

**THE ASEAN STATES SINCE 1975:
CONSTRAINTS ON THE MANAGEMENT
OF REGIONAL ORDER**

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"For the Lord gives wisdom and from His mouth come knowledge and understanding."

ABSTRACT

Despite the optimism over ASEAN cooperative regionalism as well as evidence of success in collective political cooperation since the pivotal events of 1975, a common theme straddles both pre- and post-Cold War eras, that is, there have existed severe constraints on the ability of the ASEAN states to manage the regional order and to build the kind of security community that they have envisioned. These constraints include the problems associated with the ASEAN approach to managing regional order (in particular, intra-ASEAN differences over political and economic cooperation), the presence of severe intra-ASEAN tensions, the problems associated with the regional arms build-up, internal threats to security (particularly those of an interactive nature involving other ASEAN states) and the intrusive influence of the Great Powers (especially the emerging regional powers). In fact, some of these constraints, such as intra-ASEAN tensions and the regional arms build-up, are themselves sources of conflict.

After the end of the Cold War in 1989, the modality of the inclusive security regime has been used as a means to engage and balance all the interested extra-regional powers. That the ASEAN states have found it necessary to engage in balance of power politics to safeguard their security demonstrates their individual weakness and the constraints on their ability to manage the regional order. Indeed, it is also clear that without the concurrence and participation of the Great Powers, no regional security or economic arrangement is possible.

LIST OF MILITARY ABBREVIATIONS USED

AA	anti-aircraft
AAM	air-to-air missile
AD	air defence
AEW	airborne early warning
AGM	air-to-ground missile
AFV	armoured fighting vehicle
AIFV	armoured infantry fighting vehicle
AMRAAM	advanced medium range air-to-air missile
APC	armoured personnel carrier
ARM	anti-radiation missile
ASM	air-to-surface missile
ASW	anti-submarine warfare
ATGW	anti-tank guided weapon
AWACS	airborne warning and control system
COIN	counter-insurgency
ECM	electronic countermeasures
EEZ	exclusive economic zone
FGA	fighter ground-attack
FMA	foreign military assistance
FY	fiscal year
GDP	gross domestic product
GNP	gross national product
IRBM	intermediate range ballistic missile
LCM	landing craft, mechanised
LCU	landing craft, utility
LPD	landing platform, dock
MBT	main battle tank

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CHAPTER ONE

INTRODUCTION

1. Regional Order in Southeast Asia

1.1 1975 as a Watershed Year

The term "ASEAN," which refers to the Association of Southeast Asian Nations, refers to more than just a group of geographically-linked and like-minded market-oriented states in Southeast Asia. It also refers to the consultative process which these states have used in cooperating for mutual advantage, in dealing with the external environment and in ameliorating tensions within the region. Singapore's then Prime Minister Lee Kuan Yew explained the ASEAN process in the following optimistic terms:

In 1967, we set about building a framework for cooperation. Thus, were ASEAN members spared from feuding. Of course, we are not without problems and difficulties. However, we have learned to manage those differences and to contain them. Most importantly, we have made a habit of working together, of consulting each other over common problems.¹

This regional framework, it was hoped, would provide several tangible benefits, such as the deterrence of secession (through the principle of non-intervention in the internal affairs of fellow member-states), reinforcement of norms of behaviour (especially concerning larger members such as Indonesia, which might otherwise strive for regional domination), and the lending of collective influence with the Great Powers, and other regional groupings such as the EC, as well as international organisations, namely the UN General Assembly. Thus, it was also clear that each member-state had joined ASEAN to maximise its own national interest, with regionalism not seen as an end in itself but as a means to advance national development and the national interest.

¹ Address to the Fifteenth ASEAN Ministerial Meeting, 14 June 1982, Singapore (Jakarta: ASEAN Secretariat, 1982).

Little institutional development, however, took place in the years after the establishment of ASEAN in 1967. Indeed, ASEAN became almost moribund, and appeared destined to suffer the same demise as earlier attempts at regionalism, such as the Association of Southeast Asia (ASA) of 1961 and Maphilindo in 1963.²

However, it was the pivotal events of 1975 which changed the fate of ASEAN. The fall of the Saigon regime and the rest of Indochina to communism ushered in a new era in ASEAN regional political cooperation.³ It signalled the failure of the US's containment policy in the region, a doctrine that had been in place since the beginning of the Cold War in the late 1940s. The fear of communism and the prospects of facing a victorious Vietnam in the context of the US retrenchment from the region galvanised the ASEAN states. The ASEAN states were shocked that the US did nothing to save the Saigon regime after expending so much in lives and resources in its defence. It signalled the end of unequivocal US commitment to the defence of non-communist Southeast Asia, namely, the ASEAN states, against both internal and external threats.

More than that, it signalled the enormous changes in the US commitment to the security and independence of the non-communist states in Asia. The withdrawal of US forces from Vietnam following the Nixon Doctrine of local self-sufficiency first articulated at Guam in 1968, the Paris Accords in 1973, as well as the conspicuous failure of the US to rescue the South Vietnamese regime in 1975 only served to underline the new geopolitical realities of Sino-US rapprochement and Soviet-US detente, not to mention the decline in US will and resources in protecting its peripheral worldwide interests. Moreover, the ASEAN states, particularly Thailand, now had to confront a unified Vietnam and an entirely communist Indochina, with the implication of possible communist subversion supported by China and the Soviet Union.

² For a more detailed account of the failures of these earlier attempts at regionalism, see Michael Leifer, Dilemmas of Statehood in Southeast Asia (Singapore: Asia Pacific Press, 1972), pp.135-145.

³ For a more in-depth study of the ASEAN response to Indochina during the period 1975-1981, see Tim Huxley, ASEAN and Indochina: A Study of Political Responses (Canberra Studies in World Affairs No.19, Australian National University, Canberra, 1985).

1975 symbolised US retrenchment from the region, a development which threatened the bipolar stability that had prevailed in the region from the end of the 1940s. The implication was that from then on, the ASEAN states would need to explore security strategies based on maximising self-reliance on the basis of their own limited resources.

Not surprisingly, the hitherto moribund ASEAN states sprung to life. The first-ever Meeting of the Heads of Government, an event which took place in February 1976, culminated in the signing of a Treaty of Amity and Co-operation (see Appendix 1) and an Agreement on the Establishment of the ASEAN Secretariat. A Declaration of ASEAN Concord, dealing with economic co-operation, an area previously ignored, was also issued (see Appendix 2). Referring to the events of 1975 and the changed strategic environment that the ASEAN states found themselves in, circumstances that necessitated greater self-reliance and more active measures than merely relying on the United States, Arnfinn Jorgensen-Dahl observed that:

...without external political and strategic pressures, it is hard to imagine that regional co-operation in Southeast Asia would have taken the course it has.....over the years, they have forged among the ASEAN states a sense of unity which did not exist before. They have compelled the members to collectively confront and seek to influence the external world.⁴

1.2 ASEAN's Approach: From Security Community to Security Regime

ASEAN's approach to regional order in the years from 1975 to 1989 can be characterised as that of an exclusive security community, centred around a neutralist concept which the ASEAN states termed the Zone of Peace, Freedom and Neutrality, or ZOPFAN. According to Yalem, a security community can be defined as a community of states characterised by "mutual dependency of diverse political units,

⁴ Arnfinn Jorgensen-Dahl, Regional Organisation and Order in Southeast Asia (London: Macmillan, 1982), p. 105.

mutual responsiveness of political units, and simple pacification or the abandonment of the use of force among political units."⁵

The end of the Cold War after 1989, however, resulted in changes to the ASEAN approach. The subsequent uncertainties in regional order as a result of the end of bipolarity and the retrenchment of the superpowers from Southeast Asia has led to what can be described as an inclusive security regime approach, with appropriate modification to the ZOPFAN concept to accommodate this change. Unlike security communities, regional security regimes do not advocate exclusionism but it engages through accommodation the possibly threatening states through confidence-building measures (CBMs). The shared experiences and expectations on security matters include the acceptance of reciprocal rules and norms which, it is surmised, will result in some form of regional security order that would deter the resort to warfare.⁶ Indeed, Robert Jervis defines a security regime simply as "those principles, rules and norms that permit nations to be restrained in their behaviour in the belief that others will reciprocate."⁷

ASEAN's approach to regional order in the uncertainties of the post-Cold War era is thus that of constructing an inclusive security regime that would include all the ASEAN states, plus the other Southeast Asian states, as well as interested external powers, such as India, China and Japan, in addition to those that have traditionally been benign towards the ASEAN states, such as the US.

This thesis, however, will argue that despite the optimism over ASEAN cooperative regionalism as expressed by Lee Kuan Yew's quote, a common theme straddles both pre- and post-Cold War eras, that is, there exist severe constraints and limitations on the ability of the ASEAN states to manage the regional order and to build the kind of security community that they have envisioned.

⁵ Ronald J Yalem, "Regional Security Communities," in George W Keeton and George Scharzenberger (eds), *The Yearbook of International Affairs 1979* (London: Stevens and Sons, 1979), p.217.

⁶ See William Tow, *Sub-Regional Security Cooperation in the Third World* (Boulder, Colorado: Lynne Reiner, 1990), pp.23-45.

⁷ Robert Jervis, "Security Regimes," in *International Organisations*, vol. 36, Spring 1982, p.357.

This study will demonstrate that while the ASEAN states have had some success in cooperative regionalism, various constraints have existed. These constraints include the intra-ASEAN differences over political and economic cooperation, the presence of severe intra-ASEAN tensions, the problems associated with the regional arms build-up, internal threats to security (particularly those of an interactive nature involving other ASEAN states) and the intrusive influence of the Great Powers (especially the emerging regional powers). These have limited the ability of the ASEAN states to manage the regional order and to achieve the objective of constructing a security community since 1975. Some of these constraints, such as intra-ASEAN tensions and the regional arms build-up, are themselves sources of conflict.

2. Constraints on Cooperative Regionalism

2.1 ASEAN and Regional Order: Problems of Approach

A major constraint to ASEAN cooperative regionalism is related to the problems in the ASEAN approach to managing regional order, particularly intra-ASEAN differences over political and economic cooperation. Despite the successes in regional political cooperation, particularly evident in the years after 1975 when ASEAN was able to draw international support against the Vietnamese invasion and occupation of Kampuchea, the ASEAN states have failed to build on the early hopes and optimism that ASEAN could, over time, build a security community much like that existing in Western Europe.

Disagreement over the approach towards regional order was evident before 1975. Although the ASEAN states proclaimed the joint objective of a Zone of Peace, Freedom and Neutrality (ZOPFAN) in the Kuala Lumpur Declaration of 1971, it was clear that this Malaysian initiative did not command widespread support within ASEAN, with the various states having differing views. Thailand and the Philippines, both defence allies of the US through the Southeast Asian Treaty Organisation (SEATO), emphasised the need to maintain existing defence arrangements. Indonesia was enthusiastic about the idea since the exclusion of the major powers would leave it

as the region's dominant power. Singapore, however, felt that no one could prevent the big powers from entering the region and advocated a balance of power approach centred on some kind of collective security arrangement with several extra-regional non-communist powers, a stance aimed at preventing local regional power dominance.

The next phase in ASEAN regional political cooperation took place in the aftermath of the fall of the Saigon regime in 1975. The fear of communism and the prospects of facing a victorious Vietnam in the context of the US retrenchment from the region galvanised the ASEAN states. The Declaration of ASEAN Concord, signed at the Bali Summit of 1976, called for the promotion of the ZOPFAN concept and enunciated the principle of the peaceful settlement of intra-regional disputes.⁸ In addition, a landmark Treaty of Amity and Cooperation was signed. The Treaty pledged non-interference in the internal affairs of one another, the settlement of differences or disputes by peaceful means, the renunciation of the threat or use of force, and further pledged effective cooperation among its signatories⁹ It also set up a procedure for the peaceful settlement of disputes, through a High Council comprising a Ministerial representative from each of the ASEAN states. This provision of mediation under ASEAN, however, has been little used, with bilateralism continuing to be the preferred means of resolving inter-state disputes, reflecting the desire not to allow other ASEAN states to interfere and the lack of confidence in such toothless mechanisms.

Vietnam's invasion of Kampuchea in December 1978 was the next pivotal event which elicited a joint ASEAN response. Thailand was clearly worried, given the fact that an ancient rival was now not only encamped right at its border but was militarily superior and proffered a communist ideology that could be used to subvert Thailand internally, particularly its vulnerable Lao-speaking poverty-stricken Northeast provinces. In the January 1979 ASEAN Ministerial Meeting Joint Communique, ASEAN voiced strong support for Thailand, calling for "the immediate and total

⁸ See Appendix 2.

⁹ See Appendix 1.

withdrawal of foreign forces from Kampuchean territory."¹⁰ The ASEAN agenda soon became full - the fate of Kampuchea, the refugee crisis, the role of Vietnam in Indochina and the role of China in Southeast Asia. In the years that followed, the one remarkable achievement was ASEAN's successful high-profile campaign in the United Nations to mobilise international opinion to condemn Vietnam's invasion and occupation of Kampuchea.

Behind the facade of ASEAN unity, however, there were clear divisions within ASEAN on the nature of the security threat to them and the manner in which it should be dealt with. For Indonesia and Malaysia, the historical memory of Chinese subversion through its support of local communist movements and the presence of considerable numbers of ethnic Chinese in their countries have resulted in their perception that a strong Vietnam was a useful counterweight against Chinese dominance and influence in the region. Any alignment with China could increase its prominence in Southeast Asia, with potentially destabilising consequences given its history of supporting ethnic Chinese insurgency in the region. Moreover, Indonesia felt there existed a revolutionary bond between Vietnam and Indonesia due to their anti-colonial struggle against the French and the Dutch respectively. Singapore, on the other hand, was supportive of Thailand, which was understandably nervous due to the aggressiveness of Vietnam's military actions. Moreover, Thailand and Singapore, both pro-Western allies, considered Vietnam's backer, the Soviet Union to be a malevolent force that had to be deterred. Indeed, Thailand quickly established a quasi-alliance relationship with China to counter the perceived threat from Vietnam and the Soviet Union.

However, Vietnam rejected the clear overtures from Malaysia and Indonesia contained in the Kuantan Declaration of 1980. This meant that despite the reservations on the part of these two countries, ASEAN had to defer to the interests of its most threatened member, Thailand, not just to prevent an ASEAN split but also in the hope that it would not turn to China for support.

¹⁰ "Joint Statement of the Special Meeting of the ASEAN Foreign Ministers on the Current Political Developments in the Southeast Asia Region," Bangkok, 12 January 1979, in ASEAN Documents Series 1967-1986, (Jakarta: ASEAN Secretariat, 1986), p.119.

The end of the Cold War after 1989 has also elicited what appears to be a new phase in ASEAN cooperation. Concerns over the implications of the end of the Cold War and a desire to proactively drive the regional security agenda in order to safeguard their interests in an era of change and uncertainty led the ASEAN states to announce in the Singapore Declaration in 1992 of their intention to engage in a multilateral security dialogue, something it had hitherto been loath to get involved. The first ASEAN Regional Forum (ARF) thus met in July 1994 in Bangkok. The official ASEAN Update stated the objectives of this forum:

Apart from intensifying its external dialogues on political and security matters and promote political and security co-operation, the ARF would help develop a more predictable and constructive pattern of political and security relationships in the Asia-Pacific as a whole.¹¹

The ARF is indicative of ASEAN's post-Cold War approach of an inclusive security regime, and is seen as a means of constructively engaging the regional Great Powers. Under this new approach, ASEAN is to expand to include Myanmar and the Indochinese states, on the assumption that an expanded body comprising all ten Southeast Asian states would give the organisation greater clout in dealing with the extra-regional powers such as China, India, Japan and the US. Once again, however, intra-ASEAN differences have already been evident and as Chapter 3 will demonstrate, has resulted in few real achievements from the ARF, not to mention the increasing difficulties in achieving consensus in an expanding body of former enemies still suspicious of each other.

Even economic cooperation has suffered. After the groundbreaking Bali Summit of 1976, the ASEAN Economic Ministers were keen to develop intra-ASEAN economic cooperation. But there were clear divisions. Singapore and the Philippines were keen to promote intra-ASEAN trade by means of substantial tariff reductions, while Indonesia and Malaysia were reluctant to endorse such moves because of their less competitive, much more heavily-protected economies. Although a Preferential Trading Arrangements (PTA) agreement was signed in 1977, the PTA took a gradual

¹¹ ASEAN Update (Jakarta: ASEAN Secretariat), July 1994, p.1.

approach to the question of tariff cuts and the pace was painfully slow. In fact, the amount of trade under the PTA has not been significant due to the existence of long exclusion lists.

The end of the Cold War in 1989, as well as the advent of the North American Free Trade Association (NAFTA) and the European Common Market, spurred ASEAN to act in order to protect its own bargaining power and its economic interests. In 1993, the ASEAN states agreed to begin the process towards an ASEAN Free Trade Area (AFTA) within 15 years.¹²

However, as Chapter Three will demonstrate, there have once again been clear differences among the various ASEAN states over the pace and direction of economic regionalism, with the existence of an exclusion list where members could omit products from the Common Effective Preferential Tariff (CEPT) list, thereby providing a backdoor to avoiding any serious commitment to the stated goal of an ASEAN common market.

2.2 Intra-ASEAN Tensions

Various pairs of bilateral relations within the ASEAN states are so wrought with contentious and fundamentally important issues of territory, disputes which are also rooted in history, ethnicity and religion, that inter-state conflict between the various ASEAN states cannot be ruled out. As Chapter 4 will demonstrate, these issues continue to affect the security policies of the ASEAN states and they place real limits and constraints on their ability to cooperate on regional matters, particularly in security matters. The various pairs of bilateral issues need to be examined in some detail in order to appreciate their real significance as challenges to the security of the ASEAN states as well as to the wider regional order. They are also one of the main reasons why the ASEAN states are a long way from achieving the sense of regional community such as that existing within the European Community. Indeed, Singapore's then Foreign Minister candidly stated that:

¹² Singapore Bulletin, vol. 20, no. 3, March 1992, p.1.

The prime reason for conflict in Southeast Asia was never superpower intervention but local rivalries that had their root causes in historical animosities, racial and religious divisions or competition for influence and resources.¹³

A major key to ASEAN stability is arguably the Singapore-Malaysia relationship, characterised as it is by a single-minded pursuit on Singapore's part for a strong deterrent capability vis-a-vis Malaysia, with the provocative choice of the Israeli strategy of pre-emptive defence, and Israeli advisers to put this strategy into place. The Malaysian reaction has resulted in a situation of competitive arms acquisitions; in effect, an arms race between two states aimed at mutually deterring each other. Underlying this mutually suspicious relationship are various issues such as the Herzog crisis, sparked by the visit of the Israeli President to Singapore in 1986, and the Pedra Branca territorial dispute, which reached such a level of emotiveness and bitterness that it was at one stage feared that actual armed conflict would break out. These issues also demonstrate the strong racial, historical and religious undertones which characterise the Malaysia-Singapore relationship. Their effects on the development of regional cooperation, and their potential threat to regional security, should not be underestimated.

A second intra-ASEAN issue is the Malaysia-Philippines dispute over the Sabah issue, an issue that is characterised by a clash of two nationalisms and two different religions with a history of bitter conflict with each other. The Philippines has never renounced its claim to Sabah, while Malaysia has covertly supported the Muslim Moro rebels in the southern Philippines, who have been fighting a secessionist war against the Catholic-dominated central government of the Philippines.

Another bilateral relationship that needs to be examined is that between Malaysia and Indonesia. Notwithstanding the racial and religious bonds, both countries have had different historical developments, not to mention memories of Indonesian attempts at domination, epitomised by the Confrontation under Sukarno in the 1960s. In recent

¹³ Cited in Michael Richardson, "Breaking Down Asian Barriers", in Asia-Pacific Defence Reporter, September 1990, p.24.

years, the Sipadan and Ligitan islands dispute had at one stage become more than just a mere irritant in bilateral relations; little-publicised Indonesian gunboat diplomacy in 1993 had raised the stakes, despite all the protestations of ASEAN solidarity and the much-vaunted “special” nature of the bilateral relationship.

Similarly, the Brunei-Malaysia relationship has, beneath the veneer of bilateral cordiality and ASEAN solidarity, been characterised by suspicions on the part of the Brunei royal family over Malaysia’s ultimate intentions, given the Malaysian government’s past attempts at destabilising the absolute rule of the Sultan as well as the presence of a major unresolved territorial dispute, namely, the Limbang issue.

Finally, Malaysia’s relations with Thailand have been contentious at times, marked by Thai suspicions at what it sees as Malaysia’s covert support of Malay-Muslim armed separatists in the southern provinces. Recent clashes over maritime boundaries and fishing rights have also raised the possibility of conflict over such issues, with the Thai military openly citing this as the rationale for its recent massive naval build-up.

2.3 The Regional Arms Build-up

The effect of these bilateral issues and tensions have been an accelerating pace in military modernisation among all the ASEAN states, although there are also other causes, as Chapter 5 will show. Indeed, the military modernisation of the ASEAN states could well be aimed at countering each other. In addition, while the ASEAN states have in recent years tried to get the US to remain engaged in the region, they do so with varying motives; some feel threatened by a resurgent China, others by their own ASEAN neighbours.

The exception to the general trend towards a regional arms build-up since 1975 has been the Philippines, whose special relationship with the US, its ongoing internal insurgencies and its dire economic straits, has made it an exception to the general

trend, although even it felt compelled to announce a modest military modernisation programme in 1995.¹⁴

The strong and continued economic growth in the ASEAN states (except for the Philippines), has meant the availability of resources to engage in military modernisation programmes, which especially involve the acquisition of maritime and air defence capabilities. Indeed, concomitant with the fall in worldwide arms transfers, Asia's share has risen from 15.5% in 1982 to 33.2% in 1993.¹⁵

Malaysia launched a military modernisation programme called PERISTA in 1979, and it is reasonable to assume that this programme, designed to build up Malaysia's conventional capabilities, accounted for the fairly high levels of military expenditure in the period from 1980 to 1984.¹⁶ Malaysia has made strenuous attempts to build up its conventional military capabilities. What motivated Malaysia's military modernisation is debatable, some suggesting that it has sought to maintain a military balance with its increasingly powerful southern neighbour, Singapore.¹⁷

Singapore has led the way in military modernisation, with its dramatic build-up from scratch in 1965, when it found after its expulsion from the Malaysian Federation that it had no defence forces of its own. That this build-up, undertaken at its initial stages with the assistance of Israeli advisers, was sustained at fairly high levels to-date indicates the resolve of Singapore's leaders to make its defence credible and viable. The clearly offensive nature of its weaponry and its doctrine of pre-emptive defence has implications for regional security and its impact on regional security needs to be

¹⁴ Straits Times Weekly Edition, 1 July 1995, p.11.

¹⁵ SIPRI Yearbook 1994 (Oxford: Oxford University Press, 1994), p.510.

¹⁶ According to the respected Stockholm Institute of Peace Research Institute (SIPRI), Malaysia's military expenditure showed a marked increase (in constant 1985 US dollars for easy comparison) from \$1,298 million in 1979 to \$1,618 million in 1980, staying at such high levels until a decline was discernible in 1984 (\$1,108 million) and 1985 (\$977 million). See The SIPRI Yearbook (1979 to 1985 editions).

¹⁷ Donald Weatherbee, "ASEAN Defence Programs: Military Patterns of National and Regional Resilience," in Young Whan Kihl and Lawrence E Ginter, Security, Strategy and Policy Responses in the Pacific Rim (Boulder, Colorado: Lynne Rienner, 1989), p.198.

examined. In addition, it would be instructive to analyse the perceptions of threat since 1965 which have been the driving force behind this build-up.

Thailand, the so-called frontline state following the victory of communist forces in Indo-China in 1975, has moved rapidly to reinforce and improve its military capabilities. Its high military expenditures are reflected in the growth of actual capabilities, in terms of armour, artillery, naval assets and fighter jets.¹⁸ Significantly, Thailand is attempting to build a blue-water navy with the order for an aircraft carrier from Spain.¹⁹ Its military capability has caused concern among ASEAN states, as the numbers of Chinese-made weapon systems deployed after 1978 indicated a growing strategic alliance between China and Thailand against Vietnam. The Sino-Thai concorde was of special concern to Indonesia and Malaysia, which have viewed China as the principal threat to the region.

The evidence provided thus far points to the development in the region of offensive capabilities to strike distant military targets. Referring to the rapid increase in military capabilities, two of Asia's leading military analysts had this to say:

...the psychological and political dynamics of arms build-ups, especially with offensive weapons, may be highly destabilising. They are likely to create conflict spirals, increase pre-existing fear, suspicion and hostility, provide incentives for pre-emptive strikes in a crisis - and hence heighten the risk of inadvertant war. The historical evidence suggests that there are few grounds for feeling confident that the security philosophy of peace through strength and deterrence, which the current military build-up in the Asia-Pacific reflects, will in fact enhance regional security.²⁰

Thus, despite the pursuit of co-operative regional security at the strategic political level, a parallel movement exists to counter the military capabilities of potential political adversaries. As this military build-up does not take into account intentions but measures potential threats in terms of actual capabilities, it is destabilising because

¹⁸ *Ibid.*, pp. 195-196.

¹⁹ Andrew Mack, Arms Proliferation in the Asia-Pacific: Causes and Prospects for Control (Working Paper 1992/10, Australian National University, Canberra, 1992), p.10.

²⁰ Andrew Mack and Desmond Ball, The Military Build-up in the Asia-Pacific Region: Scope, Causes and Implications for Security (Working Paper 264, Strategic and Defence Studies Centre, Australian National University, Canberra, 1992), p.17.

it promotes arms races and mutual suspicions. One sees echoes of Sarajevo in World War I, when mutual suspicions and arms races ended in open conflict. As Robert Jervis succinctly noted:

Many of the means by which a state tries to increase its security decrease the security of others...in international politics....one state's gain in security often inadvertently threatens others. In earlier periods...Britain had needed a navy large enough to keep the shipping lanes open. But such a navy could not avoid being a menace to any other state with a coast that could be raided, trade that could be interdicted, or colonies that could be isolated.²¹

2.4 Internal Threats

Most of the ASEAN states face, to varying degrees, internal security threats that have affected security responses and policies after 1975, and even after the end of the Cold War in 1989. Indonesia, despite decades of nation-building, has been concerned with maintaining the integrity of its far-flung archipelago, populated as it is by various different ethnic groups. Since 1975, Indonesia has faced two stubborn armed separatist insurgencies - that of the OPM in Irian Jaya, and Fretilin in East Timor. The situation in Aceh in northern Sumatra can also be described as unstable, given periodic outbursts of Islamic separatist uprisings. Moreover, there remains the threat of Islamic fundamentalism that could result in violence against the secular-oriented government. In Malaysia, there have been problems posed by Islamic fundamentalism, with the now-banned Al-Arqam sect described by the Malaysian government as the biggest security threat to the country.²²

It is the Philippines, however, that has the most serious internal security problems. Not only has there been continuing political instability stemming from political factionalism in the centre but also, there has been the declining but still significant communist insurgency of the Maoist New People's Army (NPA), which has been fuelled by the poverty and gross socio-economic inequalities existing in the country. In the south, the Muslim Moro separatist rebellion has remained as intractable as ever.

²¹ Robert Jervis, "Cooperation Under the Security Dilemma," in World Politics, vol. 30, no.1, 1977/78, p.170.

²² "Malaysia Bans Al-Arqam Movement," Straits Times Weekly Edition, 6 August 1994, p.10.

As Chapter 6 will show, the interactive nature of some of these internal threats, involving as they do other ASEAN states, that make them a factor in constraining their ability to work together towards developing a regional security community. Support for Malay-Muslim separatisms in Thailand and the Philippines have existed in Malaysia, while there is evidence of sympathy for Acehese rebels as well as anti-monarchical elements from Brunei by that same country. Moreover, the preoccupation with internal threats detracts from the task of managing regional order, with attention and resources concentrated on meeting the internal threat. Indeed, both Indonesia and the Philippines have been more concerned with internal security challenges, not surprising given their internal security problems which have existed to this day. In addition, the ASEAN states are also loath to expand political and security cooperation because they do not wish their fellow member-states to acquire the right or the opportunity to interfere in internal security matters.

2.5 The Impact of Extra-Regional Powers

While the bipolarity of the Cold War provided a measure of certainty and structure to international relations since 1945, the retrenchment of the US from the region, evident since the enunciation of the Nixon Doctrine in 1968 and the failure of the US to rescue the Saigon regime in 1975, has injected a measure of uncertainty in the regional order. The military commitment of the US to the region appears to have declined. The withdrawal of the US from the region has been a long drawn-out process, beginning with its abandonment of the Saigon regime in 1975 and culminating in the withdrawal from its bases in the Philippines in 1992. The end of the Cold War after 1989 has also reduced the strategic importance of areas not regarded as the core interests of the US. Moreover, the election of President Clinton, with his strong domestic agenda, in 1992, and evidence of increasing isolationism in the US, together with the perceived failure of the US to articulate a future US security role in the region, has alarmed the ASEAN states, as the US military presence has generally been both benign as well as a source of stability which has underpinned the huge economic growth in the entire Asia-Pacific region.

The retrenchment of the US since 1975 has enabled aspiring regional Great Powers to emerge. Indeed, there are now more major actors in the region, such as China, Japan and India. Analysts have also pointed out that without the constraining hands of the superpowers, long-suppressed conflicts could break out.²³ Indeed, there are numerous intra-ASEAN disputes involving in particular conflicting territorial claims, as well as internal threats to regime legitimacy, some of which could potentially escalate into a major regional conflict involving two or more of the ASEAN states or even other extra-regional powers.

The end of the Cold War and the bipolar system after 1989 has been characterised by uncertainty over the final form of what is likely to be a complex multipolarity. Indeed, J N Mak succinctly describes the geostrategic dilemma that the ASEAN states are currently facing:

Paradoxically, because of the end of the US-Soviet military confrontation, the Asia-Pacific region is becoming more complex, more multipolar and increasingly volatile. From a comfortable bipolar balance-of-power situation, the strategic environment has become more uncertain.²⁴

Complicating the picture has been the rise of regional Great Powers. Japan, for instance, is an economic superpower and a technological leader, with the necessary resources to become a major military and nuclear power in a relatively short time should it choose to do so. Already, Japan possesses a sophisticated military capability and is involved in maritime operations out to 1,000 nautical miles, taking it close to the Philippines. Its political and security roles in the region have been increasing since 1975, culminating in the participation of its military in supervising the UN elections in Kampuchea in 1992, the first time Japanese troops had appeared on the Southeast Asian mainland since World War Two.

²³ See for instance, Andrew Mack, After the Cold War and the Gulf War: Prospects for Security in the Asia-Pacific (Working Paper 1992/1, Australian National University, Canberra, 1992), p.1. See also Leszek Buszyński, "Declining Superpowers: The Impact on ASEAN," in The Pacific Review, vol. 3, no.3, 1989, p.258.

²⁴ J N Mak, "The Maritime Priorities of Malaysia," in Ross Babbage and Sam Bateman (eds), Maritime Change and Issues for Asia (St Leonards: Allen and Unwin, 1993), p.120.

Besides Japan, India is another aspiring regional actor worth noting. It has a growing blue-water navy centred around two aircraft carriers and has been developing a ballistic missile capability. Its plans to develop naval and air facilities on the Andaman and Nicobar Islands, only 80 nautical miles from Sumatra, and its strong concerns over the welfare of Indo-Fijians and Indian nationals in other parts of the world are sources of speculation about its future politico-strategic thinking. Moreover, the ongoing naval build-up and modernisation programmes of both China and India signals growing Sino-Indian competition in the waterways of Southeast Asia.²⁵

Then, there is China. Its enormous economic growth is fuelling its expanding military capabilities. Continued high rates of economic growth will mean that China will become more powerful relative not just to its neighbours but also to the other major powers, including the United States. The concomitant increase in China's military capabilities is causing increasing nervousness on the part of its smaller Asian neighbours, which see China becoming a major security threat to the region. Indeed, the end of the Cold War and the intensification of the crisis of communist legitimacy has led to a re-emphasis on nationalism, giving rise to the spectre of a more assertive China at a time when the US has been gradually retrenching from the region.²⁶

Added to this development has been China's propensity to use force to resolve disputes. For instance, China used force to reclaim the Paracels in 1974, and again clashed with Vietnam in 1988 over the Spratley Islands.²⁷ It is evident that its ongoing economic and military development will give China the status of a regional Great Power or even a superpower in the not-too-distant future; even now, China has sophisticated Su-27 Flanker fighter jets based on Hainan, providing air defence over the South China Sea, which it claims. Its naval modernisation programme has also seen significant growth in recent years. A more assertive and powerful China would

²⁵ J Mohan Malik, "Patterns of Conflict and the Security Environment in the Asia-Pacific Region: The Post-Cold War Era", in J Mohan Malik (ed), Asian Defence Policies: Great Powers and Regional Powers (Victoria: Deakin University Press, 1992), p.43.

²⁶ Michael Yahuda, "China: Will It Strengthen or Weaken the Region?" in T B Millar and James Walter, Asian-Pacific Security After the Cold War (St Leonards: Allen and Unwin, 1993), pp.46-47.

²⁷ Michael Richardson, op. cit., p.27.

require counterweights to balance it and deter it from actions that could undermine regional security. Singapore's Prime Minister, Goh Chok Tong, articulated in 1991 the common fear in the region that with the reduced US military presence in the region and the then Soviet Union now turning inward, new regional powers such as China are showing signs of "wanting to play a more assertive role."²⁸

Indeed, the single most important regional security issue in Southeast Asia today is the dispute over the potentially oil-rich Spratley Islands in the South China Sea. Overlapping claims by China, Vietnam, Taiwan, Malaysia, Brunei and the Philippines make it a volatile issue, especially in the face of China's propensity to use force to settle such disputes. That China has also passed a law in 1992 claiming the entire Spratleys and authorising the use of force to back this claim has only added more anxiety over China's intentions in this respect.²⁹ In addition, in the first-ever meeting of the ASEAN Regional Forum held in July 1994, China as a participant openly dismissed efforts by ASEAN to bring together all the rival claimants to discuss the issue of sovereignty over the Spratleys.³⁰ Its reluctance to accept a multilateral approach to resolving the issue means that the only option would be for each claimant to bargain with China on a bilateral basis, an unpalatable exercise given China's size and power.

The influence of the Great Powers is thus significant, and the roles and impact of both the US and the emerging regional Great Powers, such as China, India and Japan, will be examined in Chapter 7 for their implications for regional order. Indeed, the emerging Great Powers have had a growing role in the region since 1975, although the US is recognised to retain an important role as a balancer among an increasing number of regional actors. The roles of these powers constitute a powerful constraint on the ability of the ASEAN states to manage regional order; indeed, it is these very powers which ultimately have the final say on any regional arrangement because no such arrangement will work without their active participation and consent.

²⁸ Quoted in Michael Richardson, "US Plans for Pacific Partnership," Asia-Pacific Defence Reporter, June 1991, p.15.

²⁹ "Beijing Snubs Summit Plan," Sydney Morning Herald, July 25, 1994, p. 9.

³⁰ Nayan Chanda, "Divide and Rule," Far Eastern Economic Review, August 11, 1994, p.18.

3 State of Southeast Asian Security Studies

3.1 The Presence of Intra-ASEAN Tensions

An excellent starting point for the study of Southeast Asian regional order is Michael Leifer's Dilemmas of Statehood in Southeast Asia (Singapore: Asia-Pacific Press, 1972), which analysed the various obstructions to the establishment of a viable, integrated political order in the newly-independent states of Southeast Asia. Leifer pointed out the essential difference between regionalism in Europe and that in Southeast Asia:

An essential element in the popular movement for union which arose in Western Europe in the aftermath of the Second World War was a strongly held belief by some that the conventional nation-state has ceased to fulfil its primary function and has therefore lost its *raison d'être*. It was thus advocated that the nation-state in Western Europe ought to be superseded by a different kind of polity. No such ethic moves hearts and minds in Southeast Asia; if anything it is the reverse.³¹

Thus, Leifer concluded, regional cooperative ventures "must not offer any challenge to national sovereignty which is cherished jealously among the new states," and that progress in regional association would be determined by the states' perception of self-interest.³² What is interesting is the comparison of this rather pessimistic view expressed by Leifer in 1972, with that of a large body of opinion by the 1980s, which expressed optimism with the progress of regionalism. For instance, Arnfinn Jorgensen-Dahl's study Regional Order in Southeast Asia (London: Macmillan, 1982) lauded the collective response of the ASEAN states to regional developments, particularly to the events of 1975 and the Vietnamese invasion of Kampuchea in 1978. While Dahl's work is a useful study of the antecedents to ASEAN and the historical development of that organisation up till about 1980, it failed to appreciate the significance of intra-ASEAN tensions or other factors as constraints to cooperative regionalism.

³¹ Michael Leifer, *op. cit.*, pp.150-151.

³² *Ibid.*

Indeed, by the early 1980s, the high profile of ASEAN had convinced many security analysts to accept that some sort of security community had come into existence. That is, that the ASEAN states accepted certain common rules and had learnt to resolve their disputes peacefully without resort to the use of force.

David Irvine, for instance, stated in 1982 that:

...since 1976, individual members have given their political commitment to the concept of ASEAN regionalism an increasingly high priority, and have generally tried to avoid the pursuit of national policies that might split the Association. The strength of both the internal commitment and the external recognition suggests that ASEAN by 1980 was proving to be one of the most successful experiments in regional cooperation amongst Third World countries.³³

Similarly, Geoffrey Wiseman declared confidently that:

(ASEAN's) development has produced a new set of attitudes and informal conflict-avoidance mechanisms which currently make war between member-states unlikely.....the ASEAN experiment poses an interesting challenge to the thesis that only democratic states do not go to war with each other.³⁴

Amitav Acharya, writing in Pacific Affairs in 1991, also concluded that "ASEAN can claim qualified, though tenuous, success as a security community."³⁵

Another recent study, Michael Antolik's ASEAN and the Diplomacy of Accommodation (New York: M E Sharpe, 1990) takes a similarly optimistic view, lauding the success of ASEAN multilateral cooperation without regard for the very real and serious intra-ASEAN conflicts and tensions that have helped limit the organisation's ability to evolve into the kind of security community that the European Union has. Antolik concluded that "unless a regime change involves a radical change of ideology, like communism or extremist Islam, succeeding administrations can be

³³ David Irvine, "Making Haste Less Slowly," in Alison Broinowski (ed), Understanding ASEAN (Hong Kong: MacMillan, 1982), p.68.

³⁴ Geoffrey Wiseman, "Common Security in the Asia-Pacific Region" in Pacific Review, vol. 5, no. 1, 1992, p.48.

³⁵ Amitav Acharya, "The Association of Southeast Asian Nations: Security Community or Defence Community?" in Pacific Affairs, vol. 64, no. 2, Summer 1991, p.176.

expected to adhere to ASEAN's principles," and cited the view that "confidence is based on leaders' appreciation of ASEAN's contribution to their primary security interest, control of independent insurgency."³⁶

Sheldon Simon's study, The ASEAN States and Regional Security (Stanford: Hoover, 1982), is a more balanced study, which took into consideration conflicts among the ASEAN members. While acknowledging that inter-state disagreements existed, he concluded that they were not serious and lauded ASEAN's achievements, describing it as a hitherto moribund economic grouping which had been transformed into "the most dynamic political association in the region's history."³⁷ This study also did not realise the significance of intra-ASEAN issues and other constraints, nor did it appreciate the depth of mutual suspicions. For instance, it did not acknowledge the significance of the territorial dispute between Singapore and Malaysia (over the island of Pedra Branca), describing it as a "minor dispute" which authorities on both sides "have indicated willingness to negotiate settlements."³⁸ This thesis, however, will document the events leading to heightened tensions between Singapore and Malaysia over the issue in 1989 and 1992, with the possibility being suggested of open armed conflict, which would have destroyed ASEAN and plunged the region into instability. As at 1997, no solution is in sight to what is clearly a fundamental issue of territory, with strong underlying mutual suspicions and hostility.

The issue of intra-ASEAN tensions has been mentioned in a few more astute studies, such as M Rajendran's study on ASEAN's Foreign Relations: The Shift to Collective Action (Kuala Lumpur: Arenabaku, 1985), where he mentions that "there are a number of potentially divisive issues which could undermine ASEAN's cohesion or even have disrupting effects on the group....the potential for intra-regional conflicts remains."³⁹ However, his study failed to provide any in-depth analysis of the issues,

³⁶ Michael Antolik, ASEAN and the Diplomacy of Accommodation (New York: M E Sharpe, 1990), p.167.

³⁷ Sheldon Simon, The ASEAN States and Regional Security (Stanford: Hoover, 1982), p.134.

³⁸ *Ibid.*, p.41.

³⁹ M. Rajendran, ASEAN's Foreign Relations: The Shift to Collective Action (Kuala Lumpur: Arenabaku, 1985), p.210.

focusing instead on the efforts of the ASEAN states in managing the changing regional order after 1975.

An effort was made by Hans Indorf, in his study entitled Impediments to Regionalism in Southeast Asia: Bilateral Constraints Among ASEAN Member States (Singapore: Institute of Southeast Asian Studies, 1984), to investigate the bilateral frictions inhibiting regional cooperation. The study, however, suffered from its limited scope, examining as it did the historical precedents of intra-ASEAN disagreements over territory and on economic cooperation. While useful for its focus on intra-ASEAN tensions as a constraining factor to regional cooperation in the 1970s and early 1980s, the short study did not provide sufficient in-depth study or analysis into the fundamental issues in bilateral relations. Moreover, it is now a dated analysis, given the changed circumstances since then, such as the arms build-up which has given states in the region the ability to mount major conventional war amongst themselves. In fact, as this thesis will demonstrate, the question of intra-ASEAN disagreements and tensions is not merely an issue of constraints to cooperation. There is evidence that the disagreements are more serious than previously recognised, so fundamental in fact, that major conflict among member states cannot be ruled out.

Intra-ASEAN tensions constrain the ability of the ASEAN states to manage the regional order, and are themselves sources of conflict. They remain, however, sensitive issues and it is perhaps for this reason that the various research institutes in ASEAN have shied away from any in-depth discussion of the inter-state dynamics that are inherent within the region. Such issues have not been addressed in regional fora or in inter-ASEAN deliberations. Instead, they have remained firmly outside the ambit of ASEAN.

The current academic literature has thus tended to skirt the issue of inter-state tensions among the ASEAN states. In addition, what has been missing has been in-depth analysis on other constraints to regionalism that they face. Security analysts commonly assume that the ASEAN region has achieved such a level of consensus regarding the rules of engagement that the states comprising ASEAN have attained a

level of maturity in their sense of community akin to that of the European Community; meaning that disputes will be resolved peaceably.

However, this thesis will demonstrate that mutual suspicions and inter-state tensions still exist, with underlying fault lines of ethnicity and religion. Intra-ASEAN tensions have, moreover, been complicated by what appears to be interactive arms acquisitions since 1975. Indeed, the military modernisation of the ASEAN states may have been taken to counter one or others of that group. In addition, each of the ASEAN states have in recent years tried to get the US to remain engaged in the region; some feel threatened by a resurgent China, others by their own ASEAN neighbours.

3.2 The Problem of the Regional Arms Race

A corollary of intra-ASEAN tensions has been the accelerating arms build-up in the region. There is evidence that the military modernisation programs undertaken by the various ASEAN states have taken on an interactive nature as neighbouring states take at least precautionary measures to ensure military parity. The security dilemma inherent in such arms build-ups has led to at least the beginning of an arms race, which could lead to conflict due to heightened tensions and mutual suspicions.

There have been various studies on the phenomenon of the military build-up in the region. Some of these studies analyse military expenditure and arms procurements. A comprehensive work is the study Defence Spending in Southeast Asia (Singapore: Institute of Southeast Asian Studies, 1987), edited by Chin Kin Wah. Examples of similar studies, albeit short articles, include Andrew Ross's paper on "Growth, Debt and Military Spending in Southeast Asia," in Contemporary Southeast Asia (vol.11, no.4, March 1990), Geoffrey Harris's article, "The Determinants of Defence Expenditure in the ASEAN Region" in The Journal of Peace Research (vol.23, no.1, 1986), and Aaron Karp's article, "Military Procurement and Regional Security in Southeast Asia" in Contemporary Southeast Asia, vol. 11, no.4, March 1990, amongst others. While useful in some ways, the limitations of the military expenditure approach in investigating defence issues has been pointed out by Tim Huxley, who

concluded that because of the difficulties encountered in the use of primary sources, a purely quantitative approach would be inadequate and would need to be supplemented by judicious qualitative analysis.⁴⁰

A more promising approach is thus the qualitative analysis in more recent works such as Amitav Acharya's paper An Arms Race in Post-Cold War Southeast Asia: Prospects for Control (Pacific Strategic Papers, Institute of Southeast Asian Studies, Singapore, 1994), Andrew Mack's paper on Arms Proliferation in the Asia-Pacific: Causes and Prospects for Control (Working Paper 1992/10, Australian National University, Canberra, 1992), and J N Mak's study, ASEAN Defence Reorientation 1975-1992: The Dynamics of Modernisation and Structural Change (Canberra: Australian National University, 1993). A similar and more dated work is Tim Huxley's The ASEAN States' Defence Policies, 1975-81: Military Responses to Indochina? (Working Paper No.88, Strategic and Defence Studies Centre, Australian National University, 1984). Interestingly, both Acharya and Mak dispute the notion of an arms race in the region, on the grounds that while the ASEAN states do have mutual disagreements, their arms build-ups are not aimed at each other, while Huxley was of the view that the arms build-up in the years from 1975 to 1981 could not be considered significant, a view which is debatable and at best dated. Andrew Mack has analysed the issue from the viewpoint of arms proliferation. Mack provides evidence of a regional arms build-up in the whole Asia-Pacific region and explores possible strategies for arms control.

The studies thus miss the central point of the phenomenon; that is, the dangers inherent in arms racing behaviour. They have not explored the implications of this behaviour on cooperative regionalism as well as defence cooperation. The interactive nature of arms acquisitions, for which this thesis will argue has some foundation, raises tensions and suspicions. Coupled with the conflicting claims over territory, the question of the security dilemma and where this might lead cannot be avoided.

⁴⁰ Tim Huxley, The ASEAN States' Internal Security Expenditure (Working Paper No.122, Strategic and Defence Studies Centre, Australian National University, Canberra, 1987).

Moreover, as Colin Gray has rightly pointed out, it is possible for arms races to develop even in the absence of any serious political antagonisms. A fairly autonomous arms increase might be matched by a fairly disinterested party solely as a precautionary move, and thus spark off a cycle of close or intermittent armament interactions. Previously unacknowledged political antagonisms might then occur.⁴¹ Acharya and Mak have failed to take account of the severity of intra-ASEAN tensions. Intra-ASEAN tensions are significant because the availability of conventional military capability deepens such tensions and raises the possibility of actual inter-state conflict.

3.3 The Continued Relevance of Internal Security Challenges

Since 1975, there have also been a number of studies on the impact of specific geopolitical changes on the ASEAN states, for instance, the impact of the demise of the Saigon regime, the Vietnamese invasion of Kampuchea, the Sino-Vietnamese War, the Indo-Chinese refugee crisis, China-ASEAN relations and the changing policies of the United States towards the region.⁴² The end of the Cold War in 1989 has also unleashed a large body of often speculative work assessing the problems and prospects for regional security in the post-Cold War era.⁴³ These works, however, tend to be unidimensional and concentrate on specific issues and time-frames. What is needed is a more comprehensive and holistic approach to the issue of what

⁴¹ Colin Gray, "The Arms Race Phenomenon," in World Politics, vol. 24, no.1, 1972, p.41.

⁴² Examples include Charles E Morrison and Astri Suhrke (eds), Strategies of Survival: The Foreign Policy Dilemmas of Smaller Asian States (Queensland: University of Queensland Press, 1978), K K Nair, ASEAN-Indochina Relations Since 1975: The Politics of Accommodation (Canberra Papers on Strategy and Defence No.30, Australian National University, Canberra, 1984), Donald Weatherbee (ed), Southeast Asia Divided: The ASEAN-Indochina Crisis (Boulder: Westview Press, 1985), Tim Huxley, ASEAN and Indochina: A Study of Political Responses 1975-1981, Daniel Tretiak, "China's Vietnam War and its Consequences," in China Quarterly, No. 80, December 1979, Leo Suryadinata, China and the ASEAN States: The Ethnic Chinese Dimension (Singapore: University of Singapore Press, 1985), and William Tow, Encountering the Dominant Player: US Extended Deterrence in the Asia-Pacific (New York: Columbia University Press, 1991).

⁴³ Examples include T B Millar and James Walter (eds), Asian-Pacific Security After the Cold War (St Leonards: Allen and Unwin, 1993), Andrew Mack, After the Cold War and the Gulf War: Prospects for Security in the Asia-Pacific (Working Paper 1992/1, Department of International Relations, Australian National University, Canberra, 1992), Archarya Amitav, A New Regional Order in Southeast Asia: ASEAN in the Post-Cold Era (Adelphi Papers 279, International Institute of Strategic Studies, London, 1993) and Perry Wood and Jimmy Wheeler, ASEAN in the 1990s: New Challenges, New Directions (Indianapolis: Hudson Institute, 1990).

constraints the ASEAN states face in their quest for cooperative regionalism and a security community, and what implications these constraints might hold. The historical context, particularly with regard to dynamics which has been significant and remains so, needs to be taken into account. These analysts have, for instance, focused mainly on the impact of external threats and developments to the security policies of the ASEAN states. However, what is the relevance of other factors such as internal dynamics and intra-ASEAN tensions? Are such dynamics no longer operating or have they become less important or even irrelevant?

Indeed, as pointed out earlier, intra-ASEAN tensions remain alive after 1989. Moreover, internal security threats continue to merit attention despite the apparently reduced international tensions in the post-Cold War era. However, the attention to the question of internal security challenges appears to be fading with the passage of time. Most of the works on regional order and security mentioned focus only on the external dimension, or regard internal threats as fading in both intensity and importance. Internal threats, however, have remained alive since 1975, and despite the reduced international tensions of the post-Cold War era, after 1989 as well. Moreover, the interactive nature of some of these threats, that is, the presence of an external dimension due to their links with neighbouring ASEAN states, indicate that they have been of greater significance than previously assumed. Indeed, in the post-Cold War era, there continues to be armed secessionist rebellions in Thailand, the Philippines and Indonesia, not to mention a substantial communist insurgency in the Philippines, as well as the threat from Islamic extremism cited by Malaysia and Indonesia.

3.4 The Impact of the Great Powers and ASEAN's Response

One can also sense from the academic discourse that much of it is really focused on either the initiatives undertaken by the ASEAN states in response to geostrategic changes or the interests of these Great Powers in the region. Examples of such studies include Mohammed Ayoob, India and Southeast Asia: Indian Perceptions and Policies (London: Routledge, 1990), Chandran Jeshurun, China, India, Japan and the Security of Southeast Asia (Singapore: Institute of Southeast Asian Studies, 1993), Francis Lai

Fung Wai, Without a Vision: Japan's Relations with ASEAN (Singapore: Chopmen, 1981), K K Nair and Chandran Jeshurun (eds), Southeast Asia and the Great Powers (Kuala Lumpur: Malaysia Cooperative Printing Press Society, 1980). Whilst the latter two works are by now dated, Ayoob and Jeshurun have made a useful contribution to the growing roles of the emerging Great Powers. What is lacking, however, is the need for the role and impact of such extra-regional powers on the ASEAN states to be examined in the context of intra-ASEAN differences and constraints in order to arrive at a more complete picture and to explain why the ASEAN states will find it difficult to build a security community similar to the European Union. Indeed, differing threat perceptions and views on how to manage the Great Powers, as well as the weakness of the ASEAN states vis-a-vis the Great Powers, have constrained the ability of the ASEAN states to manage the regional order.

4. Agenda for Research

4.1 Purpose of Study

The above discussion illustrates the fundamental problem that the ASEAN states face in building a security community and managing the regional order - the pursuit and defence of national interests in the face of mutual suspicions, lack of trust and real conflicts over fundamental issues of territory. The differing threat perceptions and views have not been successfully reconciled despite some three decades of regional cooperation and some notable successes such as the ability of the ASEAN states to hold together international opposition to Vietnam's invasion and occupation of Kampuchea in 1978. Intra-ASEAN differences in political and economic cooperation have not been given the in-depth analysis it deserves, and despite mention of such differences, the current literature has concentrated mainly on the successes of ASEAN, and portrayed an optimistic view of its prospects.

Indeed, the current literature has taken an overly optimistic view, in that it tends to argue for the existence of a security community when in fact it does not exist and is unlikely to develop in the future.

Moreover, accounts so far have not been comprehensive enough, in that they have not taken into account all the relevant variables. This thesis will demonstrate that there are a number of constraints that have limited ASEAN cooperative regionalism since 1975. Any study of regional order would not be complete without a comprehensive, in-depth analysis of the fundamental underlying dynamics that affect the ability of the ASEAN states in managing the changing regional order and in their objective of building a security community. While analysts have pointed out the lack of progress of the multilateral security dialogue and economic cooperation approach of the ASEAN states, suggesting a return to balance of power politics, what is missing is an explanation as to why this has been the case.⁴⁴ A more holistic approach is needed in order to understand the nature of the security challenges and the response of the ASEAN states to them. It is particularly important, for instance, to take into account the differences over regional political and economic cooperation, the continued relevance of internal factors, the complexity and severity of intra-ASEAN tensions, the causes and implications of the emerging regional arms race, and the roles and impact of the Great Powers in order to arrive at a more total and more accurate picture of the constraints which the ASEAN states face in the building of a security community and the management of regional order. A comprehensive assessment of the total environment in which the ASEAN states operate will explain why their ability to build cooperative regionalism and to influence the regional order, both after 1975 and after 1989, has remained limited.

The purpose of this study is thus to examine the constraints on the ability of the ASEAN states to manage the regional order since 1975. The study will argue that despite the optimism over ASEAN cooperative regionalism as well as evidence of success in collective political cooperation since 1975, a common theme straddles both pre- and post-Cold War eras, that is, there exists severe constraints and limitations on the ability of the ASEAN states to manage the regional order and to build the kind of security community that they have envisioned.

⁴⁴ See for instance, Amitav Acharya, A New Regional Order in Southeast Asia: ASEAN in the Post-Cold War Era (Adelphi Papers 279, International Institute of Strategic Studies, London, 1993), p.78.

This study will demonstrate that various constraints have existed. These constraints consist of the following:

1. problems in the ASEAN approach to managing regional order, particularly intra-ASEAN differences over political and economic cooperation, which have limited the potential of ASEAN and constrained the development of a regional security community;
2. severe underlying tensions and animosities between the ASEAN states, characterised by serious clashes of national interest, particularly over conflicting territorial claims, which have had negative implications for the development of a regional security community and the progress of military co-operation since 1975;
3. the emerging arms race in the region, increasingly evident since 1975, which has exacerbated intra-ASEAN tensions and placed real constraints on the prospects for increasing defence cooperation;
4. internal security challenges which have continued to be an important factor in the security policies of some of the ASEAN states since 1975 - the interactive nature of some of these challenges have placed constraints on the development of a regional security community; and
5. despite efforts by the ASEAN states to increase their self-reliance, the increasingly intrusive nature of the emerging Great Powers since 1975 has placed real constraints on the ability of the ASEAN states to manage or influence regional order.

4.2 Structure and Methodology of Study

The next chapter (that is, Chapter Two) will discuss the theoretical issues involved in a study of this nature. The following five chapters will then examine the following issues:

- a. What has been ASEAN's approach to managing the regional order since 1975? What are the problems and prospects of ASEAN's approaches in creating the basis for a regional order?
- b. What have been the inter-state tensions among the ASEAN states? How serious are they in affecting the unity of and co-operation amongst them? What implications have they had on regional security since 1975?
- c. What are the trends in the military build-up in the ASEAN states since 1975? In particular, is there evidence of an emerging arms race? What have been the causes of the military build-up in the ASEAN states? What are the implications of this build-up, for instance, on the prospects for military co-operation among the ASEAN states?
- d. What are the internal security challenges that have continued to affect the security policies of the ASEAN states since 1975? What are their implications for ASEAN?
- e. What are the implications of the rise of regional powers such as China, India and Japan since 1975? Does the US still have a role to play in the region?

This study could be useful in enabling more holistic, historically-grounded and informed analyses to take place, particularly in view of the changes in the regional and international geostrategic environment since 1975.

While ASEAN now consists of seven members, Vietnam being a very recent edition in 1995, the focus of this study will be on the constraints that the six ASEAN states (counting Brunei, which joined in 1984 following her independence) have faced in managing the regional order since 1975. Since 1989, the ASEAN states have adopted the modality of an inclusive security regime, which includes expanding ASEAN to encompass the entire Southeast Asian region. The first beneficiary of this strategy has been Vietnam, with its acceptance into ASEAN made possible only in very recent times by the ASEAN-Indochina reconciliation over Kampuchea, and it would thus be in this context that any discussion concerning Vietnam will be treated.

This study will use a thematic approach for analysis, but will also utilise country-specific analyses and also historical time-frames whenever appropriate. The methodology employed will consist of research from primary and secondary sources. Primary sources include primary defence data published by the International Institute of Strategic Studies (IISS) under The Military Balance series, and the Stockholm International Peace Research Institute (SIPRI) under the SIPRI Yearbook series. They will also include news reports of various English language newspapers such as The Straits Times, The New Straits Times, International Herald Tribune, Sydney Morning Herald, The Australian, Business Times, The Bangkok Post, The Nation, South China Morning Post, India Today, and others; official publications, official documents, speeches, working papers and reports from the ASEAN Secretariat based in Jakarta; other official publications from government information organs of the various ASEAN states, such as Singapore's The Mirror and The Bulletin, Malaysia's Foreign Affairs Malaysia, Brunei's Brunei Darussalam and Japan's Defence of Japan series; and translations from various regional ethnic press, such as Watan, Kompas, Berita Harian Malaysia, Pelita, Sinar Harapan, Merdeka and Berita Minggu Malaysia. Such translations often provide the ethnic and religious flavour in the reporting of inter-state issues that is often absent or not evident in English language newspapers.

This study will also make extensive use of local media reports from television news, news agency reports, radio bulletins, official addresses and local news commentaries

in the ASEAN region, that are regularly monitored by the British Broadcasting Corporation (BBC) and reported in its daily Summary of World Broadcasts (thereafter known as BBC/SWB). The TV, radio and news agency reports are from a number of countries, namely, the Philippines, Indonesia, Thailand, Malaysia, Taiwan, Japan, Myanmar, Australia, Russia, Sweden, Portugal, Vietnam, Hong Kong, South Africa, China, South Korea, Saudi Arabia and Singapore.

Information from journals and periodicals will also be used. These would include journals such as Armed Forces Journal International, Asia-Pacific Community, Asia-Pacific Defence Forum, Asia-Pacific Defence Reporter, Asian Defence Journal, Asian Military Review, Asian Survey, Asiaweek, China Quarterly, Contemporary Southeast Asia, Current History, Defence and Foreign Affairs, The Economist, Far Eastern Economic Review, Foreign Affairs, The Indonesian Observer, Indonesian Quarterly, International Affairs, International Defence Review, International Organisations, Jane's Defence Weekly, The Journal of Peace Research, The Journal of Strategic Studies, Newsweek (The Bulletin), Pacific Affairs, Pacific Community, Pacific Defence Reporter, Pacific Review, Review of International Studies, Southeast Asia Chronicle, Strategic Analysis, Survival, and World Politics. These are respected journals which have strong analytical and factual content, with some having strong reputations in investigative research and access to official sources.

The study will also build on other secondary sources, namely, previous published work, including occasional and working papers, articles in various publications, and books on deterrence, security, regional order, ASEAN, politics in Southeast Asia, international relations in the Asia-Pacific region, and the Great Powers in Southeast Asia. Although few countries in the region publish White Papers, there is a fairly rich assortment of press reports and analytical and academic writings by officials on sabbatical leave or influential academics working through the government-funded strategic studies institutes in the various ASEAN states. These writings do not constitute the official views of the various ASEAN governments, but because of the influence of their respective research institutes and academics, they can give a strong

indication of where the official stands might be, or the future directions they might take, on a variety of issues.

CHAPTER TWO

SECURITY AND REGIONAL ORDER

1. ASEAN and Security

In assessing ASEAN's ability to manage the regional security environment, it is necessary to use a number of conceptual tools which would provide the necessary insights and understanding into the various questions and issues raised. In referring to the general literature on the security of Third World states, K J Holsti had this observation to make:

Our organising concepts, theories of international relations, strategic analyses, and explorations of systemic change and the role of war in those dynamics are based, explicitly or implicitly, on the patterns of European and Cold War history.¹

The Eurocentric bias in such studies will be explored in greater detail below, but it is sufficient to point out that the Asia-Pacific strategic culture is different. According to Desmond Ball, the principal elements of the Asia-Pacific strategic culture include the following:

1. longer time horizons and policy perspectives than those which characterise Western thinking and planning,
2. reliance on bilateral rather than multilateral approaches to conflict resolution and security planning,
3. commitment to the principle of non-interference in the internal affairs of other countries,
4. styles of policy-making which feature informality of structures and modalities,
5. forms and process as much as substance and outcomes,
6. consensus rather than majority rule,
7. pragmatism rather than idealism,

¹ KJ Holsti, "International Theory and War in the Third World," in Brian L Job (ed), The Insecurity Dilemma: National Security of Third World States (Boulder: Lynne Rienner, 1992), pp.38-39.

8. multi-dimensional or comprehensive approaches to security, and
9. roles for the military that go beyond national defence to include politics, economic development and social affairs.²

It is with this caveat that this chapter seeks to explore some of the major concepts involved in a study of this nature. Chief among them is the place of both deterrence and security as conceptual frameworks for analysis. Here, the juxtaposition of both concepts will help in gaining a better understanding of the different manner that Asia-Pacific states, including those in ASEAN, have approached the issue of security.

This chapter will also explore the problems with the concept of security in its application to Third World states, including the issue of the security dilemma and the phenomenon of arms races. The chapter will also explore security from the standpoint of its various levels of analysis, such as national security and its components, the wider concept of regional security order in Southeast Asia and its related conceptualisations of the security community and the security regime, and the broad idea of Common Security for the entire Asia-Pacific region. Finally, an understanding of the balance of power as another means adopted by some of the ASEAN states in managing regional security will be informative.

2. Deterrence and Security

2.1 The ASEAN Preference for "Security"

It is common among Third World states such as those in ASEAN to refer to the concept of security rather than deterrence. This preference is due to the conceptual difference between the two as well as the different circumstances in the West, operating as it did for decades under a strategic bipolar structure. The conceptualisation of deterrence since the end of the Second World War has essentially been one dominated by Western scholars, and has been theorised in the context of

² See Desmond Ball, Strategic Culture in the Asia-Pacific Region (Working Paper No.270, Australian National University, Canberra, 1993), p.1.

detering the communist bloc from its alleged expansionist agenda, and preventing an attack from the Soviet Union by the threat of nuclear retaliation. Third World states such as those in ASEAN, however, are often not locked into such an overtly adversarial situation, and are therefore more inclined to discuss the protection of their sovereignty in terms of security, a concept which does not have overtly confrontational connotations. Moreover, security for such states are also more broadly defined to include internal threats, a major preoccupation for many Third World states.

It should also be pointed out that at the Third World conventional level, many more variables need to be looked at, and these could include regime stability, economic and social factors, changing power relationships, and even the need to manage possible security threats of whatever nature (political, economic or social) that might emanate from the regional neighbourhood.³ Unlike deterrence, "security" offers greater theoretical leeway to include more variables in its formulation.

It would be useful at this stage to elaborate on the concept of deterrence and then point out the salient differences with security, an exercise which would help us appreciate the ASEAN states' understanding of the concept of security.

2.2 The Concept of Deterrence

Deterrence has been defined as "a calculated attempt to induce an adversary to do something, or refrain from doing something, by threatening a penalty for non-compliance."⁴ The key concept, that deterrence is to influence others not to take a certain course of action by the threat of penalty, has been widely accepted.⁵

³ Alexander George, Presidential Decision-Making in Foreign Policy: The Effective Use of Information and Advice (Boulder, Colorado: Westview Press, 1980), pp. 249-250.

⁴ Roy E Jones, Nuclear Deterrence: A Short Political Analysis (London: Routledge and Kegan Paul, 1968), p.1.

⁵ This does not preclude the fact that there has been a great deal of argument over what else deterrence consists of. As a concept, deterrence has been the subject of much intellectual argument. See Patrick Morgan, Deterrence: A Conceptual Analysis (London: Sage, 1977) for an indication of the problems and debates about the problems of deterrence.

While deterrence includes non-military measures such as sanctions and other means, it is clear that many states still see deterrence in rather more narrow terms. In particular, the tendency has been to measure deterrent capability in terms of military capacities, through "deterrence through strength" postures. McGwire has argued that this has to do with the problem of the "deterrence dogma", a military or strategic mindset that measures a likely opponent's military capabilities, rather than its interests or intentions; in other words, this mindset predisposes the defence planner to focus on the worst rather than the most likely outcomes.⁶

According to Glenn Snyder, "the object of military deterrence is to reduce the probability of enemy military attacks, by posing for the enemy a sufficiently likely prospect that he will suffer a net loss as a result of the attack, or at least a higher net loss or lower net gain than would follow from his not attacking." ⁷ The probability of attack is the result of four factors, which are the aggressor's "risk calculus". They are:

1. his valuation of war objectives,
2. the cost which he expects to suffer as a result of various possible responses by the deterrer,
3. the probability of various responses, including "no response", and
4. the probability of winning the objectives with each possible response.⁸

Snyder also makes the distinction between deterrence which results from the capacity to deny territorial gains to the enemy, and deterrence by the threat and capacity to inflict nuclear punishment. Denial capabilities consist of conventional military capabilities and they deter by their effect on the aggressor's estimate of the probability of gaining his objective. Punishment capabilities, typically strategic nuclear power, act primarily on the aggressor's estimate of possible costs. The difference is that while the threat of denial action is likely to be appraised by the aggressor in terms of

⁶ Michael McGwire, "Deterrence: The Problem, Not the Solution," in International Affairs, vol. 62, no.1, June 1986, p.59.

⁷ Glenn Snyder, "Deterrence: A Theoretical Introduction," in John Garnett (ed), Theories of Peace and Security: A Reader in Contemporary Strategic Thought, (London: MacMillan, 1970) , p. 108.

⁸ Ibid., p.109.

the deterrent's capabilities, threats of nuclear punishment require primarily a judgement of intent.⁹

Studies of deterrence after World War Two, with the advent of nuclear weapons and the dawn of the Cold War, concentrated almost exclusively on managing the strategic bipolar system and invariably focused on the subject of strategic nuclear deterrence. Theorists who contributed to the debate include Albert Wohlstetter, who argued for a "second-strike capability" should the Soviet Union succeed in launching a pre-emptive strike, Robert McNamara, who advocated a massive nuclear triad of air, sea and land-based weapons to achieve "assured destruction", John Schlesinger, who propagated the "counterforce strategy", and Herman Kahn, who developed a 44-step "escalation ladder" in which non-nuclear forces had a role to play although this would be in the context of possible escalation up the ladder of confrontation to eventually include limited then more widespread use of nuclear weapons.¹⁰

Referring to the bipolar nuclear context, Robert Jervis also pointed out the distinction between defence and deterrence. Defence against nuclear weapons, he contends, is impossible. This is not due to the offense having the advantage, but is instead a triumph of deterrence. Attack makes no sense because the attacker will in turn be destroyed. Jervis argues that the shift from defence to deterrence has greatly increased the importance and perceptions of resolve, with security now resting on each side's belief that the other would prefer to run high risks of total destruction rather than sacrifice its vital interests.¹¹

The study of deterrence has thus been dominated by the generalised observations of Western scholars concerning East-West relations. It should therefore come as no

⁹ *Ibid.*, pp.111-112.

¹⁰ See Albert Wohlstetter, "The Delicate Balance of Terror" in *Foreign Affairs*, vol. 32, no. 2, January 1959, Robert McNamara, *The Essence of Security* (London: Hodder and Stoughton, 1968), AL Burns, *Ethics and Deterrence: A Nuclear Balance Without Hostage Cities* (Adelphi Paper No. 69, International Institute of Strategic Studies, London, July 1970), Henry A Kissinger, *Nuclear Weapons and Foreign Policy* (New York: Harper and Row, 1957) and Herman Kahn, *On Escalation* (New York: Praeger, 1965).

¹¹ Robert Jervis, "Cooperation Under the Security Dilemma," in *World Politics*, vol.30, no.1, 1977/1978, pp.198-199.

surprise that the Encyclopedia of the Social Sciences, in its 1968 edition, went so far as to define deterrence as "the hypothesized effects of nuclear weapons technology on the set of alternatives from which national policy-makers choose their courses of action."¹²

In general, the prevailing assumptions underlying deterrence were that:

1. deterrence takes place in a situation of conflict,
2. it is a strictly military phenomenon,
3. it is externally directed,
4. it operates in a nuclear context,
5. there is a rough equality of power between the parties,
6. there is a heavy reliance on the use of threats, and
7. deterrence fails if conflict breaks out (a most logical conclusion given the nuclear context).

The Eurocentric bias was thus obvious and the debate almost ignored conventional deterrence and intra-state conflicts among the developing Third World states, except where it affected the central nuclear balance between the two superpowers. In a seminal study, Alexander George and Richard Smoke in their 1974 work entitled Deterrence in American Policy (New York: Columbia University Press, 1974) restored a more holistic and non-parochial view of deterrence. They pointed out that deterrence operated within the nuclear as well as conventional levels. Furthermore, the focus of deterrence on the military component was misplaced as non-military factors do have a crucial bearing on deterrence, especially in conventional deterrence.¹³ Developing on this theme, Patrick Morgan argued that deterrence is in fact a larger concept, with non-military factors playing a vital part; factors such as the

¹² Richard A Brody, "Deterrence" in The Encyclopedia of the Social Sciences (London: Macmillan and the Free Press, 1968), p.131.

¹³ Alexander George and Richard Smoke, Deterrence in American Foreign Policy (New York: Columbia University Press, 1974), pp.530-531.

pursuit of alliances, demonstration of the national will by the use of psychological measures, passive defence measures and the use of economic measures.¹⁴

Robert Jervis argued that deterrence need not be a question of threats but could also encompass rewards and compromises. These may in fact be more effective in deterring war and ensuring a state's security than the constant use of threats of military action or clear-cut military victory.¹⁵ Patrick Morgan also pointed out that there is a difference between general deterrence and immediate deterrence. Immediate deterrence operates in a situation of confrontation, but most states operate within the framework of general deterrence, whereby deterrence operates without confrontation. General deterrence deals with possibilities, not certainties. Potential opponents maintain armed forces to regulate their relations even though neither is anywhere near mounting an attack.¹⁶ Another analyst, Samuel Huntington, has also noted that there is no need to have a rough equality of power between the parties. A successful and sufficient deterrence, according to him, is one that is likely to do more harm than the attacker wants to bear.¹⁷ More contentiously, Israeli analysts have argued that warfighting enhances deterrence. Battlefield victories strengthen deterrence, according to this view, which is no doubt a product of the Israeli experience.¹⁸

In sum, the second wave of deterrence theorists that appeared from the 1970s sought to restore a more holistic perspective to the whole question of deterrence, one that had relevance to the conventional level, and perhaps also to newly-independent Third World developing states grappling with security issues. They provided the intellectual defence for military preparedness even though no clear external threat could be discerned; capabilities are built up for the purpose of meeting possible contingencies even though there is no clear enemy. They also enabled smaller and

¹⁴ Patrick Morgan, *op. cit.*, p.30.

¹⁵ Robert Jervis, "Deterrence Theory Revisited" in *World Politics*, January 1979, p.294.

¹⁶ Patrick Morgan, *op. cit.*, pp. 28-41 This point provides intellectual justification for the maintenance of armed forces even in the absence of any direct or discernible threat.

¹⁷ Samuel Huntington, "Military Policy", in *The Encyclopedia of the Social Sciences*, *op. cit.*, p.321. The concept of sufficiency is the basis for France's force de frappe, the assumption being that the Soviet Union would be deterred from attacking France so long as France could cause considerable damage by retaliating, although the French nuclear arsenal was clearly inferior to the Soviets.

¹⁸ For instance, Avner Yaniv, *Deterrence Without the Bomb: The Politics of Israeli Strategy* ((Lexington, Massachusetts: DC Heath, 1987), p.19.

weaker states to justify the use of scarce resources to maintain small and expensive armed forces because even without military superiority, a military capability is worthwhile as it can deter a superior attacker by making the cost of victory too high. More significantly, they have helped point out the fallacy of emphasising merely threats, and have pointed the way to measures such as negotiation, dialogue and rewards as forms of compromises that would contribute to the fundamental objective of deterrence, which is the security of the state. The use of non-military measures have also increased the margin of safety for states that are relatively small in size, with low economic and technological bases, particularly through the development of Total Defence concepts.¹⁹

2.3 The Concept of Security

The security debate in the West has in many ways also paralleled the direction of deterrence. In western-influenced literature on international relations, the term security has been traditionally defined to mean "the immunity of a state to threats emanating from outside its boundaries."²⁰ Wolfers has also defined it in these words:

Security, in an objective sense, measures the absence of threats to acquired values, in a subjective sense, the absence of fear that such values would be attacked.²¹

Much of the argument of security issues, however, has taken place in conjunction with the central strategic balance and deterrence debates; "security" and "deterrence" are sometimes used interchangeably, and the distinction as outlined in their respective definitions have at times not been observed. In addition, Wolfers has also referred to

¹⁹ For instance, Sven Hellman elaborated that "defence is one of many instruments of a policy of national security". From the Swedish Total Defence perspective, strong military forces are essential but deterrence will work only if the resources of the entire society are also mobilised. See Sven Hellman, "The Concept of Total Defence", in Robert O'Neill (ed), The Defence of Australia: Fundamental New Aspects (Canberra: Australian National University, 1976), p.27.

²⁰ Mohammed Ayoob, "Regional Security and the Third World," in Mohammed Ayoob (ed), Regional Security in the Third World: Case Studies from Southeast Asia and the Middle East (London: Croom Helm, 1986), p.5.

²¹ Arnold Wolfers, "National Security as an Ambiguous Symbol," in Arnold Wolfers (ed), Discord and Collaboration (Baltimore: John Hopkins University Press, 1962), p.150.

security as an "ambiguous symbol" and noted the potential for the ambiguity to be exploited by policy advocates.²²

Western scholars have defined the notion of security in terms of a state-centric realist perspective that has in turn prompted a systems-approach, based on the argument that the security of parts of the system are inextricably intertwined with that of the whole. This stress on interdependency was not surprising given the common economic, environmental and other issues facing the developed world. Both schools, however, tend to define security in external or outer-directed terms. The security of units below the level of the state had not been an important factor in most Western discussions of security.²³

Postwar discussion of security has been a largely American discourse, not surprising given the fact that the United States was the pre-eminent power presiding over a new world order. Security meant worldwide military preparedness and it too was predicated on power. This was in large part due to the rise of realism in International Relations, emphasising the importance of power in enhancing security in the international anarchy of world politics.²⁴ And the purpose of all this was to defend against military threats to the essential core values of states, only that the concept soon came to mean that the security of the Western states equalled the security of the international system as a whole.²⁵

In contrast, Muhammed Ayoob pointed out that in the Third World, the three major characteristics of the concept of security as it is known in the West, namely, its external orientation, its strong linkage with system security and its close identity with the security of the two major alliance blocs, are absent. In many Third World states, the sense of insecurity stems from internal sources rather than from those beyond their borders.²⁶

²² Ibid.

²³ Mohammed Ayoob, op. cit., pp. 7-8

²⁴ See for instance, Hans J Morgenthau, Politics Among Nations: The Struggle for Power and Peace (New York: Knopf, 1973).

²⁵ Mohammed Ayoob, op. cit., p.7.

²⁶ Ibid., p.23.

Moreover, while the distinction could theoretically be made between internal and external security, the fact remains that a hostile external power could exploit a key vulnerability stemming from a flaw in the state's political structure. For instance, a persecuted minority, a regional uprising and a frustrated group of military officers could make common cause with an external power which might share their hostility towards the ruling regime and may be prepared to help subvert it.

It is therefore not surprising that Third World states, including those in ASEAN, have preferred to use the concept of "security" and not deterrence in formulating their defence policies. While the concept of security had paralleled deterrence in its historical development, it has shown greater flexibility in conceptualisation. Third World analysts such as Mohammed Ayoob have expanded the concept to encompass internal threats to stability, something deterrence does not address satisfactorily. Many Third World developing states in fact are deeply concerned with internal threats, given their recent statehood, colonial-imposed boundaries, low political institutionalisation, lack of a well-developed political culture, lack of a national identity, ethnic and religious tensions and lack of regime legitimacy.

Moreover, resource scarcity, small size and the propinquity to large regional powers have only served to make them more conscious of the need to explore every possible measure to ensure their security and not merely rely on military capabilities, even if Total Defence or total mobilisation doctrines are adopted. Thus the trend in the 1990s has been to expand "security" into wider areas, such as economic and political relations, themes not normally encompassed in discussions on deterrence.²⁷

Today, in fact, the term "Comprehensive Security" has gained currency in discussions of security. Originally formulated in Japan to encompass more than defence and military aspects of state policy, the term has been adopted and used by states in Asia, especially those within ASEAN. For developing countries where economic well-being is usually the overarching political objective, comprehensive security allows

²⁷ Ibid., p 24.

this to be coupled to military formulations, and also allows for the inclusion of the idea of internal security.²⁸

This more comprehensive definition of security on the part of the ASEAN states is summed up succinctly by Jusuf Wanandi:

ASEAN's concept of security...is similar to Japan's Comprehensive Security...this means that economic and social problems are an integral part of regional security issues. The challenges and threats faced by the ASEAN states have become more complex. They originate from within and without and are not confined to military or political-military aspects alone.²⁹

Traditional notions of deterrence assume a situation of confrontation. Although attempts have been made to differentiate between immediate and general deterrence, it still has the unfortunate association with conflict and confrontation in the minds of many Third World policy-makers. But in many cases, they are not faced with any clear enemy to deter, or for whom states in propinquity do share common interests and with whom cooperation would yield security dividends. The fact is that many Third World states perceive deterrence to be a concept that has remained too much associated with military threats, something which may be too provocative and counterproductive as far as improving the survivability of a state and ensuring peace and stability are concerned.

While a state may calculate that its mix of forces would deter a potential attack, the state targetted by a deterrent policy may see it as a provocation instead, thus undermining the objective of being secure from external threats or attacks that the deterrent strategy was supposed to have brought about. It is this presupposed rationalism that many Third World states are uncomfortable with. To quote one succinct comment from Singapore's then Defence Minister:

²⁸ Simon Dalby, Rethinking Security: Ambiguities in Policy and Theory (Working Paper No. 105, Peace Research Centre, Australian National University, Canberra, April 1991), p.21.

²⁹ Jusuf Wanandi, Global Changes and its Impact on the Asia-Pacific Region: An ASEAN View (Jakarta: Centre for Strategic and International Studies, 1991), p.3.

Deterrence preserves peace at best. It causes suspicion and strains relations between neighbours at worst. A defence policy based on deterrence will end up like two strangers staring at one another in the face. Each misreads the other's stare. Suspicious thoughts go through their minds, ending up very often in punches.³⁰

Third World states are also uncomfortable with the emphasis on deduction in the concept of deterrence. It has been pointed out that there is often insufficient evidence on whether decision-makers behave as expected.³¹ In other words, deterrence works when nothing happens, which leads to the question of whether other factors might have prevented conflict. This lack of measurable empirical evidence as to its efficacy contrasts with the positive activism of security, with its malleable agenda of building confidence among states, engaging in security dialogues, building political relations, engaging in alliance-building and military co-operation, economic and social measures in enhancing "regional resilience" and anything else that states choose to include as "security".

Underlying the concept of "security" is thus its very malleability, as compared to the conceptual inflexibility inherent in assumptions underlying deterrence. This malleability is explained by Barry Buzan:

National security can be used to justify policies as contradictory as free trade and protectionism, or arms racing and arms control. By serving as a general catch-all to justify whatever governments do it can also be used to disguise the lack of any clear understanding by the leadership of what they should be doing.³²

Indeed, Buzan's observation of security as the "encompassing of whole domains" makes its potential for the political use of the term clear. In another study of the concept of "security", Simon Dalby observed bluntly that the term can be so flexibly defined that "security can often mean more or less what the speaker wishes it to

³⁰ *Singapore Bulletin*, vol. 17, no. 1, January 1989. The minister concerned was Dr Goh Keng Swee.

³¹ Robert Jervois, "Deterrence Theory Revisited", *op. cit.*, p.302.

³² Barry Buzan, "The Concept of Security for Developing Countries" in Mohammed Ayoob and CA Samudavinaja (eds), *Leadership Perceptions and National Security: The Southeast Asia Experience* (Singapore: Institute of Southeast Asia Studies, 1989), p.2.

mean".³³ It is thus also this malleability, this flexibility of definition, that has made the concept so useful to many Third World states.

3. Problems with Security

3.1 The Objective of Security

Does this then mean that security as a concept encounters no difficulty in its application to Third World situations? On the contrary, there are some interesting issues relating to this question. The first is related to the fact that many Third World states have a low level of socio-political cohesion. Indeed, one of the assumptions of "security" is that it is meant to protect a state's national values and its integrity. The question that arises, however, is what it is that is supposed to be rendered secure if the state in question lacks cohesion in respect to its basic identity? It must be remembered that in developed Western states, there exists relatively strong and cohesive national societies that identify strongly with the state. However, most Third World states came into being only in the decolonisation process following the end of the Second World War in 1945.

In many cases, they are the artificial creations of their former colonial masters, with boundaries drawn across national socio-political-ethnic groups and with a hotchpotch of nationalities within one state. Besides, they have weak state or national institutions (which after all takes time to develop and gain institutional acceptability and durability) and perhaps even regimes which do not quite command legitimacy due to lack of commonly-agreed ground rules of political engagement. The ruling regimes might also not be seen as "national" in representation because of the grave difficulty of satisfying the aspirations or gaining the acceptance of the various ethnic or religious communities found within the boundaries of the state.

In practical terms, therefore, regimes in such weak states will have serious concerns about internal threats to their authority. It also follows that in such states where there

³³ Simon Dalby, op.cit., p.11.

is no proper machinery for political succession, there will be concerns about domestic threats to stability. In this respect, K J Holsti has observed, albeit with some exaggeration, that "the main source of war in the last half century is internally-derived, and resides in the nature of post-1945 states," and that "it is...the composition of state legitimacy and the characteristics of weak, strong and failed states which explain war today," with regions of weak and failed states being a prime location of war.³⁴ Indeed, every ASEAN state has faced communist or separatist insurgencies since their independence, and internal conflagrations or revolts of a regional or ethnic-religious character remain a possibility even after decades of nation-building; one needs only to look at the continuing communist insurgency and the Muslim Moro rebellion in the Philippines to understand this point.

3.2 Security and the Security Dilemma

A major problem with the goal of security is that its very pursuit can in fact lead to less, not greater, security for the state concerned. As Robert Jervis noted, many of the means by which a state tries to increase its security have the potential to decrease the security of others. In international society, one state's quest for security inadvertently threatens others. Thus, while Britain had in earlier periods needed a navy large enough to keep the shipping lanes open, such a navy was perceived as a menace to other major powers which had coasts which could be raided, trade that could be interdicted and colonies isolated. This prompted a naval arms race between Britain and other European powers. When Germany began building a powerful navy before World War One, Britain felt threatened by what was perceived as an offensive weapon aimed at her.³⁵

The problem of the security dilemma is accentuated by misperceptions or ignorance on the part of decision-makers. The security dilemma will operate more strongly if decision-makers do not understand it, and do not see that their arms, sought only to secure the status quo, may alarm others and that others may arm, not because they are

³⁴ See KJ Holsti, "War, Peace and the State of the State," in International Political Science Review, vol.16, no.4, 1995, pp. 319-339.

³⁵ Robert Jervis, "Cooperation Under the Security Dilemma," op. cit., p.170.

contemplating aggression, but because they fear attack from the state initiating the process. The consequence of the failure to understand the security dilemma is the phenomenon of arms races. As Jervis observed:

Since (statesmen) do not understand that trying to increase one's security can actually decrease it, they will overestimate the amount of security that is attainable; they will think that when in doubt they can play it safe by increasing their arms. Thus it is likely that two states which support the status quo but do not understand the security dilemma will end up, if not in a war, then at least in a relationship of higher conflict than is required by the objective situation.³⁶

The failure to understand the security dilemma is likely to lead to the neglect of more conciliatory postures in recognition of the legitimate fears and grievances of other states as well as neglect to develop mutual gains from cooperation. The negative consequences of misperceptions have been aptly demonstrated in World War One, which, Stephen van Evera argues, was a result of a web of misperceptions that were prevalent in Europe in the years before 1914.³⁷

One element of the security dilemma is the issue of whether the offensive or the defensive has the advantage. The major determinants of whether the offense or the defence has the advantage is geography and technology. Strategic depth or other kinds of barriers would increase the advantage of the defence. Conversely, a lack of strategic depth would imply that the advantage would lie with the offense. Thus, weapons that are vulnerable to attack must be deployed and used before they can be disabled in an attack. Where the offense is believed to have the advantage, the security dilemma would therefore be deepened. A swift, blitzkrieg-like pre-emptive first strike could be perceived to be profitable for the winner, and because wars are expected to be short, there will be incentives for high levels of arms, and quick and strong reaction to the other's increases in arms.³⁸

³⁶ *Ibid.*, p.182.

³⁷ See Stephen van Evera, "Why Cooperation Failed," in *World Politics*, vol.38, no.1, 1985, pp.80-117.

³⁸ Robert Jervis, "Cooperation Under the Security Dilemma," *op. cit.*, p.189, 194 -196.

Among the ASEAN states, Singapore would fall neatly into this category. As a small island-state without any strategic depth but possessing the necessary economic resources and will to arm itself with modern weapon systems, it has built up a large and capable armed forces modelled after the Israel Defence Force. Moreover, its military doctrine is "Forward Defence", which is an euphemism for a pre-emptive defence strategy that emphasises mobility and offensive power, a logical strategy given the fact that the defensive would have a distinct disadvantage from Singapore's point of view. However, this strategy alarms its neighbours, particularly its closest neighbour, Malaysia, and as we shall see later in this study, has led to a nascent arms race between the two countries.

3.3 Security and the Phenomenon of Arms Races

Colin Gray has observed that it is possible for arms races to develop even in the absence of any serious political antagonisms. A fairly autonomous arms increase might be matched by a fairly disinterested party solely as a precautionary move, and thus spark off a cycle of close or intermittent armament interactions and previously unappreciated political antagonisms might occur.³⁹ Indeed, while arms races are evidently run between mutually perceived enemies, arms race behaviour can also be discerned among even formal allies, whether out of prestige or the need to maintain a relationship of equality.

In arms races, a number of strategies may be employed. A state may make the best of what it has even though victory in any likely conflict would be difficult. In ASEAN, a small state like Brunei would fall into this category of being in a position of clear inferiority, due to its small size in relation to all its neighbours. This, however, would not preclude it from making an effort to increase the cost of victory for any adversary. Secondly, states involved in an arms race may choose to maintain a measure of parity. Thirdly, a state might want to maintain a clear military superiority which could be of political or diplomatic utility. In ASEAN, it can be argued that Singapore's clear

³⁹ Colin Gray, "The Arms Race Phenomenon," in World Politics, vol. 24, no. 1, 1972, p.41.

military superiority over Malaysia has been used, as we shall examine, for political leverage in gaining concessions such as improved access to water supplies.

The disadvantages in terms of strategic stability of such a doctrine of clear military superiority are as follows:

1. the adversary grows desperate at its inability to attain even parity, and hence could be tempted to try high-risk short-cuts to attain a better military balance, much as Khrushchev did in his Cuban missile gamble (and which to a certain extent Malaysia is doing in turning to cheap Russian MiG-29 jetfighters in order to match Singapore's growing inventory of expensive F16s, a move which increases pressure on Singapore to react in turn),
2. the political cost of clear inferiority to the adversary or potential adversary is so high, especially domestically, that the state feels that it has no option but to strain its resources to attain a better military balance, and
3. where the advantages of superiority are not clearly or convincingly demonstrated, the cost of such a strategy would cause much criticism and dissension at home and abroad.⁴⁰

The danger is that one party might perceive the other, due to historical experiences and perhaps fuelled by ethnic, religious and ideological differences or conflicts of interest due to unresolved territorial disputes, to be a potential threat to its existence, and hence feel that a preemptive capability is a necessary precaution. This preference for offensive, preemptive military superiority could be impervious to periods of detente or to warnings concerning the instability of arms races. In some ways, the situation between Singapore and Malaysia fits into this description, with Singapore

⁴⁰ Ibid., p.64.

consistently making every effort to maintain its military capabilities and its offensive strategy despite the dangers of an arms race.

Arms races can lead to war. As Philip Noel-Baker noted, "the most dangerous result of arms races (is the) mounting fear or tension which it creates."⁴¹ This tension is due to heavy and sustained military expenditures on armaments which fuel existing differences and heightens the fear of hostile intentions. Suspicions mount and instability, that is, belief in the proximity of war, often result.

Even if there is no actual conflict, an arms race can lead to economic ruin and exhaustion. Alternatively, arms control and other political and diplomatic measures, such as confidence-building measures, could lessen tensions and put a brake on the arms race.

The regional arms build-up, noted in the previous chapter and elaborated in greater detail in Chapter 5, points to the dangers of a regional arms race. The sophistication and the quantity of new weapon systems being purchased as part of military modernisation programmes could well be fuelled in part by interactive factors such as territorial disputes, quests for prestige, historical animosities and political suspicions. However, the picture is probably more complex, as Chapter 5 will indicate.

4. Security: The Various Levels

4.1 National Security and its Components

In an anarchic international system, a strong and effective military capability to meet internal and external threats is usually seen as enhancing the security of the state. However, as discussed above, the dilemma is this: how is one to distinguish between legitimate defensive as opposed to predatory offensive military capabilities? Moreover, a purely military emphasis could lead to economic ruin and exhaustion, sparking internal unrest and political instability. Thus, a purely military approach is

⁴¹ Philip Noel-Baker, The Arms Race (London, 1958), p.74.

not feasible, and any security policy must necessarily be accompanied by specific acknowledgement of the logic of security interdependence, as well as the importance of socio-economic measures.

Military security alone, however responsibly organised, is thus not sufficient. As Abdul-Monem has pointed out, economic development has become accepted as important to security. One of the most articulate proponents of this view is former US Defence Secretary Robert McNamara, who considered poverty, not lack of military capability, as being responsible for unrest, internal upheaval and extremism. He argues that "security means development...without development, there can be no security."⁴² He observes that:

As development progresses, and when the people of a nation have organised their own human and natural resources to provide themselves with what they need and expect out of life, and have learned to compromise peacefully among competing demands in the larger national interest, then their resistance to disorder and violence will enormously increase.⁴³

This, however, does not quite present a complete picture. Development itself brings other problems; these include rising local expectations, social tensions due to inequalities of wealth and the intensification of rural-urban dichotomies. In Southeast Asia, according to Blechman and Luttwak, impressive economic growth has in fact strengthened centrifugal forces.⁴⁴

The concept of security through development, nonetheless, has taken root in the ASEAN states, and is expressed in the concepts of national and regional resilience. In recent years, the growth of economic interdependency has generated a realisation that development could be generated through greater productivity, openness and freedom. A corollary of economic interdependency is the constraint on the use of force between states as this would cause massive disruption to the transnational

⁴² Quoted in Abdul-Monem M Al-Mashat, National Security in the Third World (Boulder, Colorado: Westview Press, 1985), p.26.

⁴³ Ibid.

⁴⁴ Barry Blechman and Edward Luttwak, Global Security: A Review of Strategic and Economic Issues (Boulder, Colorado: Westview Press, 1987), p.213.

economic linkages that underpin national economic well-being and development. In the Asia-Pacific region, economic security is presently being pursued through regional forums such as APEC (Asia-Pacific Economic Cooperation), which was established in 1990. Within ASEAN, the establishment of the ASEAN Free Trade Area (AFTA) in 1992, and the agreement to accelerate its development in 1994, are indications of attempts by the ASEAN states to enhance regional cooperation and their economic security, particularly in the face of potential protectionism on the part of other regional blocs such as those in North America and Europe. If successful, AFTA will boost economic development and foreign investment, thereby strengthening ASEAN national and regional resilience, and thus contribute to the national security of each member-state.⁴⁵ Moreover, even if such cooperation has no effect on actual military preparedness, the leaders and public of the states concerned may feel psychologically more secure with such artifices, thus improving confidence and the sense of stability.⁴⁶

An important caveat to be mentioned here is that although economic security is one component of national security, this study will focus on the political-military dimensions of security, given its continued relevance and centrality in the face of continuing tensions and conflicts both within states and from external sources. Economic security will be mentioned only as a corollary to these dimensions and in the context of the attempts by the ASEAN states to manage the regional security order since 1975. Moreover, economic security is a topic in its own right and deserves separate in-depth analysis.

4.2 Regional Order, Security Community and the Security Regime

An interesting issue in terms of the application of security to the Third World context is the relationship of the concept to systemic security above the level of the state. This issue arises because of the fact that national state securities are interdependent. The actions of any one state in the security sphere will have ramifications that extend

⁴⁵ Adam Schwarz, "Local Heroes," Far Eastern Economic Review, 6 October 1994, pp.14-15.

⁴⁶ Stephen P Cohen, "Leadership and the Management of National Security: An Overview," in Mohammed Ayoob and Chai-anan Samudavanija (eds), Leadership, Perception and National Security (Singapore: Institute of Southeast Asian Studies, 1989), p.47.

beyond its borders, for instance, in prompting countermeasures or responses by other states, leading perhaps even to interstate conflicts. In addition, domestic political instability could also spill over to contiguous states due to overlapping nationalities, thereby threatening regional sub-systemic security. Where these conflicts threaten the interests of global or regional powers, or other states in contiguity, systemic security may well be threatened.

In reality, however, Third World states do not have resources to be too overly concerned with global systemic security issues. However, the recognition of the interdependent nature of security has led the ASEAN states to adopt a more limited but perhaps more realistic regional approach to security, and also to formalise the idea of regional resilience as a goal. This latter concept has already been described earlier and is proof of the recognition by the ASEAN states that internal security is important in maintaining political stability; domestic insecurity could spill over to the other states in the region. Moreover, internal weakness and regional instability also facilitate the penetration of external great powers, developments which would undermine the sub-systemic regional security system in Southeast Asia.

Regional security is thus seen as a logical extension of national security. What then is regional security? Ayoob has defined it somewhat colourfully as a term "to denote an ideal type of regional order where members of a particular regional sub-system are somehow able to attain a form of political nirvana by either finding acceptable solutions to their regional problems or by sweeping them so firmly under the carpet that they are not able to re-emerge to haunt them for at least the next few decades."⁴⁷ He further notes that ideally, a regional security order required three conditions to be fulfilled:

1. that external powers with interests in the region would either willingly desist from interfering in regional issues and problems or would be effectively deterred from doing so as a result of regional cohesion and solidarity,

⁴⁷ Mohammed Ayoob, op. cit., p.3.

2. that the regional states would have succeeded in successfully managing.....problems that create frictions and antagonisms of ethnic, communal, sub-national or socio-economic characteristics within these states themselves, thereby eliminating intra-state tensions as likely sources of inter-state conflict between or among regional states, and
3. that inter-state tensions within specific regions are at a low level.⁴⁸

The difficulty of achieving a regional security order is thus immense. According to Bilveer Singh, a regional security order "is created with the basic aim of reducing conflicts or removing them altogether between states in a particular region".⁴⁹ The ultimate aim is to create a secure community so that the use of force is never contemplated in order to resolve differences between states. Singh also observes that a security order in any region is determined largely by the type of actors found in the region, the nature of their conflicts, the gaps in perceptions among them on questions of security and order as well as the degree of influence of external powers in the region.⁵⁰

Since independence, the ASEAN states have sought to establish or manage regional security through the means of regional associations, which are meant to provide vehicles to exercise broadened influence in global affairs, minimise conflict among members by its promotion of mutual interests and understanding, and provide a mechanism for resolving differences.⁵¹

However, early attempts at regionalism by the newly-independent states of Southeast Asia in the 1950s and 1960s foundered on mutual distrust and suspicion.⁵² This

⁴⁸ Ibid.

⁴⁹ Bilveer Singh, ZOPFAN and the New Security Order in the Asia-Pacific Region (Petaling Jaya: Pelanduk, 1992), p.3. The terms "regional security order" and "regional order" are used interchangeably.

⁵⁰ Ibid.

⁵¹ Norman D Palmer, The New Regionalism in Asia and the Pacific (Lexington: DC Heath, 1991), p.4.

⁵² See Arnfinn Jorgenssen-Dahl, Regional Order in Southeast Asia (London: MacMillan, 1982), pp. 1-13 for a more comprehensive discussion of some of these early failed attempts.

paralleled the trend in Europe. The early disillusionment, epitomised by Ernst Haas's work The Obsolescence of Regional Integration Theory following the lack of sufficient progress in European integration, gave way to latter realisation that regionalism need not mean integration, and that it has other useful dimensions.⁵³ For instance, the nation-state could not by itself meet the challenges of global or regional problems and they find regional associations more responsive to their needs and also more practical as a means of linking with other regional systems and also the international system (witness the EC-ASEAN dialogues for instance). Other uses of regional organisations stem from the emergence of trading blocs and the development of a mediatory role for regional organisations in the the area of conflict resolution. It is this more realistic perspective on regionalism that underlies the continued efforts by the ASEAN states in pursuing regional cooperation.

The ties that underlie the development of regionalism among the ASEAN states do not derive only from ASEAN as a formal organisation; indeed, much of them are formed by a growing network of bilateral ties and also informal contacts between elites in the region. This regionalism is also characterised by the development of wider interregional and even global connections and linkages.⁵⁴ Underlying this regionalism are shared historical experiences (for instance, the internal communist insurgencies which every one of the ASEAN states faced after 1945), values and characteristics, such as the capitalist nature of their economies, their anti-communist outlook, the Western orientation (and widespread use of English) of their elites, and the close military and political co-operation, not to mention economic ties, with the Western democracies.

Within ASEAN, security considerations, particularly those of a regional nature and which no one state can realistically manage on its own, are of growing importance, even though the framers of ASEAN insisted for years after its establishment in 1967 that they were not out to set up a security-oriented organisation. Although ASEAN was never meant to become a SEATO or anything even short of that, paradoxically,

⁵³ See Ernst Haas, The Obsolescence of Regional Integration Theory (Research Series No. 25, Institute of International Studies, University of California, Berkeley, 1975).

⁵⁴ Norman D Palmer, op. cit., pp 23-25.

security concerns did form an important part of the considerations for the establishment of ASEAN in 1967.⁵⁵ According to Arnfinn Jorgensen-Dahl, "the strong perceptions of living in an international environment fraught with dangers and inhabited by forces only too eager to exploit internal weaknesses provided the main impetus for the formulation of ASEAN." He further adds the observation that they have prevented ASEAN falling apart despite inter-state tensions.⁵⁶ The impact of the fall of the Saigon regime in South Vietnam on the ASEAN states has already been mentioned in Chapter 1. A second pivotal event which provided an important glue to ASEAN unity was the Vietnamese invasion and occupation of Kampuchea in 1978, an event which provoked a decade-long ASEAN campaign to deny Vietnam legitimacy for its actions.

The apparent ability of the ASEAN states to act in concert to defend their common interests has led to analysts describing the ASEAN states as a "Security Community". This has been defined as a community of states characterised by "mutual inter-dependency of diverse political units, mutual responsiveness of political units, and simple pacification or the abandonment of the use of force among political units."⁵⁷

The term "Security Community" was developed by analysts such as Karl Deutsch.⁵⁸ However, the concept has been almost exclusively used in the context of the Western developed world.⁵⁹ This does not prevent its usage elsewhere, as its core elements are not entirely difficult to attain. One of them is the absence of armed inter-state conflict. A second is the absence of a competitive arms race. A third is the existence of formal or informal institutions and practices for the amelioration or resolution of conflicts. As Holsti notes, the most common rules of institutionalised conduct include

⁵⁵ *Ibid.*, p. 69.

⁵⁶ Arnfinn Jorgensen-Dahl, *op. cit.*, p.111.

⁵⁷ Ronald J Yalem, "Regional Security Communities and World Order," in George W Keeton and George Scharzenberger (eds), The Yearbook of International Affairs 1979 (London: Stevens and Sons, 1979), p.217.

⁵⁸ See Karl Deutsch, et. al., Political Community and the North Atlantic Area: International Organisation in the Light of Historical Experience (Princeton, New Jersey: Princeton University Press, 1968).

⁵⁹ See for instance, KJ Holsti, International Politics: A Framework for Analysis (Englewood Cliffs, New Jersey: Prentice Hall, 1988), p.435, in which Holsti cites Canada and the US as a security community.

the avoidance of military threats, the meeting of any treaty obligations, the avoidance of interference in the internal affairs of other states, and the observance of normal protocol in all interactions.⁶⁰ Finally, a security community requires a "high degree of political and economic integration as a necessary precondition of peaceful relationships."⁶¹

The resolution of the Kampuchean issue in the early 1990s resulted in ASEAN searching for a new agenda that could unite its members. The end of the Cold War and the withdrawal of US forces from the Philippines in 1992 meant that regional security issues have become more important. Thus, the post-Cold War era has heralded the arrival of the regional security dialogue. For instance, the ASEAN Regional Forum (ARF), which made its debut in 1992, marked for the first time an explicit recognition by ASEAN of the need to openly discuss security issues in the context of the withdrawal of the two superpowers from the region. This attempt at a regional dialogue has involved extra-regional powers apart from the ASEAN states, and it is for this reason that William Tow has conceptualised ASEAN as a "Security Regime". Unlike regional security communities, regional security regimes do not advocate exclusionism but seek to accommodate the possibly threatening states through confidence-building measures. The shared experiences and expectations on security matters, including the acceptance of reciprocal rules and norms, it is surmised, will result in some form of regional security order that would deter the resort to warfare.⁶² Indeed, Robert Jervis defines a security regime simply as "those principles, rules and norms that permit nations to be restrained in their behaviour in the belief that others will reciprocate."⁶³

Paralleling the regional security dialogue process has been the expansion of the so-called Second Track process of semi-official dialogue and seminars, under the rubric of the Council for Security Cooperation in the Asia-Pacific (CSCAP), which was

⁶⁰ *Ibid.*, p.436.

⁶¹ Ronald J Yalem, *op. cit.*, p.217.

⁶² William Tow, Sub-Regional Security Co-operation in the Third World (Boulder, Colorado: Lynne Reiner, 1990), pp.23-27, 37-45.

⁶³ Robert Jervis, "Security Regimes" in International Organisations, vol. 36, Spring 1982, p.357.

established in June 1993 by 24 research institutes from 10 countries in the Asia-Pacific region.⁶⁴ According to its Charter, the CSCAP has been organised "for the purpose of providing a structured process for regional confidence-building and security cooperation among the countries and territories in the Asia-Pacific region," with a major function being to "provide policy recommendations to various intergovernment bodies on political-security issues."⁶⁵ Indeed, the stated objective at its founding in 1993 was to recommend to regional governments ways of maintaining peace in the post-Cold War period, as well as to strengthen the evolving security processes.⁶⁶

Attempts have thus been made to institutionalise a regional dialogue in the hope of engaging all interested states in a political discussion. This dialogue includes those outside of ASEAN, in recognition of their legitimate interests in the region, and in the belief that the security of ASEAN is intertwined with that of the entire Asia-Pacific region. It is hoped that the dialogue might yield a set of commonly-accepted norms which might lead to greater confidence and less mutual suspicion, through mechanisms such as Confidence and Security Building Measures (CSBMs).

Indeed, compared to the exclusive security community focus of the ASEAN states centred on a neutralist ZOPFAN philosophy before the end of the Cold War, the same ASEAN community has, in the post-Cold War era, been engaged in the task of constructing an inclusive security regime that would encompass all the states of Southeast Asia as well as extra-regional powers with interests in the region.

⁶⁴ *Canberra Times*, 17 July 1993, p.3.

⁶⁵ *Charter of the Council for Security Cooperation in the Asia-Pacific (CSCAP)* (The Council for Security Cooperation in the Asia-Pacific Region, 1994), pp.9-10.

⁶⁶ *Radio Australia External Service* (Melbourne, in English), 1900 GMT, 5 June 1994, in BBC/SWB FE/2016 B/3 (7), 7 July 1994. Indeed, the ASEAN-ISIS already provide research studies and policy advice to the various ASEAN governments and also to the ASEAN-PMC meetings. The regional think-tanks have made various proposals such as the creation of a Southeast Asian arms register, regional cooperation in arms purchases, exchanges of intelligence data, observers at military exercises, transparency about military strength, more contacts between military officers, and the creation of an ASEAN peacekeeping centre.

The ultimate objective is the creation of a “regional order.” However, this thesis will demonstrate that the much-publicised success in regional cooperation since 1975 has in fact been limited in scope. Indeed, severe differences and tensions exist within the ASEAN community. Other factors constraining the ability of the ASEAN states in their attempts to build both a security community and a security regime include the regional arms race, continuing internal security challenges (some of which involve other ASEAN states) and the impact and influence of extra-regional Great Powers.

4.3 Common Security

One idea that was broached in the mid-1980s was the concept of Common Security, an approach that had proved relatively successful in Europe in the years prior to the end of the Cold War.

The concept originated as a response to the East-West rivalry, and was championed as an alternative to strategic nuclear deterrence. The concept originated in the 1982 Palme Commission report entitled Common Security: A Blueprint for Survival. The Report argued that the avoidance of war is a common responsibility, and that security is interdependent. Furthermore, the avoidance of nuclear catastrophe depended on mutual recognition of the need for peaceful relations, national restraint, and amelioration of the armaments competition.⁶⁷

This process involved the adoption of common security as the organising principle for efforts to reduce the risk of war and for arms control and disarmament. In principle, cooperation would replace confrontation in resolving conflicts of interest. The Report was released at a time when tensions between the US and the Soviet Union were at a high, and there was an upsurge of interest in alternatives to nuclear deterrence. According to Geoffrey Wiseman, common security came to embody several core elements:

⁶⁷ Olaf Palme et al, Common Security: A Blueprint for Survival (New York:Simon and Schuster, 1982), pp.7-11.

1. it advocates minimum nuclear deterrence,
2. it emphasises cooperation with the adversary instead of unilateral zero-sum security thinking,
3. it has a broader definition of security, including the economic and the environment, and
4. it advocates that international security can be enhanced by developing the collective security functions of the United Nations and by a combination of disarmament, arms control and confidence and security building measures (CSBMs).⁶⁸

The idea of common security was broached in the Asia-Pacific by then Soviet President Mikhail Gorbachev, who proposed in July 1986 a common security approach to regional security in his famous Vladivostok speech. This was further elaborated at Krasnoyarsk in September 1988. The main elements of his proposals centred on economic cooperation, a forum for regional dialogue based on the Helsinki process, naval arms control and CSBMs.⁶⁹ The idea of a collective security framework in the Asia-Pacific thus took root, especially gathering pace due to the perceived success of the Conference on Security and Cooperation in Europe (CSCE).

In 1990 alone, in the wake of the fall of the Berlin Wall and the end of the Cold War (and thus of the bipolar structure of international relations that had hitherto existed), three separate proposals from regional states were floated. Australia's Senator Gareth Evans and defence thinkers proposed a Europe-style Conference on Security and Cooperation in Asia (CSCA).⁷⁰ The Canadians too jumped into the picture with the Clark initiative on "Cooperative Security", a variation of the Common Security theme, but restricted to the Northeast Asian region.⁷¹ The Indonesian Defence Minister,

⁶⁸ Geoffrey Wiseman, "Common Security in the Asia-Pacific Region," Pacific Review, vol. 5, no.1, 1992, pp.42-43.

⁶⁹ Ibid., p.43.

⁷⁰ Ibid., p. 44. These Australian analysts included Gareth Evans, Stuart Harris, Andrew Mack and Trevor Findley.

⁷¹ David Dewitt, "Common, Comprehensive, and Cooperative Security," The Pacific Review, vol. 7, no. 1, 1994, p.2. This concept was to find a lukewarm response in Asia due to its inclusion of sensitive matters such as human rights abuses and political oppression.

General Benny Murdani, also suggested a regional forum to discuss the post-Cold War security order.⁷²

More promising was the Japanese suggestion of expanding the ASEAN post-ministerial conference (PMC) to include a security dialogue. This was something the ASEAN states could be expected to favour, since it allowed them to control the agenda and thus play a role in influencing the shape of the new security structure that would inevitably emerge.⁷³ Central to the Japanese proposal was that it should have minimal focus on issues such as the environment, human rights and democracy.⁷⁴ Although the US initially preferred a bilateral approach, it came to accept, in time, that there was a momentum towards multilateralism. With the US supportive, the time was ripe to actually begin a dialogue process centred on security issues, and this eventuated in the form of the ASEAN Regional Forum (ARF), which first met in 1994.

What is the objective of the ARF? According to Joseph Camilleri, the task of any such multilateral dialogue would be to respond effectively to the shift from East-West confrontation to East-West cooperation and provide a vehicle for applying the notions of Common Security.⁷⁵ The underlying assumption that is implied through such a process is the recognition that security has to be approached in a comprehensive manner.

The issue that needs to be examined is whether common security as a concept can be transplanted from its European bipolar nuclear context to a wholly different region with a unique security and strategic environment. Significantly, despite initial reservations about the relevance of European-style notions of common security, the ARF has agreed to explore ideas such as CSBMs, nuclear non-proliferation, peacekeeping cooperation, exchanges of non-classified military information, maritime

⁷² International Herald Tribune, 13 September 1990, p.2.

⁷³ Far Eastern Economic Review, 1 August 1991, p.11.

⁷⁴ David Dewitt, *op. cit.*, p. 2.

⁷⁵ Joseph Camilleri, "Rethinking the Security Agenda in the Asia-Pacific Region", in Kevin Clements (ed), Peace and Security in the Asia-Pacific Region (Tokyo: University of Tokyo Press, 1993), pp.343-344.

security issues and preventive diplomacy. In establishing the ARF, the ASEAN states evidently hope to be able to influence the shape of the post-Cold War order in Southeast Asia and hence improve their security.

5. The Balance of Power

Despite the attention accorded to concepts such as the security community, the security regime and common security, the use of the traditional balance of power as a means of managing the major powers has not been neglected, as this study will show. The balance of power has been defined by the Penguin Dictionary of Politics as a concept which rests on "the theory that peace is more likely where potential combatants are of equal military, and sometimes political, or economic power."⁷⁶ The International Encyclopedia of Social Sciences defines it as referring:

1. to a policy on the part of states that deliberately aims at preventing the preponderance of any one state and at maintaining an approximate equilibrium of power among the major rivals, and,
2. to designate a system of international politics in which the pattern of relations among the actors tends to curb the ambitions or the opportunities of the chief rivals and to preserve an approximate equilibrium of power among them.⁷⁷

In short, it is a state of affairs in which no one power is able to dominate and lay down the law to other states.

⁷⁶ David Robertson, The Penguin Dictionary of Politics (Harmondsworth, Middlesex: Penguin, 1986), p.19. While there has been criticism of the concept of balance of power, indeed, of the whole school of realism upon which it is based, Barry Buzan has argued persuasively that power politics has recurred in a wide variety of historical conditions and remains important in today's anarchic international structure. See Barry Buzan, "The Timeless Wisdom of Realism?" in Steve Smith et al. (eds), International Theory: Positivism and Beyond (Cambridge: Cambridge University Press, 1996), pp. 47-65.

⁷⁷ Stanley Hoffman, "Balance of Power," in The Encyclopedia of the Social Sciences, op. cit., pp.506-507.

The concept of the balance of power was articulated by Lorenzo de Vinci during the European Renaissance, who, faced with the threat of Venetian expansionism argued that "the way to manage power was not to destroy it but to balance it with other powers."⁷⁸ The idea gained ground during the development of the European state system, which was characterised by conflict between powers seeking regional hegemony and those seeking to maintain their independence. According to Watson, these tensions and the subsequent modes of international interaction which their management engendered resulted in "the balance of power and the other rules which were designed to check hegemony."⁷⁹

The ultimate objective of a balance of power system, according to Hans Morgenthau, is the maintenance of the stability of the system without destroying the multiplicity of the elements composing it.⁸⁰ Morgenthau observes that there are several methods to maintain a balance of power system, such as divide and rule, compensations of a territorial nature, armaments and alliances. More interesting is his explanation of the role of the "balancer":

The balancer is not permanently identified with the policies of either nation or group of nations. Its only objective within the system is the maintenance of the balance, regardless of the concrete policies the balance will serve...while the holder of the balance has no permanent friends, it has no permanent enemies either; it has only the permanent interest of maintaining the balance of power itself.⁸¹

In modern European history, Morgenthau has identified Venice in the sixteenth century and Britain in the nineteenth century, of being in the position of the balancer. This idea of a balancer in a regional balance of power system has resurfaced. As we shall see in a later chapter, the United States is being seen as the best candidate to fulfill this role in the Asia-Pacific, given its relatively benign presence in the region,

⁷⁸ Adam Watson, The Evolution of International Society: A Comparative Historical Analysis (London: Routledge, 1992), p.253.

⁷⁹ Ibid.

⁸⁰ Hans J Morgenthau, Politics Among Nations: The Struggle for Power and Peace (New York: Knopf, 1973), p.175.

⁸¹ Ibid., p.201.

although it must be recognised that it does not behave in such clear realpolitik fashion as Morgenthau's definition of the role of a balancer would.

What are the prerequisites for a balance of power system? Coulombis and Woolf suggest the following:

1. a multiplicity of sovereign political actors,
2. the absence of a single centralised, legitimate and strong authority over these sovereign actors,
3. relatively unequal distribution of status, wealth, size (ie, power), among the political actors that make up the system. This permits the differentiation of states into at least three categories: great powers, intermediate powers, and smaller nation-states,
4. continuous but controlled competition and conflict among sovereign political actors for what are perceived as scarce world resources and values, and
5. an implicit understanding among the rulers of the great powers that the perpetuation of the existing power distribution benefits them mutually.⁸²

Henry Kissinger has noted that a balance of power works best if nations are free to align themselves with any other state, or where the cohesion of alliances is relatively low so that on any given issue there can be compromise, or where there are fixed alliances but a balance ensures such that none of the existing coalitions become dominant.⁸³

The objective of a balance of power approach to managing the great powers is to ensure a measure of security and stability for weaker and smaller states in any regional setting. The involvement of several Great Powers would balance off each other and thus prevent any one power from becoming preponderant, or achieving such

⁸² Theodore A Coulombis and James H Woolf, Introduction to International Relations: Power and Justice (New Jersey: Prentice Hall, 1978), p.207

⁸³ Henry Kissinger, Diplomacy (New York: Simon and Schuster, 1994), p.182.

a measure of superiority that it could lay down the law to all the other states in the region. Moreover, there are also added benefits as observed by Deutsch and Singer. In a multipolar system, the uncertainty created by the variety of alliances mean that wars are more likely to be marginal and involve only a small fraction of each belligerent's capabilities. As Hoffman observed, a balance of power system did not necessarily eliminate war or international inequalities, but tended to moderate them; wars waged to preserve the system are fought for limited goals and with limited means.⁸⁴ In addition, the attention of nation-states will not be focused exclusively on a single source of threat, and in such an environment, arms races are likely to be more controlled.⁸⁵ In short, a stable balance of power system would create a measure of political stability for the entire region.

The question of the applicability of balance of power in the Asian context has been examined by Paul Dibb. In his study, Towards a New Balance of Power in Asia, he noted that despite increasing economic interdependence, "statesmen and decision-makers - not least in Asia - are still inclined to a realist, state-centric perception with a primary concern for sovereignty, national interest and state influence."⁸⁶ He further observed that the essential nature of anarchy and competitive self-help in the international state system required the Great Powers in Asia to engage in some form of power-balancing.⁸⁷ In the same vein, Henry Kissinger concluded that:

The relations of the principal Asian nations to each other bear most of the attributes of the European balance of power system of the nineteenth century. Any significant increase in strength in one of them is almost certain to evoke an offsetting maneuver by the others.⁸⁸

However, balance of power in Asia is characterised by the preference for informality, the setting aside of difficult disputes for later resolution and the stress on achieving

⁸⁴ Stanley Hoffman, *op. cit.*, p.518.

⁸⁵ See Karl W. Deutsch and J David Singer, "Multipolar Power Systems and International Stability," in *World Politics*, no. 16, 1964, pp.390 - 406.

⁸⁶ Paul Dibb, Towards a New Balance of Power in Asia (Adelphi Paper No.295, International Institute of Strategic Studies, London, 1995), p.7.

⁸⁷ *Ibid.*, p.70.

⁸⁸ Henry Kissinger, *op. cit.*, p.826.

consensus in negotiations, unique features which Harry Harding has described as a "polite balance of power."⁸⁹

6. ASEAN and Regional Security Order

The ASEAN states have a preference for the concept of security instead of deterrence. This is due to the fact that studies of deterrence have concentrated on managing the bipolar nuclear system. Although later theorists have modified the concept for greater applicability to the non-nuclear and Third World context, deterrence remains too narrowly-defined to be useful as a conceptual guide for the ASEAN states. On the other hand, security takes into account internal threats, encompasses wider areas and means, and moreover can be flexibly defined, making it a most useful political tool as well.

However, problems remain, especially with regard to the issues of the objectives of security, the question of the security dilemma, and the phenomenon of arms races. The objective of security in many Third World states with low levels of socio-political cohesion has often been to secure the ruling regime, which itself may lack legitimacy, from internal sources of threat. Moreover, states which engage in military build-ups in an attempt to increase security may well end up with less security and stability because its efforts have alarmed other states which feel compelled to take countermeasures. This in turn could spark off an arms race, resulting in heightened tensions and the possibility of an actual conflict.

Security can also be analysed at its various levels. Thus, national security is deemed to comprise economic as well as military security, in recognition of the contribution of economic development to internal resilience, which in turn enhances internal security. Moreover, economic interdependence within a region would also enhance regional resilience, enabling the region to better safeguard itself against the penetration of extra-regional Great Powers. Regional security order is thus improved.

⁸⁹ See Desmond Ball, *op. cit.*, p.1. See also Harry Harding, "A Chinese Colossus?" in The Journal of Strategic Studies, vol.18, no.3, September 1995.

Indeed, another objective of a regional security order is to reduce conflicts and even remove them altogether, thus assuring a degree of stability. One means of operationalising regional security is through the concepts of the security community and the security regime.

In recent years, the idea of Common Security has also gained ground. It is the recognition of the uncertainties associated with the end of the Cold War that has prompted the ASEAN states to expand the level of their regional cooperation to both encompass greater economic cooperation as well as a regional security dialogue through the ARF approach, in an attempt to build an inclusive security regime that can institutionalise rules of inter-state conduct and help to manage and resolve conflict. The ASEAN states have begun to tentatively explore, despite initial reservations, the usage of ideas associated with the common security approach in Europe, such as the use of confidence-building measures, although the relevance of such measures in the Asia-Pacific context remains to be seen.

The objective, as in the years following the pivotal events of 1975, is to influence the regional security structure in a manner that would enhance the stability and security of the ASEAN states. However, as this study will show, some of the ASEAN states have also, in tandem with concepts such as ZOPFAN, the security community, the security regime and aspects of common security, continued to employ balance of power as a means of managing the major powers and for some, as a means of countering each other.

CHAPTER THREE

ASEAN AND REGIONAL ORDER:

PROBLEMS OF APPROACH

1. The ASEAN States and the Management of Regional Order

After its establishment in 1967, ASEAN as an organisation steered clear of security issues. However, in terms of political cooperation, and to a certain extent, economic cooperation, the ASEAN states have had some success in taking cooperative action in defence or pursuit of common interests.

Indeed, the term "ASEAN" refers to more than just a grouping of geographically-linked and like-minded market-oriented states in Southeast Asia. It also refers to the consultative process which these member-states have used in cooperating for mutual advantage, in dealing with the external environment and in ameliorating tensions within the region. The founding of ASEAN as an organisation in 1967 can thus also be seen as a process of accommodation between the various ASEAN states. Indeed, its prime mover, Indonesia, has used it as a mechanism for reconciliation with its neighbours, particularly Malaysia and Singapore, in the wake of Confrontation. Prime Minister Lee Kuan Yew explained the ASEAN process in optimistic terms:

In 1967, we set about building a framework for cooperation. Thus, were ASEAN members spared from feuding. Of course, we are not without problems and difficulties. However, we have learned to manage those differences and to contain them. Most importantly, we have made a habit of working together, of consulting each other over common problems.¹

This regional framework, it was hoped, would provide several tangible benefits, such as the deterrence of secession (through the principle of non-intervention in the internal affairs of fellow member-states), reinforcement of norms of behaviour (especially concerning larger members such as Indonesia, which might otherwise strive for

¹ Address to the Fifteenth ASEAN Ministerial Meeting, 14 June 1982, Singapore (Jakarta: ASEAN Secretariat, 1982).

regional domination), and the lending of collective influence with the Great Powers, and other regional groupings such as the EC, as well as international organisations, namely the UN General Assembly. Thus, it was also clear that each member-state had joined ASEAN to maximise its own national interest, with regionalism not seen as an end in itself but as a means to advance national development and the national interest.

Little institutional development, however, took place in the years after the establishment of ASEAN in 1967. Indeed, ASEAN became almost moribund, and appeared destined to suffer the same demise as earlier attempts at regionalism, such as the Association of Southeast Asia (ASA) in 1961 and Maphilindo in 1963.² The pivotal events of 1975, however, changed the fate of ASEAN, providing it with the impetus to take a collective approach to manage the regional security environment. The end of the Cold War after 1989 has also presented new challenges to the ASEAN states, prompting another round of cooperative activism on their part.

This chapter will trace the development of the regional political-strategic and economic framework under ASEAN, and examine the problems in the ASEAN approach to managing regional order since 1975. In particular, it will examine the intra-ASEAN differences over political and economic cooperation. It will trace the evolution of the exclusive overtly anti-communist security community approach in the years from 1975 to 1989, and the inclusive security regime approach since the end of the Cold War. This chapter will demonstrate that intra-ASEAN differences over regional political and economic cooperation have existed despite its achievements so far. In spite of the successes in regional political cooperation, particularly evident in the years after 1975 when ASEAN was able to draw international support against the Vietnamese invasion and occupation of Kampuchea, the ASEAN states have failed to build on the early hopes and optimism that ASEAN could, over time, build a security community much like that existing in Western Europe. Although they have been able to take a common stand on some issues, this chapter will demonstrate that there are significant differences in both threat perception and how to manage the regional order.

² For a more detailed account of the failures of these earlier attempts at regionalism, see Michael Leifer, *Dilemmas of Statehood in Southeast Asia* (Singapore: Asia-Pacific Press, 1972), pp.135-145.

Moreover, the ASEAN approach towards regional order has not been without its problems. These problems, particularly intra-ASEAN differences over political and economic cooperation, centred as they are on the pursuit and defence of each ASEAN state's national interests, have constrained ASEAN from effectively managing the regional order and building the kind of security community that they have envisioned.

2. The Development of Political Cooperation

2.1 Disagreement Over The ZOPFAN Concept

Disagreement over the approach towards regional order was evident before 1975. The ASEAN states had been concerned with the changing strategic landscape at the beginning of the 1970s, with the impending withdrawal of the US from Southeast Asia. In October 1971, Ghazali Shafie wrote in the Pacific Community an article espousing neutrality in Southeast Asia. He argued that on the first level, Southeast Asia should agree on the following:

- 1 respect for sovereignty, territorial integrity, non-interference and non-aggression;
- 2 all foreign powers to be excluded from the region;
- 3 should devise means of ensuring peace among men;
- 4 should present a collective view before the major powers on vital issues of security; and
- 5 should promote regional cooperation.

On the next level, the major powers must agree on the following:

- 1 Southeast Asia should be an area of neutrality;
- 2 measures should be undertaken to exclude countries in the region from the power struggle among them; and

- 3 the major powers should devise supervisory means of guaranteeing Southeast Asia's neutrality in the international power struggle.³

The result was the Kuala Lumpur Declaration in 1971 of a Zone of Peace, Freedom and Neutrality (ZOPFAN) in Southeast Asia (See Appendix 3). The Declaration was a means of assuaging Thailand's anxiety over a possible vacuum should the US withdraw. It stated the ASEAN states' objective to "secure the recognition of Southeast Asia as a Zone of Peace, Freedom and Neutrality, free from any form or manner of interference by outside Powers."⁴ More significantly, the resolution expressed the hope that "Southeast Asian countries should make concerted efforts to build the areas of cooperation which would contribute to their strong, solid and closer relationship."⁵ ZOPFAN was a proposal by Malaysian Prime Minister Tun Razak, the objective of which was to neutralise the region by gaining the guarantee of the then three major extra-regional powers, namely the US, China and the Soviet Union. Malaysia also represented ZOPFAN as a step towards independence from the Western states, especially the US and Britain.⁶ The adoption of ZOPFAN represented a concerted ASEAN approach to managing the regional order. In particular, it was designed to provide moral support to Thailand, at a time when it was threatened by Indochinese communism and when there was concern that it might seek an accommodation with China.⁷

However, it was soon clear that the ZOPFAN initiative did not command widespread support within ASEAN. Thailand and the Philippines, linked to the US through the Southeast Asia Treaty Organisation (SEATO) as well as bilateral alliance agreements, emphasised the need to maintain existing defence arrangements. Indonesia was enthusiastic about the idea since the exclusion of the major powers would leave it as the region's dominant power. Singapore, however, felt that no one could prevent the

³ See Mohammed Ghazali bin Shafie, "The Neutralisation of Southeast Asia," in The Pacific Community, October 1971, pp.110-117.

⁴ "Zone of Peace, Freedom and Neutrality Declaration" (Kuala Lumpur Declaration), Kuala Lumpur, 27 November 1971, in ASEAN Documents Series 1967-1986 (Jakarta: ASEAN Secretariat, 1986), p.30.

⁵ Ibid.

⁶ New Straits Times (Kuala Lumpur), 27 August 1972.

⁷ Michael Antolik, ASEAN and the Diplomacy of Accommodation (New York: Sharpe, 1990), p.114.

big powers from entering the region and advocated a balance of power approach centred on some kind of collective security arrangement with several extra-regional non-communist powers, a stance aimed at preventing local regional power dominance.

More significantly, the Great Powers did not respond to the ZOPFAN proposal. There was in fact no reaction at all. Since Great Power guarantees of neutrality was necessary for ZOPFAN to work, the proposal consequently remained a statement of ideals. Malaysia thus revised in 1974 the concept to being a "neutrality system" based on the ASEAN states' own strength, thereby claiming the fiction that Great Power guarantees were unnecessary. In this manner, national and regional resilience was now accepted as being the premise of ZOPFAN.⁸ Yet, nothing could hide the fact that without the concurrence of the Great Powers, no neutrality scheme would work.

It was thus not surprising that the ZOPFAN Working Group formed in 1971 was, by 1975, inactive and was in fact not revived until 1984. This was indicative of the lack of consensus over ZOPFAN as well as scepticism over whether it would work. Indeed, Professor Tommy Koh, Singapore's then Ambassador to the United Nations, stated in an address to the Commonwealth Society in 1972 the reasons why he found the Ghazali neutrality proposal to be unrealistic. He concluded that it would fail because:

1. only a small minority of states of the region viewed their independence and national welfare to be in jeopardy;
2. insofar as some of the other states perceived threats to their security, they would seem to feel that this could be countered more effectively by unilateral or collective military forces, alliance arrangements, or diplomacy at the regional or global levels; and

⁸ Heiner Hanggi, ASEAN and the ZOPFAN Concept (Singapore: Institute of Southeast Asian Studies, 1991), p.38.

3. there was no demonstrable convergence of interests among the outside powers which were competing or likely to compete for influence or control of Southeast Asia.⁹

2.2 Differences Over the Response to Vietnam

The next phase in ASEAN regional political cooperation took place in the aftermath of the fall of the Saigon regime in 1975.¹⁰ The fear of communism and the prospects of facing a victorious Vietnam in the context of the US retrenchment from the region galvanised the ASEAN states. The Bali Summit of 1976 was a turning point in ASEAN's development. It was a genuine attempt to provide it with direction and purpose, and to begin the serious task of constructing a regional security community.

At the Summit, the Declaration of ASEAN Concord called for the promotion of the ZOPFAN concept and enunciated the principle of the peaceful settlement of intra-regional disputes.¹¹ In addition, a landmark Treaty of Amity and Cooperation was signed. The Treaty pledged non-interference in the internal affairs of one another, the settlement of differences or disputes by peaceful means, the renunciation of the threat or use of force, and further pledged effective cooperation among themselves.¹²

The Treaty set up a procedure for the peaceful settlement of disputes, through a High Council comprising a Ministerial representative from each of the ASEAN states, which, however, was limited in several ways. Firstly, Article 16 stated that the parties to a dispute must first agree to use the good offices of the High Council. Secondly, the High Council had no real supranational authority or ability to adjudicate a dispute, and could only offer as means good offices, mediation, inquiry or conciliation. Further, it

⁹ Address to the Commonwealth Society, London, 1972, cited in Bilveer Singh, ZOPFAN and the New Security Order in the Asia-Pacific Region (Petaling Jaya: Pelanduk, 1992), p.73.

¹⁰ For a more in-depth study of the ASEAN response to Indochina during the period 1975-1981, see Tim Huxley, ASEAN and Indochina: A Study of Political Responses (Canberra Studies in World Affairs No.19, Australian National University, Canberra, 1985).

¹¹ See Appendix 2.

¹² See Appendix 1.

could only "recommend appropriate measures for the prevention of a deterioration of the dispute or situation."¹³

This provision of mediation under ASEAN has been little used, with bilateralism continuing to be the preferred means of resolving inter-state disputes. This reflected a desire to minimise interference in each other's affairs, a lack of confidence in such mechanisms and sensitivity about national sovereignty and interests.

However, what was significant about the Treaty was the framework contained in its statement of principles under which ASEAN would ideally like to have relations with each other as well as the newly-victorious communist states in Indo-China. It represented a collective response to the events in Indo-China. The Treaty embodied some of the principles of ZOPFAN and was understood to be a possible first step towards the realisation of a regional security community characterised by cooperation, stability and the peaceful resolution of inter-state disputes

The Indochinese states rejected this overture from ASEAN, with Vietnam continuing to view ASEAN as a US-influenced organisation. Vietnam countered ZOPFAN with a Zone of Peace, Independence and Neutrality, implying that the ASEAN states were not genuinely independent. This line was publicly championed by Laos at the Fifth Non-Aligned Conference at Colombo in August 1976.¹⁴

Vietnam's invasion of Kampuchea in December 1978 was the next pivotal event which elicited a joint ASEAN response. Thailand was clearly worried, given the fact that an ancient rival was now not only encamped right at its border but was militarily superior and proffered a communist ideology that could be used to subvert Thailand internally, particularly its vulnerable Lao-speaking poverty-stricken Northeast provinces. The invasion dealt a severe blow to the approach towards regional accommodation between ASEAN and Vietnam based on the Treaty of Amity and Cooperation and the concept

¹³ *Ibid.*

¹⁴ Cited in Heiner Hanggi, *op. cit.*, p.40.

of ZOPFAN, as Vietnam had now violated the principle of non-aggression and mutual respect for territorial integrity.

In the January 1979 ASEAN Ministerial Meeting Joint Communiqué, ASEAN voiced strong support for Thailand, calling for "the immediate and total withdrawal of foreign forces from Kampuchean territory."¹⁵ The ASEAN agenda soon became full - the fate of Kampuchea, the refugee crisis, the role of Vietnam in Indochina and the role of China in Southeast Asia. In the years that followed, the one remarkable achievement was ASEAN's successful high-profile campaign in the United Nations to mobilise international opinion to condemn Vietnam's invasion and occupation of Kampuchea.

Behind the facade of ASEAN unity, however, there were clear divisions within ASEAN on the nature of the security threat to them and the manner in which it should be dealt with. For Indonesia and Malaysia, the historical memory of Chinese subversion through its support of local communist movements and the presence of considerable numbers of ethnic Chinese in their countries resulted in a perception that a strong Vietnam was a useful counterweight against Chinese dominance and influence in the region. In addition, Indonesia also felt that there existed a revolutionary bond between Vietnam and Indonesia due to their anti-colonial struggle against the French and the Dutch respectively. Any alignment with China on the part of Thailand could, in the view of Indonesia, increase its prominence in Southeast Asia, with potentially destabilising consequences given its history of supporting ethnic Chinese insurgency in the region.. Singapore was also supportive of Thailand, which was understandably nervous due to the aggressiveness of Vietnam's military actions.

Thailand and Singapore, both pro-Western allies, considered Vietnam's backer, the Soviet Union to be a threat to regional security and which had to be deterred. This was at odds with Indonesia, which did not believe that Vietnam's backer, the Soviet Union, posed any direct military threat to Indonesia or the other ASEAN states. A leading Indonesian analyst, Soedjati Djiwandono, dismissed any suggestion of a direct military

¹⁵ "Joint Statement of the Special Meeting of the ASEAN Foreign Ministers on the Current Political Developments in the Southeast Asia Region," Bangkok, 12 January 1979, in ASEAN Documents Series 1967-1986, op. cit., p.119.

threat to ASEAN from the Soviet Union, describing it as "far-fetched." He argued that such a suggestion confused Soviet capabilities with its intentions, and that US forces in the Philippines was also capable of posing as a threat. Djiwandono also criticised the pro-Western, anti-Soviet threat perceptions of Indonesia's ASEAN neighbours, arguing that it was "loaded with prejudice," as it appeared that the Soviet Union was always taking the initiative, with the US and the rest of the region always reacting. He concluded that:

The reality...is not all that simple. It is not always easy to say for certain who reacts to who, who balances who, and who challenges who.¹⁶

Nonetheless, the need to shore up Thailand and to prevent a damaging split to ASEAN outweighed other considerations and the ASEAN states duly condemned the Vietnamese action in Kampuchea. ASEAN presented a resolution to the United Nations Security Council calling for "foreign forces" to withdraw from Vietnam and Kampuchea, by implication including the Chinese, which had attacked Vietnam in February 1979. This resolution was resoundingly passed in November 1979 in the UN General Assembly.

However, despite the apparent united stand by the end of 1979, the real differences in perception continued to manifest themselves. Reflecting Indonesia's readiness to accept Vietnamese domination of Indochina, General Benny Murdani visited Hanoi in early 1980, as did Malaysian Foreign Minister Tengku Ahmad Rithaudeen. This was followed by the Kuantan Declaration in March 1980, in which Prime Minister Hussein Onn and President Suharto expressed the desirability of Vietnam to be free from both Soviet and Chinese influence. The Declaration implied a need to compromise on Kampuchea to woo Vietnam away from the Soviet Union. Singapore sided with Thailand in dissociating itself with this. Echoing China's strategic assessment of Soviet intentions, Singapore's Foreign Minister Rajaratnam warned that Soviet

¹⁶ J Soedjati Djiwandono, "The Soviet Presence in the Asia-Pacific Region: An Indonesian Perspective," in *Indonesian Quarterly*, vol.12, no.4, October 1984, pp.429, 435.

expansionism through Vietnam's aggression in Kampuchea could force ASEAN to abandon non-alignment and turn to other Great Powers for protection.¹⁷

In any event, ASEAN's efforts to tread the fine line between opposing Vietnam in Kampuchea and allying itself as an organisation to China was put to the test when in June 1980, Vietnamese troops attacked a refugee camp near the Thai-Kampuchean border and then made a lightning foray into Thai territory. In the ensuing battle, two Thai aircraft were shot down. This event, occurring as it did on top of the ASEAN Foreign Ministers' Meeting on 25 June 1980, produced a unanimous and strong condemnation of Vietnam, demonstrating as well the futility of the Malaysian and Indonesian overtures and approach to Vietnam.¹⁸

Thus, despite reservations on the part of Indonesia and Malaysia, ASEAN had to defer to the interests of its most threatened member, Thailand, not just to prevent an ASEAN split but also in the hope that it would not turn to China for support.

The Kampuchean stalemate continued throughout much of the 1980s, with the Kampuchean resistance able, with the assistance of China and Thailand, to prevent a total Vietnamese victory. On its part, Vietnam made a series of incursions into Thai territory over the period from November 1984 to May 1985, in futile attempts to destroy the Khmer resistance, resulting in a joint ASEAN Foreign Ministers' Statement on 12 February 1985 condemning the Vietnamese military offensives. The seven-point statement included a reaffirmation of ASEAN's solidarity with Thailand and a reiteration of their call to Vietnam to withdraw from Kampuchea.¹⁹

At the United Nations, ASEAN resolutions condemning Vietnam and calling upon it to withdraw from Kampuchea passed with regularity throughout the 1980s. What was

¹⁷ Astri Shurke, "ASEAN: Adjusting to New Regional Alignments," in Asia-Pacific Community, No.12, Spring 1981, p.24.

¹⁸ Derek Davies, "Victory for the Hardline Hawks," Far Eastern Economic Review, 4 July 1980, pp. 12-15. The Indonesians finally came to accept that Vietnam could not be trusted and that it risked damaging ASEAN's cohesion if it continued on its fruitless overtures to Vietnam. See David Jenkins, "The Dangers of Dialogue," Far Eastern Economic Review, 29 August 1980, pp. 10-11.

¹⁹ ASEAN Newsletter, no.9, May-June 1985 (Jakarta: ASEAN Secretariat, 1985).

significant was the international support which ASEAN was able to command in this matter. At the Annual Ministerial Meeting in Bali in June 1979, for instance, the ASEAN Foreign Ministers drew broad political support from their counterparts from Australia, New Zealand, Japan, the United States and the European Community, thus demonstrating to Vietnam the worldwide opposition to its actions in Kampuchea.²⁰

However, the apparent ASEAN unity could not hide real differences over threat perceptions, with Indonesia's Foreign Minister declaring in 1986 that:

We feel that the Vietnamese no longer have the capability to destabilise. If they have difficulty digesting Kampuchea, which after all is not so big a country, why should we worry so much?²¹

2.3 The ASEAN-Indochina Reconciliation

The adversarial relationship between Vietnam and ASEAN, however, began to thaw by the late 1980s, culminating in Vietnam's reconciliation with the ASEAN states and its entry into ASEAN in 1995.

The ASEAN-Indochina reconciliation was made possible by several developments. Firstly, there were internal changes in Vietnam itself. In 1986, the Communist Party of Vietnam adopted economic modernisation under the banner of "doi moi" or "renovation". This meant that Vietnam would move to become more compatible with the international market economy. Vietnam would need political stability for investment and trade in order for its economic reform programme to succeed. This new economic imperative in turn dictated a need to arrive at a compromise with ASEAN over the major political issue that divided them - that of Kampuchea.

Moreover, the ascendancy of Gorbachev in the Soviet Union and the momentous changes occurring there had its effects on Vietnam. By 1988-89, it was already clear

²⁰ David Irvine, "Making Haste Less Slowly: ASEAN From 1975," in Alison Broinowski (ed), Understanding ASEAN (Hong Kong: Macmillan, 1982), p. 66.

²¹ New Straits Times, 29 April 1986.

that the Soviet Union was no longer interested in underwriting Vietnam's occupation of Kampuchea. Not only had the Sino-Soviet rapprochement made Kampuchea irrelevant, the declining importance of ideology occasioned by the US-Soviet detente and political liberalisation in the Soviet Union meant that the Soviet Union was beginning to question the cost of propping up the Vietnamese economy and military machine.

Thus in April 1989, Vietnam declared that it would unconditionally withdraw all troops from Kampuchea by September 1989. This, however, was greeted with scepticism by the ASEAN states, as withdrawal implied that Vietnam was prepared to give up its long-stated goal of dominating Indochina. Thus, the ASEAN Foreign Ministers, meeting in Brunei in July 1989, issued a sceptical statement that "noted" the Vietnamese announcement, and pointed out that this was not in the context of a comprehensive settlement. The statement also called on Vietnam to ensure that the planned troop withdrawal be carried out under UN auspices, "with a peacekeeping force component and as part of a comprehensive political solution to the Kampuchean problem."²²

However, there were soon clear divisions within ASEAN over how to respond to this development. In November 1990, President Suharto of Indonesia visited Hanoi, a significant development given that Indonesia is one of the pillars of ASEAN and the fact that Suharto is ASEAN's elder statesman. Suharto held out the prospect of increasing economic cooperation with Vietnam.

Indeed, Malaysia and Indonesia held the view that once Vietnam ended its aggression in Kampuchea, it should be permitted to join ASEAN. Prime Minister Mahathir declared that "if Vietnam subscribes to the ideas of ASEAN, the system of government it practices should not be something that stands in the way of becoming a member of

²² "ASEAN Foreign Ministers' Call for a Comprehensive Political Settlement of the Kampuchean Problem," Bandar Seri Begawan, Brunei, 3 July 1989, in ASEAN Documents Series 1988-1989, Supplementary Edition (Jakarta: ASEAN Secretariat, 1989), p.93.

ASEAN."²³ Indonesia's General Try Sutrisno also stated that Vietnamese membership of ASEAN "can rid the region of antagonisms and be a force for cooperation."²⁴

The Hanoi visit, however, led to negative reactions from the Singapore media, which warned that any undue haste in helping Vietnam might offset the political and economic pressures that was being put on Vietnam over its occupation of Kampuchea.²⁵ The Singapore government also stated the need for the Kampuchean issue to be fully resolved before membership could be considered.²⁶ In fact, during Vietnamese Premier Vo Van Kiet's visit to Singapore in October-November 1991, Singapore's Prime Minister Goh Chok Tong took the opportunity to remind Kiet that "for Singapore, Kampuchea was a matter of vital principle," suggesting that the pace of Vietnam's integration with ASEAN remained dependent on progress towards peace in Kampuchea.²⁷

On Vietnam's part, there were clear domestic pressures for economic development, given the parlous state of its economy. Improving relations with ASEAN were useful because of the prospects of trade, technology transfer and the possibility of reducing its dependence on an increasingly unreliable sponsor, the Soviet Union. Vietnam viewed ASEAN as important in defeating the economic blockade imposed by the West, particularly the US, against Vietnam since 1975.²⁸ Indeed, Vietnam's accession to ASEAN meant the lifting of the US trade embargo and by 1996 the US had become the ninth largest foreign investor in Vietnam, with 49 projects worth US\$720 million.²⁹

²³ Quoted in Bangkok Post, 16 December 1988.

²⁴ Straits Times, 14 January 1989.

²⁵ Straits Times, 23 November 1990.

²⁶ Straits Times, 13 December 1990.

²⁷ "ASEAN's Embrace," Far Eastern Economic Review, 14 November 1991, p.19.

²⁸ Frank Frost, "Vietnam and ASEAN: From Enmity to Cooperation," in ISEAS Trends (Singapore: Institute of Southeast Asian Studies), in Business Times (Singapore), 29 December 1991, p.26.

²⁹ "Vietnamese-American Economic Relations Grow," in Vietnam Courier, no.158, 8-14 September 1996, p.8. The reconciliation between the two former enemies was to be further demonstrated by the visit in July 1996 of the US National Security Adviser, Anthony Lake, to Hanoi, where he met the top Vietnamese leadership. See "Vietnam, US Pledge to Promote Cooperation," Vietnam Courier, no.151, 21-27 July 1996, p.2.

Membership of ASEAN would thus help Vietnam break out of its international isolation and become a member of the international community with full standing.³⁰ As Vietnam's Foreign Minister was quoted as saying, Vietnam's participation in ASEAN would "create conditions for both Vietnam and ASEAN to integrate themselves into the international community."³¹ More significantly, the declining interest of the Soviet Union in backing Vietnam weakened its position vis-a-vis China. ASEAN could potentially be a useful political ally against China.

Expressing this view, a Vietnamese political analyst stated that with Vietnam as a member of ASEAN, "in the contention over the Spratley Islands, China would find it more difficult to isolate Vietnam as it would no longer be possible to treat Vietnam separately from the other ASEAN claimants to those islands. It would temper any Chinese intention to put military pressure on the Vietnamese presence on those disputed territories."³² Another Vietnamese political analyst was reported as stating that, in future, any problem with China would see Vietnam enlisting at least the moral support of ASEAN.³³

In June 1991, the Seventh National Congress of the Vietnamese Communist Party confirmed the policy of "doi moi" or economic renovation. As Party General Secretary Do Muoi later reiterated in 1995, "it is particularly important for the diplomatic sector to give first priority to the effort to ensure stability for economic development and to serve the purposes of renovation."³⁴

More significantly, the Paris Peace Agreement of 23 October 1991 committed Vietnam to withdraw its forces, thus ensuring victory for ASEAN's political position.

³⁰ *Far Eastern Economic Review*, 16 March 1995, p.21.

³¹ *Voice of Vietnam External Service* (Hanoi, in English), 1000 GMT, 24 July 1995, in BBC/SWB FE/2365 B/6 (17), 26 July 1995.

³² Hoang Anh Tran, "Consequences of a New Member," *Business Times* (Singapore), 27-28 August 1994.

³³ *Far Eastern Economic Review*, 16 March 1995, p.20.

³⁴ *Voice of Vietnam* (Hanoi, in Vietnamese), 1430 GMT, 25 August 1995, in BBC/SWB FE/2395 B/6 (18), 30 August 1995. For a more comprehensive study of the change in Vietnam's world view that made the ASEAN-Indochina reconciliation possible, see Zachary Abuza, "International Relations Theory and Vietnam," in *Contemporary Southeast Asia*, vol.17, no.4, March 1996, pp.406-419.

With the resolution of the Kampuchean issue, the way was thus cleared for Vietnam's reconciliation with the ASEAN states.

The 1992 Singapore Summit and the subsequent Singapore Declaration envisaged the signing of the ASEAN Treaty of Amity and Cooperation by all countries in Southeast Asia (See Appendix 4). At the 25th anniversary meeting of the Foreign Ministers of ASEAN in 1992, Vietnam and Laos both signed the Treaty of Amity and Cooperation of 1976 and were granted observer status. One of the motivations for including Vietnam and Laos in the ASEAN fold is the unstated objective of strengthening collective security against China's expansionist ambitions in the region.

Developments proceeded rapidly, with Hanoi setting up a Vietnam-ASEAN Liaison Section in 1993 following the increased participation of Vietnam in a number of functional areas.³⁵ In February 1994, the ASEAN Secretary-General visited Hanoi and Laos and stated that Vietnamese and Laotian membership was not an issue.³⁶ In April 1994, Indonesian Foreign Minister Ali Alatas stated the inevitability of Vietnam and Laos joining ASEAN, noting as a condition that "Vietnam, however, should adjust its economic policy to the economic system adopted by ASEAN member countries."³⁷ In July 1994, ASEAN stated at the ASEAN Ministerial Meeting that it had agreed to accept Vietnam as a member.³⁸

In September 1994, the ASEAN Economic Ministers met the Vietnamese Trade Minister at Chiangmai in Thailand and agreed to cooperate and assist Vietnam in increasing her participation in ASEAN economic cooperation activities. Laos also stated its intention of joining ASEAN "at the appropriate time in the future."³⁹

³⁵ ASEAN Update, January 1994, p.10.

³⁶ Bernama News Agency, Kuala Lumpur, in English, 0909 GMT, 21 February 1994, in BBC/SWB FE/1929 B/6 913), 23 February 1994.

³⁷ Editorial Report, BBC/SWB FE/1982 B1(2), 27 April 1994.

³⁸ Business Times (Singapore), 19 July 1994.

³⁹ Straits Times, 19 October 1994.

In July 1995, Vietnam duly became the seventh member of ASEAN.⁴⁰ The entry of Vietnam into ASEAN is a significant event given the history of animosities and the initial reservations by some of the ASEAN member-states. It brought effusive statements from the ASEAN states. Brunei's Foreign Minister stated that "Vietnam's admission into the group is the forerunner of a strong and united Southeast Asia in the very near future." Indonesia's Foreign Minister declared that Vietnam's membership would "enhance the vitality and collective strength of our association." The Thai Foreign Minister expressed the view that ASEAN was incomplete "as long as there remains a country (in Southeast Asia) that is not yet a member." The Philippine Foreign Minister expressed the hope that "with Vietnam in ASEAN, the foundations for enduring regional security and stability have been strengthened more than before."⁴¹

Indeed, Kampuchea was given observer status as was Myanmar in 1995, which meant that the objective of ASEAN in the post-Cold War after 1989 is now inclusionism, the aim being that all ten countries in Southeast Asia should be united under the same regional banner, with all the expected benefits of increased bargaining power vis-a-vis the Great Powers, and the increased economic benefits of regional economic cooperation. In addition, by co-opting Vietnam into ASEAN, the other ASEAN states believe that Vietnam would have to work under the ASEAN rules of consensus and dialogue, thus transforming Vietnam from an enemy to a major political and economic partner, which would be particularly useful in facing the emerging regional Great Powers such as China. It was such benefits that prompted an editorial in Bangkok's Sunday Nation to state that "by admitting Vietnam, ASEAN will be better placed to work towards a solution of the Spratley islands issue."⁴² Singapore's Straits Times echoed the same sentiment when it editorialised that Vietnam's entry "creates opportunities for taking a collective stand on regional issues like the Spratley islands dispute. And it offers scope for containing and resolving problems, as well as

⁴⁰ Straits Times Weekly Edition, 5 August 1995, p.11.

⁴¹ Straits Times Weekly Edition, 5 August 1995, p.11.

⁴² The Sunday Nation (Bangkok, in English), 3 April 1994, p.A10, cited in Editorial Report, BBC/SWB FE/1963 B/5 (11), 5 April 1994.

balancing other powers.”⁴³ More significantly, the influential chairman of Indonesia’s Centre for Strategic and International Studies, Jusuf Wanandi, declared bluntly that “it will strengthen ASEAN’s hand in dealing with China.”⁴⁴

3. ASEAN’s Post-Cold War Approach

3.1 Constructing a Security Regime

The ASEAN approach to regional security since 1989 is thus clear - inclusionism, in the belief that all ten Southeast Asian states united under an ASEAN umbrella would result in stability and a more secure regional order. In April 1992, Prime Minister Mahathir articulated this vision of a “bigger ASEAN”, in which all ten Southeast Asian countries would be united as “a force for progress, peace and stability” and as a free trade area with “little or no restrictions.”⁴⁵

While the approach of ASEAN, characterised by its ZOPFAN philosophy as originally formulated in 1971, can be described as that of a security community, the abandonment of exclusionism, and the emphasis on the engagement of outside powers that have an interest in the region as enunciated in the Programme of Action for ZOPFAN in 1993 adopted by ASEAN, has meant that ASEAN has come to accept the modality of a security regime. Unlike security communities, regional security regimes do not advocate exclusionism but engage, through accommodation, the possibly threatening states through confidence-building measures (CBMs). The shared experiences and expectations on security matters include the acceptance of reciprocal rules and norms which, it is surmised, will result in some form of regional security order that would deter the resort to warfare.⁴⁶ Indeed, Robert Jervis defines a security

⁴³ Straits Times, 2 August 1995.

⁴⁴ The Weekend Australian, 17-18 June, 1995, p.16.

⁴⁵ Cited in Martin Gainsborough, “Vietnam and ASEAN: The Road to Membership?” The Pacific Review, vol. 6, no. 4, 1993, p.386.

⁴⁶ See William Tow, Sub-Regional Security Cooperation in the Third World (Boulder, Colorado: Lynne Reiner, 1990), pp.23-45.

regime simply as "those principles, rules and norms that permit nations to be restrained in their behaviour in the belief that others will reciprocate."⁴⁷

The ZOPFAN concept was not abandoned entirely after 1989, despite the lack of consensus among the various ASEAN states. Fundamentally, Indonesia and Malaysia believe that by excluding the Great Powers, regional security is enhanced. While ZOPFAN has become an article of faith in Malaysian foreign policy, as Mahathir searches for a role as an international statesman, Indonesia has supported this idea because it would be the dominant regional power should ZOPFAN be achieved. On the other hand, other ASEAN states believe that the Great Powers must be an integral part of the regional security structure in order to achieve regional order.

In the post-Cold War era since 1989, however, the realisation that in the short to medium term Great Powers like China, Japan and India would not voluntarily relinquish their interests in the region has led to subtle reinterpretations of the ZOPFAN concept. Indonesian analyst J. Soedjati Djiwandono, writing in the influential Indonesian Quarterly, acknowledged that ZOPFAN is a "long-term ideal," and further suggested that the "fundamental idea of ZOPFAN is...the avoidance of all forms of conflict for the region of Southeast Asia."⁴⁸ He also acknowledged that ZOPFAN is more an ideal, as an expression of intentions and aspirations, rather than constituting a concrete framework. More telling was the view of Indonesian Foreign Minister Ali Alatas, who denied in an interview that ZOPFAN had ever been intended to have a narrow definition. He stated that:

ASEAN has never been a closed or inward-looking organisation. We have always, in terms of security, tried to propound a code of conduct and certain guidelines in our relationships with the major powers, and with all other countries in East Asia and the Pacific. That is the essence of ZOPFAN.⁴⁹

⁴⁷ Robert Jervis, "Security Regimes," in International Organisations, vol. 36, Spring 1982, p.357.

⁴⁸ J Soedjati Djiwandono, "ZOPFAN: Is It Still Relevant?" The Indonesian Quarterly, vol. 19, no. 2, Second Quarter, 1991, p.129.

⁴⁹ Business Times (Singapore), 27 July 1994.

ASEAN's response to the end of the Cold War has thus been to reinterpret the ZOPFAN concept to include and accommodate, rather than to adhere to any impractical policy of exclusionism. This is evident from the ASEAN policy of getting as many of the Southeast Asian states as possible to accede to the Treaty of Amity and Cooperation. The emphasis on multilateralism, centred on regional forums, also stresses inclusionism, not exclusionism. This implies that ZOPFAN as a concept is far from dead; while the ultimate objective or ideal remains a Zone of Peace, Freedom and Neutrality, both Malaysia and Indonesia, ZOPFAN's strongest proponents, have come to accept that ZOPFAN has to be adapted to the new post-Cold War security environment.

As a step towards operationalising rules of conduct in the region, the 26th ASEAN Foreign Ministers Meeting in Singapore in July 1993 endorsed a Programme of Action for ZOPFAN. The first element of this Programme was that Southeast Asian states would be encouraged to accede to the Treaty of Amity and Cooperation, which would bind the states to the principles of peaceful coexistence, non-interference in internal affairs and the peaceful resolution of disputes, providing a framework for peaceful and stable relations among the signatory states. ASEAN would also encourage its main trading partners as well as states in the larger Asia-Pacific region, to "strengthen their recognition" of the Treaty. ASEAN's efforts in this area is reflected in persuading the other Southeast Asian states to accede to the Treaty of Amity and Cooperation. The objective is to commit such states to observe certain principles and ground rules for the conduct of relations among its signatories. These principles include peaceful coexistence, peaceful settlement of disputes, mutual respect and non-interference in internal affairs. Vietnam and Laos signed the Treaty in 1992, with Papua New Guinea having done so earlier in 1989.⁵⁰

The second element of the Programme of Action was the expansion of the network of bilateral and multilateral relations between ASEAN and the other Southeast Asian states, the objective being to include Vietnam, Laos and Kampuchea and Myanmar in this network with a view to eventual membership in ASEAN. This process is already

⁵⁰ Straits Times, 20 July 1993.

underway, with Vietnam accepted as ASEAN's seventh member in July 1995. In his welcoming speech, Brunei's Foreign Minister voiced the hopes of all ASEAN states that Vietnam's entry into ASEAN would be "the forerunner of a strong and united Southeast Asia in the very near future."⁵¹ In his address on the occasion of the 25th Anniversary of ASEAN in 1992, Malaysian Prime Minister Mahathir Mohammed stated that:

ASEAN has certainly done well but to be able to face new uncertainties arising from the political and economic changes around us, ASEAN needs a wider base. The Association of Southeast Asian Nations must necessarily represent the aspirations of all the countries of Southeast Asia. Whatever were the differences that have kept us apart, these must not be allowed to fester and perpetuate disunity. The natural affinity of peoples sharing common values, as we in Southeast Asia do, must be given full play in order to bind us together.⁵²

Indeed, the Fifth ASEAN Summit in Bangkok in 1995 announced that "ASEAN is committed to the establishment of an ASEAN comprising all countries in Southeast Asia."⁵³ There is also recognition of the need to eventually expand Southeast Asian economic regionalism to include the Indochina states and Myanmar as these move toward market economies. The ASEAN states believe that there are advantages in being transformed from a sub-regional organisation to a truly regional organisation. In addition, Indonesia and Malaysia believe that Indochina should be embraced to strengthen the collective shield against China.

However, there have been particular difficulties with Myanmar. As late as 1994, the military regime there had considered ASEAN a Western colonial tool, membership in which would compromise Myanmar's long-held neutrality.⁵⁴ Its commitment to ASEAN's ideals is thus suspect, and the regime's objective appears to be to use ASEAN as a vehicle to improve its international image. There are also reservations on

⁵¹ "Statement by HRH Prince Mohamed Bolkiah, Minister of Foreign Affairs of Brunei", Brunei, 2 August 1995, in the Twenty-Eighth ASEAN Ministerial Meeting, Post-Ministerial Meetings with Dialogue Partners and the Second ASEAN Regional Forum (Jakarta: ASEAN Secretariat, 1995), p.10.

⁵² Radio Television Malaysia, 8 August 1992, cited in Foreign Affairs Malaysia, vol. 25, no. 3 September 1992,

p 11.

⁵³ ASEAN Update, January-February 1996, p.1.

⁵⁴ "Why ASEAN Should Delay Myanmar's Membership," Straits Times Weekly Edition, 2 November 1996.

the part of some ASEAN states, such as Thailand and the Philippines, to Myanmar's membership, given its evidently poor human rights record. Moreover, Myanmar's current pariah status would diminish ASEAN's standing both internationally as well as with its dialogue partners. Disagreement over Myanmar's membership was evident during the ASEAN Summit in Jakarta in December 1996, although it was reported that Malaysia and Indonesia were able to prevail over the reservations of Thailand and the Philippines to allow Myanmar, Laos and Kampuchea to join ASEAN simultaneously in July 1997.⁵⁵

The third element of the Programme of Action was the strengthening and broadening of the network of cooperative friendly relations between ASEAN and its dialogue partners, including the regional Great Powers such as China, India, Japan and Russia. ASEAN also stated its emphasis on political and security dialogue through the ASEAN Post-Ministerial Conference (PMC) process, which it hoped would create trust and confidence, and contribute to a more stable security climate. Moreover, it was hoped that the dialogue process could lead to the development of more consultative relationships with the major powers in the Asia-Pacific, and help to pre-empt problems before they arose.⁵⁶ Thus ASEAN's strategy of inclusionism under the auspices of a security regime has also included the building of a network of cooperation with the Great Powers. As Singapore's Foreign Minister Wong Kan Seng stated:

ASEAN needs a predictable and constructive pattern of relationships with the major powers in the Asia-Pacific, including the US, Japan, China, Russia and India, to ensure a peaceful and stable environment in the region.⁵⁷

This objective has been pursued through ASEAN's process of dialogues and consultations with those countries, including forums on political and security issues.⁵⁸ While the ASEAN states had hitherto shunned security issues in multilateral

⁵⁵ "Burma Road: ASEAN Sidesteps Issue of Rangoon's Membership," Far Eastern Economic Review, 12 December 1996, p.18.

⁵⁶ "Minister: Endorse Action Program for ZOPFAN," Business Times (Singapore), 24-25 July 1993.

⁵⁷ "ASEAN Needs to Have Network With Major Asia-Pacific Powers," Business Times (Singapore), 22 July 1993.

⁵⁸ Canberra Times, 24 July 1991.

discussions, it now embraced it in the hope that it would enable them to influence the shape of the regional order and thereby safeguard their own security and interests.

The PMC, in which ASEAN conducts meetings with its dialogue partners, namely the US, Canada, European Community, Japan, South Korea, Australia and New Zealand, after its annual ASEAN Foreign Ministers Meetings, is one such process. In 1991, the ASEAN Post-Ministerial Conference announced that the ASEAN-PMC forum would be an appropriate base for security discussions.⁵⁹ Japan also supported this, with the Japanese Minister for Foreign Affairs stating that the annual PMC meetings should become a forum for dialogue in security as well as economic matters. Prime Minister Miyazawa also stated in January 1992 that the key element of Japan's policy towards ASEAN was the promotion of political and security dialogue among the countries in the region.⁶⁰

The Singapore Declaration of 1992 was an important watershed in many ways, for it was an open declaration by ASEAN of its readiness to begin discussing regional security issues, which it had previously shied away from, and also to broaden the scope and pace of regionalism through inclusionism and the institutional development of ASEAN (See Appendix 4). The Declaration stated that "ASEAN would use established fora to promote external dialogues on enhancing security in the region as well as intra-ASEAN dialogues on ASEAN security cooperation."⁶¹ President Suharto, in his opening address, also stressed the need for greater institutionalisation. He stated that:

...in facing the challenges and scope of cooperation within ASEAN, the time has come for us to consider concrete ways in order to strengthen the role of the ASEAN Secretariat...in the light of the dynamic changes now taking place...the need to effect greater efficiency and rationality in ASEAN's organisational setup will assume added urgency. Also in anticipation of new membership, it should make the necessary arrangements in its external relations.⁶²

⁵⁹ Joint Communiqué of the 24th ASEAN Post-Ministerial Meeting, Kuala Lumpur, 19-20 July 1991 (Jakarta: ASEAN Secretariat), p.5.

⁶⁰ Far Eastern Economic Review, 29 April 1993, p.26.

⁶¹ "The Singapore Declaration," in Meeting of the ASEAN Heads of Government, 27-28 January 1992, Singapore (Jakarta: ASEAN Secretariat, 1992), p.53.

⁶² Meeting of the ASEAN Heads of Government, Singapore, 27-28 January 1992, *op. cit.*, p.17.

The Singapore Declaration also stated that "ASEAN shall seek avenues to engage member states in new areas of cooperation in security matters," and that ASEAN would "forge a closer relationship based on friendship and cooperation with the Indochinese countries, following the settlement on Cambodia." More significantly, ASEAN would "intensify its external dialogues in political and security matters by using the ASEAN Post-Ministerial Conferences (PMC)."⁶³

In 1993, the Foreign Ministers of China, Russia, Vietnam and Laos were thus invited to attend the PMC. In this, ASEAN also had the support of the US, which had hitherto been opposed to a multilateral dialogue. Indeed, Winston Lord, the US Assistant Secretary of State for East Asia, stated in May 1993 that the United States supported the PMC dialogue process on security and that the US would fully participate in it.⁶⁴ The support of the major Great Powers meant that it was possible for ASEAN to begin the process of multilateral security dialogue.

3.2 The Relevance of a CSCE Process in Asia

The original objective of a security forum was to act as a consultative body in the absence of a clear threat in the post-Cold War environment. The fundamental premise underlying the approach is that since there were no longer explicit common threats or dangers, the states in the region would need to enhance their self-reliance rather than rely on intervening external powers. A security forum was seen as a mechanism to bring the Indo-Chinese states into the ASEAN fold following the end of the Kampuchean conflict and therefore the end of ASEAN-Indochina hostilities. Moreover, there was a need for regional dialogue and confidence-building measures, in the face of a concerted military build-up in the region since 1975.

Three aspects of defence modernisation programmes are significant. Firstly, there has been an emphasis on maritime and air capabilities, which give regional armed forces

⁶³ *Ibid.*, p.53. See also Appendix 4.

⁶⁴ "Lord lays out 10 goals for US policy in East Asia", *United States Information Service*, 5 April 1993. See also *Joint Press Statement of the Eleventh ASEAN-US Dialogue*, Bandar Seri Begawan, 15-16 May 1993 (Jakarta: ASEAN Secretariat, 1993).

the range and capabilities to patrol and defend vast EEZs, a development which also raises the prospects of armed clashes in any conflict. Secondly, the offensive nature of modern conventional arms systems has given the region's armed forces the capability of directly threatening each other, a potentially destabilising development given the presence of interstate territorial disputes, as well as ethnic, historical and religious animosities. Thirdly, the interactive nature of the arms build-up, sparked by the desire not to be left behind in an inferior military position by the build-ups of neighbouring states, has created an atmosphere of uncertainty and mistrust as to each others' ultimate intentions.

Thus, even before the end of the Cold War in 1989, there was already some urgency in structuring some kind of regional order through confidence-building measures, as well as providing a process and a structure towards the management and resolution of conflict before armed confrontations could take place.

One way of achieving regional order has been to utilise ideas associated with the concept of Common Security. In the West, Common Security had originated as a response to the East-West rivalry, and was championed as an alternative to strategic nuclear deterrence. The concept originated in the 1982 Palme Commission report entitled Common Security: A Blueprint for Survival. The Report argued that the avoidance of war is a common responsibility, and that security is interdependent. Furthermore, the avoidance of nuclear catastrophe depended on mutual recognition of the need for peaceful relations, national restraint, and amelioration of the armaments competition.⁶⁵

The idea of common security was broached in the Asia-Pacific in July 1986 by then Soviet President Mikhail Gorbachev, who proposed a common security approach to a regional security arrangement in the region in his famous Vladivostok speech, to be repeated at Krasnoyarsk in September 1988. The main elements of his proposals centred on economic cooperation, a forum for regional dialogue based on the Helsinki

⁶⁵ Olaf Palme et. al., Common Security: A Blueprint for Survival (New York:Simon and Schuster, 1982), pp.7-11.

process, naval arms control and CSBMs. The idea of a collective security framework in the Asia-Pacific thus took root, especially gathering pace due to the perceived success of the Conference on Security and Cooperation in Europe (CSCE).

In 1990, in the wake of the fall of the Berlin Wall and the end of the Cold War (and thus of the bipolar structure of international relations that had hitherto existed), several proposals from regional states were floated. In particular, Australian Foreign Minister Gareth Evans proposed the idea of common security for the Asia-Pacific, as well as a CSCE-style process and institution for the region. He stated that the region "should be looking ahead to the kind of wholly new institutional processes that might be capable of evolving in Asia just as in Europe, as a framework for addressing and resolving security problems."⁶⁶

However, more promising was the Japanese suggestion of expanding the ASEAN post-ministerial conference (PMC) to include a security dialogue, something the ASEAN states themselves, in the post-Cold War environment, were in agreement about, since this potentially allowed the ASEAN states to control the agenda and thus play a role in influencing the shape of the regional order.⁶⁷ Central to the Japanese proposal was that it should have minimal focus on issues such as the environment, human rights and democracy.⁶⁸ Although initially opposed to multilateral approaches to security issues in the region, preferring to operate through its bilateral channels and alliances, the US came to accept that there was a momentum towards such an approach. With the US on board, the time was ripe to actually begin a dialogue process centred on security issues, and this eventuated in the form of the ASEAN Regional Forum (ARF) in 1994.

However, the issue that needs to be examined is whether common security as a concept can be transplanted from its European bipolar nuclear context to a wholly different region with its unique security and strategic environment.

⁶⁶ Cited in Pauline Kerr, "The Security Dialogue in the Asia-Pacific," in The Pacific Review, vol. 7, no. 4, 1994, p.401.

⁶⁷ Far Eastern Economic Review, 1 August 1991, p.11.

⁶⁸ David Dewitt, op. cit., p. 2.

The CSCA approach is essentially a Eurocentric one, based on the model of the Conference of Security and Cooperation in Europe (CSCE). The CSCE worked because of the momentum generated by Gorbachev's reforms in the Soviet Union, but in Asia, nothing approaching Gorbachev's political glasnost has occurred. In addition, while the conflict that gave rise to the CSCE process had been bipolar in nature, the strategic situation in the Asia-Pacific region is far more complex, with a number of different players including local regional powers as well as extra-regional powers.

Indeed, Singapore's Prime Minister, Goh Chok Tong has noted the relative strength of Europe compared to the lack of political cohesiveness in the Asia-Pacific region, observing the presence of well-established European institutions, such as NATO, the EC and the CSCE, which provide the framework for regional cohesiveness.⁶⁹ There is thus the realisation that any new post-Cold War security order should not, in the words of Indonesian Foreign Minister Ali Alatas, "be accomplished by transplanting approaches and institutions which have worked well in Europe but are not relevant in Asia such as the CSCE."⁷⁰

Also, as Andrew Mack has pointed out, there is a fundamental difference between the security discourse in Europe and that in Asia. The dominant theme in the Asia-Pacific remains that of "peace through strength" and of military deterrence, while in Europe, mainstream security thinking had been increasingly influenced by a recognition of the dangers of offense-dominant force structures and strategies, and the problems that deterrence theory may generate in practice. Thus, the Soviet Union under Gorbachev began to emphasise "defensive sufficiency" while NATO carried out "defensive restructuring" to reduce offensive capabilities. It is this "defensive defence" security philosophy that underpinned the CSCE process in Europe, something that is a product of circumstances in Europe. Moreover, while the concepts of arms control and

⁶⁹ Keynote Address by Prime Minister Goh Chok Tong, as reported in the Report of the Standing Committee of the Eighth Pacific Economic Cooperation Conference, 22 May 1991, p.6.

⁷⁰ Straits Times, 20 July 1994.

CSBMs have been an integral part of security policy in Europe for decades, they have been alien in the Asia-Pacific.⁷¹

In Europe, the CSCE regime in the post-Cold War era has not been unproblematic, despite its earlier successes. In fact, it presently confronts considerable problems, one of which is its unwieldiness. This is due to the fact that the CSCE presently embraces 52 states including Russia and the US, all with different security interests. Since it operates on consensus, it also has to contend with the disruptive veto power of even small states. While the CSCE process has been lauded for its successes, particularly before 1989, it has now become embroiled in dispute and controversy over the shape of the new post-Cold War security structure. It must also be remembered that in the Asia-Pacific, there is no common threat perception, which means that arms control would be unilateral and not multilateral. The region is not yet ready for a CSCE-associated arms control process such as that under the Conventional Forces in Europe (CFE) because many states in the region feel that they are still in the process of achieving a sufficient level of military capability.

Some aspects of the common security philosophy that underpins it can indeed be attempted in the Asia-Pacific, given the need to consider the use of CSBMs and institutionalise some structure or process for the management of potential conflicts in the face of the regional arms build-up and the presence of interstate tensions and territorial disputes. However, the fact remains that the very different security environment in the Asia-Pacific means that the CSCE institutional model cannot simply be imposed upon the region.

While Australia and Canada pushed hard for a CSCE-style approach, there was negative reaction around the Asia-Pacific region, including the ASEAN states, which felt that outside powers were trying to impose alien ideas and institutions to further their own interests. This led to growing consensus that the ASEAN-PMC process should be the proper means for discussing regional security issues. Moreover, the

⁷¹ Andrew Mack, Reassurance Versus Deterrence Strategies for the Asia-Pacific Region (Working Paper No. 103, Australian National University, Canberra, 1991), p.14.

PMC structure would be centred on countries in the region, with the pace and direction being controlled by them, rather than states which they felt were essentially non-Asian.

3.3 The Limitations of the ASEAN Regional Forum

Eventually, following the successful meeting of the First ASEAN-PMC Senior Officials Meeting (SOM) on security in July 1993, ASEAN announced the establishment of the ASEAN Regional Forum (ARF). The stated objective of the ARF was to "serve as a vehicle for promoting political and security cooperation in the Asia-Pacific region."⁷² The ARF was first held on 25 July 1994 in Bangkok. For the first time ever, ministerial level representatives from 18 Asia-Pacific states gathered to specifically discuss political and security issue in the region. The participating states consisted of the ASEAN states, its seven Dialogue Partners and its Observers (namely, Russia, China, Vietnam and Papua New Guinea). The topic for discussion at the first meeting was entitled "Security in the Asia-Pacific: Challenges, Opportunities and Confidence-Building Measures in the Context of Preventive Diplomacy."

What is significant about the ARF is the fact that all major powers and key players in the Asia-Pacific were represented for the first time. The ARF has also begun to discuss issues like the South China Sea and also explore specifics such as non-proliferation regimes, conflict prevention through peacekeeping and confidence-building measures. As the official ASEAN Update noted:

Apart from intensifying its external dialogues on political and security matters and promoting political and security cooperation, the ARF would help develop a more predictable and constructive pattern of political and security relationships in the Asia-Pacific as a whole.⁷³

The ARF can thus be seen as a permanent forum to facilitate the consultative process and to promote confidence building, and hopefully to agree at some future date on the setting up of machinery to investigate disputes. According to then Thai Prime

⁷² ASEAN Standing Committee Annual Report 1993-1994 (Jakarta: ASEAN Secretariat, 1994), p.7.

⁷³ ASEAN Update, July 1994, p.1.

Minister Chuan Leekpai, the two most urgent concerns were the urgency of averting an armed confrontation over the Spratleys, and the regional arms race. He also described the ARF as "a crucial forum for confidence-building in the Asia-Pacific."⁷⁴

The first meeting of the ARF was therefore of special significance in the evolution of a post-Cold War structure for the Asia-Pacific region. The statement issued by the Forum declared optimistically that the ARF had:

...enabled countries in the Asia-Pacific region to foster the habit of constructive dialogue and consultation on political and security issues of common interest and concern. In this respect, the ARF would be in a position to make significant contributions to efforts towards confidence-building and preventive diplomacy in the Asia-Pacific region.⁷⁵

The meeting also agreed to convene the ARF on an annual basis and hold the second meeting in Brunei in 1995. Further, it endorsed the ASEAN Treaty of Amity and Cooperation as a code of conduct governing relations between states, describing it as "a unique diplomatic instrument for regional confidence-building, preventive diplomacy and political and security cooperation."⁷⁶

The participants in the ARF also agreed to explore ideas such as confidence and security building measures (CSBMs), nuclear non-proliferation, peacekeeping cooperation including a regional peacekeeping training centre, exchanges of nonclassified military information, maritime security issues and preventive diplomacy.⁷⁷ The ARF also declared its readiness to encourage the eventual participation of all its participating countries in the UN conventional arms register.⁷⁸

Through the ARF, ASEAN hopes to be able to take what Singapore Prime Minister Goh Chok Tong described as a "forward-looking and creative" stand in order to be an active player in reshaping security and economic relations in the post-Cold War Asia-

⁷⁴ Far Eastern Economic Review, 4 August 1994, p.15.

⁷⁵ Chairman's Statement, The First Meeting of the ASEAN Regional Forum, Thailand, 25 July 1994 (Jakarta: ASEAN Secretariat, 1994).

⁷⁶ Ibid.

⁷⁷ ASEAN Standing Committee Annual Report 1994-1995 (Jakarta: ASEAN Secretariat, 1995), p.1.

⁷⁸ Ibid.

Pacific.⁷⁹ Thai Deputy Foreign Minister Surin Pitsunin declared before the 1994 ARF that "ASEAN will always have the driver's seat" and in a statement more akin to hope than to reality, declared that it would never allow the four major Asia-Pacific powers, namely, the US, Russia, China and Japan, to dominate the region.⁸⁰

However, the 1995 ARF in Brunei saw little progress, except for the broadening of the agenda to include global security issues such as French nuclear testing in the South Pacific and Malaysia's strong concern over the situation in Bosnia. It also demonstrated that the ASEAN states remained cautious about deepening the scope of security cooperation, with the adoption of more intrusive CBMs remaining a distant prospect.⁸¹ Indeed, the second ARF merely agreed to "enhance dialogues" on security issues, "submit voluntarily" an annual statement on defence policies, "maintain high-level contacts" among military academies and encourage participation in the UN Conventional Arms Register, indicating a lack of substance so far in the ARF process.⁸²

The Third ARF held in Indonesia in 1996 hardly included any new recommendation, except to concentrate on engaging more regional states in the process. A decision to include India and Myanmar in the grouping was made, and a list of membership criteria agreed upon.⁸³

The ARF has thus not fared well despite the early optimism. In terms of pace, there are two contrasting views among the ARF members. Some, such as Malaysia and Indonesia, prefer a gradualist approach while others want a faster pace.⁸⁴ Another problem is the lack of consensus on how to move beyond dialogue as such. Given the reluctance of the ASEAN states to have a CSCE-style structure, indeed, any sort of

⁷⁹ "A More Assertive ASEAN Acts to Reshape Asia-Pacific Ties," Business Times (Singapore), 24-25 July 1993.

⁸⁰ "Minister: ASEAN Will Always Have Driver's Seat in Forum," Business Times (Singapore), 25 July 1994.

⁸¹ Business Times, 26-27 August 1995.

⁸² Chairman's Statement of the Second ASEAN Regional Forum, Brunei Darussalam, 1 August 1995 (Jakarta: ASEAN Secretariat, 1995).

⁸³ Chairman's Statement, The Third Meeting of the ASEAN Regional Forum, Jakarta, 23 July 1996 (Jakarta: ASEAN Secretariat, 1996).

⁸⁴ "Contrasting Views Emerge on Pace of ARF," Straits Times, 11 June 1994.

formalised, institutionalised structure, and their preference for looser consultations, the only practical way forward appears to be to emphasise the process of dialogue.

In order to be relevant and play a useful role in the Asia-Pacific, and not degenerate into a mere discussion forum, the ARF would need to take measures to develop concrete measures in the areas of CBMs and some mechanism to carry out preventive diplomacy. Some institutional development would be necessary for the ARF. However, the ASEAN states have so far been cautious in these respects.

The ARF has also remained ineffective as it has played little part in resolving recent tensions, such as those over disputed territory in the South China Sea, which involve China and other ASEAN states such as Vietnam and the Philippines. Indeed, the ARF has so far reflected ASEAN's preference of avoiding difficult issues rather than confronting them.

Aware that the ARF momentum was stalling, an attempt was made to bolster it through parallel discussions of key defence officials of ARF participants under the rubric of the Forum for Defence Authorities in the Asia-Pacific Region, which first met in Tokyo in October 1996.⁸⁵ However, it remains to be seen how effective such a forum could be, although it is useful as a CBM.

Even if it could take more intrusive CBMs and more active steps such as peacekeeping forces, the ASEAN states will need the active participation and cooperation of the major powers. When that happens, the major powers can no longer take a backseat but would want a greater voice in regional affairs. Indeed, with more and more actors and participants in the ARF process - the addition of India and Myanmar from 1997 will bring the number to 21 - it would be increasingly unrealistic to expect the major powers to refrain from asserting their interests and to allow the ASEAN states to dictate the pace and the agenda.

⁸⁵ The Australian, 30 October 1996, p.11.

Inevitably, the fate of the ARF and indeed the new post-Cold War security architecture will be decided by the major powers, namely the US, China, India, Russia and Japan. It is particularly relevant in the case of China, which is still not comfortable with the idea of multilateral involvement, as it is convinced that regional institutions are dominated by the US and its allies. As a result, China has tended to stress bilateralism and not multilateralism.

More seriously for the ARF's future prospects is the fact that the ASEAN states are not averse to pulling in different directions. An example of internal ASEAN disagreement over the pace and direction of ARF can be seen in the Thai SEA-10 proposal floated at the July 1994 ASEAN Standing Committee meeting. This was to create a 10-nation conference exclusively for Southeast Asian states. Malaysian Foreign Minister Abdullah Badawi stated publicly that such an idea was not necessary, given the existence of ASEAN. This was a pointed rebuff of any Thai move that could dilute ASEAN by creating an organisation or forum that was outside of its ambit. His public rejection of the SEA-10 proposal caused the Thais to respond by stating that it was merely proposed as a means to initiate the three Indochina states and Myanmar into ASEAN affairs in order to facilitate their entry into ASEAN. Eventually, the SEA-10 idea was quietly dropped.⁸⁶

Another example was the public rejection by Indonesia's Defence and Security Minister, General Edi Sudradjat, to a Malaysian proposal to create an ASEAN peacekeeping force which would operate in global trouble-spots under UN auspices. Sudradjat cited the differences in military doctrine in the various armed forces which would hamper the effectiveness of such a force as a reason for his rejection. Moreover, as Sudradjat observed, there had not been any consensus on the proposal among the ASEAN states.⁸⁷

The hope that ASEAN would be able to present a united front against regional Great Powers such as China, in particular over the South China Sea dispute, is not likely to

⁸⁶ Straits Times, 22 July 1994.

⁸⁷ Straits Times, 16 February 1995.

be realised. Although ASEAN has been able to cobble together a consensus calling for the peaceful resolution of the dispute when it issued a declaration on the South China Sea in 1995 at the height of the China-Philippines confrontation over the disputed Mischief Reef, it is clear that not all the ASEAN states want a confrontation with China over an issue which concerns only four of the ASEAN states. Thailand's close political and strategic relations with China, and Singapore's growing economic relationship with it, mean that they would be wary about such moves. Although Malaysia has historically been suspicious of China, it has opted for accommodation and appeasement under Mahathir, as Chapter 7 will demonstrate. It is thus not surprising that ASEAN cannot articulate with any clarity a common position on the Spratleys issue.

Moreover, the growth of ASEAN to eventually include all ten Southeast Asian states will only engender more conflicts of opinions and interests and make consensual decision-making difficult, thus hampering ASEAN's ability to continue to be in the driver's seat. Intra-ASEAN tensions will only become more complicated with the addition of Vietnam, Laos, Kampuchea and Myanmar. In March 1996, Kampuchea threatened the use of force to settle a border dispute with Vietnam, resulting in a forceful warning from Vietnam.⁸⁸ In 1995, border skirmishes with Myanmar troops in pursuit of Karen rebels demonstrated the fragility of Thai-Myanmar relations, with Myanmar accusing Thailand of "not having a neighbourly attitude."⁸⁹ This does not augur well for future relations, given also that the two countries are ancient enemies, having fought countless wars against each other until the last century. Moreover, Thai-Vietnamese rivalry over Kampuchea, and their mutual mistrust, cannot be discounted so easily. As Martin Gainsborough noted, Vietnam maintains a continued geo-political interest in Kampuchea despite the withdrawal of its forces and the resolution of the Kampuchean issue. In the 1990s, Vietnam has been concerned with the close ties between some Thai military figures and the Khmer Rouge, as well as continued close relations between Thailand and China.⁹⁰ It is thus not surprising that

⁸⁸ Straits Times, 17 March 1996, p.17.

⁸⁹ Myanmar TV (Rangoon, in Burmese), 0800 GMT, 28 May 1995, in BBC/SWB FE/2316 B/1 (1), 30 May 1995.

⁹⁰ Martin Gainsborough, op. cit., p.383.

there is evidence of improving defence relations between Myanmar and Vietnam, with exchanges of high-level defence visits, an unsurprising development given the perception of both for the need to contain Thailand on the Southeast Asian continent.⁹¹ Thus, one can only conclude that the addition of the Indochinese states and Myanmar will not improve stability, but in fact will complicate matters by now ASEANising these mutual suspicions and disputes, to add to the already difficult intra-ASEAN tensions, which will be examined in the next chapter.

There are thus clearly problems with the ASEAN approach centred around the ARF multilateral process. They also demonstrate once again the intra-ASEAN differences to managing regional order, which have existed from its inception, and which has bedevilled the scope of ASEAN regional cooperation through to the present time. The ASEAN states would not be able to impose themselves on the major powers, which would defend their interests in the region much less passively than the ASEAN states would have hoped. Indeed, any regional security structure would need the active concurrence and support of these powers in order to be effective.

4. The Development of Economic Cooperation

4.1 The Failure of the PTA

ASEAN economic cooperation has been one of the main objectives since its establishment in 1967. Underlying this regional economic cooperation has been the belief that it would contribute to the internal resilience, and hence, internal stability of each state, thereby contributing, in Indonesia's perspective, to regional resilience. Indonesia believes that if every country in the region adopted national resilience as the key strategy for survival, there would be regional resilience as well. Regional resilience would help to ward off Great Power penetration and promote regional stability. This regional stability would in turn promote domestic economic development and growth, thereby contributing to the ASEAN states' domestic stability

⁹¹ See for instance the visit of the Vietnamese defence minister, who was warmly received by his Myanmar military counterparts, in VNA News Agency (Hanoi, in English), 1456 GMT, 24 February 1995, in BBC/SWB FE/2239 B/1 (3), 28 February 1995.

and reduce internal threats to the state. Conversely, any instability in the region, even domestic instability, could well affect the rest because it would reduce regional resilience, allowing Great Power penetration. Security and economic issues are therefore seen as interlinked as well as regional in scope.

This "security through development" approach has been discussed in Chapter 2, and it is sufficient to note here that the concept of resilience has become an ASEAN consensus. However, the pace of economic cooperation has been painfully slow. After the groundbreaking Bali Summit of 1976 which saw a galvanised ASEAN in the face of the events in Indochina the previous year, the ASEAN Economic Ministers had been keen to develop concrete proposals from the broad policy guidelines that had been laid down. But there were clear divisions. Singapore was keen to promote intra-ASEAN trade by means of substantial tariff reductions, while Indonesia and Malaysia were reluctant to endorse such moves because of their less competitive, much more heavily-protected economies. Despite this, a Preferential Trading Arrangements (PTA) agreement was signed in 1977. The PTA took a gradual approach to the question of tariff cuts and the pace was painfully slow. In fact, the amount of trade under the PTA has not been significant due to the existence of long exclusion lists.

The ASEAN states also attempted to select a number of showcase projects to demonstrate their joint approach to industrial development. It was agreed that Singapore would build diesel engines, while Indonesia and Malaysia would produce urea fertiliser, Thailand would make soda ash and the Philippines would make superphosphate. However, opposition to Singapore's high-profile diesel project, which could conflict with other similar projects in the other ASEAN states, resulted in Singapore abandoning the project altogether.

In addition, the ASEAN Chambers of Commerce (ASEAN-CCD) have proposed a number of schemes for industrial complementation, but consensus on how to treat products made under complementation meant that these schemes failed to produce the hoped-for results. In 1981, ASEAN did manage to agree on an ASEAN Industrial Complementation (AIC) scheme, but the results were meagre.

Singapore, for instance, opposed giving special treatment for products under such schemes, on the grounds that this would result only in further protectionism and could even lead to a monopoly in the region for an ASEAN product.⁹²

Other ASEAN ventures in economic cooperation, however, did show some results. These include a Food Reserve Scheme, an emergency oil-sharing scheme, a US\$100 million swap arrangement between central banks, and an ASEAN Finance Corporation designed to promote intra-ASEAN trade and investment. In 1979, an ASEAN Common Agricultural Policy was announced, the objective of which was to increase ASEAN cooperation in the production of foodstuffs.⁹³

Cooperation in other areas such as labour relations, social welfare, narcotics control, civil aviation, cultural exchanges, population programmes and natural disaster relief have also been developed. These have helped in some ways to promote the idea of regional cooperation.

Despite the evident if slow progress, there were a number of reasons why regional economic cooperation faced difficulties in widening its scope. The most obvious is the competitive as opposed to complementary nature of all the ASEAN economies, except for Singapore. Even then, the other ASEAN states do want to develop high-tech, high value-added industries that can compete with Singapore. Indeed, it is not so much with each other that they trade than with export markets located in Europe, Japan and North America, the result being that the scope for intra-ASEAN cooperation is constrained. In addition, there is also the lack of competitiveness as well as relatively low economic development of some of the ASEAN states, such as Indonesia and the Philippines, with the result that protecting domestic industries and agriculture is a political necessity for them despite the long-term benefits of wider markets and lower tariffs.

⁹² David Irvine, *op. cit.*, pp. 61-62.

⁹³ *Ibid.*, pp.62-63.

4.2 The ASEAN Free Trade Area and its Problems

Nevertheless, the end of the Cold War in 1989, as well as the advent of the North American Free Trade Association (NAFTA) and the European Common Market, spurred ASEAN to act in order to protect its own bargaining power and its economic interests. ASEAN thus agreed to establish an ASEAN Free Trade Area (AFTA) within 15 years beginning 1 January 1993, with the goal to be achieved by 2008.⁹⁴ Indeed, AFTA was a recognition of the need for greater economic integration in the face of growing economic regionalism and the prospect of more intense competition for foreign investment in the region. Thus, Singapore Prime Minister Goh Chok Tong stated that the advent of the European Common Market and the North American Free Trade Area (NAFTA) had now defined the new operating environment for ASEAN.⁹⁵

The idea of the AFTA was first mooted by then Thai Prime Minister Anand Panyarachun and supported by Goh Chok Tong. In October 1991, the ASEAN Economic Ministers agreed on a framework agreement on free trade. This was subsequently endorsed at the Fourth ASEAN Summit in Singapore in 1992, when the Common Effective Preferential Tariff (CEPT) scheme for AFTA was agreed upon (See Appendix 5).⁹⁶ CEPT was launched the following year in January 1993.⁹⁷

The aim of AFTA is the creation of a common market with some 330 million people and a GNP of over US\$300 billion. The goal is to lower import tariffs for all goods traded under the CEPT. Products under the CEPT would have tariff rates of under 5 per cent. Under individual CEPT lists to be submitted by the ASEAN states, a range of manufactured and processed agricultural products were to be volunteered for graduated tariff cuts.⁹⁸

⁹⁴ Singapore Bulletin, vol. 20, no. 3, March 1992, p.1.

⁹⁵ Ibid.

⁹⁶ Straits Times, 5 October 1993. For details of the agreement, see Lee Lai To and Arnold Wehmhoerner (eds), ASEAN and the European Community in the 1990s (Singapore: Singapore Institute of International Affairs, 1993), pp.30-37. See also Appendix 5.

⁹⁷ Annual Report of the ASEAN Standing Committee, 1992-1993 (Jakarta: ASEAN Secretariat, 1993), p.1.

⁹⁸ Ibid.

However, there are once again clear differences over the pace and direction of economic regionalism. While Singapore and Thailand supported full implementation in the shortest possible time, a sensible policy in view of their dynamic economies, Indonesia, with its less well-developed economy, has been reluctant to embrace a swift timetable. Moreover, the existence of an exclusion list where members could omit products from the CEPT list provided a backdoor to avoid any serious commitment to the stated goal of an ASEAN common market. Such provision for foot-dragging cannot augur well for its future, for its success ultimately depends on the individual ASEAN states seeing it to be in their common interest, a difficult expectation given the expansion of ASEAN membership and the differing economic development within its membership.

Indeed, while the CEPT was agreed upon, it initially failed to get off the ground; while the six ASEAN states were supposed to have begun the process of opening up their economies from January 1993, nothing in fact happened. The 25th ASEAN Economic Ministers Meeting agreed to implement CEPT from January 1994 instead. Indeed, the main reason for the failure of CEPT is the fact that larger states, such as Indonesia, Thailand and the Philippines, have large domestic industries to protect and therefore faced serious internal pressure not to implement the tariff busting under the CEPT.⁹⁹

On the other hand, Singapore, with the most open and efficient of the ASEAN economies, has been predictably positive. Indeed, many business people in the ASEAN states believe that only Singapore, the most efficient and developed of the ASEAN economies, would reap the most benefits of such an exercise. Thailand businesses for instance, feared that its petrochemical, pharmaceutical and electronics industries would all face serious problems under CEPT, particularly competition from its neighbours such as Singapore.¹⁰⁰

In the face of such obstacles, however, decision-makers in the ASEAN states were aware of the need to make some progress in the area of regional economic cooperation,

⁹⁹ Business Times (Singapore), 13 Oct 1993.

¹⁰⁰ Business Times (Singapore), 5 October 1993.

given the reality of NAFTA and the EU. In September 1994, at the 26th Meeting of the ASEAN Economic Ministers (AEM), ASEAN agreed to speed up the implementation of AFTA by five years and to extend tariff cuts to cover unprocessed agriculture. Instead of 2008, the time-frame was now 2003, a reduction from 15 years to 10 years. In his address, the Thai Prime Minister warned the ASEAN states to fight protectionist sentiments within their countries and also called on them not allow short-term interests of some industries to derail the long-term benefits of AFTA. The revised scheme would have zero tariffs, or at most 5 per cent, on a range of products under the CEPT.¹⁰¹ This quicker pace is significant because if fully implemented, it would put the AFTA ahead of the World Trade Organisation, successor of the GATT. More importantly, the new agreement on AFTA also dealt with the problem of products being put into the Temporary Exclusion List by stipulating that such products should be gradually transferred to the Inclusion List within five years beginning January 1995.

In December 1995, the Bangkok Declaration signed by the heads of all the ASEAN governments including Vietnam agreed to speed up the implementation of the AFTA before the target year of 2003.¹⁰² Singapore's Prime Minister warned that ASEAN was no longer ahead of the trade liberalisation process, and that it had to accelerate the pace of trade liberalisation in order to remain an effective player in broader fora such as APEC and the World Trade Organisation (WTO).¹⁰³

The September 1994 agreement and the Bangkok Declaration of December 1995 were timely because of the increasing cynicism over the lack of progress. Moreover, as Singapore's Prime Minister had warned, AFTA was under threat of being overtaken by bolder tariff-reduction proposals at the global level. One reason for the bolder and speedier move was the fear of losing out to APEC, which would thus mean that ASEAN could lose the driver's seat in that wider body, with the economic agenda being taken over by larger states such as China, Japan and the United States. A second

¹⁰¹ ASEAN Update, October 1994, p.1. See also Business Times (Singapore), 22 September 1994.

¹⁰² Straits Times, 16 December 1995.

¹⁰³ Quoted in Straits Times, 15 December 1995.

reason is that intra-ASEAN trade is expanding faster than ASEAN's trade with the rest of the world, and therefore trade liberalisation has become an issue.¹⁰⁴

However, there are still problems with the revised AFTA timetable. Once again, the larger states with weaker economies such as Indonesia and the Philippines have strong domestic lobbies that want protection from free competition, while Singapore and Brunei have continued to be active proponents of trade liberalisation. The real test of the ASEAN states' commitment to AFTA would be its ability to expand its scope and include more items under its tariff cutting schedule. However, some key areas, such as some key farm commodities and most services, are still not covered under AFTA. Indeed, Indonesia's unilateral declaration ahead of the ASEAN Summit in Bangkok in December 1995 that it would delay tariff cuts to a number of its agricultural products such as rice, took ASEAN by surprise, and prompted Thailand to threaten to take a number of its own products out of the AFTA process, and the Philippines to declare that it too wanted to protect its sugar industry.¹⁰⁵

To accommodate Indonesia, a special category for sensitive farm items had to be set up, which would be exempted from tariff cuts until 2010, instead of 2003.¹⁰⁶ On the question of services, the economic ministers signed a framework agreement in December 1995, which was more a statement of intent than any real measure of liberalisation. Under the framework agreement, the ASEAN members agreed to enter into negotiations on measures affecting trade in services, to be concluded in three years.¹⁰⁷ Economic competition has, moreover, been evident. The December 1995 ASEAN Summit initiated the Mekong River development plan, involving the ASEAN states as well as China, Japan and South Korea, the objective being to prevent Thailand from monopolising access to the emerging and potentially lucrative markets of Myanmar, Kampuchea and Laos.¹⁰⁸

¹⁰⁴ In 1994, ASEAN's trade with the rest of the world grew 21% to US\$543 billion, while intra-ASEAN trade expanded by 24% to US\$110 billion. See "Running to Stay in Front", Far Eastern Economic Review, 14 September 1995, p.61.

¹⁰⁵ Business Times, 11 December 1995.

¹⁰⁶ Straits Times, 14 December 1995.

¹⁰⁷ Straits Times, 24 December 1995. For details of the framework agreement, see ASEAN Framework Agreement on Services, Bangkok, 15 December 1995 (Jakarta: ASEAN Secretariat, 1995).

¹⁰⁸ "Hang on Tight," Far Eastern Economic Review, 28 December 1995-4 January 1996, p.16.

Another problem is the consensus rule of ASEAN, which means that specific interests of individual member-states can delay or derail AFTA's full implementation, a real obstacle to progress given the expanding ASEAN membership, particularly as it will be taking on less developed states such as those in Indochina and Myanmar. As Bilson Kurus noted, "the process of economic cooperation or even integration in the context of ASEAN must be screened by the overriding and contending economic nationalism of the ASEAN member states."¹⁰⁹ What is more interesting is that Vietnam, ASEAN's latest member, having joined in 1995, has been exempted from the 2003 target date on grounds of poverty, which means that Kampuchea, Laos and Myanmar would expect the same exemption upon joining, making an ASEAN Free Trade Area a rather dubious proposition.

4.3 Intra-ASEAN Differences Over APEC

The danger is that AFTA could well be overtaken by other broader fora, such as APEC, which indicates wider regional dynamics at work. Indeed, APEC has shown promising signs of Asia-Pacific wide regional economic cooperation since its inception in 1989.¹¹⁰ It received a welcome boost when the ASEAN states endorsed APEC becoming a free trade area by 2020 at its 1993 ASEAN Economic Ministers Meeting (AEM), although this fell short of the 2010 target for APEC economies recommended by business leaders in the APEC region, as contained in its Business Blueprint for APEC.¹¹¹ The same economic ministers also publicly stated their goal of making the AEM take a more active and prominent role in guiding APEC in order to promote common ASEAN interests.¹¹²

While APEC is a means of promoting economic cooperation in the Asia-Pacific region, there are more important objectives. Indeed, it is one vital aspect of the evolving post-Cold War regional order. Its success, if realised, will do much to

¹⁰⁹ Bilson Kurus, "The ASEAN Triad, National Interest, Consensus-Seeking and Economic Cooperation," in Contemporary Southeast Asia, vol. 16, no.4, March 1995, p.418.

¹¹⁰ Straits Times, 23 September 1994.

¹¹¹ Report of the Pacific Business Forum: A Business Blueprint for APEC (APEC, October 1994), p.2.

¹¹² "ASEAN Ministers Pledge Closer Ties and Active Role in APEC", Singapore Bulletin, vol. 21, no. 12, December 1993, p.1.

promote economic growth and stability in the region, as well as strengthen economic interdependency. This in turn will help to preserve the status quo and provide the beneficiary states in the region with the incentive to maintain stability and avoid conflict, in much the same way as the EC. Indeed, economic regionalism is seen as a means of engaging the larger regional powers to provide them with a stake in regional stability and growth. Philippine President Ramos stated as much when he announced that increasing China's economic interdependence with the region would ensure peace in the Asia-Pacific, despite the continuing dispute over the Spratley Islands. He stated the view that it would not be through military alliances or arms build-ups but increasing economic interdependence that would ensure regional stability.¹¹³ While this did not obviate the perceived need for military modernisation programmes in the region, it did point to the general realisation among the ASEAN states that economic regionalism is important to regional stability in the post-Cold War era after 1989.

The formation of APEC, however, has been the subject of Malaysian objections. Mahathir launched a competing East Asia Economic Caucus (EAEC), which would have been strictly limited to the Asian nations, to the exclusion of states such as Australia, Canada and the United States.¹¹⁴ Central to Mahathir's concern was the possibility that APEC could threaten the existence of ASEAN.¹¹⁵

This was immediately opposed by Indonesia. Indeed, Indonesia under Suharto has shown a more assertive foreign policy approach in recent years, and it is no secret that Suharto has been irritated by Mahathir's apparent attempt to gain the centre stage by schemes such as the EAEC. Mahathir's failure to consult Indonesia over the idea was seen as a snub on Suharto, and this contributed to a negative Indonesian reaction to the whole concept.¹¹⁶ Mahathir continued to push the EAEC line at the ASEAN Summit in 1992 in Singapore, much to the irritation of Suharto, by arguing that East Asian countries should be able to set up their own grouping independent of the US. Mahathir

¹¹³ Radio Filipinas (Manila, in English), 0230 GMT, 10 November 1995.

¹¹⁴ Business Times (Singapore), 21 July 1993.

¹¹⁵ The Weekend Australian, 4-5 November 1995, p.12.

¹¹⁶ Far Eastern Economic Review, 16 January 1992, p.26.

declared that "we do not understand why we are not allowed to speak with each other, or even call each other East Asian."¹¹⁷

In the end, it was a skilful compromise of accepting the EAEC as a caucus within APEC that averted an open showdown between Malaysia and Indonesia. The fundamental premise of the compromise is that the two forums are not really incompatible after all.¹¹⁸ Indeed, Malaysia appeared to get what it wanted, that of the EAEC as a formal entity tied to ASEAN through the ASEAN Economic Ministerial Meetings, while Indonesia got rid of the EAEC as a direct threat to APEC which it strongly supported. However, Malaysia publicly lamented ASEAN's "lack of resolve" over the EAEC, an indirect criticism of Indonesia. Malaysian Foreign Minister Datuk Abdullah Badawi stated that the "interests and concerns of smaller APEC members, such as those in ASEAN, seemed to have been given short-shrift," and further warned that unless ASEAN remained "resolute and steadfast in defending ASEAN positions and interests," ASEAN would end up being taken for granted, or be used by others to secure their own interests.¹¹⁹

A breakthrough for APEC came at the Bogor Summit hosted by Indonesia in November 1994, with the 18 members agreeing to establish a free trade area by 2020. Indeed, Indonesia was clearly keen to promote APEC despite Malaysian reservations about the threat this posed to ASEAN. The Osaka Summit of APEC in 1995 resulted in the Osaka Declaration, which stated that it was now time to "begin the preparation of concrete and substantive action plans."¹²⁰ Significantly, the US Secretary of Defence also suggested that APEC could take on security problems, which could "act as a foundation for building mutual confidence."¹²¹ The Philippines also called on APEC to be used as "a model for a similar multilateral security forum."¹²² While the other states were unenthusiastic at this point, it is interesting to note that a previously

¹¹⁷ Far Eastern Economic Review, 6 February 1992, p.11.

¹¹⁸ Business Times (Singapore), 28 July 1993, p.22.

¹¹⁹ Straits Times, 30 July 1995.

¹²⁰ The APEC Osaka Declaration, text reported by Kyodo News Agency (Japan), 0852 GMT, 19 November 1995, in BBC/SWB FE/2465 S1/8 (12), 20 November 1995.

¹²¹ Sydney Morning Herald, 18 November 1995.

¹²² "Call to Use APEC as a Model for Security Forum," Straits Times Interactive (on-line), 16 January 1997.

taboo topic had been broached. Should this occur in future, the question that must arise is what would happen to the ARF. Indeed, an APEC with security functions, a possibility once it acquires more formal structures and machinery, would mean the ASEAN states losing the driver's seat in the regional security agenda, and thus reduce their ability to influence the shape and direction of the regional order.

Among the ASEAN states, there continues to be clear differences over the whole APEC process. Malaysia, for instance, wants to be able to cling on to its developing status and the protectionist privileges that go with it, particularly in the face of the wider Asia-Pacific tariff-busting approach under APEC, which could, in the short-term, hamper Malaysia's rapid push towards developed status. Indeed, while Malaysia announced that it would host the 1998 APEC Summit, it managed to add an addendum to the final Declaration at Bogor, stating that the date of 2020 was not binding. Mahathir stated that "we interpret this as allowing us to go beyond 2020, if our stage of development has not yet caught up."¹²³ Mahathir also issued a set of "reservations" which stated that Malaysia would commit itself to further trade liberalisation only "at a pace and capacity commensurate with our level of development."¹²⁴

This set a precedent for other states to drag their feet over the stated goal of a free trade regime by 2020, and could be a means to opt out. Indeed, even China's President Jiang Zemin stated that while China endorsed the liberalisation of trade as a long-term goal, it should "be implemented in a gradual manner."¹²⁵ Moreover, the Bogor Declaration had committed APEC's industrialised economies to achieve free trade by 2010 and developing ones by 2020. The problem is defining which state is developed and which is not, particularly newly-industrialising ones such as South Korea and Malaysia. In another sign of disagreement, there was, subsequent to the Bogor Declaration, debate on the definition of free trade.¹²⁶

¹²³ The Economist, 19 November 1994, p.29.

¹²⁴ Far Eastern Economic Review, 24 November 1994, p.14.

¹²⁵ Sydney Morning Herald, 17 November 1994.

¹²⁶ "Asians concerned by APEC Deadlines," The Weekend Australian, 25-26 February 1995, p.14.

There also remained the task of translating the lofty ideals at Bogor into concrete reality in the face of the diverse interests of some 18 states, all looking after their own national interests. While the Osaka Summit in 1995 was billed a success, Malaysia again declared that there was no obligation for any member to liberalise, whether it was 2010 or 2020, arguing that "these are only dates we should strive to achieve."¹²⁷ There were also concerns that APEC's agenda had been weighed too heavily in favour of free trade and investment, the main objectives of the US, while some Asian states wanted more stress on economic and technological cooperation.¹²⁸ In addition, the sensitive issue of agriculture had been avoided thus far, indicating the potentiality for divisiveness in its later stages of development.

The Manila Summit of 1996 was similarly disappointing. While President Ramos insisted that APEC had moved "from vision to action," the fact was that the trade barriers APEC was designed to lift remained in place, and there was no progress towards setting the agenda for a new round of trade negotiations under the WTO.¹²⁹

There have thus been differences over APEC's future direction, and limits as to how far APEC could develop. Moreover, if APEC succeeds in developing more formal structures and machinery, AFTA could be overtaken. In addition, should security issues become part of the APEC process, the ARF would be endangered, with ASEAN losing the driver's seat.

5. Constraints on ASEAN's Regional Cooperative Approach Since 1975

The approach of the ASEAN states towards regional order since 1975 has been that of constructing a security community among the various ASEAN states, using ZOPFAN as its guiding philosophy. However, problems with the ASEAN approach to regional

¹²⁷ "Seeking a Community," Asiaweek, 1 December 1995, p.35.

¹²⁸ Ibid. See also Mahathir's view on this in "Prime Minister Speaks out Against Structure of APEC," as reported by the Voice of Malaysia External Service (Kuala Lumpur, in English), 0800 GMT, 13 November 1995, in BBC/SWB FE/2460 B/5 (12), 14 November 1995. Mahathir stated that APEC should not be structured and that it should have programmes to help the less developed countries.

¹²⁹ Far Eastern Economic Review, 5 December 1996.

order, particularly intra-ASEAN differences over regional political and economic cooperation, have placed real limits on the realisation of this objective.

Disagreement over the approach towards regional order was already evident before 1975. The ZOPFAN concept was adopted in the Kuala Lumpur Declaration of 1971 as a response to the impending withdrawal of the US from Southeast Asia, as enunciated by President Nixon in Guam in 1968. While ZOPFAN was meant to represent a concerted ASEAN approach to managing regional order, there were divisions within ASEAN on what it meant; indeed, even the desirability of neutrality was questioned by some member-states. Thailand and the Philippines, allies of the US through SEATO, were reluctant signatories, while Singapore clearly preferred a balance of power approach centred on security arrangements with friendly Western powers, a stance aimed at preventing local regional power dominance, particularly that of its giant neighbour, Indonesia. More significantly, the Great Powers themselves failed to respond to the ZOPFAN proposal. Shorn of the support of both member-states as well as the Great Powers, it was thus not surprising that ZOPFAN could not work.

The Bali Summit of 1976 was a genuine attempt to provide ASEAN with direction and purpose, and to begin the serious task of constructing a regional security community in response to the events in Indochina the previous year. The resulting Treaty of Amity and Cooperation provided the framework under which the ASEAN states would ideally conduct relations both among themselves as well as with the victorious communist states in Indochina. However, while the statement of principles was a useful basis for ASEAN regional cooperative ventures, the provision of mediation under the Treaty has been little used, with bilateralism continuing to be the preferred means of resolving inter-state disputes. This reflected the desire not to allow other ASEAN states to interfere, the lack of confidence in such mechanisms, and the jealous guarding of national sovereignty and interests. Moreover, the Indochinese states rejected this overture from ASEAN, with Vietnam continuing to view ASEAN as a US-influenced organisation.

Vietnam's invasion of Kampuchea in December 1978 elicited a joint ASEAN response opposing Vietnam's actions. However, despite the apparent united stand, the real differences in perception continued to manifest themselves. The Kuantan Declaration in 1980 reflected the readiness of both Indonesia and Malaysia in accepting Vietnamese domination of Indochina, on the grounds that China was a greater threat to the region. This stand was at odds with Thailand and Singapore, which felt that Vietnam's invasion and occupation of Kampuchea should be opposed because Vietnam and its backer, the Soviet Union, were more significant threats to regional security.

ASEAN unity was sorely tested by the Kuantan initiative and was only saved by Vietnam's intransigence towards the Indonesian and Malaysian overtures, leaving both countries with little choice but to back Thailand, not just to prevent an ASEAN split but also in the hope that it would not turn to China for support.

From 1989 onwards, with the end of the Cold War, the breakdown of bipolarity, the rise of regional Great Powers and the flux in the regional order, the ASEAN states began to reinterpret the ZOPFAN concept to accommodate its new strategy of an inclusive security regime. There were indications that Southeast Asian regionalism would eventually embrace all the Indo-Chinese states as well as Myanmar and that ASEAN would come to assume additional security functions in order to make it more relevant to the conditions of the future. There is evidence too, that the advent of economic regionalism in Europe and North America has provided an impetus for ASEAN to accelerate regional economic cooperation.

However, ASEAN's ability to act together in order to ensure a regional cooperative approach in both political-security and economic areas has once again been constrained by a number of obstacles, one of which is clearly the divisions within ASEAN itself.

Despite the increase in regional cooperation after 1975 and moves to increase it after 1989, the divisions stemming from intra-ASEAN differences over political and

economic cooperation have continued to present clear barriers to further steps towards cooperative regionalism. These constraints have thus existed throughout ASEAN's existence, right to the present post-Cold War era.

Regional economic cooperation has clearly not fared well, with AFTA having problems despite the lofty political sentiments that have accompanied its launch. In recent years, both Malaysia and Indonesia, which have shared a common strategic outlook, have also repeatedly clashed over the issue of the pace and direction of APEC. In part, this has to do with the clash of egos of two very strong-willed personalities, Mahathir and Suharto, both of whom are seeking to put their personal stamps on the world stage. While Suharto has championed APEC, Mahathir has emerged as a sort of Asian hero with his more narrow and exclusive concept of the EAEC.

Moreover, there are in the 1990s, signs of Indonesian assertiveness. Indonesia has taken an active role in resolving the Kampuchean issue, in steering the Non-Aligned Movement, as well as assuming a leading role in APEC, with President Suharto chairing the historic Bogor Summit. Indeed, an article in the leading Indonesian newspaper, Kompas, envisaged that:

Indonesia is in a position to lead other Southeast Asian countries and countries outside the region, like Australia, in facing the threat (from China). Diplomatic and military means should be gradually based on the principles of a balance of power.¹³⁰

The size and the sustained economic development of Indonesia has given its government the increased confidence to act in a more assertive manner regionally as well as to take on a higher international profile. This assertiveness is likely to remain a feature of Indonesian foreign policy after Suharto departs from the scene. There is also the uncomfortable precedent of an assertive Indonesia under Sukarno in the

¹³⁰ Kompas (Jakarta, in Indonesian), 22 May 1995, pp.4-5, in BBC/SWB FE/2311 B/3 (3), 24 May 1995.

1960s, who had used nationalism and external adventures to divert attention from internal problems.

Then, there are also intra-ASEAN tensions which simmer beneath the surface of regional cooperation. Much of these very real tensions will be examined in detail in the next chapter. What is significant is that the ARF has avoided these bilateral intra-ASEAN disputes and issues, concentrating instead on common security issues and problems. The failure of ASEAN to evolve effective mechanisms to resolve its own intra-ASEAN issues does not bode well for its future, particularly when all the Indochinese states and Myanmar eventually join, as the tensions and problems between them and other ASEAN states, notably Thailand, are no less severe. While the regional security dialogue process centred around the ARF constitutes an important CBM among the ASEAN states, there is little evidence that the ASEAN states are prepared to move into more intrusive CBMs or to take a more structured approach through greater institutionalisation. There are also clear differences over the pace and direction of the ARF, the result being that the ARF has in fact accomplished little.

Moreover, the enlargement of the membership of ASEAN would place constraints on its ability to act, given the very different histories and experiences of all the various states, not to mention the varying levels of economic development. Nor is there any indication that ASEAN would be prepared to act in concert and confront a major power such as China should it attempt to enforce its claims to territory in the South China Sea, given the differing threat perceptions.

There are also larger processes at work which, together with the intra-ASEAN divisions, do not bode well for future regional cooperation. The APEC, EAEC and the common security process now operating under the ARF, indicate a broader Asia-Pacific or at least East Asian political-economic dynamic at work, one which could easily subsume ASEAN. While APEC is still moving slowly, should it develop greater institutional machinery, and take on security issues, ARF could well be rendered irrelevant. Despite this danger, Indonesia has enthusiastically supported the

APEC process, something that does not bode well for ASEAN given that Indonesia has been ASEAN's strongest proponent.

This chapter has shown that the inherent nationalism of each ASEAN state has posed limits to ASEAN's efforts at regional cooperation. The diversity within ASEAN has always been a handicap to its further development, particularly in its institutionalisation. Moreover, it has always been the policy of the ASEAN governments not to allow ASEAN to develop to the extent of having its own regional identity at the expense of the individual states. Indeed, the tendency of each ASEAN state to react to common issues according to its own interests poses inherent limits on the scope for further cooperation.

What is also significant is the role of the Great Powers. Despite efforts at self-reliance, Thailand has established a strategic alliance with China since 1979, and various ASEAN states have retained alliance relationships or defence cooperation agreements with extra-regional powers such as the United States (principally, Thailand and the Philippines, and more recently, Singapore) and Britain (Malaysia, Singapore and Brunei).

The ultimate reliance on Great Power guarantees illustrate the basic weakness of the ASEAN states in managing the regional order. In addition, differences over regional political and economic cooperation among the ASEAN states have constituted serious constraints on their ability to influence the regional order. Despite the rhetoric of cooperative regionalism, the ASEAN community is riven by differing perceptions and interests, demonstrating the fact that a security community on the lines of the European Community will not occur in Southeast Asia.

CHAPTER FOUR

SECURITY CHALLENGES FROM INTRA-ASEAN TENSIONS

1. Tensions Between the ASEAN States

Security analysts have come to accept that some sort of security community now exists. That is, the ASEAN states accept certain common rules and have learnt to resolve their disputes peacefully without resort to the use of force. Geoffrey Wiseman's view, for instance, is typical of this common school of thought:

ASEAN's development has produced a new set of attitudes and informal conflict-avoidance mechanisms which currently make war between member-states unlikely.....the ASEAN experiment poses an interesting challenge to the thesis that only democratic states do not go to war with each other.¹

The academic literature has thus tended to skirt the issue of inter-state tensions among the ASEAN states, which has not been given the importance it deserves. The focus has been on ASEAN's development and its success in regional cooperation in the political and economic fields since 1975. Underlying the optimistic view is the perception of ASEAN's growing political cohesion as seen by its success in leading an anti-Vietnam coalition in the international arena in opposition to Vietnam's invasion of Kampuchea in December 1978, its promulgation of an ASEAN Free Trade Area (AFTA) and its prominent role in APEC and the ASEAN Regional Forum.

Whilst these achievements are laudable, one might legitimately ask if the inter-state issues, tensions and historical, racial and religious animosities that had characterised their relations in the early days of their independence in the 1960s and 1970s no longer matter, that their severity have somehow diminished through the passage of time and the success of ASEAN regional cooperation. It is now commonly assumed that the

¹ Geoffrey Wiseman, "Common Security in the Asia-Pacific Region" in Pacific Review, vol. 5 no. 1, 1992, p.48.

ASEAN region has achieved such a level of consensus regarding the rules of bilateral and multilateral engagement that the states comprising ASEAN have attained a level of maturity in their sense of community akin to that of the European Community; meaning that disputes will be resolved peaceably. Indeed, Amitav Acharya, writing in Pacific Affairs in 1991, proclaimed that ASEAN had succeeded in becoming a security community.²

Nothing could be further from the truth. Much of academia understates the fact that despite the establishment of ASEAN, inter-state issues, territorial disputes, and historical, ethnic and religious animosities continue to underlie the relations between the various ASEAN states. Such dynamics have affected inter-state relations to this day, inspite of some 30 years of development in regional cooperation, and have placed serious constraints on the development of an ASEAN security and economic community along the lines of the European Community.

Various pairs of bilateral relations within the ASEAN states are so wrought with contentious and fundamentally important issues of territory, disputes which are also rooted in history, ethnicity and religion, that inter-state conflict between the various ASEAN states cannot be ruled out. Indeed, Singapore's then Foreign Minister candidly stated that:

The prime reason for conflict in Southeast Asia was never superpower intervention but local rivalries that had their root causes in historical animosities, racial and religious divisions or competition for influence and resources.³

These issues have affected, and continues to affect, the security policies of the ASEAN states. They also place real limits and constraints on their ability to cooperate on regional matters, particularly in security matters. The various pairs of bilateral issues need to be examined in some detail in order to appreciate their real significance as

² Amitav Acharya, "The Association of Southeast Asian Nations: Security Community or Defence Community?" in Pacific Affairs, vol.64, no.2, Summer 1991, p.176.

³ Michael Richardson, "Breaking Down Asian Barriers", in Asia-Pacific Defence Reporter, September 1990, p.24.

challenges to the security of the ASEAN states as well as to the wider regional order. They are also the reason why the ASEAN states are a long way from achieving the sense of regional community such as that existing within the European Community. The implication is that these issues and mutual suspicions place real limits on regional cooperation and hence the ability of the ASEAN states to collectively manage the wider geostrategic environment.

This chapter will examine the various bilateral issues which have posed the most significant challenges to the security of the ASEAN states as well as barriers to regional cooperation. A major key to ASEAN stability is arguably the Singapore-Malaysia relationship, characterised as it is by a single-minded pursuit on Singapore's part for a strong deterrent capability vis-a-vis Malaysia. The Malaysian response has resulted in a situation of competitive arms acquisitions; in effect, an arms race between two states aimed at mutually deterring each other. Underlying this mutual suspicion are strong racial, historical and religious undertones which characterise the Malaysia-Singapore relationship. Their effects on the development of regional cooperation, and their potential threat to regional security, should not be underestimated.

A second intra-ASEAN issue is the Malaysia-Philippines dispute over the Sabah issue, an issue that is characterised by a clash of two nationalisms and two different religions with a history of bitter conflict with each other. In addition, relations between the two states have also been affected by alleged Malaysian support for the Moro Muslim rebellion in the southern Philippines.

A third intra-ASEAN issue is that between Malaysia and Indonesia. While the bitterness of Confrontation has given way to what might appear to be friendly relations, there is a simmering dispute over the Sipadan and Ligitan Islands, with evidence to suggest that this issue has been more significant than generally believed.

Similarly, the Brunei-Malaysia relationship has, beneath the veneer of bilateral cordiality and ASEAN solidarity, been characterised by suspicions on the part of the Brunei royal family over Malaysia's ultimate intentions. Finally, Malaysia's relations

with Thailand have been marked by Thai suspicions at what it sees as Malaysia's covert support of Malay-Muslim armed separatists in the southern provinces. Recent clashes over maritime boundaries and fishing rights have also raised the possibility of conflict over such issues, with the Thai military openly citing this as the rationale for its recent massive naval build-up.

The effect of these bilateral issues and tensions has been an accelerating pace in military modernisation among all the ASEAN states, which has become increasingly evident since the early 1980s, although there are also other causes, as the next chapter will show. Thus, the military modernisation of the ASEAN states may not be in response to geostrategic developments alone, and they could well be taken to counter each other. In addition, while the ASEAN states have in recent years tried to get the US to remain engaged in the region, they do so with varying motives; some feel threatened by a resurgent China, others by their own ASEAN neighbours. As a US security analyst puts it, "the limited air and naval port rights that Singapore has given the US provide extremely useful military facilities, while giving Singapore added security against any challenge from Malaysia and Indonesia."⁴

This chapter will provide evidence that intra-ASEAN tensions are a major constraint to ASEAN cooperative regionalism. Indeed, intra-ASEAN tensions are so serious that they are themselves sources of conflict. Some of these issues are so intractable, given that they mainly concern disputed territorial claims, that they constitute significant barriers to a united ASEAN voice in regional issues and place real limits to progress in bilateral and regional cooperation, with its attendant consequences on the ability of the ASEAN states to manage the regional order.

⁴ Anthony H Cordesman, "America's Options in Asia: Partnership or Retreat," in Armed Forces Journal International, February 1992, p.40.

2. Singapore-Malaysia Relations

2.1 Tensions Between Singapore and Malaysia

Relations between Singapore and Malaysia have alternated between periods of public cordiality and heightened emotive tensions. This can be explained by historical factors, particularly the circumstances surrounding the unpropitious nature of Singapore's birth. As part of British Malaya, Singapore had always been expected to remain a part of the Federation of Malaya when independence eventually came. There is no need to examine all the contentious events surrounding Singapore's independence in August 1965, suffice to note that political tensions between the ruling United Malays Nationalist Organisation (UMNO) and the People's Action Party (PAP) led by Lee Kuan Yew became so serious that Singapore had to be expelled from the Malaysian Federation in order to prevent racial bloodshed. Indeed, it was Lee Kuan Yew's attempt to set up a rival opposition coalition against the ruling coalition dominated by UMNO that sparked deep political and racial fissures.

The Malay-Chinese animosity found expression in violent race riots in 1964 and 1969 in Singapore and Malaysia. Over 2,000 people died in the May 13 riots of 1969 in Malaysia.⁵ Anti-Chinese feelings in Malaysia remain potent because of continuing acrimony over political, economic and social issues. In addition, geographical propinquity and the strong kinship ties between the people of both countries mean that racial conflict can easily spill over to Singapore, as happened in 1964 and 1969.⁶

Then Prime Minister Lee Kuan Yew's threat perceptions are succinctly summed up thus: "If neighbours are peace-loving, I have no need for burly Englishmen to guard me with sturdy Gurkhas." ⁷ Indeed, Singapore was safe so long as the British naval base, the largest outside of Britain, still existed. However, in 1968, the announcement

⁵ Richard Clutterback, Conflict and Violence in Singapore and Malaysia (London: Graham Brash, 1984), p.289.

⁶ Chin Kin Wah, "Singapore: Threat Perceptions and Defence Spending in a City-State," in Chin Kin Wah (ed), Defence Spending in Southeast Asia (Singapore: Institute of Southeast Asian Studies, 1987), p.198.

⁷ Straits Times, 5 September 1966.

of the British withdrawal left Singapore on the brink of despair, as it had neither an air force nor a navy, not to mention the lack of a proper army. Moreover, the British base employed over 40,000 people and contributed 20% to the GNP.⁸

The Singapore leadership, however, was determined that Singapore should survive. In this, Singapore looked to Israel as a model; that Israel was able to survive despite outright hostility from its much larger surrounding neighbours greatly impressed the Singapore leadership, which saw Singapore's situation as similiar to Israel's. In fact, in 1962, Lee Kuan Yew himself stated that "Singapore, with its predominantly Chinese population would, if independent on its own, become Southeast Asia's Israel with every hand turned against it." ⁹ Moreover, in its bid to gain international recognition, Israel was prepared to offer the kind of military assistance that Singapore needed. The result was the establishment of the Singapore Armed Forces (SAF) with the help of Israeli military advisers. Beginning in 1967, Singapore methodically adopted Israel's military deterrent strategy, imposed national service on all able-bodied youth, and proceeded to implement a strategy of "Forward Defence", which contained many elements of the Israeli strategy of pre-emptive defence, in the belief that such a provocative and tough military posture would constitute an effective deterrent.¹⁰

Singapore's military build-up, in particular, its choice of Israel as a model, was greeted with hostility in Malaysia and, to a lesser extent, Indonesia. Malaysia's ruling UMNO accused Singapore of "trying to create an Israeli state for the purpose of suppressing Malays as has happened in Israel where Muslims were pressed down and suppressed (sic)...the PAP government is trying to launch a war of nerves between the races." ¹¹ Indonesia's Sinar Harapan, typically portrayed Singapore as having a "hidden motive", warning that Singapore would "one day strive to seek new territories to handle her repidly increasing population...if not by peaceful means, then possibly by force." ¹²

⁸ John Drysdale, Singapore: Struggle for Success (Singapore: Times, 1984), pp.401-402.

⁹ Quoted in Michael Leifer, "Israel's President in Singapore: Political Catalysis and Transnational Politics," in The Pacific Review, vol. 1, no.4, 1988, p. 342.

¹⁰Yuan-Li Wu, "Planning Security for a Small State: Lessons from Singapore," in Pacific Community, July 1972, p. 662.

¹¹ T.J.S. George, Lee Kuan Yew's Singapore (London: Andre Deutsch, 1972), pp. 170-171.

¹² Translated article in National Pioneer (Singapore Armed Forces News), 9 April 1970, pp.8-13.

Cordial relations with both her Malay neighbours were established by the 1970s. However, there were still underlying fears of Singapore being made a convenient target of domestic political-economic discontent with their economically-powerful Chinese minorities. Indeed, Singapore's Chineseness (76% of the population is Chinese) makes her suspect, because it is perceived that she could somehow constitute a base for Chinese communist subversion.¹³ In addition, there continues to be a great deal of resentment against Singapore's visible economic success. In 1972, a Western analyst noted that because of the danger of Malay-Chinese conflict in Malaysia, and the existence of fundamental differences between Singapore and Malaysia, "the possibility of conflict between Malaysia and Singapore cannot be precluded."¹⁴ This view reflects the perception that Singapore might intervene militarily in Malaysia in any serious communal violence due to the fact that many Singapore Chinese have relations in Malaysia.

2.2 The Singapore-Malaysia Deterrent Relationship

In a seminal article, Tim Huxley refers to the "tense relationship between Malaysia and Singapore" and points out that the seriousness of the bilateral problems between the two countries is reflected in the military sphere. He asserts that "Singapore's defence policy...evinces an overriding concern with the deterrence of Malaysia." ¹⁵

In addition, Huxley claims that:

there has been persistent concern over the possibility that a strongly nationalist or Islamic Malaysian government might attempt to radically revise the present domestic ethnic balance of economic and political power, creating the sort of tensions which resulted in the traumatic race riots of May 1969. Such tensions might be accompanied by strong domestic pressures on the Singapore government to intervene militarily.¹⁶

¹³ Far Eastern Economic Review, 20 October 1983, p.49.

¹⁴ David Hawkins, The Defence of Singapore: From the Anglo-Malayan Defence Agreement to ANZUK (London: United Services Institute for Defence Studies, 1972), p.54.

¹⁵ Tim Huxley, "Singapore and Malaysia: A Precarious Balance?" Pacific Review, vol. 4, no. 3, 1991, p. 204.

¹⁶ Ibid.

Huxley points out that beneath the veneer of cooperation under the Five Power Defence Arrangement, severe stresses and strains in the bilateral relationship has persisted. There is indeed strong evidence to back this claim by Huxley. As will be demonstrated, Singapore's relations with Malaysia has been characterised by a number of issues, the two most serious being the Herzog crisis and the Pedra Branca issue.

Huxley asserts that "the SAF's order of battle appears to be designed for the possibility of war with Malaysia." He argues that in any war the SAF would "aim to disable their Malaysian counterparts with a brutal and fearless pre-emptive strike."¹⁷ This, according to Huxley, would be easily accomplished by using Singapore's air superiority. Singapore, according to Huxley, would then throw its overwhelming armour capability across to Johore in any such attack, in order to secure Singapore's water supply, the bulk of which is presently supplied by reservoirs in Johore. Such a strategic zone, according to Huxley, would make sense as Johore has a large Chinese population, with the economy already heavily integrated with Singapore's.¹⁸

Huxley's contends that the relationship between Singapore and Malaysia is marked by mutual distrust, so much so that both sides have been engaged in an arms race, although Singapore has retained overwhelming military superiority despite its much smaller size. This view of an arms race is endorsed but not elaborated on by respected analyst Gerald Segal, who noted that "Singapore and Malaysia have a hidden arms race with each other."¹⁹

The point to note is that Johore is indeed vital to Singapore's defence. In military terms, the question of Singapore's defensibility has been debated for decades. The lessons from World War Two, when Singapore fell to the Japanese advancing through Malaya are, however, fairly clear. Effective protection from landward attack could only be possible by in-depth defence of Johore and the Malayan peninsula, as the narrow Straits of Johore separating Malaysia and Singapore is no barrier to an invading force. From Johore, an enemy could cut water and food supplies and shell

¹⁷ *Ibid.*, p.208.

¹⁸ *Ibid.*

¹⁹ *Business Times*, 20 May 1993.

Singapore into submission. The fact is that Singapore's defence is indivisible with that of the Malayan peninsula.²⁰

Forward Defence was based on the assumption that Singapore could not afford to fight an aggressor on its own territory due to its lack of strategic depth. The strategy also made sense because of the vital strategic importance of the southern Malaysian state of Johore to Singapore's defence. Singapore's water supply from Johore must be secured if any defence is viable.²¹ This does not necessarily make Singapore a military threat to Malaysia, as Forward Defence also means that the SAF must deploy north to assist Malaysia against any external aggression, as the defence of the two countries is indivisible.

2.3 The Singapore Military Build-up

The SAF was modelled on the Israel Defence Forces (IDF), with its emphasis on air superiority, stress on armour and pre-emptive defence. Israeli advisers helped to set up and train the SAF from scratch.²² The central aim in adopting the Israeli system was to enhance deterrence by proving that Singapore possessed a credible military capability based on a proven model, and would be willing to use this power against any attempted aggression. The Israeli system of national service, followed by active reservist duties (in which reservists are treated as frontline combat troops), was adopted in 1967. The speed and scale of the Singapore military build-up was such that by 1972, Prime Minister Lee Kuan Yew was able to boast that Singapore had "made the transition from military impotence to combat-readiness," thus achieving the goal of a "defence state."²³ By then, Singapore possessed ex-Israeli AMX-13 light tanks, large numbers of US-made V-200 Commando armoured personnel carriers, and had an effective air force centred around ex-British Hunter and ex-US A4 Skyhawk combat

²⁰ Ong Chit Chung, The Landward Defence of Singapore, 1919-1938 (Occasional Paper, Centre of Advanced Studies, National University of Singapore, Singapore, 1988), pp. 17-18, 42, 44.

²¹ John Keegan, World Armies (Hants: Macmillan, 1983), p. 519.

²² Ibid., p. 520.

²³ Prime Minister Lee Kuan Yew, quoted in Straits Times, 16 July 1992.

aircraft.²⁴ The cost of this build-up was significant, with defence spending taking up some 11% of GNP and 40% of government expenditure in the late 1960s.²⁵

Constant improvement and development has taken place since then, such that by 1996 the SAF could mobilise up to 275,000 troops in just six hours in any crisis, using a well-developed system of open or "silent" mobilisation. The SAF, like its Israeli counterpart, is kept in a very high state of readiness, and could mobilise and conduct a lightning blitzkrieg in a very short time. Almost all able-bodied Singaporean males are reservists and they are kept combat-fit and militarily-proficient at all times. Reservists typically spend up to 40 days a year till age 40 (or 50 for officers) in training. Like that of the Israeli Defence Forces, the bulk of the SAF's fighting capability lies in its reservist formations.

The SAF is also a very well-equipped force. The army has 350 upgraded AMX-13 tanks, an estimated 60 Centurion Medium Battle Tanks (MBTs), and 1,074 Armoured Personnel Carriers (APCs). The SAF has a strong artillery capability that includes light air-mobile 105mm howitzers, 120mm mortars and some 124 medium-range howitzers, including locally-made 52-calibre 155mm self-propelled howitzers.²⁶ The SAF is one of the few armed forces in the world that uses the sophisticated US-made AN/TPQ-37 mortar-locating radar. It also possesses real-time battlefield reconnaissance capabilities, in the form of some 60 Israeli-made Malat Scout unpiloted reconnaissance aircraft, some of which have been reported to have crashed in Malaysian territory.²⁷

The navy, modelled on the Israeli Navy, has 6 missile boats (armed with Gabriel and Harpoon anti-ship missiles), 6 missile corvettes with anti-submarine warfare capabilities, Barak anti-missile systems and Harpoon anti-ship missiles, and will have 12 new 500-tonne patrol corvettes, some armed with Gabriel anti-ship missiles and anti-submarine warfare torpedoes. The navy will also be setting up a submarine arm

²⁴ Asian Defence Journal, April 1982, p.22.

²⁵ Williard A Hanna, The New Singapore Armed Forces (American Universities Field Staff Reports, Southeast Asia Series, vol. 21, no.1, 1973), p.1.

²⁶ The Military Balance 1996-1997 (London: International Institute of Strategic Studies, 1996), p.195.

²⁷ Tim Huxley, "The RSAF: Procurement Programmes and Future Requirements," in Asian Defence Journal, February 1996, p.24.

with the acquisition of second-hand submarines.²⁸ It is taking delivery of fairly large numbers (reported to be over 100) of locally-built hovercraft landing vehicles, has 5 large Landing Ship Tanks (LSTs) and a modern Swedish-built minehunter force.

However, the pride of the SAF is its air force, which has a total of 137 ground attack/fighter combat aircraft, consisting of F16s, F5Es and A4 Skyhawks, a force larger than either Malaysia or Indonesia.²⁹ More F-16s are being acquired and the F5E jetfighters will receive an extensive upgrade. This combat force is backed by force multipliers such as C-130 Hercules air tankers and the E2C Hawkeye Advanced Early Warning (AEW) aircraft. It also has a maritime reconnaissance capability in the form of 5 Fokker 50 Enforcers. The air force is also building up its helicopter strength, with six Chinook heavy-lift helicopters, 26 Super Pumas (with more being added) and some 20 helicopter gunships.³⁰ Singapore's skies are also heavily defended by Rapier, RBS-70, Mistral and Improved Hawk Surface-to-Air Systems (SAMs).³¹

The success of Singapore's military build-up over three decades is reflected in Table 1, with Singapore's armed forces comparing favourably with its ASEAN neighbours despite its size. The SAF thus deserves the accolade accorded by a leading defence analyst as "one of the best forces in Southeast Asia, well-armed and well-trained."³² Tim Huxley has argued that Malaysia and Indonesia are in fact militarily inferior, as both are not technologically proficient and do not possess the kind of sophisticated weapon systems that the SAF has.³³ Moreover, their military effectiveness is reduced by the fact that their forces have to be thinly-spread over a vast territory.

²⁸ The Military Balance 1996-1997, *op. cit.*, pp.173,195. See also Asia-Pacific Defence Reporter 1995 Annual Reference Edition (Victoria: Asia-Pacific Defence Reporter, 1995), p.16.

²⁹ The Military Balance 1996-1997, *op. cit.*, p.196.

³⁰ Jane's Defence Weekly, 22 February 1992, p.309.

³¹ The Military Balance 1996-1997, *op. cit.*, p.196.

³² John Keegan, *op. cit.*, p.520.

³³ Tim Huxley, "Singapore and Malaysia: A Precarious Balance?" *op. cit.*, pp.208-209.

TABLE 1
Comparative Military Capabilities of the ASEAN States (1996)

<u>Country</u>	<u>Military</u> <u>Manpower#</u>	<u>Tanks</u>	<u>APCs*</u>	<u>155mm</u> <u>Howitzers</u>	<u>Missile</u> <u>Craft</u>	<u>Combat</u> <u>Helicopters</u>	<u>Combat</u> <u>Aircraft</u>
SINGAPORE	275,000	410	1074	124	13	20	137
MALAYSIA	151,000	26	1210	12	12	0	79
INDONESIA	699,000	455	751	0	14	0	77
THAILAND	454,000	763	972	150	15	0	212
PHILIPPINE	238,000	41	569	12	0	104	43
BRUNEI	5,000	16	22	0	3	6	0

including reserves

* including armoured reconnaissance vehicles

Source: The Military Balance 1996-1997 (London: International Institute of Strategic Studies, 1996)

From Table 1, it is clear that the SAF, at least in 1996 (before Malaysia's vast military modernisation programme takes effect) is indeed superior over Malaysia and Indonesia over almost every crucial compartment, such as armour, medium-range artillery, combat helicopters, combat aircraft and missile-equipped naval craft. Whilst numbers alone do not indicate superiority, the SAF has a clear technological superiority, as it possesses force-multipliers such as air-refuelling tankers, the E2C Hawkeye AEW aircraft, the AN-TPQ 37 mortar-locating radar, Scout unmanned reconnaissance aircraft and a defence industry that emphasises self-reliance in the maintenance and production of basic weapon systems.³⁴ The only proviso one might add is the fact that Singapore lacks strategic depth. This means that its military superiority would work only if adequate warning is received and its reservists can be mobilised.

Singapore has also instituted a Total Defence doctrine, in which all economic and other resources can be mobilised for defence purposes.³⁵ There have been frequent mobilisation exercises of civilian vehicles, vessels and aircraft for military use.³⁶

³⁴ Defence and Foreign Affairs, January 1988, p. 26.

³⁵ Straits Times, 1 May 1984.

³⁶ See for instance Straits Times, 14 April 1987 and 7 August 1987.

Stretches of roads in Singapore have been strengthened as emergency runways for the air force.³⁷ Passive civil defence measures such as an air raid siren system has also been installed. Food and strategic stockpiles are maintained and a huge civilian bomb-shelter programme rivalled only by Switzerland has been put in place, with all new housing estates equipped with bomb shelters and underground subway stations strengthened against blast so that they can serve as bomb shelters in a war.³⁸ In addition, a Civil Defence Force consisting of regular and reservist personnel has been set up.³⁹ Air raid siren, fuel, water and food rationing exercises have been held. A super-switch has been installed which can effect a total blackout in the event of a night attack.⁴⁰

Such comprehensive measures, rivalled only by Israel and Switzerland, can only indicate that the Singapore leadership perceives the real possibility of actual military conflict under certain circumstances. The perception may well be shared by Malaysia, which has uncovered evidence of espionage activities by its neighbour. In late 1989, a spy ring operating in Malaysia was smashed, with the arrest of seven Malaysian defence personnel and two Singaporeans. The operation was reportedly aimed at securing information on Malaysia's multi-billion dollar arms deal with Britain signed in 1988.⁴¹ Malaysia also closed its airspace to the Singapore Flying Club and the Singapore Flying College, alleging that they had conducted aerial photographic reconnaissance over strategic facilities.⁴²

The situation, in which Malaysia has existed uneasily in the shadow of Singapore's military superiority, is in the process of change. The Malaysian Armed Forces is in the midst of a massive military modernisation programme, one that includes MiG-29 and F18 Hornet jetfighters, as well as Hawk ground attack aircraft (some of which have been delivered by 1996), mobile SAMs, air defence radars, and new naval assets such as British-made missile frigates equipped with proven Seawolf anti-missile

³⁷ Pioneer (Singapore Armed Forces News), No.103, May 1986, pp.12-13.

³⁸ Straits Times, 4 October 1987 and 18 October 1986.

³⁹ Asiaweek, 7 December 1984.

⁴⁰ Straits Times, 21 February 1987.

⁴¹ Far Eastern Economic Review, 21 December 1989, pp. 20-21.

⁴² Straits Times (Overseas Edition), 17 February 1990.

defences, and submarines (possibly Russian-made Kilo-class). Malaysia is also planning to acquire up to 270 Main Battle Tanks (probably Polish versions of the T-72 tank) as well as up to 2,000 APCs.⁴³ Construction of two large military bases in Johore has also begun, a clear indication of Malaysia's resolve to strengthen its defences in the south. Even if the military modernisation programme is only partially implemented, it will go some way in denting Singapore's present overwhelming superiority.

The respected Research Institute for Peace and Security in Tokyo has observed that Singapore will attempt to offset this through planned (and costly) acquisitions of more weapon systems, using the access granted to the US military to ensure the viability of future purchases of sophisticated US-made weapon systems.⁴⁴ The stage for an accelerated arms race has thus been set, with uncertain consequences as competitive arms acquisitions can only generate even more mutual suspicions. This can be demonstrated by the two most serious crises in bilateral relations since Singapore's expulsion in 1965; namely, the Herzog crisis in 1986 and its aftermath, and the Pedra Branca issue, both of which led to fears of armed conflict.

2.4 The Herzog Crisis

The reality of Singapore's strategic environment was brought home by the hostile anti-Singapore sentiments unleashed in Malaysia over the visit of Israeli President Chaim Herzog to Singapore on 18 November 1986. The visit was announced two weeks after Malaysian Prime Minister Mahathir's strident anti-Zionist speech in the Malaysian Parliament, which caused Mahathir to take it as a personal affront. Mahathir had been facing a strong political challenge from the religious Partai Islam (PAS), and had been using Islamic causes and issues to shore up his political position. In Malaysia, there had been increasing popular sympathy with the Palestine issue, in line with the upsurge in Islamic consciousness among Malays in general. Mahathir had been

⁴³ *Asian Military Review*, vol.2, issue 6, December/ January 1994/1995, p.39.

⁴⁴ *Asian Security 1992-93* (London: Brassey's/Research Institute for Peace and Security, 1992), pp.175-176.

pushing the theme of a Zionist plot against Malaysia for some months prior to the Herzog visit.⁴⁵ For instance, in October 1986, he stated that:

Malaysia views with grave concern Zionist attempts to manipulate individuals and groups in the country to run down the government and undermine the economy through playing up certain issues.⁴⁶

In addition, the subsequent controversies over the Herzog visit also had a strong underlying Malaysian domestic component - that of competition between Mahathir and his political opponents led by Tengku Razaleigh. This stemmed from a major split within the ruling UMNO, which occurred in February 1986, when Deputy Prime Minister Musa Hitam resigned. In April 1987, the then Minister for Trade and Industry, Tengku Razaleigh Hamzah, mounted a strong challenge against Mahathir, almost succeeding in unseating him. Razaleigh was to lead the breakaway Spirit of '46 party and use the Herzog issue for domestic political advantage.

What was significant about the ensuing Herzog crisis which saw strong and bitter Malaysian opposition to the visit was the fact that despite Singapore's appreciation of the benefits of ASEAN regionalism, it was determined to maintain a long-term relationship with Israel. Indeed, Israel has provided, and continues to provide, Singapore with invaluable assistance in training, technology and intelligence.⁴⁷

Moreover, the Singapore leadership felt that to cave-in to Malaysian demands to cancel the visit would compromise Singapore's independence and sovereignty. In the context of open hostility by Malaysia, the Herzog visit also served to remind the new generation of Singaporeans about the geopolitical realities of Singapore's existence. In this, the Singapore press played an important role by translating Malaysian vernacular press articles into English and reporting them ad verbatim and without comment. Singaporeans were indeed shocked by the racial and nationalistic emotions displayed across the causeway. Former Singapore cabinet minister S Rajaratnam was to later lament that of all the ASEAN members, "only Singapore has been accorded the

⁴⁵ Michael Leifer, *op. cit.*, p.347.

⁴⁶ Straits Times, 11 October 1986.

⁴⁷ Ibid.

unwelcome honour of being Malaysia's chosen public punching bag." ⁴⁸ The visit also brought into open the question of Singaporean Malay loyalty, as Malay organisations and individuals in Singapore appeared to take their cue from their Malaysian counterparts in opposing the Herzog visit. Lee Kuan Yew stated that the reaction of Singaporean Malays "is a reminder that in certain circumstances, the Malay Singaporean reacts with the emphasis on Malay/Muslim rather than Singaporean." ⁴⁹

Public protests in Malaysia unleashed deep-seated sentiments that had not been evident since the late 1960s. Opposition Malay parties were at the forefront of bitter attacks on Singapore, which began in October 1986, when the visit was first announced. Despite Mahathir's initial attempt at damage-control by declaring that it was an internal affair of Singapore's, public demonstrations broke out, and the ruling UMNO could not ignore the rising Muslim outcry nor allow the opposition Malay parties to exploit the issue to gain popular support.⁵⁰ Malaysia's High Commissioner to Singapore was recalled on 16 November.⁵¹ Malay opposition parties and UMNO Youth began a sustained campaign for severing diplomatic ties, stopping transport services, cutting off the water supply and expelling Singapore from ASEAN.⁵² The Representative of the People's Liberation Organisation (PLO) in Kuala Lumpur also jumped into the fray, co-ordinating a meeting of Arab missions to protest the visit and express gratitude to Malaysia for opposing it.

On 19 November, the Indonesian government, fearing that the Islamic opposition might exploit the issue in the April 1987 parliamentary elections, withdrew its ambassador in protest.⁵³ Malay extremists in Malaysia began to make fantastic allegations, such as Singapore's purported role in an Israeli invasion of Malaysia, and the testing of an Israeli nuclear bomb on the surrounding Malay countries.⁵⁴ Demonstrations continued after Herzog left on 20 November. By this time, the issue

⁴⁸ Straits Times, 14 January 1990.

⁴⁹ Straits Times, 15 December 1986.

⁵⁰ Straits Times, 26 October 1986.

⁵¹ Straits Times, 16 November 1986.

⁵² Business Times, 29 November 1986.

⁵³ New Straits Times, 19 November 1986.

⁵⁴ Indonesian Observer, 28 November 1986. See also Straits Times, 20 November 1986.

had practically got out of hand, with various political parties and rival UMNO leaders jostling to demonstrate their Malay nationalist credentials. On 30 November, Mahathir ordered the increasingly bitter protests in the southern Malaysian state of Johore to stop, citing his view that it was endangering the safety of visitors from Singapore. He also implicitly accused the opposition of making use of the issue against his government.⁵⁵ The continuing tensions could well have led to a prolonged period in which relations with Singapore, an important trading partner, could be disrupted.

But an emotional anti-Singapore campaign with racist overtones was only just beginning. Singapore was accused by an UMNO Cabinet Minister of being the instrument of Zionist expansionism in the region.⁵⁶ The Berita Minggu Malaysia warned Singapore not to be arrogant and reminded Singapore that it depended on Malaysia for its supply of water and raw materials.⁵⁷ The fundamentalist Partai Islam criticised UMNO for allowing Singapore to go into "foreign hands", even though "that country originally belong to the Muslims."⁵⁸ Merdeka, in particular, warned Singapore to be cautious, as Singapore is regarded by nationalist Malays as historically "the land of the Malays."⁵⁹

On 22 February 1987, in a moment of candidness, a Singaporean Cabinet Minister, Brigadier-General Lee Hsien Loong (Lee Kuan Yew's son) explained that the SAF was cautious in taking in Malays and placing them in key positions because:

If there is a conflict, if the SAF is called to defend the homeland, we do not want to put any of our soldiers in a difficult position where his emotions for the nation may be in conflict with his religion because these are two very strong destructive forces pulling in opposite directions.⁶⁰

⁵⁵ Straits Times, 30 November 1986.

⁵⁶ Straits Times, 27 November 1986.

⁵⁷ Berita Minggu Malaysia, 28 December 1986.

⁵⁸ Straits Times, 5 December 1986.

⁵⁹ Reported in Straits Times, 2 April 1987.

⁶⁰ Straits Times, 23 February 1987.

This astonishing statement practically implied that Malaysia and Indonesia posed a threat to Singapore. A furore broke out over these remarks, with Malay newspapers calling this "an unfriendly attitude towards Muslim Malays", and evidence of Singapore's "negative intentions towards the neighbouring countries."⁶¹ Both Malaysia's Defence and Foreign Ministers condemned the Singapore government.⁶² The state of Johore called for the defence of Johore to be strengthened against external attack.⁶³

Unfortunately, in July 1987, several SAF soldiers in full uniform and weapons disembarked from an assault boat in Johore, walked into a village and proceeded to purchase prawns, in an ill-timed show of personal bravado. The Malaysian government protested strongly at this intrusion, and the press called for firm action against the Singapore military threat.⁶⁴

The governments of both Malaysia and Singapore took steps to defuse the situation and limit the damage. Even during Herzog's visit, Singapore's President made a point of urging Israel to withdraw to its pre-1967 borders and to recognise the Palestine right to self-determination. After Herzog left, Prime Minister Lee Kuan Yew also felt obliged to publicly assuage Mahathir by explaining in an address to students at the National University of Singapore that officials of the Singapore Foreign Ministry had simply invited Herzog without consulting him about the timing, although the visit itself had already been agreed in-principle. Lee stated that he would have postponed the visit had he known of it because of his personal relationship with Mahathir. He went on to explain that he could not, however, cancel the visit once it was announced, as "it is not the way you behave if you want to be taken seriously."⁶⁵

Mahathir responded by later stating that the matter should be forgotten.⁶⁶ PLO chief Yasser Arafat, realising that the PLO was involving itself with something more

⁶¹ See translations in Straits Times, 2,3,20 and 29 March 1987 of comments by Kompas, Pelita, Berita Minggu Malaysia and Watan.

⁶² Straits Times, 1 and 16 March 1987.

⁶³ Straits Times, 1 March 1987.

⁶⁴ Berita Harian Malaysia, 9 October 1987.

⁶⁵ Straits Times, 15 December 1986.

⁶⁶ Straits Times, 20 December 1986.

complicated than merely a protest against an Israeli President's visit, informed the Singapore government that it had the right to invite whom it pleased.⁶⁷ In February 1987, President Suharto of Indonesia stepped in to mediate, by visiting Malaysia and then travelling by road across the Causeway to Singapore.⁶⁸ Suharto's unusual personal involvement and the symbolism that he attempted to show by his mode of transport to Singapore is an indication of the disquiet felt by the Indonesian government at the deterioration in Singapore-Malaysia relations and its negative consequences on ASEAN unity. By driving across the Causeway, Suharto was demonstrating that the two countries had many common interests and should work together. It was a powerful message, especially to Malaysia, as Suharto was after all the region's elder statesman. The rapprochement between Singapore and Malaysia over the issue appeared to be completed by January 1988 when Mahathir renewed an agreement to supply fresh water to Singapore, thus averting what would have been the most serious crisis in Singapore-Malaysia relations, coming as it did on the heels of the emotive events of 1986-1987. If the reliability of Singapore's water supply was threatened by difficult terms, it could have resulted in the two countries coming into open conflict as this would have impinged on a fundamental interest of Singapore's.

The Herzog crisis, however, had brought to the surface the fact that simmering anti-Singapore and anti-Chinese sentiments in Malaysia are as potent as ever. The Herzog crisis demonstrated the ease with which Malaysian politicians could exploit Malay nationalist sentiments for domestic political purposes. Unfortunately, this had also been aided by the openly provocative Singaporean defence build-up, which had sparked fears in Malaysia over Singapore's intentions, as well as Malaysian popular perception of Singapore's insensitivity over the whole Herzog affair. On Singapore's part, its leaders felt that Singapore's defence build-up had been vindicated. In Fiscal Year 1987, defence spending was increased by 5%, with the Parliamentary Secretary for Defence stating categorically that "Singapore must not be caught unprepared if war broke out."⁶⁹

⁶⁷ Michael Leifer, *op. cit.*, p.349.

⁶⁸ *Straits Times*, 30 December 1987.

⁶⁹ *Straits Times*, 15 March 1987.

The Deputy Defence Minister also warned Malaysia not to take Singapore's restraint as a sign of weakness, describing Malaysia's actions as "severe provocations."⁷⁰ The public reaction of Singapore's defence officials suggest the possibility of actual conflict. In addition, one might add that the effect of the Herzog crisis in shaping the perceptions of a new generation of Singapore leaders cannot be underestimated.

2.5 The Pedra Branca Issue

The problems in bilateral relations did not end with the Herzog crisis of 1986-1987. The world became only vaguely aware of the Pedra Branca issue when Singapore and Malaysia agreed to exchange legal documents to determine the outcome of their dispute over Pedra Branca. Both Mahathir and his Foreign Minister found it necessary to allay fears that the issue might get out of hand and cause an actual conflict between the two states by publicly declaring in 1992 that "Malaysia and Singapore will not go to war over a piece of white rock."⁷¹

The Pedra Branca issue arose in 1979, when Malaysia published a map which placed the island within its territorial waters. The formalisation of the claim was necessitated when Malaysia had to clearly define its territory ahead of the Law of the Sea Convention. At issue is a small island outcrop with a lighthouse (called Horseburg Lighthouse) built in 1852, and continually administered by Singapore since then. The island commands a broad area of sea along the eastern approaches of Singapore, and is rich in fishing resources. Singapore has claimed sovereignty on the basis of its continuing occupation since the mid-nineteenth century, a series of treaties between the East India Company and the Sultanate of Johore, and the Anglo-Dutch Treaty of 1824 which demarcated colonial boundaries. Singapore has also been able to demonstrate a map published by Malaysia in 1974 which showed the island as lying within Singapore's jurisdiction. Malaysia, on the other hand, contended that

⁷⁰ Ibid.

⁷¹ "Singapore, KL to Swap Papers Over Disputed Island," Business Times (Singapore), 27 January 1992.

historically the island belonged to it, since it was part of the domain of Johore inherited by Malaysia.⁷²

The issue simmered until June 1989, when several state leaders from the southern Malaysian state of Johore charged that Malaysian fishermen were being kept away from the island.⁷³ This was acknowledged by Singapore, which explained that it was installing maritime navigation radars on the island and vessels were, for safety reasons, required to stay away. In 1991, Singapore again cited safety reasons for not permitting, during certain times, vessels to move near the island as it was installing a helicopter pad.⁷⁴ These reasons could not be convincing on its stated merits and it appeared that Singapore was strengthening defences on the island.

At about this time, tensions rose between the two states over the Malaysia-Indonesia military exercise Malindo Darsasa 3AB, which had culminated in a paratroop landing in southern Johor, just 18 km north of Singapore. The choice of the codename of the landing (Total Wipe Out) and its insensitive timing on 9 August 1991, Singapore's national day, was taken as a provocation by Singapore, which responded by launching Operation Trojan, under which the armed forces went on full alert and a partial open mobilisation of reserve forces, including an armoured brigade, was carried out. This was widely publicised by the local press with the clear intention of sending out a deterrent message.⁷⁵

Sensing the potential danger of the rise in tensions over this exercise and the dispute over Pedra Branca, the Malaysian government stated that it would try to resolve the dispute through closed bilateral discussions.⁷⁶ In January 1992, Malaysia's Justice Minister stated that the dispute would be resolved amicably, "in the spirit of ASEAN" and goodwill.⁷⁷ At the same time, the Malaysian Foreign Minister announced that

⁷² Micheal Leifer, Dictionary of the Modern Politics of Southeast Asia (London: Routledge, 1995), p.121.

⁷³ Straits Times, 12 October 1991.

⁷⁴ Straits Times, 17 August 1992.

⁷⁵ Tim Huxley and David Boey, "Singapore's Army - Boosting Capabilities," in Jane's Intelligence Review, vol.8, no.4, April 1996, pp.175-176.

⁷⁶ Straits Times, 22 November 1991.

⁷⁷ Straits Times, 31 January 1992.

Singapore and Malaysia had agreed to exchanging documents over the issue, adding that allegations by Malaysian fishermen of harassment by Singapore authorities could not be substantiated. He further declared, in the midst of a rising nationalist outcry over the issue, that "we are not going to war over that little rock." ⁷⁸

Johore politicians were nonetheless incensed by Singapore's actions in 1991, when it closed the waters around the island to Malaysian fishermen. It prompted a move by the Malaysian opposition to exploit the issue for political benefit. Mahathir's opponents outside of UMNO, namely the Spirit of '46 party led by his political opponent Razaleigh, accused the government of wavering so much that ownership of the island had remained in doubt.⁷⁹ The opposition Partai Islam (PAS) urged firm action against Singapore's "intrusion" onto the island.⁸⁰

The issue also provoked another popular outpouring of anti-Singapore emotions. The Star newspaper, for instance, quoted an UMNO Johore politician as saying that Pedra Branca belonged to Malaysia, and that "if we want to be calculating, even Singapore belongs to us."⁸¹ The Watan carried an emotional commentary which likened Singapore's stand as similar to "the Jews, who try to cheat history with regard to Palestine because their military strength is supported by US-made weapons."⁸² The PAS paper Harakah, in referring to the dispute, stated that "surrendering any territory to infidels could have adverse implications for the country," adding that PAS did not want "Malaysia to be like Palestine when it faced Singapore", nor for "Malaysians to meet the same fate as the Bosnians."⁸³ An editorial in the Berita Harian Malaysia argued that although Singapore inherited the administration of the lighthouse on Pedra Branca from the British Government, it did not constitute ownership of the island. It further pointed out a proposal among Johore UMNO politicians that Malaysia should

⁷⁸ Straits Times, 27 January 1992.

⁷⁹ Straits Times, 17 August 1992.

⁸⁰ Straits Times, 17 November 1991.

⁸¹ Ibid.

⁸² As reported in Straits Times, 17 November 1991.

⁸³ As reported in Straits Times, 26 June 1992.

make a counter-claim on the 44 islands around Singapore to force Singapore to drop its claim on Pedra Branca.⁸⁴

In May 1992, the Berita Harian Malaysia reported that fishing vessels had been harassed around Pedra Branca by Singapore patrol craft, and that a Johore Fisheries Department patrol boat had been driven away by Singapore patrol craft in April.⁸⁵ The Singapore government was angered by the deliberate intrusion in the latter incident, protesting strongly that the Malaysian patrol craft had illegally entered the waters around Pedra Branca on April 21 and 22, and that "foreign government vessels, unless on innocent passage, must obtain permission to enter Singapore territorial waters," adding that the Malaysian patrol craft was not on innocent passage.⁸⁶ In retaliation, Malaysia's Law Minister publicly asserted that Pedra Branca belonged to Malaysia and that Singapore had no right to stake claims to the island.⁸⁷

At about the same time, the Singapore press reported that Singaporean visitors to Malaysia were being harassed by Johore police and immigration authorities, prompting a Singapore MP to call on Singaporeans to give the state of Johore a miss.⁸⁸ The issue became even more serious with both the opposition PAS and the Spirit of '46 planning to plant a flag on the disputed island.⁸⁹ This prompted a strong reaction from Singapore, which warned that anyone engaging in such a stunt would be arrested.⁹⁰

The Malaysian government was duly alarmed by the turn of events, when it was clear that Malay nationalist feelings were being aroused, with uncertain consequences for relations with Singapore, possibly leading to actual armed conflict. The Malaysian Foreign Minister duly warned PAS that such an action would invite retaliatory action from Singapore.⁹¹ Malaysian Prime Minister Mahathir himself described PAS's plan as an irresponsible and provocative act which could trigger off an armed conflict, a

⁸⁴ Berita Harian Malaysia, 28 October 1991.

⁸⁵ Straits Times, 14 May 1992.

⁸⁶ Straits Times, 25 April 1992.

⁸⁷ Straits Times, 19 July 1992.

⁸⁸ Straits Times, 9 May 1992.

⁸⁹ Straits Times, 21 May 1992 and 30 May 1992.

⁹⁰ Business Times, 22 May 1992 and Straits Times, 22 May 1992.

⁹¹ Straits Times, 5 June 1992.

warning which revealed the realisation among Malaysia's top leadership of the grave consequences if emotions were carried too far.⁹²

Singapore's authoritative Straits Times, in an editorial on 29 May 1992, warned that "the issue is not an insignificant one and could threaten bilateral relations if exploited by irresponsible elements," and that "the issue should be resolved quickly before unreason is allowed to cloud the light." In June 1992, the Mingguan Malaysia newspaper called for the dispute over Pedra Branca to be resolved as soon as possible, warning that the conflicting claims over the island "could lead both countries into the battlefield."⁹³ The article further warned that developments had reached a stage which made that a possibility.

The Malaysian leadership took immediate steps to defuse the situation. In May 1992, the Malaysian Chief of Defence Forces, General Yaacob Mohammed Zain, stated whilst in Singapore on an official visit, that Singapore "should take no notice of this small group of people," adding that "there is so much to gain by working together."⁹⁴ In July 1992, the Malaysian Foreign Minister Datuk Abdullah Badawi, stated in Johor that the state should leave it to the federal government to settle the dispute with Singapore over Pedra Branca, warning that the "alternative to diplomacy is war," and that Malaysia "does not want war."⁹⁵ In a significant event, Malaysia handed Singapore legal documents to support its claim on Pedra Branca on 29 June 1992, signalling Malaysia's decision to take a legal approach to the issue.⁹⁶ Mahathir stated that peaceful negotiations would resolve the issue, and significantly committed, in what could be seen as a concession by Malaysia, that "if legal evidence showed that the island belonged to Singapore, Malaysia would have nothing to say."⁹⁷

In September 1994, Singapore's Prime Minister Goh Chok Tong and Mahathir, in an important meeting in Langkawi, reached agreement in principle that the dispute should

⁹² Straits Times 26 June 1992.

⁹³ As reported in Straits Times, 15 June 1992.

⁹⁴ Straits Times, 26 May 1992.

⁹⁵ Straits Times, 19 July 1992.

⁹⁶ Business Times, 30 June 1992.

⁹⁷ Quoted in Straits Times, 21 May 1992.

be referred to a third party such as the International Court of Justice.⁹⁸ Goh reciprocated the Malaysian leader's concession by stating that "if Malaysia proves that legally it is theirs...then it is theirs. If Singapore has a strong legal case, then it is ours. It is a very civilised way of settling disputes."⁹⁹ Singapore Deputy Prime Minister Brigadier-General Lee Hsien Loong followed up this pledge by stating in Kuala Lumpur that Singapore would accept the decision of the International Court of Justice.¹⁰⁰ However, bilateral talks in June 1995 to refer the matter to the Court at The Hague failed to reach an agreement, which indicate the gulf between both sides.¹⁰¹

The above chronological analysis demonstrates the very public, highly-charged and emotional nature of the dispute from mid-1989 to mid-1992. Indeed, The Economist Foreign Report reported that both countries had put their armed forces on alert over the issue.¹⁰² The various warnings of the potentiality of armed conflict were voiced by both the press and by Malaysian Prime Minister Mahathir himself, and there were clear efforts by the top Malaysian leadership to rein in national emotions, particularly those aroused by the opposition, and to take steps to diffuse the issue, in particular, the acceptance of legal means to resolve it. Malaysia's acceptance of third party arbitration, which Singapore had called for, and the statement by Mahathir that Malaysia would have to accept Singapore's sovereignty over Pedra Branca if legal evidence proved it to be so, constitute concessions on the part of Malaysia. It reflected the Malaysian leadership's concern over the potential for armed conflict, given the emotions involved in an issue involving territorial sovereignty, as well as the danger of the issue in compromising common interests and threatening the bilateral relations of two economically-interdependent neighbours.

⁹⁸ Straits Times, 8 September 1994.

⁹⁹ Straits Times, 21 October 1994.

¹⁰⁰ Utusan Malaysia (Kuala Lumpur, in Malay), 18 January 1995, p.5, reported in BBC/SWB FE/2209 B/5 (16), 24 January 1995.

¹⁰¹ Voice of Malaysia External Service (Kuala Lumpur, in English), 0800 GMT 16 June 1995, in BBC/SWB FE/2333 B/2 (8), 19 June 1995.

¹⁰² "Malaysia's Row with Singapore," The Economist Foreign Report, 24 September 1991, p.6.

2.6 Prospects for Singapore-Malaysia Relations

Aware of the dangers stemming from such tensions, particularly over the territorial issue, both governments have taken confidence-building measures as well as steps to enhance bilateral security cooperation. In January 1995, the Malaysia-Singapore Defence Forum was held as a confidence-building measure between the two states. The Forum, chaired by the defence ministers of both countries, also discussed measures to improve bilateral defence cooperation, and even signed an agreement on defence industrial cooperation.¹⁰³ In addition, the defence ministers also agreed to conduct joint tri-service military exercises in the future.¹⁰⁴

While the two ministers lauded the success of the forum - with the Singapore Defence Minister stating that it had opened "a new chapter in defence relations" between the two countries, and that it "manifests our commitment to propel our already excellent ties to greater heights" - the realities of mutual suspicions were soon voiced.¹⁰⁵ Malaysian Defence Minister Najib Tun Razak, in referring to the question of Singaporean troops training in the southern state of Johore, stated that "the problem lies with the exception on the ground, with the people...we have to be sensitive and we have to appreciate the sensitivities of the people on the ground."¹⁰⁶ In the same vein, Singapore's Deputy Defence Minister Lee Hsien Loong cautioned that while bilateral relations in 1995 were at their best since separation in 1965, "there are still sensitivities that both countries have to be wary of." He went on to pointedly state that there had to be an acceptance that Malaysia and Singapore were two separate societies which had developed in different ways although they shared common bonds.¹⁰⁷

The cordiality was soon to be punctuated by Lee Kuan Yew's suggestion of the possibility of re-merger with Malaysia. Taking up the theme, Prime Minister Goh Chok Tong explained in a National Day speech in August 1996 that the idea was

¹⁰³ Asian Defence Journal, March 1995, p.15.

¹⁰⁴ Straits Times, 19 January 1995.

¹⁰⁵ Ibid.

¹⁰⁶ Straits Times, 19 January 1995.

¹⁰⁷ "Ties at their best but beware of sensitivities: BG Lee," Straits Times, 18 January 1995.

raised so that younger Singaporeans would not take survival and prosperity for granted, and that "if Singapore falters, we will have no choice but to ask Malaysia to take us back. Such a merger will be on Malaysia's terms."¹⁰⁸ The popular response to this was understandably negative, given the special privileges that Malays enjoyed in Malaysia, with straw polls indicating that six in ten Singaporeans opposed rejoining Malaysia.¹⁰⁹

Thus, the Deputy Prime Minister, Dr Tony Tan, in an address to a graduation ceremony for senior military officers, stated that "Singaporeans' rejection of the idea of re-merger with Malaysia show that they feel strongly that the Republic should be a harmonious multicultural society with meritocracy as its guiding principle."¹¹⁰ This implied that Malaysia was neither harmonious nor meritocratic. Mahathir was quick to respond, accusing Singaporean leaders of "using us as the bogeyman to scare Singaporeans," a not implausible reason given the impending general elections in Singapore at the time of the statements. Mahathir went on to assert that Malays in Singapore were being discriminated against, and questioned why Malays were not appointed to high positions or permitted to become air force pilots.¹¹¹

The persistent tensions that underlie Malaysia-Singapore relations reflect the basic political problem between the two - that of history. While Singapore has survived and thrived economically outside of Malaysia, thereby proving the validity of Lee Kuan Yew's political vision of racial equality which he had strongly espoused while Singapore was part of Malaysia, Malay nationalists in Malaysia have resented the manner in which Singapore developed into an independent and conspicuously ethnic Chinese city-state.¹¹² Malay nationalists feared this would keep alive Chinese hopes to challenge their political dominance in Malaysia. For instance, a minister in the Malaysian Prime Minister's Office, Datuk Abdullah Ahmad, publicly warned in 1990

¹⁰⁸ Far Eastern Economic Review, 26 September 1996, p.39.

¹⁰⁹ Ibid.

¹¹⁰ Ibid., p.19.

¹¹¹ "UMNO disappointed over use of Malaysia as bogeyman by Singapore," Straits Times Weekly Edition, 14 September 1996, p.10.

¹¹² Micheal Leifer, "Israel's President in Singapore: Political Catalysis and Transnational Politics," op. cit., p.344.

that Singapore must not be "a harbinger of Chinese irredentist tendencies" in Malaysia and should make clear to Malaysian Chinese that the present Malaysian political system was the only system there could be.¹¹³

What the Herzog crisis, the Pedra Branca issue and other issues in bilateral relations clearly demonstrate is this: that despite outward cordiality and the supposed alliance relations under the Five Power Defence Arrangement, as well as decades of regional cooperation since the establishment of ASEAN in 1967, there has remained a large undercurrent of anti-Singapore sentiments in Malaysia, particularly among the Malays, sentiments that are heavily tinged by anti-Chinese feelings and religious perspectives. It also demonstrates the fact that there is still a strong body of nationalist Malay opinion in Malaysia that would not accept Singapore as an independent or sovereign state in its own right. The emotions that the Herzog crisis and the Pedra Branca issue unleashed demonstrate the fundamental differences that exist between Singapore and Malaysia, as well as the fact that the historical animosities stemming from internal politics before Singapore left Malaysia in 1965 have been alive and well.

Indeed, while Malaysia might be expected to have some measure of political influence over Singapore due to the latter's dependence on Malaysia for its water supply, it also means that the security of those water sources in Johore is a primary national security interest of Singapore's, which could prompt Singapore to take military action if necessary to secure them in a crisis.

Moreover, Singapore might even intervene militarily should communal conflict between Malays and Chinese threaten to spill over into Singapore. There is also the presence of a great deal of mutual suspicions over military capabilities. Malaysia is unpersuaded that Singapore's Forward Defence strategy is not aimed at her, while Singapore felt sufficiently threatened by the ten-day Malaysia-Indonesia joint military exercise in Johore in 1991 to publicly accuse Malaysia of "insensitivity for holding such major manoeuvres" close to Singapore without prior consultation. As a show of both displeasure and resolve, Singapore conducted a highly-publicised partial

¹¹³ Cited in Straits Times, 14 January 1990.

mobilisation of its reservists.¹¹⁴ All these lend evidence to the view that armed conflict between the two states cannot in fact be ruled out.

One major problem has been Singapore's military build-up and the subsequent arms race between the two states. Indeed, Singapore's security policy is essentially a dual-tracked one. While attempting to engage its ASEAN partners, particularly Malaysia and Indonesia, in a constructive manner, it also relies on military deterrence to counter potentially unfriendly or unstable regional neighbours.¹¹⁵ Singapore's Goh Chok Tong stated that:

What we fear are irrational and extremist forces, or expansionist regimes which create instability in the region. Political and racial opportunists have been able to whip up anti-Singapore sentiments and these opportunists can distort and play up perceptions to portray us as a threat to their security.¹¹⁶

While Singapore's military capabilities and preparedness are well-known, its actual utility does not lie in its being actually used, but in encouraging Malaysia to act with restraint, and to accommodate Singapore as much as possible. This could well explain Mahathir's decisive actions in both the Herzog crisis and the Pedra Branca issue to prevent extreme elements in his own ruling party, and the political opposition, from irreparably damaging ties with Singapore, or going to the extent of provoking a military response from Singapore. Aware of the danger of allowing nationalist or racial feelings to remain unchecked, the Mahathir government has demonstrated its willingness to contain anti-Singapore sentiments as much as it could, as well as to resolve as many of the serious bilateral issues as possible. For instance, both countries agreed in August 1993 to fix a new territorial water boundary in the Johore Straits separating the two countries, resolving yet another potentially serious bilateral issue.¹¹⁷

The fundamental problems that underlie Malaysia-Singapore relations since Singapore's independence in 1965 clearly has negative consequences for bilateral

¹¹⁴ New Straits Times, 18 August 1991.

¹¹⁵ J N Mak, "Trust and Confidence Needed," Asia-Pacific Defence Reporter 1995 Annual Reference Edition, *op. cit.*, p.22.

¹¹⁶ Asian Defence Journal, April 1988, p.97.

¹¹⁷ Reported in BBC/SWB FE/1756 A2/3 (9), 2 August 1993.

political, economic and military cooperation. Moreover, given the potential for conflict between the two states, the Singapore-Malaysia relationship has been a key factor in determining the parameters for ASEAN cooperative regionalism as well as its future prospects.

3. Relations Between Malaysia and the Philippines

3.1 The Sabah Issue

The Sabah issue has been festering for years, as the Philippines has refused to drop its claim to the resource-rich East Malaysian state of Sabah. A complicating factor has been allegations of Malaysian sympathy and support for the Muslim separatist rebellion in the southern Philippines.

In fact, the Sabah issue is more complicated than it suggests, with several potential claimants even if Malaysia is excluded. Apart from the Philippines, the most active claimant, the Sultan of Sulu has also claimed that his historical sovereignty over Sabah has not lapsed, and there exists sentiments in the southern Philippines to bring together the old Malay lands in the area into a Muslim state. Brunei, which had ceded Sabah to the Sulu sultanate in 1704, has not challenged the status quo, but opposition elements in Brunei in the 1960s had wanted to unite with Sabah and Sarawak and stay outside the Malaysian Federation. In 1963, Indonesia under Sukarno had challenged Sabah's incorporation into Malaysia by launching the ill-fated Confrontation.¹¹⁸ Finally, the Malaysian federal government has always been wary of separatist tendencies in a resource-rich state with a large indigenous Kadazan Christian Catholic population. The Sabah state elections in 1994, for instance, was fought largely on racial and anti-federal sentiments, with even Muslim leaders in the state declaring that Sabah should be ruled by Sabahans.

¹¹⁸ Philip Bowring, "Sabah: A Problematic Mix That Requires Tending," International Herald Tribune, 27 April 1993, p.4.

For the federal government, the fact that the state had for some years a Christian Kadazan state government was intolerable because of the dangers of incipient separatism translating into a future reality given the strength of anti-federal feelings.¹¹⁹ Indeed, in 1993, Prime Minister Mahathir claimed that the then Christian ruling party in Sabah, the Partai Bersatu Sabah, had intentions of withdrawing from Malaysia due to its reluctance to cooperate with the federal government. Mahathir stated that this was the reason why several Kadazans, including the brother of the then incumbent Chief Minister, had been detained.¹²⁰ Mahathir was to later acknowledge Malaysia's increased military presence in Sabah to "ensure peace in the state."¹²¹

The most active claimant remains the Philippines, which has claimed sovereignty and ownership as the Sultan of Sulu's successor in interest.¹²² In 1963, Sabah joined the Malaysian Federation, but the issue continued to fester, with the adoption of the Baseline Act as an appendix to the Marcos Constitution of 1972, which openly defined Sabah as part of Philippine territory.¹²³ The Philippines under President Marcos had also attempted to pursue its claim by sponsoring a training camp for an intended Sabah separatist rebellion in Corregidor in 1968. However, a mutiny by the trainees at the camp exposed the operation.¹²⁴ At about the same time, the Malaysian government arrested 26 Filipinos in possession of small arms and explosives on an island belonging to Malaysia some thirty miles north of Sabah. This led to a suspension of diplomatic relations and imposed severe strain on the workings of ASEAN.¹²⁵

However, Malaysia has not been an innocent party either, with the Sabah Chief Minister, Tun Mustapha, having been known to have supported training camps for Muslim Moro separatist rebels prior to his downfall in the 1976 elections.¹²⁶ These

¹¹⁹ Straits Times, 18 February 1994.

¹²⁰ Asiaweek, 10 February 1993, p.25.

¹²¹ Berita Harian (Kuala Lumpur, in Malay), 15 March 1993, p.2, in BBC/SWB FE/1643 B/2, 22 March 1993.

¹²² Asiaweek, 10 February 1993, p.25.

¹²³ Straits Times, 4 March 1986.

¹²⁴ David Hawkins, *op. cit.*, pp 50-52.

¹²⁵ Michael Leifer, Dictionary of the Modern Politics of Southeast Asia, *op. cit.*, p.92.

¹²⁶ Charles E Morrison and Astri Suhrke, Strategies of Survival: The Foreign Policy Dilemmas of Smaller Asian States (St Lucia, Queensland: University of Queensland Press, 1978), pp. 165-166

Muslim guerillas have gone on to form the core of several large Muslim separatist armies in the southern Philippines.¹²⁷

However, the Philippines continued to allege Malaysian complicity in the Moro rebellion. In October 1980, the Philippines claimed that Malaysia was tolerating secessionist Moro training camps in Sabah, and that it was acting as a supply base.¹²⁸ In April 1982, a television programme aired in Australia claimed that British and Australian mercenaries were training the Moro guerillas in Malaysia and that they were financed by Libyan leader Colonel Gaddafi.¹²⁹ There is therefore some evidence that certain Islamic groups in Malaysia have been involved in aiding the Moros, but it does appear that the Malaysian government had simply not actively prevented them from doing so, in recognition of the potentially serious domestic political fallout from its local Muslim constituency.

The unofficial Malaysian support for the Moros has been the main stumbling block to the Philippines dropping its claim to Sabah, which could use the claim to put pressure on Malaysia to curb the activities of its Moro sympathisers. On the other hand, Malaysia believes that the Philippines had been assisting the Catholic Kadazans such as cooperating with the then Kadazan state government to import Filipino Christians to Sabah in the early 1990s to counterbalance the presence of Muslim refugees.¹³⁰

In 1977, then Philippines strongman President Marcos visited Malaysia for an ASEAN Summit and promised to take steps to drop the claim but never did in view of the strong nationalist sentiments in the Philippines Congress. In 1987, President Aquino also attempted to resolve the issue by making efforts to have Congress drop the claim but failed.

¹²⁷ "Hidden Strength," *Far Eastern Economic Review*, 23 February 1995, p.26.

¹²⁸ Paridah Abdul Samad, "Internal Variables of Regional Conflicts in ASEAN's International Relations," in *The Indonesian Quarterly*, vol. 18, no. 2 (second quarter), 1990, pp.173-174.

¹²⁹ Cited in Hans H Indorf, *Impediments to Regionalism in Southeast Asia: Bilateral Constraints Among ASEAN Member States* (Singapore:Institute of Southeast Asian Studies, 1984), p.26.

¹³⁰ Paridah Abdul Samad, *op. cit.*, p.174.

To further complicate matters, the present Sultan of Sulu, Jamalul Kiram III, has continued to press his claim on Sabah. A little known fact is that the Malaysian government continues to pay a token rental to him, although it insists that the Philippines has no sovereignty over Sabah.¹³¹ In January 1993, the Sultan openly declared that he was prepared to go to war with Malaysia to uphold his claim to Sabah, arguing that the Philippine Muslim claim to Sabah was supported by history as well as official documents. He also demanded US\$10 million plus 5% royalty on all earnings from the natural resources of the state, as well as compensation for its occupation. The Sultan criticised President Ramos for failing to consult him in view of the latter's scheduled trip to Malaysia that month.¹³² The Sultan further threatened to mobilise up to 100,000 Muslim rebels from the Moro National Liberation Front (MNLF) and the Moro Islamic Liberation Front (MILF) to enforce his claim.¹³³

It is doubtful if the Sultan has the necessary influence on the rebels to do that, but it does point to the complications posed by the Islamic factor. While the MILF is practically unheard of in the outside world, it is reported to be in virtual control of at least 7 provinces on the island of Mindanao, with the present Philippine government unwilling or powerless to challenge that. The MILF is well-organised and claims to be able to field 120,000 mujahideen, and has been receiving funding from Islamic organisations in the Middle East and Malaysia.¹³⁴ While its ultimate intentions are unclear, the fact is that a de facto Islamic state in the southern Philippines is in existence.

Another complicating factor is the presence of some 300,000 Filipino Muslims in Sabah.¹³⁵ Although they are supposed to be refugees, the previous Muslim state government had given them citizenship, making them eligible to vote and thus hopefully achieve Malay Muslim domination of Sabah. The Philippines has, however,

¹³¹ Asiaweek, 10 February 1993, p.25.

¹³² ABS-CBN TV (Quezon City, in Tagalog), 0400 GMT 15 January 1993, in BBC/SWB FE/1588 A2/5 (9), 16 January 1993.

¹³³ International Defence Review, February 1994, p.62.

¹³⁴ "Hidden Strength," Far Eastern Economic Review, 23 February 1995, pp.22-28.

¹³⁵ Straits Times 27 January 1993, p.10.

continued to harbour suspicions that certain quarters in Malaysia are continuing to support the Moros through this community.

3.2 The 1990s: A New Pragmatism

In recent years, there has been signs of a new pragmatism in Philippine-Malaysian relations. Bilateral relations improved considerably after Malaysia dropped its insistence that the dispute be settled first before relations could be enhanced.¹³⁶ President Ramos visited Malaysia in early 1993, the first state visit by a Philippine President since 1968.¹³⁷ The landmark visit saw the establishment of a Malaysia-Philippines Joint Commission to deal with bilateral problems and indicated that both countries were now prepared to discuss areas of common interests, particularly economic cooperation. President Ramos assured Malaysia that efforts would be continued to find a solution, although he acknowledged there could be no immediate resolution.¹³⁸ However, although agreement was reached to set up joint patrols to check illegal immigration in Sabah, Ramos stated that the Philippines had not given up its territorial claim.¹³⁹

In February 1994, Prime Minister Mahathir led a trade delegation to the Philippines to reciprocate Ramos's earlier visit. The Malaysian government explained the thaw by ingeniously laying the blame for the lack of a resolution of the Sabah issue on the Philippine Senate, stating that the obstacle was not the fault of the Philippine government.¹⁴⁰

In September 1994, both countries signed a defence cooperation pact to strengthen military ties between the two countries. The Memorandum of Understanding (MOU) called for joint training, exchange of experts, technical transfers and other cooperative

¹³⁶ Straits Times, 3 February 1994.

¹³⁷ "Ramos Begins Trip to Kuala Lumpur to Mend Relations," Straits Times, 27 January 1993. President Marcos's 1977 visit was not a state visit as he was attending the ASEAN Summit held in Kuala Lumpur.

¹³⁸ "Sabah Issue: Ramos Gives Assurance," New Straits Times, 30 January 1993, p.1. See also The Star, 23 July 1993, p.3.

¹³⁹ Straits Times 13 May 1994 and New Straits Times, 12 May 1994.

¹⁴⁰ Straits Times, 3 February 1994.

ventures between the two armed forces. The defence accord is also meant to pave the way for a cross border patrol agreement.¹⁴¹

The thaw in relations was proclaimed by Mahathir, who stated that a constructive relationship was possible despite Manila's unresolved claim over Sabah, stating that he "does not think the Philippines is going to war with us over Sabah."¹⁴² This could be attributed to a recognition of the changing realities in the southern Philippines, where the Moro rebels have achieved de facto control of large swathes of territory and population. The Philippines could not possibly enforce a claim on Sabah, given its own economic difficulties and military weakness, and its inability to contain the Muslim rebels. Ramos has thus pursued cooperation with Malaysia as the only realistic means of containing Malaysian support, official or otherwise, for Muslims in the southern Philippines. At the same time, no steps have been taken to renounce the claim to Sabah, leaving the Sabah issue dormant for the time being, and essentially unresolved.

4. Malaysia's Relations with Indonesia

4.1 Differences Within a "Special Relationship"

Bilateral relations between Malaysia and Indonesia has often been characterised as being of a "special" nature, due to similarities based on Malay ethnicity, the Muslim religion and shared history.¹⁴³ There is, however, a difference in their colonial history, one being granted independence by the British and the other having to fight a war of independence against the Dutch. Even in the 1950s, there were already some tensions between the two newly-independent states. For instance, the leaders of the failed PRRI separatist revolt in Indonesia and the unsuccessful Darul Islam Muslim

¹⁴¹ Straits Times, 27 September 1994, p.15.

¹⁴² Straits Times, 16 November 1993.

¹⁴³ Al Baroto, "Similarities and Differences in Malaysia-Indonesia Relations: Some Perspectives," The Indonesian Quarterly, vol. 21, no. 2 (second quarter), 1993, p.151.

separatist movement were granted sanctuary in Malaysia, which refused Indonesia's requests for their extradition.¹⁴⁴

Bilateral relations were also severely tested by Confrontation, which was the expression of Indonesia's opposition to the formation of the Malaysian Federation in 1963. The bulk of the fighting was carried out by Commonwealth troops and the war only ended with the failure of the communist coup in Indonesia in 1965, clearing the way for Sukarno's ouster and the ascendancy to power of President Suharto. Indeed, the Five Power Defence Arrangement in 1971 which came into effect in the aftermath of the British withdrawal was directed at the possibility of a revival of Indonesian expansionism.

In the aftermath of the geopolitical changes occasioned by the US failure to rescue the Saigon regime in 1975, however, Indonesia and Malaysia clearly shared a similar geostrategic outlook, with both preferring to see a strong Vietnam as a bulwark against a resurgent China that has territorial claims on large swathes of potentially oil-rich seas in the South China Sea, as the previous chapter has demonstrated.

Nevertheless, despite the outward signs of cooperation, there have been a number of contentious bilateral issues, demonstrating the fallacy of assuming a close relationship based merely on ethnicity and religion. There are ongoing disputes over land borders in Sabah and East Kalimantan, the problem of illegal Indonesian immigration and the issue of economic competition between the two countries.¹⁴⁵ In the 1990s, there has also been increasing Malaysian concern over the institutionalisation of strong Indonesia-Singapore relations. Singapore has built military training facilities in Sumatra and has been allowed to use Indonesian training facilities for its armed forces, fuelling Malaysian anxieties about a growing Indonesia-Singapore alliance.¹⁴⁶ Singapore's Defence Minister in fact described bilateral defence relations as an

¹⁴⁴ *Ibid.*, p.158.

¹⁴⁵ Tim Huxley, "Singapore and Malaysia: A Precarious Balance?" *op. cit.*, p.209.

¹⁴⁶ AR Sutopo, "Relations Among Indonesia, Malaysia and Singapore: From Confrontation to Collaboration and Re-Alliance," *Indonesian Quarterly*, vol.19, no.4, (fourth quarter), 1991. See also "ASEAN Acquires New Teeth, New Words," *Defence and Foreign Affairs*, November 1990, p.14.

"extremely valuable and extremely important" facet of Singapore's overall ties with Indonesia.¹⁴⁷

Moreover, Singapore has been one of Indonesia's largest trading partners, and has been able to offer investments, especially in the development of the Riau region under the Growth Triangle concept formalised under an economic agreement in August 1990.¹⁴⁸ The Suharto government has recognised Singapore's economic usefulness as a trading partner, investment source and an important servicing centre for the business and social interests of Jakarta's military and bureaucratic elite.¹⁴⁹

In addition, Mahathir's strident efforts on the international stage as a spokesman for the Asia-Pacific and South-South issues, as well as his opposition to APEC, has alienated the Suharto government, which has in recent years been increasing its international profile in both in the Non-Aligned Movement and APEC.¹⁵⁰

4.2 The Sipadan and Ligitan Issue

The most important issue between Indonesia and Malaysia, however, remains the dispute over the Sipadan and Ligitan Islands off the coast of Sabah. Indonesia first made its claims in the area when the two countries began to draw up their maritime boundaries in 1969. Malaysia bases its claim to both islands on historical colonial administration of the area. A 1916 document in the Sabah state archives confirming turtle egg collection rights for local families under the British North Borneo government and signed by a British colonial official is one source of Malaysia's claim to the islands. Another is an exchange of documents between the British and the United States governments demarcating territory in the Sulu Sea when both were colonial powers in Malaysia and the Philippines respectively. Indonesia, on the other hand, bases its claim on a 1891 Anglo-Dutch boundary agreement which states that "the boundary between Netherlands possessions in Borneo and those of British

¹⁴⁷ Straits Times Weekly Edition, 13 August 1994, p.11.

¹⁴⁸ A R Sutopo, op.cit., p.339.

¹⁴⁹ Tim Huxley, "Singapore and Malaysia: A Precarious Balance?" op. cit., p.209.

¹⁵⁰ Straits Times, 9 June 1994, p.28.

protected states in the same island shall start from 4 degrees 10' north latitude on the east coast of Borneo." ¹⁵¹ Sipadan lies below this latitude but it never became an issue as maritime boundaries used to be only three miles. The problem arose after independence when the countries of the region declared 19.2 km limits. Moreover, geographical baselines have become important devices for defining exclusive economic zones (EEZs). Analysts believe that Jakarta is also using the issue as a bargaining chip to extend its EEZ in the Malacca Straits.¹⁵²

Although both sides have publicly agreed not to let the dispute upset bilateral relations, there have been signs that the issue is far more significant than acknowledged. During the Confrontation in the 1960s, Indonesian and Malaysian forces had in fact clashed in the area. In 1992, the build-up of Indonesian warships and aircraft around the island raised fears of clashes between the two countries, resulting in a meeting of the Malaysia-Indonesia General Border Committee which agreed that Indonesia would reduce its military forces around the disputed area in order to reduce tensions between the two countries.¹⁵³ Indonesia has been upset by Malaysia's attempt to strengthen its claim by building a man-made island 5 km west of Sipadan in order to forestall a possible Indonesian claim on water lanes out of Tawau in Sabah should Jakarta obtain possession of the disputed islands.¹⁵⁴ Malaysia has also built tourist facilities on Sipadan (the waters around the area being rated one of the world's top diving spots), prompting an Indonesian protest that Malaysia had violated a verbal agreement to maintain the status quo until the dispute was resolved. Malaysia denies any such agreement had been reached. ¹⁵⁵

The Indonesians retaliated by increasing military activities in the area, making a number of military landings in 1993 to demonstrate its military presence and to intimidate the Malaysians, in an old-fashioned show of gunboat diplomacy.¹⁵⁶ In December 1993, Indonesia's Minister of Security and Defence, General Edi Sudrajat,

¹⁵¹ "Isle of Contention," Far Eastern Economic Review, 17 March 1994, p.32.

¹⁵² Ibid.

¹⁵³ "Jakarta to Have Token Military Presence at Isles," Asian Defence Journal, March 1992, p.84.

¹⁵⁴ Straits Times, 31 January 1994, p.16.

¹⁵⁵ "Isle of Contention," Far Eastern Economic Review, 17 March 1994, p.32.

¹⁵⁶ Ibid.

publicly warned that Sipadan belonged to Indonesia.¹⁵⁷ In early 1994, Indonesia held its largest ever military exercise off the Riau Islands. Curiously, Rear Admiral Soeratmin found it expedient to state that "the war game has no connection with the Indonesia-Malaysia dispute over Sipadan and Ligitan Islands. It is also not a show of force."¹⁵⁸

In January 1994, Malaysia and Indonesia agreed to "study whatever fresh evidence is available" in their attempts to peacefully resolve the overlapping claims on the two islands.¹⁵⁹ The daily Merdeka wondered "why cannot the fact that Singapore, the majority of whose population is not of Malay stock, is able to cooperate with Indonesia in developing the Riau Islands, serve as an example of good relations for Indonesia and Malaysia, whose peoples have the same forefathers?"¹⁶⁰ In May 1994, Malaysia, in a concession to Indonesia, agreed that no development would be undertaken on the islands while talks were under way to seek a solution to the dispute. Malaysia further stated its desire that the dispute be resolved as soon as possible to prevent it from undermining bilateral relations.¹⁶¹

In September 1994, Mahathir visited Jakarta, with the main issue being the dispute over the two islands.¹⁶² Malaysia proposed third party arbitration, such as through the International Court of Justice, but Indonesia preferred bilateral means to resolve the issue.¹⁶³ Both did agree, rather vaguely, that the issue would be "resolved according to the principle of international law" and that they would continue their bilateral efforts to find a solution in the greater interests of growing economic and trading ties between

¹⁵⁷ Radio Republic Indonesia (Jakarta, in Indonesian), 1500 GMT, 13 December 1993, in BBC/SWB FE/1873 B5 (9), 16 December 1993. See also Straits Times, 29 January 1994, p.25.

¹⁵⁸ Antara News Agency (Jakarta, in English), 1334 GMT, 25 March 1994, in BBC/SWB FE/1957 B/3 (7), 28 March 1994. See also Straits Times, 27 March 1994, p.17 and Indonesian Observer, 26 March 1994.

¹⁵⁹ Bernama News Agency (Kuala Lumpur, in English), 0734 GMT, 31 January 1994, in BBC/SWB FE/1910 B/4 (9), 1 February 1994.

¹⁶⁰ Ibid.

¹⁶¹ Berita Harian (Kuala Lumpur, in Malay), 30 May 1994, p.10 in BBC/SWB FE/2015 B/5 (19), 6 June 1994.

¹⁶² "Isle Dispute Tops Agenda," The Star, 16 September 1994.

¹⁶³ Voice of Malaysia External Service (Kuala Lumpur, in English), 0800 GMT, 16 September 1994, in BBC/SWB FE/2103 B/2 (5), 17 September 1994. See also "Indonesia Prefers Bilateral Solution," New Straits Times, 17 September 1994.

the two countries. Mahathir also appealed to the media to exercise restraint and not report in a manner which could arouse popular emotions.¹⁶⁴ Thus, the Mahathir visit ended with an acknowledgement that while a solution was not in sight, both sides did recognise the greater common interests in their economic relations.

However, tensions over the issue has continued to simmer. Indeed, the Indonesian Armed Forces commander, General Feisal Tanjung, stated in February 1995 that ABRI was still conducting naval patrols near the two islands.¹⁶⁵ In response to Malaysian protests over Indonesian maps which showed the two islands as lying within its territory, Indonesia also advised Malaysia that it had "no reason to react vigorously" as the island had always been included in such maps.¹⁶⁶ Malaysia's retiring commander of the Army Field Command saw fit to publicly warn in December 1995 of "greater military challenges," specifically citing the dispute over the two islands as one which could create a crisis if not handled properly.¹⁶⁷

Recognising the danger of an armed conflict, the leaders of both countries met in Kuala Lumpur in October 1996 and announced, in what could be interpreted as a significant concession by Suharto, that the dispute would now be referred to the International Court of Justice.¹⁶⁸ However, it remains to be seen if the dispute would in fact reach The Hague, given that a similar undertaking over the Pedra Branca issue between Singapore and Malaysia has so far failed to materialise.

5. Brunei-Malaysia Relations

Brunei-Malaysia relations have been problematic for decades. Although there is close rapport between Brunei's royalty and its Malaysian counterparts, particularly the rulers of Pahang, Johore and Selangor, Brunei continues to harbour suspicions over the

¹⁶⁴ New Straits Times, 18 September 1994.

¹⁶⁵ Radio Republic of Indonesia (Jakarta, in Indonesian), 1200 GMT 20 February 1995, in BBC/SWB FE/2238 B/3 (8), 27 February 1995.

¹⁶⁶ "KL need not react vigorously over isles: Jakarta," Straits Times, 16 February 1995.

¹⁶⁷ Voice of Malaysia External Service (Kuala Lumpur, in English) 0800 GMT 29 December 1995, in BBC/SWB FE/2497 B/4 (8), 30 December 1995.

¹⁶⁸ Straits Times Weekly Edition, 12 October 1996.

intentions of its largest neighbours, Malaysia and Indonesia. Despite affinities of race and religion, Brunei has a quasi-alliance relationship with Singapore, which has extensive training facilities in Brunei and which stations at least 500 troops there at any one time. Indeed, Singapore has often been described as a "special friend" by Brunei.¹⁶⁹

The bilateral problems between Malaysia and Brunei date from the days of the Partai Rakyat Brunei (PRB), which staged an abortive rebellion with Azahari as Prime Minister of a Revolutionary State of North Kalimantan in December 1962. The then Sultan suppressed the revolt with the aid of British forces flown in from Singapore, whereupon Azahari went into exile in Indonesia and some of his supporters fled to Malaysia. Others were arrested and jailed, only to later escape with the alleged assistance of their Malaysian warders.¹⁷⁰

In June 1963, negotiations for Brunei to join the Malaysian Federation broke down over the question of oil revenues and the Sultan's precedence among the Malay rulers. In addition, then Malaysian Prime Minister Tuanku Abdul Rahman offended the Sultan by his indiscreet observation that Brunei could not exist alone politically and economically.¹⁷¹ Brunei's decision not to join the Federation led to Prime Minister Tuanku Abdul Rahman retaliating by recalling Malaysian civil servants and teachers from Brunei. Moreover, the continued presence of PRB exiles in Kuala Lumpur further added to the strain in relations between the two states.¹⁷²

Malaysia allowed the PRB to open an office in Kuala Lumpur and in 1975, sponsored a PRB delegation which presented a case for independence to the United Nations Committee on Decolonisation. Brunei recalled all its students from Malaysia as a consequence, fearing they might become a focus for dissidence, and revived its claim on the Limbang district (annexed by Rajah Charles Brooke in 1890) in Sarawak, which

¹⁶⁹A Mani, "Negara Brunei Darussalam in 1992: Celebrating the Silver Jubilee," Southeast Asian Affairs 1993 (Singapore: Institute of Southeast Asian Studies, 1993), p.101.

¹⁷⁰Far Eastern Economic Review, 5 May 1983, p.28.

¹⁷¹D S Ranjit Singh, Brunei 1939-1983: The Problems of Political Survival (Singapore: Oxford University Press, 1984), p.144.

¹⁷²Ibid., p.200.

separates the two halves of Brunei. The then Sultan even personally crossed the border to incite villagers in Limbang against Malaysia.¹⁷³ In 1976, Malaysia sponsored a UN resolution proposing elections in Brunei, the end of the ban on political parties and the return of all exiles. The following year, the UN resoundingly adopted the Malaysian resolution by 117 votes to nil, further raising tensions between the two states. According to one analyst, large-scale amphibious exercises conducted for the first time in 1976 by the Malaysian Armed Forces indicated that at this stage, Malaysia was in fact considering a Timor-style solution to Brunei, namely forcible annexation.¹⁷⁴

Relations between the two countries has improved with Brunei's independence and entry into ASEAN in 1984, with both sides signing five agreements in 1992 to upgrade bilateral cooperation in various fields including defence.¹⁷⁵ In addition, efforts have been made to resolve the territorial disputes between the two states, namely the Limbang claim by Brunei and Brunei's EEZ which overlaps Malaysia's claim in the Spratley Islands in the South China Sea. In July 1989, the official Brunei Darussalam, while calling for bilateral relations to be strengthened, stated its hope that a solution based on legal and international practice could be found.¹⁷⁶ In August 1993, Mahathir visited Brunei and declared that these were minor disputes which should not be allowed to affect their bilateral relations.¹⁷⁷ He further pledged that these issues should be resolved through negotiations.¹⁷⁸ In early 1994, the two countries held talks and agreed not to refer to a third party for arbitration, and also set up a joint committee on land and maritime borders.¹⁷⁹

Brunei is in no position to enforce a claim on the Limbangs, but the maintenance of such a claim might be of some utility to pressure Malaysia over the continued activities of PRB exiles in Malaysia. The weight of recent historical conflicts,

¹⁷³ Ibid., p.204.

¹⁷⁴ Michael Antolik, ASEAN and the Diplomacy of Accommodation (New York: Sharpe, 1990), p.84.

¹⁷⁵ Straits Times, 15 February 1992.

¹⁷⁶ Brunei Darussalam, (Brunei: Prime Minister's Office, 1989), no.46, July 1989, p.1.

¹⁷⁷ Bernama News Agency (Kuala Lumpur, in English), 1008 GMT, 3 August 1993 in BBC/SWB FE/1760 A1/3 (9), 6 August 1993.

¹⁷⁸ "Malaysia, Brunei Seek to Overcome Border Snags," Straits Times, 3 August 1993.

¹⁷⁹ Straits Times, 25 April 1994.

involving as it does the interests of the Brunei royal family, especially in the control of Brunei's huge oil and foreign exchange reserves, is likely to mean that Brunei will continue to be cautious in its dealings with Malaysia.

Indeed, Brunei has made strenuous efforts to develop its own military capability. Although the British continue to provide a Gurkha battalion, Brunei plans to improve its conventional warfare capabilities to face external threats. These include the purchase of offshore patrol vessels, 16 Hawk jet trainer/strike aircraft and 3 CN-235 maritime patrol aircraft.¹⁸⁰ This reflects Brunei's concern over the need to be able to enforce its maritime boundaries, defend its offshore oilfields, and deter aggression, especially in view of the overlapping claims in the South China Sea, of which Brunei is a claimant. However, the small size of Brunei's armed forces, totalling about 5,000 regulars, including 900 of its own Gurkhas, point to constraints imposed by a small manpower pool due to its small population of just 270,000.¹⁸¹ Singapore's small military presence, while useful in an internal crisis as a counterweight against any anti-monarchical moves by Brunei army officers, cannot provide the external protection that Brunei requires.

Brunei will therefore remain vulnerable and will need to continue its search for larger powers to provide the military protection against its larger neighbours, particularly Malaysia, which it lacks. Brunei's offer of access to the US military in the aftermath of its ejection from Subic Bay in the Philippines, as well as attempts to join the Five Power Defence Arrangement, can be seen in this context. Brunei's military weakness has meant that it cannot enforce its Limbang claim or to get its way in its EEZ dispute with Malaysia, and also has the weakest say among the far more powerful claimants to the South China Sea.

¹⁸⁰ Straits Times, 21 December 1991.

¹⁸¹ The Military Balance 1996-1997, *op. cit.*, p.177.

6. Malaysia's Relations with Thailand

Similar to her relations with all her neighbours, Malaysia's relations with Thailand has been contentious at times. The two countries have opposite strategic outlooks, which was most evident in the aftermath of the Vietnamese invasion of Kampuchea in December 1978. Thailand has since forged a quasi-alliance relationship with China, viewing China as a bulwark against a traditional enemy and rival. Malaysia, however, sees China as a long-term threat. Nonetheless, Malaysia followed the ASEAN line in condemning Vietnam's actions in Kampuchea in order to preserve ASEAN unity.

An issue between Malaysia and Thailand has been alleged Malaysian support for Malay Muslim separatists rebels in Thailand's southern provinces of Pattani, Satun, Yala and Narathiwat. Muslims account for 80% of the population of these four provinces. Their opposition to the central government has been the result of neglect, discrimination and mistreatment. The response has been the emergence of secessionist guerilla movements among the Thai Malay Muslims. As these have close personal bonds with relatives in Malaysia, it is inevitable that Malaysia would be drawn into supporting their cause. Although there has been no serious open conflict between the two countries, a major suppression campaign by Thai forces, in cooperation with the Communist Party of Malaya (CPM), against southern Muslim separatists in March and April 1981 was seen as a Thai counter to alleged Malaysian involvement in the domestic conflict.¹⁸²

The problem with the separatists has continued to this day. In 1990, the Thai military launched the largest-ever offensive against the separatist guerillas.¹⁸³ In 1993, the Pattani United Liberation Organisation (PULO) and the Barisan Revolusi Nasional (BRN) launched a series of attacks, ambushing soldiers, buses and destroying schools.¹⁸⁴ With the end of the Malayan Communist Party's armed insurgency in

¹⁸² Paridah Abdul Samad, *op. cit.*, p. 175.

¹⁸³ Asian Defence Journal, August 1990, p.83.

¹⁸⁴ Radio Thailand (Bangkok, in Thai) 1200 GMT, 4 September 1993, in BBC/SWB FE/1792 B/1, 13 September 1993. See also TV9 (Bangkok, in Thai) 1200 GMT, 8 March 1993 in BBC/SWB, FE/1942 B/5 (17), 10 March 1994.

1989, the focus for Malaysian-Thai border cooperation has shifted to the uncomfortable issue of Malaysian cooperation against the Muslim separatists. Malaysia turned down a Thai proposal to this effect, saying that the Muslim separatist movement was a Thai internal affair and that Malaysia would not interfere.¹⁸⁵ However, Malaysia did pledge that it had no intention of protecting or cooperating with the separatists and would not allow its territory to be used as a base to launch attacks in Thailand.¹⁸⁶

Thailand on its part has repeatedly accused Malaysia of being one of PULO's main sponsors and that it does in fact operate out of Malaysia, from bases in Kelantan and Perak, a charge Malaysia denied.¹⁸⁷ This Malaysian denial was undermined by the extraordinary admission by the opposition PAS state government in Kelantan, which declared that it had indeed offered refuge to the Muslim separatists, stating that "PAS has to offer this help because our Muslim brothers are being discriminated against in all aspects of life in southern Thailand."¹⁸⁸

Thailand and Malaysia, however, have not allowed the issue to affect their common economic interests. Whilst the two countries have a maritime dispute over 7,250 square km of sea, a result of overlapping EEZ claims, the two have been able to agree on a unique formula to explore and exploit gas and oil jointly in the disputed waters. In April 1994, the Malaysia-Thailand Joint Authority was established. This body would coordinate oil exploration in three concession blocks carved out of the disputed area, with profits to be equally divided between the two.¹⁸⁹

Conflict between the two countries, however, could arise as a result of continuing tensions and differences. In fact, there have been a number of border incidents, including a serious clash in December 1991 between the military forces of both

¹⁸⁵ Bangkok Post, 15 October 1993, p.1.

¹⁸⁶ Radio Malaysia (Kuala Lumpur, in English) 1300 GMT, 4 September 1993 in BBC/SWB FE/1780 B2(11), 6 September 1990, p.83.

¹⁸⁷ See, for instance, The Nation, 6 April 1994, p.A4, and 27 August 1993, p.A3. See also "No Thai Guerilla Separatist Camps in Malaysia: Najib," Business Times (Singapore), 28-29 August 1993.

¹⁸⁸ "Thai Separatists Offered Sanctuary," Asian Defence Journal, October 1994, p.94.

¹⁸⁹ Straits Times, 21 April 1994.

countries along their common border.¹⁹⁰ In addition, there has been growing concern over incidents involving Thai fishing trawlers and Malaysian naval patrols escalating into a conflict between the two countries, particularly at a time when both countries are rapidly expanding their naval capabilities. In 1991 alone, Malaysian naval patrols arrested some 95 Thai trawlers and 1,062 crew.¹⁹¹ Indeed, a particularly serious incident occurred in November 1995 when the Malaysian navy shot at a Thai trawler, killing two fishermen. In the aftermath, Malaysia's Defence Minister declared that Malaysia had the right to protect its EEZ from intrusion.¹⁹² Thailand protested at the incident, with the Director-General of the Fisheries Department threatening to lead a fleet of Thai trawlers through Malaysia's EEZ to underline what he regarded as the right of innocent passage.¹⁹³ In an atmosphere of heightened tensions, Thailand's naval chief had to issue a warning to Thai fishermen not to arm their trawlers, which could have escalated the dispute with Malaysia.¹⁹⁴

Thailand's naval expansion has also raised apprehensions in Malaysia. As JN Mak and BA Hamzah, two of Malaysia's leading security analysts, commented, "Thailand's naval expansion, the most dramatic in ASEAN, is not immediately explicable given that it faces no real external threats to its maritime security."¹⁹⁵ They fear that Thailand's military expansion would lead to an arms race. More seriously, they raised the possibility of Thai expansionism:

Thailand's neighbours.....harbour strong suspicions about Bangkok's aspirations for blue-water status, not least because Thailand over the past 300 years has had expansionist tendencies, whenever it was militarily strong.¹⁹⁶

¹⁹⁰ Straits Times, 1 January 1992.

¹⁹¹ Bangkok Post, 31 December 1992, p.61.

¹⁹² Straits Times, 13 November 1995.

¹⁹³ Thai Colour Television Channel 9 (Bangkok, in Thai), 1200 GMT 30 November 1995, BBC/SWB FE/2476 B/5 (16), 2 December 1995.

¹⁹⁴ Radio Australia External Service (Melbourne, in English), 1100 GMT 27 December 1995, in BBC/SWB FE/2496 B/5 (12), 29 December 1995.

¹⁹⁵ JN Mak and BA Hamzah, "Navy Blues," Far Eastern Economic Review, 17 March 1994, p.30.

¹⁹⁶ Ibid.

Mak and Hamzah went on to cite an article in The Nation, a leading Thai daily, which offered a scenario in the year 2008, in which a war is provoked when an armed Thai fishing trawler sinks a Malaysian patrol boat in Malaysian waters.¹⁹⁷

Thailand has also not dismissed the possibility of future conflict with its neighbours, which points to Malaysia, Vietnam and Myanmar. The Chief of the Royal Thai Navy stated the following rationale for Thailand's naval expansion:

While Thailand has friendly relations with all its neighbours, especially ASEAN countries, we cannot afford to be complacent. We need to maintain our military preparedness.¹⁹⁸

The naval commander-in-chief later repeated the rationale more bluntly:

Our mission is to maintain a power balance vis-a-vis our neighbours. Such a power balance is essential in any political bargaining.¹⁹⁹

The 1996 Thai Defence White Paper stated that the armed forces "must be equal in capability to those in neighbouring countries," and argued that despite the end of the Cold War, the chance for new types of regional conflicts has grown.²⁰⁰ Indeed, then Defence Minister General Chavalit also argued the need for more weapons systems, on the grounds that Malaysia had been rapidly modernising its military capabilities.²⁰¹

Significantly, the Thai navy has also declared that it would not recognise Malaysia's self-declared EEZ, setting the stage for later possible confrontations between the two navies. Aware of the danger of this occurring, a committee has been set up to discuss the issue of overlapping EEZs, although it is unlikely that this could be resolved soon.²⁰²

¹⁹⁷ Ibid.

¹⁹⁸ Cited in BBC/SWB FE/1550 B7, 28 November 1992.

¹⁹⁹ Cited in Straits Times, 27 December 1993, p.15.

²⁰⁰ Straits Times, 17 March 1996.

²⁰¹ Straits Times, 31 December 1995, p.12.

²⁰² Straits Times, 25 December 1995.

7. Intra-ASEAN Tensions and ASEAN Regionalism

The above discussion points to the fact that there are intractable intra-ASEAN tensions which exist to this day despite some 30 years of ASEAN regionalism. The various emotive issues that have plagued Malaysia-Singapore bilateral relations demonstrate the presence of mutual suspicions and underlying fundamental differences that will limit future bilateral cooperation, and if not managed properly, could potentially lead to conflict between the two states.

A complicating factor in Philippine-Malaysian relations has been the question of Sabah. Increased nationalism in the Philippines has meant that despite its inability to pursue the claim, the Philippines would not drop it either. Although pragmatic economic considerations have overridden the issue for the time being, the potentiality for it becoming a serious factor in Malaysian-Philippine relations has remained in view of the volatile situation in the southern Philippines and the poor state of Sabah-Federal relations.

Then, there is the issue of the Sipadan and Ligitan islands dispute between Malaysia and Indonesia, which at one stage had taken an ominous turn, with Indonesia conducting gunboat-style diplomacy by landing troops on Sipadan. Malaysia did not or could not respond to this provocation, revealing its own military weakness in dealing with an assertive and more powerful neighbour. Bilateral relations have also been cool, due to what Suharto considers to be Mahathir's lack of respect for his status as ASEAN's elder statesman and his attempt to upstage Suharto internationally. Whilst a leadership change in both countries is imminent, there is also the larger question of Indonesia's future foreign policy directions, given its past record of regional hegemonism and the potential for regional power status inherent in a rapidly developing country with 200 million people.

In addition, Brunei-Malaysia relations, while outwardly cordial, are marked by suspicions on the part of the Brunei royal family, suspicions that are well-justified given the Malaysian government's past attempts to destabilise Brunei and take over the

oil-rich state. Moreover, Thai-Malaysian relations, as we have seen, has been characterised by mutual suspicions. In fact, with the surrender of the CPM in 1989, the focus has shifted uncomfortably to the extent to which the Malaysian government is prepared to take action against sympathisers of the Thai-Muslim separatists in Malaysia. Given the impact on UMNO's Malay Muslim support base, however, no action has been taken. More seriously, there is the possibility of heightened tensions over fishing rights and maritime boundaries leading to a naval clash between the two countries, a possibility that is not far-fetched, given the increasingly interactive nature of the naval build-up between the two countries. Indeed, officials and analysts in both countries acknowledge the possibility of this occurring.

Curiously, many of the serious intra-ASEAN issues and tensions revolve around Malaysia. While Malaysia has not been a particularly assertive or problematic neighbour, the presence of territorial disputes with all its neighbours has been a major source of problems within ASEAN. In particular, the handling of its relationship with Singapore will be crucial to regional stability. This is because of all the bilateral relationships, none is as contentious as that between Singapore and Malaysia, with the presence of not just a serious territorial dispute but also historical, ethnic and religious factors. Moreover, there is evidence of a mutual deterrent relationship and signs of an accelerating arms race between the two. There has also been evidence to suggest that the two states were in fact close to armed conflict in both 1989 and 1992 over the Pedra Branca issue. If that had happened, ASEAN would have collapsed, and the region thrown into political turmoil and uncertainty. The Singapore-Malaysia relationship is thus fundamental to regional security and the future survival of ASEAN.

The nature of these various intra-ASEAN tensions, while acknowledged by some analysts, have not been adequately appreciated for their wider political ramifications. Thus, whilst ASEAN continues to be a testament to political realism on the part of the leaders of the ASEAN states in terms of their ability to cooperate over wider political and economic interests, ASEAN is in fact a fragile community, and not the strong

community developing along the lines of the European Community as it has been suggested.

The intractable nature of fundamental disputes over territory, as in the case of the Malaysia-Singapore, Malaysia-Philippines, Malaysia-Indonesia, Malaysia-Brunei and Malaysia-Thailand pairs of bilateral relationships, pose real constraints on the development of an ASEAN security community, and the mutual suspicions limit their ability to collectively confront the regional Great Powers with an interest in the region. Indeed, these intra-ASEAN disputes are themselves possible sources of conflict between the ASEAN states.

Should open conflict occur over any of these issues, ASEAN is not likely to survive. Recognising their potential for causing actual conflict, the ASEAN states have begun to tentatively address them in an oblique way, through the exploration of confidence-building measures in regional forums as a first step towards reducing mutual suspicions. In time, it is hoped that this could lead to better structures and processes that might contain these conflicts or even promote some compromise. There are, however, few signs that these intra-ASEAN disputes could soon be resolved, given that they are not even on the agenda of regional security forums in the 1990s.

It is instructive to note too that ASEAN's expanding membership will bring into focus even more intra-ASEAN disputes and mutual suspicions. Myanmar, and the Indochinese states of Kampuchea, Laos and Vietnam have traditionally distrusted Thailand, and recent close relations between Vietnam and Myanmar suggest attempts to achieve some balance against possible Thai dominance on the mainland of Southeast Asia. Moreover, Thailand does have border disputes with Myanmar; in fact, the border had been closed for over a year from 1995, following a fisheries dispute and accusations that Thailand had aided troops loyal to opium drug warlord Khun Sa.²⁰³ Myanmar's chief of the military junta, the SLORC, stated that in respect to the Khun Sa episode, "the country on the other side did not have a neighbourly attitude like

²⁰³ Straits Times, 17 March 1996.

Myanmar.”²⁰⁴ Thailand on its part had protested at frequent Burmese incursions into its territory in pursuit of Karen and other rebel insurgents.²⁰⁵ In addition, there exist tensions between Vietnam, the latest ASEAN member, and Kampuchea, a prospective member of the grouping. Tensions rose in early 1996 following Prince Norodom Ranariddh’s warning of the use of force by Kampuchea to settle a border dispute over the alleged action by its former occupier in moving border markers deeper into Kampuchean territory.²⁰⁶

What is clear from this discussion is that Southeast Asia is rivened with inter-state disputes and mutual suspicions. Intra-ASEAN tensions have constituted a significant constraint on the development of a Southeast Asian security community and their ability to collectively manage the regional order, a fact that has not been properly appreciated by political analysts.

²⁰⁴ Myanmar TV (Rangoon, in Burmese), 0800 GMT 28 May 1995, in BBC/SWB FE/2316 B/1 (1) 30 May 1995.

²⁰⁵ See, for instance, Myanmar’s rebuttal in Radio Myanmar (Rangoon, in Burmese), 1330 GMT 6 April 1995, in BBC/SWB FE/2273 B/1, 8 April 1995.

²⁰⁶ Straits Times, 17 March 1996.

CHAPTER FIVE

THE REGIONAL ARMS BUILD-UP

1. The Increase in Military Capabilities

1.1 A Concerted Arms Build-up

There appears to be strong evidence that there has been a concerted military build-up on the part of the ASEAN states since 1975. These military modernisation programmes appear to be a reaction to the various security challenges that the ASEAN states have faced since 1975, and continue to face after the end of the Cold War after 1989. This is not surprising, given the lack of a supranational authority as well as a general perception of a lack of security, driven in part by inter-state tensions and disputes between the ASEAN states. The actual reasons are a more complicated mix, but it is sufficient to note that a process of interactive arms acquisitions is underway among the ASEAN states.

This chapter will examine the evidence and the trends in the military build-up in the ASEAN states since 1975 and will discuss the causes of this military build-up. It will demonstrate that the emerging arms race in the region has not only exacerbated intra-ASEAN tensions but have also placed real constraints on both increased defence cooperation and the development of cooperative regionalism.

Tables 2 to 4 show military expenditure data published by the International Institute of Strategic Studies (IISS) and the Stockholm International Peace Research Institute (SIPRI). Each organisation uses different sources, and there are also differences in the way military expenditure is defined. The IISS cites official defence budgets and then adjusts where necessary to include all other military-related spending, such as paramilitary forces and foreign military aid. SIPRI on the other hand relies less heavily on official sources, opting to combine them with information from other published sources. It is obvious therefore that these defence expenditure figures should be treated with caution. Data derived from unofficial sources may be

inaccurate while those from official sources may be under-reported or falsified. There is the possibility of a number of hidden costs which account for gross underestimation. For instance, Singapore's comprehensive passive defence efforts, involving costly civilian bomb shelters, food stockpiles, civil defence forces and the strengthening of roads for the use of the air force in emergencies, could in fact constitute military expenditure since they contribute to Singapore's defence. Moreover, military expenditure alone does not indicate military capability. Singapore's edge in terms of major weapon systems compared to Malaysia is, for instance, all the greater given its possession of vital force multipliers, such as AEW aircraft, battlefield reconnaissance drones and air refuelling capabilities. As Tim Huxley noted, it is difficult to make meaningful estimates using available official figures, the result being that any quantitative approach needs to be supplemented by judicious qualitative analysis.¹

Despite these caveats, however, military expenditure data from both the IISS and SIPRI are generally accepted by defence analysts for analytical purposes. Despite variances in the data, they are useful in indicating general trends and comparisons.

Table 2 below shows the military expenditures of the ASEAN states from 1986 to 1995, using constant US dollars (1990 prices and exchange rates) as a base for measurement. Vietnam is excluded as it is a latecomer into the ASEAN fold, having joined in 1995, and this was only due to a change in ASEAN's strategy to incorporate regional inclusionism as a response to the changed security environment in the post-Cold War era. Table 2 shows that Singapore, Malaysia, Thailand and the Philippines show definite increases over the period, while defence expenditures for Indonesia has not shown any marked increase. Table 3, compiled from data supplied by the IISS also provides clearer evidence of a general trend towards increased expenditures, particularly in recent years, with the exception of Indonesia. Table 4 shows the percentage of GDP which the ASEAN states have devoted to defence expenditure in

¹ Tim Huxley, The ASEAN States' Internal Security Expenditure, (Working Paper No.122, Australian National University, Canberra, 1987), p.18. For a more detailed discussion of IISS methods and sources, see The Military Balance 1994-1995 (London: International Institute of Strategic Studies, 1994), pp.278-285. For a more detailed discussion of SIPRI methods and sources, see Appendix 7D in the SIPRI Yearbook 1988 (Oxford: SIPRI, 1988), pp.256-260.

the years from 1986 to 1994. In the case of Malaysia, Singapore and Thailand, the data shows a decrease in terms of the proportion of GDP devoted to defence, although absolute outlays have generally increased over the long-term, a consequence of the steady and mostly impressive economic development over the previous two decades.

Table 2

Military Expenditures of the ASEAN States (1986-1995)*

	1986	1987	1988	1989	1990	1991	1992	1993	1994	1995
Indonesia	1443	1246	1190	1220	1350	1373	1477	1425	na	na
Malaysia	1634	1445	874	1048	1125	1531	1522	1617	1690	1794
Philippines	689	719	884	966	959	901	837	835	835	na
Singapore	1528	1550	1553	1757	2026	2230	2217	2453	2423	2606
Thailand	1956	1939	1956	2022	2169	2402	2649	2794	2892	na

* US\$million, in 1990 prices and exchange rates. Figures for Brunei supplied by SIPRI are incomplete, the reason cited being the scarcity of data.

Source: SIPRI Yearbook 1996 (Oxford: Stockholm International Peace Research Institute/Oxford University Press, 1996), p.367.

Table 3

Military Expenditures of the ASEAN States (1985, 1994, 1995)*

	1985	1994	1995
Brunei	280	263	268
Indonesia	3,197	2,486	2,751
Malaysia	2,409	3,142	3,514
Philippines	647	1,117	1,151
Singapore	1,622	3,118	3,970
Thailand	2,559	3,630	3,896

* US\$million, in 1995 prices and exchange rates.

Source: The Military Balance 1996-1997 (London: International Institute of Strategic Studies, 1996), p.308.

Table 4

Military Expenditures of the ASEAN States as a Percentage of GDP (1986-1994)*

	1986	1987	1988	1989	1990	1991	1992	1993	1994
Indonesia	1.9	1.5	1.3	1.2	1.3	1.2	1.2	1.0	na
Malaysia	5.7	4.5	2.5	2.7	2.6	3.3	3.0	3.0	2.9
Philippines	1.9	1.8	2.1	2.2	2.2	2.1	1.9	1.9	1.8
Singapore	6.6	6.1	5.3	5.4	5.5	5.7	5.4	5.4	5.3
Thailand	3.7	3.3	2.9	2.6	2.5	2.6	2.6	2.6	2.4

* Figures for Brunei supplied by SIPRI are incomplete, the reason cited being the scarcity of data.

Source: SIPRI Yearbook 1996 (Oxford: Oxford University Press, 1996), p.373.

1.2 The Security Dilemma and the Danger of an Arms Race

The point to note is that military capabilities are rapidly increasing, as this chapter will demonstrate. The ASEAN states have made great efforts to improve their military capabilities as a response to the perceived security challenges emanating from extra-regional, intra-ASEAN and internal sources. All the ASEAN states have improved their military capabilities fairly significantly since the epochal events of 1975, namely the fall of the Saigon regime and the US retrenchment from the region. Whilst ASEAN did not become an overt military pact (indeed, the various ASEAN states avoided any reference to multilateral military or security cooperation), individually, the ASEAN states embarked on military modernisation programmes designed to emphasise conventional military capabilities as compared to the earlier emphasis (except for Singapore) on defeating internal communist and separatist insurgency movements.

Like decision-makers everywhere, those in the ASEAN states measure security in terms of visible military capabilities, on the assumption that increasing military strength enhances security. This may be true to a certain extent but there comes a point when military capabilities appear so overwhelming to neighbours that they feel the necessity to take effective counter-measures in order to forestall any eventuality. As Chapter Two has demonstrated, the very pursuit of security can lead to less, not greater, security for the state concerned. According to Robert Jervis, this security dilemma is accentuated by misperceptions or ignorance on the part of decision-makers. As he observed:

Since (statesmen) do not understand that trying to increase one's security can actually decrease it, they will overestimate the amount of security that is attainable; they will think that when in doubt they can play it safe by increasing their arms. Thus it is likely that two states which support the status quo but do not understand the security dilemma will end up, if not in a war, then at least in a relationship of higher conflict than is required by the objective situation.²

² Robert Jervis, "Cooperation Under the Security Dilemma," in World Politics, vol.30, no.1, 1977/78, p.182.

Then, there is also the question of whether the offensive or the defensive has the advantage. Where the offense is believed to have the advantage, a swift, blitzkrieg-like pre-emptive first strike could be perceived to be profitable for the winner, and because wars are expected to be short, there will be incentives for high levels of arms, and quick and strong reaction to the other's increases in arms.³

Among the ASEAN states, Singapore would fall neatly into this category. As a small island-state without any strategic depth but possessing the necessary economic resources and will to arm itself with modern weapon systems, it has built up a large and capable armed forces modelled after the Israel Defence Force. Moreover, its military doctrine is "Forward Defence", which is an euphemism for a pre-emptive defence strategy that emphasises mobility and offensive power, a logical strategy given the fact that the defensive would have a distinct disadvantage from Singapore's point of view. However, this strategy alarms its neighbours, particularly its closest neighbour, Malaysia, and has led to a nascent arms race between the two countries.

The consequences of the failure to understand the security dilemma is the phenomenon of arms races. As Colin Gray has observed, it is possible for arms races to develop even in the absence of any serious political antagonisms. A fairly autonomous arms increase might be matched by a fairly disinterested party solely as a precautionary move, and thus spark off a cycle of close or intermittent armament interactions and previously unappreciated political antagonisms might occur.⁴ Indeed, while arms races are evidently run between mutually perceived enemies, arms race behaviour can also be discerned among even formal allies, whether out of prestige or the need to maintain a relationship of equality.

A spiral of competitive arms acquisitions would raise tensions and could eventually lead to an actual military conflict; firstly, due to the atmosphere of mistrust and suspicion over the motives for acquiring new weapon systems; secondly, due to the presence of territorial or other ethnic or historical animosities; and thirdly, as a result

³ *Ibid.*, pp.189, 194 -196.

⁴ Colin Gray, "The Arms Race Phenomenon," in *World Politics*, vol. 24, no. 1, 1972, p.41.

of the availability of means to defend or enforce one's national interests. In fact, Michael Wallace has claimed that 82% of arms races associated with serious international disputes have ended in military confrontation.⁵ The point is that it is a fallacy to assume that increasing military strength naturally leads to the enhancement of national security and stability.

2. The Military Build-up in the ASEAN States

2.1 Thailand's Military Build-up

Thailand, the so-called frontline state, undertook a comprehensive military build-up in the aftermath of the communist victories in Indochina in 1975. The Thai military's modernisation efforts were given impetus by the Vietnamese invasion of Kampuchea in December 1978, bringing on to Thailand's doorstep its ancient enemy and rival for influence in Indochina. More seriously, Thailand's opposition to Vietnam's action brought it into conflict with Vietnam, with the result that Thailand found common ground with China, which also opposed Vietnamese hegemony or domination of Indochina. The strategic alliance with China pitted Thailand against a Soviet-supported Vietnam, which in the late 1970s possessed considerable battle experience and war material as a result of the Vietnam War. In addition, the withdrawal of US forces from mainland Southeast Asia, and from its bases in Thailand, was also a major factor in Thailand's military build-up.

However, there were also domestic political factors to be considered. The violent October 1976 military coup which ended the brief era of democracy in Thai politics resulted in thousands of left-wing students taking to the jungle to join the Communist Party of Thailand in its revolutionary struggle. Adding to this complication was the fear that Vietnam would provide sanctuary, arms and training to the insurgents. Moreover, the Northeast provinces of Thailand are populated by Lao-speakers, which could be incited by irrendentism to unite with neighbouring communist Laos. While

⁵ See Michael Wallace, "Arms Race and Escalation: Some New Evidence," Journal of Conflict Resolution, March 1979.

the internal threat was clearly real, the heavily-politicised Thai military was also obviously anxious to exaggerate these threats, for it justified their political supremacy and served its own bureaucratic interests through increased defence expenditures.

Various services and constituents of the armed forces also vied for increases in their share of resources, due to the fierce political infighting and inter-service, as well as intra-service rivalries. Indeed, one general once observed that "the internal struggle in the armed forces is much tougher than war with the enemy."⁶

The loss of the traditional buffer state of Kampuchea in 1978 as a result of the Vietnamese invasion was to provide further impetus to military modernisation, particularly as Vietnamese forces made repeated incursions into Thai territory in pursuit of Khmer Rouge guerillas. The apparent external threat justified efforts by the Thai military to enhance its conventional military capabilities through the purchase of weapon systems from the US, China and Europe.⁷

The Thai military was also acutely aware of its own deficiencies. Configured for internal counter-insurgency and lacking the conventional military capabilities for external defence as a result of the US security umbrella under SEATO and the US military presence in the country throughout the Vietnam War, Thailand felt it had to take quick action to redress the military imbalance vis-a-vis Vietnam.

Thus, US arms poured into Thailand from 1979, when its military build-up went into full-swing as a result of the events of the previous year. The US used heavy military transport aircraft and ships in a massive air and sealift to rush much-needed weapon systems to Thailand. M48A5 Main Battle Tanks (MBTs), M113 APCs, M47 Dragon and TOW antitank missiles, 105mm light howitzers, 106mm recoilless guns, ammunition and other military equipment were quickly delivered.⁸ The Royal Thai Army (RTA) was re-organised to emphasise armour and mechanised infantry to

⁶ General Harn Leenanond, formerly Commanding General of the Fourth Army, cited in "Thailand's Armed Forces: The Royal Thai Army," in *Asian Defence Journal*, April 1985, p.15.

⁷ *Bangkok Post*, 20 and 22 February 1979.

⁸ "Thailand's Rush to Re-Arm," *Far Eastern Economic Review*, 19 October 1979, pp.28-29.

improve operational capabilities and mobility.⁹ From 1978 to 1988, the Thai air force also received an additional 55 F5 fighters, with the delivery in 1985 of 12 F16 fighters for US\$380 million.¹⁰ The US publicly pledged full support for Thailand's military modernisation programme.¹¹ In January 1987, Thailand and the US agreed to establish a joint war-reserve stockpile which could be used by Thailand in an emergency.¹²

According to a study by Sukhumbhand Paribatra, Thailand increased defence spending by more than 20% annually between 1975 and 1978, raising defence spending as a percentage of GDP from 2.77 to 3.49%, with another large increase of 24% in the aftermath of the first serious Vietnamese incursion into Thailand in June 1980. Thus, Paribatra concluded that "in overall terms, the trends in Thailand's defence spending clearly seem to be closely related to threat perceptions."¹³

The Sino-Thai strategic alliance has also benefitted Thailand. In 1987, Thailand placed a major order for some 400 APCs, 50 T69 tanks and some anti-aircraft guns, with China offering "friendship prices" for the arms.¹⁴

However, the Thai military received an unpleasant reminder of its continuing weakness when it was outfought by Lao troops in a series of skirmishes along the Thai-Lao border, collectively known as the Battle of Ban Romklao in 1987 and 1988, in which Thailand lost over 400 killed, exposing its weaknesses in carrying out conventional warfare.¹⁵

If anything, this provided even greater impetus to improve the conventional capabilities of the armed forces. Since then, the Royal Thai Marines have been re-organised for long-range amphibious operations and the navy has extended its EEZ

⁹ See "The Royal Thai Army: Its Role in National Unity," Asian Defence Journal, March 1987, pp.4-18.

¹⁰ Far Eastern Economic Review, 25 October 1984, p.50.

¹¹ Far Eastern Economic Review, 26 April 1984, p.17.

¹² Straits Times, 7 January 1987.

¹³ Sukhumbhand Paribatra, "Thailand: Defence Spending and Threat Perceptions" in Chin Kin Wah (ed), Defence Spending in Southeast Asia (Singapore: Institute of Southeast Asian Studies, 1987), p.90.

¹⁴ The Nation (Bangkok), 22 March 1987.

¹⁵ Asia-Pacific Defence Reporter 1994 Annual Reference Edition (Victoria: Asia-Pacific Defence Reporter, 1994), p.25.

patrol capabilities, with a number of new patrol craft ordered.¹⁶ Indeed, it is the Thai navy that is showing the most dramatic expansion in the 1990s. In 1994, the first of a series of 6 Chinese-built F25T missile frigates, equipped with a mixture of Chinese and Western weapon systems, was delivered.¹⁷ New Italian Type 87 minehunters have also been ordered. There are also plans to purchase an initial two submarines in the near future.¹⁸ The Thai Navy is also reportedly evaluating new German Meko 140 frigates, as well as ex-US Knox class frigates.¹⁹

The acquisition of an aircraft carrier, the Chakri Narvebet, construction of which began at the Spanish Bazan shipyard in 1993 with delivery scheduled for 1997, is indicative of the ambitions of Thailand in developing a blue-water naval capability that could counter India on its Indian Ocean seaboard, and Vietnam and Malaysia in the Gulf of Siam. The carrier is similar in some respects to the British Invincible class and will be fitted with a ski-jump ramp, enabling it to operate Harrier vertical take-off fighter-bombers, already combat-proven in the Falklands War, in addition to Sea Hawk or Chinook helicopters. Indeed, Thailand has purchased 9 ex-Spanish Navy Harriers for its carrier.²⁰ Thailand is also reported to be considering the addition of a second carrier by the end of the 1990s, which will give it a naval capability unrivalled by any other state in Southeast Asia.²¹ Indeed, it is noteworthy that not even China and Japan have aircraft carriers, while the Indian Navy can only field two ageing ex-British carriers.

It is thus clear that the military build-up as a result of external developments and threats, namely, from the events of 1975 and those of 1979-1980 have, by the late 1980s, assumed a momentum of its own. After constant development and expansion, Thailand's military strength has greatly increased. In 1978, Thailand had military manpower totalling 212,000, with just 3 frigates in the navy and 149 combat aircraft.

¹⁶ Armed Forces Journal International, February 1992, p.31.

¹⁷ Straits Times, 19 December 1994, p.14. See also Asian Defence Journal, October 1990, p.109.

¹⁸ "Force Modernisation in the Asia-Pacific," Asian Defence Journal, March 1991, p.15. Latest reports indicate, however, that this may have been postponed due to budgetary considerations. See Matichon (Bangkok, in Thai), 16 October 1995, p.1,10, in BBC/SWB FE/7437 B/3 (7), 18 October 1995.

¹⁹ Asian Military Review, June 1993, p.32.

²⁰ Asia-Pacific Defence Reporter 1996 Annual Reference Edition (Victoria: Asia-Pacific Defence Reporter, 1996), p.49.

²¹ "Regional Naval Growth Continues," in Asia-Pacific Defence Reporter 1994 Annual Reference Edition, op. cit., p.8. See also International Defence Review, May 1992, p.465.

In 1996, Thailand had military manpower totalling 454,000.²² Its army had 150,000 regular troops, with 2 armoured divisions, 2 mechanised divisions, 7 infantry divisions and 2 special forces divisions. The Thai army had over 50 Chinese-made Type 69 tanks, 150 US-made M48A5 tanks and 53 M60 tanks, as well as some 154 Scorpion, 250 M41 and 106 Stingray light tanks. It also had some 940 APCs, almost equally divided between US and Chinese-made types. The Thai army also possessed considerable artillery firepower, counting some 150 medium-range 155mm howitzers in its inventory.²³ Thailand is also reported to be planning to purchase up to 100 of either surplus German Army Leopard or US M60A3 Main Battle Tanks (MBTs) to strengthen its armoured capability.²⁴

The air force in 1996 had some 40,000 personnel and some 212 combat aircraft, including a fairly large complement of 36 F5E and 36 F16 jetfighters. Airlift capability is impressive, with some 28 transport aircraft.²⁵ There are also reported plans to purchase E2C Hawkeye AEW aircraft as well as modern ground support aircraft, such as the British Hawk or the Italian-Brazilian AMX.²⁶ More interestingly, it is also reported that Thailand is considering an F18 Hornet jetfighter purchase, with the condition that the US supply the advanced AMRAAM air-to-air missile, reportedly to counter the similar AA-12 missile that arms Malaysia's MiG-29s.²⁷

As mentioned, the Royal Thai Navy (RTN) has seen some dramatic expansion in recent years, and is some 64,000 strong. Thailand's naval assets are divided into three fleets, the First Fleet at the East Thai Gulf, the Second Fleet at the West Thai Gulf, and the Third Fleet at the Andaman Sea, facing the Indian Ocean. It presently has 12 frigates as well as some 11 corvettes and missile boats, with a significant amphibious capability centred around 9 LSTs.²⁸

²² See Table 1 (Chapter 4). See also The Military Balance 1978-1979 (London: International Institute of Strategic Studies, 1978), p.68.

²³ The Military Balance 1996-1997 (London: International Institute of Strategic Studies, 1996), pp.198.

²⁴ Asia-Pacific Defence Reporter 1995 Annual Reference Edition (Victoria: Asia-Pacific Defence Reporter, 1995), p.19.

²⁵ The Military Balance 1996-1997, *op. cit.*, p.199.

²⁶ Armed Forces Journal International, February 1992, p.31.

²⁷ Straits Times, 16 April 1996, p.36.

²⁸ The Military Balance 1996-1997, *op. cit.*, pp.198-199.

As the 1980s progressed, Thailand also moved away from its heavy dependence on the US for weapon systems. China has become another major source of weapon systems since 1987 and European suppliers have also been tapped, particularly for some of its latest naval vessels, such as LSTs and a Spanish-built aircraft carrier. Clearly, Thailand is aware of the limitations of dependence on the US and its naval expansion provides dramatic evidence of this.

The arms build-up is indicative of continuing concern over external threats, with Thailand anxious to be able to counter Vietnam's military capabilities and to counter the aspirations of new regional Great Powers, namely, India, China and Japan. Its long borders with a number of neighbours, namely Malaysia, Myanmar, Laos and Kampuchea, has also been problematic. There continues to be a stubborn Muslim secessionist movement in the south, with some measure of unofficial support and sympathy from across the border in Malaysia. Along the Thai-Myanmar border, the Myanmar army's cross-border forays in 1995 has repeatedly targetted Karen refugee camps on Thai soil, raising the spectre of clashes with Thailand's forces.²⁹ The fact that there are deep mutual suspicions between Thailand and Myanmar due to bitter historical animosities does not help either. Thailand has problems with Laos as well. Apart from territorial disputes escalating into border clashes in 1987-1988 in which the better-armed Thais were in fact outfought, Laotian forces did not hesitate to shell Thai territory in 1993, in retaliation over an incident involving the arrest by Thailand of Lao nationals over alleged criminal activities.³⁰

Thailand also intends to be able to keep its vital sea-lanes of communications out of the Gulf of Siam secure. Heightened concerns over maritime disputes were demonstrated by a naval clash in disputed waters in the Gulf of Siam between Thailand and Vietnam in May 1995. Conflicting territorial sea-claims, fishing rights and maritime boundaries with Malaysia (discussed in Chapter 4), has also suggested the potential of a naval conflict with its ASEAN neighbour. Indeed, the Thai Defence

²⁹ "Centrifugal Forces: Armed Incursions Alarm Country's Neighbours," Far Eastern Economic Review, 27 February 1995. See also "Thailand Threatens Retaliation Over Cross-Border Raids," in The Weekend Australian, 6-7 May 1995, p. 14.

³⁰ "Thailand Plays Down Lao Shelling Incident," in BBC/SWB FE/1639 A2/6 (16), 17 March 1993.

Ministry White Paper in 1994 cited overlapping maritime economic zones as a result of 320 km EEZs allowed under the International Law of the Sea as a possible cause of conflict between countries in the region. Although not named, this pointed to Malaysia, Vietnam and Myanmar.

Indeed, the naval commander-in-chief stated that the naval modernisation programme is meant to "maintain a balance of seapower with its neighbours."³¹ Another senior naval commander also stated that the RTN needed to make sure that its capabilities remained equal to those of any potential enemy in the region.³² Thailand's massive naval build-up has raised the concerns of its neighbours, with Malaysian analysts apprehensive that Thailand could use force to uphold its maritime economic interests.³³

Thailand's military build-up is thus driven at least partly by its perception of the potentialities of external threats emanating from its neighbours such as Vietnam and Myanmar, as well as the need to safeguard its maritime interests in view of the growing naval capabilities of Malaysia. As Sukhumbhand Paribatra noted, its emphasis on building up the conventional capabilities of all three armed forces - namely, the land, air and naval forces - has been unchanging since 1976-1977, that is, the aftermath of the defeat of the Saigon regime in 1975. Since then, Thailand has consistently placed a heavy emphasis on defence self-reliance to compensate for the retrenchment of its hitherto strongest ally, the US.³⁴

2.2 Singapore's Military Build-up

Singapore's military build-up and the consequent arms race with Malaysia have been examined in Chapter 4. Begun with Israeli assistance after Singapore's expulsion from the Malaysian Federation amidst heightened racial tensions in 1965, Singapore's

³¹ Text of report on an interview with the Navy Commander-in-Chief Admiral Wichet Karunyawarit, in The Nation (Bangkok, in English), 15 February 1993, pp. A1 and A2 in BBC/SWB FE/1618 A2/1 (2), 20 February 1993.

³² Asian Defence Journal, September 1991, p.87.

³³ "Crossed Lines: Thailand and Vietnam Clash Over Fishing Rights," Far Eastern Economic Review, 15 June 1995, p.16. See also J N Mak and BA Hamzah, "Navy Blues," Far Eastern Economic Review, 17 March 1994, p.30.

³⁴ Sukhumbhand Paribatra, op. cit., p.99.

military build-up was such that by 1972, Prime Minister Lee Kuan Yew was able to boast that Singapore had "made the transition from military impotence to combat-readiness," thus achieving the goal of a "defence state."³⁵ By then, Singapore possessed ex-Israeli AMX-13 light tanks, large numbers of US-made V-200 Commando armoured personnel carriers, and had an effective air force centred around ex-British Hunter and ex-US A4 Skyhawk combat aircraft.³⁶ The cost of this build-up was significant, with defence spending taking up some 11% of GNP and 40% of government expenditure in the late 1960s.³⁷

Three decades of constant and sustained development has brought about recognition that the Singapore Armed Forces (SAF) is a credible military force. Military analysts have been impressed by Singapore's modern conventional capability. John Keegan describes the SAF as "one of the best forces in Southeast Asia, well-trained and well-armed."³⁸ Donald Weatherbee concludes that it is "probably the best-equipped and trained in the region."³⁹ He observed that it has "preemptive strike potential," unsurprising given Singapore's deliberate adoption of the Israeli model.⁴⁰ Malaysian analyst Shuhud Saaïd concluded that the SAF has "superior combat power relative to that of neighbouring land forces" and that it has the ability to "strike deep."⁴¹ Tim Huxley also concluded that Malaysia and Indonesia are both militarily inferior to Singapore.⁴²

In 1996, Singapore could mobilise 275,000 troops at short notice using a well-developed system of open or "silent" mobilisation. This high state of combat readiness functions to sustain a rapid blitzkrieg against any enemy. Like its Israeli counterpart upon which it is modelled, the SAF emphasises mobility and armour. With 350

³⁵ Prime Minister Lee Kuan Yew, quoted in Straits Times, 16 July 1992.

³⁶ Asian Defence Journal, April 1982, p.22.

³⁷ Williard A Hanna, The New Singapore Armed Forces (American Universities Field Staff Reports, Southeast Asia Series, vol. 21, no.1, 1973), p.1.

³⁸ John Keegan, World Armies (Hants:Macmillan,1983), p.520.

³⁹ Donald Weatherbee, "ASEAN Defence Programs: Patterns of National and Regional Resilience," in Young Whan Khil and Laurence E Ginter (eds), Security, Strategy and Policy Responses in the Pacific Rim (Boulder,Colorado: Lynne Rienner, 1989), p.200

⁴⁰ Ibid.

⁴¹ Shuhud Said, "The Singapore Army," Asian Defence Journal, June 1987, p.13

⁴² Tim Huxley, "Singapore and Malaysia: A Precarious Balance?" Pacific Review, vol. 4, no.3, 1991, pp.208-209.

upgraded AMX-13 tanks and 60 Centurion Main Battle Tanks, some 1,074 M113, V200 and AMX-10P APCs, light air-mobile 105mm howitzers, 120mm heavy mortars and fairly substantial numbers (124 in 1996) of 155mm howitzers (many self-propelled), the SAF is very well-equipped compared to its immediate neighbours, Malaysia and Indonesia.⁴³

This significant land force is backed by the region's best air force, with the most advanced air warfare capability in the region. With 137 combat aircraft, Singapore's air force has more firepower than either Malaysia or Indonesia. Its 3 squadrons of A4 Skyhawk ground-attack aircraft, equipped with the Maverick laser-guided air-to-ground missile, provides Singapore with a credible precision air bombardment capability. Its 38 F5E jetfighters have been upgraded with new avionics, while the F16 fighter fleet will eventually number some 40 aircraft in total.⁴⁴ In fact, 18 of the latest F16C/Ds are currently on order.⁴⁵ The air force is backed by force multipliers such as C130 Hercules air tankers and E2C Hawkeye aircraft. It has some 20 helicopter gunships and a medium-range heavy-lift capability in the form of 32 Super Puma and Chinook helicopters.⁴⁶ The air force has also taken delivery of 5 Fokker maritime patrol aircraft, which are armed with Harpoon anti-ship missiles.⁴⁷

The Singapore Navy has also seen rapid expansion in recent years, despite the emphasis, along the Israeli model, on airpower and armoured mobility. According to the Singapore Armed Forces Plan 2000, naval expansion will include a submarine arm.⁴⁸ In 1996, Singapore purchased a second-hand Sjoormen-class submarine from Sweden, which will precede more submarines once operational expertise has been built up.⁴⁹ Already possessing 12 missile boats and corvettes, 12 new Fearless-class corvettes, some of which are equipped with anti-ship missiles and anti-submarine

⁴³ See Table 1 (Chapter 4).

⁴⁴ See "Singapore Plans To Buy Additional F16s," *Jane's Defence Weekly*, 22 August 1992.

⁴⁵ *Asian Military Review*, vol. 4, issue 1, February/March 1996, p.30.

⁴⁶ *Jane's Defence Weekly*, 22 February 1992, p.194.

⁴⁷ *Asia-Pacific Defence Reporter 1996 Annual Reference Edition*, *op. cit.*, p.48.

⁴⁸ "Regional Naval Growth Continues," *op. cit.*, p.8.

⁴⁹ *Sveriges Radio P1* (Stockholm, in Swedish), 1545 GMT, 24 September 1995, in BBC/SWB FE/2418 B/3 (6), 26 September 1995.

warfare torpedoes, are being delivered.⁵⁰ The mission of this significant force of corvettes is cited as being that of protecting Singapore's Sea-Lanes of Communications (SLOC), which are vital to Singapore's survival, given its heavy dependence on foreign trade.⁵¹ The navy also operates a modern fleet of 4 Landsort-class minehunters. There is also a considerable amphibious capability in the form of 5 LSTs and a substantial number of locally-built hovercraft landing vessels. It is reported that Singapore may also build Landing Platform Docks (LPDs) to replace its LSTs. Such ships would provide a huge leap for Singapore's amphibious capabilities, enabling its rapid deployment division to be effectively used in any offensive action.⁵²

To improve its training and operational effectiveness, Singapore has permanent training facilities in Thailand, Taiwan, Brunei and Australia. The Singapore military presence in Australia, in particular, is growing, with the planned stationing of some 20 A4 Skyhawks and up to 12 Super Puma helicopters in Queensland.⁵³ This is in addition to the 30 S211 trainers in Western Australia and the permanent use of armoured training facilities in Queensland. Apart from Australia, Singapore has also consciously cultivated defence ties with Indonesia. The warmth of Indonesia-Singapore ties is reflected in the civil aviation and military training agreements signed in September 1995, which delegated airspace of up to 90 nautical miles south of Singapore to Singapore's air traffic control, and allowed Singapore's air force to conduct training over Indonesian air space.⁵⁴

Singapore's defence capability has not come cheaply. Indeed, Singapore's defence expenditure is the highest in the region in terms of percentage of GDP, averaging some 6% over the past three decades.⁵⁵ Singapore has not shrunk from spending to improve its military capabilities. In addition, Singapore has the best-developed defence industry in Southeast Asia, as well as one of the world's best civil defence capability,

⁵⁰ Asia-Pacific Defence Reporter 1996 Annual Reference Edition, op. cit., p.54.

⁵¹ Straits Times Weekly Edition, 25 February 1995.

⁵² Asia-Pacific Defence Reporter 1995 Annual Reference Edition, op. cit., p.16.

⁵³ Straits Times, 31 March 1995.

⁵⁴ Straits Times, 22 September 1995.

⁵⁵ Interview with Dr Yeo Ning Hong, Singapore's Defence Minister, Asian Defence Journal, February 1992, p.11. See also Table 4, which indicates that Singapore's defence expenditure has been between 5.3-6.6% of GDP during the period 1986-1994.

with an expanding shelter programme, a nationwide siren system and strategic stockpiles.

Singapore has thus shown itself to be determined to maintain its military capabilities, particularly in relation to its neighbours, despite the huge costs involved. As the then Defence Minister Dr Yeo Ning Hong stated, Singapore's defence philosophy is "minimising the likelihood of threats arising, by being strong and alert, vigilant and ready at all times."⁵⁶ The emphasis is on actual warfighting capabilities and combat-readiness. As Dr Yeo also stated: "Our armed forces must be able and ready to deal effectively with any threat at the shortest notice. Total defence must be real if we are to achieve deterrence."⁵⁷ In the 1990s, the stress has been on improving the command, control and communications (C3) structure, with the objective of developing a C3 structure controlled by a central staff and integrated to the unit level. This will be a significant force-multiplier that will further enhance existing capabilities and combat-readiness.⁵⁸

Singapore's military build-up has thus been driven by the need to maintain its military edge over its immediate neighbours, Indonesia, and in particular, Malaysia, given the potential for conflict arising from the plethora of inter-state issues (described in Chapter 4) which have bedevilled bilateral relations with Malaysia. Not surprisingly, the clearly offensive nature of Singapore's military build-up as expressed through its well-publicised doctrine of Forward Defence, that is, a pre-emptive military strategy, has alarmed its neighbours, and sparked an interactive arms build-up, in other words, efforts to counter Singapore's military capabilities. As described in Chapter 4, this has been evident with Malaysia, and to a more limited extent, Indonesia.

2.3 Malaysia's Military Build-up

The Malaysian Armed Forces (MAF) has had vast experience in counter-insurgency warfare, having fought a stubborn communist insurgency in Malaya and the East

⁵⁶ Ibid.

⁵⁷ Ibid.

⁵⁸ Jane's Defence Weekly, 27 January 1990, p.159.

Malaysian states for some 40 years. In addition, it had to deal with Indonesian commando infiltration and sabotage during the Confrontation from 1963 to 1965.

The on-going disputes with the Philippines over Sabah, the concerted military build-up by Singapore, the British withdrawal in 1971, the recent legacy of Confrontation, the communist victory in Indochina in 1975, and the US withdrawal from mainland Southeast Asia, all contributed to a fundamental re-orientation of the MAF from counter-insurgency to conventional military capabilities.

In response to the British withdrawal in 1971, Malaysia developed a basic air defence network based on F5E jetfighters, a naval strike force of 4 Le Combattante-class fast missile boats and 2 frigates, and improved its airlift capabilities in support of counterinsurgency warfare operations.⁵⁹

The Malaysian government also launched the PERISTA modernisation programme in 1979. This programme, designed to build up Malaysia's conventional capabilities, accounted for fairly high levels of military expenditure from 1980 to 1983.⁶⁰ The programme was not only a response to the uncertainties of the regional strategic environment in the wake of the Vietnamese invasion of Kampuchea in 1978, it was also meant to address maritime patrol requirements due to Malaysia's declaration of its vast 320 km EEZ in 1980. Moreover, there was the continued threat from communist insurgency, as well as the rapid and sustained build-up of conventional offensive military capabilities by its southern neighbour, Singapore. The PERISTA programme included the strengthening of the army from 70,000 to 100,000 and the increase in armoured capabilities. The navy also doubled in strength to 15,000, while the air force was strengthened by the purchase of 40 refurbished A4 Skyhawks. Determined to build up conventional military expertise to repel a limited external attack, the

⁵⁹ Muthiah Alagappa, "Malaysia: From the Commonwealth Umbrella to Self-Reliance," in Chin Kin Wah (ed), *Defence Spending in Southeast Asia* (Singapore: Institute of Southeast Asian Studies, 1987), p.182.

⁶⁰ See *SIPRI Yearbook 1991* (Oxford: Oxford University Press, 1991), p.171. Malaysia's military expenditure hovered around the US\$2,000 million to US\$2,100 million figure (1988 prices) during that period.

Malaysian Armed Forces launched, from 1979, a series of large-scale conventional war exercises under the Gonzales series.⁶¹

From the early 1990s, there were fresh concerns over potential external threats. Not only were there concerns over a Great Power vacuum in the region following the withdrawal of the US from its bases in the Philippines in 1992, there were also heightened concerns over maritime security due to disputes over the overlapping claims to the South China Sea between Malaysia, Vietnam, Brunei, the Philippines, Taiwan and China. Moreover, the need to patrol its vast EEZ, the continuing dispute with Singapore over Pedra Branca, and with Indonesia over the Sipadan and Ligitan Islands, as well as disputed maritime boundaries with Thailand, provided further impetus for Malaysia to continue to build up its own self-reliant capability, particularly its naval capabilities, and to improve its evidently deficient air force. As such, Malaysian Defence Minister Najib Tun Razak, declared that Malaysia would gradually increase its defence spending from 1994, from 2.5% to 4% of GDP.⁶² Najib acknowledged that Malaysia had "a small and ill-equipped" force to accomplish the varied missions that it was supposed to do.⁶³

Thus, with the long-awaited purchase of MiG-29 and F18 Hornet jetfighters in 1994, Najib was able to declare that Malaysia was now "on an equal standing with its neighbours in terms of military strength."⁶⁴

This statement alluded to Malaysia's concerns over Singapore's conventional military capabilities. Indeed, Singapore's evident capabilities has, as noted earlier, sparked an arms race with Malaysia. Commenting on the arms build-up in Southeast Asia, one analyst noted that "defence planners are consequently paying close attention to the composition of their neighbours' new arsenals, and any upgrading of one is likely to be followed by an upgrading of the others."⁶⁵ Thus, Singapore's declaration to purchase

⁶¹ Muthiah Alagappa, *op. cit.*, pp.184-185.

⁶² Bernama News Agency (Kuala Lumpur, in English), 0914 GMT, 25 October 1994, in BBC/SWB FE/1834 B/5 (14), 1 November 1993.

⁶³ Straits Times, 13 July 1993.

⁶⁴ Asian Defence Journal, August 1994, p.86.

⁶⁵ Sanjiv Prakash, "New Teeth, New Words," Defence and Foreign Affairs, November 1990, p.14.

F16 jetfighters in 1983 was followed by a similar decision by Indonesia, which was described at the time as a "costly exercise in keeping up with the Joneses."⁶⁶ Malaysia reacted by considering a much-publicised arms deal with Britain, which included Tornado fighter-bombers. Although the Tornado deal eventually fell through and was amended in favour of 28 of the much less capable ground attack trainer, the British Aerospace Hawk, the British deal was the subject of intense interest by Singapore. This was exposed by the smashing in 1989 of a Singaporean espionage ring said to be collecting details of this particular arms deal.⁶⁷

Eventually, the Malaysian government settled on a mixed F18 Hornet and MiG-29 jetfighter purchase in 1994.⁶⁸ More Hawk ground-attack aircraft are also likely to be purchased.⁶⁹ In addition, the conversion of C130 transport aircraft into air tankers has increased the mobility of its rapid deployment brigade and the range and effectiveness of its air assets.⁷⁰

Malaysia has also been evaluating the purchase of attack helicopters, which seem to be a response to Singapore's capabilities in this respect. The South African CSH-2 and the Russian-built Mil Mi-28 Havoc are reportedly under consideration.⁷¹ Such a move could counter Singapore's much vaunted armour assets. In addition, Malaysia is gradually improving its airlift capability; for instance, it placed an order in 1994 for 18 CN-235 transport aircraft from Indonesia.⁷² Passive air defence capabilities, which were minimal prior to 1990, have been redressed through the purchase of Marconi Martello radar systems, air defence guns and British-made Rapier and Javelin SAM systems.⁷³

⁶⁶ Defence and Foreign Affairs, April 1986, p.32.

⁶⁷ Far Eastern Economic Review, 21 December 1989, pp.20-21.

⁶⁸ Radio Moscow World Service (Moscow, in English), 1110 GMT, 13 June 1994, in BBC/SWB FE/2023 B/5 (11), 16 June 1994.

⁶⁹ Voice of Malaysia External Service (Kuala Lumpur), in English, 0600 GMT, 25 February 1994, in BBC/SWB FE/1932 B/3(3), 26 February 1994.

⁷⁰ Straits Times, 11 November 1995.

⁷¹ Straits Times, 18 July 1993 and 8 December 1993. See also SAPA News Agency (Johannesburg, in English), 2040 GMT, 22 August 1995, in BBC/SWB FE/2391 B/4 (11), 25 August 1995.

⁷² Straits Times, 13 May 1994.

⁷³ Armed Forces Journal International, March 1990, p.46.

The Malaysian Navy has also been developing its capabilities. Although a deal to purchase 4 Swedish Kockums submarines fell through in 1989 due to financial difficulties, Malaysia's Defence Minister Datuk Seri Najib Tun Razak declared Malaysia's determination to eventually acquire at least three large conventional submarines of about 1,500 tons, with the Russian Kilo-class submarine reported to be under serious consideration.⁷⁴ Singapore's decision to purchase submarines is likely to provide the impetus to this aspect of Malaysia's naval expansion.

More significantly, Malaysia has purchased two modern British frigates equipped with Exocet anti-ship missiles and the Sea Wolf anti-missile defence system.⁷⁵ Two Assad-class corvettes, originally meant for Iraq, will also join the navy in 1997.⁷⁶ These will add to the present strength of the combat fleet, which includes 2 other British-built missile frigates and 8 missile boats. The priority, however, is a US\$1.6 billion plan to build 27 navy patrol vessels to protect Malaysia's vast territorial waters, including its 320km EEZ, as well as protecting its SLOCs between East and West Malaysia, which traverses the disputed South China Sea.⁷⁷ Moreover, there is growing recognition that Malaysia is in fact a maritime nation, given its exceptionally long coastlines and its oil and gas fields both offshore and along the coastline, and that such valuable assets have to be protected.

Malaysia's army has also taken steps to improve its conventional warfare capabilities. Malaysia may purchase up to 270 Polish versions of the Russian T-72 MBT as well as up to 2,000 APCs, which will give a quantum leap to Malaysia's defence capabilities.⁷⁸ Malaysia is also reported to be planning to improve its anti-tank capability, possibly with the purchase of Milan anti-tank missiles. Malaysia is gradually building up its medium-range artillery capability by acquiring the modern FH-70 155mm self-

⁷⁴ *Straits Times*, 18 February 1994 and 31 March 1994.

⁷⁵ *International Defence Review*, May 1992, p.465.

⁷⁶ *Asia-Pacific Defence Reporter 1996 Annual Reference Edition*, *op. cit.*, p.54.

⁷⁷ *Business Times* (Singapore), 24 September 1993.

⁷⁸ *Asian Military Review*, vol.2, issue 6, December 1994/January 1995, p.39.

propelled howitzer, and is also considering the acquisition of the AN/TPQ-36 artillery-locating radar.⁷⁹

The 90,000-strong army has also been re-organised, with plans to increase reservist forces to 80,000.⁸⁰ A Rapid Deployment Force (RDF) was also set up in 1994. The force, consisting of 1,400 paratroopers supported by a 2,500-strong parachute brigade, could "be mobilised to assist friendly countries facing internal crisis or where (Malaysia's) strategic interests were being hurt."⁸¹ New military bases are being constructed at Gemas and Mersing in the southern state of Johore, and the RDF is in fact based at Mersing. Such measures will strengthen Malaysia's defence in the south, where Singapore possesses overwhelming military superiority.

Significantly, the measures to build up Malaysia's conventional capabilities entail the purchase of weapon systems from a wide range of sources. The US (F18 Hornets), Britain (frigates and Hawk trainer/ground-attack aircraft) and Russia (MiG-29 jetfighters) have been major sources. However, even China may become a supplier, which is unsurprising given Mahathir's preference for accommodating rather than confronting China. Indeed, it was reported in 1995 that China's giant defence company, Norinco, will be manufacturing APCs in Malaysia for export as well as domestic sale, a move personally sanctioned by Mahathir.⁸² This is despite the evidently poor quality of similar Chinese weapon systems sold to Thailand in the late 1980s, which would mean that political factors are probably at work. Indeed, the close defence cooperation between India and Malaysia is also an indication of Malaysia's desire to engage all the regional Great Powers in a cooperative network to balance each other's influence in the region. The Indian Armed Forces agreed in 1992 to assist Malaysia in its military diversification and modernisation programme, through the provision of technical advice and training.⁸³

⁷⁹ David Saw, "Malaysia Looks Beyond Deal of the Decade," Armed Forces Journal International, June 1992, p.33.

⁸⁰ Straits Times, 8 July 1995.

⁸¹ Business Times (Singapore) and Straits Times, 11 October 1994.

⁸² Far Eastern Economic Review, 26 August 1995, p.12.

⁸³ Asian Defence Journal, April 1992, pp.125-126.

The strenuous efforts at military modernisation since the launch of the PERISTA programme has shown some results. In 1974, Malaysia's armed forces totalled 66,000 troops with 26,000 reserves. In 1996, it had about 115,000 troops and reserves of 36,000, giving a total mobilisable strength of 151,000.⁸⁴ While it presently has only 26 Scorpion light tanks, the imminent purchase of MBTs will give it a true tank capability. The air force has 79 combat aircraft in 1996, consisting of A4 Skyhawk, Hawk, F5E and MiG-29 jetfighters, with an additional 8 F18 Hornet combat aircraft to be delivered soon.⁸⁵

This military build-up will provide a measure of parity vis-a-vis Singapore, enable Malaysia to be better prepared to defend its maritime boundaries against Thailand and Indonesia, and add strength to its claims to disputed territory in the South China Sea.

2.4 Indonesia's Military Build-up

Since 1979, Indonesia's military modernisation has concentrated on improving its maritime security. Despite continuing problems in East Timor and Irian Jaya, and its continuing adherence to the doctrine of territorial warfare, Indonesia has now focused on developing the necessary conventional naval, air force and rapid deployment capabilities to patrol and defend its huge archipelagic waters and its EEZ.

The invasion of East Timor in 1976 and the subsequent poor showing of the Indonesian military in overcoming a small, ill-equipped Fretilin force demonstrated the weaknesses of the Indonesian armed forces. Between 1978 and 1983, military expenditures rose, to the region of US\$2,400 million to US\$2,600 million each year.⁸⁶ Such high expenditures were possible due to increased oil revenues. Indonesia also invested heavily in a domestic defence industry to increase military self-reliance. Its state-funded aircraft industry, for instance, is able to produce the CN-235 transport aircraft, a derivative of the Spanish Casa transport plane, and has been assembling a number of foreign aircraft, such as French Super Puma helicopters.

⁸⁴ The Military Balance 1996-1997, op. cit., p.190.

⁸⁵ Ibid., p.191.

⁸⁶ Measured in 1988 constant prices. See SIPRI Yearbook 1991, op. cit., p.171.

The 1978 to 1983 military modernisation programme saw the arrival of US-built F5E and A4 Skyhawk jetfighters. The navy acquired 2 German-built Type 209 submarines and 3 modern Exocet-armed Dutch corvettes. Indeed, the possibility of conflict with a unified and militarily-powerful Vietnam, at that time asserting its domination over Indochina through its invasion of Kampuchea, was one factor which gave impetus to the modernisation programme. In fact, the Indonesian armed forces held two large military exercises in 1979 and 1981, involving over 30,000 troops, to meet an imaginary "invasion from the north" which resembled Vietnam.⁸⁷ The apprehensions over Vietnam receded as that country became bogged down over Kampuchea, and the purchase of new weapon systems slowed for a time, given the lack of a clear external threat.

However, the growing military capabilities of Singapore could not be ignored, and Indonesia placed an expensive order for F16s following Singapore's purchase of such aircraft in 1983.⁸⁸ Indonesia continued to upgrade its air defence capabilities with the acquisition in 1994 of 24 Hawk ground-attack aircraft.⁸⁹ Indonesia aims to gradually increase this number to up to 100, depending on the availability of funds.⁹⁰ The air force, however, remains very small compared to Indonesia's size, with no armed helicopters and just 77 A4, Hawk, F5E and F16 aircraft.⁹¹ The air force has been evaluating the purchase of F16 or similar aircraft for the air superiority role, on top of the 12 F16A that it currently operates. Indonesia may buy some or all of the surplus 28 F16 fighters originally built for Pakistan.⁹² In addition, there is reported interest in the Russian-made Scud surface-to-surface missile, which would introduce a new dimension to the military equation in the region should it be deployed.⁹³

⁸⁷ Far Eastern Economic Review, 14 February 1985.

⁸⁸ Far Eastern Economic Review, 20 February 1986.

⁸⁹ Straits Times, 15 June 1994.

⁹⁰ Antara News Agency (Jakarta, in English), 0327 GMT, 10 April 1993, in BBC/SWB FE/1661 A1/7(18), 13 April 1993.

⁹¹ The Military Balance 1996-1997, *op. cit.*, pp.183-184.

⁹² Far Eastern Economic Review, 21 March 1996. The aircraft have been in storage since the US banned weapons sales to Pakistan in retaliation for its refusal to allow inspection of its nuclear facilities.

⁹³ Asian Defence Journal, October 1995, p.92.

The Indonesian navy attracted widespread attention following its purchase in 1993 of 39 ex-German Democratic Republic naval vessels for a bargain US\$120 million. The ships comprise 16 Parchin-class corvettes, 8 minesweepers and 15 landing craft. In addition, there are long-term plans to build 23 frigates at local shipyards. Indonesia is also developing bases at Sibolga in Western Sumatra (near Singapore) and in the Aru Island, north of Darwin. Natuna Island in the south of the disputed Spratley Islands in the South China Sea, valuable for its natural gas deposits, is also another area that Indonesia wants to be able to protect.⁹⁴

Indeed, the Indonesian navy is today the largest in Southeast Asia, reclaiming the status it once had when the Soviet Union had been generously supplying weapon systems in the 1960s during the Sukarno era. In 1996, the Indonesian navy operated 6 Dutch-built Van Speijk-class frigates, 3 ex-UK Tribal-class frigates and 3 Fatahillah-class corvettes, 4 ex-US Claud Jones-class frigates, as well as 4 missile boats armed with Exocet missiles. The addition of 16 Parshim-class corvettes has given Indonesia a substantial combat fleet of some 33 corvettes and frigates. It also possesses a significant amphibious capability, operating some 28 LSTs, including 14 ex-East German LSTs.⁹⁵

Indonesia has thus paid particular attention to its navy, unsurprising given its archipelagic nature and the need to patrol and defend its long coastal waters, its EEZ and also SLOCs. However, for its size, Indonesia has appeared remarkably relaxed in its defence build-up. The total strength of its armed forces in 1996 is just 299,000 (or 699,000 with reserves), with 235,000 in the army, fielding a relatively small number of 455 AMX-13, PT-76 and Scorpion light tanks, and some 751 APCs of various makes. Compared to its neighbours, Indonesia devotes the lowest percentage of its GDP, about 1.5% on average, on defence in the 1990s, which demonstrates its preoccupation with internal security and also its philosophy of security through economic development.⁹⁶ This, however, could change in the near future. Aware of the

⁹⁴ *Far Eastern Economic Review*, 18 February 1993, pp.11-12.

⁹⁵ *The Military Balance 1996-1997*, *op. cit.*, pp. 183.

⁹⁶ *Straits Times*, 15 September 1994. According to Table 4 (figures supplied by SIPRI), it was in the range of 1.0-1.3% GDP during the period 1990-1993.

continuing operational deficiencies in the armed forces, Indonesian Defence and Security Minister General Edi Sudradjat made a call in 1994 for a substantial rise in defence spending to improve conventional capabilities.⁹⁷

Although it is clear that Indonesia would not want to lag behind Singapore's military capabilities, it has not felt sufficiently threatened by it to embark on a concerted programme to redress a perceived military imbalance. The close kinship ties and the historical and ethnic animosities inherent in the Singapore-Malaysia relationship is clearly much less severe, although anti-Chinese sentiments remain strong in Indonesia. Indeed, the Indonesian government has appreciated the benefits of a stable and prosperous Singapore, which has served the business and social interests of the Indonesian elite well. Moreover, Singapore provides substantial foreign investments and is a major trading partner. Indonesia's close military relationship with Singapore in the 1990s has been expressed through the provision of training facilities to the Singapore military in Sumatra, indicating the appreciation of the Indonesian military of the benefits of a militarily-capable Singapore.

2.5 The Philippines's Military Build-up

While the rest of ASEAN has made sustained efforts since 1975 to develop their conventional warfare capabilities, the Armed Forces of the Philippines (AFP) has been preoccupied with serious internal security challenges stemming from the Communist Party of the Philippines and the Muslim Moro rebellion in the south. Another preoccupation has been political factionalism and involvement in domestic politics, a trend encouraged by Marcos and which later led to a breakdown in cohesiveness during the Aquino era from 1987. Moreover, the poor state of the Philippine economy has been a serious constraint on military modernisation.

⁹⁷ "Sudradjat Wants Big Rise in Defence Spending," Straits Times, 15 September 1994, p.14. A leaked Australian diplomatic report was critical of the Indonesian military, criticising it for "low standards of equipment reliability, poor standards of training, especially within the army, poor logistics organisation, cumbersome command and control systems...and low development of joint operations doctrine and national policy priorities." See New Straits Times, 22 July 1994, p.22.

The Philippines had been able to circumvent the problem of external defence through the security alliance with the United States. The huge US basing facilities at Subic Bay and Clarke Air Base provided a solid guarantee to Philippine external security and also an effective deterrent against any external threat. In addition, US military assistance had also contributed greatly to the maintenance of military effectiveness on the part of the AFP, in particular, its counter-insurgency warfare capabilities. Thus, despite the scale and scope of internal security challenges from the communist and Moro insurgencies and the geopolitical changes from 1975, the Philippines had been able to escape the relatively high defence expenditures of the other ASEAN states. In fact, the Philippines devoted between 1.9 and 2.2% of its GDP to defence during the years from 1986-1994. (See Table 4), the second lowest of all the ASEAN states. One estimate has also stated that the US bases and the US security guarantee against external threat had saved an estimated 2.1% of GNP every year.⁹⁸

However, the withdrawal of the US from its bases in 1992, following the failure of negotiations with an increasingly nationalistic Philippine Senate on the terms for an extension of the leasing agreement, left the Philippines facing a huge security problem. It now had to provide for its own external defence, and to deal with its continuing internal insurgencies, with declining US assistance and military aid. Moreover, the Philippines is a claimant to the potentially oil-rich Spratley Islands in the South China Sea, but its claim conflicts with China, Vietnam, Malaysia and Taiwan, all of which possess some measure of naval and air power compared to the Philippines. Moreover, as an archipelagic state, it faces the daunting task of patrolling its huge territorial waters.

The AFP is, by any estimate, in a poor state as far as conventional military capabilities are concerned. Its active strength in 1996 is about 107,000, with some 131,000 reserves. However, the army has only 41 Scorpion light tanks and only 569 APCs, with mostly short-range 105mm artillery. The navy has just one frigate and some 54 patrol craft of various makes and vintage, as well as 9 ex-US LSTs.⁹⁹ The navy has

⁹⁸ Far Eastern Economic Review, 21 April 1988, p.23.

⁹⁹ The Military Balance 1996-1997, op. cit., p.194.

suffered greatly from a loss of morale due to the poor state of its vessels. A naval commander admitted in 1994 that:

Our weaknesses are the age of some of the vessels and our weapon systems. We are the only navy in the region without a missile boat. We have the oldest ships in the region and our weapon systems are not comparable.¹⁰⁰

The air force is configured for counterinsurgency ground support and is in similarly poor shape, with just 7 aging F5A fighters to provide air defence.¹⁰¹ Moves by China to assert its claims over the Spratleys has raised apprehensions in the Philippines. In January 1995, China occupied Mischief Reef, inside the 320 km EEZ claimed by the Philippines. The Philippine military responded by destroying markers installed on some of the disputed islands, thus raising the stakes in the dispute.¹⁰² Having made its point by picking on the militarily weakest of the ASEAN states, China did not react. This was most fortunate as the cool state of the US-Philippine relationship in the post-Subic era, and the failure of the US to do anything to back up the Philippines, meant that any armed clash between China and the Philippines should either assert its claim would mean that the Philippines would have to face a regional Great Power on its own, a rather unpleasant prospect given the state of the AFP. Indeed, the AFP chief, General Arturo Enrile, admitted that in any armed conflict over the Spratleys, the Philippines would lose.¹⁰³

The Mischief Reef episode has galvanised the Philippines into a modest military modernisation programme, although there are clearly deep uncertainties over the availability of funding.¹⁰⁴ In June 1995, the AFP announced a 15-year programme to produce "a credible armed forces in the future, deserving of respect and able to perform its mandate."¹⁰⁵ On 23 February 1995, President Ramos signed the Armed Forces Modernisation Bill, in which the air force and the navy would get priority. The total cost of the program is expected to be US\$2 billion in the first five years and an

¹⁰⁰ *Straits Times*, 14 October 1994.

¹⁰¹ *The Military Balance 1996-1997*, *op. cit.*, p.194.

¹⁰² *Straits Times*, 26 March 1995.

¹⁰³ *Straits Times*, 15 July 1994.

¹⁰⁴ *Straits Times*, 31 August 1994.

¹⁰⁵ *Straits Times Weekly Edition*, 1 July 1995, p.11.

estimated US\$10 billion for the following ten years.¹⁰⁶ The programme would emphasise the upgrading of facilities and the purchase of new weapon systems. 150 Simba APCs are already being delivered, as are 36 Fast Patrol Boats, while the air force would have 36 Marchetti S211 jet trainer/light ground attack aircraft, although plans for multi-role jetfighters such as F16s and Mirage 2000s would be delayed until after the year 2000.¹⁰⁷ The navy, it is hoped, would be boosted in strength by the acquisition of 12 offshore patrol vessels (OPVs), 6 corvettes and 3 frigates, a still small force compared to the Philippine archipelago of 7,100 islands and a vast 320 km EEZ.¹⁰⁸

For the foreseeable future, therefore, it is likely that the Philippines will fail to match China should China use force to enforce its claim. Its military weakness means that the Philippines has a poor bargaining position over its claims to the disputed territory in the Spratleys. Its only hope is that China would not use force due to the political consequences on its relations with the other states in the region, particularly those in ASEAN. Even in the south, as will be examined in the next chapter, the Philippine army has essentially ceded ground to the MILF, and has tacitly tolerated de facto rebel Muslim control over large areas of Mindanao. This means that it is not possible for the Philippines to press its claim to Sabah with any conviction in the near future. The security situation for the Philippines can only improve in the long-term with sustained economic development, which would generate funds to enable its armed forces to begin a serious effort to redress its weakness in its defence capabilities.

2.6 Brunei's Military Build-up

Although it is the smallest of the ASEAN states, Brunei has made strenuous efforts to develop its military capabilities. A 2,300-strong Gurkha Reserve Unit protects the sultan as well as its oil facilities. The army is 3,900 strong, organised into 3 battalions,

¹⁰⁶ Asia-Pacific Defence Reporter 1996 Annual Reference Edition, *op. cit.*, p.36.

¹⁰⁷ "Force Modernisation in the Philippines," Asian Defence Journal, March 1991, p.12. However, there are various reports of the Philippines attempting to negotiate for cheap second-hand aircraft, such as ex-US F16s and Israeli Kfirs. See Asia-Pacific Defence Reporter 1996 Annual Reference Edition, *op. cit.*, p.49, and Far Eastern Economic Review, 21 March 1996, p.24.

¹⁰⁸ Straits Times Weekly Edition, 19 August 1996.

and fields 16 Scorpion tanks, 22 APCs and a battery of 12 Rapier SAM systems. The navy has 3 Exocet-armed missile boats, while a small air force has 6 armed helicopters.¹⁰⁹ This is to be improved with the purchase of 3 Offshore Patrol Vessels (OPVs), CN-235 maritime aircraft and the reported purchase of 16 Hawk aircraft.¹¹⁰

This has been part of an ongoing effort to increase its defence capabilities, given the past tensions with Malaysia and Indonesia, and which has taken on greater urgency since 1984 when it achieved full independence from Britain. Brunei is a claimant to part of the disputed Spratleys, as its 320km EEZ overlaps with areas claimed by several other countries. Brunei has spent heavily on defence in relative terms, from US\$245 million in 1981 to US\$314 million in 1988, with the percentage of GDP devoted to defence at over 6% from 1983.¹¹¹

However, no matter how hard it tries, Brunei cannot hope to achieve any more than a psychological boost for itself. It could never, for instance, be able to defend itself from an external attack from either Malaysia or Indonesia, although the armed forces would be able to deal effectively with internal subversion. Its armed forces, with about 5,000 personnel, is too small for effective defence. Brunei has tried to improve the odds with the retention of a British Gurkha battalion and the presence of Singapore military training facilities and troops, both of which, it is hoped, could constitute triggers for British and Singaporean military assistance in a crisis. In addition, Brunei has made efforts to engage the US as an ally, offering access arrangements to the US military.¹¹²

Whether military assistance from its purported allies would eventuate in a real crisis is another issue, suffice to note that it adds to Brunei's deterrence capability in view of the small size of its armed forces. However, its continued high military expenditures, strenuous measures to improve its defence capabilities and on-going efforts at finding

¹⁰⁹ *The Military Balance 1996-1997*, op. cit., p.177-178.

¹¹⁰ *Jane's Defence Weekly*, 12 October 1991, p. 657.

¹¹¹ Measured in constant 1988 prices. See *SIPRI Yearbook 1991*, op. cit., p.171.

¹¹² Bilveer Singh, "Brunei: Defending a Small State," *Asian Defence Journal*, June 1992, pp. 20-23.

external allies belie its strong sense of insecurity, particularly vis-a-vis its far larger neighbours, Malaysia, and to a certain extent, Indonesia.

3. Causes of the Military Build-up

3.1 Internal Security

Internal security has continued to be an important preoccupation with some of the ASEAN states. The Philippines is one good example, although the lack of economic resources is seriously affecting its military modernisation in the post-Subic era. Throughout the 1970s and the 1980s, internal security has been the most important factor in influencing its weapon purchase decisions as well as the configuration and orientation of the AFP. With the decline of US assistance following its virtual eviction from Subic Bay in 1992, the Philippines now has to somehow rely on its own resources to maintain the internal security capabilities of the AFP.

The air force has virtually no high-performance fighter aircraft, but has some 104 armed helicopters and counter-insurgency OV-10 Bronco aircraft, which is sensible given the intense counterinsurgency warfare that the AFP has been engaged in. It also has considerable air transport capabilities, centred on three squadrons of 54 aircraft of various makes (such as BN2 Islander and N-223 Nomad) and 2 squadrons of 72 Bell helicopters.¹¹³ Again, the navy has no credible conventional capability to speak of, but a fairly sizeable patrol capability has been maintained. The navy also has a fairly good amphibious capability centred on vintage ex-US LSTs.¹¹⁴ The AFP thus possesses a fairly credible mobile capability that is oriented towards suppressing internal threats to national cohesion and central control.

Like the Philippines, Indonesia is an archipalegic state and has the same priorities. Indonesia has emphasised its naval capabilities, and has a territorial defence structure in which guerilla warfare has an important role. It also has a rapid deployment

¹¹³ The Military Balance 1996-1997, op. cit., p.194.

¹¹⁴ Ibid.

division and an airmobile armoured brigade which have been used for internal security missions in East Timor and Aceh.¹¹⁵ In recent years, Indonesia has continued to concentrate on building up its navy, particularly its patrol capabilities, as well as its amphibious capabilities. The purchase of some 39 ex-GDR ships, consisting largely of patrol corvettes and LSTs, fit into the security objectives of Indonesia, which is aimed at patrolling and defending its archipelagic waters, as well as maintaining the ability to rapidly deploy troops and material throughout the country to maintain internal order.

The fact that both the Philippines and Indonesia continue to face internal unrest or potential domestic rebellion will mean that internal security will continue to be an important factor in their military modernisation. The preoccupation with internal, not external, security has resulted in a relatively low percentage of GDP being devoted to defence (see Table 4) as resources are also needed for economic development in order to enhance internal resilience. However, as this chapter has shown, both the Philippines and Indonesia have, in recent years, embarked on military modernisation programmes to enhance their conventional capabilities while ensuring that internal security capabilities are also maintained.

In the case of Malaysia, internal security has been important due to the communist insurgency. After the surrender of the Communist Party of Malaya in 1989, however, internal security has continued to merit attention, given the threat posed by Islamic fundamentalist extremism, which will be examined in the next chapter. The situation is the same in Thailand, which has faced a stubborn Malay-Muslim separatist insurgency in the south, as well as socio-economic disparities that could trigger internal unrest, particularly in poverty-stricken provinces such as the Lao-populated Northeast. However, it is clear that the internal security factor is not as significant compared to Indonesia and the Philippines, given the more favourable economic situation and lack of any large-scale domestic security challenge in both Malaysia and Thailand. The internal factor is not significant in Singapore while in Brunei, the

¹¹⁵ Asia-Pacific Defence Reporter, November 1991, pp.30-31.

armed forces functions to protect the Sultan's absolute authority internally as much as to act as a deterrent against external threats.

3.2 Withdrawal of the US

Notwithstanding the importance of internal security threats, the withdrawal of the US from the region has been a much more significant factor that has provided a strong impetus towards improved defence self-reliance, which became an acute imperative from 1975, and most certainly after the US exit from the Philippines in 1992.

The reduced US involvement in Southeast Asia can be dated from the enunciation of the Nixon Doctrine in 1968. To rationalise the US disengagement from the costly Vietnam imbroglio, Nixon made a distinction between internal subversion and external attack. Nixon argued that internal subversion should be independently managed by the US's Asian allies themselves.¹¹⁶

The Doctrine represented a fundamental shift in US strategic doctrine, from broad containment to selective involvement in the light of US interests and capabilities. This led to withdrawal from Vietnam and defeat for the pro-US Saigon regime in April 1975. The conspicuous failure of the US to rescue that regime appeared to confirm a decline in US will and resources. Indeed, in the May 1975 ASEAN Ministerial Meeting, Philippine Foreign Minister spoke of the ASEAN states being "engaged in the anguished task of assessing their positions in the region and their positions in Asia as a whole."¹¹⁷ The period 1975 to 1979 thus saw continued US retreat, from its withdrawal from Thailand, the decreased capabilities of the US Seventh Fleet, and President Carter's proposal in 1977 to withdraw troops from South Korea, reinforcing the general perception of a decline in US resolution and confusion in US foreign and strategic policy.

¹¹⁶ Roger P Labrie et. al., US Arms Sales Policy: Background and Issues (Washington: American Enterprise Institute for Public Policy Research, 1982), p.63.

¹¹⁷ Statements by the ASEAN Foreign Ministers at ASEAN Ministerial Meetings 1967-87 (Jakarta: ASEAN Secretariat, 1987), p.199.

To these events were added the Vietnamese invasion of Kampuchea in December 1978, which again raised the spectre of falling dominoes, giving impetus to the various military modernisation programmes of the ASEAN states, particularly to Thailand and Malaysia. Thailand rushed to develop its conventional military capabilities, with the assistance of the US and China. In time, this process of achieving defence self-reliance developed a momentum of its own. On its part, Malaysia embarked on its PERISTA military modernisation programme in 1979.

Although the US appeared to reverse for a time its retreat from Southeast Asia under the Reagan administration in the 1980s, its eviction from Subic Bay in 1992 left no permanent US forces in the region, although a small contingent of less than 200 logistics personnel are stationed in Singapore, which agreed under an access agreement in 1990 to allow US forces to use its military facilities.¹¹⁸ This has forced the Philippines to improve its own conventional capabilities, of which it has practically none, in order to fill the gap in external defence which it never had to be concerned with so long as US forces were based there. The imperative for external defence is even more compelling given the Philippines's conflict with China over disputed territory in the South China Sea, and China's propensity to use military force to enforce its claims. As noted earlier in this chapter, the AFP is clearly aware of its limitations and has recognised the need to carry out some measure of military modernisation to build up its conventional capabilities despite funding problems.¹¹⁹

The apprehension over the loss of US protection was to lead to both Malaysia and Indonesia, despite initial reservations, their official adherence to ZOPFAN and neutralist rhetoric, to offer repair facilities to the US, with Malaysia's Defence Minister, Najib Tun Razak, publicly stating that "the US should remain committed to the region" and that "Malaysia welcomes her presence."¹²⁰ Indeed, Najib later promised to enhance military relations with the US.¹²¹

¹¹⁸ Far Eastern Economic Review, 19 July 1990, pp.10-11.

¹¹⁹ Straits Times, 31 August 1994.

¹²⁰ Asian Defence Journal, December 1991, pp.112-113, and August 1992, p.90.

¹²¹ RTM Television (Kuala Lumpur, in Malay), 1200 GMT 20 March 1995, in BBC/SWB FE/2263 B/11 (31), 28 March 1995.

Smaller states like Singapore, for instance, have a particularly strong interest in the continued military presence of the US as a counterweight to potentially unfriendly neighbours or aspiring regional powers. Indeed, Singapore's offer to the US (since accepted) of increased access to its base facilities in 1990 is an indication of the efforts by various states in the Asia-Pacific region (including South Korea, Australia and Thailand) to keep the US engaged militarily in the region.¹²² The rest of ASEAN, hitherto wary of superpower involvement and officially supportive of the Zone of Peace, Freedom and Neutrality (ZOPFAN), for the first time openly called on the US to maintain a comforting military presence in the region when their foreign ministers met in July 1992 in Manila.¹²³ Indeed, Singapore's Brigadier-General Lee Hsien Loong spoke for the entire ASEAN community when he declared that "a persuasive US presence in Southeast Asia is needed to avoid a power vacuum that others will scramble to fill."¹²⁴ In the same vein, Singapore's Deputy Prime Minister, Dr Tony Tan, stated that:

The US military presence has made a crucial contribution to the maintenance of peace and stability in the region, and many countries here recognise that the US is the best suited to continue to play the balancing role in the region. A cutback in the US presence in the region would lead to others trying to fill the vacuum and give rise to instability. The restraining presence of the US, on the other hand, means that everybody can continue to focus their energies on peaceful economic development and cooperation, instead of being distracted by any regional imbalance and rivalry.¹²⁵

Indeed, the 1990 agreement to provide access to the US military has also guaranteed Singapore continued, and favoured, access to sophisticated US military technology. The US-Singapore defence relationship, however, has in fact evolved throughout the 1980s, and saw expression in the provision of E2C Hawkeye AEW aircraft to Singapore in 1987, a significant development given the fact that only the US's closest allies, such as Japan and Israel, possessed such sophisticated weapon systems.

¹²² J Mohan Malik, "Patterns of Conflict and the Security Environment in the Asia-Pacific Region: The Post-Cold War Era," in J Mohan Malik (ed), ASEAN Defence Policies: Great Powers and Regional Powers (Geelong: Deakin University Press, 1992), p.35.

¹²³ "ASEAN: Facing up to Security," Far Eastern Economic Review, 6 August 1992, p. 8.

¹²⁴ Singapore Bulletin, April 1990, p.1.

¹²⁵ Interview with Dr Tony Tan, as reported in Asian Defence Journal, February 1996, p.15.

The uncertainties of the regional order since 1975, and particularly since the end of bipolarity after 1989, coupled with continuing US ambiguity and the strength of neo-isolationist sentiments in the US, has meant growing pressure towards defence self-reliance by the ASEAN states. In particular, the two closest allies of the US in Southeast Asia, Thailand and the Philippines, have felt compelled to improve their conventional military capabilities to compensate for the US military withdrawal from the region. These states could no longer count on US assistance in any crisis. Moreover, there is the need to counter the emerging regional Great Powers, such as China, India and Japan, with their rapidly modernising and expanding navies, which would inevitably attempt to fill the power vacuum left by the US.

Indeed, one analyst has stated (although he was only partially correct) that "force modernisation in ASEAN is linked to anxieties generated by the changing regional balance of power."¹²⁶ Although a complete withdrawal of the US from the Asia-Pacific is considered unlikely in the near future, it is still a worse case scenario that defence planners in the region must take into account. Thus, continuing military build-ups in Thailand, Malaysia, Indonesia, Singapore and Brunei, as well as the belated efforts by the Philippines, point to the growing recognition of the need for self-reliance in external defence.

3.3 Concerns Over Maritime Security

A related factor has been growing concern over maritime security in the region, which attained a measure of urgency when the US withdrew from Subic Bay in 1992. Overlapping claims over the potentially oil-rich Spratley Islands in the South China Sea by China, Vietnam, Thailand, Malaysia, Brunei and the Philippines, as well as China's propensity to use force to settle such disputes, make it a volatile issue. Philippine President Fidel Ramos voiced the fears of states in the region when he stated in January 1993 that the Spratley Islands were a possible flashpoint, which had

¹²⁶ Acharya Amitav, "Splitting Hairs About an Arms Race in the Region," Business Times (Singapore), 27-28 March 1993. See also Derek da Cunha, "New Balance of Naval Power in the Asia-Pacific," Straits Times, 7 January 1995, p.34.

already provoked "a mini-arms race of sorts."¹²⁷ Indeed, in 1992, China passed a law claiming the entire Spratleys, and further authorised the use of force to back this claim.¹²⁸

In addition, the issue of maritime defence had become more important to the ASEAN states when 320km EEZs were proclaimed in 1980. There is a need to patrol these vast zones, with their seabed resources such as oil and gas, as well as the need to protect fishery resources and ensure the safety of SLOCs. All these have to be carried out in the context of the US retrenchment from the region. Indeed, as Desmond Ball observed, the current modernisation programmes in the ASEAN states involving the enhancement of air and maritime capabilities is in part meant to compensate for the perceived draw-down of the US presence in the region.¹²⁹

Moreover, the naval build-up in the emerging Great Powers, namely India, China and Japan, have sparked serious concerns. India already has a powerful naval capability centred on two aircraft carriers, while Japan has the most modern naval capability in the Asia-Pacific. China, however, has been the source of the greatest concern, given its claims to maritime territory in the region, and its massive naval expansion, including the inevitable acquisition of aircraft carriers in the medium-term. The acquisition in the early 1990s of Russian-made Su-27 Flanker long-range jetfighters, Israeli air refuelling technology, as well as building programmes for nuclear-powered submarines, Luhu-class guided missile destroyers and Jiangwei-class guided missile frigates, have enabled China's navy to extend China's military reach over the South China Sea.¹³⁰ Indeed, the prospect of an assertive China filling a power vacuum caused by the US military disengagement has become a matter of concern to local states.¹³¹

¹²⁷ Cited in "Asian Naval Buildup Spurred by Festering Territorial Disputes," Business Times (Singapore), 10 February 1993.

¹²⁸ Sydney Morning Herald, 25 July 1994, p.9.

¹²⁹ Desmond Ball, Building Blocks for Regional Security: An Australian Perspective on Confidence and Security Building Measures in the Asia-Pacific Region (Canberra: Australian National University, 1991), p.11.

¹³⁰ "Spratley Islands Rivalries Bring Regional Navies Into Focus," Jane's Defence Weekly, 22 August 1992, p.19.

¹³¹ Michael Leifer, "The Maritime Regime and Regional Security in East Asia," The Pacific Review, vol.4, no.2, 1991, p.132.

Against this threat from new regional powers, especially China, is ranged the relatively smaller navies of the Southeast Asian states, which have to face such security threats without active US assistance and support. The naval build-ups in all the ASEAN states since 1975 can thus be partly explained by their concern over maritime security in the context of the US retrenchment, doubts about US willpower to check China and the expanding navies of new regional powers.

3.4 Intra-ASEAN Tensions

Intra-ASEAN tensions have been an important factor in explaining the military build-ups in the region, particularly in the cases of Singapore, Malaysia, Thailand and Brunei. Chapter 4 has elaborated in detail on the importance of this factor as a constraint on ASEAN regional cooperation. Some of these tensions relate to territorial disputes. As Indonesian analyst J Soedjati Djiwandono stated, "no one should rule out the possibility, however remote, that any of these territorial disputes could blow up like a time bomb under the ASEAN carpet."¹³²

As discussed in Chapter Four, these include the Pedra Branca issue between Singapore and Malaysia, an issue which led to two major crises in June 1989 and May 1992, amidst tensions and warnings in the press of the possibility of military conflict between the two states. Indeed, both countries were reported to have put their armed forces on alert over the issue.¹³³

Apart from this, there have been a host of other issues between Singapore and Malaysia, such as espionage activities by Singapore, disagreements over water, the Herzog crisis of 1987 and Singapore's relations with Israel, the role of Malays in the Singapore Armed Forces and intrusions by Singaporean military personnel, among others. The persistent tensions in Malaysia-Singapore relations, as elaborated in some detail in Chapter 4, have led to an arms race between the two countries, as Singapore attempts to maintain its military superiority and Malaysia takes measures to redress the

¹³² Business Times (Singapore), 30-31 July 1994, p.2.

¹³³ "Malaysia's Row With Singapore," The Economist Foreign Report, 24 September 1991, p.6

military imbalance.¹³⁴ The geographical propinquity, close kinship ties, historical and ethnic animosities, all mean that more than any other set of bilateral relations, the Singapore-Malaysia relationship remains the one with the greatest possibility of open conflict.

Apart from this, there are also other possible though less serious flashpoints between the ASEAN states. The Sabah issue between Malaysia and the Philippines has been a potential source of conflict for years. While the issue appears to be dormant for the time being, the Philippines has always been unhappy over Malaysia's support for the Moro rebels. More serious has been the Malaysian-Indonesian confrontation over the Sipadan and Ligitan islands off Sabah, which led to gunboat diplomacy on the part of Indonesia in 1993, when it made repeated military landings to challenge Malaysia, a challenge Malaysia would not or could not meet.¹³⁵

Moreover, there have been a number of disagreements between Thailand and Malaysia. Indeed, Malaysian support for Muslim irredentist guerilla movements in southern Thailand has been an issue in bilateral relations, while there have been a number of border incidents such as the December 1991 clash between the military forces of the two countries along their common border.¹³⁶ There is also the issue of overlapping EEZ claims, which appears to be contained for the time being by an agreement to jointly develop the disputed area.¹³⁷

As noted in Chapter 4, Thailand's naval expansion has raised apprehensions in Malaysia. Security analysts in Malaysia have raised the possibility of a naval conflict with Thailand over fishing disputes.¹³⁸ Indeed, Thailand itself has also not dismissed the possibility of future conflict with its neighbours, which points to Malaysia,

¹³⁴ See Michael Vatikiotis, "Measure for Measure: Malaysia and Singapore Poised to Acquire New Arms," Far Eastern Economic Review, 30 April 1992, p.18.

¹³⁵ Far Eastern Economic Review, 17 March 1994, p.32.

¹³⁶ Straits Times, 1 January 1992.

¹³⁷ Straits Times, 21 April 1994.

¹³⁸ See, for instance, the views of J N Mak and BA Hamzah, in "Navy Blues," Far Eastern Economic Review, 17 March 1994.

Vietnam and Myanmar. Thailand's naval commander-in-chief stated the rationale for Thailand's naval expansion in blunt terms:

Our mission is to maintain a power balance vis-a-vis our neighbours. Such a power balance is essential in any political bargaining.¹³⁹

The Thai Defence White Paper of 1996 stated that the armed forces "must be equal in capability to those in neighbouring countries," and argued that despite the end of the Cold War, the chance for new types of regional conflicts has grown.¹⁴⁰ Indeed, then Thai Defence Minister General Chavalit also argued for the need for more weapon systems, on the grounds that Malaysia had been rapidly modernising its military capabilities.¹⁴¹

In the case of Brunei, one can also assume, from the hindsight of the Brunei royal family's contentious historical relations with Malaysia, that the fear of being destabilised and taken over by Malaysia has led to strenuous efforts on the part of Brunei to prevent a walkover. Brunei has maintained relatively high defence expenditures since its independence in 1984 and has been making efforts to find external allies. It has thus provided training facilities for Singapore in return for a Singapore military presence, offered access to the US military and also persuaded Britain to retain a Gurkha battalion, which is paid for by the Sultan.

3.5 Economic Growth and Supply Side Factors

The sustained high economic growth of the ASEAN states since the late 1970s, except for the Philippines, has provided the necessary economic resources to upgrade military capabilities. Even if the percentage of GDP spent on defence has remained more or less constant, or shown only a marginal increase, the amount of actual expenditure and hence resources devoted to defence has in fact increased simply as a result of the huge

¹³⁹ Cited in Straits Times, 27 December 1993, p.15.

¹⁴⁰ Straits Times, 17 March 1996.

¹⁴¹ Straits Times, 31 December 1995, p.12.

economic growth in ASEAN. Indeed, the entire Asia-Pacific region has been the fastest-growing region in the world since the late 1970s.

The resources have thus become available to modernise and improve military capabilities. The high economic growth rates of the ASEAN states also coincides with high rates of defence spending on their part. One study has in fact indicated a positive correlation between economic growth and defence spending among the ASEAN states.¹⁴²

The increase in economic resources has coincided with a flood of arms supplies. The worldwide decline in arms purchases following detente in the 1970s and the 1980s and particularly since the end of the Cold War has led European and US arms manufacturers to search for new markets. Moreover, the new indigenous arms makers in Third World states like Brazil, China, India, South Africa and Israel, are providing stiff competition with their robust and affordable weapon systems. The increasingly wealthy Asia-Pacific states have thus eagerly snapped up the latest weapon systems. In the words of The Economist, the Asia-Pacific is "the greatest (arms) buyers' market ever."¹⁴³

The highly competitive market has assured a buyers' market, with the ASEAN states demanding sophisticated weapon systems which supplier states had been reluctant to sell. Thus, by the early 1990s, states such as Malaysia were able to purchase MiG29 and F18 Hornet jetfighters, Thailand an aircraft carrier, and Singapore F16s and E2C Hawkeye AEW aircraft. Navies in the region have been able to afford to arm their combat vessels with Exocet and Harpoon anti-shipping missiles and their armies can now contemplate the late-model T72 Main Battle Tank, as Malaysia is. Submarines, hitherto the preserve of the Indonesian navy, has been purchased by the Singapore Navy, and undoubtedly by the Royal Malaysian Navy as well as the Thai navy in time. Weapon purchasers can also demand, and receive, technology transfers, licensed

¹⁴² See David D Denoon, "Defence Spending in ASEAN: An Overview," in Chin Kin Wah (ed), Defence Spending in Southeast Asia, op. cit., pp.48-71.

¹⁴³ "Asia's Arms Race," The Economist, 20 February 1992, p.20.

production agreements, offsets and local manufacturing of sub-components, all of which bring with them economic and technological benefits.¹⁴⁴

There are also other considerations involved. Since the enunciation of the Nixon Doctrine in 1968, the US has been encouraging states friendly to it to build up their own self-reliant defence capabilities in the face of its own defence cutbacks and withdrawal from the region. Within the ASEAN states, there is also the prospect of gaining access to sophisticated military technology. There is also a measure of national pride involved. Indeed, Indonesia's acquisition of F16s could be seen in the light of Singapore's purchase of the same weapon systems, while the Thai naval commander-in-chief stated in December 1993 that Thailand needed "to catch up in order to maintain a balance in defence capability" vis-a-vis its neighbours.¹⁴⁵

As a result, the power projection capabilities of the ASEAN states have increased markedly. Thailand, Malaysia, Indonesia and Singapore all possess credible amphibious capabilities, growing naval strength and improving air forces. The acquisition of modern anti-shipping missiles, namely the Harpoon and Exocet, enable their navies to have considerable naval strike capabilities, as well as the capacity for sea-denial. Air refuelling capabilities, notably in Singapore's air force, enables long-range strike missions which were hitherto not possible. AEW aircraft in Singapore's inventory (and possibly Thailand's in the near future) constitute potent force multipliers and an edge over states which do not possess them. Submarines are another important offensive weapon platform, with Indonesia and Singapore, and shortly Malaysia and Thailand possessing them. The trend towards increased capabilities will continue despite the huge costs involved, given the availability of economic resources and the continuing security challenges as described.

¹⁴⁴ For instance, Russian suppliers are required to set up a joint venture service centre for MiG-29s in Malaysia as part of the jetfighter deal, and to establish ventures with Malaysian companies to produce components or provide training and maintenance services. See Michael Richardson, "Offer Offsets, Or Miss Out," *Asia-Pacific Defence Reporter*, October-November 1994, p.6.

¹⁴⁵ *Straits Times*, 27 December 1993, p.15.

3.6 The Influence of the Military

In countries that have weak political institutions, the military, because of its great advantages in its tight organisation, hierarchical structure, discipline, training, esprit de corps and monopoly of heavy weapons, have been able to exert such great influence that it could actually dictate national policy. In particular, the loss of legitimacy on the part of civilian governments have often paved the way for the military to take power. Even in countries where civilian governments are in control, military establishments are often able to exercise a significant degree of political influence due to their prestige, responsibilities and their command of material resources to fulfill those responsibilities.¹⁴⁶ Thus, the role and influence of the military have to be considered. Indeed, in cases of strong military influence, there is a tendency to emphasise "defence", and hence the greater allocation of resources, which is a natural assertion of bureaucratic interests.

Among the ASEAN states, the military occupies an important place in the Indonesian and Thai polities, both of which have relatively weak political institutions that can act as countervailing forces to the military. In the Philippines, its influence has been on the increase, both under Marcos and most certainly since Aquino, due to its increasing political role in recent years. Malaysia and Singapore have strong political parties and their militaries have remained very much in the British mould - that of apolitical, professional institutions. In Brunei, the military remains under the control of an absolute monarchy headed by the Sultan.

In Thailand, the military has played an important role in politics. However, the factionalism and the lack of established ground rules for political competition has meant that coup d'etats are the principal means of political power. In fact, the Fourth Cavalry Battalion's vintage M-41 tanks have played a central role in deciding the course of internal rivalries. The Thai army's huge conventional military build-up after 1979 has also proved useful to various ambitious officers in the Thai military. The

¹⁴⁶ Eric A. Nordlinger, Soldiers in Politics: Military Coups and Governments (New Jersey: Englewood Cliffs, 1977), pp.3, 64-65.

concentration of well-equipped combat units in the First Army Region (covering the Bangkok area) led by officers deeply involved in politics has increased the number of potential military power centres in the capital and facilitated the military's involvement in domestic politics.¹⁴⁷

Within Thailand, the rise of the navy's influence has been dramatic. The change in emphasis from coastal defence to a blue-water capability in the 1990s has been a significant development, with Thailand poised to operate the first aircraft carrier in 1997, and possibly a second one shortly after. The carrier will operate Harrier VTOL aircraft and Sikorsky Seahawk helicopters for anti-submarine warfare. The navy's favour with the civilian democratic government has been the result of its non-involvement in national politics, unlike the army and the air force. When army troops and air force commandos attacked demonstrators in the May 1992 political crisis in which the military finally had to back down and relinquish political power in the face of popular protest, the navy and its marine forces were not involved in any way, thus ensuring a favourable political mood towards it in the aftermath.¹⁴⁸

While political influence has ensured Thailand's armed forces the resources for military modernisation, the opposite appears to be the case for Indonesia. The military in Indonesia has attained great status due to its role in the independence struggle and the crushing of the communist coup in 1965. Thus, the military has felt that its views and interests should be given special importance. Indeed, since the abortive PKI (Partai Kommunist Indonesia) coup in 1965, the military under General Suharto has become the dominant political actor in the "New Order". The military's involvement in the political, social and economic spheres is enshrined in its doctrine of "Dwi Fungsi" or Dual Function. The involvement of the military in the economic sphere has also accrued benefits to the military, which control government-owned companies, which in turn provide great scope for personal profiteering.¹⁴⁹ Suharto, however, has

¹⁴⁷ Far Eastern Economic Review, 10 November 1983, p.36.

¹⁴⁸ Rodney Tasker, "Silent Service: Navy Reaps Rewards of Steering Clear of Politics," Far Eastern Economic Review, 21 October 1993, pp.30-31.

¹⁴⁹ See Richard Robison, Indonesia: The Rise of Capital (Sydney: Allen and Unwin, 1986), pp.249-270.

placed domestic economic development and political stability as top priorities, in the belief that security could ultimately be guaranteed through development and the strengthening of internal resilience.¹⁵⁰ This is due to the Indonesian perception that security threats are likely to stem from internal rather than external sources. Thus, although the military is clearly dominant in Indonesia, Tables 2, 3 and 4 demonstrate that Indonesia has in fact maintained relatively low defence expenditures, with the emphasis being on the maintenance of internal political control, with the army getting the bulk of resources. In the 1990s, however, even this has changed; while Indonesia has not shown any intention of increasing its defence expenditures in a dramatic fashion, the navy's build-up has been fairly significant.

Although Malaysia's military has been traditionally apolitical, its military modernisation has been linked by some analysts to the military's desire to maintain or advance Malaysia's position in the intra-ASEAN arms race, particularly with Singapore, thus providing an additional impetus to Malaysia's military expansion programme since the late 1970s.¹⁵¹

3.7 Corruption

Corruption has been a factor in fuelling the military expansion programmes of some of the ASEAN states, although its importance and its scope is not measurable due to the lack of evidence. Moreover, it must be seen in the context of other more important determinants as elaborated above. There have indeed been allegations of corruption in Malaysia's military procurement.¹⁵² Indeed, financial mismanagement was reported to be rife in the Malaysian Armed Forces when Mahathir became Prime Minister in 1981.¹⁵³

¹⁵⁰ Harold Crouch, "Indonesia," in Zakaria Haji Ahmad and Harold Crouch (eds), Military-Civilian Relations in Southeast Asia (Singapore: Oxford University Press, 1985), pp.66-67.

¹⁵¹ Tim Huxley, The ASEAN States' Defence Policies, 1975-81: Military Responses to Indochina? (Working Paper No. 88, Australian National University, Canberra, October 1984), p.39.

¹⁵² Straits Times, 8 April 1981. See also Far Eastern Economic Review, 20 October 1983, pp. 50-51.

¹⁵³ Asiaweek, 16 October 1981, p.20.

All the cases of corruption uncovered in Malaysia thus far involves major arms contracts. In 1978, a retired air force captain was sentenced to three years' imprisonment for soliciting a 1% commission on a US\$39 million deal to purchase 16 F5E jetfighters from the US in 1971. Again in 1978, the opposition Democratic Action Party alleged corruption in the purchase of four Spica M missile boats for the navy, an allegation which saw no convictions. In 1981, the Malaysian government was forced to reopen a tender for 162 Sibmas armoured fire-support vehicles following allegations from other disappointed suppliers that the specifications appeared to be rigged in favour of the Belgian company.¹⁵⁴

The corruption factor has been better documented in the case of Thailand, where military corruption was a major factor in the bloody popular uprising of May 1992. It is reported that commissions on arms sales (a common practice by arms manufacturers and dealers in selling weapon systems to Third World states) average 15-20% of any deal, which means that personal greed, not any rational need, may be a powerful driving force in some military procurements.¹⁵⁵

Indeed, the wide range of weapon systems in the Thai Armed Forces suggest that corruption may have accompanied their purchases. It is known that commissions are usually included in the value of contracts, and the Thai Air Force's attempt in 1991 to purchase 38 Italian-Brazilian AMX fighter aircraft at US\$20 million each, twice the price on the international market, was promptly blocked by then Prime Minister Anand Panyarachun, who was concerned with the air force's runaway spending programme. It has also been alleged that arms purchases from China was accompanied by widespread graft; the China-made tanks and APCs have in fact proved to be operationally unreliable. The spending spree by the military has become a matter of concern for the civilian government. In 1992, for instance, it was said that the Thai armed forces had already spent the country's defence budgets for the following 3-4 years.¹⁵⁶

¹⁵⁴ Far Eastern Economic Review, 20 October 1983, pp.50-51.

¹⁵⁵ Tai Ming Cheung, "Officers' Commission: Arms Procurement Driven by Profit Rather Than Need," Far Eastern Economic Review, 2 July 1992, p.13.

¹⁵⁶ Ibid.

However, it must be borne in mind that the evidence is not particularly strong that corruption has been a major cause of the arms build-up in the ASEAN states, although it is clear that it does influence the character of this build-up.

One can thus conclude from the above discussion that no one single factor can fully explain the military build-up in the region, and that there exist dangers of arms acquisitions being perceived as threatening to neighbouring states. This has exacerbated the already serious intra-ASEAN tensions, as the Pedra Branca episode has demonstrated. The regional arms build-up, evident since the late 1970s, and particularly gathering pace since the end of the Cold War, could lead to an all-out arms race driven by worst-case strategic planning. More significantly, it has provided states in the region with the conventional capabilities to use force to resolve disputes. The regional arms race has placed serious constraints on ASEAN security cooperation due to its reinforcement of mutual suspicions over each other's ultimate intentions. Indeed, the interactive nature of the arms build-up has already been evident in the Singapore-Malaysia relationship. Thailand's rapid naval build-up also runs counter to Indonesia's naval ambitions, while Malaysia can only feel threatened by both the massive Thai and Indonesian naval build-ups, given the presence of territorial disputes with both countries. The Philippines and Brunei do not want to be left too far behind either, given their own territorial disputes and historical problems with Malaysia. All these mean that the regional arms build-up has been a constraining factor in regional security cooperation and will limit future development in this respect.

4. Military Cooperation Among the ASEAN States: Problems and Prospects

The Indonesian concept of National Resilience, which stresses self-help and self-reliance to ward off Great Power penetration, has been adopted in various forms by every ASEAN state. Beyond resilience, however, Indonesia believes that if every country adopted national resilience as the key to survival, there would be regional resilience as well. Regional resilience would help to ward off Great Power penetration and promote regional stability. This regional stability would promote economic

development and growth, thereby contributing to the ASEAN states' domestic stability and reducing internal threats to the state. Conversely, any instability in the region, even domestic instability, could well affect the rest because it would reduce regional resilience, allowing Great Power penetration. Security issues are therefore seen as regional in scope and interlinked with the domestic political stabilities of the ASEAN states. Over the period 1976-1989, this concept of regional resilience has become an ASEAN consensus, culminating in an ASEAN Seminar on Regional Resilience in Jakarta in 1989.¹⁵⁷ Indeed, President Suharto portrayed the regional arms build-up in terms of building regional resilience, rejecting suggestions of an arms race.¹⁵⁸

Regional resilience logically entails some measure of military cooperation among the ASEAN states, in a manner that would enhance regional security. Multilateral defence cooperation among the ASEAN states, however, has not taken off due to various reasons. One reason is that the continued concern over internal security in Indonesia and the Philippines, and to a certain extent, Thailand and Malaysia, would be beyond the scope of any joint military approach. Nor would the ASEAN states wish to formalise any arrangements that would give each other the opportunity to interfere in domestic politics, given the ethnic tensions and the ethnicity-related issues that could prove emotive. For instance, there are Malay Muslim minorities in Thailand, Singapore and the Philippines. Moreover, the rest of the ASEAN states have always been wary of potential Indonesian domination, given its size.

A second reason is the lack of a consensus on the source of external threats. A successful multilateral military pact requires the existence of well-defined interests and well-defined external threats common to all. Much of the late 1970s and the 1980s had seen Malaysia and Indonesia take the view that China was a long-term threat, with Thailand and Singapore opposing that with the view that Vietnam and the then Soviet Union threatened regional security. In the post-Cold War era of the 1990s, with the Vietnamese withdrawal from Kampuchea and its reorientation towards economic development, China has emerged as a more potent threat, given its claim to disputed

¹⁵⁷ William Tow, Encountering the Dominant Player: US Extended Deterrence in the Asia-Pacific (New York: Columbia University Press, 1991), p.311.

¹⁵⁸ "Southeast Asia Not Engaged in Arms Race, Says Suharto," Straits Times, 25 July 1993.

territory in the South China Sea. Nonetheless, the Thai-Chinese strategic alliance against Vietnam is not over and Singapore does not still share the same threat perceptions of its ASEAN neighbours such as Indonesia. While Malaysia is still concerned over the long-term threat from China, it has opted, for the time being, on appeasement and accommodation. Thus, it would be accurate to say that while the ASEAN states have a number of common interests, a common perception of an external threat is absent.

A third reason stems from the different force structures and orientation of the defence forces of each of the ASEAN states, a result of geopolitical differences as well as historical experiences. The Philippines is still combating serious internal insurgencies, while Indonesia is similarly concerned with protecting its far-flung archipelago. Singapore's armed forces, on the other hand, is heavily external and offensive in orientation, a natural consequence of its lack of strategic depth. In terms of weapon systems, there is already huge diversity, making multilateral defence cooperation difficult. Thailand has Chinese, US and European weapon systems, Malaysia has an eclectic mix of British, US, Russian, French and German weapon systems, not to mention possible purchases in the near future from China, while Indonesia has made arms purchases from Germany, the Netherlands, Britain and the US.

Moreover, one important but understated reason would be the reluctance of the military establishments of the various ASEAN states to engage in bilateral exercises for fear of revealing weaknesses in their own capabilities or enabling potential enemies to gain a thorough knowledge of force structures, weapon systems, military doctrines, tactical plans and the like. In fact, despite the ground-breaking joint land exercise between Singapore and Malaysia in the Semangat Bersatu exercises in 1989, the Malaysian press saw fit to assure the Malaysian public that military secrets would not be leaked to Singapore due to Malaysia's participation in the joint exercise.¹⁵⁹

¹⁵⁹ Originally in Utusan Malaysia, reprinted in "All Part of a Regular Exercise of Recipes on Military Tactics, Says Paper," in Straits Times, 10 October 1989, p.21.

Another factor which has prevented an overt military pact from the late 1970s has been the recognition that any such move would be construed by Vietnam as a US-backed move against it. That would divide Southeast Asia into two hostile blocs, one made up of a US and China-supported ASEAN and the other an Indochinese bloc dominated by Vietnam and supported by the then Soviet Union. This would be counter-productive, given the then preponderant military power of Vietnam against the rest of ASEAN combined, the probable hardening of Vietnam on the Kampuchean issue and the possibility of a destabilising arms race between the two blocs.

In the post-Cold War era of the 1990s, however, this is no longer an issue, but continuing suspicions of Vietnam (now an ASEAN member) by Thailand, and the wish to avoid antagonising another Great Power, namely China, which has territorial claims in the region, act as powerful constraints.

Finally, and most significantly, there is the presence of intra-ASEAN tensions. Indeed, mutual suspicions between the ASEAN states, namely, between Singapore and Malaysia, Malaysia and Thailand, Thailand and Indonesia (over the latter's ambitions to be the regional leader), Indonesia and Malaysia, Indonesia and Singapore, Malaysia and Brunei, as well as Malaysia and the Philippines, are all sufficiently serious to mitigate against a multilateral defence pact along the lines of NATO. Indeed, such a scenario would be unrealistic as long as there are fundamental differences stemming from territorial disputes or ethnicity-related animosities. In fact, conflict between the ASEAN states is still a possibility - witness the military alerts between Singapore and Malaysia over the disputed Pedra Branca island, or the severe provocations by Indonesia over the Sipadan and Ligitan Islands when it repeatedly challenged Malaysia by way of military landings on those islands in 1993. Despite the logic of cooperation in defence industry, the various ASEAN states, such as Singapore, Indonesia, Malaysia and Thailand, have all opted to create their own expensive defence industrial complexes. The fact is that the commonality in values and interests which underlie an alliance such as NATO is absent in ASEAN.

Nevertheless, despite the ambivalence of the late 1970s and the 1980s in the face of what appeared to be an overt security challenge emanating from Vietnam, the idea of defence cooperation has been kept alive. In November 1986, for instance, Thai Army Commander-in-Chief Yongchaiyudh Chaovalit described ASEAN (rather wishfully as it seems) as similar to NATO, stating that "although ASEAN has been organised without any aim at military cooperation, the Association provides effective deterrence against any act of aggression."¹⁶⁰ The Malaysian Defence Minister also stated that although ASEAN is not a military pact and each member-state is responsible for its own defence, cooperation on defence matters is vital in order to build an effective defence against a common enemy should the need arise.¹⁶¹

Military cooperation has, however, remained at the bilateral level. Bilateral cooperation between Singapore and Malaysia has taken place in the context of the Five Power Defence Arrangement, which replaced the Anglo-Malayan Defence Agreement in 1971 following the British withdrawal from Singapore. The Five Power Defence Arrangement groups Australia, New Zealand, Britain, Malaysia and Singapore and is practically toothless due to its provision for its members to merely "consult together", instead of being an automatic trip-wire for collective defence in a crisis. Nonetheless, Singapore was particularly interested in retaining Western military interest in Malaysia and Singapore as a counterweight to Malaysia.¹⁶² In one sense, therefore, the Five Power Defence Arrangement, while ostensibly an alliance for collective defence, is in fact a CBM (Confidence Building Measure) between Malaysia and Singapore, and helps to engage Britain, Australia and New Zealand to moderate tensions between the two states.

Indeed, despite the formal alliance relationship, Malaysia had never allowed Singaporean troops to train on its territory, due to suspicions over Singapore's military build-up and its offensive doctrine of Forward Defence. Moreover, the presence of ethnic Chinese Singaporean troops in Malaysia is a sensitive issue given Chinese-

¹⁶⁰ Cited in Donald Weatherbee, op. cit., p. 207.

¹⁶¹ Ibid.

¹⁶² Chin Kin Wah, The Defence of Malaysia and Singapore: The Transformation of a Security System, 1957-1971 (Cambridge: Cambridge University Press, 1983), p.176.

Malay racial tensions. Such was the suspicions and mistrust that it was only in 1989 that bilateral land exercises were held, first in Singapore and then in Sarawak.¹⁶³

Aware of the dangers stemming from bilateral tensions, both governments have adopted further confidence-building measures as well as steps to enhance bilateral security cooperation. In January 1995, the Malaysia-Singapore Defence Forum was held as a confidence-building measure between the two states. The Forum, chaired by the defence ministers of both countries, also discussed measures to improve bilateral defence cooperation, and even signed an agreement on defence industrial cooperation.¹⁶⁴ In addition, the defence ministers also agreed to conduct joint tri-service military exercises in the future.¹⁶⁵ While the two ministers lauded the success of the forum - with the Singapore Defence Minister stating that it had opened "a new chapter in defence relations between" the two countries, and that it "manifests our commitment to propel our already excellent ties to greater heights" - the realities of mutual suspicions were soon voiced.¹⁶⁶ Malaysian Defence Minister Najib Tun Razak, in referring to the question of Singaporean troops training in the southern state of Johore, stated that "the problem lies with the exception on the ground, with the people...we have to be sensitive and we have to appreciate the sensitivities of the people on the ground."¹⁶⁷

In the same vein, Singapore Deputy Defence Minister Lee Hsien Loong cautioned that while bilateral relations in 1995 were at their best since separation in 1965, "there are still sensitivities that both countries have to be wary of." He went on to pointedly state that there had to be an acceptance that Malaysia and Singapore were two separate societies which had developed in different ways although they shared common bonds.¹⁶⁸ Thus, although the Forum represented a psychological breakthrough, various difficulties remain.

¹⁶³ "Joint Land Exercises: The First Step Has Been Taken," Straits Times, 15 June 1989, p.25.

¹⁶⁴ Asian Defence Journal, March 1995, p.15.

¹⁶⁵ Straits Times, 19 January 1995.

¹⁶⁶ Ibid.

¹⁶⁷ Straits Times, 19 January 1995.

¹⁶⁸ "Ties at their best but beware of sensitivities: BG Lee," Straits Times, 18 January 1995.

The Australian decision in 1988 to withdraw Mirage jetfighters based at Butterworth in northwestern Malaysia, in favour of periodic rotations of the new F18 Hornet fighters, brought about official Malaysian statements emphasising the positive effects of the Five Power Defence Arrangement, namely in enabling local participants to build up their defence forces while providing some measure of collective defence. The Integrated Air Defence System (IADS) in particular was pointed out by Defence Tengku Rithauddeen as benefitting other ASEAN states as well.¹⁶⁹ However, the September 1988 air defence exercise, Lima Bersatu, involving some 100 aircraft, allayed concerns first raised by Australia's Dibb Report, which advocated the continental defence of Australia. The exercise targetted an imaginery enemy which committed aggression against Malaysia and Singapore to secure its claim to resources in the South China Sea.¹⁷⁰

While the Five Power Defence Arrangement merely allows for joint consultations in a crisis, it helps to improve alternative, more self-reliant deterrence capabilities given the US withdrawal from the region. The Arrangement also allows benign external powers such as Australia and Britain to remain engaged in the defence of the region.¹⁷¹

Apart from multilateral exercises under the Five Power Defence Arrangement, other joint bilateral exercises have been conducted for some time. Table 5 shows the bilateral exercises involving Singapore, Malaysia and Indonesia in the decade from 1980 to 1990.

Table 5
Bilateral Military Exercises Involving
Singapore, Malaysia and Indonesia (1980-1990)

Singapore-Malaysia Bilateral Exercises

Land:	May 1989	Ex Semangat Bersatu 1/89
	October 1989	Ex-Semangat Bersatu 2/89
Air:	April 1984	Sarex 1/84
	February 1985	Sarex 2/85
	September 1986	Sarex 3/86

¹⁶⁹ New Sunday Times (Kuala Lumpur), 17 April 1988.

¹⁷⁰ Asian Defence Journal, October 1988, p.13.

¹⁷¹ See "Australia Seeks Strengthening of Five-Power Defence Arrangement," International Defence Review, September 1991, p.927.

	September 1987	Sarex 4/87
	October 1988	Sarex 5/88
	July 1989	Sarex 6/89
Naval:	July 1984	Ex-Malapura 1/84
	April 1985	Ex-Malapura 2/85
	April 1986	Ex-Malapura 3/86
	January 1987	Ex-Malapura 4/87
	March 1988	Ex-Malapura 5/88
	March 1989	Ex-Malapura 6/89
Singapore-Indonesia Bilateral Exercises		
Land:	December 1989	Ex Safkar Indopura 1/89
	December 1990	Ex Safkar Indopura 2/90
Air:	July 1980	Ex Elang Indopura 1/80
	July 1982	Ex Elang Indopura 2/82
	May 1984	Ex Elang Indopura 3/84
	June 1986	Ex Elang Indopura 4/86 (CPX)
	July 1986	Ex Elang Indopura 4/86 (AMX)
	February 1987	Ex Elang Indopura 5/87
	September 1990	Ex Elang Indopura 6/90
Naval:	September 1974	Ex Eagle 1/74
	August 1977	Ex Eagle 2/77
	September 1978	Ex Eagle 3/78
	October 1979	Ex Eagle 4/79
	September 1980	Ex Eagle 5/80
	October 1981	Ex Eagle 6/81
	July 1983	Ex Eagle 7/83
	October 1984	Ex Eagle 8/84
	September 1986	Ex Eagle 9/86
	August/September 1988	Ex Eagle 10/88
	October 1990	Ex Eagle 11/90
Indonesia-Malaysia Bilateral Exercises		
Land:	Annually since December 1977	Ex Kekar Malindo
	Upgraded in 1980 to	Ex Aram Malindo
	Further enhanced in 1981 to	Ex Tatar Malindo
Air:	Annually since 1975	Ex Elang Malindo
Naval:	Annually since 1973	Ex Malindo Jaya
Combined Services:	Began in 1982	Ex Darsasa Malindo

Source: S.Bilveer, "Singapore, Malaysia and Indonesia Triangular Defence Pact: Potentials and Perils," *Asian Defence Journal*, December 1990, p.5

It is bilateral cooperation between Singapore and Indonesia that has yielded real dividends in the 1990s. The Sixth Elang Indopura Exercise in September 1990 saw the use of SAF E2C Hawkeyes, and the operation from Paya Lebar Airbase in Singapore of Indonesian Air Force A4 Skyhawks, demonstrating the closeness of bilateral military ties.¹⁷² Indeed, Singapore uses training facilities in Indonesia, namely

¹⁷² *Straits Times*, 13 September 1990.

the Siabu Air Weapons Range and the Baturaja army training centre in Sumatra.¹⁷³ In December 1989, Indonesia and Singapore had their first-ever joint land exercise in Singapore. The warmth of Indonesia-Singapore defence ties is reflected in the civil aviation and military training agreements signed in September 1995, which delegated airspace of up to 90 nautical miles south of Singapore to Singapore's air traffic control, and allowed Singapore's air force to conduct training over Indonesian air space.¹⁷⁴

Indonesia has held joint air exercises with not just Singapore but also Thailand and Malaysia through the annual Elang (Hawk) series, which familiarise air force personnel with procedures for joint force operations. Annual naval exercises have also been held, for instance Malindo Jaya with Malaysia (see Table 5), and Sea Garuda with Thailand. Other bilateral exercises include Singapore-Thailand naval exercises (Sing-Siam), Thai-Malaysian air exercises (Air Thamal), Malaysia-Singapore naval exercises (Malapura; see Table 5) and army field exercises between Malaysia and Indonesia (Kekar Malindo; see Table 5).¹⁷⁵ Apart from these bilateral exercises, there have been intelligence-sharing, official visits and contacts, as well as conferences and seminars, which promote personal ties and help to build confidence towards each other.

Cooperation in border patrol has existed between Malaysia and Indonesia, given the common apprehension of communist subversion. Cooperation along the Sarawak-Kalimantan border has generally been effective. Malaysia and the Philippines have also recently moved to improve defence cooperation, with the signing in 1994 of an agreement to cooperate on anti-piracy measures in the waters separating Sabah and the Philippines, and to conduct joint exercises.¹⁷⁶ In contrast, Thai-Malaysian cooperation has not been smooth, owing to Malaysia's reluctance to cooperate with Thailand in suppressing the Thai-Muslim secessionist insurgency.

¹⁷³ *Asian Defence Journal*, December 1990, p.108.

¹⁷⁴ *Straits Times*, 22 September 1995.

¹⁷⁵ Donald Weatherbee, *op. cit.*, p.208.

¹⁷⁶ *Straits Times Weekly Edition*, 6 August 1994, p.10.

However, although the basis for trilateral defence cooperation between Malaysia, Indonesia and Singapore exists on paper due to the web of bilateral defence exercises between the three countries, in reality, the poor state of relations between Malaysia and Indonesia, between Singapore and Malaysia, and Malaysian apprehensions over what appears to be an evolving Indonesia-Singapore alliance, has prevented this from occurring.

Of all the bilateral defence ties among the ASEAN states, Singapore's bilateral defence relations with Brunei is excellent, and comes closest to a genuine alliance. This is founded on common geopolitical circumstances of being small states surrounded by much larger, potentially hostile neighbours. Joint exercises have been held regularly and Singapore has use of training facilities in Brunei. Its permanent military presence in Brunei is welcomed by Brunei's ruling family because of its utility in guaranteeing its safety in the event of internal moves by Brunei's military against the Sultan. Singapore conducts frequent naval exercises with Brunei under the Pelican series.

Sensing that perhaps with the end of the Cold War in 1989 and the continuing retrenchment of the US from the region, the time might be ripe for some form of multilateral defence cooperation beginning with Indonesia, Malaysia and Singapore, the former Indonesian Foreign Minister, Mochtar Kusumaadmadja suggested in September 1990 a Malacca Straits defence pact between the three states, arguing that the three littoral states had vital maritime security interests that were indivisible.¹⁷⁷ In the same vein, Malaysian Foreign Minister Abu Hassan called for a "defence community" in May 1989, while Indonesia's General Try Sutrisno called for a "defence web" to be developed, which could eventually lead to greater regional defence cooperation.¹⁷⁸ Although these statements were accompanied by psychological breakthroughs in Malaysia-Singapore and Indonesia-Singapore land exercises in the same year, and given the concern over the rise in regional Great Powers and the possibility of them filling the power vacuum in the region, at no stage

¹⁷⁷ Asian Defence Journal, December 1990, pp. 4-6.

¹⁷⁸ See "ASEAN Should Study Defence Community Idea: KL Minister," Straits Times, 5 May 1989, p.40, and "ASEAN Should Take Care of Its Own Defence, Says General Try," New Straits Times (Kuala Lumpur), 5 October 1989, p.2.

did all these mean that an ASEAN military pact was in the offing. Indeed, given that ASEAN was not originally meant to be a defence pact anymore than the European Economic Community was, a great deal more had to occur before one could even credibly discuss multilateral defence cooperation involving all the member-states. General Sutrisno was to later clarify that a "defence web" did not mean a formal military pact, which Indonesia opposed in any case.¹⁷⁹

Multilateral defence cooperation has not occurred due in part to the fact that mutual suspicions stemming from intra-ASEAN tensions have remained alive and well. This does not mean that attempts at greater defence cooperation are meaningless. Indeed, bilateral defence cooperation assists in the confidence-building process and helps to reduce tensions and build-up effective defence ties that could be useful in ameliorating tensions in a crisis. In addition, they are valuable for their intelligence-gathering opportunities to analyse the capabilities and weaknesses of each others' military forces.

Moreover, they constitute important symbols against other states, for instance, the warmth of Indonesia-Singapore military relations is useful in putting pressure on Malaysia to be more cooperative towards Singapore, and is a vehicle for Indonesia to express displeasure at Malaysia, while Singapore-Brunei cooperation helps to deter enemies, especially internal ones which might receive external assistance. The Five Power Defence Arrangement will also continue to exist because of its utility as a confidence-building measure between Singapore and Malaysia. In addition, it adds to the deterrent capability of both states in an era of US withdrawal and retrenchment. Moreover, bilateral defence cooperation adds to regional deterrence by suggesting the possibility of a multilateral response by the ASEAN states in any crisis with an external Great Power.

Indeed, the significant military build-ups in all the ASEAN states can be said to be a clear response to the varied security challenges that the ASEAN states have faced, and continue to face, in the post-Cold War era after 1989. The manner of the military response has varied among the ASEAN states, but it is significant to note that the

¹⁷⁹ Straits Times, 14 December 1989, p.26.

differing priorities, and in particular, the interactive nature of some of the military modernisation programmes, a result of intra-ASEAN tensions, constitute significant barriers to the development of ASEAN regionalism and multilateral defence cooperation.

5. The Dangers of an Arms Race

As Colin Gray has observed, it is possible for arms races to develop even in the absence of any serious political antagonisms. A fairly autonomous arms increase might be matched by a fairly disinterested party solely as a precautionary move, and thus spark off a cycle of close or intermittent armament interactions and previously unappreciated political antagonisms might occur.¹⁸⁰ Indeed, while arms races are evidently run between mutually perceived enemies, arms race behaviour can also be discerned among even formal allies, whether out of prestige or the need to maintain a relationship of equality. According to Gray, there are four basic conditions for an arms race:

1. there must be two or more parties, conscious of their antagonism,
2. they must structure their armed forces with attention to the probable effectiveness of the forces in combat with, or as a deterrent to, the other arms race participants,
3. they must compete in terms of quantity and quality, and
4. there must be rapid increases in quantity and/or improvements in quality.¹⁸¹

While it is clear that the ASEAN states and the various Great Powers such as China are not openly antagonistic towards one another, and have in fact been able to cooperate in regional economic development and discuss political and security matters in regional fora, there are clear signs of underlying suspicions and mutual distrust. China's propensity to use force, as it did against Vietnam in 1988 in the South China Sea, and its open provocation of the weakest ASEAN member, the Philippines, over

¹⁸⁰ Colin Gray, "The Arms Race Phenomenon," *op. cit.*, p.41.

¹⁸¹ *Ibid.*

the Mischief Reef in the Spratleys in 1995, are two such indications. The Chinese action sparked a determination by the Philippines to improve its conventional capabilities in a US\$12 billion modernisation plan over 15 years. The tensions between Singapore and Malaysia, as well as the interactive nature of their arms build-up, has been well-documented in Chapter 4 and this chapter. Moreover, Indonesia too does not want to lag behind its neighbours despite its primary concern with internal security challenges. An emerging set of interactive arms acquisitions has been that between Thailand and Malaysia, as Chapter 4 and this chapter has shown.

While intra-ASEAN tensions are clearly a major factor, they are, however, not the only cause of the regional arms build-up. Others include the continuing preoccupation with internal security threats, concerns over maritime security in an era of vast EEZs, economic growth (which has provided the resources for military modernisation), the easy supply of modern military technology and weapons systems in the post-Cold War era, the influence of the military, and corruption, which has been a distorting factor, although its exact impact cannot be verified with accuracy. In particular, the ASEAN states have felt compelled to carry out expensive military modernisation programmes in the wake of the US retrenchment from the region. The US's two closest allies in the region, Thailand and the Philippines, have had to carry out massive military modernisation programmes to replace the US security umbrella. Indeed, Thailand felt vulnerable and exposed after 1975, sparking its spectacular defence build-up in the years after that, a process which eventually gathered a momentum of its own. In the case of the Philippines, its need to compensate for the external protection that had been offered by US prior to its withdrawal from Subic Bay in 1992 was painfully demonstrated by its weakness in confronting China over Mischief Reef in 1995.

Whatever the causes of the regional arms build-up, the point is that the rapid pace of military modernisation has provided states in the region with the capacity to wage major conventional warfare against each other. The presence of increasing quantities of sophisticated weapon systems has exacerbated existing intra-ASEAN tensions, and could lead to open conflict in a crisis, as almost happened between Singapore and Malaysia in 1989 and 1992 over Pedra Branca. Moreover, the size and sophistication

of the arms build-up in the region since the late 1970s, the interactive nature of this build-up, and the presence of severe inter-state tensions and disputes between the ASEAN states, point to at least a nascent arms race among the states in the region. The continuing scope of the arms build-up, despite all the protestations of solidarity and evidence of the ability to work together when common interests are at stake, reflect the basic lack of trust and the ultimate reliance on deterrence through strength postures.

If not handled carefully, the regional arms build-up will continue to fuel the process of interactive arms acquisitions, leading to increased mutual suspicions as well as conflict spirals, which could be sparked by any of the territorial or boundary disputes between all the ASEAN states, possibly culminating in wars and a breakdown in regional stability.

In the final analysis, the significant military build-ups in all the ASEAN states can be said to be a clear response to the varied security challenges that the ASEAN states have faced since 1975. While the manner of the military response has varied among the ASEAN states, it is significant to note that the differing priorities, the interactive nature of some of the military modernisation programmes, and the continued presence of intra-ASEAN tensions, constitute significant barriers to the development of ASEAN cooperative regionalism and to multilateral defence cooperation.

CHAPTER SIX

INTERNAL THREATS TO SECURITY

1. Internal Threats to Security

1.1 The Continued Relevance of Internal Threats

Analysts on regional order since 1975 have focused mainly on the external threats to the security policies and responses of the ASEAN states, as though the external dimension is the only dimension that the security policies of the ASEAN states have operated in. However, what has happened to internal dynamics and factors? Have they become less important? This chapter argues that internal security threats have continued to merit attention since 1975. There has continued to be armed secessionist rebellions in Thailand, the Philippines and Indonesia, not to mention a substantial communist insurgency in the Philippines, as well as the threat from Islamic extremism cited by Malaysia and Indonesia.

This chapter will assess the internal security challenges that have had an impact on the security policies of the ASEAN states. The purpose is to demonstrate the continued relevance of internal security challenges since 1975, despite the focus on regional strategic developments. The continued preoccupation with internal security on the part of some of the ASEAN states, and in particular the interactive nature of some of these challenges, involving as they do neighbouring ASEAN states, have placed constraints on the development of cooperative regionalism by ASEAN. Moreover, to the extent that internal security challenges have remained both serious and relevant since 1975, they indicate the failure of the ASEAN states in achieving legitimacy for their post-independence political structures as well as continued internal weakness. These constitute a clear indication of the limits to their ability to manage the regional order.

The continued relevance of internal security challenges since 1975 has meant that the ASEAN states have had to pay at least equal attention to internal security. These

internal challenges are related to the external dimension. Not only do they in some instances involve other ASEAN states, underlying the concept of resilience is the fear that internal instability or weakness could be exploited by external powers for their benefit. According to the concept of resilience, internal resilience also results in regional resilience, which would help to ward off Great Power penetration of the region.

However, the presence of significant internal threats demonstrate that internal resilience is still weak in some of the ASEAN states. There have been three main types of internal security challenges to the ASEAN states. One of them is armed separatism. This chapter will also demonstrate the interactive nature of the challenge. For instance, the armed separatist rebellions in southern Thailand, the southern Philippines and Aceh in Indonesia, all have an external dimension, involving co-religionists and ethnic kin in neighbouring Malaysia. The second is communist insurgency, which has been a major challenge during the entire period of the Cold War. Communist insurgency remains relevant in the post-Cold War era, both in the Philippines, and to a much lesser extent, in Thailand. The third is the security threat emanating from Islamic religious revivalism, a challenge cited by the Malaysia and Indonesia governments as sufficiently serious to merit extraordinary administrative and military measures to contain them.

These internal security threats have meant that the Philippines and Indonesia, and to a lesser extent Thailand and Malaysia, have had to give the internal dimension at least equal importance to external regional issues. Indeed, the counterinsurgency focus of the Philippine military, unsurprising given the severity of the internal challenges, resulted in the Philippines being caught without even the minimum conventional capabilities to counter China's assertion of its claim over disputed territory in the South China Sea, as occurred over Mischief Reef in 1995. On the other hand, the caveat that has to be made is that the internal dimension is not considered important in Singapore and Brunei, although both maintain strong vigilance against internal political dissent.

1.2 Internal Threats to Legitimacy Since 1975

When the Saigon regime and subsequently the whole of Indochina fell to the communists in 1975, there was palpable alarm and apprehension in the various ASEAN states. Not only had Thailand and the Philippines compromised themselves through SEATO, Thailand, now effectively the frontline state, had also been militarily involved in the Vietnam War, contributing troops and also allowing the US air force to launch devastating bombing attacks on major North Vietnamese cities from air bases in Thailand.

The events of 1975 revived the spectre of falling dominoes, as Soviet, Chinese or Vietnamese assistance to their domestic communist insurgencies was seen as a possibility. Through Thailand, the "frontline" state, communism could infiltrate the ASEAN heartland to foment internal dissent and cause political and economic destabilisation that might cause the collapse of their existing structures and subsequent takeover by communism. Moreover, the ASEAN states in 1975 were still fragile political entities, with every state facing internal political and economic problems of varying degrees.

Malaysia was a tense country, still facing a stubborn communist insurgency amidst racial tensions which had exploded in the deadly May 13 riots in 1969. In Thailand, the Communist Party of Thailand was gaining strength from disaffected students and intellectuals driven underground by the violent military coup and crackdown in 1976, which ended the brief era of democratic government. There was also a stubborn Muslim secessionist movement in the South. The Philippines, labouring under the crony capitalism of Ferdinand Marcos, faced a growing communist insurgency as well as a major Muslim separatist rebellion in the South. In Indonesia, Islamic revivalism and separatist tendencies in various parts of the Indonesian archipelago, such as in Aceh and Irian Jaya, constituted serious internal security threats, not to mention Indonesia's invasion of East Timor in 1976, which led to years of unrelenting counterinsurgency warfare against Fretilin guerillas as well as the deaths of a very substantial proportion of the population of East Timor. In Brunei (which was not a

member of ASEAN until 1984), the exiled republicans had found a supporter in Malaysia, which challenged Brunei's colonial status in the UN in 1976 and in the same year even considered an East Timor-style solution.

The ASEAN states thus exhibit the classic feature of many decolonised developing states, that is, the lack of a close fit between nation and state. They are in fact multinational or multiethnic states, where the dominant ethnic group invariably holds the reins of power over other significant ethnic minorities that are often located at the periphery. There are also further complications due to differences in religion, geography and historical experiences. The nation-building efforts of the dominant group, however, often requires the subordination of the minorities, creating grievances that often find expression in demands for separatism or irredentism. The lack of effective mechanisms to resolve conflict between the centre or dominant group, and minorities, sometimes result in armed violence as the minorities attempt to exert independence or to protect their way of life, with the dominant centre viewing such separatist sentiments and demands as a threat to the integrity of the nation-state and to its internal security.

The fact that the ASEAN states have been artificially cobbled together by departing colonial powers have meant that they have relatively underdeveloped institutions and lack national cohesion. Their governments thus face the problem of regime legitimacy, which is accentuated in situations where that legitimacy is regarded as suspect due to the authoritarian political domination by an elite, such as the military in Thailand and Indonesia, or a political strongman, such as in the Philippines under Marcos.

The importance of political legitimacy is explained by Azar and Moon:

The effective leadership strength, the people's perceived relevance of national strategy, and social and cultural integration derive from the level of legitimacy which a government or regime in power enjoys...legitimacy relates to whether citizens are loyal and willingly support state policies - whether they accept the

authority of the state and believe existing institutions are functionally competent, legally right and morally proper.¹

The lack of regime legitimacy, which includes the lack of a common belief in a given political and social order, has meant that armed rebellions have actually taken place or are still in progress in some of the ASEAN states.² These armed rebellions include separatism or irredentist movements that aim to challenge prevailing state boundaries by seceding to form independent states of their own, or to join other states, as well as ideologically-based insurgencies aimed at changing the prevailing social-political-economic structure of the state. Table 6 shows the major armed rebellions in Southeast Asia since the end of World War Two.

TABLE 6
Major Armed Rebellions in the ASEAN States Since 1945

<u>Country</u>	<u>Armed Rebellion (dates of rebellion)</u>
Brunei	Partai Rakyat Brunei (1962)
Indonesia	Madiun communist rebellion (1948) Darul Islam (1948-62) PRRI Permesta (1958-61) Organisasi Papua Merdeka (1963-) Partai Komunis Indonesia (1965) Aceh Merdeka (1976-79) Fretilin (1976-) GPK Aceh (1989-)
Malaysia	Communist Party of Malaya (1948-89)
Philippines	Huk communist rebellion (1946-54) New People's Army (1969-) Moro National Liberation Front (1972-) Moro Islamic Liberation Front (1982-) Abu Sayaff (1993-)
Singapore	Communist Party of Malaya (1948-89)*

¹ Edward E Azar and Chung-in Moon, "Legitimacy, Integration and Policy Capacity: The 'Software' Side of Third World National Security," in Edward E Azar and Chung-in Moon (eds), National Security in the Third World: The Management of Internal and External Threats (Hants: Edward Elgar, 1988), p.81.

² See Joseph Bassman, "Max Weber's Concept of Legitimacy: An Evaluation," in Arthur J Vidich and Ronald M Glassman (eds), Conflict and Control: Challenge to Legitimacy of Modern Governments (Beverly Hills, California: Sage, 1979), pp.17-48.

Thailand

Barisan Revolusi Nasional (1960-)

Communist Party of Thailand (1965-)

Pattani United Liberation Organisation (1968-)

Barisan Nasional Pembebasan Pattani (1971-)

* The CPM, which had Singaporean members, considered Singapore to be a part of Malaya and therefore constituted a security problem for Singapore as well, although its operations there were clearly constrained by the island-state's small size and urban nature, as well as the vigilance of its internal security apparatus.

Source: An update of the table provided in Mohammed Ayoob (ed), Regional Security in the Third World: Case Studies from Southeast Asia and the Middle East (London: Croom Helm, 1986), p.61.

These rebellions reflect the absence of a basic consensus in domestic politics, and also point to the fact that many of the ruling regimes are in fact narrowly-based. Suharto, for instance, siezed power in the midst of a bloodbath. In Thailand, successive military coups demonstrate the military's power and influence over politics. In the Philippines, Marcos subverted the democratic process when he declared Martial Law in 1972 and ruled to benefit a band of elite cronies. In Brunei, the popular Partai Rakyat Brunei (PRB) remains banned and the country under the rule of an absolute monarchy. In Malaysia, the dominant UMNO has cemented Malay political supremacy since the disastrous May 13 riots of 1969. In Singapore, the PAP under Lee Kuan Yew has institutionalised an authoritarian government since coming to power in 1959. Not all internal challenges take the form of armed rebellion, but political opposition to the ruling regime's legitimacy, which itself stems from the lack of a broad base, can be strong. This frequently occurs despite the ruling regime's attempts at legitimation through various devices such as carefully-supervised general elections. These regimes often respond to the constant political challenges to their legitimacy by coupling their own survival with that of the state.

Such phenomena may also reflect the lack of broad-based political consensus on what constitutes the state. As Muthiah Alagappa noted:

If the idea of the state....lacks broad societal consensus, then the physical base of the state and its organising ideology and the legitimacy of the incumbent

regime are frequently contested, and internal security becomes a primary concern.³

Thus, while the external dimension has been given greater weight in the security policies of the ASEAN states after 1975, these states have continued to face internal challenges that have forced them to continue to pay attention to what their decision-makers considered to be threats to the national security emanating from within the country.

By the 1980s, however, the anxieties following the events of 1975 in Indochina had given way to a growing confidence that economic development promises to enhance regime legitimacy. The process of regime legitimation has thus focused more on economic development. Regimes claim the right to rule in the name of economic development, which, it is claimed, would bring "resilience" and security to the state and its population.

Moreover, the global strategic changes occasioned by the fall of the Berlin Wall in 1989 and the end of the Cold War between communism and capitalist blocs, have been reflected in the region. Not only did Vietnam lose the backing of its chief supporter, the Soviet Union, it also lost any ideological reason to support communist movements. China, too, had embarked on economic modernisation with Maoist communist ideology taking a back seat. The demise of the Communist Party of Malaya (CPM) in 1989 exemplifies the trends, and these developments have improved the internal security outlook for the ASEAN states.

Nonetheless, there are still concerns over internal security that continue to haunt the ASEAN states. In recent years, the continuing issue of Islamic fundamentalist extremism has been raised in Malaysia, Indonesia and the Philippines. In particular, there have been several Islamic groups which envision alternative or separate Islamic states. In addition, armed secession or separatist movements, defined as "attempts by an ethnic group claiming a homeland to withdraw with its territory from the authority

³ Muthiah Alagappa, The National Security of Developing States: Lessons From Thailand (Dover, Massachusetts: Institute of Strategic and International Studies, 1987), p.5.

of a larger state of which it is part," continues to trouble some of the ASEAN states.⁴ A major armed separatist movement continues to exist in the southern Philippines, namely the Moro Muslim rebellion. In Thailand, Malay Muslim separatist movements continue to be active, while Indonesia still faces the thorny issue of East Timor, and to a lesser extent, Irian Jaya, not to mention continued Muslim regional separatist threats from places like Aceh in northern Sumatra. Then, there is also the issue of armed communist rebellions in Thailand and, more significantly, in the Philippines, while the long-running communist insurgency in Malaysia has only recently been concluded.

2. Armed Separatism

2.1 Separatist Rebellions in the ASEAN States

The issue of armed separatism has remained very much alive in the internal politics of some of the ASEAN states, despite decades of independence and nation-building. There have been five major armed separatist movements extant in the ASEAN states since 1975: the armed Muslim separatist movements in the southern Philippines, southern Thailand and Aceh, the Free Papuan Movement in Irian Jaya, and the East Timorese resistance movement.

Armed separatism can also be defined as "a process whereby an ethnic group....seeks to secede or gain autonomy from the control, de facto and de jure, of a given state, through an organised and purposeful use of force, alone or in combination with other means."⁵

Armed separatism is not merely based on territorial grounds alone, but must have as its basis a sense of community which will provide a network of communications and a basis for leadership. As McVey has noted, some of the most serious and persistent

⁴ Donald Horowitz, "Irrendentas and Secessions: Adjacent Phenomena, Neglected Connections," in Naomi Chazan (ed), Irredentism and International Politics (Boulder, Colorado: Lynne Rienner, 1991), pp. 9-10.

⁵ Sukhumbhand Paribatra and Chai-Anan Samudavanija, "Factors Behind Armed Separatism: A Framework for Analysis," in Lim Joo-Jock and Vani S (eds), Armed Separatism in Southeast Asia (Singapore: Institute of Southeast Asian Studies, 1984), p.32.

separatist movements have depended greatly on a consciousness of past importance as a state. The fact that the sultanates of Aceh, Sulu (in the southern Philippines) and Pattani (in southern Thailand) were historical power centres, enduring until recent times, provided self-confidence and a network of leaders who have retained their prestige.⁶ While these three examples are Islamic in character, their separatist demands reflect their claims to difference and the right to exist as separate nation-states. In East Timor and in Irian Jaya, the resistance to Indonesian rule has centred on their forced incorporation into Indonesia, East Timor in a brutal invasion in 1976 and Irian Jaya earlier in 1962. The Christian nature of the peoples in these two areas are, once again, significant only in the larger context of their sense of separate national identities and the rejection of the central Indonesian government and its institutions as a foreign imposition.

In all cases of separatism, one can detect the clash between the dominant group and its cultural values and the subordinate one with its own religious-cultural identification. The national identity is invariably defined in terms of the dominant group's values and culture, with other groups in the periphery tending to be left out. Thus, Thai nationality, seen as revolving around Buddhism, Thai culture and language, and the Thai monarchy, is anathema to the Malay minority in southern Thailand, which subscribe to Islam, have their own royal traditions, language and culture. Similarly, in the southern Philippines, the Moros are an anomaly in a country dominated by Catholics heavily influenced by Spanish and American culture. As W K Che Man has succinctly pointed out, the Malay Muslims of both Pattani and Mindanao have been historically autonomous and distinct peoples, with the persistence of the separatist movements an indicator of their will to survive, and their struggles have been characterised by periodic resurgence and recedence depending on internal and external factors.⁷

⁶ Ruth McVey, "Separatism and the Paradoxes of the Nation-State in Perspective," in Lim Joo-Jock and Vani S (ed), Armed Separatism in Southeast Asia, op. cit., p.12.

⁷ W K Che Man, Muslim Separatism: The Moros of Southern Philippines and the Malays of Southern Thailand (Singapore: Oxford University Press, 1990), pp.178-179.

In both states, the presence of large numbers of the dominant group in territory traditionally populated by these minorities, and the heavy-handed, often insensitive attempts by the central authorities to impose "national" values, that is, the values of the dominant group, on the minorities, have resulted in resentment and the fear of losing their own identity to what they see as foreigners and intruders. Accentuating the problem is the attitude of members of the dominant group, which sees minorities as inferior and therefore feel justified in taking advantage of them. Thus, Catholic Filipinos see the Muslims as inferior, and have proceeded, with the assistance of corrupt local officials and the police, to take-over vast tracts of land in Mindanao since Muslims rarely record land titles, for the purpose of agriculture and plantation activities, thus depriving local minorities of their land, rights and means of livelihood.

In Thailand, the policy of assimilation has seen the replacement of traditional adat and shariah laws with Thai laws, the introduction of compulsory Thai education, the staffing of the local administration with Thais, and until 1977, a policy of not hiring Muslims as local officials. Similarly, East Timorese and the Melanesian people of Irian Jaya feel threatened by the dominance of the central Javanese government, which is imposing its own ideology, values and institutions onto what, prior to 1975 and 1962 respectively, were not even part of Indonesia. The case of Aceh is more complicated, but Aceh's long and proud historical tradition and strict adherence to Islam have been factors that underlie a fierce sense of independence and alienation from Jakarta.

Thus, Paribatra and Samudavanija have succinctly noted that:

In post-colonial Southeast Asia.....it has been conveniently forgotten by central governments that the constructing of what is more accurately a state-nation, merely means that external or western imperialism had been replaced by an internalized one, which is potentially more brutal and enduring.⁸

It is thus not surprising that armed separatism occurs as a means of expressing frustration over their inferior positions, and also an attempt to redress the situation

⁸ Sukhumbhand Paribatra and Chai-Anan Samudavanija, *op. cit.*, p.41.

through the use of force. Since peaceful secession is virtually out of the question in centralised nationalistic states such as Thailand and the Philippines, armed separatism is the only solution.

2.2 The Moro Rebellion

The Moro rebellion in the Philippines has been the largest and most persistent of the armed separatist movements in the region since 1975. The roots of the conflict go well back into colonial history when the Islamisation of the Philippine islands was stopped by the Spaniards, who arrived in 1565. They defeated the Moros in the north and continually attacked the Moro sultanates in Mindanao and the Sulu islands in the south for the next 350 years. Despite these attempts, the Spaniards were never able to completely subdue the Moros, who subsequently disputed the handover of all the Philippine islands, including Moro lands in the south, to the United States in 1898 following the Spanish-American War of that year. Anti-American resistance was crushed in a brutal campaign of pacification. After that, the situation was aggravated by a massive influx of Catholic settlers from the north.

By the 1960s, the Moros had become a minority in many parts of their traditional homeland, with many losing their land to the immigrant settlers through dubious legal transactions or outright confiscation. The problem of growing Moro landlessness was compounded by the settlement of many surrendered communist Huk rebels who were given land in the south. Violent confrontations between Muslims and Catholics became so serious that President Marcos cited this as a reason for the imposition of martial law in 1972.

The very real grievances of the Moros were reinforced by a growing sense of Muslim identity associated with the worldwide Islamic resurgence. New mosques were built and contacts with Islamic organisations in the Middle East, Indonesia and Malaysia were established. In 1969, the Mindanao Independence Movement (MIM) was created and it vowed to establish an independent state in Mindanao, the Sulu and Palawan islands. At about the same time, other radical Muslim organisations, the Union of

Islamic Forces and Organisations (UIFO) and the Ansar El Islam were also established. Overseas sympathisers in the Middle East, notably Libya, also established an Islamic Directorate of the Philippines to coordinate overseas assistance.

In 1969, a group of Muslims from the MIM and the UIFO began military training in camps in the Malaysian state of Sabah, where they received the support of its then Chief Minister, Tun Mustapha, with the tacit agreement of the Malaysian government.⁹ One of the reasons for the Malaysian government's tacit support was its desire to retaliate against Marcos's sponsorship in 1968 of military training in Corregidor for an intended separatist rebellion in Sabah, which is claimed by the Philippines, an operation which fell apart and became public when the trainees mutinied.¹⁰

This support from Malaysia has been crucial to the formation of the Moro rebel armies, for the Malaysian trainees returned and went on to organise and lead separatist guerilla armies. One of them, Nur Misuari, a former student at the University of the Philippines, founded the Moro National Liberation Front (MNLF) in 1972. The MNLF succeeded in obtaining the support of the Islamic Conference of Foreign Ministers (ICFM), the Organisation of Islamic Conferences (OIC) and Libya.¹¹ Large numbers of Muslims joined the MNLF as it launched a jihad against the central government.

The MNLF's military arm, the Bangsa Moro Army, conducted a bitter guerilla campaign against the Philippine Armed Forces. Over 100,000 deaths occurred in a huge civil war, with over 500,000 fleeing as refugees.¹² The scale of fighting was such that the Philippine government felt compelled to negotiate a settlement. The result was the 1976 Tripoli Agreement, which was brokered by the OIC. Misuari compromised by accepting autonomy for 13 of Mindanao's 21 provinces, rather than

⁹ David Hawkins, The Defence of Singapore: From the Anglo-Malayan Defence Agreement to ANZUK (London: United Services Institute for Defence Studies, 1972), pp.50-52.

¹⁰ RJ May, "The Religious Factor in Three Minority Movements," Contemporary Southeast Asia, vol. 13, no. 4, March 1992, p.398.

¹¹ Ibid.

¹² Temario C Rivera, "Armed Challenges to the Philippines Government: Protracted War or Political Settlement?" in Southeast Asian Affairs 1994 (Singapore: Institute of Southeast Asian Studies, 1994), p.260.

outright independence. However, mutual recriminations saw the agreement break down almost as soon as it was signed, and the conflict resumed.

A split within the MNLF saw the setting up of the Moro Islamic Liberation Front (MILF). The MNLF saw a number of setbacks, with top leaders defecting to either cooperate with the government or to join the MILF. In 1982, another split occurred when another MNLF leader established the MNLF Reformist Group (MNLF-RG) with its headquarters in Malaysia, reflecting the continued tacit Malaysian support for the Moros, a result of religious and ethnic identification and also a pressure tactic to dissuade the Philippines from actively pursuing its claim to Sabah.

The MILF has been critical of the leftist orientation of the MNLF, and has sought to emphasise its Islamic credentials and identity. Led by Hashim Salamat, a religious leader trained at Cairo's Al-Azhar University, the MILF has, by the 1990s become the main Moro rebel movement. It is well-organised and has several imams or Muslim religious leaders as its members. Its armed wing, the Bangsa-Moro Islamic Armed Forces (BIAF) has grown tremendously, eclipsing the MNLF.

The BIAF is also militarily proficient, led by officers trained by ex-British Special Forces in Sabah in the 1960s, and bolstered by large periodic shipments of arms such as Russian-made RPG-2 rocket-propelled grenade launchers, mortars and machine guns, and it is reported, US-made Stinger anti-aircraft missiles that were originally supplied to the Afghan mujahideen in their war of resistance against the Soviet Union in the 1980s. Many members of the BIAF have also gained combat experience in Afghanistan as volunteers fighting alongside the resistance forces.¹³ While the MNLF is confined to isolated Sulu and draws its support from the Tausug ethnic group there, the MILF has the support of 1.6 million Maguindanaos who live on the larger island of Mindanao, as well as the largest Muslim ethnic group, the 1.9 million Maranaos.¹⁴

¹³ "Professional Style," in *Far Eastern Economic Review*, 23 February 1995, p.26.

¹⁴ "Hidden Strength," *Far Eastern Economic Review*, 23 February 1995, p.23

The MILF has clashed with government forces in over 100 incidents since 1986, with a major clash in December 1994 when the government challenged the MILF's arrangements to provide protection for a South Korean company working on an irrigation project in North Cotabato province.¹⁵ However, most of the confrontations have been mostly small-scale clashes. While the government has concentrated on negotiations with the MNLF, the most internationally visible group, it has largely left the MILF alone. The MILF has avoided major clashes with the government, and has been able to concentrate on building up its strength throughout the 1980s and the early 1990s. The MILF claims to be able to field 120,000 mujahideen in four fully armed divisions, a force numerically superior to the entire Philippines Armed Forces but one which top Philippine commanders conceded was possible.¹⁶ Western military intelligence estimates puts its standing army at 35,000, a still formidable force.¹⁷

An effort on this scale is due to the MILF's ability to obtain funds from sympathetic Islamic organisations abroad, in Malaysia, Pakistan and the Middle East, and the fact that it has the support of Moro religious leaders. The MILF today is in control of at least seven provinces in Mindanao, with the present Philippines government unwilling or powerless to challenge the movement. In fact, local officials actively cooperate with it. The MILF has its own 80-strong Consultative Assembly and draws popular support from Muslims throughout Mindanao. In short, the MILF is a *de facto* government over large areas of territory in Mindanao.

In contrast, the MNLF is more secular in orientation and more willing to compromise. The overthrow of Marcos in 1986 brought to power Corazon Aquino who was prepared to grant a measure of autonomy to Mindanao. The MILF refused to participate, and the central government proceeded to negotiate only with Misuari's MNLF. Misuari was prepared to give up his demands for a separate state, but there were practical difficulties in defining what autonomy meant, as Muslims were now a majority in only 5 of the 23 provinces of Mindanao and Sulu. Moreover, the

¹⁵ *Ibid.*, p.22.

¹⁶ *Ibid.*, p.26.

¹⁷ "Under the Gun," *Far Eastern Economic Review*, 24 August 1995, p.26.

Philippine military opposed the peace negotiations. The MILF also launched attacks on the government and even attacked MNLF units in a bid to scuttle the negotiations.

In any event, Misuari broke off talks in mid-1987 after accusing the armed forces of violating the ceasefire agreement. Nevertheless, Aquino proceeded to establish the Autonomous Region for Muslim Mindanao in 1990, which however is too limited in scope for the Moro rebels to accept, as it covered only four provinces and the city of Marawi.¹⁸

Misuari, however, has proved amenable to negotiations. In October-November 1993, with the assistance of the Indonesian government and the OIC, the central Philippines government met with MNLF representatives and signed an agreement to establish an autonomous region in 13 provinces in Mindanao, as well as a ceasefire agreement. Several committees were set up to resolve the issues relating to autonomy. In a significant gesture, President Suharto congratulated the participants and expressed his hope that the process would continue until a comprehensive peace settlement was reached.¹⁹ However, the main obstacle had been the insistence of the government that it was bound by the constitution to organise a referendum on the issue in the 13 provinces, something which the MNLF was opposed to since Catholics outnumber Muslims in most of these provinces.²⁰ The impasse weakened the MNLF, which suffered defections and the loss of a substantial support base to the MILF. In addition, its military position weakened following the surrender of a number of its military commands in response to the Philippine government's reconciliation efforts. In March 1993, for instance, as many as 500 MNLF rebels surrendered, citing their trust in President Ramos's programs.²¹

The OIC and the Indonesian government have proven to be important moderating influences, and their consistent support for the MNLF has also led to its international

¹⁸ "Hidden Strength," *op cit.*, p. 22.

¹⁹ Radio Republic of Indonesia (Jakarta, in Indonesian), 0600 GMT 8 November 1993, in BBC/SWB FE/1843 B/8 (10), 11 November 1993.

²⁰ "Under the Gun," *op cit.*, p. 23.

²¹ ABS-CBN TV (Quezon City, in Tagalog) 0490 GMT 23 March 1993, in BBC/SWB FE/1645 B/4 (16), 24 March 1993.

prominence.²² The MNLF has thus been amenable to negotiations despite the fact that it involves autonomy and not outright independence. On its part, the Philippines government has welcomed the intervention and involvement of the OIC and the Indonesian government, recognising their vital moderating role and also the reality that it could not defeat the rebels on the battlefield. In December 1993, the OIC Secretary-General visited Manila to discuss the outcome of the talks and he took the opportunity to commend President Ramos's "sincere desire" to resolve the issue in a "just and lasting way." In a pointed snub to the Islamic-oriented MILF, he commended the efforts for peace made by "the sole legitimate representative of the Muslims of the southern Philippines, Nur Misuari."²³

However, a measure of the failure of Misuari to command popular support or even full support within his own ranks was reflected in the military attacks waged by renegade MNLF commands, which refused to accept the ceasefire agreement or the negotiations, launching a wave of bombings in southern cities in 1993 and 1994.²⁴

The peace process is also hampered by the activities of the extremist Islamic movement, the Abu Sayaff (literally "sword bearer"). Founded by Amilhussin Jumaani and Abdurajak Abubakkar Janjalani in 1991, the group believes that violent action is the only solution. A wave of violence broke out in 1993, with the Abu Sayaff targetting Catholic civilians in a number of atrocities.²⁵ Although it is estimated to be only about 500 strong, it is well-led by Muslim veterans of the Afghanistan conflict. In addition, it has proven skilful in waging urban terrorism. The group, which operates in Sulu Island and Basilan, suffered a setback when government troops attacked and captured its largest camp on Basilan in June 1994, killing 41 guerillas in the fighting.²⁶ However, the Abu Sayaff has been able to attract the sympathy and

²² Temario C Rivera, *op. cit.*, pp.262-263.

²³ SPA News Agency (Riyadh, in Arabic) 1658 GMT 19 December 1993 in BBC/SWB FE/1877 B/1 (2), 21 December 1993.

²⁴ Radio Filipinas (Quezon City, in Tagalog) 0500 GMT 27 January 1994, in BBC/SWB FE/1907 B/3 (10), 28 January 1994.

²⁵ "To Fight or Not To Fight," Far Eastern Economic Review, 9 March 1995, p.21.

²⁶ GMA-7 TV (Quezon City, in Tagalog) 0930 GMT 28 June 1994 in BBC/SWB FE/2035 B/3 (10), 30 June 1994.

active support of a number of ex-MNLF supporters disillusioned with Misuari's leadership, particularly his willingness to negotiate with the government.²⁷

The Philippines Armed Forces concentrated on destroying the Abu Sayaff, claiming in August 1994 that it had been "completely annihilated."²⁸ However, on 4 April 1995, 200 guerillas of the Abu Sayaff arrived in the Christian town of Ipil and killed 57 people, setting the town centre on fire. The guerillas took hostages and retreated when government troops arrived. The attack also exposed the government's military ineptitude; after four battles, the pursuing and numerically superior government forces failed to defeat the retreating rebels.²⁹ The attack came at an awkward time for Ramos, with congressional and local elections to be held in May 1995, undermining Ramos's claim that the internal security situation was under control. On his part, Misuari condemned the violence and stated that the attack was meant to sabotage peace talks between the MNLF and the government.³⁰ Misuari, however, admitted that some of his top commanders had opposed the peace negotiations and had been attracted to Abu Sayaff. More pointedly, the retreating rebels in the Ipil attack took refuge in an MNLF camp registered under the peace talks and therefore could not be attacked by government troops.³¹

Thus, Misuari's willingness to compromise has been encouraged as much by the decline in MNLF strength as the Islamic international community's moderating influence. The MILF took advantage of the ceasefire to build up its own strength, to the point that it is now the dominant Moro rebel group, not the MNLF. The Philippines government has tacitly acknowledged the strategic reality by refraining from challenging the MILF on the ground, with local authorities making their own arrangements with MILF officials and commanders. Thus, concurrent with the growing strength of the extremist Abu Sayaff and the MILF in the 1990s, moderates

²⁷ GMA-7 TV (Quezon City, in Tagalog) 0930 GMT 30 June 1994 in BBC/SWB FE/2039 B/3 (9), 5 July 1994.

²⁸ People's TV4 (Quezon City, in Tagalog) 1500 GMT 10 August 1994, in BBC/SWB FE/2072 B/5 (17), 12 August 1994.

²⁹ "Hit and Run: Rebel Raid Belies Manila's Claim of Stability," Far Eastern Economic Review, 20 April 1995, p.24.

³⁰ "Murder on Mindanao," The Economist, 8 April 1995, p.28.

³¹ Ibid.

such as Misuari have been increasingly sidelined by the strategic realities on the ground.

Realising this, Misuari finally signed a peace agreement in August 1996, in which the MNLF would establish a council to oversee development projects in Mindanao, with a Muslim autonomous region to be established after a referendum in 1998. The MILF, however, denounced the agreement and declared that it was taking over the revolutionary movement.³²

After years of refusing to join the negotiating table despite overtures from the government, the MILF finally met with Philippine government representatives in January 1997 and agreed to begin formal peace talks. However, the MILF set a tough agenda, stating that the peace talks would discuss the "Bangsamoro problem," that is, an independent Muslim state.³³ The MILF is unlikely to compromise over its long-term goal of an independent Islamic state, and at some point in time could well press this objective through the threatened or actual use of force, which would plunge the Philippines into a huge all-out civil war given the military strength of the MILF. The Philippine government, however, is unlikely to agree to an independent state in view of the large number of Catholic settlers in the south. Given the gravity of the Moro problem and the presence of external support in neighbouring Malaysia, the Moro problem is thus likely to continue to bedevil Philippines domestic politics and constitute a serious domestic security challenge for the foreseeable future.

There is also the added complication of considerable sympathy from co-religionists in Malaysia, particularly Sabah, where large numbers of Filipino Muslim refugees have settled. The Philippine government has accused the Malaysian government of tolerating anti-Philippine activities among these refugees, but while there is no evidence the Malaysian government is actively involved in supporting the Moros, it has not prevented Muslim organisations from doing so. Relations with Malaysia has therefore been complicated, given Malaysia's role in fermenting the present Moro

³² Sydney Morning Herald, 31 August 1996, p.20.

³³ "Manila and Moro Splinter Group Set Agenda for Formal Peace Talks," Straits Times Interactive (on-line), 10 January 1997.

rebellion during its crucial early years. Together with the unresolved Philippine claim to Sabah, this has meant that relations between the two countries have been problematic at best, and the mistrust constitutes a significant barrier to the development of ASEAN cooperative regionalism.

2.3 Malay Muslim Separatism in Thailand

A similar Muslim separatist movement exists in the southern Thai provinces of Pattani, Yala, Narathiwat and Satun, which have predominantly Malay Muslim populations and are contiguous to the Malaysian states of Kelantan, Trengganu and Kedah. Some 1.4 million Malays live in southern Thailand. Seat of the ancient Malay kingdom of Pattani, the southern Thai provinces have been ruled indirectly by Siam since 1785. In 1909, the Anglo-Siamese Treaty demarcated the border between Siam and British Malaya, thus achieving for Siam a measure of international recognition for its rule over the area. The Malays, however, viewed this British recognition of Thai authority and sovereignty over them as arbitrary and unjust, and have viewed Bangkok as an occupying colonial power.³⁴

Malay resistance to Thai integration had some support from the Malay rulers of Kelantan. During the Japanese Occupation of 1941-45, the southern provinces were briefly united with Malaya, and the end of World War Two saw hopes of Pattani being integrated into the Malayan Federation. A Malaysian-based movement called the Gabungan Melayu Patani Raya (GAMPAR) or Association of Malays of Greater Pattani, and the local religious-led Pattani People's Movement (PPM) were formed for the express objective of irredentism. The Thai government, however, succeeded in crushing the rebellion when the leader of the PPM, Haji Sulong, was arrested and killed by Thai police in 1954.³⁵

The fears of the Malay community were heightened by the policies of the Thai government, which sought to centralise the bureaucracy of the southern provinces,

³⁴ Muthiah Alagappa, *op. cit.*, p.200.

³⁵ RJ May, *op. cit.*, p.403.

taking away power from the traditional Malay royal and religious elite. Secular Thai education was introduced, and the Thai language actively promoted. Thai local officials aggravated communal relations by their corruption and anti-Malay prejudices, often viewing the Malay population as inferior. More significantly, the Thai government's policy of assimilation raised fears of an erosion of Malay culture and values. The Thai government in fact had a policy of not appointing Malay Muslims to the southern provinces, a policy that was reversed only in 1977. The Muslim problem was also accentuated by the low economic status of the Malay populace, who occupied the bottom rung of the society as they made their livelihood from fishing, agriculture and plantation work.

The geographical contiguity of Malaysia provides an important explanation as to the impetus to armed irredentism among the Thai Malay-Muslims. The visible economic development in neighbouring Malaysia, where kindred Malays are dominant politically and are also reaping the benefits of the pro-bumiputra New Economic Policy, provided an unwelcome comparison. Moreover, the free flow of people and information across the Thai-Malaysian border has enabled Thai Malay Muslims to reinforce their cultural, ethnic and religious identity in the face of concerted attempts at assimilation.

The Malaysian government has denied any involvement in supporting armed separatist Muslim groups, as it needed Thai cooperation to combat the Malayan Communist Party (CPM), which still had bases in southern Thailand right up till the 1980s when it finally surrendered. Thailand has, however, repeatedly accused Malaysia of being a sponsor of armed separatism, and that the separatists operated out of bases in Perak and Kelantan.³⁶

For instance, the Thai military reported in November 1993 that separatists had attacked an army patrol and then "fled towards the Malaysian border."³⁷ In response, the Malaysian government declared that it would not shelter Muslim separatists

³⁶ See for instance, "Official Says Neighbouring Country Supporting Terrorist Activities," The Nation (Bangkok) 6 April 1994, p.A4, and The Nation, 27 August 1993, p.A3.

³⁷ Straits Times, 9 November 1993

responsible for terrorism in southern Thailand.³⁸ The Malaysian government also denied that any separatist camps existed in Malaysia.³⁹ While there is no evidence to link the Malaysian government with the separatists, the opposition PAS state government in Kelantan has openly declared that it has offered refuge to Muslim separatists, stating that "PAS has to offer this help because our Muslim brothers are being discriminated against in all aspects of life in southern Thailand." ⁴⁰

The Muslim separatists in southern Thailand are grouped around three significant guerilla movements: the Barisan Revolusi Nasional (BRN), the Barisan Nasional Pembebasan Pattani (BNPP) and the Pattani United Liberation Organisation (PULO).

The BRN, founded in 1960, is leftist in orientation and in fact developed close links with the Communist Party of Malaya and actively promoted communist ideology among Malays. However, the Confrontation in the 1960s split the movement between those supporting Indonesia and those supporting Malaysia. The BNPP, a splinter from the BRN, was formed in 1971 and is well-organised and has support in Kelantan and from Middle Eastern organisations such as the Arab League and the PLO. The PULO was formed in 1968, and is well-led by intellectuals educated in the Middle East and Pakistan. The PULO, like the MNLF in the southern Philippines, has achieved a measure of international recognition. Since 1977, the PULO has attended the World Muslim League Conference as an observer. The PULO claims to have over 10,000 guerillas (probably an inflated figure) and has been the most active of the Islamic separatist movements.⁴¹ In September 1977, PULO attempted to assassinate the Thai King during his visit to Yala Province; while the attempt failed, it highlighted the real danger from the Muslim separatists.⁴² Guerilla attacks have targetted Thai military personnel, and the sabotage of public utilities.

³⁸ Straits Times, 15 November 1993.

³⁹ Business Times (Singapore), 28-29 August 1993.

⁴⁰ "Thai Separatists Offered Sanctuary," Asian Defence Journal, October 1994, p.94.

⁴¹ Muthiah Alagappa, op. cit., pp.211-212.

⁴² Ibid., p.212.

The PULO continued to launch sporadic attacks in the 1980s and 1990s, despite the Thai government's more sensitive handling of the Malay community and increased funding for development in the south. In addition, the Thai military has also attempted to take the initiative in the ongoing conflict. In 1990, the Thai military launched the largest ever military operation against what it declared to be an estimated 200-250 separatists.⁴³ That the operation was a failure and that the PULO continued to operate was demonstrated from 1993, when it launched a high-profile terrorist campaign targetting Buddhist temples, schools, trains and army patrols.⁴⁴ Even the smaller BRN has been active, launching a series of attacks from 1993 to compete for the headlines.⁴⁵ The Thai Fourth Army Commander responsible for security in the south admitted that the attacks were launched by a younger generation of radicals who "are motivated by hatred and bitterness against the injustice that prevails in the south, and have thus resorted to terrorism."⁴⁶ The commander, Lt-Gen Kitti Rattanachaya, also acknowledged that the repeated attacks have affected political stability and foreign investments in the south.⁴⁷

Thus, Thailand's Malay-Muslim separatist problem is as intractable as ever. However, no easy or quick solution is possible, given the pull of kinship via a porous border with Malaysia and the presence of sympathisers in that country, who could provide the succour and financial contributions necessary to sustain the separatists.

There are some similarities between the separatism of southern Thailand and that of the Moros in the Philippines. Both identify strongly with Islam as a focal rallying point for their nationalisms. In both cases, the fear of losing their cultural, ethnic and religious identity in the face of a dominant group belonging to another religion and with an alien culture, coupled with assimilationist policies and outright discrimination

⁴³ Asian Defence Journal, August 1990, p.83.

⁴⁴ Editorial Report, BBC/SWB FE/1780 B/1 (3) 30 August 1993. See also Thai TV Channel 9 (Bangkok, in Thai) 1200 GMT 8 March 1994, in BBC/SWB FE/1942 B/5 (17), 10 March 1994.

⁴⁵ See for instance, Army TV Channel 5 (Bangkok, in Thai) 1200 GMT 6 September 1993, in BBC/SWB FE/1792 B/1 (1), 13 September 1993, and Bangkok Post, 26 March 1994, p.3.

⁴⁶ Radio Thailand (Bangkok, in Thai) 1200 GMT 4 September 1993, in BBC/SWB FE/1792 B/1 (1), 13 September 1993.

⁴⁷ Ibid.

by the central government, as well as growing distrust, have provided the impetus for rebellion.

However, in comparison to Mindanao, the scale of the fighting has been much less severe, and unlike the Moros, the Muslim separatists are not fighting for an independent state but have an irredentist agenda. The efforts on the part of the Thai government to win over the Malay Muslim population, generous funding for development projects in the south and a measure of cooperation by the Malaysian government, which has adopted a policy of not supporting the separatists although no action has been taken against its sympathisers, has also helped to ameliorate the severity of the conflict. Strategic cooperation against the CPM had made the Malaysian government wary about assisting the guerillas, while the same could not be said for the Moros. There, the Malaysian government has given tacit support for the Moros, taking in large numbers of Muslim refugees and turning a blind eye to anti-Philippines activities carried out by them. Many of the refugees have been given Malaysian citizenship in order to reduce the electoral and political influence of the native Kadazans of Sabah. The Malaysian government's more positive attitude towards the Moros is also useful insofar as it constitutes a counter against the Philippine claim to Sabah. Thus, compared to the Thai Malay-Muslim rebellion, the Moros have been able to achieve a measure of success, becoming virtually a de facto government in many parts of Mindanao.

The surrender of the CPM in 1989 shifted the focus uncomfortably to the question of counterinsurgency against the Thai Malay-Muslim separatist guerillas in southern Thailand. Malaysian Defence Minister Datuk Sri Najib Tun Razak publicly pledged in 1993 that the Malaysian Armed Forces would patrol the border more tightly to prevent the separatists from using the heavily-forested areas in Kelantan and Perak as hideouts, and declared that Malaysia would not protect or cooperate with the separatists.⁴⁸ However, the continued presence of considerable sympathy and support for the Malay separatists in Malaysia, coupled with the increasingly interactive nature of the naval

⁴⁸ Radio Malaysia (Kuala Lumpur, in Malay) 1300 GMT 4 September 1993, in BBC/SWB FE/1786 B/5 (11), 6 September 1993.

build-ups of the two countries as well as tensions over fisheries and maritime boundaries, has meant that Thai-Malaysian relations has been characterised by a measure of mistrust. This mistrust, together with the basic difference in strategic outlook and external threat perceptions described in Chapter 3, has been a factor constraining the development of ASEAN cooperative regionalism.

2.4 The Aceh Rebellion in Indonesia

Armed separatism in Indonesia has continued to be a significant internal security threat to that country. The Aceh Independence Movement (Aceh Merdeka) was set up in 1976 in the northern Sumatra province of Aceh by business people and professionals alienated from the central government in Jakarta. While the movement was crushed by the Indonesian authorities by 1979, local resentment against Jakarta's rule resulted in the revival of separatist sentiments. In 1989, Muslim secessionists of the Aceh Merdeka movement launched a series of attacks on police posts and army installations, demonstrating its continued ability to threaten internal security as well as the continued potency of the separatist agenda. The movement is led by Hasan di Tiro, who used economic and religious discontent to increase support for his cause. 600 Acehnese received military training from Libya, which also helped to found the movement.⁴⁹

The Indonesian armed forces reacted swiftly and by all accounts in the usual brutal fashion. The military regarded civilian Acehnese to be possible sympathisers, and proceeded to employ a strategy that employed a level of force out of proportion to the actual threat. In late 1990, many headless bodies began appearing in prominent places in Aceh, a macabre military measure to dissuade the population from helping the rebels. The army destroyed homes and executed all those suspected of aiding the rebels.⁵⁰ In 1991, public executions of suspected rebels were held, and Acehnese refugees fled to Penang in Malaysia as a result of this crackdown. The Indonesian response to mounting international concern has been to refuse the International Red

⁴⁹ "Deadly Suspicion," Far Eastern Economic Review, 25 July 1991, p.18.

⁵⁰ Ibid.

Cross access to the province.⁵¹ In April 1994, Aceh separatist leader T Yun. was pursued by security forces along a major highway and shot dead in full view of thousands of Acehnese.⁵²

Although the rebellion is heavily Islamic in nature, there are also historical nationalistic and economic factors at work as well. Aceh has historically been an independent kingdom and there exists strong local pride and traditions, with Islam as a strong unifying factor and a focal point for nationalist sentiments. Indeed, it was the last part of the Indonesian archipelago to fall to Dutch rule, which was not effectively consolidated until the early twentieth century. In addition, the province remains economically backward as the exploitation of huge gas deposits by the Mobil Oil Company has benefitted mostly non-Acehnese.⁵³

By 1992, the rebellion had been more or less contained, but the underlying nationalist, religious and economic factors that fuelled such strong separatist sentiments in the first place have remained intact. The brutality of the army's actions have also in all probability sown the seeds for continued rebellion. Significantly, General Feisal Tanjung, Commander of ABRI, the Indonesian armed forces, warned in September 1994, despite almost five years after the outbreak of the latest Acehnese rebellion, that security threats could still occur in that province.⁵⁴ Indeed, a clash with guerillas of the Free Aceh Movement in June 1995, which left six separatists dead, is indicative of the continuing problems in Aceh.⁵⁵

The problems in Aceh, however, have an external dimension in that it also involved Malaysia, where refugees and alleged rebels have taken sanctuary.⁵⁶ Malaysia's

⁵¹ Melbourne Age, 22 May 1991.

⁵² Radio Republic of Indonesia (Jakarta, in Indonesian) 0000 GMT 16 April 1994, in BBC/SWB FE/1974 B/2 (5), 18 April 1994.

⁵³ Michael Leifer, Dictionary of the Modern Politics of Southeast Asia (London: Routledge, 1995), p.45.

⁵⁴ Suara Pembawan, (Jakarta, in Indonesian), 14 September 1994, in BBC/SWB FE/2113 B/4 (10), 29 September 1994.

⁵⁵ Radio Australia External Service (Melbourne, in English), 0900 GMT 21 June 1995, in BBC/SWB FE/2336 B/3 (7), 22 June 1995.

⁵⁶ Radio Republic of Indonesia (Jakarta, in Indonesian) 0000 GMT 16 April 1994, in BBC/SWB FE/1974 B/2 (5), 18 April 1994.

refusal to surrender those accused of rebelling against the Indonesian government belie the considerable sympathy in Malaysia for co-religionists against the Javanese-dominated Pancasila government in Jakarta. While an estimated 600 Acehnese were seeking asylum in 1992, only small numbers have been deported back to Indonesia thus far.⁵⁷ This has raised suspicions in Indonesia of at least passive complicity in the troubles in Aceh. The Aceh separatist rebellion is thus another issue between the two countries, to add to the other bilateral problems such as the dispute over the Sipidan and Ligitan islands and the fundamental disagreements over the pace and direction of regional economic cooperation. It also follows the pattern of Malaysian sympathy for co-religionists involved in separatist or irredentist rebellions. In the 1950s, members of the failed PRRI separatist revolt had also taken sanctuary in Malaysia, while the failed putsch against the Sultan of Brunei in the Azahari revolt of 1963 saw the rebels fleeing to Malaysia, where they set up office in Kuala Lumpur and continued their anti-monarchical activities against the Sultan.

2.5 Free Papua Movement

Apart from the Acehnese separatism, Indonesia has had to contend with the Free West Papua Movement. Indonesia claimed West New Guinea (Irian Jaya) as part of its territory, although the territory remained under Holland's rule, when Indonesia became independent in 1949. Local Melanesian nationalism had been strong, and there were a number of uprisings against the Dutch and also clashes against the occupying Japanese during World War Two. When Holland resumed collective rule in 1945, political participation was encouraged through regional councils and the formation of a partly-elected New Guinea Council. The Suara Rakyat (Voice of the People) was formed in 1945, with the objective of achieving independence. However, the Indonesian proclamation of independence in August 1945 split the nationalists, with some supporting pro-Indonesian parties and the rest opposing Indonesia's claim by forming the Gerakan Persatuan Nieuw Guinea (New Guinea Unity Movement) or GPNG. In the period from 1945 to 1962, Melanesian nationalist identity began to emerge more

⁵⁷ Straits Times Interactive (on-line), 25 December 1996.

strongly, and by 1961, a National Committee with strong popular support had already been formed for the purpose of independence.⁵⁸

In the early 1960s, the Indonesian military conducted operations against the Dutch in Irian Jaya, and in 1962, following the New York Agreement brokered by the US, the territory effectively became under the control of Indonesia. As Michael Leifer observed, the military pursuit of the territory "served the interests of the armed forces in justifying an expanding budget and huge arms transfers, as well as a dominant role in public life."⁵⁹ The campaign was also important from Sukarno's point of view, as it detracted the population from domestic economic difficulties and, as J M Reinhardt has noted, also "solidified the idea of an Indonesian will, and inculcated the feeling of belonging to an Indonesian nation."⁶⁰

After taking over in 1962, Indonesia proceeded to proscribe political activity among the native Melanesians. The Indonesian government quickly moved to stamp its authority and control over Irian Jaya, importing Muslim immigrants under the transmigration programme. The Melanesians were overwhelmed by the migrants, and saw the move as a deliberate attempt to destroy their self-identity and to assimilate them.

Melanesians were also displaced from government positions in Irian Jaya and there appeared numerous reports of various abuses against the Melanesians. In 1965, President Sukarno announced that the local populace would not be allowed any act of self-determination, publicly ruling out any plebiscite on their future.⁶¹ In 1969, Suharto promulgated an Act of Free Choice which was in fact anything but free. Amidst widespread allegations of bribery and intimidation, a congress of 1,022 appointed delegates voted to formally incorporate the territory into the Republic of Indonesia.⁶²

⁵⁸ R J May, *op. cit.*, p. 405.

⁵⁹ Michael Leifer, *Indonesia's Foreign Policy* (London: Allen and Unwin, 1983), p.61.

⁶⁰ J M Reinhardt, *Foreign Policy and National Integration: The Case of Indonesia* (Monograph Series No.17, New Haven, Connecticut, 1971), p.65

⁶¹ See J M van der Kroef, "West New Guinea: The Uncertain Future," *Asian Survey*, vol. 8, no. 8 1968.

⁶² R J May, *op. cit.*, p.405.

Not surprisingly, the suppression of Melanesians by the Indonesian authorities between 1962 to 1969 increased popular opposition to Indonesian rule. In 1963, Johan Ariks led a popular rebellion, declaring a Free Papuan state. Ariks was captured in 1965 and the resistance was crushed. In 1969, mass uprisings took place but these were brutally suppressed by Indonesian troops, with the reported deaths of thousands of Melanesians. Melanesian opposition leaders who fled abroad set up a West Papuan Government-in-Exile in Holland to campaign against the forced incorporation of the territory into Indonesia.⁶³

In 1965, the Organisasi Papua Merdeka (Free Papua Movement or OPM) was formed. Guerilla warfare ensued. While the OPM is predominantly Christian, it has framed its struggle in cultural and nationalist terms, not religious ones. In 1971, the OPM declared a Provisional Republic of West Papua New Guinea, and despite the efforts of the Indonesian military, the OPM has continued to survive.

In 1984, the OPM staged a spectacular incident, raising a West Papuan flag on the provincial assembly building in Jayapura. The Indonesian military reaction was swift and amidst tensions and mass arrests, 12,000 refugees poured into neighbouring Papua New Guinea. The PNG government openly sympathised with their fellow ethnic brethren, with the Foreign Minister implicitly criticising Indonesia by stating that "the people and government of my country have a very real interest in ensuring that Irian Jaya is administered in an orderly and peaceful way and that development takes place in the interests of the people who live there."⁶⁴ Melanesian island-states in the Pacific, notably Vanuatu, also voiced sympathy. In 1985, OPM guerillas were reported to have undertaken training in Libya with the help of its foreign sympathisers.⁶⁵

The Indonesian government attempted to use former Irian Jaya rebels to set up an alternative organisation, called the Irian Jaya Development Operation, to assist

⁶³ See Robin Osborne, Indonesia's Secret War: The Guerilla Struggle in Irian Jaya (Sydney: Allen and Unwin, 1985).

⁶⁴ Cited in RJ May, op. cit., p.408.

⁶⁵ Ibid. p.409.

surrendered OPM guerillas.⁶⁶ Nevertheless, the OPM continued to be an irritant to the Indonesia authorities. The guerillas have been making hit-and-run raids, especially along the remote eastern border area between Irian Jaya and the PNG.⁶⁷ In 1992, the Indonesian military launched a major offensive, crossing into the PNG and destroying a rebel camp. The offensive resulted in a flood of 6,500 refugees into the PNG. The OPM accused Indonesian troops of atrocities and of destroying villages in the provinces.⁶⁸

More recently, in 1994-1995, at least 60 civilians, not counting another 37 missing, were killed by security forces in an effort to destroy the OPM.⁶⁹ The heavy and indiscriminate use of force by Indonesian security forces has been fairly well-documented, with continuing atrocities akin to the treatment being meted out to the East Timorese.⁷⁰ In October 1995, the Indonesian consulate in the PNG border town of Vanimo was attacked by reportedly OPM guerillas, resulting in a troop build-up by Indonesia along the border and heightened tensions with Papua New Guinea.⁷¹ Renewed fighting with the OPM along the border with Papua New Guinea in December 1995 led to a wave of refugees fleeing into the PNG, thus proving false the Indonesian army's assertion that the OPM was no longer a threat.⁷² The OPM again captured international attention in January 1996 when an armed unit led by Kelly Kwalik siezed Western and Indonesian hostages on a scientific expedition in an attempt to secure political recognition and a withdrawal of Indonesian forces.⁷³

The Indonesian military has not been able to enforce total control over a heavily-jungled province which comprises some 22% of Indonesia's total land area. Indeed, there continues to be evidence of guerilla activity despite over 30 years of

⁶⁶ Radio Republic of Indonesia (Jakarta, in Indonesian) 1500 GMT 27 June 1994, in BBC/SWB FE/2034 B/5 (8), 29 June 1994.

⁶⁷ See for instance, "Guerilla Attacks at Border Repulsed," Asian Defence Journal, December 1990, p.110

⁶⁸ "Indonesians Cross to Attack Rebels," Asian Defence Journal, July 1992, p.89.

⁶⁹ Sydney Morning Herald, 27 January 1996, p.3.

⁷⁰ See for instance, The Australian, 27 January 1996.

⁷¹ Radio Australia External Service (Melbourne, in English), 0800 GMT 31 October 1995, in BBC/SWB FE/2449 B/2 (5), 1 November 1995.

⁷² Radio Australia External Service (Melbourne, in English), 0900 GMT, 21 December 1995, in BBC/SWB FE/2493 B/2 (4), 22 December 1995.

⁷³ Micheal Leifer, Dictionary of the Modern Politics of Southeast Asia, op. cit., p.107.

counterinsurgency operations. It is clear, however, that the OPM does not have the resources nor the scale of foreign support to be able to ever successfully dislodge Indonesian authority. The OPM has not been able to attract the kind of international support that has mobilised on behalf of the Fretilin in East Timor.

The stalemate is thus likely to continue, with the OPM continuing to figure in Indonesian security considerations, given the porous border between Irian Jaya and PNG, and the presence of Melanesian sympathisers in PNG and the Pacific islands, demonstrating once again the presence of the external dimension in an internal threat. Indeed, the sympathy in the Melanesian states in the Pacific for this rebellion is significant because it injects a measure of mistrust between them and Indonesia, a leading member of ASEAN. It is therefore yet another constraining factor to ASEAN's attempt to manage regional order, as the PNG had signed the Treaty of Amity and Cooperation in 1989 and is moreover a potential future candidate for membership in ASEAN.

2.6 The East Timor Issue

A more significant concern is the East Timor resistance, which has captured international sympathy and attention given the success of East Timor exiles and Western journalists and sympathisers in pursuing the issue. What distinguishes the East Timor issue from the OPM and Aceh is the deep interest of Western human rights organisations and sympathisers, raised by the sensational but senseless murder of five Australian journalist during Indonesia's invasion in 1976, as well as the unusually brutal circumstances of Indonesian military operations and subsequent occupation, a process which resulted in the estimated deaths of some 100,000 of the 650,000 East Timorese living in the territory by 1983.⁷⁴ In recent years, continuing atrocities such as the Dili massacre of civilians in 1991 has continued to highlight the East Timor issue.

⁷⁴ Michael Leifer, Indonesia's Foreign Policy, *op. cit.*, p.158. The estimates of the number of East Timorese killed by Indonesian forces have ranged from 50,000 to 200,000. See J Ramos-Horta, Funu: The Unfinished Saga of East Timor (Trenton, New Jersey: Red Sea Press, 1987), p.175.

In itself, East Timor was a weak and resource-poor state and a prize not worth pursuing, until the Timor Gap Cooperation Treaty with Australia yielded lucrative dividends much later.⁷⁵ While Indonesia based its claim on Irian Jaya on the ground that it was part of the former Dutch East Indies, East Timor was a Portugese colony. In 1974, however, political changes in East Timor saw the emergence of a popular radical political movement called the Revolutionary Front for an Independent East Timor (Fretilin), which wanted early and complete independence. Fretilin also had links with leftist groups in Portugal and Africa, raising fears in Indonesia, which had only nine years earlier thwarted a communist coup, of a communist threat at the doorstep of the Indonesian Republic. Indonesia's leaders were also acutely aware of the presence of separatist sentiments in various parts of the republic, sentiments which it feared could be fanned by a neighbouring government which espoused radical left-wing views. The Indonesian government thus gave support to a Timorese Popular Democratic Association (Apodeti) which advocated integration with Indonesia. Within East Timor itself, pro-Portugal groups coalesced around the conservative Timorese Democratic Union (UDT), which opposed Fretilin, resulting in street violence between supporters of both groups. In August 1975, the UDT attempted to sieze power but failed in the face of Fretilin loyalists in the Portugese garrison. In September 1975, Fretilin siezed power in Dili, and established de facto independence. Portugese officials fled, leaving the Fretilin in charge.

Indonesia felt compelled to respond as it could not contemplate a radical government on its doorstep, one that might be pose a security threat to the integrity of the republic. As Michael Leifer noted, Indonesia's subsequent takeover of East Timor "indicated deep apprehension at a possible threat to the security of the Republic which might arise from uncertain political change in the adjoining colony."⁷⁶ In late September, Indonesian forces began to infiltrate East Timor to assist the Apodeti and the UDT. Fretilin proclaimed independence on 28 November 1975, while the Apodeti declared East Timor a part of Indonesia. On 7 December 1975, Indonesian forces invaded East

⁷⁵ The Treaty was concluded in October 1979 following Australia's recognition of Indonesia's annexation of East Timor in 1978. In February 1994, oil was discovered in the joint sea-bed zone. See Michael Leifer, Dictionary of the Modern Politics of Southeast Asia, *op. cit.*, pp.255-256.

⁷⁶ Ibid.

Timor, on the justification that it had been invited to restore order. Faced with overwhelming Indonesian force and without any external support, Fretilin was overcome and a pro-Indonesian Apodeti leadership was installed in Dili on 17 December, with the declaration in February 1976 that Fretilin had been completely defeated. On 31 May 1976, a special session of the new East Timor People's Representative Council voted to integrate East Timor into Indonesia.⁷⁷

Internationally, Indonesia's unilateral use of force shocked the world community and alarmed its neighbours. The UN Security Council adopted a resolution which recognised the rights of the East Timorese people to self-determination, deplored Indonesia's military intervention and called on it to withdraw its forces from the territory.⁷⁸ Singapore, alarmed at the precedent of Indonesian military action against a small neighbour, abstained in a critical UN General Assembly resolution on the matter, testing the unity of ASEAN and arousing the ire of its giant neighbour. Singapore, however, reversed its stand within a year, having made its point, in order not to antagonise Indonesia.

On Indonesia's part, it felt justified in using force, given its perception that its security was at stake. That Indonesia was prepared to risk alienating the non-aligned community and violate the conventions of the international system was an indication of its determination to assure the security of the Indonesian archipelago. Thus, it was security considerations, not territorial ambitions or expansionism, that caused Indonesia to act as it did.

The international community soon came to accept the reality of Indonesian annexation. However, the Western media continued to show an interest in the issue. This was helped by the brutal behaviour of the Indonesian military in East Timor. Despite the huge application of force by the Indonesian military, Fretilin continued to put up a stubborn guerilla resistance in the jungles and has a vocal and well-organised emigre

⁷⁷ Ibid.

⁷⁸ Ibid.

voice in the West, assisted by considerable public sympathy and media interest in the West.

The behaviour of the Indonesian military has also not improved, with continuing atrocities helping to keep the East Timor issue alive. As the London Times reported:

Survivors (of Indonesia's ruthless war of oppression) have been subjected to the worst excesses of a police state. To break guerilla resistance, peasants have been forced into strategic hamlets. Night raids by death squads have supplemented widespread torture and summary executions.⁷⁹

In November 1991, thousands of East Timorese took part in a pro-independence march to the Santa Cruz cemetery in Dili, carrying banners opposing the incorporation of East Timor into Indonesia. Indonesian troops fired indiscriminately into the crowd, killing between 150-200 people. The scale of the massacre of innocent civilians shocked the international community. The official Indonesian National Commission of Inquiry into the massacre concluded that security personnel opened fire to protect themselves because of "riotous conditions."⁸⁰ This version was disputed by the UN, which announced its finding through the Ndiaye Report that the shooting of the demonstrators was "a planned military operation designed to deal with a public expression of political dissent in a way not in accordance with international human rights standards."⁸¹

Significantly, Ndiaye, the UN special investigator, noted that the "conditions that allowed the Santa Cruz killings to occur are still present," a most damning indictment on the human rights abuses and repression by Indonesian forces in East Timor.⁸² Indeed, more incidents confirmed this. In June 1994, Indonesian soldiers defiled sacred items in a Catholic church in Dili, provoking widespread street confrontations with Timorese civilians.⁸³ In January 1995, following a clash between Fretilin guerillas and Indonesian security forces, troops entered Gariana and executed 6 men

⁷⁹ The Times (London), 20 April 1991.

⁸⁰ "A UN Report on East Timor," Far Eastern Economic Review, 6 April 1995, p.36

⁸¹ Ibid.

⁸² Ibid.

⁸³ Far Eastern Economic Review, 6 October 1994, p.28.

which they claimed were guerillas. Following an international outcry, the Indonesian government admitted that military personnel had "not followed proper procedure" in that particular incident.⁸⁴

The international media and Western human rights groups have kept up pressure on the Indonesian government through its frequent reporting of these abuses. For instance, John Pilger's documentary film, Death of a Nation, which contained footage shot secretly in East Timor, helped to keep the spotlight uncomfortably on the Indonesian government's actions. Not surprisingly, Foreign Minister Ali Alatas attacked the international media attention for its "sensational news stories" aimed at attracting world attention on East Timor.⁸⁵

The Indonesian government also exerted pressure on its ASEAN neighbours to prevent human rights organisations from discussing the East Timor issue in their capitals. In June 1994, a human rights conference in Manila had its foreign delegates, including exiled East Timor resistance leader Jose Ramos-Horta, barred from entering the country.⁸⁶ Indonesia responded by praising the Philippine government's handling of the Conference.⁸⁷

In July 1994, Thai police surrounded the venue of a regional human rights seminar which would discuss East Timor, in an open show of intimidation. Foreign representatives, including East Timor exiles who were to attend the meeting were also effectively banned from entering Thailand to attend the seminar.⁸⁸ In the same month, another seminar organised by non-governmental organisations on the same subject opened in Malaysia, causing Indonesia to voice its displeasure, stating that it was a

⁸⁴ "A UN Report on East Timor," *op. cit.*, p.36.

⁸⁵ Antara News Agency (Jakarta, in English) 0850 GMT 15 February 1994 in BBC/SWB FE/1924 B/2 (4), 17 February 1994.

⁸⁶ RDP Radio (Lisbon, in Portuguese) 1100 GMT 3 June 1994, in Excerpts from Reports, BBC/SWB FE/2013 B/3 (3), 5 June 1994.

⁸⁷ Radio Republic of Indonesia (Jakarta, in Indonesian) 1500 GMT 1 June 1994, in BBC/SWB FE/2013 B/3 (4), 3 June 1994.

⁸⁸ Radio Australia External Service (Melbourne, in English) 0800 GMT 20 July 1994, in BBC/SWB FE/2053 B/3 (9), 21 July 1994. See also The Nation (Bangkok) 15 July 1994, in BBC/SWB FE/2050 B/5 (13), 18 July 1994.

"disinformation campaign" designed to test Indonesia's reaction.⁸⁹ The Indonesian armed forces declared that if the forum proceeded, relations between Malaysia and Indonesia would be adversely affected.⁹⁰ In response, the Malaysian government declared that it was not involved in the forum and that it was Malaysia's policy never to interfere in the internal affairs of other countries.⁹¹

The Indonesian government also took other measures in its carrot and stick approach against the stubborn resistance. In 1994, President Suharto announced an amnesty for East Timor rebels who surrendered.⁹² At the same time, however, a ban was announced on demonstrations in East Timor.⁹³ The Indonesian government also declared that in 1994 alone, US\$265 million was spent to develop the local economy. However, analysts saw few signs of any improvement, with the main crop, coffee, under the control of a company linked to Indonesian generals.⁹⁴

Aware of the persistent international criticism and considerable sympathy in Europe, Australia and the United States, Indonesia appeared to tentatively explore the possibility of some form of compromise. Foreign Minister Alatas met with East Timorese resistance leaders in New York in October 1994, signifying that Indonesia was at least prepared to talk. There are signs that Indonesia has come to realise that a political, not a military solution, was needed, and that past policies had failed, with negative consequences on Indonesia's image abroad. The Indonesian army tightened discipline in its ranks and has deployed officers with experience in UN peacekeeping operations in Kampuchea, in an effort to bring in a more professional and sensitive military handling of the province. Military advisers in Jakarta have also advocated more representation and consultation with local East Timorese.⁹⁵

⁸⁹ Antara News Agency (Jakarta, in English) 1116 GMT 24 June 1994, in BBC/SWB FE/2032 B/4 (7), 27 June 1994.

⁹⁰ Radio Republic of Indonesia (Jakarta, in Indonesian) 1200 GMT 25 June 1994, in BBC/SWB FE/2032 B/4 (8), 27 June 1994.

⁹¹ Berita Harian (Kuala Lumpur, in Malay) 27 June 1994, in BBC/SWB FE/2032 B/4 (7), 8 July 1994.

⁹² Radio Republic Indonesia (Jakarta, in Indonesian) 0600 GMT 6 September 1994, in BBC/SWB FE/2094 B/1 (2), 7 September 1994.

⁹³ Radio Renascenca (Lisbon, in Portuguese) 1030 GMT 3 August 1994, in BBC/SWB FE/2066 B/2 (6), 5 August 1994.

⁹⁴ Newsweek (The Bulletin), 5 July 1994, p.50.

⁹⁵ "Changes in the Wind," Far Eastern Economic Review, 6 October 1994, p.28.

In case foreign observers thought all these meant Indonesia was prepared to give in to the demands for independence, Foreign Minister Alatas stated clearly that East Timor would not be given more autonomy than it already has.⁹⁶ In addition, the military commander of East Timor rejected the public offer of the East Timorese resistance of a ceasefire and announced the deployment of a special forces battalion to wipe out the remaining guerillas.⁹⁷ That this has failed to destroy the guerilla resistance was dramatically illustrated by a major clash between Fretilin and Indonesian troops in December 1995, resulting in the deaths of at least 30 Indonesian soldiers.⁹⁸

If even under the politically dominant rule of Suharto, no compromise or change of policy with regard to East Timor could be made, then it would be even more unlikely that any successor would risk nationalist ire and the displeasure of the military by doing so. Indonesia is clearly in full military control of the troublesome province despite the irritations posed by the continuing small-scale resistance. What is of greater concern to the Indonesian government is the negative international image Indonesia now has. The East Timor issue would not go away due to the continued resistance mounted by Fretilin. The violent means which Indonesia used to incorporate East Timor and maintain its rule has alienated international opinion, with its annexation of the territory never having been accepted by the United Nations, with Fretilin being continually represented by an observer at the UN.

On Indonesia's part, however, the main concern is with the fundamental political and security concerns of keeping together the integrity of the Indonesian archipelago, which, since independence, has seen a number of regional separatist rebellions. To attack and then incorporate East Timor as Indonesian territory and then divest it in the face of small-scale resistance and international public opinion is not in keeping with the character of Indonesia's military leaders, for whom the stability and the integrity of the Indonesian Republic is paramount. All these mean that internal security in East

⁹⁶ *Ibid.* p.27.

⁹⁷ *Straits Times*, 15 October 1994, p.18

⁹⁸ *RDP Antena - 1 Radio* (Lisbon, in Portuguese), 2300 GMT 8 December 1995, in BBC/SWB FE/2483 B/2 (5), 11 December 1995.

Timor will continue to preoccupy the Indonesian armed forces for the foreseeable future.

More significantly, the pressure tactics on fellow ASEAN states over the East Timor seminars has served to heighten apprehension over Indonesia's regional aspirations. Smaller states in the region, such as Singapore, have also made clear their fears of Indonesian expansionism. Indeed, the forcible annexation of East Timor has not provided much confidence to states in the region as to Indonesia's good intentions. The East Timor issue has thus also assumed a regional dimension, raising fears of Indonesia's potential for regional domination. It has added to the feelings of mistrust and has become another factor constraining the potential for ASEAN cooperative regionalism.

3. Armed Communist Insurgency

3.1 The End of Communist Insurgency in Thailand and Malaysia

A second major internal security challenge has been that emanating from communist insurgency. This has continued to be a relevant factor in internal security considerations in the post-Cold War era, at least in the Philippines, and to a far lesser extent, in Thailand. The other major communist insurgency, that of the Malayan Communist Party, appears to have been defeated by 1989 when it surrendered.

Armed communist insurgency movements have existed in every Southeast Asian state since the end of World War Two. The fall of the Saigon regime revived fears of an upsurge in communist insurgency through external support provided by Vietnam and her supporters, China and the Soviet Union. Thailand, in particular, had to be apprehensive, given the deep social and economic problems that it faced, its long borders with Laos and Kampuchea and the possibility of irredentism in the 16 northeastern Thai provinces where the majority are Lao-speaking people. More seriously, there was the real possibility of the provision of assistance, both material and

in the form of safe sanctuaries in Laos, for Thailand's own home-grown communist insurgency movement, the Communist Party of Thailand (CPT).

The presence of the external dimension, involving as they do regional or extra-regional Great Powers, illustrate the constraining nature of the insurgency movements, which not only demonstrated the weakness of the ASEAN states but limited their ability to manage the regional order given the fact that external powers, particularly China, were able to use them as pressure points against these states.

The Communist Party of Thailand (CPT) was founded in December 1942 and it launched its armed struggle in 1965. In 1975, the CPT had 8,000 guerillas, drew its ideology, weapons and funding from China, and had sanctuaries and supply lines in neighbouring Laos and Kampuchea. The CPT was able to increase its strength to about 12,000 guerillas at the height of its influence in 1977-78, when the bloody military crackdown which ended the era of democratic government in Thailand sent thousands of student activists into the jungle to join the CPT.⁹⁹

Fortunately for the Thai government, the CPT, dominated as it was by ethnic Chinese, continued to be pro-China when the Sino-Vietnamese split became evident towards the end of 1978. Training and supply facilities previously available in Laos were withdrawn. Despite Thailand's establishment of close relations with China in 1978, the evolution of a Sino-Thai strategic alliance against Soviet-backed Vietnamese domination of Indochina and a consequent reduction in support by China, the CPT in the main remained loyal to Beijing.¹⁰⁰

More seriously, the end of democratic government in 1976, which saw a brutal crackdown on left-wing and other democratic forces in Bangkok by the military regime, resulted in the flight of thousands of student activists into the jungle to join the CPT. But the CPT's stubborn pro-China attitude and the equally oppressive nature of

⁹⁹ Clark D. Neher, "Thailand", in Diane K. Mauzy (ed), Politics in the ASEAN States (Kuala Lumpur: Maricans, 1984), pp.29-30. See also "Thailand's Armed Forces: From Counterinsurgency to Conventional Warfare," International Defence Review, February 1992, p.97.

¹⁰⁰ Sheldon W Simon, The ASEAN States and Regional Security (Stanford: Hoover, 1982), p.74

the CPT's internal politics was to disillusion many of the idealistic students, many of whom eventually gave up the struggle and returned to their homes. Thus, by late 1979, the Thai government was able to report that CPT activities were at their lowest in years.¹⁰¹ By the early 1990s, the CPT had dwindled to a hard-core of some 300 guerillas, posing no significant threat to the authorities. In particular, the realisation by the Thai government and military that the conflict was a political rather than military one, led to a more enlightened approach towards counterinsurgency. As such, Thai counterinsurgency doctrine, as outlined in Prime Ministerial Order 66/2523, placed less emphasis on military action and more on political and civic action, stressing rural development programmes, selective military action and a generous amnesty programme.

In Malaysia, the Communist Party of Malaya (CPM) had a long history dating back to its founding in 1929. Its role expanded considerably when it formed the backbone of Malayan resistance against the Japanese during World War Two. After the Japanese surrender, the CPM was to engage in a bitter conflict against the British beginning in 1948. Thus began the Emergency, which was to last until 1960. By that year, the CPM had been militarily defeated. With 500 guerillas, CPM leader Chin Peng fled across the Thai-Malaysian border and established sanctuaries in the Betong area, continuing the insurgency throughout the 1970s and the 1980s.

In the 1970s, a number of damaging splits reduced the effectiveness of the CPM. A splinter group broke away in February 1970 and formed the CPM Revolutionary Faction (CPM-RF). In 1974, another group split and formed the CPM's Marxist-Leninist Faction (CPM-ML), loyal to Moscow. The CPM-RF and the CPM-ML were to later merge in 1983. The main CPM remained loyal to China. Despite the factionalism, the CPM was able to regain some strength and by 1979, had some 3,000 guerillas.¹⁰² Moreover, although it had all along been dominated by the Chinese, it was now able to attract some support from Thai Malays.

¹⁰¹ Cited in *ibid.*, p. 76.

¹⁰² Leonard C. Sebastian, "Ending An Armed Struggle Without Surrender: The Demise of the CPM (1979-89) and the Aftermath," *Contemporary Southeast Asia*, vol. 13, no. 3, December 1991, pp. 272-273.

However, its failure to win over substantial Malay support within Malaysia itself was to marginalise it. Thai and Malaysian successes in counterinsurgency operations, mass surrenders, the increased economic development in Malaysia throughout the 1980s under Mahathir, continued infighting and the increasing age of the revolutionaries finally began to reduce the effectiveness of the CPM. In addition, while Chin Peng continued to profess pro-China sympathies, China's priorities in the 1980s was no longer the export of revolutionary doctrine but economic modernisation and state-to-state relations with the Malaysian government. Accordingly, material aid dried up, with Chinese support reduced to occasional moral support. By this time, the CPM's strength had dwindled to such an extent that it had become a peripheral issue in Malaysia-China relations. In 1985, in fact, Mahathir visited China and was assured that China would not support the CPM in Malaysia.¹⁰³

Malaysia also received Thailand's assistance in combating the CPM. A border cooperation agreement signed as far back as 1961 allowed for joint operations in the Betong area of southern Thailand, the establishment of a ministerial General Border Committee, and a Regional Border Committee for military commanders. In 1977, another agreement allowed forces of both sides the right of pursuit of up to 20 km into each other's territory. Aware that socio-economic development was an important factor in depriving the CPM of its support base, the two governments also agreed in 1982 to cooperate on economic projects in the border region.¹⁰⁴ Despite Malaysia's reticence in cracking down on Muslim separatists using Malaysia as a sanctuary, Thailand nonetheless made serious efforts to stamp out the CPM, as the CPM's membership in the 1980s was almost 50% Thai, which meant that it had now become a Thai security problem as well.

With its bases in southern Thailand under constant threat and attack, the CPM-ML surrendered in 1987 to Thai authorities.¹⁰⁵ The Thai government's offer of amnesty and

¹⁰³ Straits Times, 21 December 1985.

¹⁰⁴ Leonard C. Sebastian, *op. cit.*, pp.278-279.

¹⁰⁵ Sunday Times (Singapore) 5 April 1987

also financial assistance to help resettle the guerillas no doubt helped to persuade the guerillas to give up what was clearly a futile struggle.

In early 1988, the CPM itself began negotiations for laying down its arms. The Thai government was careful not to use the term "surrender" as the estimated 1,000 guerillas would not be arrested.¹⁰⁶ In December 1989, a Tripartite Peace Accord was signed between the CPM and the Thai and Malaysian governments; it consisted of two separate peace pacts, one with the Malaysian government and the other with the Thai government. The Malaysian government agreed to allow ex-CPM members to actively participate in politics and agreed to help them re-settle in Malaysia. Further, the Malaysian government agreed not to invoke the Internal Security Act and imprison any guerilla upon their return, although it reserved the right to "rehabilitate" and re-educate the guerillas.¹⁰⁷ The Thai government was more generous, granting land and financial assistance, as well as Thai citizenship, to those who chose to remain in Thailand.¹⁰⁸

The CPM insurgency appears to be buried for good, given the rapid economic development in Malaysia, which is providing increasing prosperity to significant sections of the population, particularly the Chinese, who had formed the backbone of the communist insurgency.

3.2 The Communist Party of the Philippines

The most serious communist insurgency movement in Southeast Asia after 1975 has been that in the Philippines. The Maoist Communist Party of the Philippines (CPP) was established in 1969 in the province of Tarlac, and is a successor to the Partidong Kommunistika Pilipinas (PKP) of the 1950s and the 1960s (the so-called "Huks"). Its military arm, the New People's Army (NPA) has been able to operate in an area much wider than the PKP, which had been confined to Luzon. It attracted many poor plantation workers and farmers exploited and mistreated by wealthy landowners and

¹⁰⁶ Straits Times, 14 December 1988.

¹⁰⁷ Straits Times, 4 December 1989.

¹⁰⁸ Sunday Times (Singapore), 12 May 1991.

their security forces. Marcos's Martial Law administration had some success in combating the CPP, with almost the entire political and military leadership of the CPP-NPA captured or killed by the time its Chairman, Jose Sison, was himself captured in 1978, although he was subsequently exiled to Holland.¹⁰⁹

However, such was the depth of dissatisfaction and the social and economic inequalities of Marcos's government that wave after wave of leaders rose to replace those who had been either killed or captured. By 1985, the NPA was described as the "fastest growing, most threatening and arguably most brutal communist insurgency in the world today," as its strength increased to more than 20,000 guerillas operating in the countryside.¹¹⁰ This increase in support for the CPP was due to a combination of factors, including the continued exploitation of agricultural labourers and tenants, the harsh economic difficulties of the post-1970 economic decline, the displacement of smallholders during the Marcos years to make way for large-scale public and private development projects, abuses of power by corrupt bureaucrats and soldiers, and popular opposition to Marcos's repression.

The success of the People's Revolution in 1986 and the ascension to power of Corazon Aquino, however, marginalised the NPA to a certain extent. Aquino was herself representative of the victory of the people over the oppression, corruption and rapacity of the Marcos elite. In addition, the NPA was riven by infighting. In November 1993, for instance, four key leaders, including the NPA chief of staff and its secretary-general were expelled for refusing to recognise the authority of Sison. The four had responded to the government's offer for negotiations, against the expressed wishes of Sison.¹¹¹ The CPP was thus split into two groups, a conservative group headed by Sison, and a progressive or "revisionist" group led by former NPA chief Romulo Kintanar.¹¹² Moreover, the fall of communism in Eastern Europe and the Soviet

¹⁰⁹ Benjamin N Muego, "Philippines" in Diane K Mauzy (ed), *Politics in the ASEAN States*, *op. cit.*, pp. 90-91.

¹¹⁰ *Straits Times*, 27 December 1985.

¹¹¹ *Radio Filipinas*, (Quezon City, in English) 0230 GMT 1 November 1993, in BBC/SWB FE/1841 B/3 (6), 9 November 1993.

¹¹² *Excerpts* in BBC/SWB FE/1717 B/9 (19), 17 June 1993. Jose Sison claimed ideological purity for the CPP and that East European communist parties that fell after 1989 were "sham communists", stating

Union, and the economic modernisation in China and Vietnam, have created a crisis of identity in the CPP itself. Within the Philippines, the peace initiatives by President Ramos and the economic reforms and development have undermined CPP morale. Many CPP members simply ceased to be active in the face of these as well as its internal crisis.

Moreover, the CPP has had no significant external support from China or any other communist state. In 1992 alone, the government was able to report the surrender of some 14,600 guerillas.¹¹³ By December 1993, the government claimed that the NPA had been reduced to 8,000 in strength.¹¹⁴ Finally, in December 1993, Sison himself agreed to peace talks in the face of declining strength.¹¹⁵ The talks however, soon broke down over Sison's insistence on injecting provisions that would recognise the existence of two sovereign states, and confirm the CPP's sovereignty over the areas under its control.¹¹⁶ The NPA continued its insurgency, turning its attention now to urban terrorism through its Alex Boncayao Brigade.¹¹⁷ The Chairman of the CPP, Armando Liwanag, called on communist members to continue revolutionary warfare, stating that it was the government's administration that was the cause of all the problems in the country.¹¹⁸ In July 1995, Sison himself declared that peace talks with the government would be suspended until Ramos's term as President ended in 1998, citing as the reason his belief that the government was not sincere in the abortive peace talks.¹¹⁹ In September 1996, however, Sison, reversed his stand and agreed to resume talks as the CPP continued to weaken.¹²⁰

that the CPP had rejected "revisionism and the restoration of capitalism". See ABS-CBN 2 TV (Quezon City, in English) 1430 GMT 12 January 1993, in BBC/SWB FE/1588 B/2 (8), 16 January 1993.

¹¹³ Radio Veritas (Manila, in Tagalog) 1240 GMT 11 January 1993, in BBC/SWB FE/1586 B/6 (17), 14 January 1993.

¹¹⁴ GMA-7 TV (Quezon City, in Tagalog) 0930 GMT 23 December 1993 in BBC/SWB FE/1881 B/3 (10), 29 December 1993.

¹¹⁵ GMA-7 TV (Quezon City, in Tagalog) 0930 GMT 23 December 1993 in BBC/SWB FE/1881 B/3 (12), 29 December 1993.

¹¹⁶ Far Eastern Economic Review, 10 November 1994, p.20.

¹¹⁷ People's TV 4 (Quezon City, in Tagalog) 0500 GMT 1 February 1994, in BBC/SWB FE/1911 B/3 (6), 2 February 1994.

¹¹⁸ GMA-7 Television (Quezon City, in Tagalog), 2230 GMT 29 March 1995, in BBC/SWB FE/2268 B/4 (15), 3 April 1995.

¹¹⁹ Radio Filipinas (Manila, in English), 0230 GMT 14 July 1995, in BBC/SWB FFE/2356 B/3 (8), 15 July 1995.

¹²⁰ "Exiled Sison Agrees to Talks," Straits Times Interactive (on-line), 20 September 1996.

While the economic growth of the Philippines as well as structural reform, fostered by the strong leadership of President Ramos have helped to alleviate the insurgency, the conditions which gave rise to the insurgency in the first place would continue to be present for many more years. Richard Kessler, for instance, has observed that the socio-political conditions that have given rise to severe inequalities have become so entrenched that there is now a cyclical pattern of rebellion, and that even if the NPA were defeated, the situation would be no different than the defeat of the Huks a generation earlier.¹²¹

Echoing Kessler, W Scott Thompson also observed that the failure under the Aquino administration to carry out land reform due to obstruction in the Philippine Congress dominated by landlords and their allies, mean that fundamental problems remain unaddressed.¹²² Alan Robson has also highlighted the continued existence of the "boss" system, whereby a handful of powerful families have dominated provincial politics in their areas. Acting very much like warlords, these families have maintained their grip through the dispensation of patronage. The problem with this system, which Aquino and Ramos have both failed to tackle, is that it:

...endlessly diverts development capital into futile pork-barrel projects and traps the central government into a paralysing bargaining web. Election outcomes are determined by personality factors while national political debate bypasses crucial development issues and diffuses into nationalist rhetoric.¹²³

Thus, while short-term measures by the Ramos government and the ideological contradictions within the CPP are clearly destroying its effectiveness, fundamental problems remain. The basic weakness of the Philippines in this respect will constrain its ability to manage the regional order, as China so openly demonstrated when it picked on the Philippines, the weakest internally and militarily of all the ASEAN

¹²¹ Richard J. Kessler, Rebellion and Repression in the Philippines (New Haven, Connecticut: Yale University Press, 1989), p.21.

¹²² W Scott Thompson, The Philippines in Crisis: Development and Security in the Aquino Era 1986-1992 (New York: St. Martin's Press, 1992), pp. 57-58.

¹²³ Alan Robson, "The Boss System is Alive and Well in the Philippines," ISEAS Trends (Singapore: Institute of Southeast Asian Studies), in Business Times (Weekend Edition), June 26-27 1992, p.1.

states, over the Mischief Reef incident in 1995 in order to assert its claim over disputed territory in the South China Sea.

3.3 The End of Communist Insurgency

In Indonesia, the government has remained wary of communism despite its emphatic victory in 1965-66, when it destroyed the PKI, then the world's second largest communist party. In 1990, then Armed Forces chief, Try Sustrino, argued that communism was still the main security threat to Indonesia.¹²⁴ In 1994, a leading army commander warned that a revival of communism was possible and thus Indonesia had to be vigilant. He also warned that leftist elements were attacking the political system and exploiting religious issues to further its cause.¹²⁵ Echoing this, a senior adviser to President Suharto warned that "new-style communists" were planning to gain power through constitutional and legal means. In an interesting twist, he blamed corruption, the problems in East Timor, mass demonstrations and labour unrest on the work of these "communists". The Indonesian government also accused the newly-rejuvenated Partai Demokrasi Indonesia (PDI) of having ties with the banned PKI.¹²⁶

The pitch by various leaders about the existence of a communist threat in the form of "formless organisations" appears, however, to be more a move to justify the military's continued political role, and for the government to continue repressive measures in response to the demand by the growing middle class for greater democracy. Indeed, the head of the influential Nahdatul Ulama, Indonesia's largest Muslim organisation, was openly sceptical, and described it "as a method to divert attention from the internal problems of the government."¹²⁷ Significantly, even the armed forces deputy chief for socio-political affairs expressed scepticism about whether the "new-style communists" actually existed.¹²⁸

¹²⁴ Asian Defence Journal, November 1990, p. 111.

¹²⁵ Straits Times, 15 April 1994., p.19.

¹²⁶ Straits Times Weekly Edition, 14 January 1995, p.11.

¹²⁷ Straits Times, 23 October 1995, p.38.

¹²⁸ Straits Times, 14 January 1995,p.21.

It is thus clear that communist insurgency in the ASEAN states, except for the special conditions underlying the home-grown communist insurgency in the Philippines, is over. The virtual demise of the CPT and the surrender of the CPM in 1989, together with the significant decline in the strength of the CPP by the early 1990s, signal the end of ideologically-driven communist insurgency. The Indonesian government's attempt at reviving the communist bogey, in the absence of any evidence of underground communist activity, is clearly an attempt to deflect domestic criticism of its failings and to justify tougher measures against political opposition to the ruling regime. What is certain is that the tremendous economic development in the ASEAN states since 1975 has ameliorated economic and social conditions that had underlain the various communist insurgencies.

However, in the Philippines, and to a lesser extent, Thailand, fundamental social-economic disparities and problems remain, problems that can only be alleviated by stable long-term and equitable economic development. Although communist insurgency in both countries are clearly on the wane by the 1990s, the fundamental causes which fuelled their rise have remained, and this means that internal security will remain a major preoccupation for the foreseeable future.

Communist insurgency has been one indicator of the internal resilience of the ASEAN states. Indeed, the moral support which the various communist insurgency movements derived from China and to a lesser extent the Soviet Union, constituted an external dimension which could not be ignored. Not only did they demonstrate the inherent weakness of the ASEAN states, they acted as pressure points throughout the 1970s and 1980s, constraining the ASEAN states in collectively confronting the regional security order.

China was able to make the best use of this situation. While it professed that it had little choice but to at least provide some support to the insurgents to prevent them from turning to Vietnam or the Soviet Union, it did compel the states in the region to make their peace with China, given the US retrenchment since 1975 as well as the Nixon Doctrine. Some, such as Thailand, entered into a strategic alliance with China, while

the rest of the ASEAN states, except for Indonesia, felt compelled to establish friendly relations with China and be careful not take steps that would antagonise her.

In this sense, therefore, communist insurgency has been a constraining factor in the ability of the ASEAN states in managing the regional order since 1975. While the end of the Cold War after 1989 has also coincided with the end of ideologically-driven insurgency, the severity of the communist revolt in the Philippines illustrates the domestic causes of that revolt, and demonstrates the fact that some of the ASEAN states still have problems with their legitimacy.

4. Islamic Religious Revivalism

4.1 The Challenge of Islam

Finally, there is the question of Islamic religious revivalism. The nature of this challenge and how serious they really are will need to be examined, as it has been cited by the Malaysian and Indonesian governments as a sufficiently serious internal security threat to justify extraordinary administrative and military measures to contain them.

The involvement of extremist Islamic regimes, such as Libya and Iran, in funding or at least providing the moral direction for Islamic extremism, demonstrates the presence an external factor. It can be argued that the challenge of Islamic extremism within Indonesia and Malaysia has demonstrated the essential weakness in their societies, weaknesses that permit external intervention and which limit their ability to manage the external regional order. They demonstrate the fragility of the prevailing social and political structure and show the possibility of revolutionary internal challenge. While Islamic extremism has not had the same impact as armed separatist movements and communist insurgencies, their potential for causing internal instability exists. Indeed, the Islamic extremist factor is probably more significant than is generally realised.

The issue of worldwide Islamic resurgence has clearly affected the politics of the ASEAN states. Islam is becoming an important political force in the states where it is the dominant religion. Some conservative Islamic groups have advocated the establishment of exclusively Islamic states. There have existed extremist groups in both Indonesia and Malaysia which have been prepared to use force to achieve this aim. In states where Muslims are a minority, the Islamic religion has also become a source of identity and strength for Muslim separatist movements. Such movements have received external assistance from sympathetic Muslim governments or organisations from abroad.

Although the Islamic revival is manifested differently in each country, certain common themes and characteristics are discernible. A fundamental tenet is that society should be organised on the basis of the Koran and the Sunnah (that is, "the way of the Prophet"). This means that the values, principles and beliefs of the Koran should be upheld in the political, economic, cultural, legal and administrative spheres.

Worldwide, the Islamic revivalism is a result of the Muslim world's disillusionment with Western civilisation and its search for an alternative model that would allow for the development of an Islamic society according to the teachings of the Koran. The revivalism is also a reaction against modern Western-style capitalist development, with its stress on materialistic goals and individual desires, at the seeming expense of the human being and the rejection of many fundamental Islamic beliefs.

However, Islamic scholars themselves acknowledge that the primary driving force is the presence of poor social conditions. According to a leading Muslim writer, Khalid Ahmed, "the growing gap between rich and poor, runaway inflation, unemployment, massive disillusionment with the mainstream parties and their leaders are core issues."¹²⁹

¹²⁹ "March of the Militants," Far Eastern Economic Review, 9 March 1995, pp.19-20.

4.2 Malaysia: The Challenge of Islam

The Islamic resurgence in Malaysia began in university campuses in the 1970s, led by Muslim student leaders such as the charismatic Anwar Ibrahim. This Islamic resurgence was the result of a Malay search for reassurance and identity, given the secular and competitive nature of university life to which a large number of rural Malay youth were exposed when they gained entry into tertiary education under the preferential pro-bumiputra New Economic Policy. Malay youths abroad were also caught up in the worldwide Islamic resurgence, joining international Muslim groups. Many were influenced by the radical Muslim Brotherhood in Egypt. These students were to later provide the intellectual vigour to Islamic resurgence when they returned to Malaysia.¹³⁰ This has important implications in Malaysia given that a defining characteristic of being Malay is the Islamic religion, and the fact that just over half of Malaysia's population is Malay. When Mahathir ascended to power in 1981, he supported Islamic institutions and symbols in a bid to consolidate his power. In addition, he coopted Anwar Ibrahim into his government, thus ensuring that Islamic revivalism was now incorporated into the mainstream establishment. Anwar, a radical Muslim student leader in the 1970s who had championed the cause of poor farmers in Baling in 1974 and had been arrested under the Internal Security Act (ISA), brought along the support of the influential ABIM, the Malaysian Islamic Youth Movement, the largest, most formally organised and politicised of the Islamic youth movements. Members of the smaller, rival Islamic Republic Council (IRC), however, tended to support the opposition PAS.¹³¹

Thus, Islamic revivalism became formalised and institutionalised within mainstream politics. This, together with the emergence of dakwah (proselytising) movements, have had the effect of influencing Malays to a more conservative lifestyle. Within

¹³⁰ "Islamic Establishment," in Far Eastern Economic Review, 27 January 1987, p. 20.

¹³¹ "From the Campus Back to the Mainstream," Far Eastern Economic Review, 22 January 1987, pp. 22-23.

Malaysia, the government has given Islam a more symbolic prominence. Malaysia also unhesitatingly describes itself as an Islamic nation.¹³²

The non-governmental dakwah movements, however, have now assumed the mantle of Islamic revivalism, and their sometimes strident criticism of animistic aspects of Malay culture, and of the government, is viewed with alarm by moderate Malays as well as UMNO leaders.

The Malay establishment regards these criticisms as evidence of Islamic extremism and a threat to the Malay way of life, to modern economic progress and to the larger social fabric of a multi-racial society. The Mahathir government has kept a close watch on the activities of various dakwah groups, and has harassed those considered to be heretical and a source of religiously-inspired violence. Officially termed "dakwah songsang", or deviant dakwah groups, they have been seen as Islamic religious extremists. The Malaysian leadership feared that as a consequence of the Iranian Revolution in 1978, extreme Muslim groups might seek to realise their Islamic objectives by revolutionary means. In 1979, before he achieved power, Mahathir had already warned that "Malay religious opportunists" were seeking to overthrow the government through violence.¹³³ Similar fears were expressed by the government over the growing influence of deviant and extremist teachings among members of the police force and the armed forces.¹³⁴

In 1978, Indian Hindu vigilantes caught and killed a group of Muslim fundamentalists in the act of desecrating a Hindu temple. The Kerling Incident, as the case was known, raised the spectre of communal violence. Among the Malay Muslims killed was a university lecturer. The sole survivor was a medical student enrolled at an Australian university.¹³⁵

¹³² Simon Barraclough, "Managing the Challenge of Islamic Revival in Malaysia: A Regime Perspective," *Asian Survey*, vol. 23, no. 8, August 1983.

¹³³ *Straits Times*, 7 July 1979.

¹³⁴ *New Straits Times*, 16 December 1980.

¹³⁵ *New Nation* (Singapore), 5 September 1978.

In March 1980, following a demonstration by thousands of farmers in Kedah, the government alleged that a hitherto unknown organisation, the Pertubuhan Angkatan Sabilullah, with close links to the PAS (a charge PAS strongly denied), had fomented the demonstration and had plans to set up an Islamic state in Malaysia.¹³⁶ In June 1980, the leaders of two deviant groups were detained under the ISA, with the government announcing that it had uncovered a Muslim extremist plot to assassinate cabinet ministers.¹³⁷

In October 1980, a group of men in white robes and swords attacked a police station in Johore. A number of police and civilians were seriously injured, and 8 of the attackers were shot dead. They were members of an extreme Muslim group that wanted to launch a jihad to turn Malaysia into an Islamic state.¹³⁸

In November 1985, members of Malaysia's internal security forces became engaged in a violent confrontation with members of an extreme Islamic group at Memali, Kedah, while seeking to arrest its leader, Ibrahim Mahmud. In the subsequent exchange of gunfire, 18 people were killed, including Mahmud. Villagers at Memali then insisted on burying the group's dead as martyrs for Islam, sparking fears that the Memali Incident would spark off further violent Islamic extremist challenges to the government. This, however, did not happen, but it did serve as a reminder that violent Islamic extremism exists in Malaysia.¹³⁹

The ruling UMNO was also uneasy about the growing influence of ABIM and the opposition PAS. When Mahathir became Prime Minister in 1982, he solved the first by coopting Anwar Ibrahim into the government. However, the opposition PAS continued to challenge UMNO, forcing UMNO to take measures to improve its own Muslim identity. Mahathir, however, espouses a pragmatic version of Islam, one that fits his vision of economic growth and development, as well as social stability and

¹³⁶ The Star, 19 March 1980.

¹³⁷ New Straits Times, 26 November 1980.

¹³⁸ New Straits Times, 25 November 1980.

¹³⁹ Cited in the Far Eastern Economic Review, 11 August 1994. See also Michael Leifer, Dictionary of the Modern Politics of Southeast Asia, op. cit., p.172.

ethnic harmony. The result is that his government has been constantly put on the defensive by the less compromising Islam of the PAS.¹⁴⁰

The issue of Islamic revivalism and its political implications for both Malaysia and the region has not been lost on Mahathir. Internally, the Islamic tag is a powerful political instrument in the context of a widespread Islamic resurgence among Malays in general. Intra-Malay tensions have been exacerbated by allegations and perceptions of government corruption, violations of human rights through the use of the ISA and the failure to ameliorate Malay poverty. UMNO is thus susceptible to Muslim fundamentalist attacks. This religious factor has serious domestic political implications. As Trocki points out, the communal nature of the Malaysian political system means that Islam functions as a divisive and not a unifying force.¹⁴¹ In addition, the presence of considerable numbers of Malay Muslim minorities in Thailand, Singapore and the Philippines, three of Malaysia's immediate ASEAN neighbours, makes domestic political developments in Malaysia of special significance for regional security.

4.3 The Al-Arqam Saga

While PAS has proved to be a particularly strong opponent because of its popular base among rural Malays, Mahathir has not shied away from using force to destroy and discredit what he considered to be the growing threat to internal security stemming from the Al-Arqam sect.

Al-Arqam, a prominent dakwah movement, was led by Ashaari Muhammad, who founded the sect in 1968. Known to his followers as "Abuya" or "Our Father", he called for the creation of an Islamic state. The sect grew rapidly in the context of the worldwide Islamic revival, as did its business interests. In 1994, it had a growing international business empire with assets of up to M\$300 million (US\$116 million), with 417 business concerns in Malaysia alone.¹⁴²

¹⁴⁰ "March of the Militants," *Far Eastern Economic Review*, 9 March 1995, p.19.

¹⁴¹ Carl A Trocki, "Islam: Threat to ASEAN Regional Unity?" in *Current History*, April 1980, p.152.

¹⁴² "Allah's Bounty", *Far Eastern Economic Review*, 1 September 1994,

Al-Arqam aimed to build a self-reliant Islamic economy in Malaysia, and also operated its own communities as well as some 257 schools in Malaysia, with its own university in Indonesia. Ashaari was also becoming influential by the early 1990s. Although the sect itself officially had 10,000 members in Malaysia, it was also estimated that it had at least 100,000 sympathisers in that country alone. Professionals and civil servants, including UMNO members, joined as members. Ashaari himself appeared to harbour political ambitions. A former member of the opposition PAS in the 1960s, he openly supported former Deputy Prime Minister Abdul Ghafar Baba, whose son is an Al-Arqam member, in the UMNO party elections which saw Anwar Ibrahim succeed in becoming Deputy Prime Minister. Ashaari also claimed to have regular dialogues with the Prophet Muhammed and had also predicted the eventual arrival of a messiah in Mecca and a caliph (or ruler) in Malaysia.¹⁴³

But the last straw came when Ashaari became overtly political to the point of stating in 1994 that he had discussed Malaysian politics with the Prophet Muhammed, and that Mahathir and the Deputy Prime Minister, Anwar Ibrahim, would meet their downfall within two years. He also stated that if a referendum was held in Malaysia, he would be more popular than Mahathir.¹⁴⁴ In June 1994, an Al-Arqam magazine even wrote that the Prophet Muhammed had come to Ashaari in a dream and ridiculed the UMNO party election as a contest of "thieves and robbers."¹⁴⁵ Fuelling the concern over Islamic extremism was also the arrest in March 1994 of 19 Malaysian women students of the Al-Arqam in Cairo, Egypt, for their association with violent Islamic extremist groups in that country.¹⁴⁶

In mid-June 1994, Mahathir declared the Al-Arqam a deviationist sect that threatened state security. Mahathir further stated that action had to be taken to check the spread of its influence.¹⁴⁷ He claimed that given the growth of its influence and the setting up of its own "army", the government could not ignore the threat it posed to the country's

¹⁴³ "Cult of the Father," Newsweek/The Bulletin, 20 September 1994, p.67.

¹⁴⁴ "Premier versus Preacher," Far Eastern Economic Review, 15 September 1994, p.15.

¹⁴⁵ Ibid.

¹⁴⁶ Ibid.

¹⁴⁷ Bernama News Agency (Kuala Lumpur), 0857 GMT 17 June 1994, in BBC/SWB FE/2026 B/6, 20 June 1994 (15).

stability. He stated that "these movements start off small but before long they grow and aim to take over the government just like in other Muslim countries."¹⁴⁸ Other government ministers added to the chorus. Foreign Minister Abdullah Badawai declared that the group had to be stopped because it had developed into a cult. Defence Minister Najib Tun Razak declared that "it is a very dangerous form of teaching, which, if left unchecked, would cause severe dislocation in Malaysian society."¹⁴⁹ Mahathir also declared that "if we do not take action, we are at fault as Al-Arqam has deviated from Islam's teachings."¹⁵⁰

In July 1994, religious authorities in Malaysia ruled the sect deviationist, giving Mahathir the moral authority to order an immediate crackdown. Al-Arqam members were arrested for distributing pamphlets and cassettes. Mahathir charged that the sect kept sex slaves and was training 313 "holy warriors" in Thailand.¹⁵¹ However, Mahathir has not been able to produce any real proof of either of these allegations. In August 1994, the sect was banned altogether under an order from the National Fatwa Council, with the Malaysian government describing it as "the biggest security threat to the country."¹⁵² The Council ruled that Al-Arqam's teachings and beliefs had contravened Islamic tenets and could lead Muslims astray. All its schools, including its religious schools, were closed. All activities of the movement were banned. In addition, it was not allowed to print or publish anything, nor could it proselytise to anyone. The government declared that it would use the Internal Security Act, which provides for detention for up to two years without trial, to enforce the ban.¹⁵³ Foreign followers of Al-Arqam were also banned from entering Malaysia.¹⁵⁴

Malaysia also won the support of its ASEAN neighbours. Singapore, Indonesia and Brunei agreed that Ashaari would not be allowed to enter their countries, and that they

¹⁴⁸ Business Times (Singapore), 18-19 June 1994.

¹⁴⁹ "Premier versus Preacher," Far Eastern Economic Review, 15 September 1994, p.15.

¹⁵⁰ "In the Name of Security," Far Eastern Economic Review, 11 August 1994, p.25.

¹⁵¹ Radio Malaysia (Kuala Lumpur), in English, 0600 GMT 9 September 1994, in BBC/SWB FE/2097 B/3 (5), 10 September 1994.

¹⁵² "Malaysia Bans Al-Arqam Movement," Straits Times Weekly Edition, 6 August 1994, p.10.

¹⁵³ Ibid.

¹⁵⁴ Voice of Malaysia External Service (Kuala Lumpur), in English, 0600 GMT, 6 September 1994, in BBC/SWB FE/2092 B/7 (13), 7 September 1994.

would help Al-Arqam followers in their territories "to regain the true path of Islamic teaching."¹⁵⁵ Shortly thereafter, the Thai government assisted Malaysia by arresting and then expelling Ashaari, who had been living in self-imposed exile in Thailand since 1988 after Malaysia had banned a book which laid down his beliefs.¹⁵⁶

Given the influence and size of Al-Arqam's support base, fears were expressed by observers in the wake of the government's crackdown that Mahathir might have overextended himself; the tough government action could in fact be a self-fulfilling prophecy as it could incite Al-Arqam followers into violence.

In any event, no violence occurred. In a surprising turn of events, Ashaari himself appeared on television before Malaysia's top religious authorities and recanted to a national audience. Ashaari declared that his beliefs were wrong and that he was repenting on his own free will.¹⁵⁷ This astonishing turn-about by Ashaari assured the government's victory. In November 1994, the Al-Arqam was formally disbanded. Deputy Foreign Minister Datuk Mustapha Mohammed was to later boast that the swift way that the issue was resolved was an example of Malaysia's success in checking religious extremism without recourse to violence.¹⁵⁸

In an oblique reference to Al-Arqam, Deputy Prime Minister Anwar Ibrahim identified "religious fanaticism" as a threat to national security, and stated that stability had been preserved due "to our readiness to act decisively when necessary."¹⁵⁹ Anwar further set out the moderate and modernistic line of the government:

The challenge before us is to cultivate moderation in religious life and promote the teaching of universal perspectives.¹⁶⁰

¹⁵⁵ Straits Times, 5 August 1994, p.24. See also Antara News Agency (Jakarta) in English, 0845 GMT, 4 August 1994, in BBC/SWB FE/2067 B/7 (20), 6 August 1994.

¹⁵⁶ Sydney Morning Herald, 3 September 1994, p.24. See also Voice of Malaysia External Service (Kuala Lumpur), in English, 0600 GMT 3 September 1994, in BBC/SWB FE/2092 B/7 (13), 5 September 1994.

¹⁵⁷ Straits Times Weekly Edition, 5 November 1994, p.10. See also Radio Malaysia (Kuala Lumpur), in Malay, 1300 GMT 15 September 1994, in BBC/SWB FE/2103 B/1, 17 September 1994 (3).

¹⁵⁸ Straits Times Weekly Edition, 5 November 1994, p.10

¹⁵⁹ Anwar Ibrahim, "Asia's New Civility," Far Eastern Economic Review, 6 October 1994, p.34.

¹⁶⁰ Ibid.

Anwar's declaration of the government's resolve to act decisively in the wake of the crackdown on Al-Arqam demonstrates the Malaysian government's commitment to a more secular, moderate and universal outlook as compared to the traditionalist, inward-looking and conservative focus inherent in the religious revivalist movements outside of UMNO. Therein lies the fundamental difference in philosophy and outlook that divides UMNO and its religiously-inspired opponents, such as the PAS. This difference in outlook is the main issue emanating from the Islamic revival.

Thus one can conclude that while PAS and the Al-Arqam have essentially posed a non-violent political threat to the ruling regimes, Mahathir had clearly taken a huge gamble with his tough action against the Al-Arqam. Given Ashaari's charismatic hold over his followers, some Al-Arqam members might well have resorted to violence, a most unpalatable prospect given the size of its following. Moreover, there exists extremist Islamic groups and regimes abroad, such as Libya and Iran, which are prepared to support extreme fundamentalist Islamic groups in Malaysia. These facts have ensured continued vigilance by the Malaysian government against fundamentalist Muslim groups for fear they could turn violent, as has happened in other Muslim countries, such as in the Middle East. Indeed, the violent clashes with fundamentalist Muslim groups in 1980 and 1985 mentioned earlier are indications of the potential of Islamic fundamentalism to cause instability. The prospects for Islamic fundamentalists in Malaysia is also a matter for regional concern, given the religious inspired nature of the Thai Malay-Muslim, the Philippine Moro and Indonesia's Aceh uprisings, as well as the presence of a significant Malay minority in Singapore.

4.4 Islam in Indonesia

The Islamic revival in Indonesia partly mirrors the struggle in Malaysia. However, the revival in Indonesia has been constrained by a feature unique to the country - the division between the Javanese nominal Muslims known as the *abangan* and the strict Muslim *santri*. The *abangan* adhere to practices which reflect pre-Islamic Hindu-Buddhist mysticism, practices which the minority *santri* consider to be un-Islamic. *Abangans* believe in Allah, but also worship Hindu gods and also believe in spirits

and magic power; the keris (dagger) and gamelan (musical instrument) are believed to possess spiritual powers. Abangan beliefs are rooted in Javanese culture and syncretic Javanese practices combining elements of Islam, Hinduism, Buddhism and animism are common. This abangan-santri dichotomy is the result of uneven penetration of Islam in the Indonesian archipelago.¹⁶¹

Indonesian nationalists under Sukarno and the leaders of Suharto's New Order government have been overwhelmingly abangan and adhere to a secularised nationalist ideology known as Pancasila. They are therefore concerned with checking and if possible reducing Islamic militancy. Through the vast military-run security apparatus, a tight watch is maintained over the influence of Islam in the political process. The dominance of abangan culture also ensures that although statistically Indonesia has the world's largest Muslim population, it is in fact a Pancasila rather than a Muslim state.

Pancasila, the nationalist ideology, has five principles formulated by Sukarno in June 1945 when Indonesia became independent. The broad and vague doctrine which states as one of its principles "belief in one God" also allows for six officially-recognised religions of which one is Islam. The other principles are internationalism, nationalism, democracy and social justice. Pancasila is an expression of religious pluralism and helps to explain the non-Islamic nature of Indonesia. Pancasila has been used by Suharto to undermine Islamic political forces. Since 1975, all schools have been required to teach Pancasila. From 1979, all civil servants have been required to attend Pancasila classes and are examined on their knowledge of the doctrine. In 1983, the government required all socio-political organisations, including political parties, to accept Pancasila as the sole operating principle. However, Islamic forces have also used the democracy and social justice principles within Pancasila as a basis for criticising the government. Leo Suryadinata's description of Indonesian politics as "a struggle for power between the abangan and santri groups," is thus apt.¹⁶²

¹⁶¹ Leo Suryadinata, "Indonesia", in Diane K Mauzy (ed), Politics in the ASEAN States, op. cit., p.112.

¹⁶² Ibid., p.113.

In the 1950s, santri supporters coalesced in the Masyumi and the Nahdatul Ulama (NU) while the abangan supported the Partai Nasional Indonesia (PNI) or the Partai Komunis Indonesia (PKI). Among the santri, a division is visible between the traditionalists, who tend to be narrow and conservative in outlook, and the modernists, who look towards Middle Eastern reformism as a guide to reformation in Indonesia. The latter believe that Islam can exist in the modern industrialised world.

The Masyumi's involvement in the Outer Island rebellion in the 1950s led to its banning by Sukarno in the early 1960s. The strongly anti-communist Muslim mass movement contributed to his downfall in 1965 after the military takeover by Suharto. Since 1965, however, those Muslims committed to an Islamic view of society have been disappointed by Suharto's New Order government. As Ben Anderson noted in his study of the Indonesian general elections of 1971 and 1977, Suharto's efforts to prevent Muslim parties from gaining a significant share of political power alienated the Muslim santri. While Suharto's policies assured victory for his Golkar party in 1971, "they helped alienate permanently significant sectors of the Muslim community, who saw themselves once again deprived of the legitimate rights and place in Indonesian society." ¹⁶³

In 1972, the government forced the simplification of political parties into three blocs - the government Golkar, the Muslim United Party (PPP) and the Indonesian Democratic Party (PDI). In the general elections of 1977, the PPP carried 29% of the national vote despite the government's efforts to constrain it, and even won in the national capital of Jakarta. In 1982, the PPP won 27% of the vote, using Islam as a rallying point.¹⁶⁴ Surprisingly, many Christians and abangans voted for the PPP, with Muslim student leaders increasingly absorbing non-Muslim "radical" concepts into their thinking, in response to overwhelming government corruption and economic inequalities.¹⁶⁵ On the other hand, the PDI, a fusion of five parties, became rent by

¹⁶³ Ben Anderson, "Last Days of Indonesia's Suharto?" *Southeast Asia Chronicle*, no. 63, July-August 1978, p.4.

¹⁶⁴ Leo Suryadinata, *Political Parties and the 1982 General Elections in Indonesia* (Singapore: Institute of Southeast Asian Studies, 1982), p.76.

¹⁶⁵ *Ibid.*

internal dissension as the government had hoped and became ineffective for some years.

The government's attempts to control and weaken the PPP succeeded only to a certain degree. In September 1994, the pro-government candidate for the chairmanship, incumbent Ismail Hasan Metareum, was re-elected for five years, beating off a strong challenge from the candidate supported by the NU.¹⁶⁶ However, the disaffected NU has hinted that it might support the PDI at the next general election in 1997. Abdurrahman Wahid, the NU's leader, went as far as to state that Megawati Sukarnoputri, eldest daughter of the late President Sukarno and the then leader of the PDI, could become a future President of Indonesia. Concerned with the growing power and popularity of Megawati, the government engineered her ouster as leader of the PDI, prompting street violence in Jakarta in 1996, raising the spectre of political instability.¹⁶⁷ On Wahid's part, despite attempts to unseat him in the NU's Congress in December 1994, he survived and could in fact pose a serious challenge to Golkar's political supremacy if an alliance was made with Megawati. Wahid openly accused the government of attempting to destabilise the NU and destroy his leadership.¹⁶⁸

The growing militancy and power of political Islam was reflected in their ability to force the government to change its policy on the state lottery. Islamic religious organisations had for years campaigned unsuccessfully against it. Student and religious leaders organised street protests in major cities in 1991. In November 1993, for the first time in Suharto's tenure, a demonstration was held in front of the Presidential Palace in Jakarta. The parliamentary committee on the lottery issue, after initially voting to uphold the lottery license, reversed its decision a week later after a further public protest and ordered the lottery to be cancelled immediately. What is significant about this issue was not so much that the scale of Islamic opposition forced the government to back down but the fact that religious and student leaders have

¹⁶⁶ Col Colin East, "Java, The Inner Kingdom," Asia-Pacific Defence Review 1995 Annual Reference Edition (Victoria: Asia-Pacific Defence Reporter, 1995), p.25.

¹⁶⁷ See "Hunting Season," Far Eastern Economic Review, 15 August 1996, pp.14-15.

¹⁶⁸ The Australian, 14 February 1995, p.8.

confessed to a larger agenda in this episode, namely, to openly demonstrate their displeasure with the Suharto leadership.¹⁶⁹

Fuelling the Muslim opposition to the government has been continuing social and economic problems. While many Indonesian have benefitted from Suharto's New Order regime, many have not, with continuing poverty, corruption, unemployment and widespread economic disparities.¹⁷⁰ Violent Islamic opposition to the central government has, however, not been widespread, although regional separatism, notably the Acehese sessionist movement, has taken on a strongly Islamic character. There have, however, also been sporadic reports of Islamic extremist groups. For example, in August 1994, 117 people were reported to be under investigation for an alleged attempt to set up an Islamic state.¹⁷¹ The military's handling of this was praised by the newspaper Republika, which lauded the "sympathetic, persuasive and educational approach" which "solved" the issue without affecting national stability.¹⁷² The idea of an Islamic state, however, continues to persist. In 1995, 428 people were investigated for propagating the virtues of the Negara Islam Indonesia, a doctrine espousing an Islamic state first enunciated by the leaders of the Darul Islam movement, which had resisted the Dutch and later the Sukarno government.¹⁷³

It is thus clear that extreme Islamic sects in both Indonesia and Malaysia could in fact cause security problems by their resort to actual violence. While this has so far been fairly infrequent and limited in scope, the presence of regimes such as Libya and Iran, which are ready to support such groups, mean that the governments of both countries will continue to be vigilant against any rise in Islamic extremism.

¹⁶⁹ Colin East, *op. cit.*, p.26

¹⁷⁰ Indonesia's own Manpower Minister reported in January 1995 that 52.5% , or more than half of the 7.33 million unemployed were young Indonesians aged 15 to 25, many with high school education. The dangers of not meeting the rising aspirations of these Indonesians are obvious. See "Indonesia: Social Dynamite," Far Eastern Economic Review, 15 February 1996, p.21.

¹⁷¹ Radio Republic Indonesia (Jakarta, in Indonesian), 0600 GMT 3 August 1994, in BBC/SWB FE/2066 B/1 (1), 5 August 1994

¹⁷² Radio Republic of Indonesia (Jakarta, in Indonesian), 0600 GMT 9 August 1994, in BBC/SWB FE/2081 B/2 (4), 23 August 1994.

¹⁷³ Far Eastern Economic Review, 15 February 1996, p.23.

For the time being, however, the main challenge posed by Islamic revivalism has been its political challenge to established elites and regimes. Islamic purists and fundamentalists want the social, political and economic structure to reflect Islamic tenets. Moreover, Islam is a potent mobilising symbol and focal point in harnessing political opposition to the government. In Malaysia, political Islam takes the form of the non-violent PAS, which has worked within the parliamentary system despite attempts by Mahathir to portray them as violent extremists. In Indonesia, the challenge is expressed through the Muslim United Development Party (PPP). Again, the PPP has not been linked to any violence and has in fact worked within the severe constraints imposed by the New Order government of Suharto. Political expediency and the desire to discredit political Islam is the main reason why the governments of both countries have been keen to brand any challenge emanating from Islamic-based political forces as both Islamic extremism and an internal security threat, providing the justification to take measures, both administrative and security, to contain or reduce the influence of such forces, in order to defend or maintain regime stability and elite interests.

In other cases, for instance in Aceh, the southern provinces of Thailand and the southern Philippines, Islam has proved to be a unifying factor and a focal point for rallying resistance against the central government, which is identified with the dominant ethnic group. It has in effect been a symbol of a deeper sense of national and ethnic identity on the part of minority groups, who in the case of the Acehnese and the Moros of the southern Philippines, aspire to independent states of their own, and to irredentism, namely union with Malaysia, on the part of the Malay Muslim minority in southern Thailand. Thus, while Islamic revivalism has played a part in strengthening the national identity and sense of separateness of these minority groups, it is in fact only part of the wider problem of armed separatism.

5. Internal Threats to Security: Constraints on the ASEAN States

5. Internal Threats to Security: Constraints on the ASEAN States

Internal dynamics and factors have thus constituted serious challenges to the security of the ASEAN states since 1975, notwithstanding the rapid economic development of the region as a whole, the end of the Cold War after 1989, as well as the focus by most analysts on the external dimension of their security environment. The genesis of these various internal challenges can be traced to the relative youth of the nation-state in Southeast Asia. All the ASEAN states, except for Thailand, have been the artificial legacy of departing colonial powers. Even Thailand's southern provinces, where Malay-Muslim separatist sentiments remain strong, has been the bequest of the British during their days in Malaya.

The idea of the nation-state has thus taken root slowly, in part because of significant ethnic minorities being forcibly incorporated into a state in which they were never really a part. Hence, the problems of armed separatism and irredentism have arisen in the region. The Malay-Muslim minority problem in southern Thailand and the southern Philippines, the Aceh problem, the East Timor issue and the Melanesian opposition in Irian Jaya all have their roots in this sense of historical separateness, which cannot be easily erased despite the efforts of their respective central governments. There are clearly no easy solutions to the power of nationalism in significant sections of the local population, which continue to yearn for their own separate existence, one that is free from what they perceive to be the dominant yolk of an alien central government run by members of a dominant, often oppressive group.

The presence of ethnic kin and co-religionists in neighbouring states has accentuated the problems of national cohesion and nation-building, as these brethren provide at least moral, if not actual, material support to bolster the sense of separateness on the part of these minorities. Malaysia has been pivotal in this respect, with significant sympathy existing in that country towards co-religionists and ethnic brethren in Thailand, the Philippines and Indonesia. The interactive nature of the Muslim separatisms, involving as they do Malaysia, has been a constraining factor in ASEAN cooperative regionalism, given the mistrust it has engendered.

The case of East Timor has also raised concerns in the region over Indonesia's preparedness to use force; an uncomfortable reminder to smaller states, such as Singapore, of the potential for Indonesian regional dominance.

A different form of internal security challenge emanates from communist insurgency. Prior to 1989, China had been able to use the communist movements in the ASEAN states to ensure that they at least came to terms with it as well as avoid taking actions inimical to China's interests.

However, the end of the Cold War after 1989 and the demise of communism in the former Soviet Union has effectively ended the ideological basis for a communist challenge to the legitimacy of the current political arrangements in the region. Indeed, the surrender of the Communist Party of Malaya in 1989 and the diminishing threat from the Communist Party of Thailand have meant that the only effective communist insurgency in the ASEAN states is that in the Philippines, which we have seen, has been fuelled by the gross social-economic inequalities caused by a rapacious and monopolistic elite. The roots of that insurgency thus lie more in fundamental factors inherent to the Philippines, than to any intrinsic appeal of the communist ideology. This follows that even if the CPP could be either defeated on the battlefield or through its own internal contradictions, fundamental grievances that caused the insurgency in the first place need to be effectively addressed if internal revolt and opposition to the legitimacy of the current political and economic structure of the Philippines is to be avoided. That these fundamental grievances remain unresolved due to a lack of political will means simply that internal security challenges will continue to bedevil that nation for the foreseeable future.

Finally, there is the issue of the internal security challenge emanating from Islamic religious revivalism. As we have seen, this has been cited by the Malaysian and Indonesian governments as justification for extraordinary administrative and security measures against political opposition based on Islam. However, while mainstream parties such as the PAS in Malaysia and the PPP in Indonesia have never been involved in violence, there have been various extremist groups in both countries

prepared to use violence to achieve their aims. This, in the context of the worldwide Islamic revival and the presence of regimes such as Libya and Iran, which support extremist groups throughout the world, mean that continued vigilance against such internal challenges would be necessary. Moreover, the Islamic factor has proved to be a unifying factor and a focal point for the rallying of resistance against the government, in places such as Aceh in Sumatra, the southern provinces of Thailand, and the Moro regions in the southern Philippines.

This chapter thus demonstrates the plethora of internal security challenges that have bedevilled the policy and decision-makers of the ASEAN states since 1975. These internal challenges remain relevant despite the apparent improvement in the international and regional security environments following the end of the Cold War after 1989, and the continued focus by most analysts on the external dimension, particularly the rise of new regional powers such as China, Japan and India. Indeed, Indonesia's first Defence White Paper in 1995 declared that threats to stability in the medium term were likely to stem from internal rather than external sources.¹⁷⁴

Moreover, the interactive nature of the various separatist insurgencies in the region not only complicates the situation but links it with the external dimension, making it a regional security concern as well. The Moro insurgency and the Thai Malay-Muslim separatism derive at least part of their support from Malaysian sympathisers, while the Aceh separatists have also found a measure of sympathy from Malaysia. They thus constitute another factor in intra-ASEAN tensions and place real limits on the ability of the ASEAN states to foster the kind of confidence and trust in each other that is necessary for the building of a true regional security community. The induction of more Southeast Asian states into ASEAN is likely to put even more strains into the community, given that the internal security challenges facing the Kampuchea and Myanmar governments can be considered to be fairly serious.

Most significantly, to the extent that internal security challenges have remained both serious and relevant since 1975, they indicate the failure of the ASEAN states in

¹⁷⁴ "Threat to stability likely to be internal," *Straits Times*, 20 November 1995.

achieving legitimacy for their post-independence political structures as well as continued internal weakness. These constitute a clear indication of the limits to their ability to manage the regional order.

CHAPTER SEVEN

THE IMPACT OF EXTRA-REGIONAL POWERS

1. The ASEAN States and the Major Powers

The ASEAN states have always had to contend with external powers and influences, situated as they are on the crossroads between Northeast Asia and Western Asia. Historically, India and China have always had an impact on the region, whether political, cultural or economic. In recent times, Japan has become a factor due to its economic success as well as economic and security stakes in the region. Since the end of World War Two in 1945, the region has also had to contend with the presence of both superpowers, namely, the Soviet Union with its air and naval bases in Vietnam, and the United States, with its long and intense involvement in the region, particularly in the Vietnam conflict throughout the 1960s and the early 1970s.

Despite the talk of neutrality and non-alignment that had been the fashion in the post-war years, the fact was that for much of the period from 1945 to the end of the Cold War in 1989, the entire Southeast Asian region had been deeply involved in the bipolar standoff between the Soviet Union and the United States, with the further complication of Soviet-Chinese rivalry being projected into the region through the conflict over Kampuchea, a conflict which deeply involved the ASEAN states. The ASEAN states opposed Vietnam's Soviet-supported invasion and occupation of that country in 1978, making themselves inadvertently allied strategically with China. The ASEAN states also clearly had a pro-Western bent, with two of its members, namely, Thailand and the Philippines, being formally allied with the United States. Two other states, Singapore and Malaysia, are tied to Britain, Australia and New Zealand through formal treaty arrangements, while Brunei is still protected by a battalion of British Gurkhas.

The real changes in the geopolitical situation, namely, the US retrenchment from the region and the concomitant rise of the new regional Great Powers, that is, China,

India and Japan, can be dated from 1975 when the failure of the US to rescue the Saigon regime demonstrated the changed US priorities, changes that would culminate in its withdrawal from the Philippines in 1992. This latter development has added significance given the end of the Cold War after 1989, following the momentous changes in the Soviet Union, which eventually resulted in its break-up.

The end of the Cold War, however, not only ended the bipolar structure of international relations, but also resulted in much anxiety due to the change to some as yet undefined form of multipolarity. This new regional structure will also certainly be more complex, due to the fact that there are more major players. Indeed, the retrenchment of the US from the region since 1975 has enabled aspiring regional Great Powers to emerge. This has also been reflected in some ways in the global arena; according to Coral Bell, the global multipolar system that has been evolving since 1989 will almost certainly consist of six members of a new Concert of Powers, namely, the US, Western Europe, Russia, China, Japan and India.¹

On their part, the ASEAN states have approached regional order since 1975 by adopting the objective of constructing an exclusive regional security order centred around the ZOPFAN concept, although as discussed in Chapter 3, this formal objective has been the subject of disagreement between the ASEAN states, with some, particularly Thailand, the Philippines and Singapore, preferring to rely on Great Power support to ensure a regional balance of power.

Since the end of the Cold War after 1989, the ASEAN states have adopted the modality of an inclusive security regime, using elements of the idea of Common Security to underpin a new post-Cold War regional order. Yet, some of the ASEAN states, particularly Singapore, Brunei and Thailand have continued to prefer the tried and tested method of the balance of power. They have continued their search for Great Power guarantees to bolster their own security. Even Malaysia, the originator of ZOPFAN, has come to accept that in the short to medium term, a balance of power is

¹ Coral Bell, The Post-Soviet World: Geopolitics and Crises (Canberra Papers on Strategy and Defence No. 98, Australian National University, Canberra, 1992), p.29.

the most practical means of ensuring regional order. The inclusive security regime approach, encompassing as it does all interested extra-regional powers, is a means to ensure that the Great Powers could be balanced against each other. In addition, it is hoped that a united Southeast Asia could enable it to better manage the increasingly intrusive influence of the emerging Great Powers.

This chapter will examine the impact of the extra-regional powers on regional order since 1975. Specifically, it will examine the impact on the ASEAN states of the US retrenchment from the region, dramatically epitomised by the events of 1975, and also assess its post-Cold War role. It will also examine the interests and roles of the emerging Great Powers, namely, China, India and Japan, within the region since 1975. This chapter will demonstrate that the roles and impact of these powers constitute powerful constraints on the ability of the ASEAN states to manage the regional order. Indeed, these extra-regional Great Powers ultimately have the final say on any regional arrangement. As the lack of Great Power interest in ZOPFAN and the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ) demonstrated, no regional arrangement could work without their active participation and consent. In addition, intra-ASEAN differences on how to manage these Great Powers, particularly China, have also been a constraining factor.

2. The US Withdrawal from Southeast Asia

2.1 The Nixon Doctrine and Its Impact

The beginning of the US retrenchment from Southeast Asia can be dated from the Nixon Doctrine of 1968. To rationalise US disengagement from the costly Vietnam imbroglio, Nixon made a distinction between internal subversion and external attack. Nixon argued that internal subversion should be managed by America's Asian allies themselves. While the Nixon Doctrine declared that the US would remain a Pacific power, and that it would provide material support if the security of the states in the region were threatened, the Doctrine also asserted that US forces should not be used for the purpose of dealing with subversion or guerilla warfare. It also established arms

sales and the training of indigenous military forces as a substitute for a US presence.² In addition, the Doctrine stated that the best way to preserve the security of the states in the region was to avoid communist insurgencies in the first place, through preventive political, economic and social reform policies. It advocated political, economic and military aid to the region with the “mutually desired” objective of ensuring stability, trade and access.³

What was clear, however, was that US ground forces would no longer be directly involved in counterinsurgency operations in Southeast Asia. Indeed, the most significant impact of the Nixon Doctrine was the strong signal it sent to leaders in the ASEAN states that in future, they would have to be responsible for their own security, thus having to be more self-reliant, as well as having to make their own security arrangements.⁴

The Paris peace accords in 1973 provided the face-saving means of exit for the US withdrawal and disengagement from Indochina. To further heighten the sense of vulnerability, the British had withdrawn from its huge bases in Singapore in 1971, downgrading the Anglo-Malaysian Defence Agreement to a virtually toothless Five-Power Defence Arrangement with its strongest proviso for collective defence being its mechanism for joint consultations in the event of any hostility.

2.2 Geostrategic Changes in 1975

It can be argued with justification that 1975 was a watershed year in the Southeast Asian region, especially for the ASEAN states. In April 1975, Saigon fell to the communists, and with the almost simultaneous communist victories in Laos and Cambodia, it meant that the struggle for Indo-china since the end of World War Two had finally been resolved in favour of communist forces, underlining the ascendancy

² Roger P Labrie et. al., US Arms Sales Policy: Background and Issues (Washington: American Enterprise Institute for Public Policy Research, 1982), p.63.

³ Charles H Stevenson, “US Foreign Policy in Southeast Asia: Implications for Current Regional Issues,” in Contemporary Southeast Asia, vol. 14, no. 2, September 1992, p.97.

⁴ William Tow, Encountering the Dominant Player: US Extended Deterrence in the Asia-Pacific (New York: Columbia University Press, 1991), pp. 294-295.

of Vietnamese communism and success for its backers, the Soviet Union and China. The ASEAN states were shocked that the US had failed to save Saigon despite the huge investment of US lives and resources.

It marked the end of the era of US domination that had existed since the end of World War Two, and also the end of any open-ended commitment to the defence of its capitalist allies unless its direct interests were threatened. For the capitalist ASEAN states, two of which, Thailand and the Philippines, had unswervingly stood by the US in the Vietnam War, it was a seminal development, although the Philippines still had the comfort of the US defence shield in the form of its huge basing facilities at Subic Bay. It revived the spectre of falling dominoes, with communism now at the doorstep of Thailand, which now effectively became the "front-line" state. There was speculation that communism might infiltrate the ASEAN heartland to foment internal dissent and cause political and economic destabilisation possibly leading to the collapse of the existing ASEAN states.

Such a perspective might have seemed lacking in credibility. After all, Vietnam had just emerged from over twenty years of conflict and was a broken and exhausted land in dire need of economic reconstruction. In addition, Vietnam's collaboration with the Soviet Union and its desire to dominate Cambodia was to unleash a bitter internecine communist rivalry with China and the Khmer Rouge in Cambodia, a rivalry that resulted in a long and costly Vietnamese invasion and occupation of Kampuchea, and open armed conflict with China in 1979.

Nevertheless, the issue was not one of fact, but of perceptions. In 1975, the ASEAN states were still fragile political entities, with every state facing internal problems of varying degrees. It was little wonder therefore that at the May 1975 ASEAN Ministerial Meeting, Philippine Foreign Minister Romulo spoke of the ASEAN states being "engaged in the anguished task of assessing their positions in the region and their positions in Asia as a whole."⁵

⁵ Statements by the ASEAN Foreign Ministers at ASEAN Ministerial Meetings 1967-87 (Jakarta:ASEAN Secretariat, 1986), p.199.

Thailand, which had fully accepted the US's external deterrence strategy by joining SEATO in 1954, and which had committed itself as America's ally in Indochina, felt let down and exposed. Then Prime Minister Kukrit Pramoj graphically likened Thailand's predicament to "being caught with a gentleman who can no longer operate. You find yourself compromised for nothing."⁶

1975 was thus a watershed year for ASEAN, for the US defeat meant that the old certainties of the US military commitment could no longer be relied upon; instead the future would be characterised by gradual US withdrawal and increased self-reliance for states in the region.

The reaction among the ASEAN states was to strengthen regional co-operation. Its first-ever Heads of Government Summit was held in 1976, with the signing of a Treaty of Amity and Cooperation (See Appendix 1). Political cooperation in regional matters was now formally recognised as part of cooperative regionalism. An accompanying Declaration of ASEAN Concord contained a blue-print for regional economic cooperation (See Appendix 2). 1976 thus marked a giant step forward for ASEAN and is evidence of the concerns within ASEAN over the events in Indochina. It also marked the dawn of a new era of self-reliant cooperation in response to the changed geostrategic circumstances.

The ASEAN states, however, did not move towards an overt military pact, since little could be gained from any formal military alliance as it would only be seen as a provocation by Vietnam. Moreover, the combined military strengths of all the then five ASEAN states in 1975 could not match that of the battle-hardened Vietnamese military machine that at this stage had at its disposal the huge conventional armoury of the defeated South Vietnamese forces. In addition, there still remained deep mutual suspicions between the various ASEAN states. There was also little consensus over the direction of any long-term external threat to the ASEAN states, with Indonesia and

⁶ Cited in Charles E. Morrison and Astri Suhrke (eds), Strategies of Survival: The Foreign Policy Dilemmas of Smaller Asian States (St Lucia, Queensland: University of Queensland Press, 1978), p.130.

Malaysia sympathetic to the Vietnamese and suspicious of long-term Chinese intentions, and Thailand and Singapore being more concerned with the immediate threat of Vietnamese power and dominance in Indochina as well as the intentions of its chief backer, the Soviet Union.

Thus, while ASEAN enunciated the rhetoric of regional resilience in its first ever ASEAN Summit in 1976, the ASEAN states, except for Indonesia, reaffirmed the value of limited deterrent relationships with the Western powers. Despite the expiration of SEATO in 1976, both Thailand and the Philippines reaffirmed their bilateral security ties with the US, whilst Malaysia and Singapore emphasised the consultative and training benefits of the Five Power Defence Arrangement with Britain, Australia and New Zealand. All these occurred in spite of the neutralist ideals expressed in ZOPFAN, and served to demonstrate the reality of balance of power politics behind the rhetoric.

The Vietnamese invasion of Kampuchea in December 1978, following its accession to COMECON in June 1978 and the signing in November of a 25-year treaty of friendship with the USSR - one which paved the way for mutual defence links - not only galvanised ASEAN but also reawakened US interest in Southeast Asia.⁷ The spectre of communist invasion and falling dominoes was again dramatically raised. Vietnam's invasion was based on revived fears of Chinese domination due to the close relationship between the Khmer Rouge and China. In February 1979, China attacked Vietnam to express her opposition to Vietnam's invasion of Kampuchea and encirclement of China by the Soviet Union and its allies.⁸

⁷ The Treaty of Friendship and Co-operation provided that if Vietnam or the Soviet Union came under attack or threats of attack, both parties "will immediately begin mutual consultations for the purposes of removing that threat." Cited in Lau Teik Soon, "The Soviet-Vietnamese Treaty: A Giant Step Forward," in Southeast Asian Affairs 1980 (Singapore: Institute of Southeast Asian Studies, 1980), p.56.

⁸ See Daniel Tretiak, "China's Vietnam War and its Consequences," in China Quarterly, no. 80, December 1979, pp.740-767

It was at this stage that a Soviet task force of 14 vessels assembled in Vietnam's waters, beginning the Soviet military presence at Cam Ranh Bay.⁹ The bases allowed the Soviet Pacific Fleet to greatly increase the range and mobility of its ships. These had previously been based far north in Vladivostok, where mobility had been limited by the weather and narrow waters between Korea and Japan. By 1984, Soviet operations out of Cam Ranh Bay had reached 20-25 ships daily, with a considerable Soviet air arm based at Danang.¹⁰ The Soviet military presence gave the USSR the capability to intervene in any crisis in Southeast Asia and there was the possibility of translating this military capability into direct political influence.

Thus, in just a matter of months after the Vietnamese invasion of Kampuchea in December 1978, the strategic situation in Southeast Asia had undergone a qualitative change. Not only had Sino-Vietnamese rivalry spilled into actual military conflict in Indochina, but it had also drawn in the Soviets and brought the Cold War between the Soviet Union and the US into Southeast Asia in the most direct manner. For the first time, the two superpower adversaries stared across the South China Sea at each other, the Soviets at Cam Ranh Bay and Danang in Vietnam, and the US at Subic Bay and Clarke Air Base in the Philippines.

With the Soviet invasion of Afghanistan in 1979, the US felt that a more assertive response was needed. The US thus moved quickly to re-assure its allies in the region, issuing a string of high-level assurances of the US commitment.¹¹

The US assisted the ASEAN states in various ways; prompt weapons deliveries to Thailand in the wake of the Vietnamese invasion of Kampuchea in 1978, increasing arms sales to all the ASEAN states, and measures to enhance the capabilities of the US

⁹ Gareth Porter, "Vietnam's Soviet Alliance: A Challenge to US Policy," in Indochina Issues, May 1980, p.1.

¹⁰ Sheldon W Simon, "The Superpowers in Southeast Asia: A Security Assessment," in Donald E Weatherbee (ed), Southeast Asia Divided: The ASEAN-Indochina Crisis (Boulder: Westview Press, 1985), pp.70-71.

¹¹ See for instance George Shultz, "Challenges Facing the US and ASEAN," in Current Policy (US State Department), no. 597, 13 July 1984, p.6.

Pacific Fleet.¹² In addition, in 1983 alone, US assistance in the form of World Bank and Asian Development Bank loans, as well as bilateral economic and military assistance, totalled over US\$1 billion.¹³

Nevertheless, these steps, although useful, were in fact limited. The new strategic situation in Southeast Asia did not mean a reversion to US intervention as in the mid-1960s in Indochina. The US "rediscovery" of Southeast Asia in the 1980s did not in any way reverse the fundamental reorientation in US thinking that had resulted from the Vietnamese debacle - that the US would no longer be willing to undertake a fight or undergo casualties if vital national interests were not at stake. There was, of course, concern about the perceived Soviet ability, through its bases in Vietnam, to cut off the oil life-line to the US's East Asia allies, particularly South Korea and Japan, in times of war. But, recognising that it no longer had the resources to go it alone, Admiral William Crowe, then Commander-in-Chief of US forces in the Pacific, stated bluntly that "the time has passed when the US can go it alone in Asia...or in any other sector of the globe."¹⁴

2.3 The Philippines Basing Issue: Resolution and Consequences

As ASEAN reached the end of the 1980s and entered the 1990s, new challenges emerged due to further changes in the geostrategic environment. The end of the Cold War around 1989 and the demise of communism in the former USSR had a major collateral impact on Southeast Asia, particularly on the ASEAN states. These developments changed the geostrategic environment in Asia and the situation has become one of uncertainty and complexity. The end of bipolarity, which had existed for over four decades since the end of World War Two, the relative decline in the economic power, and the consequent reduction in the military presence and influence

¹² This consisted of adding a new aircraft carrier, a battleship, and three guided missile cruisers to its Pacific Fleet. See "Vietnam Boosts Soviet Reach in the Pacific," in Backgrounder (United States Information Service), 18 August 1984, p.2.

¹³ George Shultz, op. cit., p.5.

¹⁴ Backgrounder, op. cit., p.3.

of the two former superpowers has resulted in a transformation from bipolarity to some as yet undefined form of multipolarity in the international system.¹⁵

The development of ASEAN cooperative regionalism could be said to be a reaction to the process of continued US retrenchment from the region since the 1970s. This process culminated in the withdrawal of the US from its bases in the Philippines in 1992. This took place amidst evidence of a new assertiveness on the part of rising regional Great Powers such as China, India and Japan.

By the late 1980s, Philippine nationalists had targetted the US bases in the Philippines; they were critical of what they perceived to be an inferior neo-colonial relationship that the Philippines had with the US. Moreover, Filipino nationalists felt that they had been drawn against their will into the bipolar stand-off between the Soviet Union and the United States, and that the bases attracted attack by the Soviet Union's nuclear missiles. In 1988, a review of the 1947 Military Bases Agreement resulted in increased US compensation for the use of the bases pending resolution of the issue in 1991 when the agreement expired.¹⁶

With its huge repair capabilities, Subic Bay was an important but not irreplaceable basing facility enabling the US to project its capability in the region and beyond. But the strength of the anti-bases coalition was such that the US decided it was not worth the effort nor the huge compensation demanded by the Philippines to remain. In 1991-1992, the US simply packed up and left, relocating its forward defence forces to Guam, Hawaii and other bases outside of Southeast Asia. The only military presence in the region would be the rotation of air force units through Paya Lebar Airbase in Singapore, and about 200 naval logistics personnel stationed in that country under an agreement in 1990 which granted access to naval facilities to the US Seventh Fleet.¹⁷ The apprehension over the loss of US protection was to lead to both Malaysia and

¹⁵ J Mohan Malik, "Patterns of Conflict and the Security Environment in the Asia-Pacific Region: The Post-Cold War Era," in J Mohan Malik (ed), ASEAN Defence Policies: Great Powers and Regional Powers (Geelong: Deakin University Press, 1992), p.33.

¹⁶ William Tow, *op. cit.*, p.318.

¹⁷ Mike Fonte, "A Shot Across the Bow", Far Eastern Economic Review, 19 July 1990, pp. 10-11.

Indonesia, despite initial reservations, ZOPFAN and neutralist rhetoric, to offer repair facilities to the US. Malaysia's Defence Minister, Najib Tun Razak, publicly stated that "the US should remain committed to the region" and that "Malaysia welcomes her presence."¹⁸ Indeed, Najib later promised to enhance military relations with the US.¹⁹

While the gradual dispersal and decline of US forward defence assets in the region was inevitable in an era of declining military budgets, there were negative political consequences in terms of the loss of a sense of security on the part of many states in the Asia-Pacific. The increasing isolationist sentiment in the US in the face of domestic economic and social problems coincided with perceptions of the lack of a clear enemy in the Asia-Pacific region following the end of the Cold War. This was confirmed by the ascendancy in Russia of democratic forces under Yeltsin and the virtual breakdown of the former Soviet Far East naval and other military forces. As the US has always been seen by the majority of states, especially non-communist ones in the Asia-Pacific region, to be the bulwark of stability and economic growth, not to mention a restraining influence on would-be regional powers, indications of a growing lack of US interest in the region were perceived as worrying. There were concerns that the resulting power vacuum might be filled by regional powers keen to pursue their own national interests. Moreover, these powers might not behave in the benign fashion that the US had in its status-quo oriented presence in the region.

Smaller states like Singapore, for instance, have a particularly strong interest in the continued military presence of the US as a counterweight to potentially unfriendly neighbours or aspiring regional powers. Indeed, Singapore's offer to the US (since accepted) of increased access to its base facilities in 1990 is an indication of the efforts by various states in the Asia-Pacific region (including South Korea, Australia and Thailand) to keep the US engaged militarily in the region.²⁰ The rest of ASEAN, hitherto wary of superpower involvement and officially supportive of the Zone of Peace, Freedom and Neutrality (ZOPFAN), for the first time openly called on the US

¹⁸ Asian Defence Journal, December 1991, pp.112-113, and August 1992, p.90.

¹⁹ RTM Television (Kuala Lumpur, in Malay), 1200 GMT 20 March 1995, in BBC/SWB FE/2263 B/11 (31), 28 March 1995.

²⁰ J Mohan Malik, op. cit., p. 35.

to maintain a comforting military presence in the region when their foreign ministers met in July 1992 in Manila.²¹ Indeed, Singapore's Brigadier-General Lee Hsien Loong spoke for the entire ASEAN community when he declared that "a persuasive US presence in Southeast Asia is needed to avoid a power vacuum that others will scramble to fill."²² In the same vein, Singapore's Deputy Prime Minister, Dr Tony Tan, stated that:

the US military presence has made a crucial contribution to the maintenance of peace and stability in the region, and many countries here recognise that the US is the best suited to continue to play the balancing role in the region. A cutback in the US presence in the region would lead to others trying to fill the vacuum and give rise to instability. The restraining presence of the US, on the other hand, means that everybody can continue to focus their energies on peaceful economic development and cooperation, instead of being distracted by any regional imbalance and rivalry.²³

2.4 The Rise of New Regional Powers

The rise of new regional powers in the post-Cold War era has become a matter of intense academic interest. Leszek Buzynski, J Mohan Malik, William Tow and others have identified these aspiring regional powers as India, China and Japan. Buzynski contends that "the effect of superpower decline would provide opportunities for Asian Great Powers as well as middle powers to realise their ambitions in this respect with uncertain consequences for the smaller states."²⁴ In June 1991, Singapore's Prime Minister Goh Chok Tong put the commonly articulated view succinctly when he said that as the (then) Soviet Union turned inward and the US reduced its military

²¹ "ASEAN: Facing up to Security," Far Eastern Economic Review, 6 August 1992, p. 8.

²² Singapore Bulletin, April 1990, p.1.

²³ Interview with Dr Tony Tan, as reported in Asian Defence Journal, February 1996, p.15.

²⁴ Leszek Buzynski, "Declining Superpowers: The Impact on ASEAN" in The Pacific Review, vol. 3, no. 3, p.258. Supporting this generally pessimistic view are the majority of security analysts. An example is Jusuf Wanandi, who states emphatically that "any vacuum created by the withdrawal of one power will be filled by other Great Powers." See Jusuf Wanandi, "ASEAN Security Co-operation in the Post-Cold War Era," in KS Sandhu (ed), The ASEAN Reader (Singapore: Institute of Southeast Asian Studies, 1992), p.417. There is, however, a dissenting view, best exemplified by Amitav Acharya's comment that "the end of superpower rivalry...(has) created a favourable climate for long-term domestic stability and regional security in the Third World." See Amitav Acharya, Third World Conflicts and International Order After the Cold War (Working Paper No. 134, Peace Research Centre, Australian National University, Canberra), p.16. It is hard to agree with Acharya, given the conflicts in the ex-Soviet Union, the Bosnian crisis, the continuing instability in Afghanistan, the standoff in Kashmir and the tensions in the Korean peninsula, among other signs of instability and conflict.

significance in the region, Japan, China and India showed signs of "wanting to play a more assertive role."²⁵ Indonesian Armed Forces Commander, General Feisal Tanjung, also cited all three as newly emergent military powers that had to be carefully watched.²⁶

Whilst these three powers have been identified by many analysts as those that could step into the vacuum in the 1990s and the early part of the twenty-first century, the fear of larger neighbours or regional powers dominating Southeast Asia has been an enduring theme since the 1960s, when Indonesia under Sukarno and in alliance with the USSR, attempted to impose its domination on the region. In the 1970s, the US military disengagement from the region raised fears of China stepping into the vacuum. In fact, according to Dahl, one could regard ASEAN as "a collective expression of the determination of the members not to be included in a distinctly Chinese sphere of influence."²⁷ The end of the Cold War after 1989 led to renewed calls for a continued US presence. In 1994, for instance, a high-ranking Singapore official stated that the key to regional stability was a continued US military presence, arguing that "such a presence...would mitigate fears Japan and China have of each other and act as a dampening influence should either seek to flex its muscles against smaller neighbours."²⁸

3. The Challenge of China

3.1 The Emergence of China as a Regional Great Power

In Southeast Asia, China has, due to geographical propinquity, historical links, strategic interests, and increasing economic interdependence, been an important factor affecting the security policies of all the states in the region. It is essential to examine

²⁵ Quoted in Michael Richardson, "US Plans for Pacific Partnership," Asia-Pacific Defence Reporter, June 1991, p.15.

²⁶ Antara News Agency (Jakarta, in Indonesian), 1144 GMT 20 November 1995, in BBC/SWB FE/2467 B/3 (10), 22 November 1995.

²⁷ Arnfinn Jorgensen-Dahl, Regional Order in Southeast Asia (London: Macmillan, 1982), p.238.

²⁸ Minister of State for Finance and Defence, Rear-Admiral Teo Chee Hean, in his address at the Kuala Lumpur Forum on "Future Generations: Emerging Thoughts and Philosophy of an Asian Century," cited in Straits Times, 5 August 1994.

the nature of China's challenge to the region and assess the problems and prospects of the ASEAN states in managing this emerging regional Great Power.

What makes the discussion of China as a regional Great Power qualitatively different after 1975 has been China's astonishing economic growth since Deng's Open Door policy and the Four Modernisations began in the late 1970s. Analysts believe that with its comparatively higher economic growth rate and the sheer size of its economy, China seems likely to surpass both Japan and the United States in aggregate economic terms by the second decade of the twenty-first century.²⁹ The significance of this was succinctly summed up by Singapore's Deputy Prime Minister who noted that "the question is how China will behave as it grows stronger economically and militarily."³⁰ As Paul Dibb has also noted:

China is the one power with the potential to contend with the United States for leadership in the twenty-first century. An economically powerful China will introduce a new balance of forces onto the Asian scene.³¹

Indeed, China increasingly has the economic resources to improve her conventional military and nuclear capabilities, so long as it can maintain domestic stability and sustain its rapid economic development. Its developing foreign trade is leading Chinese strategists to view China as a maritime nation as well as a continental power. More significantly, its developing military, particularly its naval capabilities, has coincided with the retrenchment of the superpowers from the region in the post-Cold War era, and has given China greater confidence as well as a new pride and assertiveness, particularly in regard to its claims over territories in disputed areas such as the Spratleys in the South China Sea.³²

Moreover, China is a dissatisfied power, having disputed territorial claims with several of its neighbours, such as India, Vietnam and Japan. China has also been ambivalent

²⁹ Harry Harding, "A Chinese Colossus?" in *The Journal of Strategic Studies*, vol. 18, no. 3, September 1995, p.106.

³⁰ Cited in *The Australian*, 9 February 1996, p.9.

³¹ Paul Dibb, *Towards a New Balance of Power in Asia* (Adelphi Papers 295, International Institute of Strategic Studies, London, 1995), p.27.

³² See "China: The New Nationalism," in *Far Eastern Economic Review*, 9 November 1995, pp. 20-26.

about the efficacy of multilateralism, given its own unhappy experience with foreign powers before 1949. Indeed, analysts have observed that China not only seeks a greater role in world affairs, but also does not fully accept the legitimacy of the present international order.³³

China is in direct conflict with at least four Southeast Asian states, namely Vietnam, Malaysia, Brunei and the Philippines, over the potentially oil-rich Spratley Islands. In addition, China has had a long history of attempting to exercise dominance over the region, not to mention its sponsorship in the 1950s to the 1970s of communist insurgencies. That there are millions of ethnic Chinese throughout the region, often holding great economic power compared to the indigenous peoples, is another complicating factor. These facts contribute to the perception that China could well be the main security threat emanating from outside of Southeast Asia. Moreover, China has demonstrated a disturbing propensity to use force to resolve bilateral territorial disputes, as it did in its dispute with India in 1962, the Paracels in 1974, and in 1988, when a naval shooting war broke out between China and Vietnam.³⁴

Indeed, states in the region, to varying degrees, regard China as a threat to their security. Indonesia broke off ties with China in 1967, after the failure of the communist coup. As Michael Leifer observed, relations were frozen until 1990, due to opposition from the Ministry of Defence and Security, which viewed diplomatic relations as "an unnecessary risk in the light of previous experience."³⁵ Malaysia, having also suffered from a stubborn Chinese-supported communist insurgency for much of the post-1945 period, not surprisingly regarded China as the greatest regional security threat. In 1965, for instance, Malaysian Permanent Secretary Ghazalie Shafie, stated that:

³³ See for instance, Harry Harding, *op. cit.*, p.105.

³⁴ In that incident, 76 sailors were killed when 3 Vietnamese vessels were sunk by the People's Liberation Navy. See *Bangkok Post*, 7 April 1988.

³⁵ Micheal Leifer, *Indonesia's Foreign Policy* (London: Allen and Unwin, 1988), p.127.

Chinese aggression in Korea, the rape of Tibet, the invasion of India...all provide eloquent testimony of a power bent on expansionism in Asia.³⁶

Paul Godwin has argued that China indeed wants to establish itself as the pre-eminent power in the region although it simultaneously wants to forge closer working relationships with the ASEAN states.³⁷ Indeed, it proved a particularly useful ally to the ASEAN states in the aftermath of the Vietnamese invasion of Kampuchea in 1978. China established a strategic alliance relationship with Thailand and sold large quantities of weapon systems at "friendship prices" to help bolster Thailand's defence. In international fora, China also supported ASEAN's stand on Kampuchea. Throughout the 1980s, China continued to provide support, albeit only moral, to the communist insurgencies in the region, on the grounds that these parties would otherwise turn to Vietnam and the Soviet Union. While helpful, this policy also functioned as pressure on the ASEAN states to ensure that they did not take actions inimical to China's interests.

Michael Yahuda has argued that China regards the emergence of the Asia-Pacific, with its sustained progress, as an important factor in the country's economic development. Moreover, since Soviet-US reconciliation has marginalised China in world politics by effectively removing the need for a balancer in the Great Power triad of China, the US and the Soviet Union, China has thus paid more attention to regional politics. The actions of the Chinese leadership since 1975 has suggested as well that China sees regional stability and economic development as vital to China's interests.³⁸ Similarly, according to Mohan Malik, China's attitude of cooperation stems as much from its increased dependence on the international economy as on its diminished bargaining strength following the breakdown of the US-PRC-Soviet Union strategic triangle.³⁹ Eager to regain international acceptance after the Tiananmen massacre in June 1989,

³⁶ Speech given at the Ipoh Rotary Club, 28 October 1965, in Siaran Akhbar, 10/65/443, as cited in J N Mak, "The Chinese Navy and the South China Sea: A Malaysian Assessment," in The Pacific Review, vol. 4, no. 2, 1991, p.151.

³⁷ Paul H B Godwin, "China's Asian Policy," in Sheldon Simon (ed), East Asian Security in the Post-Cold War Era (New York: Sharpe, 1993), p.133.

³⁸ Michael Yahuda, "China and Regional Security," in T B Millar and James Walter, Asia-Pacific Security After the Cold War, (Canberra: Australian National University/Allen and Unwin, 1993), p.41.

³⁹ J Mohan Malik, op cit., p.43.

China undertook to cut off arms supplies to the Khmer Rouge, supported the United Nations Security Council resolution to resolve the conflict in Kampuchea, and also cooperated with Western states in the UN Security Council over the Gulf War.

Qiao Shi, Chairman of the Standing Committee of the National People's Congress, said as much when he declared in a visit to Jakarta in 1993 that China needed a peaceful and stable international and regional environment "to achieve faster economic growth."⁴⁰ President Jiang Zemin, in his meeting with Singapore Prime Minister Goh Chok Tong in April 1993, alluded to the "so-called China threat" and stated that those who spread such a view had "ulterior motives," declaring that "China is a country which cherishes peace and will never seek hegemony."⁴¹ In the same vein, General Liu Huaqing, China's top-ranking military official, in a visit to Bangkok in January 1994, tried to reassure ASEAN about China's military modernisation by declaring that it was merely aimed at self-defence.⁴²

3.2 China and the South China Sea Dispute

The economic imperative and predilection towards stability has existed uneasily with nationalistic stubbornness in claiming sovereignty over the entire Paracel and Spratley Island groups in the South China Sea. China's claim is based on historical contact and use for fishing since the fourteenth century, and has been consistently restated since an 1887 treaty with France.⁴³

The potentially oil-rich Spratley Island group is claimed by Vietnam, China and Taiwan while Malaysia, Brunei and the Philippines claim parts of it. Vietnam maintains its claim to sovereignty through its occupation of some 21 islands, and has refused to acknowledge Chinese sovereignty over the Paracels, which China seized

⁴⁰ Xinhua News Agency Editorial Report (in English) 0118 GMT, 20 July 1993, in BBC/SWB, FE/1748 A2/1, (1), 23 July 1993.

⁴¹ Xinhua News Agency (in English), 0912 GMT, 21 April 1993, in BBC/SWB FE/1669 A1/7 (16), 22 April 1993.

⁴² Xinhua News Agency Editorial Report (in English) 0924 GMT, 6 January 1994, in BBC/SWB, FE/1890 B/4 (8), 8 January 1994.

⁴³ Far Eastern Economic Review, 13 August 1992, p.18.

from Vietnam in two stages in 1950 and 1974. The Philippines occupies 8 islands of the Kalayaan group off Palawan, and Taiwan has occupied Itu Aba, the largest island amongst the Spratleys, since 1956.⁴⁴ Malaysia has occupied 3 coral reefs off Sarawak and has stationed commandos to protect its claim. Brunei has claimed Terumbu Layang-Layang since 1984. In 1987, China began to assert its territorial claims through naval exercises, surveys and reconnaissance activities. In 1988, China built a maritime observation station on Yongsau Island and stationed troops on 8 islands, as well as built a further 2 military bases on 2 reefs.⁴⁵ At the nearby Paracels, China established an air base in 1990 capable of operating 30-40 fighter aircraft.⁴⁶ All the claimants except Brunei have stationed troops in the Spratleys, making for a potentially explosive situation.⁴⁷

China has demonstrated that it is prepared to use military means to enforce its claim. In 1974, it seized the Paracels from the then South Vietnamese regime, and in 1988, it sank three Vietnamese naval vessels in a clash over the disputed area. These incidents alerted the ASEAN states to the potential for a conflict which could easily embroil several of them with claims in the area. What makes the whole area so important to the various claimants is its potential as a source of oil. In addition, the Spratleys are seen as potentially useful for sea-lane defence, interdiction, surveillance and as a base for land attacks: 90% of Japan's oil passes through these islands. Japan's national security interests are thus also indirectly involved.⁴⁸ Any Chinese domination of the South China Sea would mean the ability to exert political pressure throughout the region.

⁴⁴ Taiwan has also built an airbase to strengthen and defend its claims to the area. See Central Broadcasting System (Taipei, Taiwan) in Mandarin, BBC/SWB, FE/1762i (3) and FE/1733 A2/3 (8), 21 August 1993.

⁴⁵ Straits Times, 13 June 1988, 8 April 1988.

⁴⁶ Straits Times, 18 October 1994.

⁴⁷ This is a fact which Malaysia appears to be fully aware; therein lies a probable impetus to Malaysia's maritime defence build-up in the 1990s. See "The Challenge for Post-Cold War Armed Forces," (Paper delivered at the Defence Services Asia 1992 Exhibition and Conference), in Asian Defence Journal, July 1992, p.27.

⁴⁸ "The Southern Islands: Dangerous Ground in the South China Sea," The Pacific Review, vol. 1, no.4, 1988, p.439.

China's potential for military intervention and political domination has been growing as a consequence of its economic success since 1978. Analysts are generally agreed that China has been increasing its military expenditure sharply in real terms since 1989, even allowing for inflation. Indeed, there is also general agreement that the actual military expenditure is much higher than revealed by China's military budget. For instance, the respected International Institute for Strategic Studies estimated that China spent over US\$28 billion on defence in 1994, nearly four times the official figure.⁴⁹

Analysts have also noticed that China has paid special emphasis on developing a blue-water navy and long-range power projection capabilities. In 1986, China's naval air force long-range bombers conducted exercises in the Pacific for the first time.⁵⁰ China's Navy has also been evaluating the feasibility of acquiring aircraft carriers and has shown particular interest in light carrier designs similar to the British "Invincible" class with a displacement of 20-40,000 tonnes. Indeed, China is also reported to be evaluating the purchase of Spanish aircraft carriers in the 20,000-tonne range.⁵¹ In addition, France has also offered to give China its aircraft carrier, the *Clemenceau*, once it is decommissioned in 1997, provided French companies are given contracts to upgrade the carrier's capabilities.⁵²

Despite its lack of advanced technology, the Chinese navy is one of the world's largest and certainly possesses the largest resident naval capability in the South China Sea. In 1996, the Chinese Navy possessed 63 submarines, 18 destroyers, 36 frigates, 185 missile craft and some 150 torpedo-armed attack vessels.⁵³

⁴⁹ See "China's Military Expenditure," in *The Military Balance, 1995-1996* (London: International Institute of Strategic Studies, 1995), pp. 270-275.

⁵⁰ Harry G. Gelber, "China's New Uncertainties: Security Prospects," in *The Pacific Review*, vol. 3, no.1, 1990, p. 74.

⁵¹ *Straits Times*, 18 April 1996.

⁵² *Far Eastern Economic Review*, 10 October 1996.

⁵³ *The Military Balance 1996-1997* (London: International Institute of Strategic Studies, 1996), p.180.

In 1992, China took delivery of 26 sophisticated Su27 jetfighter aircraft from Russia and subsequently negotiated for more.⁵⁴ The Su27, together with air-to-air refuelling technology acquired from Israel, has provided China with crucial air cover that has improved its capacity to contest control of the Spratleys. In addition, China has been building an amphibious assault capability in its South Sea Fleet.⁵⁵ In 1988, China held large-scale exercises in the area, demonstrating its ability to deploy some 30,000 troops within 30 hours.⁵⁶ Thus, China now has a real military presence in the South China Sea, something it did not have in the past when it indirectly threatened the nations of Southeast Asia with communist insurgencies. Chinese analysts have themselves acknowledged that the build-up of the Chinese navy is meant to meet what is generally regarded in China as China's most likely form of engagement in the near future - armed conflict over the Spratleys.⁵⁷

The military build-up, particularly China's development of a long-range military capability, has not surprisingly alarmed the ASEAN states, particularly those which have always viewed China as their main long-term threat, namely Malaysia and Indonesia. Malaysian analyst B A Hamzah voiced the fears of both countries in his comment that China's ultimate strategic objective is to "convert the entire South China Sea into a Chinese lake," with all the attendant consequences for regional stability that this would bring.⁵⁸ Similarly, Amitav Acharya warned that China's military assertiveness, military modernisation and strong economic growth could result in a new era of great power rivalry in Southeast Asia.⁵⁹

⁵⁴ See SIPRI Yearbook 1995 (Oxford: Oxford University Press, 1995), p.518.

⁵⁵ China's introduction of two new vessel classes of resupply ships and amphibious assault ships have been described by analysts as evidence of China's determination to develop the bluewater long-range power projection capabilities of its navy. See "China's New Navy Takes Shape," in Jane's Defence Weekly, 6 June 1992, p.958.

⁵⁶ Bradley Hahn, "China's Big Amphibious Strides," Pacific Defence Reporter, April 1988, pp.29-30. See also "Naval Build-up to Continue Unabated," Asian Defence Journal, March 1992, p. 48.

⁵⁷ You Ji and You Xu, "In Search of Blue Water Power: The People's Liberation Navy's Maritime Strategy in the 1990s," The Pacific Review, vol. 4, no. 2, 1991, p. 146. See also "The Right Stuff," Far Eastern Economic Review, 20 October 1994, p. 15.

⁵⁸ Cited in "Naval Build-up to Continue Unabated," Asian Defence Journal, March 1992, p.48.

⁵⁹ Business Times (Singapore), 25 February 1994.

According to J N Mak, China regards the South China Sea as crucial because surveys indicate the presence there of considerable reserves of oil and gas⁶⁰ Analysts generally agree that one of the most important reasons for China's determination to enforce its claims in the area is its surging domestic demand for fuel; its domestic production is stagnant and it could be a net importer of oil in the near future.⁶¹

It came as no surprise, therefore, when China passed a "Law on Territorial Waters" in April 1992, asserting its claims to the South China Sea. This law explicitly reserved for China the right to use military force to enforce its claims in the area.⁶² In the same year, China awarded Crestone, an American oil company, a contract to drill exploratory wells in an area Vietnam considered part of its continental shelf, while promising naval protection.⁶³ In retaliation, Vietnam awarded, in April 1994, an exploratory concession to Mobil inside China's claim.⁶⁴ In May 1994, there were heightened tensions as China increased its naval presence in the Spratleys, and proceeded to blockade Vietnam's oil-prospecting facilities.⁶⁵

In May 1994, China's Agricultural Ministry warned that the Spratleys was a "traditional fishing ground" for China and that it was important to "safeguard the rights of Chinese fishermen in the area."⁶⁶ Underlying such official views is the deeply-held Chinese belief that it is a matter of recovering lost territory, not a participation in any scramble for the Spratleys.⁶⁷

⁶⁰ J N Mak, "The Chinese Navy and the South China Sea: A Malaysian Assessment," in The Pacific Review, vol.4, no.2, 1991, p.157.

⁶¹ Michael Richardson, "Watchful Eyes on China's Maritime Development," in Asia-Pacific Defence Reporter, June-July 1994, p. 27. According to an internal Chinese government document, the South China Sea is considered to be vital as "survival space" or "living space" for China's economic growth and population, as it is believed to be rich in oil and natural gas. See Far Eastern Economic Review, 13 August 1992, p.14.

⁶² Far Eastern Economic Review, 12 March 1992.

⁶³ Straits Times, 11 May 1994.

⁶⁴ "Trouble Inside Oily Waters," The Economist, 23 July 1994, p.25.

⁶⁵ Central Broadcasting System (Taipei, Taiwan in Mandarin), 2300 GMT 21 July 1994, in BBC/SWB FE/2055 B/2 (6), 23 July 1994.

⁶⁶ "Gunboat Diplomacy," Far Eastern Economic Review, 16 June 1994, pp.22-24.

⁶⁷ Chen Jie, "Major Concerns in China's ASEAN Policy," in Chandran Jeshurun (ed), China, India, Japan and the Security of Southeast Asia (Singapore: Institute of Southeast Asia, 1993), p.154.

The territorial dispute in the South China Sea has emerged as the single most likely factor that could trigger off armed conflict involving China. While the issue had festered in the 1970s and 1980s, there was then the stabilising presence of US naval patrols from Subic Bay. Moreover, China had then needed ASEAN's support in opposing what it saw as Soviet encirclement through Vietnam's invasion and occupation of Kampuchea. However, in the post-Cold War and post-Subic era, and in the context of a modernising and increasingly nationalistic China, the issue has become a central concern for the region.

Thus, the ASEAN states issued a formal ASEAN Declaration on the South China Sea at the 1992 ASEAN Ministerial Meeting in Manila. It emphasised the need to solve all sovereignty and jurisdictional issues in the South China Sea by peaceful means, without any resort to violence.⁶⁸ The ASEAN states wanted to use multilateral fora such as the ASEAN Regional Forum to engage China and was hopeful too at support in the matter from other interested extra-regional powers.

However, China has been less than conciliatory. Its assertiveness was demonstrated by its attitude to the first ASEAN Regional Forum in July 1994. In line with China's policy of bilateral negotiations, China refused to endorse multilateralism as a means of resolving the issue of overlapping claims in the South China Sea.⁶⁹ The ASEAN response was to avoid criticising China and to bow to strategic realities by accommodating it. Steering clear of China's legal basis of its sovereignty claim, the ASEAN states focused on non-controversial topics such as air-sea rescue and confidence-building measures. The weakness of ASEAN was illustrated by the comments of the Philippine Under-Secretary of Foreign Affairs, Rudolfo Severino, who lamented that:

they (China) have never really defined the regime under which they claim the waters. All they say is that "we have sovereignty over the entire area." Of

⁶⁸ ASEAN Declaration on the South China Sea (Manila: Joint Communique of the Twenty-Fifth ASEAN Ministerial Meeting, 22 July 1992). See also ASEAN Documents Series, 1992-1994 (Jakarta: ASEAN Secretariat, 1994), p.90.

⁶⁹ See "China Insists on Bilateral Talks to End Spratleys Dispute," Business Times (Singapore), 22 July 1994.

course if you consult the Law of the Sea, that is nonsense. But China is a military power.⁷⁰

Despite the apparent solidarity expressed through the 1992 ASEAN Declaration on the South China Sea, there have been differences among the ASEAN states on the question of China. While Indonesia and Vietnam prefer multilateral forums and structures where China could be confronted by a united bloc of Southeast Asian states, others such as Malaysia and Thailand are reluctant to be drawn into any such confrontation. Malaysia felt that it could accommodate China through bilateral co-operation by offering significant inducements in the form of trade and investments.⁷¹ Thailand, as a non-claimant and traditionally nervous about a militarily-powerful Vietnam, has no reason to offend China but in fact prefers a strategic alliance with China to counter Vietnam.⁷²

China proceeded to raise the stakes with its occupation in early 1995 of the aptly-named Mischief Reef in the Spratleys. This territory was claimed by the Philippines and marked the first time that China has actually seized territory from an ASEAN state. The move demonstrated the powerlessness of the ASEAN states to jointly oppose unilateral military moves by China in the Spratleys.⁷³

This action sparked a crisis with the Philippines. In a blatant move to assert sovereignty over the area, Chinese ships erected a number of structures above the reef, claiming that they were meant for the safety of Chinese fishermen. In response to protests, five of the original seven ships soon withdrew in February 1995.⁷⁴ Dissatisfied with this, the Philippines sent troops into the area, with President Ramos stating categorically that intruders should "depart and leave us at peace."⁷⁵ On 23 March 1995, the Philippine military announced that it had destroyed Chinese markers

⁷⁰ "Divide and Rule," Far Eastern Economic Review, 11 August 1994, p.18.

⁷¹ Ibid.

⁷² J N Mak, op cit., p.159. This strategic alliance has seen Thailand purchase large numbers of tanks and naval vessels from China. See Asian Defence Journal, October 1990, p.109.

⁷³ See "Territorial Imperative," Far Eastern Economic Review, 23 February 1995, pp.14-16.

⁷⁴ RTHK 4 Radio, (Hong Kong, in English), 12 February 1995, in BBC/SWB FE/2226 B/8 (26), 13 February 1995.

⁷⁵ Business Times (Singapore), 16 February 1995, and Straits Times, 20 February 1995.

installed on some of the disputed islands, thus raising the stakes in the dispute.⁷⁶ In addition, the Philippine navy also detained Chinese vessels in the area.⁷⁷ In an attempt to garner international support, President Ramos declared that "this is not just a bilateral concern of the Philippines but a multilateral concern of all claimants and parties interested in the stability of the South China Sea and the East Asian region as a whole."⁷⁸ He also called on the international community to condemn China for its fishing activities in the area, which he claimed had harmed the environment.⁷⁹

The ASEAN Foreign Ministers, meeting in Singapore in March 1995, expressed their concern over the heightened tensions arising from the Chinese action at Mischief Reef, and urged all claimant states to resolve the issue peacefully.⁸⁰ However, if Ramos had been hoping for something more concrete than expressions of support, he was to be disappointed. Malaysia publicly stated that it would stay clear of the conflict between China and the Philippines.⁸¹ To add insult to injury, Malaysian Defence Minister Najib Tun Razak declared that the whole matter "could just be a case of fishing boats looking for richer fishing areas."⁸² On its part, having picked on the militarily weakest ASEAN state to make its point that it was claiming sovereignty over the whole of the Spratleys, China did not retaliate against the Philippine action. In July 1995, sensing the weakness of the Philippine position, a weakness compounded by the parlous state of its air and naval forces, Ramos stated that force would not be used to eject Chinese troops from the disputed islands.⁸³

This episode demonstrated that some of the ASEAN states, such as Malaysia, had arrived at the only logical conclusion - accommodation. Prime Minister Mahathir stated that Malaysia preferred "to see China as a friend and partner in the pursuit of

⁷⁶ ABC-DWET Television (Quezon City, in Tagalog), 1000 GMT 23 March 1995, in BBC/SWB FE/2261 B/3 (10), 25 March 1995.

⁷⁷ Straits Times, 26 March 1995.

⁷⁸ People's Television 4 (Quezon City, in English), 0711 GMT 8 February 1995, in BBC/SWB FE/2223 B/2 (1), 9 February 1995.

⁷⁹ Straits Times, 30 March 1995.

⁸⁰ "ASEAN Issues Statement on South China Sea," in ASEAN Update, May 1995, p.3.

⁸¹ "KL Plans to Steer Clear of Beijing-Manila Dispute," Straits Times, 20 February 1995.

⁸² Straits Times, 4 April 1996.

⁸³ GMA-7 Television (Quezon City, in Tagalog), 2230 GMT 16 July 1995, in BBC/SWB FE/2358 B/1 (2), 18 July 1995.

peace and prosperity," adding that "to perceive China as a threat and to fashion our security order around this premise would not only be wrong policy, but it would also be a bad and dangerous one."⁸⁴ Referring to the huge economic opportunities that China offered, as well as its past support for communist insurgency in the region, Mahathir stated that "we can no longer regard China as a threat...we cannot allow the past to determine our future forever."⁸⁵ Mahathir even claimed that US naval fleets in the region were "a waste of money" as there was nothing to fear from China.⁸⁶ Mahathir further declared that the Spratleys issue would not be allowed to undermine the "excellent relationship" between the two countries.⁸⁷ Underlying this policy of accommodation are the tangible benefits of trade and investment that Malaysia could offer as a form of appeasement towards China. Indeed, Mahathir was to explain in Tokyo in May 1995 that Malaysia wanted "amiable" ties with China, as it is due to emerge as a major power, "regardless of whether we wish it or not."⁸⁸

Thailand was careful to preserve its strategic relationship with China as a hedge against its traditional enemy, Vietnam, notwithstanding the latter's entry into ASEAN, and as a means of balancing the other regional powers such as India and Japan. In addition, like Malaysia, Thailand realised that the growing military and economic might of China could not be ignored.⁸⁹ Similarly, Singapore has developed excellent political and economic relations with China, seeing in that country vast opportunities for its objective of developing an offshore economy.

⁸⁴ Voice of Malaysia External Service (Kuala Lumpur, in English), 0600 GMT 23 January 1995, in BBC/SWB FE/2211 B/4, 26 January 1995. See also "Malaysia Charts China Course," Far Eastern Economic Review, 23 February 1995, p.32.

⁸⁵ Straits Times, 24 January 1995.

⁸⁶ The Star, 23 March 1994.

⁸⁷ Straits Times, 27 October 1995.

⁸⁸ Straits Times, 18 May 1995.

⁸⁹ "Taming the Dragon: Thailand Plays Court to the New Superpower, China," in Far Eastern Economic Review, 3 August 1995, p.21. Thai analysts have predicted the continuity of the "special relationship" with China. See Sukhumbhand Paribatra and Chookiat Panaspornprasit, "Great Power Military Presence in Southeast Asia in the 1990s: The China and Indochina Factors" (Discussion notes presented at the ASEAN-ISIS Workshop on Superpower Presence in Southeast Asia, Bangkok, 10-13 May 1990), p.3.

China's policy of "toughing it out" over the South China Sea issue reflects its growing nationalism as well as economic and military strength.⁹⁰ Moreover, it is not surprising that an emerging power such as China has been sceptical about the whole process of multilateral dialogue. This process might bring its disputes with its neighbours under international scrutiny and permit the rest to unite in strength against her, or result in CSBMs that might require greater transparency about its military modernisation programme. However, it is possible that China could eventually compromise, in view of its own requirement for stability to underpin economic development. This compromise could perhaps take the form of a joint development regime, something it hinted at in April 1994, although it is clear that it would not compromise over the crucial issue of sovereignty, and that it would have the final say on any such arrangement.⁹¹

The ability of the ASEAN states to manage China is limited by differences among them on how to respond to its challenge; they have not been able to present a united front, thus reducing ASEAN's ability to influence China's behaviour. Thailand's "special" relationship with China, Malaysia's policy of accommodation after 1989, Singapore's close political and economic relationship with it, and China's close relations with Myanmar, a future ASEAN member, have made it impossible for ASEAN to collectively confront China with any strength of conviction.⁹² With their own interests to protect, none of these states would want to get drawn into a confrontation with China over the Spratley Islands on behalf of other states such as the Philippines and Vietnam. This, together with China's increasing confidence due to its economic development and growing military capability since 1978, has meant that China can not only dictate its terms for any arrangement over the South China Sea, but is likely to also exert increasing influence over the region.

⁹⁰ Robert O'Neill, Security Challenges for Southeast Asia After the Cold War (Singapore: Institute of Southeast Asia Studies, 1992), p. 23

⁹¹ Straits Times, 1 April 1994. The idea of a joint development regime was persuasively argued by Mark Valencia, who believes that the only possible solution is a condominium involving common ownership and cooperative development. See Far Eastern Economic Review, 13 August 1992, p.20.

⁹² In fact, Myanmar's military leader, Senior General Than Shwe, has described China as Myanmar's "most trusted friend." See Xinhua News Agency (Beijing, in English), 0919 GMT 11 December 1995, in BBC/SWB FE/2484 B/5 (5), 12 December 1995.

4. The Challenge of India

4.1 India's Military Build-up and Rivalry with China

India has also attracted the attention of analysts, who believe that it could be a great power in the Southeast Asian region. Despite much poverty, India's size has enabled it to develop a sophisticated and technically-proficient defence industry. India has also been spending heavily on defence. Military expenditures rose from US\$7,727 million in 1986 to US\$8,708 million in 1995.⁹³ During the period from 1991 to 1995, India was the sixth largest recipient in the world of conventional weapon systems. Despite its own very large defence industry, it imported over US\$5,000 million in arms over that period.⁹⁴

What is significant has been the tremendous growth in India's conventional military capabilities, particularly its long-range power projection capabilities. India has paid particular attention to developing a blue-water naval capability.⁹⁵ In 1996, India already possessed 2 aircraft carriers, 5 destroyers, 19 frigates, 18 corvettes and some 19 submarines.⁹⁶ Despite reported financial constraints in maintaining the operational efficiency of its military capability, growing nationalism in India has been a factor in its determination to attain the status of a Great Power. Indeed, India's objective in this respect is demonstrated by its reported interest in leasing the 45,000-tonne Russian aircraft carrier, the *Gorshkov*, in order to maintain its carrier capabilities.⁹⁷

Providing the impetus for this vast military build-up has been India's strategic rivalry with China. China's border dispute with India resulted in actual armed conflict in 1962, a conflict China won easily. This event, together with the Chinese nuclear

⁹³ Measured in 1990 constant prices. See SIPRI Yearbook 1996 (Oxford:Oxford University Press, 1996), p.367.

⁹⁴ Ibid., p.466.

⁹⁵ Aabha Dixit, "Technological Leap for the Armed Forces," Asia-Pacific Defence Reporter, October-November 1994, p.13.

⁹⁶ The Military Balance 1996-1997, op. cit., p.160.

⁹⁷ See Aabha Dixit, "India's Military Hardware Troubles - Replenishment is a Short-Term Answer," in Asia-Pacific Defence Reporter 1996 Annual Reference Edition (Victoria: Asia-Pacific Defence Reporter 1996), pp.10-11.

explosion in 1964, had a cathartic effect on Indian defence policy. India realised the importance of a strong military capability and did not hesitate in subsequent years to use it as a means of protecting or extending its interests. Thus India intervened in Sri Lanka in 1987 and the Maldives in 1988, confirming India's readiness to use force to impose its will on the Indian sub-continent and adjoining areas.

The Pakistan-China strategic link in opposing India's domination of the Indian sub-continent boosted the importance of China in India's security calculations. Sandy Gordon has rightly pointed out that India's own nuclear ambitions are directed more at China than at Pakistan.⁹⁸ Both are natural competitors for Great Power influence and status in Asia, as both are the two largest countries in terms of population, and are economic competitors.⁹⁹ Given China's arms sales to Myanmar and Pakistan, both strategically important to India, it is little wonder that India has been watching China's growing military capabilities very carefully.

Indeed the influential Director of India's leading strategic think tank, Jasjit Singh, stated that:

...the appropriate and logical point of reference to define India's strategies would be in relation to the PRC... because China is placed in a geostrategic situation to provide the greatest challenge to the development of India as a global, Asian and regional power.¹⁰⁰

More seriously for Southeast Asia, India, like China, views the region as a natural sphere of influence. India has viewed the assertion of Chinese sovereignty over the South China Sea with concern, as it could be a prelude to the Chinese Navy deploying ships into the Indian Ocean. In response, India has planned to develop further its

⁹⁸ Sandy Gordon, India's Security Polity: Desire and Necessity in a Changing World (Working Paper No. 236, Strategic and Defence Studies Centre, Australian National University, Canberra, August 1991), p.7.

⁹⁹ Sandy Gordon, India's Strategic Posture: "Look East" or "Look West"? (Working Paper No. 225, Strategic and Defence Studies Centre, Australian National University, Canberra, January 1991), p.11.

¹⁰⁰ Jasjit Singh, "Indian Security: A Framework for National Strategy," Strategic Analysis, vol. 11, no. 8, November 1987, p.898. General Sundaraj, a retired Indian Chief of Army Staff, stated in perspective that "against Pakistan, our dissuasive capabilities are good...our major problem is going to be China." See India Today, 15 May 1988, p.39, as cited in Mohammed Ayoob, India and Southeast Asia: Indian Perceptions and Policies (London: Routledge, 1990), p.34.

military facilities on the Andaman and Nicobar Islands.¹⁰¹ There can be no doubt about India's determination, notwithstanding its domestic difficulties and economic problems, to eventually become a Great Power that can be respected; there is evidence for this in India's behaviour towards its South Asian neighbours, such as its open bullying of Nepal and Bhutan, its armed interventions in Sri Lanka and the Maldives, and its role in Bangladesh in 1971. In addition, key analysts, who influence the strategic debate in India, have called on the country to assume a more prominent role on the world stage, one that is commensurate with India's size. Providing further impetus is emerging Hindu nationalism and an increasingly self-reliant military bureaucratic complex.¹⁰²

4.2 India and Southeast Asia

According to Mohammed Ayoob, Southeast Asia is important to Indian foreign policy for the following reasons:

1. the nationalist leadership, that is, the first generation of India's post-independence leaders, had perceived the anti-colonial struggles in Southeast Asia as indivisible from their own struggle. Indonesia and Vietnam were therefore seen in a sympathetic light;
2. Indian policy-makers are convinced of the strategic importance of Southeast Asia, especially since the Japanese sweep through Southeast Asia and the battles in Burma during World War Two. Southeast Asia is seen to command the choke-points (that is, the Straits of Malacca) from which hostile naval forces could enter the Indian Ocean, especially the Bay of Bengal;

¹⁰¹ Sandy Gordon, India's Strategic Posture: "Look East" or "Look West," op. cit., p.11.

¹⁰² Bruce Vaughn, National Security and Defence Policy Formation and Decision-Making in India, (Working Papers No. 259, Strategic and Defence Studies Centre, Australian National University, Canberra, 1992), pp.16-18. Sandy Gordon has also noted the manner in which India's regional and world status as a power has been used as a form of competitive nationalism between political parties, especially the BJP and Congress. See Sandy Gordon, India's Security Policy: Desire and Necessity in a Changing World, op. cit., p. 10.

3. the emergence of China as a major power in Southeast Asia; and
4. the presence of a sizeable number of ethnic Indians in Southeast Asia.¹⁰³

India has thus traditionally attempted to cultivate good relations with the states of Southeast Asia, viewing the non-communist states as potential allies against China and communist expansionism.

However, India was ambivalent about the formation of ASEAN, something that can be attributed to the presence in the grouping of two of Pakistan's SEATO allies, Thailand and the Philippines. Moreover, relations with the US had been strained since the early days of the Cold War. In 1971, the normalisation of relations between the US and China was judged by India to have a negative impact on the Pakistan-India balance in the South Asian continent. India thus moved towards an alliance relationship with the Soviet Union in order to neutralise Chinese and US support for Pakistan, signing a Treaty of Peace, Friendship and Cooperation with the Soviet Union in August 1971. India's rapid military build-up with the assistance of the Soviet Union and its subsequent reluctance to openly criticise Soviet military intervention in Afghanistan were seen by ASEAN as evidence of India being pro-Soviet.

To compound the mutual suspicions in India-ASEAN ties, India recognised the Vietnamese-installed Heng Samrin regime in Kampuchea following Vietnam's invasion of that country in 1978. This open endorsement was a calculated move by Prime Minister Indira Gandhi and was motivated by *realpolitik*. In particular, Gandhi was alarmed by China's attack on Vietnam in 1979 and felt that Vietnam needed support in the face of Chinese aggression and expansionism. As John Garver noted:

Indira Gandhi was determined to establish India as the preeminent power in South Asia Gandhi realised that if India were to become the paramount power in South Asia it would have to prevent a Chinese advance into Southeast

¹⁰³ Mohammed Ayoob, India and Southeast Asia: Indian Perceptions and Policies (London: Routledge, 1990), pp.7-14.

Asia. From Gandhi's perspective, if Beijing succeeded in breaking Hanoi's will and in restoring its Khmer Rouge clients to power in Kampuchea, China would be in a much stronger position to contest Indian preeminence in South Asia.¹⁰⁴

On this, India was able to exploit divisions within ASEAN over threat perceptions with regard to China and Vietnam. Malaysia's and Indonesia's views on this have been discussed in Chapter 3, and it is sufficient to note here that Indonesia did not believe that Vietnam, nor its backer, the Soviet Union, posed a threat to the security of the region. In fact, Indonesia's then Foreign Minister Mochtar Kusumaatmadja stated that:

We feel that the Vietnamese no longer have the capability to destabilise. If they have difficulty in digesting Kampuchea, which after all is not so big a country, why should we worry so much?¹⁰⁵

However, as discussed in Chapter 3, despite the reservations on the part of Indonesia and Malaysia, ASEAN had to defer to the interests of its most threatened member, Thailand, not just to prevent an ASEAN split but also to demonstrate regional support in the hope of preventing Thailand from turning to China for support. Thus, ASEAN took a strong line in opposing the Heng Samrin regime, which forced India to reassess its position and attempt a more even-handed approach. At the Non-Aligned Movement's Foreign Ministers' Meeting in New Delhi in February 1981, India voted on a resolution calling for the withdrawal of foreign troops from Kampuchea and Afghanistan, thus indirectly criticising both Vietnamese and Soviet military interventions.

India's perception of a shared strategic interest with Indonesia and Vietnam, in that it felt that all three preferred a strong and stable Vietnam as a bulwark against Chinese expansionism into Southeast Asia, led it to embark on shuttle diplomacy in 1987 to act as a honest broker in the Kampuchean dispute. In July 1988, India used the banner of the Non-Aligned Movement to hold a meeting on Kampuchea at New Delhi, to which

¹⁰⁴ John Garver, "Chinese-Indian Rivalry in Indochina," in *Asian Survey*, vol.27, no.11, November 1987, pp.1207-1208.

¹⁰⁵ *New Straits Times*, 29 April 1986.

senior officials from Vietnam and Indonesia were brought to discuss the issue. However, this interference upset Indonesia, as it appeared to be an attempt to upstage Indonesia's own efforts at bringing together the various parties to the Kampuchean dispute to a meeting at Bogor at about the same time. Indonesia and the rest of the ASEAN states resented India's attempt to interfere with a regional issue and detract attention from the Bogor meeting.¹⁰⁶

Thus, the uneasiness in India-ASEAN relations continued throughout the 1980s. Despite a shared strategic outlook and generally cordial relations, Indonesia has remained suspicious over India's ultimate intentions. This has been heightened by India's military build-up, particularly its missile capabilities and naval forces, the proximity of India to Indonesia, the opening of new military facilities in 1985 on the Andaman and Nicobar Islands close to Sumatra and the reported plans in 1986 to construct a major naval base there.¹⁰⁷

The latter became the subject of Malaysian, Thai and Indonesian concerns. Then Malaysian Defence Minister Tengku Rithaudeen stated in response that "we would like to see an Indian assurance that it will not use force against neighbouring countries."¹⁰⁸

On its part, Thailand justified its acquisition of Chinese frigates and even proposed joint naval exercises with Japan reportedly with the Indian threat in mind.¹⁰⁹ Indeed, the abortive New Delhi meeting on the Kampuchean issue had clearly demonstrated Indonesia's resentment at being upstaged by India in the region. This means that any attempt by India to play a more assertive role in the region would be opposed by Indonesia.

¹⁰⁶ Mohammed Ayoob, *op. cit.*, pp.66-67.

¹⁰⁷ *Far Eastern Economic Review*, 15 May 1986, p.30. The plan was subsequently shelved due to cost. However, reports at this time indicated that there was a hint of Indonesian objection to it.

¹⁰⁸ Cited in *Pacific Defence Reporter*, February 1990, p.42.

¹⁰⁹ *Straits Times*, 9 May 1990.

The situation of uneasiness between India and ASEAN as a whole, however, changed with the end of the Cold War after 1989. The collapse of the Soviet Union in 1992 deprived India of superpower support. Moreover, the rapid economic growth in the ASEAN states, coupled with economic liberalisation in India, has made the ASEAN states important to India's future economic well-being. India has thus made serious efforts to woo the ASEAN states. Enhanced ties with the ASEAN states are also a step towards inclusion in the broader Asia-Pacific community and regional economic organisations such as APEC. Moreover, there is recognition of the need to counter China's increasing regional profile, particularly in the context of the superpower retrenchment from the region.

Growing concern over China has increased the importance of Southeast Asia, and has even sparked Indian interest in urging Japan to take a more active regional role to balance China.¹¹⁰ In addition, India has made attempts to woo the military regime in Myanmar in order to counter increased Chinese influence in that country.¹¹¹

On its part, the ASEAN states view India as a potentially useful ally, although they are certainly wary of its power. Better ties with a major regional power like India would increase its room for manoeuvring among the Great Powers. Moreover, although India still retains strong ties with Russia, particularly because of the need to maintain its Soviet-derived military capabilities, the ideological and superpower elements are now absent. India, like the ASEAN states, is also opposed to any Chinese moves to dominate Southeast Asia, particularly through any use or threat to use force over disputed territory in the South China Sea. As noted, India's strategic view of China is shared by the region's two largest states, namely, Vietnam and Indonesia. Indeed, Premier Rajiv Gandhi referred to the "many shared geo-political perceptions" between India and Vietnam.¹¹²

¹¹⁰ Mohammed Ayoob, *op. cit.*, p.88.

¹¹¹ Bertil Lintner, "The Indo-Burmese Frontier - A Legacy of Violence," in *Jane's Intelligence Review*, January 1994, p.44. Among the conciliatory moves have been the closure of a Burmese opposition radio station and the adoption of ASEAN's approach at "constructive engagement."

¹¹² Quoted in Kipri Sridharan, "India-ASEAN Relations: Evolution, Growth and Prospects," in Chandran Jeshurun (ed), *China, India, Japan and the Security of Southeast Asia*, *op. cit.*, p.128.

Besides, India is more acceptable to the ASEAN states compared to China due to its increasingly pro-Western outlook, democratic tradition, a long-established capitalist economy and the lack of any recent historical animosity or conflict. The improvement in ties was demonstrated by the establishment of the joint ASEAN-India Sectoral Cooperation Committee in 1994 to formalise economic and technological cooperation.¹¹³ On his part, Indian Prime Minister Narasimha Rao made a number of visits to Southeast Asia, including Singapore, Thailand and Vietnam soon after he took office in 1991, and gradually brought India towards an Asia-Pacific focus, away from its traditional emphasis on ties with the European powers.¹¹⁴ India thus participated in UN peacekeeping operations in Kampuchea in 1992, contributing some 4,500 troops for this purpose.¹¹⁵

In particular, India sought out a special relationship with Singapore, which had been one of the first countries to react to India's economic reforms under Rao. In 1994, Singaporean Prime Minister Goh Chok Tong was accorded the special privilege of being India's guest-of-honour at its independence day parade in Delhi. As Tarun Das, Director-General of India's Confederation of Indian Industry stated:

...India has neglected to look East and we are going to make up for that. India is going to become more integrated with Southeast Asia, and Singapore will be the bridge.¹¹⁶

On its part, Singapore was eager to respond. Concerned that it might become too dependent on China in terms of investment and trade, it has viewed India as providing an approximately similar venue for such purposes.¹¹⁷

¹¹³ ASEAN Update, January 1994 (Jakarta:ASEAN Secretariat, 1994), p.1. See also Ganganath Jha, "India's Sectoral Partnership with ASEAN," in The Indonesian Quarterly, vol. 20, no. 3, Third Quarter, 1992, p.308. It is interesting to note that Thailand's Defence White Paper (1994) stated that although India is one of the most powerful states in the region, it is in fact "less of a threat" because of domestic political and economic problems and the loss of Soviet military assistance. See Sunday Times (Singapore), 18 December 1994, p.2.

¹¹⁴ "India Treads the Middle Path," Straits Times, 4 September 1994.

¹¹⁵ Ganganath Jha, "India's Sectoral Partnership with ASEAN," in The Indonesian Quarterly, vol. 20, no. 3, Third Quarter, 1992, p.308.

¹¹⁶ "Singapore Figures in India's Look East Policy," Business Times (Singapore), 24 January 1994.

¹¹⁷ Michael Richardson, "ASEAN Nations and India Warm Up," in International Herald Tribune, 29-30 January 1994.

India has also developed a close defence relationship with Malaysia, with India providing training and spare parts for Malaysia's armed forces under a defence cooperation agreement in 1993.¹¹⁸ This reflected Malaysia's post-Cold War attempts to both balance and appease China.

Despite its present political and economic problems, India's role in the region is likely to grow, with concern over China's growing influence in Southeast Asia being a major factor. Not only will this set the stage for greater India-China competition in the region, this is also likely to incur Indonesia's opposition. India's growing role is likely to be divisive as in the case of China; the ASEAN states remain wary of India's power and potential, and moreover do not have a common strategy or consensus on how to respond to it.

5. The Challenge of Japan

5.1 Japan's Military Build-up

Japan has long been mentioned as a potential regional power given its huge economic might and conventional military power. The issue is what Japan's role might be in the future, given the US retrenchment from the region since 1975.

Japan possesses significant military capabilities. Its defence budget, estimated to be US\$45.1 billion in 1996, is one of the world's largest. Its armed forces, while small at 238,000 in number, boasts the most sophisticated conventional military capability in the Asia-Pacific region. In 1996, its air force had 379 combat aircraft, including 189 F15 Eagle jetfighters, as well as some 10 E2C Hawkeye Airborne Early Warning (AEW) aircraft. Its navy had 17 submarines and 60 surface combatants, consisting of 9 destroyers and 51 frigates, a total conventional force superior to China's or India's.¹¹⁹ Japan's advanced technological and industrial base enables Japan to have the

¹¹⁸ Satu Limaye, "India and ASEAN Gravitate Towards Common Ground," *ISEAS Trends* No. 39 (Singapore: Institute of Southeast Asian Studies) in *Business Times* (Weekend Edition), November 27-28, 1993.

¹¹⁹ *The Military Balance 1996-1997*, op. cit., pp.184-186.

necessary surge capacities to rapidly increase its already formidable capabilities should this be required. Without having breached the Nuclear Non-Proliferation Treaty, Japan has also developed the capacity to become a nuclear power in a very short time should it choose to do so. Its plutonium-based nuclear energy programme, whilst aimed at domestic energy self-reliance, as well as its demonstrated space launch capability, make it a nuclear threshold state. In particular, its choice of plutonium for its energy programme instead of the more economical and safer option of uranium, suggests that Japan supports a nuclear option.

Since the end of World War Two, Japan has relied on the US military presence in the region to safeguard her independence and undergird her economic development. The Japan-US Security Treaty, signed in 1951 and revised in 1960, made it possible for Japan to have maximum protection, including the US nuclear umbrella, with a minimum defence capability. Since 1957, Japan's defence plan was known as the Basic Policy of National Defence, which stressed the deterrent function of the Japan Self-Defence Force. Although it called for the capability for self-defence, it also stressed that the security system with the US would be sufficient to deal with external aggression.¹²⁰

However, a number of developments since the 1960s have resulted in a significant shift in Japan's attitude towards defence. Japan's increasingly outward orientation since 1965 has meant a high degree of dependence on the unstable Third World for its markets and raw materials. Japan's dependence on long sea-lanes has thus grown. After 1981, the Reagan administration pressed Japan for greater "burden-sharing", especially in support of US forces in Japan. In addition, the perceptible decline in US strength, as witnessed by the Nixon Doctrine of 1968 and the US defeat in Vietnam, shook Japanese confidence over US capacity and resolve to defend Japan.

This gave impetus to Japan becoming more self-reliant, and also resulted in some tentative steps to remove or circumvent some of the constraints on Japan's defence.

¹²⁰ Makamoto Momoi, "Basic Trends in Japanese Security Policies," in Robert A Scalapino (ed), The Foreign Policy of Modern Japan (London: University of California Press, 1977), p. 346.

Key bureaucratic and political decision-makers sponsored greater discussions on defence issues, hitherto a taboo topic. The result was greater self-reliance in the form of Comprehensive Security, which meant the coordinated application of economic, political and military instruments at the global, regional and national levels. Thus, Japan promoted arms control, free trade, economic cooperation, improved military capabilities, food security and export competitiveness. The concept was thus multifaceted and differed from the Western emphasis on mainly military deterrent capacities. Yasuhiro Nakasone's tenure as Prime Minister in the 1980s also saw significant improvements in Japanese defence capability. The 1% GNP limit on defence spending, adopted in 1976, was breached in 1987, and he committed Japan towards a greater cooperative, burden-sharing role with the US, in such areas as military technology, major joint exercises, and the acceptance of responsibility for the defence of sea-lanes up to a distance of 1,000 miles.¹²¹

5.2 Japan and Southeast Asia

The importance of the ASEAN states to Japan is succinctly noted by Francis Lai:

the ASEAN countries are important to Japan mainly in the larger context of the Asia-Pacific regional and global strategy; with their basically anti-communist governments and with economies well-integrated with the non-communist nations, the five ASEAN countries are likely allies of Japan in the regional balance-of-power. Their support and cooperation would definitely enhance Japan's position in the international community while their political stability and friendly disposition would guarantee Japan the accessibility to its vital lifeline, the Straits of Malacca.¹²²

Since World War Two, Japan has largely played a predominantly economic role in the region, avoiding both political and military entanglements. A combination of factors, such as war guilt, the wish not to alarm the neighbouring states which had suffered from Japanese militarism, the need for economic restructuring and the preoccupation

¹²¹ For a discussion of Nakasone's impact on Japanese defence policy, see S Javed Maswood, Japanese Defence: The Search for Political Power (Singapore: Institute of Southeast Asian Studies, 1990), pp.45-77.

¹²² Frances Lai Fung-wai, Without a Vision: Japan's Relations with ASEAN (Singapore: Chopmen, 1981), p.3.

with reparations, all resulted in a low-key foreign policy approach and the upkeep of only modest defence capabilities. It had little choice but to pursue a foreign policy in Southeast Asia that was both tied to the US as well as subordinate to the demands of Cold War bipolar politics.

The promulgation of the Fukuda Doctrine in August 1977 marked the beginning of Japan's "political" relations with the Southeast Asian states, as opposed to merely economic relations. What was significant was that the Doctrine recognised Japan's economic stake in the ASEAN states and implicitly meant that Japan needed to bolster their economies, an important objective given the pivotal events of 1975 and the subsequent fears of regional insecurity. Through a "security through development" policy towards the ASEAN states, using economic aid, technical training and investments, Japan aimed to enhance the resilience of the ASEAN states, by creating the basis for political and economic stability in the whole of Southeast Asia.¹²³ This is evident in the Asian Development Bank's success and Japan's promotion of a Pacific community through APEC. Moreover, Japan's Overseas Development Assistance (ODA) programme increased dramatically, from US\$1.7 billion in 1985 to US\$4.5 billion in 1991.¹²⁴ This aid programme has also been important in Japan's efforts to develop a stronger regional position and to establish new relationships.

Indeed, Japan has, since the 1960s, built up a strong economic relationship with Southeast Asia. It is a principal economic partner of all the Southeast Asian states, as a supplier of technology and goods, a source of investment capital and a market for primary products, raw materials and manufactured products.¹²⁵ By 1990, for instance, Japanese foreign investment in Singapore, Malaysia, Thailand and Indonesia reached US\$3.2 billion annually.¹²⁶

¹²³ Chaiwat Khamchoo, "Japan's Role in Southeast Asia," in Pacific Affairs, vol. 64, no. 1, Spring 1991, p.14.

¹²⁴ Charles E Morrison, "Japan as a Non-Military Global and Regional Power," Southeast Asian Affairs 1993 (Singapore: Institute of Southeast Asian Studies, 1993), p.48.

¹²⁵ See Donald Hellman, Japan and East Asia: The New International Order (New York: Praeger, 1972), pp.36-39.

¹²⁶ Charles E Morrison, op. cit., p.49.

Japan's refusal to assume a military role, however, did not mean that it was not concerned about military security in the region. In 1980, Japan's Defence White Paper stated that "the ASEAN countries occupy important geopolitical positions along routes used for the supply of raw materials to Japan and have strong economic ties with Japan. Therefore the security of the ASEAN countries is essential to the security of Japan and Japan is watching developments there with great concern."¹²⁷

Indeed, the Vietnamese invasion of Kampuchea in 1978 resulted in heightened concern over regional security. Japan sought to support ASEAN's stand on the Kampuchean issue, suspending economic aid to Vietnam. In addition, Japan increased economic aid to Thailand to bolster its economy and ensure stability. Between 1979 and 1986, Thailand became the second largest recipient of Japanese overseas aid.¹²⁸

Japan's supportive and low-key approach for much of the post-World War Two era sat well with the states of Southeast Asia, which had suffered from the invading Japanese during World War Two. Historical memories faded, however, with the passage of time and Japan's emphasis on economic relations enabled it to establish markets in the region, which also benefitted from Japanese trade, investment and aid. Japan's relations with the ASEAN states for much of the 1970s and the 1980s was thus relatively uncontentious.

Changes, however, were to come with the end of the Cold War after 1989. This event, coupled with the relative decline and evidence of a rise in isolationism in the US, reinforced the Japanese sense of uncertainty and sparked a protracted debate regarding Japan's proper international role. There was also pressure within Japan and in Asia, for Tokyo to take a more active role in addressing the region's political and security agenda. Japan's main concerns were: North Korean nuclear and missile developments together with domestic instability and possible conflict in the Korean peninsula, potential destabilisation in the old Soviet Union and possible instability in China, and a nationalistic and assertive China that could take actions inimical to Japan's interests.

¹²⁷ *Defence of Japan 1980* (Tokyo: Defence Agency White Paper, 1981), pp.78.

¹²⁸ Chaiwat Khamchoo, *op. cit.*, p.11.

In 1991, Japan therefore broached the institutionalisation of an annual forum on regional security matters with ASEAN and other interested powers. Wisely, Japan did not attempt to take the lead but allowed ASEAN to decide the pace and the agenda. Japan's suggestion eventually led to the formation of the ASEAN Regional Forum in 1994. Japan's willingness to participate in multilateral security forums was a sharp departure from Japanese policy, which prior to that had been against any regional security structure.¹²⁹ Japan also attempted to assist in finding a solution to the Kampuchean issue. In a visit to Bangkok in 1989, Japanese Prime Minister Takeshita Noboru offered financial and non-military assistance, and most significantly, the contribution of military personnel to a peacekeeping force.¹³⁰

Japan's subsequent participation, albeit limited, in the Gulf War, and military participation in supervising the UN elections in Kampuchea in 1992, the first time Japanese troops had appeared on the Southeast Asian mainland since World War Two, are milestones in Japan's search for a greater political and security role to protect its interests.

Suspensions and historical memories remain, but the ASEAN states, in an important policy shift, decided to encourage Japan to play an active role in UN peacekeeping operations in Kampuchea in 1991-1992.

Singapore's Senior Minister, Lee Kuan Yew, observed that a Japanese military role in the region was inevitable, commenting that "it will not be possible in the longer run for Japan to say that other people must send their soldiers, or their airmen and their sailors, to enforce the resolutions of the United Nations."¹³¹ Thailand's Ambassador to Japan stated that Southeast Asia's perceptions of Japan had changed for the better. Despite memories of World War Two, countries in the region "believe the intentions of the Japanese Government are peaceful and constructive."¹³² Significantly,

¹²⁹ Eugene Brown, "Japanese Security Policy in the Post-Cold War Era: Threat Perceptions and Strategic Options," in *Asian Survey*, vol. 34, no. 5, May 1994, p.442.

¹³⁰ *The Nation*, 6 May 1989.

¹³¹ *Ibid.*

¹³² *Ibid.*

Singapore's Prime Minister, Goh Chok Tong, openly stated in September 1994 during his meeting with Japanese Prime Minister Tomiichi Murayama, that because of its economic weight, Japan should play an active and leading role in broadening cooperation in the region.¹³³

Thus, large-scale Japanese aid and economic investments in the region, together with strong pacifist sentiments in Japan, have convinced key decision-makers in Asia that Japan would not constitute a military threat for the short to medium term and should in fact be encouraged to play a constructive role. Concern with China's assertiveness in the South China Sea is no doubt a factor in the willingness of the ASEAN states to welcome a greater political role on the part of Japan as a counterweight to balance China.

However, this does not mean that the ASEAN states support an independent Japanese military role or presence in the region. Indeed, the ASEAN states remain wary of Japan's power and do not want Japanese dominance any more than domination by China or India. While supportive of an increased political and military role for Japan, Jusuf Wanandi, the influential Chairman of the Supervisory Board of the Centre for Strategic and International Studies in Indonesia, gave this caveat:

We think it is better to nurture Japan into collective security instead of seeing her go it alone as a military force at a later stage.¹³⁴

Singapore's then Prime Minister Lee Kuan Yew summed up the common ASEAN view that a US presence was still required in the post-Cold War era in order to restrain Japanese power.¹³⁵ Then Malaysian Defence Minister Tengku Rithaudeen also stated that the region was concerned about the possible re-emergence of Japan as a military power, especially in view of signs of a reduced US and Soviet military presence in the region.¹³⁶

¹³³ "Japan Must Play an Active Regional Role: PM Goh," Straits Times Weekly Edition, 3 September 1994, p.6.

¹³⁴ Michael Richardson, "Japan Moving Towards Regional Security Role," Asia-Pacific Defence Reporter, May 1991, p.18.

¹³⁵ Cited in Chaiwat Khamchoo, op. cit., p.19.

¹³⁶ Straits Times, 11 May 1990, p.3.

5.3 Prospects for a Greater Regional Role for Japan

The ASEAN states would appear to have little cause for concern. Japan has been constrained by its public opinion, which has been consistently anti-military since the end of World War Two.¹³⁷ Despite the fact that the Japanese people are aware of the need for Japan to play a broader international role, they have not favoured military responsibilities as a way of fulfilling global or regional obligations. This pacifist attitude imposes practical limitations on any attempt to broaden Japan's security role.¹³⁸ Because of historical memories, it has been difficult for Japan to develop a strategy based on forward defence or to extend the defence of the sea-lanes into Southeast Asian waters. Despite its new found confidence and its growing military capabilities, its emerging political-security role would be constrained by the experience of 1945.¹³⁹ A nuclear-armed Japan along the Gaullist model is also not feasible; major powers such as China and Russia would find it a most threatening scenario, and in any case, Japan ratified the Nuclear Non-Proliferation Treaty in 1976.

The Japanese response to US retrenchment from the Asia-Pacific region after 1975 has been a gradual, incremental expansion of Japan's defence capability, characterised by modest growth in defence expenditure and a more rationalised defence posture. While Japan has been gradually playing a larger political and security role in the region, one that is commensurate with its huge economic and security stakes in Southeast Asia, there has been no reversion to militarism, despite the fears of some Asians. This has also been welcomed as a means of countering China, so long as the Japan-US alliance holds firm as a check on Japan.

In this respect, the continued presence of the US forces in Japan is reassuring as it ensures that Japan would not go it alone, and that any increase in Japan's security and political roles in Southeast Asia would be moderated by the US. Despite the trade frictions between the two countries, Japan's 1994 Defence White Paper recognised its continued dependence on the United States, stating categorically that "the Japan-US

¹³⁷ Sydney Morning Herald, 24 October 1994, p.5.

¹³⁸ Chaiwat Khamchoo, *op. cit.*, p. 20.

¹³⁹ Paul D. Scott, "The New Power of Japan," in The Pacific Review, vol. 2, no. 3, 1989, p.185.

security arrangements are vital to the existence and prosperity of Japan...there are various arguments toward the formation of a new world order, but Japan should continue to maintain the Japan-US security arrangements as the basis of its national policy."¹⁴⁰ Premier Koichi Miyazawa noted in his seminal speech on Japan's Asia Policy in 1993 that "the presence, and engagement of the USA, which has supported the region's peace and prosperity, will continue to play an important role in the future as a stabilising factor for the region."¹⁴¹

Japan has thus recognised that for the immediate future, there is no real substitute for US power. The health of the Japan-US security alliance is important, not just to reassure states in the region against any possible revival of Japanese militarism but also as a means to enable the US to stay engaged militarily in the Asia-Pacific region. Any breakdown of that relationship or diminution of America's will to defend Japan in the post-Cold War period would therefore have strategic ramifications for the entire Asia-Pacific region.

In this respect, the furore over the future of US bases in Okinawa, provoked by the rape of a schoolgirl by US troops in 1995, exposed simmering resentment by Okinawan Japanese against the military presence of the US. The issue also brought to the surface Japan's lack of options. While it did not have the domestic consensus to go it alone in defence, neither was pacifism a realistic alternative in the face of the US retrenchment from the Asia-Pacific since 1975 and the uncertainties of the post-Cold War era. That left the Japan-US alliance as the only realistic basis for Japan's defence. Indeed, even the Japan Socialist Party, which had hitherto opposed the alliance, announced its support for it in 1994, when its chairman became the Prime Minister.¹⁴²

Aware of the importance of the US-Japan alliance to the stability of the Asia-Pacific region, both the US and Japan moved to strengthen it as soon as the furore over US bases in Okinawa had subsided. In April 1996, President Clinton and Prime Minister

¹⁴⁰ See Section Two, Defence of Japan 1994 (Tokyo: Defence Agency White Paper, 1994).

¹⁴¹ NHK Television Tokyo (in Japanese), 0545 GMT, 16 January 1993, in BBC/SWB FE/1589 A2/1 (1), 18 January 1993.

¹⁴² Far Eastern Economic Review, 23 November 1995, pp.16-17.

Hashimoto signed a US-Japan Declaration on Security. The Declaration emphasised the importance of the 1960 Japan-US Security Treaty, increased intelligence cooperation, boosted defence ties in the future and agreed to make joint overtures to include China in any future regional security arrangement.¹⁴³ More significantly, both countries also signed an Acquisition and Cross Servicing Agreement, which made provisions for increasing Japan's responsibility in terms of joint military exercises, UN peacekeeping operations and humanitarian operations. It also made provision for the sale of weapons parts to the US, hitherto illegal under Japan's policy of banning the export of weapons.¹⁴⁴

In January 1997, Prime Minister Hashimoto reiterated the importance of the US to the security of the region when he unveiled the Hashimoto Doctrine in Singapore. The Doctrine proposed closer ties with all the ASEAN states, with the precondition that there must be a continued US presence in the region.¹⁴⁵

In sum, Japan's relations with the ASEAN states have been qualitatively different from that of China or India. Japan has been consistently supportive of ASEAN and its initiatives, and has not been involved in intra-ASEAN differences over the management of regional order. Moreover, unlike China and India, Japan has been able to offer huge inducements in the form of trade, investments and aid. Japan's pacifism, despite nationalistic opinions over its wartime role in the region, as well as its reaffirmation of the defence alliance with the US, have been reassuring to the ASEAN states. An increased Japanese political role to balance China and India is therefore welcomed by the ASEAN states although they remain wary of its superpower potential.

¹⁴³ Straits Times, 18 April 1996.

¹⁴⁴ "Japan Extends Military Role," The Australian, 15 April 1996, p.9.

¹⁴⁵ "Japan Plans Southeast Asian Accord," The Australian, 14 January 1997, p.9.

6. The US in Post-Cold War Asia

6.1 The US as a Regional Balancer

Thus, the ASEAN states see positive roles for both India and Japan, particularly in balancing the increasingly assertive and intrusive influence of China. The role of the US, despite its retrenchment from the region since 1975, has also remained important as a regional balancer amongst an increasing number of regional Great Powers.

The reduction in the US role in the region since the pivotal events of 1975 and the response of the ASEAN states to this has been discussed earlier in this chapter. The issue in the post-Cold War era is whether the US is willing to continue playing a role in the region despite its reduced military presence in the Asia-Pacific region and growing isolationist sentiments domestically. Indeed, US retrenchment from the region has reached a phase where, as a US military analyst commented, the US is no longer dominant in the Asia-Pacific region, and is only the strongest of a number of players.¹⁴⁶

The US has been aware of its vital role as "balancer" among the various emergent regional powers. There have been calls for the renewal of bilateral ties with Asian states and for the US to focus on economic threats from Asia that challenge post-Cold War US interests.¹⁴⁷ Despite growing isolationist sentiments in the US, there is recognition of the need to maintain a US military presence in a region of growing economic importance. As a Rand Corporation study warned:

The US forward presence provides indisputable definition of the broader spectrum of America's regional interests. Should this presence diminish to a point where regional states no longer deem American power sufficiently engaged and committed, then the United States would no longer be able to wield influence in the Pacific Rim. Commensurate with the region's strategic importance under such circumstances, regional states would increasingly define

¹⁴⁶ Anthony H Cordesman, "America's Options in Asia: Partnership or Retreat," Armed Forces Journal International, February 1992, p. 36.

¹⁴⁷ See for instance Edward A Olsen, "A New American Strategy in Asia?" in Asian Survey, vol. 31, no.12, December 1991, p.1139.

their political and strategic goals without equivalent regard for and attention to American interest. In such scenario, therefore, a leading American role in shaping the Pacific Rim's future could no longer be assured.¹⁴⁸

The US Department of Defence thus reported in July 1992 to Congress that "it is in the national interests of the US to maintain a forward-deployed military presence in East Asia," and that the US should "prevent the rise of any hegemonic power or coalition."¹⁴⁹ To do so, it must have adequate military resources to add credibility, something favoured by almost all the littoral states. Indeed, such are the fears over the emergent regional powers, especially China, that even the most overtly non-aligned state in the region, Indonesia, expressed apprehension in 1992 that "if the US moved away, the regional balance would be gone."¹⁵⁰

Vietnam, once the bitter enemy of the US, also declared that the US Navy would be welcome to use Cam Ranh Bay should such a request be made.¹⁵¹ Meeting in Brunei in 1995, the foreign ministers of the various ASEAN states and its dialogue partner Japan also reaffirmed the benefits of an American military presence in Asia. Thailand's foreign minister described it as a "force for stability," while the Philippine Foreign Secretary declared that the US was "part of the Asia-Pacific scenario" and that it had a "legitimate interest in the region."¹⁵² Philippine President Ramos also publicly called for "the continuous presence (and) constructive engagement of the United States in the Asia-Pacific."¹⁵³

The US is also the only power that could constrain China. As a senior Malaysian defence official observed, India and Japan are constrained by domestic economic and constitutional problems respectively.¹⁵⁴ Profitable trade links between the US and China has boosted China's modernisation and economic development, and given the

¹⁴⁸ James A Winnefeld et. al., A New Strategy and Fewer Forces: The Pacific Dimension (California: Rand Corporation, 1992), p.22.

¹⁴⁹ See the full report in "A Strategic Framework for the Asia-Pacific Rim: Report to Congress," in Asia-Pacific Defence Forum, Winter 1992-93 (Hawaii: US Pacific Command, 1993).

¹⁵⁰ Cited in Straits Times, 1 February 1992, p.24.

¹⁵¹ South China Morning Post, 30 December 1991, p.9.

¹⁵² "US Military Presence in Region Vital: ASEAN and Japan," Straits Times, 4 August 1995.

¹⁵³ Radio Filipinas (Manila, in English), 0203 GMT 18 October 1995, in BBC/SWB FE/2438 B/4, 19 October 1995.

¹⁵⁴ Cited in Sunday Times (Singapore), 29 March 1992, p.11.

US some leverage over China. Sino-US relations are therefore important for regional stability, and are the means by which the US can play the role as "balancer" to counter Chinese assertiveness and help moderate Chinese behaviour in the region. A residual US military presence in the Western Pacific gives the US clout to continue to play a role in Southeast Asia despite the absence of permanent bases, although this begs the question whether the US would want to get involved in regional conflicts such as over the South China Sea. Nevertheless, the implied general deterrent value of the US is still useful so long as it is not tested.

When it was indeed tested, albeit over a different issue, by China's aggressive military exercises close to Taiwan in 1996, states in the region were reassured by the prompt response of the US, which demonstrated its readiness to protect Taiwan by despatching two aircraft carrier battle groups as a warning to China.

Indeed, US President Bill Clinton has given a strong endorsement of the US determination to remain a key player in the Asia-Pacific, despite earlier expectations that he would espouse a more isolationist stand. In his seminal address to the South Korean National Assembly in July 1993, he stated that:

The bedrock of America's security role in the Asia-Pacific must be a continued military presence. In a period of change, we need to preserve what has been reliable.¹⁵⁵

President Clinton followed this up with a public pledge to maintain 100,000 troops in Asia to preserve peace and stability, a move immediately welcomed by smaller states in the region such as Singapore.¹⁵⁶ Signalling the US preparedness to play the role as balancer in the region, Clinton stated that:

The US presence is needed here so long as people have any fear at all that some countries might seek to dominate others or that Asia might become a

¹⁵⁵ "Security for a New Pacific Community," President Bill Clinton's Address to the Korean National Assembly, Seoul, Korea, 10 July 1993 (text in full reported in the Asia-Pacific Defence Forum, vol.18, no.3, 1993, pp.10-15.

¹⁵⁶ Straits Times, 2 March 1995.

battleground for any sort of security problem that would affect the freedom, independence and safety of the people in the area."¹⁵⁷

6.2 The US Response to SEANWFZ

The post-Cold War era after 1989 has seen the US supporting multilateral approaches to security as well as economic regionalism, as seen in its support for the ARF and APEC. It has also taken steps to strengthen its commitment to the Japan-US alliance, as demonstrated by the 1996 US-Japan Declaration on Security. The US has also supported ASEAN's efforts in cooperative regionalism. This support, however, has not been unconditional; the US opposition to the Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ) demonstrated that the US would act to defend its own interests if need be, even if this conflicts with those of the ASEAN states.

One concrete manifestation of the ASEAN approach towards establishing ZOPFAN was the signing of a Treaty of Southeast Asia Nuclear Weapon-Free Zone (SEANWFZ) by the heads of all seven ASEAN member-states as well as Myanmar, Laos and Kampuchea, in the ASEAN Summit held in Bangkok in December 1995. The Treaty required the signatories not to produce, store or allow the production and storage of nuclear weapons.¹⁵⁸ ASEAN declared the Treaty a major component of ZOPFAN, and invited China, France, Russia, Britain and the US to sign the treaty.¹⁵⁹

However, the major powers were not about to be pushed into an obligation to keep the region nuclear free. The US as well as China both expressed reservations. China's reservations stemmed from its claim over the South China Sea, which fell within the zone. The US produced a long list of "serious concerns," such as the right of free passage for its nuclear-armed naval vessels, assurances that the Treaty would not affect existing regional security arrangements and the need for adequate verification of

¹⁵⁷ Cited in Straits Times, 18 April 1996.

¹⁵⁸ Radio Australia External Service (Melbourne, in English), 1400 GMT, 4 December 1995, in BBC/SWB FE/2479 B/7 (11), 6 December 1995.

¹⁵⁹ "ASEAN Finalises the Treaty on SEANWFZ," in ASEAN Update, December 1995, p.8. See also "Primer on the Treaty on SEANWFZ," in ASEAN Update (on line), vol. 1/96, March-April 1996 for details of the Treaty.

compliance with treaty provisions.¹⁶⁰ The US State Department stated as well that the Treaty was an infringement on its freedom of movement by air and sea, stating that the Treaty had sought to impose obligations on the US without the US being a party to it.¹⁶¹ As Singapore acknowledged, in an indication that not all ASEAN states were in agreement on the issue, without the nuclear powers abroad, the SEANWFZ regime would be ineffective. Singapore's Foreign Minister publicly stated that the signing of the Treaty should be delayed for this reason.¹⁶² The whole episode demonstrated that the ASEAN states would not be able to impose themselves on the major powers, including the US. Indeed, it is clear that any regional security structure would need the active concurrence and support of these powers in order to be effective.

It is thus also clear that the previous unequivocal Cold War US commitment to the security of the non-communist states of ASEAN ended with the enunciation of the Nixon Doctrine in 1968 and its abandonment of the Saigon regime in 1975. The US would not revert to a unilateral approach unless its own national interests were threatened, and in most cases, would not play a leading role. The apparent assertiveness over the Taiwan crisis in 1996 has underlying circumstances, including the continuing influence of the powerful pro-Taiwan lobby in the Republican-dominated US Congress, and the need for President Clinton to display some assertiveness in a presidential election year. What is more instructive is the US inaction over China's provocative action against the Philippines on Mischief Reef in 1995, demonstrating the fact that the US would only act to defend its own interests.

Despite protestations to the contrary, the fact is that the US military presence has declined since 1975. While the US publicly reaffirmed its commitment to stay engaged in Asia, the fact remains that it has today only Japan and South Korea where it can maintain forward deployed forces, and would have to depend on its Asian allies for anything larger than a limited land war. It would also be far more dependent on access to local ports and local air bases.

¹⁶⁰ Straits Times, 12 December 1995.

¹⁶¹ Straits Times, 17 December 1995.

¹⁶² Straits Times, 12 December 1995.

It is unlikely that the US would abandon the region altogether, in recognition of the destabilising consequences of doing so. Moreover, the US has recognised that the region is of growing economic importance to it. In addition, new defence technologies have made enabled the US to maintain a powerful conventional military capability that can be deployed rapidly around the globe, obviating although not totally the need for forward bases. Nevertheless, it is clear that the events of 1975 and subsequently have demonstrated that the US would act only in concert with its regional allies, and only in defence of its own interests.

7. ASEAN and the Great Powers After 1975

The geostrategic developments since the US withdrawal and disengagement from Southeast Asia, a process brought home by the events of 1975, have underlined the importance of the US to the security of the ASEAN states. Indeed, the fear of regional powers, especially China, stepping into the vacuum created by US retrenchment has been an enduring theme in ASEAN international relations since the 1970s. The gradual process of US disengagement, culminating in its withdrawal from Subic Bay in 1992, has paved the way for an increasingly confident and assertive China to stake its claims more forcefully in the South China Sea.

It is evident from this discussion that despite the newfound sense of self-reliance since 1975, which include increased regional cooperation among the ASEAN states, the US as a relatively benign and friendly power is still needed to play the vital role of "balancer" (much as Britain did during much of the nineteenth century in Europe) among the various Great Powers. In this respect, the issue for ASEAN is how to sustain the US in this role. There are indications that this will not be easy. While the US is likely to remain the most powerful state militarily into the next century, it will have difficulties in responding to the diverse challenges of the international order, particularly in the post-Cold War era, given its domestic problems and the relative decline of its power. Moreover, as Henry Kissinger has observed, the US has had little experience in participating in and managing a balance of power system.¹⁶³

¹⁶³ Henry Kissinger, Diplomacy (New York: Simon and Schuster, 1994), p.22.

Another key issue facing the ASEAN states has been how to accommodate China's interests in the region without compromising territorial or political sovereignty and other interests. The ASEAN states realise that it is important to constructively engage China in the region's economic, security and political structures in order to provide it with a strong vested interest in maintaining the status quo. However, the danger is that too much accommodation could be read as appeasement and encourage China to be even more assertive. On the other hand, too much reliance on military deterrent capabilities could spark a naval conflict with China. On its part, it is clear that China has been seeking a regional role for itself commensurate with its growing economic and military power and has therefore not been so easily constrained.

Other issues include the rise of other regional powers, such as India and Japan. The only practical solution for the ASEAN states has been to engage in balance-of-power politics to ensure their own security. While the main threat (and this was a matter of dispute between the ASEAN states) emanated from Vietnam and the Soviet Union prior to the end of the Cold War in 1989, a number of the ASEAN states reaffirmed their alliance relationships with external powers, despite ZOPFAN. After 1989, the modality of the inclusive security regime has been used as a means to engage and balance all the interested extra-regional powers. The ARF and the related processes are thus a practical means for the ASEAN states to exercise plain old-fashioned balance-of-power politics among the old and emergent Great Powers to ensure regional stability and safeguard their security. The concept of ZOPFAN has also been ingeniously reinterpreted to allow for balance of power politics to be played, permitting the engagement of powers such as China, India and Japan, as well as openly welcoming a residual but active US role in the region. By doing so, the ASEAN states evidently hope to counter possible dominance by any one power, particularly China.

There are, however, possible complications to this approach. In the case of India, this could risk turning the region into an arena for Sino-Indian rivalry, given India's primary security concerns over China.

In the case of Japan, the question is how to encourage and manage that country's contribution, restricting it to non-military means and constraining its potential as a Great Power. There are fears expressed by some Asians over the possible revival of militarism, but this appears misplaced as Japan is constrained for the foreseeable future (unless there are dramatic changes in the regional strategic environment such as a breakdown in the US-Japan alliance) by its constitution, the deep pacifist sentiments domestically and its security treaty with the US. Indeed, its lack of a clearly defined concept of its national interests has made it a rather more unpredictable actor in the regional order.

Then there is the question of what role, if any, Russia could play. Prior to 1989, the Soviet Union's influence in the region had been increasingly reliant on military might, with aid largesse helping to keep Vietnam afloat as well as underwrite its occupation of Kampuchea. After the Soviet Union's collapse in 1992, however, serious domestic political, economic and social problems have meant that Russia has turned inward-looking. One area that Russia has been active has been as a supplier of cheap but sophisticated weapon systems, notably to India and China. It has even succeeded in selling 18 MiG-29 jetfighters to Malaysia.¹⁶⁴ Perhaps unwittingly, Russian weapons exports are increasingly giving Russia additional influence in the region. However, the level of sophistication of its weapons exports has contributed to regional arms proliferation, fuelled the regional arms race, and affected the regional balance of power.

The outlook for Russia since 1992 has been highly uncertain. Should ultra-nationalistic or conservative communist parties regain power in that country, a new dimension of uncertainty would be injected into the region, with the possibility of Russia re-engaging the US in a new era of confrontation. For the present moment, however, Russia is not a threat, nor is it a major player in the Asia-Pacific, although its potential in the medium-term cannot be discounted, given the fact that it is still a major nuclear and conventional power.

¹⁶⁴ "Russia's Big Arms Sales Drive," Asia-Pacific Defence Reporter, August-September 1994, p.11.

What is clear from this discussion is that the ASEAN states have demonstrably failed to achieve its much vaunted objective of a Zone of Peace, Freedom and Neutrality, that is, a neutrality zone free from Great Power rivalry. The Great Powers have consistently ignored it, treating it as a mere statement of ideals. In this respect, the reaction of China and the US to ASEAN's attempt at operationalising ZOPFAN through its neutrality scheme under the Treaty on SEANWFZ is instructive; their rejection and non-compliance rendering it a wishful declaration, demonstrating as well that without the Great Powers, no regional security or economic arrangement is possible, whether it is SEANWFZ, ZOPFAN, ARF or APEC. Even if the ASEAN states had been united, the increasingly intrusive influence of the emerging regional powers, namely, China, Japan and India, would not have permitted such a zone from occurring, given that these powerful states have interests in the region which they have increasingly shown the willingness to protect. While the US is still needed to balance these emerging powers, US support is entirely conditional on whether it accords with the US's own national interests. The US has been opposed to any regional neutrality scheme, such as the SEANWFZ, which would have constrained the freedom of movement of its nuclear-armed naval vessels in the region. In 1995, it also failed to provide any backing to the Philippines when it confronted China over Mischief Reef.

Thus, while the ASEAN states' approach since 1975 to managing regional order has given them some leeway and influence, their inability to forge a consensus on managing the regional Great Powers, together with the increasing assertiveness of these powers, has imposed serious constraints on their ability to do so. Moreover, it is clear that any regional arrangement must have the concurrence and participation of these powers in order to succeed. This belies the weakness of the ASEAN states and the constraints imposed by the extra-regional powers on their ability to manage the regional order.

CHAPTER EIGHT

CONCLUSION

1. The ASEAN States and Regional Order in Southeast Asia

This thesis has argued that despite the optimism over ASEAN cooperative regionalism as well as evidence of success in collective political cooperation since the pivotal events of 1975, a common theme straddles both pre- and post-Cold War eras, that is, there have existed severe constraints and limitations on the ability of the ASEAN states to manage the regional order and to build the kind of security community that they have envisioned. These constraints include the problems associated with the ASEAN approach to managing regional order (in particular, intra-ASEAN differences over political and economic cooperation), the presence of severe intra-ASEAN tensions, the problems associated with the regional arms build-up, internal threats to security (particularly those of an interactive nature involving other ASEAN states) and the intrusive influence of the Great Powers (especially the emerging regional powers). These have all limited the ability of the ASEAN states to manage the regional order and to construct a security community. Some of these constraints, such as intra-ASEAN tensions and the regional arms build-up, are themselves sources of conflict.

The existing literature on ASEAN suffers from a number of limitations. The high profile of ASEAN in the 1980s convinced many analysts that some sort of security community had come into existence. That is, that the ASEAN region had achieved such a level of consensus regarding the rules of engagement that the states comprising ASEAN had attained a level of maturity in their sense of community akin to that of the European Community. But this is not an accurate assessment. While much of the literature has lauded the achievements of ASEAN since 1975, what has been missing has been an account of the constraints to regionalism that exist. Any study of regional order would not be complete without a comprehensive, in-depth analysis of the dynamics that affect the ability of the ASEAN states in managing the changing

regional order and in their objective of building a security community. Analysts have acknowledged a lack of progress on the multilateral security dialogue and economic integration of the ASEAN states. Some have indicated evidence of a return to balance of power politics, but what is missing is an explanation as to why this has been the case.

In part, this has to do with the more narrow conceptualisation of security adopted by analysts. These have resulted in a focus on the externalities of ASEAN's policies and activities, as well as other visible developments such as the multilateral dialogue process. However, security in the Asia-Pacific has a broader definition. Any discussion of regional security must necessarily adopt a more holistic approach in order to understand the nature of the security challenges and the response of the ASEAN states to them. It is important to assess the fundamental underlying factors such as the differences over regional political and economic cooperation, the continued relevance of internal factors, the complexity and severity of intra-ASEAN tensions, the causes and implications of the emerging regional arms race, and the roles and impact of the Great Powers, in order to arrive at a more comprehensive and more accurate picture of the dynamics that drive the security agendas of the ASEAN states. A holistic approach, one that assesses the total environment in which the ASEAN states operate, will explain why their ability to build cooperative regionalism and influence the regional order, both after 1975 and after 1989, has remained limited. This will provide the basis for sound and informed analysis of the future direction of regional order in Southeast Asia.

2. Constraints on ASEAN Cooperative Regionalism

2.1 Problems in the ASEAN Approach to Managing Regional Order

A fundamental problem that the ASEAN states face in building a security community and managing the regional order has been that of the promotion and defence of national interests in the face of mutual suspicions, lack of trust and real conflicts over fundamental issues of territory. The differing threat perceptions and views have

remained unreconciled despite some three decades of cooperative regionalism. Intra-ASEAN differences with regards to political direction and economic cooperation have not been given the in-depth analysis they deserve. The existing literature has been too enamoured with the successes of ASEAN, portraying an optimistic view of its achievements and prospects.

The approach of the ASEAN states towards regional order since 1975 has been that of constructing a security community among the various ASEAN states, using ZOPFAN as its guiding philosophy. However, disagreement over the approach towards regional order was already evident before 1975. The ZOPFAN concept was adopted through the Kuala Lumpur Declaration of 1971 as a response to the impending withdrawal of the US from Southeast Asia, as enunciated by President Nixon in Guam in 1968. While ZOPFAN was meant to represent a concerted ASEAN approach to managing regional order, there were divisions within ASEAN on what it meant. Indeed, even the desirability of neutrality was questioned by some member-states. Thailand and the Philippines, allies of the US through SEATO, were reluctant signatories, while Singapore clearly preferred a balance of power approach centred on security arrangements with friendly Western powers, a stance aimed at preventing local regional power dominance, particularly that of its giant neighbour, Indonesia.

Indeed, each of the ASEAN states with the exception of Indonesia, has reaffirmed their alliance relationships with extra-regional powers, or else have attempted to secure the guarantee of one or more of the Great Powers to bolster their security. They have also tried to get the US to remain engaged in the region, with some feeling threatened by a resurgent China, and others by their own ASEAN neighbours.

More telling was the lack of any response of the Great Powers to the ZOPFAN proposal. Shorn of their support, it was not surprising that ZOPFAN could not work and remained only a statement of ideals.

The Bali Summit of 1976 was a genuine attempt to provide ASEAN with direction and purpose, and to begin the serious task of constructing a regional security

community in response to the events in Indochina the previous year. The resulting Treaty of Amity and Cooperation provided the framework under which the ASEAN states might ideally conduct relations both among themselves as well as with the victorious communist states in Indochina. However, while the statement of principles was a useful basis for ASEAN regional cooperative ventures, the provision of mediation under the Treaty has been little used, with bilateralism continuing to be the preferred means of resolving inter-state disputes. This reflected a desire to minimise interference in each other's affairs, a lack of confidence in such mechanisms, and sensitivity about national sovereignty and interests. Moreover, the Indochinese states rejected this overture from ASEAN, with Vietnam continuing to view ASEAN as a US-influenced organisation.

Vietnam's invasion of Kampuchea in December 1978 elicited a joint ASEAN response opposing Vietnam's actions. However, despite the apparent united stand, the real differences in perception continued to manifest themselves. The Kuantan Declaration in 1980 reflected the readiness of both Indonesia and Malaysia to accept Vietnamese domination of Indochina, on the grounds that China was a greater threat to the region. This stand was at odds with Thailand and Singapore; they felt that Vietnam's invasion and occupation of Kampuchea should be opposed because Vietnam and its backer, the Soviet Union, were more significant threats to regional security.

ASEAN unity was sorely tested by the Kuantan initiative and was only saved by Vietnam's intransigence towards the Indonesian and Malaysian overtures. Both were left with little choice but to back Thailand in the hope that it would not turn to China for support.

From 1989 onwards, with the end of the Cold War, the breakdown of bipolarity and the flux in the regional order, the ASEAN states reinterpreted the ZOPFAN concept to accommodate its new strategy of an inclusive security regime. It was envisaged that Southeast Asian regionalism would eventually embrace all the Indo-Chinese states as

well as Myanmar. In addition, ASEAN would have to assume additional security functions as well as to accelerate regional economic cooperation.

However, the failure of ASEAN to evolve effective mechanisms to resolve its own intra-ASEAN differences does not bode well for its future. While the security dialogue centred around the ARF constitutes an important CBM among the ASEAN states, there is little evidence that the ASEAN states are prepared to move into more intrusive CBMs or to move towards greater institutionalisation.

The expansion in membership would also increase constraints on its ability to act, given the rule of consensus as well as the very different histories and experiences of all the various states, and the varying levels of economic development. Nor is there any indication that ASEAN would be prepared to act in concert and confront a major power such as China should it attempt to enforce its claims to territory in the South China Sea, given the differing threat perceptions.

Regional economic cooperation has also not fared well; AFTA is clearly in trouble despite the lofty sentiments that accompanied its launch. Moreover, both Malaysia and Indonesia have also repeatedly clashed over the issue of the pace and direction of APEC.

There are also larger processes at work which, together with the intra-ASEAN divisions, do not bode well for future regional cooperation. The APEC, EAEC and the common security process now operating under the ARF, indicate a broader Asia-Pacific or at least East Asian political-economic dynamic at work, one which could easily subsume ASEAN. Should APEC develop greater institutional machinery, and take on security issues, ARF could well be rendered irrelevant. Despite this danger, Indonesia has enthusiastically supported the APEC process, something that does not bode well for ASEAN given that Indonesia has been ASEAN's strongest proponent.

It is thus clear that despite its achievements, ASEAN's ability to act together in order to ensure a regional cooperative approach in both political-security and economic

areas has been constrained by its own divisions. These divisions stem from differing threat perceptions and how to deal with them, as well as the stress on national interests. They demonstrate that there are limits to ASEAN's ability to manage regional order as well as clear barriers to further steps towards cooperative regionalism.

2.2 The Presence of Intra-ASEAN Tensions

Another major constraint is the presence of severe intra-ASEAN tensions, which revolve in the main around fundamental disputes over territory. The academic literature has skirted the issue of inter-state tensions among the ASEAN states. There is a lack of in-depth analysis of the issues involved and even where discussed, there is a failure to appreciate the severity of such tensions and the fact that some of these disagreements are so fundamental that major conflict among member states cannot be ruled out.

There are intractable intra-ASEAN tensions which exist to this day despite nearly 30 years of ASEAN regionalism. Various interstate relationships within ASEAN are so wrought with contentious and fundamentally important issues of territory, disputes which are also rooted in history, ethnicity and religion, that inter-state conflict between the various ASEAN states cannot be ruled out.

The various emotive issues that have plagued Malaysia-Singapore bilateral relations demonstrate strong underlying disagreements and fundamental differences that will limit future bilateral cooperation due to mutual suspicions, and if not managed properly, could potentially lead to conflict between the two states. Indeed, of all the bilateral relationships, none is as contentious as that between Singapore and Malaysia, with the presence of a serious territorial dispute as well as other interstate issues. Moreover, there is evidence of a mutual deterrent relationship and signs of an accelerating arms race between the two. There has also been evidence to suggest that the two states were in fact close to armed conflict in both 1989 and 1992 over the Pedra Branca issue. If that had happened, ASEAN would have collapsed, and the

region thrown into political turmoil and uncertainty. The Singapore-Malaysia relationship is thus fundamental to regional security and the future survival of ASEAN.

A complicating factor in Philippine-Malaysian relations is the question of Sabah. Increased nationalism in the Philippines has meant that despite its inability to pursue the claim, the Philippines would not drop it either. Although pragmatic economic considerations have overridden the issue for the time being, the potentiality for it becoming a serious factor in Malaysian-Philippine relations has remained in view of the volatile situation in the southern Philippines and the poor state of Sabah-Federal relations.

Then, there is the issue of the Sipadan and Ligitan islands dispute between Malaysia and Indonesia, which at one stage had taken an ominous turn, with Indonesia conducting gunboat-style diplomacy by landing troops on Sipadan. Malaysia did not or could not respond to this provocation, revealing its own military weakness in dealing with an assertive and more powerful neighbour. Bilateral relations have also been cool, due to what Suharto considers to be Mahathir's lack of respect for his status as ASEAN's elder statesman and his attempt to upstage Suharto internationally. Given the increased assertiveness and its potential for regional power status inherent in a rapidly developing country with 200 million people, it is not only unlikely that Indonesia would abandon its claim, but rather, that at some future date, it might exercise the option of using force to assert its sovereignty.

In addition, Brunei-Malaysia relations, while outwardly cordial, are marked by suspicions on the part of the Brunei royal family, suspicions that are well-justified given the Malaysian government's past attempts to destabilise Brunei and take over the oil-rich state. Moreover, Thai-Malaysian relations have been less than cordial due to suspicions by Thailand that Malaysia has been aiding its Malay-Muslim separatist rebels. More seriously, there is the possibility of heightened tensions over fishing rights and maritime boundaries leading to a naval clash between the two countries, a

possibility that is not far-fetched, given the increasingly interactive nature of the naval build-up between the two countries.

What is clear is that Southeast Asia is riven with inter-state disputes and mutual suspicions. These issues have affected, and continue to affect, the security policies of the ASEAN states. They demonstrate that ASEAN is in fact a fragile community, and not the strong community developing along the lines of the European Community as it has been suggested.

Indeed, these intra-ASEAN disputes are themselves possible sources of conflict between the ASEAN states. Should open conflict occur over any of these issues, ASEAN is not likely to survive. Recognising their potential for causing actual conflict, the ASEAN states have begun to tentatively address them in an oblique way, through the exploration of confidence-building measures in regional forums as a first step towards reducing mutual suspicions. In time, it is hoped that this could lead to better structures and processes that might contain these conflicts or even promote some compromise. There are, however, few signs that these intra-ASEAN disputes could soon be resolved, given that they are not even on the agenda of regional security forums in the 1990s. Moreover, ASEAN's expanding membership under the inclusive security regime approach of the post-Cold War era will raise the prospect of more intra-ASEAN disputes and mutual suspicions; severe inter-state tensions exist between Kampuchea and Vietnam, as well as between Thailand on the one hand and Myanmar, Laos and Vietnam on the other.

2.3 The Problem of the Regional Arms Race

Intra-ASEAN tensions have also been complicated by the gathering pace of interactive arms acquisitions since 1975. There is evidence to suggest that the military modernisation of some of the ASEAN states have been taken to counter one or others of that group, or are precautionary measures to ensure military parity. The security dilemma inherent in such arms build-ups has led to at least the beginnings of an arms race, which could ultimately lead to conflict.

There is clear evidence that all the ASEAN states have improved their military capabilities fairly significantly since the epochal events of 1975, namely the fall of the Saigon regime and the US retrenchment from the region. Whilst ASEAN did not become an overt military pact (indeed, the various ASEAN states avoided any reference to multilateral military or security cooperation), individually, the ASEAN states embarked on military modernisation programmes designed to emphasise conventional military capabilities as compared to the earlier emphasis (except for Singapore) on defeating internal communist and separatist insurgency movements.

While intra-ASEAN tensions are a major factor in the regional arms build-up, they are not the only ones. Others include the continuing preoccupation with internal security threats, concerns over maritime security in an era of vast EEZs, economic growth (which has provided the resources for military modernisation), the easy supply of modern military technology and weapon systems in the post-Cold War era, the influence of the military, and corruption, which has been a distorting factor, although its exact impact cannot be verified with accuracy.

Some ASEAN states have also felt a special need to carry out expensive military modernisation programmes in the wake of the US retrenchment from the region. The US's two closest allies in the region, Thailand and the Philippines, have had to carry out military modernisation programmes to replace the US security umbrella. Thailand felt vulnerable and exposed after 1975, sparking its spectacular defence build-up in the years after that, a process which eventually gathered a momentum of its own. In the case of the Philippines, its need to compensate for the external protection that had been offered by US prior to its withdrawal from Subic Bay in 1992 was painfully demonstrated by its weakness in confronting China over Mischief Reef in 1995.

Whatever the causes of the regional arms build-up, the point is that the rapid pace of military modernisation has provided states in the region with the capacity to wage major conventional warfare against each other. The presence of increasing quantities of sophisticated weapon systems has exacerbated existing intra-ASEAN tensions, and could lead to open conflict in a crisis, as almost happened between Singapore and

Malaysia in 1989 and 1992 over Pedra Branca. There is a mutual deterrent relationship between Singapore and Malaysia, with the acquisition of weapon systems by one being matched by the other. This has sparked competitive acquisitions by neighbours Indonesia and Thailand, which want to ensure a measure of parity with their fellow ASEAN states. Indeed, Thailand has openly cited Malaysia's military modernisation as the rationale for its own naval build-up.

The continuing scope of the regional arms build-up, despite all the protestations of solidarity and evidence of the ability to work together when common interests are at stake, reflect the basic lack of trust and the ultimate reliance on deterrence through strength postures. The size, sophistication and interactive nature of the arms build-up point to at least the beginnings of an arms race among the states in the region, heightening mistrust and exacerbating existing intra-ASEAN tensions. The regional arms race is thus a significant barrier to the development of ASEAN cooperative regionalism, and has limited the scope for multilateral defence cooperation.

2.4 Internal Security Challenges

Despite the emphasis by analysts on the external dimension, particularly on the geopolitical changes on the ASEAN states, the internal security issue remains relevant. Indeed, internal security threats, rather than fading in intensity and importance through the passage of time, have remained alive since 1975, and despite the reduced international tensions of the post-Cold War era, after 1989 as well. Indeed, in the post-Cold War era, there remain armed secessionist rebellions in Thailand, the Philippines and Indonesia, not to mention a fairly major communist insurgency in the Philippines, as well as the threat from Islamic extremism cited by Malaysia and Indonesia. The interactive nature of some of these threats, that is, the presence of an external dimension due to their links with neighbouring ASEAN states, also indicate that they have been of greater significance than previously assumed.

Internal threats have constituted a serious challenge to the security of the ASEAN states since 1975, notwithstanding the rapid economic development of the region as a

whole, the end of the Cold War after 1989, as well as the focus by most analysts on the external dimension of their security environment. The genesis of these various internal challenges can be traced to the relative youth of the nation-state in Southeast Asia. All the ASEAN states, except for Thailand, have been the artificial legacy of departing colonial powers.

The idea of the nation-state has thus taken root slowly, in part because of significant ethnic minorities being forcibly incorporated into states of which they were never really a part. Hence, the problems of armed separatism and irredentism have arisen in the region. The Malay-Muslim minority problem in southern Thailand and the southern Philippines, the Aceh problem, the East Timor issue and the Melanesian opposition in Irian Jaya all have their roots in this sense of historical separateness, which cannot be easily erased despite the efforts of the respective central governments. The presence of ethnic kin and co-religionists in neighbouring states has accentuated the problems of national cohesion and nation-building, as these brethren provide at least moral, if not actual, material support to bolster the sense of separateness on the part of these minorities.

The case of East Timor has also raised concerns in the region over Indonesia's preparedness to use force; an uncomfortable reminder to smaller states, such as Singapore, of the potential for Indonesian regional dominance.

A different form of internal security challenge emanates from communist insurgency. Prior to 1989, China had been able to use the communist movements in the ASEAN states as leverage to ensure compliance with Beijing's wishes.

The demise of communism has effectively ended the ideological basis for a communist challenge to the legitimacy of the current political arrangements in the region. With the surrender of the Communist Party of Malaya in 1989 and the diminishing threat from the Communist Party of Thailand, the only effective communist insurgency in the ASEAN states has been the one in the Philippines.

Internal security challenges also derive from fundamentalist Islamic extremism. This has been cited by the Malaysian and Indonesian governments as justification for extraordinary administrative and security measures against political opposition based on Islam. While mainstream parties such as the PAS in Malaysia and the PPP in Indonesia have never been involved in violence, there have been various extremist groups in both countries prepared to use violence to achieve their aims. Moreover, the Islamic factor has proved to be a unifying factor and a focal point for the rallying of resistance against the government, in places such as Aceh in Sumatra, the southern provinces of Thailand, and the Moro regions in the southern Philippines.

The interactive nature of the various separatist insurgencies in the region not only complicates the situation but links it with the external dimension, making it a regional security concern as well. The Moro insurgency and the Thai Malay-Muslim separatist movements derive at least part of their support from Malaysian sympathisers; the Aceh separatists have also found a measure of sympathy from Malaysia. The admission of more Southeast Asian states into ASEAN is likely to put additional strains on the community, given that the internal security challenges facing the Kampuchea and Myanmar governments can be considered to be fairly serious.

There are thus a plethora of internal security challenges that have bedevilled the ASEAN states since 1975. These internal challenges have remained relevant despite the apparent improvement in the international and regional security environments following the end of the Cold War after 1989.

Most significantly, to the extent that internal security challenges have remained both serious and relevant since 1975, they indicate the failure of some of the ASEAN states in achieving legitimacy for their post-independence political structures as well as continued internal weakness. These constitute a clear indication of the limits to their ability to manage the regional order.

2.5 The Impact of Extra-Regional Powers

Despite efforts by the ASEAN states to increase their self-reliance, the roles of the emerging Great Powers, particularly China, have been increasingly intrusive. Indeed, the ASEAN states themselves have differing views on how to manage the Great Powers, thereby further constraining their ability to manage the regional order.

The fear of regional powers stepping into the vacuum created by US retrenchment has been an enduring theme in ASEAN international relations since the defeat of the Saigon regime in 1975. The gradual process of US disengagement, culminating in its withdrawal from Subic Bay in 1992, has paved the way for an increasingly confident and assertive China to stake its claims more forcefully in the South China Sea.

A key issue is how to accommodate the interests of the emerging Great Powers, namely, China, India and Japan, without compromising territorial or political sovereignty and other interests. The only practical solution for the ASEAN states has been to engage in balance of power politics to ensure their own security. Despite the declared objective of ZOPFAN, the various ASEAN states, except for Indonesia, have preferred to rely on Great Power support to ensure a regional balance of power.

Since 1975, Thailand has established a strategic alliance with China, while reaffirming its alliance with the US. Singapore has made every attempt to engage the US as an ally, while Brunei has looked to Singapore, Britain and the US to safeguard its security. The Philippines, having ejected the US from Subic Bay in 1992, has been given cause to ponder the realities of power politics following its backdown in 1995 in the face of Chinese intransigence over Mischief Reef. Even Malaysia, the originator of ZOPFAN, has come to accept that a balance of power approach is required to meet the uncertainties of the post-Cold War era, and has opted for accommodation and appeasement towards China while looking to other external powers such as India and the US to act as counterweights.

Indeed, following the end of the Cold War in 1989, ZOPFAN was ingeniously reinterpreted to allow for balance of power politics; all interested extra-regional powers such as China, India and Japan have been engaged and the US has been welcomed to play a residual but active role in the region. By doing so, the ASEAN states evidently hope to counter possible dominance by any one power, particularly China. In the case of Japan, the question is how to encourage and manage that country's contribution, restricting it to non-military means and constraining its potential as a Great Power.

There is evidence, then, that despite the newly-found sense of self-reliance since 1975, which includes increased regional cooperation among the ASEAN states, the US is still perceived as a relatively benign and friendly power and a vital "balancer" among the various Great Powers. The issue for ASEAN is how to sustain the US in this role.

However, the key problem is whether the Great Powers would be willing to behave as the ASEAN states wish them to, given their own interests in the region. Complicating the picture is the differing threat perceptions and views as to how to manage these extra-regional powers. Thailand and Singapore have maintained close ties with China, while Malaysia has opted to appease and accommodate it. On the other hand, Indonesia and Vietnam have consistently viewed China as a threat to regional security, while the Philippines now feels threatened by China after the Mischief Reef incident in 1995. On the question of India, whilst Malaysia and Singapore have developed close ties with it, Indonesia and to a certain extent Thailand are ambivalent about any increased Indian role in the region.

The inability of the ASEAN states to forge a consensus on managing the regional Great Powers, as well as the increasing assertiveness of these powers, have thus constituted serious constraints on the ability of the ASEAN states to manage the regional order.

3. Towards a Post-Cold War Balance of Power?

What is clear is that the ASEAN states have demonstrably failed to achieve its much vaunted objective of a Zone of Peace, Freedom and Neutrality, that is, a neutral zone free from Great Power rivalry, as originally formulated. Even if the ASEAN states had been united, the increasingly intrusive influence of the regional Great Powers, particularly in the post-Cold War era, would have precluded such a zone. They have thus been obliged to reinterpret ZOPFAN to suit their regional security objectives in the post-Cold War era. While the US is still needed to balance these emerging powers, its role is also entirely conditional on whether it accords with the US's own national interests. In this respect, the reaction of the US and China to SEANWFZ is instructive; their rejection and non-compliance rendering it a wishful declaration, demonstrating as well that without the Great Powers, no regional security or economic arrangement is possible, whether it is SEANWFZ, ZOPFAN, ARF or APEC. Whilst the ASEAN states' approach to managing regional order has given them some leeway and influence since 1975, it is clear that any regional arrangement must have the concurrence and participation of the Great Powers in order to succeed.

It is thus clear that with the retrenchment of the US and the concomitant rise of new regional powers since 1975, the ASEAN states have not been able to rely upon a neutralist ZOPFAN philosophy. After the end of the Cold War, the ASEAN states adopted the modality of an inclusive security regime in managing the regional order. In this respect, the ARF plays an important role in engaging the major powers and helping to ameliorate the emerging regional arms race. However, the ARF itself is unlikely to evolve into a collective security system or to develop the mechanism for effective crisis management. The more significant aspect of the security regime approach, therefore, has been the emphasis on engagement and inclusionism; in other words, a balance of power approach under the guise of regional fora. The ARF and the related processes are thus a practical means for the ASEAN states to exercise plain old-fashioned balance-of-power politics among the old and emergent Great Powers to ensure regional stability and safeguard their security.

The prognosis for a stable balance of power, particularly in the post-Cold War era is not good. A stable balance of power presupposes a system of collaboration and restraint as well as mutual pursuit of regional order. Given the pursuit of often incompatible national interests on the part of the ASEAN states as well as the Great Powers, the lack of the necessary institutional machinery to promote more intrusive CBMs and transparency measures, the failure to deal effectively with intra-ASEAN tensions, the problem of the interactive nature of some of their internal threats, and the regional arms race, a stable balance of power is unlikely. Moreover, there are the added complications of internal weakness as well as the presence of deep mutual suspicions and mistrust. The fact is that Southeast Asia lacks a strategic culture and well-developed security community similar to Europe that could underpin a CSCE-style process in the region. The uncertainty is even greater when a stable regional order ultimately depends on the response of the Great Powers.

While the US is best suited to play the role of regional balancer to ensure that no one power will emerge to dominate the region, it has had little experience in balance of power politics, particularly in the Asia-Pacific region, and it would thus be difficult to expect it to be able to engage in the sophisticated balance of power diplomacy that Britain was able to carry out in the previous two centuries within Europe. Together with the basic weakness of the ASEAN community, which is compounded by its divisions and mutual suspicions, the future regional order in Southeast Asia is likely to be characterised by shifting alliances in an unstable balance of power system, with the concomitant danger of conflict actually breaking out.

In the final analysis, what is clear is that the problems with ASEAN's approach in managing regional order, particularly differences over regional political and economic cooperation among the member-states, the presence of intra-ASEAN tensions, the suspicions generated by the regional arms race, the complications emanating from their internal security threats, and the increasingly intrusive influence of the Great Powers, have constituted serious constraints on the ability of the ASEAN states to develop further cooperation with each other and to influence the regional order. Despite the rhetoric of neutrality and attempts at cooperative regionalism, the ASEAN

states have in fact found themselves engaged in balance of power politics involving the Great Powers to safeguard their security. They demonstrate the weakness of the ASEAN states and the constraints on their ability to manage the regional order.

APPENDICES

APPENDIX 1

TREATY OF AMITY AND COOPERATION IN SOUTHEAST ASIA BALI, 24 FEBRUARY 1976

PREAMBLE:

The High Contracting Parties:

CONSCIOUS of the existing ties of history, geography and culture, which have bound their peoples together;

ANXIOUS to promote regional peace and stability through abiding respect for justice and the rule of law and enhancing regional resilience in their relations;

DESIRING to enhance peace, friendship and mutual cooperation on matters affecting Southeast Asia consistent with the spirit and principles of the Charter of the United Nations, the Ten Principles adopted by the Asian-African Conference in Bandung on 25 April 1955, the Declaration of the Association of Southeast Asian Nations signed in Bangkok on 8 August 1967, and the Declaration signed in Kuala Lumpur on 27 November 1971;

CONVINCED that the settlement of differences or disputes between their countries should be regulated by rational, effective and sufficiently flexible procedures, avoiding negative attitudes which might endanger or hinder cooperation;

BELIEVING in the need for cooperation with all peace-loving nations, both within and outside Southeast Asia, in the furtherance of world peace, stability and harmony;

SOLEMNLY AGREE to enter into a Treaty of Amity and Cooperation as follows:

CHAPTER 1 Purpose and Principles ARTICLE 1

The purpose of this Treaty is to promote perpetual peace, everlasting amity and cooperation among their peoples which would contribute to their strength, solidarity and closer relationship.

ARTICLE 2

In their relations with one another, the High Contracting Parties shall be guided by the following fundamental principles:

- a. Mutual respect for the independence, sovereignty, equality, territorial integrity and national identity of all nations;

- b. The right of every State to lead its national existence free from external interference, subversion or coercion;
- c. Non-interference in the internal affairs of one another;
- d. Settlement of differences or disputes by peaceful means;
- e. Renunciation of the threat or use of force;
- f. Effective cooperation among themselves.

CHAPTER II

Amity

ARTICLE 3

In pursuance of the purpose of this Treaty the High Contracting Parties shall endeavour to develop and strengthen the traditional, cultural and historical ties of friendship, good neighbourliness and cooperation which bind them together and shall fulfill in good faith the obligations assumed under this Treaty. In order to promote closer understanding among them, the High Contracting Parties shall encourage and facilitate contact and intercourse among their peoples.

CHAPTER III

Cooperation

ARTICLE 4

The High Contracting Parties shall promote active cooperation in the economic, social, technical, scientific and administrative fields as well as in matters of common ideals and aspiration of international peace and stability in the region and all other matters of common interest.

ARTICLE 5

Pursuant to Article 4 the High Contracting Parties shall exert their maximum efforts multilaterally as well as bilaterally on the basis of equality, non-discrimination and mutual benefit.

ARTICLE 6

The High Contracting Parties shall collaborate for the acceleration of the economic growth in the region in order to strengthen the foundation for a prosperous and peaceful community of nations in Southeast Asia. To this end, they shall promote the greater utilization of their agriculture and industries, the expansion of their trade and the improvement of their economic infrastructure for the mutual benefit of their peoples. In this regard, they shall continue to explore all avenues for close and beneficial cooperation with other States as well as international and regional organisations outside the region.

ARTICLE 7

The High Contracting Parties, in order to achieve social justice and to raise the standards of living of the peoples of the region, shall intensify economic cooperation. For this purpose, they shall adopt appropriate regional strategies for economic development and mutual assistance.

ARTICLE 8

The High Contracting Parties shall strive to achieve the closest cooperation on the widest scale and shall seek to provide assistance to one another in the form of training and research facilities in the social, cultural, technical, scientific and administrative fields.

ARTICLE 9

The High Contracting Parties shall endeavour to foster cooperation in the furtherance of the cause of peace, harmony, and stability in the region. To this end, the High Contracting Parties shall maintain regular contacts and consultations with one another on international and regional matters with a view to coordinating their views, actions and policies.

ARTICLE 10

Each High Contracting Party shall not in any manner of form participate in any activity which shall constitute a threat to the political and economic stability, sovereignty, or territorial integrity of another High Contracting Party.

ARTICLE 11

The High Contracting Parties shall endeavour to strengthen their respective national resilience in their political, economic, socio-cultural as well as security fields in conformity with their respective ideals and aspirations, free from external interference as well as internal subversive activities in order to preserve their respective national identities.

ARTICLE 12

The High Contracting Parties in their efforts to achieve regional prosperity and security, shall endeavour to cooperate in all fields for the promotion of regional resilience, based on the principles of self-confidence, self-reliance, mutual respect, cooperation and solidarity which will constitute the foundation for a strong and viable community of nations in Southeast Asia.

CHAPTER IV
Peaceful Settlement of Disputes
ARTICLE 13

The High Contracting Parties shall have the determination and good faith to prevent disputes from arising. In case of disputes on matters directly affecting them shall refrain from the threat or use of force and shall at all times settle such disputes among themselves through friendly negotiations.

ARTICLE 14

To settle disputes through regional processes the High Contracting Parties shall constitute, as a continuing body, a High Council comprising a Representative at ministerial level from the High Contracting Parties to take cognizance of the existence of disputes or situations likely to disturb regional peace and harmony.

ARTICLE 15

In the event no solution is reached through direct negotiations, the High Council shall take cognizance of the dispute or the situation and shall recommend to the parties in dispute appropriate means of settlement such as good offices, mediation, inquiry or conciliation. The High Council may, however, offer its good offices, or upon agreement of the parties in dispute constitute itself into a committee of mediation inquiry or conciliation. When deemed necessary the High Council shall recommend appropriate measures for the prevention of a deterioration of the dispute or the situation.

ARTICLE 16

The forgoing provision of this Chapter shall not apply to a dispute unless all the parties to the dispute agree to their application to that dispute. However, this shall not preclude the other High Contracting Parties not party to the dispute from offering all possible assistance to settle the said dispute. Parties to the dispute should be well disposed towards such offers of assistance.

ARTICLE 17

Nothing in this Treaty shall preclude recourse to the modes of peaceful settlement contained in Article 33 (1) of the Charter of the United Nations. The High Contracting Parties which are parties to a dispute should be encouraged to take initiatives to solve it by friendly negotiations before resorting to the other procedures provided for in the Charter of the United Nations.

CHAPTER V
General Provision
ARTICLE 18

This Treaty shall be signed by the Republic of Indonesia, Malaysia, the Republic of the Philippines, the Republic of Singapore and the Kingdom of Thailand. It

shall be ratified in accordance with the constitutional procedures of each signatory state.

It shall be open for accession by other States in Southeast Asia.

ARTICLE 19

This Treaty shall enter into force on the date of the deposit of the fifth instrument of ratification with the Governments of the signatory States which are designated Depositories of this Treaty and of the instruments of ratification or accession.

ARTICLE 20

This Treaty is drawn up in the official languages of the High Contracting Parties, all of which are equally authoritative. There shall be an agreed common translation of the texts in the English language. Any divergent interpretation of the common text shall be settled by negotiation.

IN FAITH THEREOF the High Contracting Parties have signed the Treaty and have hereto affixed their Seals.

DONE at Denpasar, Bali, this twenty-fourth day of February in the year one-thousand nine hundred and seventy-six.

For the Republic of Indonesia:

SOEHARTO
President

For Malaysia:

DATUK HUSSEIN ONN
Prime Minister

For the Republic of the Philippines:

FERDINAND E. MARCOS
President

For the Republic of Singapore:

LEE KUAN YEW
Prime Minister

For the Kingdom of Thailand:

KUKRIT PRAMOJ
Prime Minister

APPENDIX 2

DECLARATION OF ASEAN CONCORD, BALI, 24 FEBRUARY 1976

The President of the Republic of Indonesia, the Prime Minister of Malaysia, the President of the Republic of the Philippines, the Prime Minister of the Republic of Singapore and the Prime Minister of the Kingdom of Thailand:

REAFFIRM their commitment to the Declarations of Bandung, Bangkok and Kuala Lumpur and the Charter of the United Nations;

ENDEAVOUR to promote peace, progress, prosperity and the welfare of the peoples of member states;

UNDERTAKE to consolidate the achievements of ASEAN and expand ASEAN cooperation in the economic, social, cultural and political fields;

DO HEREBY DECLARE:

ASEAN cooperation shall take into account, among others, the following objectives and principles in the pursuit of political stability:

1. The stability of each member state and of the ASEAN region is an essential contribution to international peace and security. Each member state resolves to eliminate threats posed by subversion to its stability, thus strengthening national and ASEAN resilience.
2. Member states, individually and collectively, shall take active steps for the early establishment of the Zone of Peace, Freedom and Neutrality.
3. The elimination of poverty, hunger, disease and illiteracy is a primary concern of member states. They shall therefore intensify cooperation in economic and social development, with particular emphasis on the promotion of social justice and on the improvement of the living standards of their peoples.
4. Natural disasters and other major calamities can retard the pace of development of member states. They shall extend, within their capabilities assistance for relief of member states in distress.
5. Member states shall take cooperative action in their national and regional development programmes, utilizing as far as possible the resources available in the ASEAN region to broaden the complementarity of their respective economies.
6. Member states, in the spirit of ASEAN solidarity, shall rely exclusively on peaceful processes in the settlement of intra-regional differences.

7. Member states shall strive, individually and collectively, to create conditions conducive to the promotion of peaceful cooperation among the nations of Southeast Asia on the basis of mutual respect and mutual benefit.

8. Member states shall vigorously develop an awareness of regional identity and exert all efforts to create a strong ASEAN community respected by all and respecting all nations on the basis of mutually advantageous relationships, and in accordance with the principles of self-determination, sovereign equality and non-interference in the internal affairs of nations.

AND DO HEREBY ADOPT

The following programme of action as a framework for ASEAN cooperation.

A. Political

1. Meeting of the Heads of Government of the member states as and when necessary.
2. Signing of the Treaty of Amity and Cooperation in Southeast Asia.
3. Settlement of intra-regional disputes by peaceful means as soon as possible.
4. Immediate consideration of initial steps towards recognition of and respect for the Zone of Peace, Freedom and Neutrality wherever possible.
5. Improvement of ASEAN machinery to strengthen political cooperation.
6. Study on how to develop judicial cooperation including the possibility of an ASEAN Extradition Treaty.
7. Strengthening of political solidarity by promoting the harmonization of views, coordinating positions and, where possible and desirable, taking common actions.

B. Economic

1. Cooperation on Basic Commodities, particularly Food and Energy

(i) Member states shall assist each other by according priority to the supply of the individual country's needs in critical circumstances, and priority to the acquisition of exports from member states, in respect of basic commodities, particularly food and energy.

(ii) Member states shall also intensify cooperation in the production of basic commodities particularly food and energy in the individual member states of the region.

2. Industrial Cooperation

(i) Member states shall cooperate to establish large-scale ASEAN industrial plants, particularly to meet regional requirements of essential commodities.

(ii) Priority shall be given to projects which utilize the available materials in the member states, contribute to the increase of food production, increase foreign exchange earnings or save foreign exchange and create employment.

3. Cooperation in Trade

(i) Member states shall cooperate in the fields of trade in order to promote development and growth of new production and trade and to improve the trade structures of individual states and among countries of ASEAN conducive to further development and to safeguard and increase their foreign exchange earnings and reserves.

(ii) Member states shall progress towards the establishment of preferential trading arrangements as a long term objective on a basis deemed to be at any particular time appropriate through rounds of negotiations subject to the unanimous agreement of member states.

(iii) The expansion of trade among member states shall be facilitated through cooperation on basic commodities, particularly in food and energy and through cooperation in ASEAN industrial projects.

(iv) Member states shall accelerate joint efforts to improve access to markets outside ASEAN for their raw material and finished products by seeking the elimination of all trade barriers in those markets, developing new usage for these products and in adopting common approaches and actions in dealing with regional groupings and individual economic powers.

(v) Such efforts shall also lead to cooperation in the field of technology and production methods in order to increase the production and to improve the quality of export products, as well as to develop new export products with a view to diversifying exports.

4. Joint Approach to International Commodity Problems and Other World Economic Problems

(i) The principle of ASEAN cooperation on trade shall also be reflected on a priority basis in joint approaches to international commodity problems and other world economic problems such as the reform of the international trading system, the reform of the international monetary system and transfer of real resources, in the United Nations and other relevant multilateral fora, with a view to contributing to the establishment of the New International Economic Order.

(ii) Member states shall give priority to the stabilisation and increase of export earnings of those commodities produced and exported by them through commodity agreements including buffer-stock schemes and other means.

5. Machinery for Economic Cooperation

Ministerial meetings on economic matters shall be held regularly or as deemed necessary in order to:

(i) formulate recommendations for the consideration of Governments of member states for the strengthening of ASEAN economic cooperation;

(ii) review the coordination and implementation of agreed ASEAN programmes and projects on economic cooperation;

(iii) exchange views and consult on national development plans and policies as a step towards harmonizing regional development; and

(iv) perform such other relevant functions as agreed upon by the member Governments.

C. Social

1. Cooperation in the field of social development, with emphasis on the well-being of the low-income group and of the rural population, through the expansion of opportunities for productive employment with fair remuneration.

2. Support for the active involvement of all sectors and levels of the ASEAN communities, particularly the women and youth, in development efforts.

3. Intensification and expansion of existing cooperation in meeting the problems of population growth in the ASEAN region, and where possible, formulation of new strategies in collaboration with appropriate international agencies.

4. Intensification of cooperation among member states as well as with the relevant international bodies in the prevention and eradication of the abuse of narcotics and the illegal trafficking of drugs.

D. Cultural and Information

1. Introduction of the study of ASEAN, its member states and their national languages as part of the curricula of schools and other institutions of learning in the member states.

2. Support of ASEAN scholars, writers, artists and mass media representatives to enable them to play an active role in fostering a sense of regional identity and fellowship.

3. Promotion of Southeast Asian studies through closer collaboration among national institutes.

E. Security

Continuation of cooperation on a non-ASEAN basis between the member states in security matters in accordance with their mutual needs and interests.

F. Improvement of ASEAN machinery

1. Signing of the *Agreement on the Establishment of the ASEAN Secretariat*.
2. Regular review of the ASEAN organizational structure with a view to improving its effectiveness.
3. Study of the desirability of a new constitutional framework for ASEAN.

DONE at Denpasar, Bali, this Twenty-Fourth Day of February in the year One Thousand Nine Hundred and Seventy-Six.

For the Republic of Indonesia:

SOEHARTO
President

For Malaysia:

DATUK HUSSEIN ONN
Prime Minister

For the Republic of the Philippines:

FERDINAND E. MARCOS
President

For the Republic of Singapore:

LEE KUAN YEW
Prime Minister

For the Kingdom of Thailand:

KUKRIT PRAMOJ
Prime Minister

APPENDIX 3

ZONE OF PEACE, FREEDOM AND NEUTRALITY DECLARATION (KUALA LUMPUR DECLARATION) KUALA LUMPUR, 27 NOVEMBER 1971

We, the Foreign Ministers of Indonesia, Malaysia, the Philippines, Singapore and the Special Envoy of the National Executive Council of Thailand:

FIRMLY believing in the merits of regional cooperation which has drawn our countries to cooperate together in the economic, social and cultural fields in the Association of South East Asian Nations;

DESIROUS of bringing about a relaxation of international tension and of achieving a lasting peace in South East Asia;

INSPIRED by the worthy aims and objectives of the United Nations, in particular by the principles of respect for the sovereignty and territorial integrity of all states, abstention from threat or use of force, peaceful settlement of international disputes, equal rights and self-determination and non-interference in the affairs of States;

BELIEVING in the continuing validity of the "Declaration on the Promotion of World Peace and Cooperation" of the Bandung Conference of 1955 which, among others, enunciates the principles by which states may coexist peacefully;

RECOGNISING the right of every state, large or small, to lead its national existence free from outside interference in its internal affairs as this interference will adversely affect its freedom, independence and integrity;

DEDICATED to the maintenance of peace, freedom and independence unimpaired;

BELIEVING in the need to meet present challenges and new developments by cooperating with all peace and freedom loving nations, both within and outside the region, in the furtherance of world peace, stability and harmony;

COGNIZANT of the significant trend towards establishing nuclear-free zones, as in the "Treaty for the Prohibition of Nuclear Weapons in Latin America" and the Lusaka Declaration proclaiming Africa as a nuclear-free zone, for the purpose of promoting world peace and security by reducing the areas of international conflicts and tension;

REITERATING our commitment to the principle in the *Bangkok Declaration* which established ASEAN in 1967, "that the countries of South East Asia share a primary responsibility for strengthening the economic and social stability of the region and ensuring their peaceful and progressive national development, and that they are determined to ensure stability and security from external interference in any form or manifestation in order to preserve their national identities in accordance with the ideals and aspirations of their peoples";

AGREEING that the neutralization of South East Asia is a desirable objective and that we should explore ways and means of bringing about its realization; and

CONVINCED that the time is propitious for joint action to give effective expression to the deeply felt desire of the peoples of South East Asia to ensure the conditions of peace and stability indispensable to their independence and their economic and social well-being;

DO HEREBY STATE

1. that Indonesia, Malaysia, the Philippines, Singapore and Thailand are determined to exert initially necessary efforts to secure the recognition of, and respect for, South East Asia as a Zone of Peace, Freedom and Neutrality, free from any form or manner of interference by outside Powers;

2. that South East Asian countries should make concerted efforts to broaden the areas of cooperation which would contribute to their strength, solidarity and closer relationship.

DONE at Kuala Lumpur on Saturday, the 27th of November 1971.

On behalf of the Republic of Indonesia:

ADAM MALIK
Minister of Foreign Affairs

On behalf of Malaysia:

TUN ABDUL RAZAK BIN HUSSEIN
Prime Minister and Minister of Foreign Affairs

On behalf of the Republic of the Philippines:

CARLOS P. ROMULO
Secretary of Foreign Affairs

On behalf of the Republic of Singapore:

S. RAJARATNAM
Minister for Foreign Affairs

On behalf of the Kingdom of Thailand:

THANAT KHOMAN
Special Envoy of the National Executive Council

APPENDIX 4

THE SINGAPORE DECLARATION OF 1992

1. We, the Heads of State and Government of ASEAN, are encouraged by the achievements of ASEAN in the last twenty-five years, and are convinced that ASEAN cooperation remains vital to the well-being of our peoples.

2. Having reviewed the profound international political and economic changes that have occurred since the end of the Cold War and considered their implications for ASEAN, we declare that:

ASEAN shall move towards a higher plane of political and economic cooperation to secure regional peace and prosperity;

ASEAN shall constantly seek to safeguard its collective interests in response to the formation of large and powerful economic groupings among the developed countries, in particular through the promotion of an open international economic regime and by stimulating economic cooperation in the region;

ASEAN shall seek avenues to engage member states in new areas of cooperation in security matters; and

ASEAN shall forge a closer relationship based on friendship and cooperation with the Indochinese countries, following the settlement on Cambodia.

POLITICAL AND SECURITY COOPERATION

3. In the field of political and security cooperation, we have agreed that:

ASEAN welcomes accession by all countries in Southeast Asia to the Treaty of Amity and Cooperation in Southeast Asia, which will provide a common framework for wider regional cooperation embracing the whole of Southeast Asia;

ASEAN will also seek the cognizance of the United Nations for the Treaty through such means as an appropriate Resolution. This will signify ASEAN's commitment to the centrality of the UN role in the maintenance of international peace and security as well as promoting cooperation for socio-economic development;

ASEAN could use established fora to promote external dialogues on enhancing security in the region as well as intra-ASEAN dialogues on ASEAN security cooperation (such as the regional security seminars held in Manila and Bangkok in 1991, and the workshops on the South China Sea held in Bali in 1990 and Bandung in 1991), taking full cognizance of the Declaration of ASEAN Concord. To enhance this effort, ASEAN should intensify its external dialogues in political and security matters by using the ASEAN Post-Ministerial Conferences (PMC);

ASEAN has made major strides in building cooperative ties with states of the Asia-Pacific region and shall continue to accord them a high priority;

ASEAN will seek to realise the Zone of Peace, Freedom and Neutrality (ZOPFAN) and a Southeast Asian Nuclear Weapon Free Zone (SEANWFZ) in consultation with friendly countries, taking into account changing circumstances;

ASEAN will closely cooperate with the United Nations and the international community in ensuring the full implementation of the Peace Agreements signed in Paris in October 1991. ASEAN supports the Cambodian Supreme National Council in calling on the UN Secretary-General to despatch UNTAC as early as possible in order to preserve the momentum of the peace process and to implement the gains realised by the signing of the Paris Peace Agreements. ASEAN calls on all parties in Cambodia to implement seriously the process of national reconciliation which is essential to a genuine and lasting peace in Cambodia; and ASEAN will play an active part in international programmes for the reconstruction of Vietnam, Laos and Cambodia.

4. Conscious of the central role of the United Nations in the post-Cold War, we agree that:

The proposed Summit of members of the United Nations Security Council should help shape the United Nations' role for the promotion of a more equitable international political and economic order, and for the democratisation of the United Nations' decision-making processes in order to make the organization truly effective in meeting its obligations;

ASEAN will participate actively in efforts to ensure that the United Nations is a key instrument for maintaining international peace and security; and

ASEAN will encourage all efforts to strengthen the United Nations, including its role and capabilities in peacekeeping and peacemaking, in accordance with the United Nations Charter.

DIRECTIONS IN ASEAN ECONOMIC COOPERATION

5. In the field of economic cooperation, we have agreed that:

To further accelerate joint efforts in enhancing intra-ASEAN economic cooperation, ASEAN shall adopt appropriate new economic measures as contained in the Framework Agreement on Enhancing ASEAN Economic Cooperation directed towards sustaining ASEAN economic growth and development which are essential to the stability and prosperity of the region;

ASEAN shall establish the ASEAN Free Trade Area using the Common Effective Preferential Tariff (CEPT) Scheme as the main mechanism within a time frame of 15 years beginning 1 January 1993 with the ultimate effective tariffs ranging from

0% to 5%. ASEAN member states have identified the following fifteen groups of products to be included in the CEPT Scheme for accelerated tariff reductions:

- vegetable oils
- cement
- chemicals
- pharmaceuticals
- fertiliser
- plastics
- rubber products
- leather products
- pulp
- textiles
- ceramic and glass products
- gems and jewellery
- copper cathodes
- electronics
- wooden and rattan furniture

ASEAN shall increase investments, industrial linkages and complementarity by adopting new and innovative measures, as well as strengthening existing arrangements in ASEAN and providing flexibility for new forms of industrial cooperation;

ASEAN shall strengthen and develop further cooperation in the field of capital markets, and shall encourage and facilitate free movement of capital and other financial resources;

ASEAN shall further enhance regional cooperation to provide safe, efficient and innovative transportation and communications infrastructure network;

ASEAN shall also continue to improve and develop the intra-country postal and telecommunications system to provide cost-effective, high quality and customer-oriented services;

ASEAN shall adopt joint efforts to strengthen trade promotion and negotiations on ASEAN agricultural products in order to enhance ASEAN's competitive posture, and to sustain the expansion of ASEAN agricultural exports in the international markets;

ASEAN acknowledges that sub-regional arrangements among themselves, or between ASEAN member states and non-ASEAN economies could complement overall ASEAN economic cooperation;

ASEAN recognises the importance of strengthening and/or establishing cooperation with other countries, regional/multilateral economic organisations, as well as Asia-Pacific Economic Cooperation (APEC) and an East Asia Economic Caucus (EAEC). With regard to APEC, ASEAN attaches importance to APEC's fundamental objective of sustaining the growth and dynamism of the Asia-Pacific

region. With respect to an EAEC, ASEAN recognises that consultations on issues of common concern among East Asian economies, as and when the need arises, could contribute to expanding cooperation among the region's economies, and the promotion of an open and free global trading system;

Further, recognising the importance of non-tariff and non-border areas of cooperation to complement tariff liberalisation in increasing regional trade and investment, ASEAN shall further explore cooperation in these areas with a view to making recommendations to the Fifth ASEAN Summit;

ASEAN shall continue with its concerted efforts in the promotion of tourism, particularly in making the Visit ASEAN Year 1992 a success;

ASEAN shall continue to step up cooperation in other economic-related areas, such as science and technology transfer and human resource development;

ASEAN shall enhance cooperation and collective action in international and inter-regional fora as well as in international organisations and regional groupings. ASEAN shall also continue to enhance relations with its dialogue partners and other producing/consuming countries towards the advancement of the commodity sector in the region and in addressing international commodity issues;

ASEAN recognises that sustained economic growth requires considerable inputs of energy. As member states continue to industrialise and strengthen their industrial base, ASEAN shall focus and strengthen cooperation in energy security, conservation and the search for alternative fuels;

ASEAN recognises the complementarity of trade and investment opportunities and therefore encourages, among others, increased cooperation and exchanges among the ASEAN private sectors, and the consideration of appropriate policies for greater intra-ASEAN investments;

ASEAN shall continue to uphold the principles of free and open trade embodied in the General Agreement on Tariffs and Trade (GATT), and work towards maintaining and strengthening an open multilateral trading system;

ASEAN shall work collectively to ensure that the Uruguay Round addresses the key concerns and interests of the ASEAN economies, and adopt a pragmatic and realistic approach, in using the Draft Final Text as at 20 December 1991 as a reasonable basis for completing negotiations; and

ASEAN strongly urges major trading countries to settle their differences on agriculture and other areas, and likewise use the Draft Final Text to work towards an early and successful conclusion of the Uruguay Round.

REVIEW OF ASEAN'S EXTERNAL RELATIONS

6. In reviewing ASEAN's external relations, we agreed that:

ASEAN, as part of an increasingly interdependent world, should intensify cooperative relationships with its Dialogue partners, namely Australia, Canada, the European Community, Japan, the Republic of Korea, New Zealand and the United States, and engage in consultative relationships with interested non-Dialogue countries and international organizations; and

While ASEAN's cooperative relationships with the Dialogue partners have made significant progress, ASEAN should strengthen existing dialogue mechanisms and develop new ones where necessary for the enhancement of economic relations with these countries, especially ASEAN's major economic partners.

ASEAN FUNCTIONAL COOPERATION

7. In the field of functional cooperation, we have agreed that:

The ASEAN member countries shall continue to enhance awareness of ASEAN among the people in the region through the expansion of ASEAN Studies as part of Southeast Asian Studies in the school and university curricula and the introduction of ASEAN student exchange programmes at the secondary and tertiary levels of education;

ASEAN should help hasten the development of a regional identity and solidarity, and promote human resource development by considering ways to further strengthen the existing network of the leading universities and institutions of higher learning in the ASEAN region with a view to ultimately establishing an ASEAN University based on this expanded network;

ASEAN functional cooperation shall be designed for a wider involvement and increased participation by women in the development of ASEAN countries in order to meet their needs and aspirations. This cooperation shall also extend to the development of children to realise their full potential;

The ASEAN member countries shall continue to play an active part in protecting the environment by continuing to cooperate in promoting the principle of sustainable development and integrating it into all aspects of development;

ASEAN member countries should continue to enhance environmental cooperation, particularly in issues of transboundary pollution, natural disasters, forest fires and in addressing the anti-tropical timber campaign;

The developed countries should commit themselves to assist developing countries by providing them new and additional financial resources as well as the transfer of, and access to environmentally sound technology on concessional and preferential terms;

The developed countries should also help to maintain an international environment supportive of economic growth and development;

ASEAN looks forward to seeing these commitments reflected in the outcome of the United Nations Conference on Environment and Development in 1992 at Rio de Janeiro;

As Non-Governmental Organizations (NGOs) play an important role in social development, ASEAN shall encourage the exchange of information among NGOs in the region and help expand their participation in intra-ASEAN functional cooperation;

ASEAN shall intensify its cooperation in overcoming the serious problem of drug abuse and illicit drug trafficking at the national, regional and international levels; and

ASEAN shall make a coordinated effort in curbing the spread of AIDS by exchanging information on AIDS, particularly in the formulation and implementation of policies and programmes against the deadly disease.

RESTRUCTURING OF ASEAN INSTITUTIONS

8. To strengthen ASEAN, we have agreed that:

ASEAN Heads of Government shall meet formally every three years with informal meetings in between;

The ASEAN organizational structure, especially the ASEAN Secretariat, shall be streamlined and strengthened with more resources;

The Secretary-General of the ASEAN Secretariat shall be redesignated as the Secretary-General of ASEAN with an enlarged mandate to initiate, advise, coordinate and implement ASEAN activities;

The Secretary-General of ASEAN shall be appointed on merit and accorded ministerial status;

The professional staff of the ASEAN Secretariat be appointed on the principle of open recruitment and based on a quota system to ensure representation of all ASEAN countries in the Secretariat;

The five present ASEAN Economic Committees be dissolved and the Senior Economic Officials Meeting (SEOM) be tasked to handle all aspects of ASEAN economic cooperation; and

A ministerial-level Council be established to supervise, coordinate and review the implementation of the Agreement on the Common Effective Preferential Tariff (CEPT) Scheme for the ASEAN Free Trade Area (AFTA).

DONE at Singapore on the 28th of January 1992.

For Brunei Darussalam:

HAJI HASSANAL BOLKIAH
Sultan of Brunei Darussalam

For the Republic of Indonesia:

SOEHARTO
President

For the Republic of the Philippines:

CORAZON AQUINO
President

For Malaysia

DR MAHATHIR BIN MOHAMAD
Prime Minister

For the Republic of Singapore

GOH CHOK TONG
Prime Minister

For the Kingdom of Thailand:

ANAND PANYARACHUN
Prime Minister

APPENDIX 5

AGREEMENT ON THE COMMON EFFECTIVE PREFERENTIAL TARIFF (CEPT) SCHEME FOR THE ASEAN FREE TRADE AREA (AFTA) 28 JANUARY 1992

The Governments of Brunei Darussalam, the Republic of Indonesia, Malaysia, the Republic of the Philippines, the Republic of Singapore and the Kingdom of Thailand, Member States of the Association of South East Asian Nations (ASEAN):

MINDFUL of the Declaration of ASEAN Concord signed in Bali, Indonesia on 24 February 1976 which provides that Member States shall cooperate in the field of trade in order to promote development and growth of new production and trade;

RECALLING that the ASEAN Heads of Government, at their Third Summit Meeting held in Manila on 13-15 December 1987, declared that Member States shall strengthen intra-ASEAN economic co-operation to maximise the realisation of the region's potential in trade and development;

NOTING that the Agreement on ASEAN Preferential Trading Arrangements (PTA) signed in Manila on 24 February 1977 provides for the adoption of various instruments on trade liberalisation on a preferential basis;

ADHERING to the principles, concepts and ideals of the Framework Agreement on Enhancing ASEAN Economic Cooperation signed in Singapore on 28 January 1992;

CONVINCED that preferential trading arrangements among ASEAN Member States will act as a stimulus to the strengthening of national and ASEAN economic resilience, and the development of the national economies of Member States by expanding investment and production opportunities, trade, and foreign exchange earnings;

DETERMINED to further cooperate in the economic growth of the region by accelerating the liberalisation of intra-ASEAN trade and investment with the objective of creating the ASEAN Free Trade Area using the Common Effective Preferential Tariff (CEPT) Scheme;

DESIRING to effect improvements on the ASEAN PTA in consonance with ASEAN's international commitments;

HAVE AGREED AS FOLLOWS:

ARTICLE 1 Definition

For the purposes of this Agreement:

1. "CEPT" means the Common Effective Preferential Tariff, and it is an agreed effective tariff, preferential to ASEAN, to be applied to goods originating from ASEAN Member States, and which have been identified for inclusion in the CEPT Scheme in accordance with Articles 2 (5) and 3.

2. "Non-Tariff Barriers" mean measures other than tariffs which effectively prohibit or restrict import or export of products within Member States.

3. "Quantitative restrictions" mean prohibitions or restrictions on trade with other Member States, whether made effective through quotas, licences or other measures with equivalent effect, including administrative measures and requirements which restrict trade.

4. "Foreign exchange restrictions" mean measures taken by Member States in the form of restrictions and other administrative procedures in foreign exchange which have the effect of restricting trade.

5. "PTA" means ASEAN Preferential Trading Arrangements stipulated in the Agreements, signed in Manila on 24 February 1977, and in the Protocol on Improvements on Extension of Tariff Preferences under the ASEAN Preferential Trading Arrangements (PTA), signed in Manila on 15 December 1987.

6. "Exclusion List" means a list containing products that are excluded from the extension of tariff preferences under the CEPT Scheme.

7 "Agricultural products" mean:

(a) agricultural raw materials, unprocessed products covered under Chapters 1-24 of the Harmonised System (HS), and similar agricultural raw materials/unprocessed products in other related HS Headings; and

(b) products which have undergone simple processing with minimal change in form from the original products.

ARTICLE 2

General Provisions

1. All Member States shall participate in the CEPT Scheme.

2. Identification of products to be included in the CEPT Scheme shall be on a sectoral basis, i.e., at HS 6-digit level.

3. Exclusions at the HS 819 digit level for specific products are permitted for those Member States, which are temporarily not ready to include such products in the CEPT Scheme. For specific products, which are sensitive to a Member State, pursuant to Article 1 (3) of the Framework Agreement on Enhancing ASEAN Economic

Cooperation, a Member State may exclude products from the CEPT Scheme, subject to a waiver of any concession herein provided for such products. A review of this Agreement shall be carried out in the eighth year to decide on the final Exclusion List or any amendment to this Agreement.

4. A product shall be deemed to be originating from ASEAN Member States, if at least 40% of its content originates from any Member State.

5. All manufactured products, including capital goods, processed agricultural products and those products falling outside the definition of agricultural products, as set out in this Agreement, shall be in the CEPT Scheme. These products shall automatically be subject to the schedule of tariff reduction, as set out in Article 4 of this Agreement. In respect of PTA items, the schedule of tariff reduction provided for in Article 4 of this Agreement shall be applied, taking into account the tariff rate after the application of the existing margin of preference (MOP) as at 31 December 1992.

6. All products under the PTA which are not transferred to the CEPT Scheme shall continue to enjoy the MOP existing as at 31 December 1992.

7. Member States, whose tariffs for the agreed products are reduced from 20% and below to 0%-5% even though granted on an MFN basis, shall still enjoy concessions. Member States with tariff rates at MFN rates of 0%-5% shall be deemed to have satisfied the obligations under this Agreement and shall also enjoy the concessions.

ARTICLE 3

Product Coverage

This Agreement shall apply to all manufactured products, including capital goods, processed agricultural products, and those products falling outside the definition of agricultural products as set out in this Agreement. Agricultural products shall be excluded from the CEPT Scheme.

ARTICLE 4

Schedule of Tariff Reduction

Member States agree to the following schedule for effective preferential tariff reductions:

(a) The reduction from existing tariff rates to 20% shall be done within a time frame of 5 years to 8 years, from 1 January 1993, subject to a programme of reduction to be decided by each Member State, which shall be announced at the start of the programme. Member States are encouraged to adopt an annual rate of reduction, which shall be $(X-20)\%/5$ or 6, where X equals the existing tariff rates of individual Member States.

(b) The subsequent reduction of tariff rates from 20% or below shall be done within a time frame of 7 years. The rate of reduction shall be at a minimum of 5%

quantum per reduction. A programme of reduction to be decided by each Member State shall be announced at the start of the programme.

(c) For products with existing tariff rates of 20% or below as at 1 January 1993, Member States shall decide upon a programme of tariff reductions, and announce at the start, the schedule of tariff reductions. Two or more Member States may enter into arrangements for tariff reduction to 0%-5% on specific products at an accelerated pace to be announced at the start of the programme.

2. Subject to Articles 4(1)(b) and 4(1)(c) of this Agreement, products which reach, or are at tariff rates of 20% or below, shall automatically enjoy the concessions.

3. The above schedules of tariff reduction shall not prevent Member States from immediately reducing their tariffs to 0%-5% or following an accelerated schedule of tariff reduction.

ARTICLE 5

Other Provisions

A. Quantitative Restrictions and Non-Tariff Barriers

1. Member States shall eliminate all quantitative restrictions in respect of products under the CEPT Scheme upon enjoyment of the concessions applicable to those products.

2. Member States shall eliminate other non-tariff barriers on a gradual basis within a period of five years after the enjoyment of concessions applicable to those products.

B. Foreign Exchange Restrictions

Member States shall make exceptions to their foreign exchange restrictions relating to payments for the products under the CEPT Scheme, as well as repatriation of such payments without prejudice to their rights under Article XVIII of the General Agreement on Tariff and Trade (GATT) and relevant provisions of the Articles of Agreement of the International Monetary Fund (IMF).

C. Other Areas of Cooperation

Member States shall explore further measures on border and non-border areas of cooperation to supplement and complement the liberalisation of trade. These may include, among others, the harmonisation of standards, reciprocal recognition of tests and certification of products, removal of barriers to foreign investment, macroeconomic consultations, rules for fair competition, and promotion of venture capital.

D. Maintenance of Concessions

Member States shall not nullify or impair any of the concessions as agreed upon through the application of methods of customs valuation, any new charges or measures restricting trade, except in cases provided for in this Agreement.

ARTICLE 6 Emergency Measures

1. If, as a result of the implementation of this Agreement, import of a particular product eligible under the CEPT Scheme is increasing in such a manner as to cause or threaten to cause serious injury to sector producing like or directly competitive products in the importing Member States, the importing Member States may, to the extent and for such time as may be necessary to prevent or to remedy such injury, suspend preferences provisionally and without discrimination, subject to Article 6(3) of this Agreement. Such suspension of preferences shall be consistent with the GATT.

2. Without prejudice to existing international obligations, a Member State, which finds it necessary to create or intensify quantitative restrictions or other measures limiting imports with a view to forestalling the threat of or stopping a serious decline of its monetary reserves, shall endeavour to do so in a manner, which safeguards the value of the concessions agreed upon.

3. Where emergency measures are taken pursuant to this Article, immediate notice of such action shall be given to the Council referred to in Article 7 of this Agreement, and such action may be the subject of consultation as provided for in Article 8 of this Agreement.

ARTICLE 7 Institutional Arrangements

1. The ASEAN Economic Ministers (AEM) shall, for the purposes of this Agreement, establish a ministerial-level Council comprising one nominee from each Member State and the Secretary-General of the ASEAN Secretariat. The ASEAN Secretariat shall provide the support to the ministerial-level Council for supervising, coordinating and reviewing the implementation of this Agreement, and assisting the AEM in all matters relating thereto. In the performance of its functions, the ministerial-level Council shall also be supported by the Senior Economic Officials' Meeting (SEOM).

2. Member States which enter into bilateral arrangements on tariff reductions pursuant to Article 4 of this Agreement shall notify all other Member States and the ASEAN Secretariat of such arrangements.

3. The ASEAN Secretariat shall monitor and report to the SEOM on the implementation of the Agreement pursuant to the Article 11(2)(8) of the Agreement on the Establishment of the ASEAN Secretariat. Member States shall cooperate with the ASEAN Secretariat in the performance of its duties.

ARTICLE 8

Consultations

1. Member States shall accord adequate opportunity for consultations regarding any representations made by other Member States with respect to any matter affecting the implementation of this Agreement. The Council referred to in Article 7 of this Agreement, may seek guidance from the AEM in respect of any matter for which it has not been possible to find a satisfactory solution during previous consultations.
2. Member States, which consider that any other Member State has not carried out its obligations under this Agreement, resulting in the nullifications or impairment of any benefit accruing to them, may, with a view to achieving satisfactory adjustment of the matter, make representations or proposal to the other Member States concerned, which shall give due consideration to the representations or proposal made to it.
3. Any differences between the Member States concerning the interpretation or application of this Agreement shall, as far as possible, be settled amicably between the parties. If such differences cannot be settled amicably, it shall be submitted to the Council referred to in Article 7 of this Agreement, and if necessary, to the AEM.

ARTICLE 9

General Exceptions

Nothing in this Agreement shall prevent any Member State from taking action and adopting measures, which it considers necessary for the protection of its national security, the protection of public morals, the protection of human, animal or plant life and health, and the protection of articles of artistic, historic and archaeological value.

ARTICLE 10

Final Provisions

1. The respective Governments of Member States shall undertake the appropriate measures to fulfil the agreed obligations arising from this Agreement.
2. Any amendment to this Agreement shall be made by consensus and shall become effective upon acceptance by all Member States.
- 3 This Agreement shall be effective upon signing.
4. This Agreement shall be deposited with the Secretary-General of the ASEAN Secretariat, who shall likewise promptly furnish a certified copy thereof to each Member State.
5. No reservation shall be made with respect to any of the provisions of this Agreement.

In witness Whereof, the undersigned, being duly authorised thereto by their respective Governments, have signed this Agreement on Common Effective Preferential Tariff (CEPT) Scheme for the Free Trade Area (AFTA).

Done at Singapore, this 28th day of January, 1992 in a single copy in the English Language.

For the Government of Brunei Darussalam:

ABDUL RAHMAN TAIB
Minister of Industry and Primary Resources

For the Government of the Republic of Indonesia:

DR ARIFIN M SIREGAR
Minister of Trade

For the Government of Malaysia:

RAFIDAH AZIZ
Minister of International Trade and Industry

For the Government of the Philippines:

PETER D GARRUCHO JR
Secretary of Trade and Industry

For the Government of the Republic of Singapore:

LEE HSIEN LOONG
Deputy Prime Minister and
Minister for Trade and Industry

For the Government of the Kingdom of Thailand:

AMARET SILA-ON
Minister of Commerce

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