

**Asian Voices :**  
**Promoting Dialogue Between the US and Asia**

***ASEAN's Evolving Regionalism:  
Promise or Peril?***

by

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by  
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**Ahmad Zakaria:** Thank you very much, John. I feel very privileged and very honored this evening to be invited to speak and I'm delighted to be here, especially with, I guess, I could call them old friends and a former staff member of mine. I am delighted also to meet some old friends from colorful days and also those that I have become acquainted with through the years, and also to meet new ones.

When I got the invitation to speak from Dr. Ikenberry on this topic, I actually accepted it without much hesitation. But as I can tell you, as it got nearer to the date I was going to come, I felt that I had made a terrible mistake. I thought that I was going to get myself into a lot of trouble, you know, because fundamentally, I think this is not an easy subject, precisely because of the fact that there are so many uncertainties.

And when we focus on Southeast Asia, obviously on the one hand, you can applaud the success that the Association of Southeast Asian Nations—better known as ASEAN—has been able to achieve in a good 30 years. However, after 1997, the Association has become questionable in terms of its direction and in terms of whether it will be able to sustain the envious record that it has achieved in the 30 years before '97.

What we find, therefore, as we come to the 21st Century, when you look at the Southeast Asian nations and ASEAN, you have a situation in which the organization has basically lost its luster or relevance. Some people want to call it a “sunset” organization.

In the last two years, ASEAN has been able to achieve, as its most notable accomplishment, something called the ASEAN Plus Three. Basically, ASEAN has an arrangement with China, Japan and the Republic of Korea.

Some people or critics have said that this is basically the dying ASEAN's new lifeline. Perhaps, we hope that ASEAN will be able to lead all of the parties to this new arrangement, so that it will be able to survive.

## Effect of 1997 Crisis on ASEAN

It will be useful, I think, to look back and perhaps realize what the latest 1997 crisis meant for us. Basically, I think it was a true tsunami, if you want to call it that, that struck ASEAN. In that case, the economy of ASEAN, basically on a combined basis, fell around 20 percent in dollar terms of its combined GDP. This had a tremendous impact. And among other things, you find that the currency values of all the ASEAN countries also fell basically around 40 to 60 percent.

So that meant the ASEAN countries basically won't go under, but certainly will go through a period of tremendous economic, not failure, but certainly difficulty. And, of course, with such economic dislocations you had rising unemployment, businesses folded and generally you could see there was a crisis of confidence. What it means actually, now that you look at it after '97, basically about three to four years after '97, you find that the ASEAN countries, in some fashion, have been able to get out of the morass, but they are not out of the woods. The dangers remain, such as the fundamentals that we have seen in the economic performance of the ASEAN countries. Among other things, especially the banking sector.

So when you have a situation now is that ASEAN is not attracting the investments that it used to attract before. And so there is a danger that you will come up, as one Singaporean diplomat says, over the

investment radar. A market investing index recently showed that only four ASEAN countries were listed as countries in which people could invest. And together there are some countries only given an index of 23 percent. And in those four countries one country, I don't think that you need to guess which country, has an assignment of 12 percent.

And what you have is a situation, when you look at Asia as a whole, that the other Asian countries are basically getting a higher index ranking. For example, China is 11 percent, Taiwan 17 percent, Hong Kong 23 percent and Korea 20 percent. And this is just an indication, I think, of the position that the ASEAN countries are in, especially in Malaysia, Indonesia, Thailand, and the Philippines, because these are the real top-performing ASEAN countries in the period before '97. And the other indicator, of course, is that the Japanese foreign investment has been halved to Indonesia, Malaysia and the Philippines, between 1997 and 1999.

### **Crisis of Confidence among ASEAN Countries**

Now, on top of that, we can look at ASEAN after '97. While they were undergoing this economic crisis, you might also see that they went through a crisis of confidence. There certainly was, I would say, some kind of a period of inaction in the ASEAN countries themselves, and when they interacted with each other at the ASEAN level.

And you find, for example, the ASEAN countries were not able to forge a united position on how to deal with the economic crisis. They also were not able to forge together a united position on the environmental problems that would be besetting ASEAN at that time. So you have these sets of problems for the ASEAN countries.

### **Politics of ASEAN**

Now, we turn from the economics to the

politics of ASEAN. You find there that, because of what happened you have, I would say, spectacular changes of government in the ASEAN region. You have changes of government in Thailand and the Philippines. But perhaps the most dramatic change was one that occurred in Indonesia with the end of the Suharto regime, which had been in power for the past 32 years. Basically, you have a new government.

Political scientists are also able to identify the instances of the rise of, or the emergence of, political opposition and dissent in these countries, which perhaps in some way, beckons to a much more democratic future in these countries. And definitely I think, there were calls for more from the ASEAN countries.

But when you look at ASEAN and what's happening in terms of the political development in these countries, what I think becomes a problem, if you are looking from an outside angle, is what's happening in Indonesia. Indonesia basically is undergoing what you might call a transition to a democratic order, from what had been previously an authoritarian political system.

### **Transition to Democracy Difficult for Indonesia**

But a transition to democracy has obviously been a difficult process, and the process is still ongoing, with tremendous challenges to the governing power. In fact, one of the big problems in Indonesia today is that we're not sure whether the government is in power or not. And obviously, one of the questions being asked is whether or not the leader that they have is the rightful and legitimate leader: a leader who importantly would be able to provide for order, stability and the governance that's necessary for Indonesia. Translated in ASEAN terms, all this means is simply that Indonesia has not been able to provide the leadership that's been necessary for ASEAN and what helped ASEAN to succeed in the past.

Michael Leifer calls this leadership position the regional entitlement of Indonesia—being the largest country and not being the largest country—but the country that in many ways stands tall and provides for that feeling in Southeast Asia that it is a region of great importance.

I might also add that Indonesia is also faced with other problems. One of the problems, of course, is whether the republic will continue to be a united country and not a divided one. So in that sense, what's happening in Asia has provided basic ASEAN a rudderless and leaderless ASEAN. And that I think is a challenge that we have.

So I have two questions basically this evening that I would like to pose to you. Number one is whether ASEAN can survive and number two: is survival achieved through greater regionalism? And I already mentioned to you what happened with the formation of the ASEAN Plus Three.

### **Globalization Benefited ASEAN Countries**

I think to address these questions, we need to consider several factors. Factor number one, I think is the factor of globalization. I think that it's quite clear that what happened in '97 was obviously something of global significance. In fact, the reason for the ASEAN countries performance economically in the 30 years before '97, and why it became basically a region of expected economic growth, was basically because it interacted with the rest of the world. The successful economic countries, successful countries in ASEAN that had performed in economic terms, have been countries that have interacted with the rest of the world.

In Malaysia, for example, you are talking about a country that has basically 25 percent dependence on foreign trade. In fact, when you look at manufacturing, we are talking about easily 70 to 80 percent trade dependence for Malaysia. And you can cite the same kind

of statistics for the other more successful ASEAN countries.

So globalization is here to stay. And the responses from the ASEAN countries have been, at the moment, quite problematic. And I can say that for Malaysia, there's been a rethinking of whether or not Malaysia was taking the right step when it decided to get onto its global retreat. And this is a fundamental problem, because I think that it's difficult for Malaysia to retreat to a position like Myanmar used to do, when it isolated itself from the rest of the world. Also you have that particular problem. So it's a challenge of whether or not the ASEAN countries will retreat, or whether they will take head-on the problem of globalization.

Now related to this, of course, is the fact that the current performance of these countries is very much weighted to the current performance of the developed countries. And by developed countries, you are talking basically of the United States, Japan and the European countries. And here, when you have, for example, some sense of an impending economic recession in the United States, this creates tremendous challenges for the government as to whether or not they can sustain the economic recovery that has taken place in the ASEAN countries.

And this is not from the horse's mouth, but I can tell you that at this present moment, the Malaysian government is thinking very much about how it can better its relationship with the United States. It's not so much that Dr. Mahathir loves President Bush more than he loved Clinton, but it's obviously a case of the fact that the economic reality is there staring him in the face: the country has to have a better relationship with the United States.

The second factor would be, I would say, a question of regionalism, with regionalism as enforced through the ASEAN Plus Three. Whatever you will think about this ASEAN Plus Three, and what I'm saying here is

basically some people think that ASEAN Plus Three is nothing but the realization of the East Asian economic grouping, is what Mahathir has been talking about for the last decade. I know that you have basically being informed of what Mahathir dreamed all this while.

### **East Asian Countries See Merit in ASEAN Plus Three**

I think there is some truth to that. But what I see is that the East Asian countries also have come to realize that there is some merit, a great merit, in the ASEAN Plus Three, and that's why this thing is being formed.

But if you look at it more closely, you will find that the ASEAN Plus Three has not made much headway since it was officially recognized as a grouping. And so we have yet to see the fruits of this new regional organization, you might say.

Now, of course, when you look at the other developments there are also attempts by the ASEAN countries to forge relationships with the rest of the world. One grouping which is not solely ASEAN, but ASEAN with the Asian countries is that through its association with the European countries or ESAN. This is an interesting grouping because it's interregional in nature, and I cannot think of any other such interregional grouping that has been formed.

### **Challenge of ASEAN Relations with Rest of the World**

This is an interesting challenge, but the challenges, at the moment, will be set by three particular conditions. Condition number one is whether or not there can be true recovery in the ASEAN countries. Number two is whether or not the European unity itself, through its regional economic integration, is able to forge a new currency form through the Euro. And number three basically has to do with the linkages being forged under ESAN. And that has been problematic, because, in part, the European countries are very concerned about

some of the political developments that are taking place in ASEAN. And I'm talking, basically, of the Myanmar problem. So this has been, in some sense, a stumbling block, but I think this interregional grouping has much promise.

And one of the things that I will be doing in the summer is basically to go to Europe. And that's partly when we try to finance an ASEAN package, which has been put forth, interestingly, through Dr. Mahathir's initiative, when he set up basically what was known as, let me get it right, the Asia- Europe Institute in Kuala Lumpur. That is one part, I think, of the terms that are being made to forge this relationship.

Some people have said that this is an attempt of ESAN, in some ways, to give some balance to ASEAN and the Asian countries in relations to the other countries, principally the United States and Japan. I think there is some truth to that, certainly. I think for the European countries, themselves, they are very pleased to have ESAN as a balancing act to that of the United States and Asia.

### **Two-tier Organization Presents Problems for ASEAN**

Another factor is that of the ASEAN countries after '97. Those of you who have studied ASEAN will know that ASEAN became a full organization of ten countries, basically in '97 and the last country, Cambodia, was admitted one or two years later. And then you have in ASEAN a new format, which some people call the two-tier organization. This has created a new problem for ASEAN.

Some people think that this has also contributed to the lack of initiative within ASEAN, because of the fact that, with the larger membership, the ASEAN countries cannot reach decisions in the same way they did in the past. These two-tier organizations basically have as members the original ASEAN countries, together with the new

countries basically the CLM countries, Cambodia, Laos, Myanmar and, of course, Vietnam. And, therefore, you have basically the Indo-Chinese bloc being a problem within the ASEAN organization.

And this relates of course to another problem that ASEAN has. In the '92 summit in Singapore, ASEAN decided that it would now push for the ASEAN free trade area (AFTA). The plan, of course, was to have, by 2002, created an ASEAN free trade area. But because of the two-tier nature of ASEAN, the countries that are latecomers to ASEAN, have been given, I won't say a reprieve, but certainly a longer period in which they can then become true members of the ASEAN free trade area.

### **AFTA Does not Hold Much Promise for ASEAN**

But because of the '97 crisis you also have another problem. Malaysia, for example, has now started to backtrack on the pursuit of an AFTA by next year, and basically has asked for a further two years before it will be fully integrated within the AFTA network. So this may suggest to us, in fact, that AFTA does not hold much promise for the ASEAN countries. That becomes yet another problem.

And perhaps I should now go into the last factor and this question, of course, comes back to the question I've asked, about whether ASEAN can survive. Not being nostalgic, but I think when you look at ASEAN, maybe it is necessary for us to think that it's possible that four months is some key or indicator to understanding whether or not it can survive into the future.

### **Region at Peace**

So on this note, we can talk about that past record by talking about number one: in the 30 years of ASEAN's existence up to '97, and even to now, you can say that they had been a creation of what I would call Pax Asiana,

basically a region at peace. The region has seen no war or conflict between the countries of ASEAN. And I think that this is no mean achievement, when you look at ASEAN's establishment in '67 following the conflicts between Indonesia and Malaysia and Singapore, that the countries of Southeast Asia have been at peace.

At this moment in time I think when I look at ASEAN, I do not see any possibility that there can be hostilities between ASEAN countries. But perhaps I can give one little exception, because there is a problem that continues until the present and that is a question of Malaysia and Singapore.

Whether or not Malaysia and Singapore will go to war at some particular point in time... I do not think that there is anybody from the MCA here today and I can speak with much more candor. But in any event that's something that we can think about.

### **Nature of ASEAN Regionalism**

The second element on ASEAN's past record, is the nature of ASEAN regionalism, which, I think, is a strength and not a weakness. And this is basically, that ASEAN has been able to forge its unity in spite of the fact that the member countries of ASEAN actually have very different and individual standpoints of what they believe ASEAN is all about.

I would like to call this—and this is a mouthful so I will try my best—it is the unilateralism within a multilateral framework format. And this was very much evident in the Cambodian crisis or the Indochina War, the way the ASEAN countries actually dealt with the Cambodian problem. While on the one hand there is a united diplomatic front in the United Nations on the political ground, the ASEAN countries themselves all have very different standpoints. And you can find, for example, Singapore, which had the most vociferous and the most vocal position on the Vietnamese invasion of Cambodia, because

they were, of course, the most vigorous traders with the Vietnamese.

So there were these echoing conditions in existence all the time. And similarly, the position of Indonesia, for example, on Cambodia was a lot different from the position of Thailand on the Cambodian issue. So you can find this “unilateralism within a multilateral framework” in some sense actually is the strength of ASEAN, although it showed the contradictions that existed.

The third element of ASEAN’s past record is, of course, how to revitalize. And here we come back to the question of leadership within ASEAN. I think the big problem for ASEAN is how to deal with ASEAN in a post-Suharto period. Of course, Suharto’s successor does not look interested at all in ASEAN, and therefore that’s why maybe the leadership from Indonesia has been lacking. But on the other hand, if you look at ASEAN carefully, I think to a large extent, ASEAN was able to forge unity and consensus and able to achieve many of the things that it did diplomatically, through the efforts of Malaysia, Singapore, and Indonesia.

In some sense that’s the key to understanding ASEAN, because they are the ones that I would say have played, in my mind, a custodial role in the movements of ASEAN. And, therefore, if these three countries can get their act together, then I think it would provide for the revitalization of ASEAN.

### **ARF Conducive to Multilateral Security Dialogue**

There is one final element that we can think about, and that is basically on the ASEAN regional front. I think that it’s quite true that, in some sense, the ASEAN Regional Forum (ARF) is a glorified talk shop among the countries of Asia. On the other hand, its major success has been that it does provide for a unique architecture in the sense of multilateral security dialogue among the Asia Pacific

countries. And more importantly, if not just as importantly, is the fact that it includes China in the ASEAN regional front. And I think that’s a very vital component, because in some senses it is signaling the effect of the conundrum of the emergence of China as a regional, if not a global actor in the security frameworks. China is involved in both international regime levels and regional levels in Asia.

And so when you look at the ARF in a large sense to my mind, the fact that you have this secure dialogue, never mind that many of the topics are soft in nature, but the fact that there is such a mechanism holds much promise for the future of these Asia Pacific countries.

### **Future of ASEAN Looks Promising**

So I begin by raising to you basically what had been the challenges for ASEAN. And I think that, in terms of the future, maybe we can look at the past. And in that sense, therefore, I think when we ask the question, whether or not the future of ASEAN is one of promise or peril, I think I like to be a cautious optimist and I say that it’s somewhere between promise and peril. But it looks more promising than being one of a perilous future.

Thank you very much.

**Ronald D. Palmer:** Ahmad as usual has been brilliant. I’m going to try to pick out just a few things from this rich menu he’s put before us. But one of them that I don’t think gets enough attention is the place where ASEAN starts. And especially as many of us in the West look at it, and perhaps make some comparisons with other types of regional organizations and sometimes look at ASEAN, shall we say, invidiously; that we don’t think it’s done enough.

### **Asia Lacks History of Regionalism**

I’d like just to touch on a few historical points. First of all, looking back to 1945, it’s

extremely important to realize that there was no Asian history of regionalism. Indeed the countries in the region did not look laterally, as it were. They looked back to Europe. They looked to London. They looked to Amsterdam; they looked to Paris; and in the case of the Philippines, they looked to the United States. It was the Cold War. And, of course, the anti-colonialism provided the framework within which the countries of ASEAN began to look for partners, to look for opportunities to cooperate. It was the United States, of course, that took major initiatives, especially those of you who have studied the workings of the NSC (National Security Council).

The famous document NSC 68 of 1950 was the frame of reference within which operations were undertaken (by the U.S.) in Malaysia, Indonesia, the Philippines, and so forth. And it's the beginning of, not necessarily the beginning, but the impetus for American bilateralism.

Now, it's important as we look back at the United States in this period, to remember that Ho Chi Minh wanted very much to have a relationship with the United States. But it was the United States that concluded there was inadequate state capacity: that there was no "there" there, as Gertrude Stein once said. This was a general problem, as we saw it, dealing with countries in the region: a lack of state capacity. I would suggest to you, leaping ahead, that it is also a major issue in the 1997 financial crisis: there was a lack of state capacity.

Now, the United States partnered with Japan. It's easy to say that there was no Jean Monnet in Asia or Southeast Asia. There were no Asians of the caliber of the Germans who were involved. I'm not sure that that's at all true.

When things got started, especially after ASEAN, there were statesmen of global character. I think we have to look at Ghazali Shafie. We have to look at the numerous people in Indonesia who made regionalism, who made ASEAN go, and made it work.

## **West Should Remember ASEAN's Colonial Past**

Now, it is also important for those of us in the West as we look at this organization, I make that distinction "in the West," to remember that this area was a colonial area. We're looking at the post-colonial world, and in that world again we have to remember that some of the people who were small boys at the time of World War II, Mahathir is a good example, remained in power, continued to have ideas that are very much fashioned by the types of emotions they had when they were coming along.

I was interested in Dr. Zakaria's statement about, as it were, cornering Mahathir and saying that we have got to improve relations, which is a little bit strongly stated. But that's effectively what happened. The leadership in the country said to the PM, we just can't go on with this kind of rhetoric, we have to start saying better things, or finding better things to say with, and about, the Americans.

Now, returning to the foundations of regionalism, of course, those foundations are in fact secure. The security relationships are solid, when you think about Thailand and the Philippines as the cornerstones, as it were, of the American policy in the region and also they are the keystones of the eventual development of other regional structures—SEATO (the Southeast Asian Treaty Organization) was the first example. After SEATO, there was the effort that was supported by Tunku Abdul Rahman, I can't recall now, but in the early 60s, and then into 1967 and ASEAN. Now, I don't wish to claim anything for any outsiders. This was after all a Southeast Asia initiative. It is also true that the United States tried to help, to do it quick, to help bring Asian or Southeast Asian regionalism into existence.

There are obvious reasons why there is no Southeast Asian NATO or no Southeast Asian EU. But I commend to you a notion, a



concept, a thought. It took from 1957, the Treaty of Rome, to 1999, the Treaty of Maastricht for the EU to get where it is. And anybody will agree that they have a ways to go. By the same token, the things that lie before the EU, some of which are going to be addressed this summer in visits by the President of the United States there, include the enlargement of NATO. They also include how NATO and the enlarged NATO and the Union are going to come together.

### **ASEAN has made Great Progress**

These are big, big questions which have taken from '57 to '99, that's two generations; it has taken almost 50 years to address. It is not unusual therefore that ASEAN, starting from a dead stop, has not made greater progress. But it's also important to realize that it has made great progress. Let's take the point about the Pax ASEANa. Remember that ASEAN emerged from the confrontation and the efforts to stop the confrontation in 1962 and in 1965. These efforts were so successful, that the idea was, let's keep this going, and let's see how we can make it endure. In the beginning ASEAN was nothing more than an "entente cordial." Indeed, that may be one of its continuing problems that it remains, an "entente cordial" with a lack of institutionalization, with a lack of capacity.

### **ASEAN: Neither NATO nor EC**

Now, this takes us back to another point, and I hope I'm not going too quickly, but I'm trying to use my seven minutes well. I wrote a book in '87 called "Building ASEAN, Twenty Years of Cooperation." And there is a quote in there that I think remains important. A writer, talking about ASEAN in 1973, said, "Neither NATO nor EC." That remains basically where ASEAN is now. Now the question that needs to be addressed is that at the beginning, ASEAN was primarily about guaranteeing each other's borders, guaranteeing existing borders. And it is critical to recall again, evoking the Pax ASEANa, that every one of

these nations has a border problem with the other, every one of them, all ten of them, but the peace has been kept.

Now, the machinery has been developed to deal with issues arising economically. It took a long time for there to be an equivalent of the foreign minister's meeting on the part of the economic ministers, but there is such a mechanism in existence now.

Now, there have been five summits up to '95. Each of them, it seems to me, has had more substance. The problem remains that the Secretariat in Jakarta is inadequately staffed, inadequately funded, and has an inadequate chair. I understand Rod Severino is going to be here next week, and doubtless some of you will have a chance to talk to him. He's the Director General of ASEAN. So, it would seem to me that the next major problems of ASEAN, leaving aside ASEAN Plus Three and so forth and so on, are the problems of institutionalization. How do they get their feet under them and go ahead from here?

### **ASEAN Plus Three is a Reflection of Globalization**

Now, ASEAN Plus Three is a reflection of globalization. It's a reflection of the fact that the world is here. Certainly, ASEAN has no choice but to deal with the world and the idea of retreating from the mounting waters of globalization is just wrong. It won't work.

Now, that being the case, I'd like to pick up the fundamental thought of our speaker, namely, that whether you look at it from the point of view of peril or promise, ASEAN Plus Three is an opportunity. It is an opportunity not just for the ASEANs, but also for the several states, governments of the North. How that opportunity is used is going to be a critical issue in world history, but it is an opportunity.

And that goes for ARF as well. It is true that there is a lot of talk that goes on in ARF. It is by the same token true that little progress has

been made in preventive diplomacy or in conflict resolution. But there is a frame of reference where people do talk about these things. They talk about the South China Sea. They talk about things that would sometimes be difficult to talk about bilaterally.

Now, finally let's just talk about ARF. ARF includes both China and India. To my knowledge, it does not yet include Pakistan, but it is entirely possible as we look into the future that there could be some very interesting developments that come out of ARF and its parallel organization CSCAP.

I think to be a touch more optimistic than you allowed yourself to be, perhaps I'm looking at the half full glass and perhaps I see more prospects. These people have got themselves up off the floor in the past and they can do it again.

Thank you.

**Pek Koon Heng:** Dr. Zakaria has given a very interesting speech, covering a whole range of issues. And I do agree fundamentally with his premise that ASEAN has been rudderless and leaderless for the last five years or so. I think there's the question of where is ASEAN going to go, the question of the evolving regionalism.

### **Evolving Regionalism in East Asia**

I have a couple of thoughts about the evolving regionalism in East Asia. What type of community does ASEAN want to build in East Asia? And there are two competing alternative visions of community-building. One is represented by ASEAN and ASEAN Plus Three, which is a consensus-based, loosely institutionalized inclusive community of East Asians. And that is basically the ASEAN way, on consensus and consultation. That is the inimical ASEAN way. ASEAN has always indicated that it doesn't want to be rules-based, or to be deeply institutionalized, a functionalist or near-functionalist institution.

So ASEAN has been from the very beginning, if you look at the Treaty of Amity or the Bangkok Declaration, a consultative forum. It is there to build consensus, to build trust. It doesn't want to be a deep institutionalized community.

### **APEC Needs More Initiative**

And the other alternative is APEC (Asia-Pacific Economic Cooperation). And APEC in essence is a key member. And APEC stands for an exclusive, deeply institutionalized rules-based grouping. We said ASEAN has been in the doldrums since the Asian economic crisis, but APEC is in a worse state. APEC is dying. APEC has had no initiative, no momentum going for it since the Osaka agenda of 1995. This is because it clashed with the ASEAN vision. Because, basically, when APEC was first set up in 1989, ASEAN went to APEC on condition that ASEAN was not to be eclipsed by it. It was ASEAN's fear of being eclipsed by APEC that prompted Dr. Mahathir to propose EAEC, the East Asian Economic Grouping to amplify the ASEAN voice in APEC.

ASEAN came up with this common platform of conditions, so that ASEAN would not be submerged by APEC, believing that APEC should be a consultative forum. APEC is not to be institutionalized; APEC will only do the economics. And APEC will proceed gradually. And then ASEAN agreed to APEC on those terms.

Clinton hijacked the APEC process in 1993 with his vision of a new Pacific community. And he brought in Fred Bergstein and we've got this fast track agenda for creating a trade free zone by 2010 or 2020. And ASEAN, Mahathir especially, has objected mightily to it.

So it was due to this resistance from ASEAN that caused the APEC momentum to stall. But the Asian financial crisis really, as Dr. Zakaria mentioned it, killed off the ASEAN momentum also. But more seriously, it killed the

APEC momentum. There was this feeling among the ASEAN countries, and this is what brought ASEAN Plus Three together, that ASEAN would take on globalization, but not globalization on the U.S. terms. And the Asian financial crisis showed them that globalization distributed the benefits so unevenly.

### **ASEAN Plus Three Response to Financial Crisis**

And ASEAN Plus Three is a response, an Asian response, an ASEAN response, to the impact of the financial crisis. They will take on globalization provided that the international financial architecture will be reformed. So ASEAN came up with an agenda in 1999. It developed a common stand on the need to reform the IMF, on the need for the World Bank to have more transparency as a grading agency, and the need to have transparencies and greater disclosure rules for highly-leveraged institutions and Wall Street.

So they said it's not only the cronies and the corruption. It's not only the Asian countries that have to refocus, but also Western institutions need to reform. And China, Japan and South Korea have signed on to this. So I see the ASEAN Plus Three initiative as a reaction to the globalization, to the bad globalization of the Asian financial crisis.

So I think I am a lot more optimistic about ASEAN Plus Three than Zakaria is, because I see it has only been a short time; ASEAN Plus Three was only launched in 1997, December 1997, in Kuala Lumpur. It is the EAEC redux. The EAEC came up with the new guides, and in the few short years that it has been going, it has had a lot of things on its agenda.

For example, unlike APEC, it is going to look at not only economic monitoring of financial corporations, but also at social and human resource development, scientific and technical development, culture and information, political security effects and transnational issues. All that will be subsumed under ASEAN

Plus Three. So we'll talk about security, we'll talk about finance, we'll talk about human resource development and the digital divide and e-commerce.

### **Chiang Mai Initiative**

Now, Japan is a lynchpin. Japan is in it, due to necessity. Japan has set up something called the Chiang Mai Initiative, set up in May 2000. And the Cheng Mai Initiative is a revival of the Asian Monetary Fund that Miyazawa had proposed, Mahathir has proposed, and was shot down by the Americans during the Japan financial crisis, because it was seen as detracting from the IMF.

So the Chiang Mai Initiative is the IMF revived. So now there is a billion dollars put into it to help them in a currency swap issue exchange. And it is to prevent another financial crisis and to help countries in ASEAN Plus Three deal with short-term liquidity problems. So you've got the Chiang Mai Initiative and you've got the Miyazawa Plan, which was in place during the Asian financial crisis. But \$60 billion that's been dispersed through the Miyazawa Plan is going to help out other programs. It will help out the ASEAN Plus Three and the Obuchi Initiative. The Obuchi plan is for human resource development and that's going to require a lot of training. And a lot of that money is going to go into the initiative for ASEAN integration, which is to bring the new members up to the same standards as the older ASEAN members. So Indochina is going to, well, Burma, Laos, Cambodia and Vietnam will benefit a lot from this Japanese initiative.

So having said that, I see in ASEAN Plus Three a synergy of common interests. There is a cultural bond, an ideological bond, based on the so-called Asian values. I mean, there is a hotly contested discourse. You may disagree with it, but for the Asian leaders, they see that there is this kind of a shared identity and the Japanese are in it. They are part of this discourse, this Asian value discourse, too.

But having said this and having said there is a lot going on in ASEAN Plus Three, I see this as taking on its own life. It is a new life for ASEAN, whereas look at ARF, look at AFTA. They are not going anywhere. So ASEAN Plus Three is where I see the new initiatives. I see a new action being carved out.

### **ASEAN Plus Three Will not Eclipse APEC**

But ASEAN Plus Three will not eclipse APEC. APEC has not perished, despite ASEAN's attempts to forestall APEC. The coffin nail was hammered in APEC actually by Japan in 1998, when Japan refused to deregulate and open up its market under the early voluntary sectoral liberalization. Japan was supposed to open its fisheries and its forestry market under this APEC initiative, but Japan refused to do it.

And the whole fast track, the whole liberalization/ deregulation process has come to a stop because of Japan's refusal. So you've got now an APEC that is stalled, an APEC that will not realize its free trade initiative, its creation of a trade free zone by 2010. I can't see it coming.

But on the other hand, APEC is far too important for ASEAN or for any other groupings to ignore. I mean, APEC comprises 56 percent of the world's GDP as opposed to NAFTA's 33 percent and EU's 3 percent. APEC is large and ASEAN's share of GDP, world GDP, is only 1.5 percent. And ASEAN countries have prospered and benefited from the open multilateral system that the U.S. has initiated. And ASEAN is part of this global multilateral open system the U.S. is leading. And there are lots of intra-APEC structures that are going on. There are hundreds of committees spanning all fields, working committees. So APEC has a life of its own.

### **Japan is Lynchpin of ASEAN Plus Three**

So basically I am seeing two visions of community. One is going one way, the other

is going the other way. But the crunch is, what happens to Japan? Japan is a lynchpin of ASEAN Plus Three. And ultimately if the U.S. relationship with Japan is more important than Japan's relationship with ASEAN, you know, if it comes to crunch time, Japan will have to close ranks with the U.S.

So far, ASEAN Plus Three is going well because the U.S. has not objected to it, unlike the EAEC. The U.S. has said go ahead and do what you want. So Japan is completing it, because it has U.S. blessings.

So the other reason or the other possible problem for ASEAN Plus Three is if the U.S.-Chinese relationship should deteriorate. If China and the U.S. should come to blows over something or other, Japan cannot work with China in ASEAN Plus Three.

It depends on that triangular relationship, the U.S.-China-Japan relationship. So ASEAN Plus Three is hostage ultimately to the relationship between Japan, U.S. and China. And whether it will prosper, or whether it will grow, ultimately depends on how the U.S. looks at it and what the U.S. decides to do with it. So this is basically my feeling on it.

### **Q & A**

**John Ikenberry:** Very good. Well, we did have a kind of a sequence of different views, slightly more optimistic, actually, as we went on. With the last comments at the very end Dr. Heng suggested the kind of context for optimism with ASEAN Plus Three. But it was interesting to see the views evolve with the sequence of speakers.

What I think we will do now is open it up for questions from the audience. Please identify yourself and ask a question or make a short comment, and then we'll let our speakers respond. And as they do that to respond to each other as well, emit that into their comments.

**Questioner:** I'm a colleague of John's at Georgetown University. I'll maybe, for the sake of argument, take a critical perspective of this topic and raise some issues that I would like to hear each of the speakers respond to.

We could say that the new politics of Southeast Asia, of Indonesia, the struggle between different parts of the elite, this that only scratches beneath the surface of the current struggle between the people and power. The struggle going on in the Philippines between populism and elitist technocrats, the struggle in Thailand between the new minister and those supporting strict constitutionalism.

We could say that this new politics is not at all reflected in ASEAN and that ASEAN, in a sense, was established in the late 1960s as a mutual agreement among established somewhat authoritarian elites in the significant governments in Southeast Asia ... Singapore, Malaysia, Thailand, Indonesia and the Philippines. And this arrangement worked very well, as mentioned earlier, to secure the peace, establish a Pax Asiana, and that's a tremendous achievement.

### **ASEAN does not Reflect New Political Structure**

But the politics of these countries, especially in the last ten years, has moved on light years. And yet ASEAN itself doesn't appear to reflect that politics. The meetings go on, the expensive hotels are still filled, the elite talks to each other. And we're all guilty of being party to this, in some small or larger ways.

But if I'm really being critical, I would say this is kind of an organization that reflects the *old* Southeast Asia. And where are there signs that it's going to reflect the politics of a *new* Southeast Asia? So forgive me for being critical, but I would be interested in your responses.

**Ikenberry:** Why don't we let each make a comment. That's a very interesting question.

**Zakaria:** One of the questions I can answer, I think to an extent, is that ASEAN is, in that fashion, an anachronism. The possibilities are there, that if the new elites that come to power do not want to continue it, then obviously ASEAN is doomed. It's very hard to say that, you know, there are new politics that are emerging in Southeast Asia. That is true, but the old elites also remain. The bureaucracies of ASEAN are still basically the same, whether or not the new elites will fashion these new bureaucracies to suit the new changes, I am not really sure.

There were indications that there are changes that may have taken place. Some people in the foreign policy positions in Thailand are able to foresee ASEAN taking on this constructive engagement. In some ways it is reflected in the bureaucracy of Thailand, and also basically follows suit with what a political mass wanted it to do.

Of course, we know that within ASEAN itself those ideas were rejected, if not dismissed, by the other elites and by the other bureaucracies of the ASEAN countries. That shift did not take place, so ASEAN remains basically what it is.

### **Challenge of Changing Economics in Asia**

I think the bigger challenge is not so much that the political changes are taking place, but more, I think, what the former U.S. Ambassador to Malaysia Mallott actually said, that the economics are also changing in Asia. It can no longer be the export-led industrial strategies, because you are getting into a new world of e-commerce. You are getting into a new world where industry and manufacturing processes are changing. You are in a changing new world where you can't just be simply export-led, for those countries that had previously been export-led countries. So you need a new format. And maybe if you can take on this challenge, then ASEAN can respond with greater vitality to the challenges of globalization.

I agree with you that there have been these new indications of political change in Southeast Asia. But I cannot see many firsts in a real sense. Let's look at the change in the Philippines with Arroyo replacing Estrada. I mean, what has changed in the Philippines? The 15 families are still remaining the political economy of the Philippines, you know, whoever is in power. Now, if truly there has been a populist change, then there is a fundamental transformation of the political landscape in the Philippines, and I think you are quite correct. Similarly again in Thailand, I think in some sense what happened was basically a reversal of what had been, seemingly, a new democratic space.

And, of course, Indonesia is problematic. Just imagine what would happen now if Megawati takes over. I mean, I don't know. Nobody can tell. But I don't see that Megawati is going to say that this is a new Indonesia. And are we really going to create the kind of society that will be the beacon of a democratic progress in Southeast Asia? So it's difficult for me.

### **No Change in Malaysia**

For Malaysia there has been no change. Of course, the prime minister is still there. But I know people who oppose the prime minister, who tell me that I must now write a book about the new Malaysia, that's going to emerge, of the Mahathirs. You know, a fantastic reformation will take place. I find it a difficulty, you know, if I were to write this book. I would have great difficulty; I probably would not be able to go home. But certainly I myself as a political scientist, I am not quite sure that really you can see those changes.

Also in Malaysia, I don't think politics will change. I don't think the Malays are going to give up political power. I cannot see that, you know. It could be a new set of Malays, but I cannot see that the Malays are going to wake up one day and say, "Let's share political power with the other races in this country. Let's share the wealth. Let's share all the

opportunities." I say this obviously with some hesitation. But knowing the Malays who are in power, I see it as very difficult for that change to take place.

**Ikenberry:** Ambassador?

**Palmer:** Well, first of all, it was a really excellent question, and a very thoughtful and excellent response. I will be very short. I have a piece on the net, [americandiplomacy.org](http://americandiplomacy.org), which is entitled "The End of an Era." There is also one there on economic nationalism versus globalism.

### **End of Patrimonialism**

What we are seeing is an end of patrimonialism. Now, patrimonialism may take on other forms. There remains a very fundamental predisposition toward patron-client relations in the area. The types of structures that came into place after World War II, when independence came, were greatly influenced by traditional values, authoritarian values, cultural values and so forth. So that has endured for a space of time, a period of time.

And as Zakaria said, it's not going to go away. These are going to continue to be differential societies, differential political cultures. These are going to continue to be cultures in which even at this late date, this whole time, Malaysia will continue to have a good deal of temporal power.

### **Progress in Thailand**

Now that being said, I'm struck by Thailand. It's very easy to look back and sort of sneer at the various constitutions, the series of military coups, and so forth. But I think that if you take a careful look at Thailand, going all the way back, let's say to Sukarno and that era of the 1950s, there has been an advance.

I am struck by the fact that the constitution of Kriangsak in 1979 was the foundation. It was the base on which Prime Minister Prem

subsequently was able to do many of the good things that he did for almost a decade. I'm not sure I know what that means, but it seems to me that there have been progressive water-marks. And as those occur, there may well be a retrogression, but that mark stays there.

It is a fact that in Thailand there is a bankruptcy law. It is a fact that there has been an effort to gain control of the role of money politics in the rural areas. Those will remain. It will also be the case that the king will continue to have a kind of allure and luster in Thailand that is very difficult to imagine: an almost magical power about the man. What happens when he dies is going to be extremely interesting. The person who has that kind of aura is the crown princess and not the crown prince. And we'll have to see what comes out of that.

#### **Detachment Remains in Jakarta**

With respect to Indonesia, I was there from 1960-62 and at times in Indonesia one felt that one was as far out of the universe as one could possibly be. And I'm not sure that has changed a great deal. One of the phenomena of the recent past was that the people felt that Jakarta, during the events, was some far away place and they basically didn't know and didn't care. That sense of detachment, dissociation remains in Jakarta. Whether it is Abdul Rahman Wahid or Megawati Sukarno Butri, the army will continue to have its troops at the village level and will continue to play the role that it has played through all these many years. It wants to change, but I doubt that change is going to be possible in under 10 or 15 years. It is going to be a very long and difficult process.

The principal issue in the meantime is going to be holding the country together and above all, preventing the enormous refugee problem. One of the reasons why the United States needs to be much more active than it has been in Indonesia is that if it comes to boat people, Indonesia is a scary prospect. You've got to

say that if it did, if it reaches that point of people leaving and going to Malaysia or Singapore or whatever, I don't even want to contemplate that.

#### **Elite Continues to Control Philippines**

The Philippines has its 15 families, right. I was there for four years. And the people who are in Gloria Macapagal Arroyo's cabinet are people that I knew when they were in their 20s. They were from the elite then, and they're from the elite now. There needs to be ultimately a populist development of some sort in the Philippines, which will enable this very stratified society to change.

However, having said all of the above, I side with Zakaria, that ASEAN is going to remain fundamentally ASEAN; it's an organization of bureaucracies. Some of the ways of doing things are going to continue to be what they are. This is not a populist area; it is a differential area. And the ways of doing this, the ways that things have been done, are likely to endure.

**Heng:** And I think the new politics is too fragile for us to see any results any time soon. It will be several more years. And with us, an enlargement with inclusion of Burma, Laos, Cambodia, Vietnam, it's going to make that objective even harder to get a more democratic, open kind of ASEAN.

And I think if new parties come to ASEAN, I think that the way that we will then see ASEAN thinking about security in terms of human security. From national security to human security, which is what the other organizations are now talking about.

#### **ASEAN Pays Lip Service to Human Security**

And ASEAN made its first statement about human security in Bangkok, in February 2000, where it released its joint statement for a socially cohesive and caring ASEAN. It talks

about total human development. It talks about people-oriented programs. It pays lip service to this new concept of human security, but I can't see these programs being implemented any time soon. It talks about the environment, education and labor as a Singapore development. It says all the right things. But I don't see the ASEAN bureaucracy implementing any of these human security, new politics at all. I can't see it happening.

**Palmer:** Any time soon?

**Heng:** Any time soon.

**Questioner:** I have a political comment and a question, because I thought the first question was very interesting and so were the comments. I wish to note that change really doesn't happen quickly, especially in ASEAN. It's a spiral, upward trend and therefore one could not expect an overnight translation of the political change vis-à-vis ASEAN, but over a period of time one can see change in that regard.

For example, in the case of the fifteen, perhaps there are views that the families are there entrenched or the fact that one cannot set aside the fact that there was an admission of the political parties. And I think in the long-term it is this examination of the values that should have a fundamental effect on the overall structure of the society.

### **Common Vision Only Shared among Elites**

Having said that, I wish to note that we all talk about common vision, shared vision and therefore having a shared vision you walk together and achieve a certain goal. I've heard about economic integration, political integration, but there is not much talk about cultural integration. Perhaps it is about time that we should reexamine, why we can't move towards that common vision. The common vision is only shared among the elite people, but not shared at the local level.

For example, the British people are not so keen about integration, because they are very focused as to what their vision is as far as the United Kingdom is concerned, which is not shared in other areas of Europe. And I think this perhaps is one area that should be looked into by ASEAN.

And in that regard, may I ask a question of Dr. Zakaria? What are the steps or measures that are being taken in this regard with cultural integration?

**Zakaria:** Well, thank you for that very interesting question. I think ASEAN has not worked in the past, because of the failure as a basically elitist organization. It's the bureaucrats who meet. And you know, and I don't know whether this is a joke or effect by the fact, that the point is that they meet about 250 times a year and all the ASEAN diplomats or officials enjoy themselves, because when they meet, they stay in very nice hotels and have a good meeting, and everybody seems to agree with everybody else. And, of course, they play croquet, golf, and what else.

So you might say wait a minute, what is this thing about? And you know that I think Pek mentioned about the ASEAN ways, lack of a transition in ASEAN. So those are factors that I think we should come to grips with, when you asked a question about whether there has been a cultural integration. This I think is the wonder of ASEAN.

### **ASEAN does not have Sense of Common History**

It's a contradiction in many ways, because it doesn't have the sense of common European history that you see in the forging of the European Union— except for the British, Germans and the French— but still you can see that there has been a greater sense of European unity there, because of the fact that they share a common past, in many ways, a common culture across Europe.



But when you come to Southeast Asia, it's a very different problem altogether. You, yourself, are from the Philippines where all the other people are Malays, you know. The Malays or Malaysians who go to the Philippines are shocked when they find that there are Malays who eat pork, for example. So that's just to show you, in dramatic sense, the differentiated ways and cultures. And we are not even talking about whether or not the Vietnamese fit, say, within the islands or within their cultures.

So that's a problem. And we know that. It's not a question of lip service, but before cultural integration was talked about in ASEAN, people asked, "Why don't we have an ASEAN cultural festival?" This is actually just the national dances of the various countries being put on in some way.

So the ASEAN top officials meet and talk in English, you know, which is obviously not an Asian language, and many other things. And while there is talk that maybe you can have a round trip ticket across all the ASEAN capitals for one single price, I doubt that anybody has actually taken up this offer.

So, there has been that problem. So it's better to recognize that ASEAN is basically elitist in many ways. And that's the way that it will be for quite some time, before we can talk about people. Actually last year, there was an attempt to have an ASEAN People's Congress. I did not attend it, although I was invited. But maybe that was one attempt where you could try to forge this below-elite level kind of integration within ASEAN countries. But it's just one step and obviously more efforts have to be done.

**Ikenberry:** Other questions, comments? Please identify yourself.

**Questioner:** I'm from the Brookings Institution. And in the last two to three years a lot of people have put APEC under a lot of scrutiny. Many have suggested that when it comes to

developments such as ASEAN Plus Three and other developments, that APEC has really become a redundant organization and maybe we no longer need it. And I just wondered if you could respond to that.

**Ikenberry:** You are asking Dr. Heng?

**Questioner:** All three of them.

**Palmer:** I'll respond. I think that APEC remains a very important organization simply because of the powerful countries that are in it, especially the United States. I absolutely agree with Pek that for the moment APEC is dead in the water. Indeed, it's going to be very interesting to see what happens first of all, at the ASEAN ministerial in July in Hanoi, because ASEAN is also going to go through some kind of an intellectual exercise with regard to trade, free trade and the like. Then, of course, the APEC meeting in Shanghai in October is going to be a very interesting event indeed.

Now, one of the problems with APEC is that it's been so attached to the ideology of free trade. There are, I think, important things that can be achieved, as Pek was suggesting, at the sort of sublevel. There are all these hundreds of committees and so on and so on, that have done good things, there is just no question.

I recall being really quite flabbergasted when I was assigned in Malaysia when one day came a message telling me that I was to undertake the harmonization of tariffs and take up that issue with the Malaysian authorities. I said, what the hell does that mean? But that's the reality through the tariff structures, through the IPR (intellectual property rights) process. You go on and on. There has been an enormous amount of good work done within the APEC context.

Now, does all of it have to be attached to the free trade locomotive? I don't think so. How does the United States move on from where we've been to where we need to go? Well, I

think that's absolutely the issue that the U.S. is going to be seized with. I really believe however that this administration has not yet shown that it's prepared to fall on its sword over free trade. We'll have to watch that.

**Ikenberry:** Anything else on APEC?

**Heng:** No, I think that APEC is just too important to be sidelined. And basically I think what ASEAN should fear is the United States losing interest in APEC. And with FTAA (Free Trade Area of the Americas), ASEAN fears that FTAA should become the flavor of the month and ASEAN will be worse off if the U.S. were to neglect APEC. All the countries in ASEAN Plus Three rely on the U.S. market, rely on this open trade system that APEC stands for. So it is just too important to just whither away.

**Palmer:** Just to add, we need to remember where we are. This is the year 2001. In 1945 GATT was initiated. It took from 1945 to 1995 for GATT to move past the Uruguay Round. We are still in the process of trying to stitch together the WTO. We have a long ways to go. By the same token we've come a long way.

So consider the world before 1945 and consider it now. What a change. And there are a number of reasons why that has happened. APEC is part of a process that includes the EU, that includes ASEAN, that includes the FTAA, NAFTA and so forth. Some of us will be dead by the time this long process is concluded, but I hope the rest of you manage to carry it on.

**Ikenberry:** Well, on that cheery thought, let's ... It's always good to have a panelist with a long view.

**Palmer:** It comes with being six feet, four.

**Ikenberry:** After all, the 1930s and World War II, it wasn't the entire century from the larger perspective; it was just a blip. So ...

**Questioner:** After 30 years, ASEAN seems to be at a crossroads, at a crisis point. On the one hand, it has so much to be proud of. It's made up of ten countries, nine of them previously colonies. Individually the countries may be tiny, but collectively, it covers a large land area, large sea area, and the population is half a billion. It has plenty of resources – rubber, tin, cooper, oil, what have you. And it has strategic sea-lanes, such as the Straits of Malacca.

On the other hand, now, despite economic problems in so many countries, there are threats – Philippines, Thailand, and even Malaysia with Sabah and Sarawak. Then you add political problems, leadership crisis and also religious strife, ethnic strife in Indonesia, for example, against the Chinese and then Muslims against Christians, and so on.

And Zakaria, you ended by saying that you are cautiously optimistic. I am also cautiously optimistic, I agree with you. Could you just summarize the strategies that need to be enforced for ASEAN to revitalize? What is this traditional policy which needs to be discarded, of non-intervention? If it's going to be a family of nations, a community, they are going to talk out problems. They're going to share problems and joys. Besides that, what are some strategies?

Thank you.

**Zakaria:** Well, I don't know, you actually listed quite a number of issues, although you said that you only had one question. I am intrigued because maybe as a member of this establishment, I should answer the question of succession in Southeast Asia.

### **Concern over Secession of Sarawak**

Well, I am a member of the establishment, but I think that I also believe in self-determination. The case of Sabah-Sarawak is that the people of Sarawak want to leave the Federation of Malaysia. My own belief is that they should be allowed to do so. That is quite

simply said. But I think the authorities in Kuala Lumpur are a bit concerned if the Republic of Indonesia were to break off, with the formation of a new republic.

It's not so much that this would create a pattern for the rest of Southeast Asia, but it creates other kinds of problems, which only compound the problems that exist in the region. This would mean that you would have to contend with the divisive tendencies in the thinking of ASEAN. So it would be very difficult, for example, to deal with the government of Jakarta, if there was a new republic in Sabah-Sarawak, and how Malaysia would have to respond to that.

And so on that note, I think, perhaps a comment that was made by the Defense Minister of Malaysia there is a fear in Malaysia of the Balkanization of Southeast Asia. It has to be seen in that light. Of course, as thinking in Malaysia goes, there is certainly not more of a problem there, than there is in the Southern Philippines, but that is a Filipino problem.

### **Revitalization of ASEAN**

And that goes back to your main question, I believe, which is, how can the revitalization of ASEAN take place? One problem obviously, which I think I probably omitted from the discussion is why ASEAN is in a position now where it seems like there is no direction; there is no seeming centralization of some kind. There is no forging a unity among the ASEAN countries, because of the attention being diverted from ASEAN itself to the countries within ASEAN.

They are having to deal with the problems of domestic turmoil that have taken place, and that is actually a problem. And I think even for Dr. Mahathir, while on one hand his position in power you know is almost unassailable, and yet at the same time, he's become much more concerned, in the last two or three years, with the dissent that he sees within his own party.

So you have attention being given to that. And that's why in ASEAN, I think, with all of the other problems, you don't see the unity. But then surprisingly, you have ASEAN Plus Three. And I'm sorry if I gave the impression that I didn't think ASEAN Plus Three had much promise. But there is a fundamental problem with ASEAN Plus Three in my mind, you know. And that is simply the question of whether ASEAN has got a mechanism of achieving agreement and making decisions.

Now, you're dealing with the countries of China, Japan, Korea. These are, you know, certainly different fishes in the same kettle, if you might put it that way. And it's going to be difficult because China is a big country. Japan is a big country. And Korea too, in some sense, is a big country. I mean, they are in their own right, you know, economic behemoths as compared to the ASEAN countries, who combined, are strong. But when you look at the ASEAN individual countries then you're talking again you know of a differentiated ASEAN.

In my response to this question, I think I mentioned the fact that ASEAN is an elitist organization. We talk about the establishments within ASEAN, who think that—and I think that was a point that was raised by Mr. Palmer—maybe the ASEAN Secretariat can play a bigger role in trying to help ASEAN get more of this thing done. Because they will take away some of the decision making from the national endowments to a body that can make certain kinds of executive decisions and not leave those decisions to the national endowments. Because when you do that, then ASEAN becomes as was criticized by a former South Korean prime minister as a slow organization. These guys all the time they meet, you know. But what's coming up?

### **Disparities in Decision Making**

Singapore can make a lot of decisions without having to refer to the people. The government

can make decisions and say, “Well, ASEAN is very slow, so why don’t we just form our own FTA with New Zealand?” And they go ahead with it. And you know it actually creates a problem for ASEAN, because Mahathir doesn’t like that. And he said that in the ASEAN informal summit that was held in Singapore last year. He actually said we don’t think that was appropriate to do. But then the Singaporeans have an arrogant way of acting in that fashion, which probably is an un-ASEAN way. But these things go on. This is the way ASEAN works, because it allows for these kinds of disparities in the decision making to take place.

So I don’t know, is the ASEAN Plus Three the way out? Is it attention to a secretariat? Because ASEAN has been basically institutionless, maybe you should institutionalize it.

But the fear in relations in Singapore is when you do that, then you create a bureaucracy and the bureaucracy will do all kind of things which the ASEAN governments, being fragile governments, find very difficult to accept.

**Palmer:** So just to add to that point, there’s a fundamental issue that I think your question suggests. And that’s a question of sovereignty. Back to another point Pek has said that these are still very fragile young governments, young states. So there may have to be some growth, before building capacity, before it becomes comfortable to think about people in Jakarta making decisions for the entire group.

**Ikenberry:** On that note, I think we will draw this seminar to a close. I hope you will join with me in thanking our three speakers. (End)

## About the Panelists

### Main Speaker

**Dr. Ahmad Zakaria** is the Tun Abdul Razak Chair in Southeast Asian Studies at Ohio University. He also was Dean of Social Sciences and Humanities at the National University of Malaysia (UKM). He was Assistant Secretary at the Ministry of Foreign Affairs and Deputy Director-General of ISIS Malaysia. In addition, he was a Fulbright Scholar at the Hoover Institution of Stanford University and Visiting Fellow at the Strategic and Defense Studies Centre of the Australian National University, as well as a Senior Fellow at the Resource Systems Institute, the East-West Center in Hawaii and at the Department of Political Science of the National University of Singapore. Dr. Zakaria holds a B.S. from University of Singapore, an M.A. from McMaster University, and a Ph.D. in Political Science from MIT in 1977. His extensive publications include *Government and Politics of Malaysia* (1989), *Military-Civilian Relations in Southeast Asia* (1985), *Pacific Asia in the 1990's* (Routledge, 1992), and *United Nations Peacekeeping: Panacea or Pandora's Box?* (1994).

### Discussants

**Ambassador Ronald D. Palmer** is Professor of the Practice of International Affairs at George Washington University. After Ambassador Palmer entered the Foreign Service he was assigned to Jakarta and then Malaysia. He was Deputy Director of the Office of Philippine Affairs and Political-military Officer at the Embassy in Manila, responsible for the U.S. bases. He has been Ambassador to Togo, Malaysia, and Mauritius. He was elected to the American Academy of Diplomacy in January 2001. Ambassador Palmer holds a B.A. from Howard University and an M.A. from the School of Advanced International Studies, Johns Hopkins University. Ambassador Palmer writes widely for various journals. Several of his articles on Southeast Asia are posted on the web at: <http://www.Americandiplomacy.org>. He is the co-author of *Building ASEAN: 20 years of Southeast Asian Cooperation* (1987).

**Dr. Pek Koon Heng** is Adjunct Associate Professor at the Center for Asian Studies, the American University School of International Service. Her focus is Southeast Asian politics and International Relations. She has previously taught at the National University of Malaysia, the University of Hull, and Temple University, Japan. Dr. Heng was also a Rockefeller Foundation Fellow, Visiting Fellow at the Institute of Southeast Asian Studies (Singapore), and Visiting Professor at Peking University. She received her Ph.D. from London University, School of Oriental and African Studies. Her recent publications include: “*The Chinese in the Malaysian Political System*,” and “*The Chinese Business Community in Peninsular Malaysia, 1957-1999*” in *The Chinese in Malaysia* (2000), “*Robert Kuok and the Chinese Business Network in Peninsular Malaysia: A Study in Sino-Capitalism*” in “*Culture and Economy: The Shaping of Capitalism in Eastern Asia*” (1997), and “*The New Economic Policy and the Chinese Community in Malaysia*,” *The Developing Economies* (1997).

### Moderator

**Dr. G. John Ikenberry** is Professor of Political Science at Georgetown University. He also was a Senior Associate at the Carnegie Endowment for International Peace and a Fellow at the Woodrow Wilson Center for International Scholars. He received his Ph.D. from the University of Chicago. Dr. Ikenberry is the author of numerous publications, including, *State Power and World Markets: The International Political Economy* (forthcoming), *After Victory: Institutions, Strategic Restraint and the Rebuilding of Order after Major Wars* (2000), and *Reasons of State: Oil Politics and the Capacities of American Government* (1988).