

BIBLIOGRAPHIC INFORMATION

Title	Some Challenges and Chances for ASEAN
Source	http://www.cpiasis.org
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Author 3	NA
Publication/Conference	10th Malaysia Strategic Outlook Conference 2008 organised by Malaysia's Asian Strategic and Learning Institute, ASLI, on 24 Jan 2008
Edition	NA
Document Type	Article
CPI Primary Subject	Foreign Relations and Treaties
CPI Secondary Subject	ASEAN; ;
Geographic Terms	ASEAN;
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Some Challenges and Chances for ASEAN

[Based on a paper presented at the 10th Malaysia Strategic Outlook Conference 2008 organised by Malaysia's Asian Strategic and Learning Institute, ASLI, on 24 Jan 2008]

By Ooi Kee Beng

Some of the most pressing questions facing ASEAN involve the ASEAN Charter and the ASEAN Economic Area, China and Japan's impact on ASEAN, and how ASEAN would fare in the immediate future. These broad issues are best dealt with by dividing them into those dealing with the short-term perspective and those that were long-term concerns. In this paper, I shall deal more with the latter than the former.

SHORT TERM

ASEAN's opportunities today stem from the fact that neighbouring regions are developing fast, meaning that the nations involved – by which I basically mean China and India, although we must not forget the rest of East Asia – wish more than ever to have intense economic ties with countries in Southeast Asia, and with ASEAN. This provides motivation for ASEAN to act as if it were more integrated than it actually is at the moment. To an extent, it has to “fake it till it makes it”, and I think the giant economies in the neighbourhood – especially China – prefer to treat ASEAN as one single entity, at least diplomatically and politically. What needs to be remembered here is that they are also competitors, for FDI and for markets.

But since the market is largely global, ASEAN economies have the chance of latching on to the giant Asian economies and *supplement* or *complement* them where possible. ASEAN economies cannot *compete* with them, and should not even try. What Southeast Asians need to do instead is to identify their comparative advantage, and to make full use of it and keep it for as long as possible. Also, they need to stay ahead on the value-added scale. This means proper investments in education and Research & Development, domestically.

As an illustration of the changing patterns in the regional economy, and what some of the challenges are, one can look at the case of Singaporeans now based in Shanghai. Largely, these can be grouped under three headings. (A fourth category not discussed is “Housewives”).

- a. A managerial class that western and Singaporean MNCs happily employ;
- b. SME entrepreneurs who are there making full use of the newness of the markets;
- c. Students who are there to learn Chinese culture and at the same time get training with foreign firms already established there;

These people are taking advantage of whatever comparative advantage they still have, be it in managerial abilities in a global market; knowledge of Chinese culture; knowing English well; or having a good educational background suited for global employment.

The adaptability of these groups reflects how ASEAN should develop. What is certain is that it should not retreat into isolationism, nationalism and defensiveness. The advantages it nevertheless still enjoys for the moment are:

- The small state's advantage (flexibility);
- The opponent's weaknesses (historical baggage; competition among giants);
- The big nations' need for the small states;
- Other comparative advantages (educational level, longer history of global participation).

LONG TERM

Long-term concerns are largely conceptual in character. The challenge lies in realising how these can be slowly transcended. Four of these are discussed below.

1. Convergence in Political Thought:

The first concerns political thought. I believe the introduction of the Socio-cultural Pillar in ASEAN integration has confused the issue. The integration we need between ASEAN nations is not socio-cultural. What we have to work on is convergence in political thought. Now, many NGO's and people's groups are quickly attracted towards the Socio-cultural Pillar, hoping that people power can be brought to bear on an otherwise top-down apparatus. I think the issue to concentrate on is actually convergence in political thought.

The questions to ask, and an integrated answer to which should be sought are of the type: "Why government?"; "For whom do we have governments?". These are common enough questions, but the extra element we need to add to them is: "Sufficiently common understanding of governance within the region".

How can we achieve an ASEAN political culture, or an ASEAN agreement on the meaning of government? Issues to discuss in such a context would include; limits of government; accommodation to the changing international scenario and how that impacts on the role of government in the region; income distribution; in what sense is it true that the government is for the people, so on and so forth.

That is a discussion ASEAN's thinkers and think-tanks have to go into thoroughly. Since the most pressing reason for regional integration is economic, not ideological, not cultural, and not religious, the pressing issue therefore concerns the relationship between economic growth and the goals of governance.

The strength of the European Union, I think, is in the high-level of convergence in political thought, not in culture, not in religion. I suspect that the often sloganistic use of the word "Democracy" in the European context makes it hard for Southeast Asian governments to admit that a convergence in political thought is important if integration in other areas is to be taken seriously.

In that context, the ASEAN Charter that is now in the process of being ratified by the member-states is indeed a big step forward. It can act as a clear focal point. The realisation of the ASEAN Economic Area of course will allow for more and more legislation that will be common to the countries involved, and that will allow for further convergence in political thought.

2. Trade-Route Mentality versus Nation-State Defensiveness:

The economic structure of the region – and the worldviews this accommodates – has traditionally been of the type based on trade routes. How ethnicity, religion and culture were once perceived were very much informed by the flux of trade and tradesmen. Essentialistic views had a hard time finding followers because the economics dictated otherwise. With the coming of nation-state thought and structures, however, tolerance in relations between faiths and ethnicities quickly gave way to defensive stances on such issues. Southeast Asia's societies are today caught between these two ways of looking at the world.

A conceptual shift away from nation-state loyalties and identities, towards a mindset based more on the trade-route reality of Southeast Asian cultural life will therefore be of great benefit. The widespread problem of inter-ethnic – and even inter-state – tensions throughout the region exists between these two frameworks of thought, and between two ways of looking at nations, states, business, culture, ethnicity and socio-political change.

Regionalism, when it has established itself beyond a certain level, can provide a larger framework with the potential to shift political and cultural thinking back towards one that expresses the underlying reality of Southeast Asian cultural and economic conditions.

Inter-ethnic and inter-faith tensions in Southeast Asian countries, and of course Malaysia as well, will improve if we shift nation-state-based thinking towards a trade-route perspective.

Furthermore, if a Southeast Asian identity is to come into being, the region's peoples have to be encouraged to perceive themselves as being more fluid than nations, more unrestricted than races, and more evolving than ethnicities. Only then can inter-ethnic distrust diminish.

3. Are Superstates Integrated Regions?:

To provide some needed perspective on what the loosely integrated ASEAN is up against, we should now and then think of the superstates of China, India and Japan as completed regionalistic creations. These are in effect integrated territories within which many barriers to economic growth, etc., are already removed by a long history of war and peace. It is not only the EU or NAFTA that ASEAN should think of as contending regions, but also the superstates, if it is to understand the challenges it faces.

China was an empire that had a hard time remaking itself for the modern world, but once that was done, it turned into an unstoppable economic powerhouse. India was formed through colonial conquest, and after going through a difficult period finding its place in a world split by the Cold War, it has now begun its journey towards an economic level worthy of its size.

Violence helped to create these superstates, these integrated regions. ASEAN is different. Like the EU, it was started to avoid violence. Paradoxically, this has, in the case of ASEAN, slowed regionalistic developments greatly, and I

think ASEAN governments still tend to see ASEAN as a nationally defensive measure, and not as an economically pro-active animal. As a result, decisions are made cautiously, and policies are negotiated in slow motion.

In truth, ASEAN cannot compete with the rising giants, which are ready-made regional bodies. It can only complement them, and there is a lot of room for that. There are many things the big and powerful cannot do that the small and insignificant can. For one thing, flexibility tends to be higher for smaller entities such as ASEAN than for giants such as China. That is one way ASEAN can remain relevant – being more on the ball. It is important, however, that we do not mistake the inability to arrive at decisions with the ability to shift direction.

4. A Need for Southeast Asian Voices and Faces:

ASEAN cannot exist as a unit that generates culture and thought, and that catches the imagination of its peoples, if there are no Southeast Asian voices to listen to and Southeast Asian faces to identify with.

ASEAN needs to hold up Southeast Asians as models *before* there can be a convergence of identity within the region. ASEAN is very much a top-down construction, even conceptually. For it to gain increasing acceptance and participation at lower social levels, there have to be institutions that common folk can easily identify as strongly anchored Southeast Asian entities, and not merely part of ASEAN's bureaucracy.

We lack such institutions still. Now, I toy with the idea that a permanent Eminent Persons' Group (EPG) will not be a bad thing, and that it will paradoxically provide room for the concerns of the common Southeast Asian inhabitant, and represent his or her voice. Of course an ASEAN parliament may even be better, but that will not be happening for a very long time yet. On the other hand, a permanent EPG, supported by think-tanks, people groups, as well as ASEAN's bureaucracy, will provide a forum for widespread envisaging of the region's present and future.

As with nations, regional bodies such as ASEAN came into being under very concrete conditions. The solutions were meant for a specific time, and so, because of that, reconceptualisations are regularly needed. My views on the long-term challenges facing ASEAN are presented in that spirit.