combat Transnational Crime, Kuala Lumpur, 17 May 2002
- Treaty on Mutual Assistance in Criminal Matters, Kuala Lumpur, 29 November 2004
- ASEAN Convention on Counter terrorism, Cebu, Philippines, 13 April 2007

**International Cooperation:**

Agreements with the US, Australia, and Japan;

ASEAN–US Common Declaration on improving cooperation between intelligent agencies, July 2002;

ASEAN also signed Joint Declarations with all its ten Dialogue partners;

With the PRC also signed a Declaration on Non Traditional Security issues.

The SARS episode was a powerful reminder that pandemic outbreaks are unpredictable, closely linked to the effects of globalization, and utterly defiant of national borders or national remedies. Mercifully for ASEAN, SARS was short-lived and its economic costs, though not insignificant, tolerable (Table 7). Had it lingered for a year, the economic damage would have been enormous. Given the fact that new forms of infectious disease and pandemics are discovered by scientists with alarming

<sup>26</sup> Raman Letcumanan, Head of the Environment Division, ASEAN Secretariat, “Is there an ASEAN Policy on Climate Change,” p.52. Available at: <http://www2.lse.ac.uk/IDEAS/publications/reports/pdf/SR004/ASEC.pdf>.

regularity, future crises due to pandemic outbreaks should command ASEAN's serious attention (and that of East Asian groupings like the ASEAN Plus Three [APT] and the East Asian Summit [EAS]), as they have done since 2003.

**Table 8: Cost of SARS for East and Southeast Asian Economies in 2003**

	Consumer Spending		GDP		TFE	
	\$ billion	% GDP	\$ billion	% GDP	\$ billion	% GDP
PRC	4,2	0,3	6,1	0,5	17,9	1,3
Hong Kong, China	3,4	2,2	4,6	2,9	12,0	7,6
Rep. of Korea	0,1	0,0	0,3	0,1	6,1	1,2
Taipei, China	1,8	0,6	1,3	0,5	4,6	1,6
Indonesia			0,3	0,1	1,9	0,9
Malaysia			0,4	0,4	3,0	2,9
Philippines			0,0	0,0	0,6	0,7
Singapore	0,6	0,7	2,7	3,0	8,0	9,0
Thailand	1,0	0,7	1,9	1,4	4,5	3,2
Viet Nam			0,4	1,1	0,4	1,1
Total			18,0	0,6	59,0	2,0

PRC = People's Republic of China, GDP = gross domestic product, TFE = total final expenditure.

Source: *Assessing the Impact and Source of SARS in Developing Asia*, Asian Development Outlook, 2003, Update, p. 88.

Competition for energy resources may well worsen as a source of rivalry and conflict in Asia and the world for the next twenty years. For ASEAN, Sino-Indian competition for access to the energy resources of Myanmar ought to be a matter of concern for ASEAN, since it undermines the cooperation between the two Asian powers that is of benefit to ASEAN. Explorations for oil and gas by claimant nations have already aggravated the territorial disputes in the South China Sea. If substantial reserves are found there, it would lead to a dramatic rise in tensions among the claimants, thereby rendering ASEAN a major focal point of global energy competition and conflict. Water is another source of inter-state rivalry and regional conflict involving ASEAN and the PRC, especially in the Mekong region where the PRC's building of a series of dams in the upper reaches of the river has already caused anxiety and discontentment among the downstream ASEAN countries. How the PRC handles the flow of water, given its significant implications for fisheries and agriculture in mainland Southeast Asian states, will be an important test of the PRC's regional role. While ASEAN is not directly involved as an institution in managing the Mekong issue, it cannot escape the adverse consequences of tensions over Mekong.

## 8. CONCLUSION: ASEAN'S FURTHER EVOLUTION

ASEAN's irrelevance or even death has been predicted several times before. At birth in 1967, few people thought it would last a decade, given that the two previous attempts at regional cooperation in Southeast Asia—the Association of Southeast Asia and the MAPHILINDO (Malaysia, Philippines, and Indonesia) concept—had ended within a few years after their creation. The Malaysia–Philippines dispute over Sabah in 1969, the aftermath of the US withdrawal from Viet Nam in 1975, the Vietnamese invasion of Cambodia in 1979, the end of the Cold War, and the outbreak of the Asian financial crisis in 1997, had all been seen as critical blows to ASEAN. But ASEAN survived and even came out a little stronger each time. So there is reason to be optimistic that ASEAN will be around in 2030.

But surviving is not the same as thriving. In 2030, ASEAN might still be plodding on, but would it still be a key player in regional peace, stability, and prosperity in Asia—a role it currently enjoys? This question is more difficult to answer.

The answer might be found in three further key questions. First, what would be ASEAN's relations with the great powers? The biggest fear for ASEAN is that it will be swept aside by the rise of its two most powerful immediate neighbors, the PRC and India, and the resulting tide of great power competition that would draw in the US and Japan as well. As discussed above, ASEAN emerged at a time when India and the PRC had just fought a war with each other and faced major domestic challenges, including Mao's cultural revolution in the PRC. Japan in the late 1960s and 1970s was still in recovery mode, politically if not economically. The field was thus open for ASEAN to anchor regional cooperation.

Today the situation is very different. The PRC and India are racing to join Japan and the US in the great power club, and seeking their rightful place at the top table of world affairs. Japan, though stagnant economically, is reorienting itself—as a “normal state”—to an active political and military role in Asia.

Some things remain unchanged, however. The PRC, Japan, and India do cancel each other due to their mutual mistrust. All three and the US want ASEAN to accept its leadership role in Asian regional cooperation.

Some imagine a concert of powers developing in Asia, wherein the PRC, Japan, India, and the US could jointly manage regional security issues. This would marginalize ASEAN. As a Southeast Asian saying goes, the grass suffers not only when the elephants fight, but also when they make love. But an Asian concert of powers would require the powers to overcome differences that are neither temporary nor trivial.

A second question about ASEAN's future: What would be the state of inter-ASEAN relations? Here, the ongoing skirmishes on the Thai–Cambodian border do not inspire confidence. Simmering rivalries and mistrust continue to cloud relationships between Singapore and Malaysia, Thailand and Burma, and Malaysia and Thailand. But this is a far cry from the 1960s and 1970s, and there are grounds for optimism that these intra-ASEAN conflicts would not doom the organization. They would need to be managed carefully, however, with the help of existing mechanisms and new mechanisms ASEAN is currently seeking to develop.

The third question is perhaps the most important: What would the domestic political configurations of ASEAN countries look like? Would ASEAN countries become more open and democratic? Indonesia has surely taken a major leap towards democracy. But we have seen a military takeover, however brief, in Thailand in 2006 and continuing frustration with Burma. Domestic succession in many ASEAN countries remains uncertain and even volatile. Domestic turbulence can spill over borders and limit ASEAN members' ability to contribute to the regional public good. As a regional group, ASEAN cannot shape the domestic politics of its members, but a collective commitment to participatory democracy and regionalism does help. The idea of a People's ASEAN is promising, but thus far this has only meant fostering cultural exchanges and cooperation, not promoting or defending democracy (although Indonesia's efforts through the Bali Democracy Forum is praiseworthy). ASEAN has made a tentative commitment to human rights, but this remains constrained by the resilience of the non-interference norm.

In essence, to stay relevant and perform effectively as “the fulcrum of geopolitical stability in Asia,” ASEAN must commit itself to four goals:

*Centrality:* The principle of ASEAN centrality implies that ASEAN must keep its seat at the “driver’s table” of the most important existing Asian regional institutions, especially the ASEAN Regional Forum (ARF) and the East Asian Summit (EAS), and that it should not allow itself to be sidelined or marginalized by the initiatives of others, especially the great powers, to develop new or competing regional bodies covering Asia as a whole. The principle of ASEAN centrality is not an accident of history, but rooted in past historical political conditions favoring Asia’s weaker states in developing regional cooperation.<sup>27</sup> In other words, ASEAN centrality is not a result of the generosity of the big powers, but a consequence of two other long-term factors. First, none of these great powers—including the US, the PRC, Japan, and India—would be acceptable to the rest of the region as the sole driver of regionalism, as each carries baggage from the past. Second, the two most important East Asian powers, the PRC and Japan, do not find each other acceptable in such a role, and the prospect for a Sino-Japanese rapprochement in the manner of the post-War Franco-German reconciliation, which will provide the strongest challenge to ASEAN centrality, does not appear likely. But this does not mean ASEAN can take the centrality principle for granted. It has come under scrutiny for giving ASEAN too much control. Critics of ASEAN centrality argue that ASEAN may not be able to muster the resources and political will to exercise an effective leadership role in dealing with the big issues of the day. ASEAN should do its best to address both perceptions, with a pro-active and robust system for dealing with regional crises and advancing common projects, without diluting its centrality—a major challenge for the organization in the coming years.

*Compliance:* The second goal is about compliance. ASEAN has a multitude of old and new declarations, agreements, treaties, conventions, protocols, plans of action, blueprints, concords, etc., to address a growing number of old and new challenges. But the key is to ensure members’ compliance. ASEAN’s sometimes well-deserved reputation as a talk shop stems not from a lack of cooperative instruments, but from the failure to adhere to them. Another issue is their poor “usability.” ASEAN now has a program of monitoring member states’ compliance with the blueprints of its three communities, but mere compliance with implementation measures would not suffice unless the mechanisms thus created are actually put into practice, notably conflict resolution mechanisms such as the High Council and the “good offices” role of the Secretary-General and the ASEAN Chair. ASEAN must also engage in capacity-building to implement and realize its various political and security objectives, as outlined in the Blueprint for the ASEAN Political Security Community. Natural disasters and their management increasingly demand ASEAN’s attention and resources, although its impact is likely to induce cooperation rather than competition. Indeed, disaster management is one of the areas in which ASEAN, along with the ASEAN Regional Forum, seems to have made considerable progress.

*Conflict Resolution:* ASEAN’s practice of “sweeping conflicts under the carpet” is no longer adequate, if ever it was. As with domestic conflicts and terrorism, at least some inter-state and regional conflicts require a resolution of their “root causes” in order to be removed permanently as barriers to stability and cooperation. ASEAN should thus embrace the challenge of conflict resolution as well as preventive diplomacy. The ARF has pursued these goals since its inception, but the conflict resolution objective was renamed to a seemingly innocuous phrase: “elaboration of approaches to conflicts,” reportedly at the PRC’s insistence. ASEAN should now seek conflict resolution as part of its own agenda, by making existing regional arbitration mechanisms more juridical

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<sup>27</sup> Acharya, *Whose Ideas Matter: Agency and Power in Asian Regionalism* (Ithaca, NY: Cornell University Press, 2009).

(with the help of a Council of third-party judges, for example), and introducing a certain degree of automaticity to their implementation.

*Common/Cooperative Security:* While this is a well-established principle of ASEAN and the ARF, sustaining it for the long-term cannot be taken for granted. The key to this principle is “inclusiveness” (inviting all relevant actors to the table and excluding none) and “non-discrimination” or “impartiality” (giving equal treatment to all actors, including the great powers, refraining from taking sides in the conflicts among them, and offering them a comforting atmosphere to sort out their differences). As the PRC’s power grows, individual ASEAN members may be tempted and make opportunistic moves to take the PRC’s side on critical territorial or strategic issues. There is no evidence as yet that either the PRC or India is pursuing a “divide-and-rule” approach towards ASEAN, but the PRC may be tempted to do so in future when its “core interests” are at stake, by offering some ASEAN members substantial rewards for their exclusive friendship (such as economic and military aid, a favorable stance towards their territorial claims, separate bilateral deals with individual claimants to the South China Sea, or political support for regimes facing international pressure over human rights or democracy). Resisting temptations of such a “special relationship” with the PRC (or India or the US for that matter) and maintaining its “honest broker” image and neutral role in dealing with the great powers are vital for ASEAN to stay relevant in the multipolar Asian order. Such an approach should be consistent with the concept of “dynamic equilibrium” introduced by Marty Natalegawa, the Foreign Minister of Indonesia and the chair of ASEAN in 2011.<sup>28</sup>

In conclusion, one could imagine ASEAN in 2030 either as the wise counselor of Asia, or as a marginalized relic of the past. Approaching its mid-sixties, it could still be at its peak, functioning as a steady and calming influence on the rising powers of Asia—India and the PRC. Or it might have lost its bearings, amidst the confusion of profound changes in the regional economic and military balance of power.

To avoid the latter fate, ASEAN’s leaders must stay united, strengthen mechanisms for cooperation, steadfastly maintain its neutral broker image among the great powers, and be attentive to their people’s voices. By doing so, they will have a good chance of retaining ASEAN’s driver’s seat in Asian regional cooperation.

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<sup>28</sup> “Dynamic equilibrium” is distinct from a “balance of power” approach. Whereas the latter is based on adversarial alliances and coalitions, “dynamic equilibrium” means engaging all major players to create a benign and stable regional architecture (Author’s personal interview with Dr Marty Natalegawa, Jakarta, 5 July 2011).

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## APPENDIX 1: SUMMARY OF THE ASEAN SECURITY BLUEPRINT

The APSC Blueprint is aimed at providing the roadmap and timetable to establish the ASEAN Security Community by 2015. It is guided by the ASEAN Charter and by the principles contained therein. Notably, the APSC and the ASEAN Charter subscribe to a *comprehensive approach to security*, which acknowledges the interwoven relationships between all dimensions of security political, economic, socio-cultural, and environmental development. Therefore, on one hand the APSC promotes the renunciation of aggression and of the threat and use of force and, in this regard it upholds the existing ASEAN mechanisms (ZOPFAN, the TAC, and the Treaty on Southeast Asia Nuclear Weapon Free Zone), but on the other, also seeks to address non-traditional security challenges.

Based on these ideas the APSC pursues the following three goals:

- 1) A rule-based Community of Shared Norms and Values
- 2) A Cohesive, Peaceful, Stable, and Resilient region with shared responsibility for comprehensive security
- 3) A dynamic and outward looking region in an increasingly integrated and interdependent world

To achieve these goals, the ASEAN security Blueprint outlines a number of specific activities that have to be undertaken by ASEAN members in the following areas:

### 1.1 A rule-based Community of Shared Norms and Values

#### *Cooperation in Political Development*

- 1.1. Promote Understanding and appreciation of Political systems, culture, and history of ASEAN members
- 1.2. Lay the Groundwork for an institutional framework to facilitate free flow of information for mutual support and assistance of ASEAN members
- 1.3. Establish Programmes for Mutual Support and Assistance among ASEAN members in the Development of Strategies for Strengthening the rule of Law and Judiciary System and Legal Infrastructure
- 1.4. Promote good governance
- 1.5. Promotion and Protection of Human Rights
- 1.6. Increase the participation of the relevant entities associated with ASEAN in moving forward ASEAN political development initiatives
- 1.7. Prevent and Combat Corruption
- 1.8. Promote Principles of Democracy
- 1.9. Promote Peace and Stability in the region

#### *Shaping and Sharing ASEAN Norms*

- 2.1. Adjust ASEAN institutional Framework to comply with the ASEAN Charter
- 2.2. Strengthening Cooperation under the TAC
- 2.3. Ensure the full implementation of the DOC for the South China Sea
- 2.4. Ensure the implementation of the Southeast Asian Nuclear Weapon Free Zone Treaty and its Plan of Action

## 2.5. Promote ASEAN Maritime Cooperation

### **2) A Cohesive, Peaceful, Stable, and Resilient region with shared responsibility for comprehensive security**

#### *Conflict Prevention/ Confidence Building Measures*

- 1.1. Strengthen Confidence Building Measures
- 1.2. Promote Greater Transparency and Understanding of defense policies and security perceptions
- 1.3. Build up the necessary institutional framework to strengthen the ARF process in support of the ASEAN Political Security Community
- 1.4. Strengthen efforts in maintaining respect for territorial integrity, sovereignty and unity of ASEAN members
- 1.5. Promote the development of norms that enhance ASEAN defense and security cooperation
- 1.6. Conflict resolution and pacific settlement of disputes
- 1.7. Building up of existing modes of pacific settlement of disputes and consider strengthening them with additional mechanisms as needed
- 1.8. Strengthen research activities on peace, conflict management, and conflict resolution
- 1.9. promote regional cooperation to maintain peace and stability
- 1.10. Post Conflict peace building
- 1.11. Strengthen ASEAN Humanitarian Assistance
- 1.12. Implement Human Resources and capacity building programs in post conflict areas
- 1.13. increase cooperation in reconciliation and further strengthen peace-oriented values

#### *Non Traditional security issues*

- 1.1. Strengthen Cooperation in addressing non traditional security issues, particularly in combating transnational crime and other Transboundary challenges
- 1.2. intensify counterterrorism efforts by early ratification and full implementation on the ASEAN Convention on Counterterrorism
- 1.3. Strengthen ASEAN Cooperation on Disaster Management and Emergency response
- 1.4. Effective and Timely response to urgent issues or crisis situations affecting ASEAN